



# Digital Bros

digital entertainment

The Board of Directors of Digital Bros Group approves the Draft Financial Statements as of June 30<sup>th</sup>, 2024

**FY2023- 2024 FULL YEAR RESULTS:**

- REVENUE AT EURO 118 MILLION
- EBITDA AT EURO 42.2 MILLION, 35.8% OF NET REVENUE
- NEGATIVE EBIT AT EURO 1.4 MILLION. POSITIVE AT EURO 1.2 MILLION BEFORE NON-RECURRING ITEMS
- NET LOSS OF EURO 6.2 MILLION
- NET FINANCIAL DEBT AT EURO 24.8 MILLION SIGNIFICANTLY IMPROVED FROM THE LAST REPORTING PERIOD
- DECREASING REVENUE AND STABLE MARGINS EXPECTED FOR THE NEXT FISCAL YEAR

**RELEASE OF THE PC VERSION OF ASSETTO CORSA EVO  
OFFICIALLY ANNOUNCED IN EARLY ACCESS ON STEAM FOR JANUARY 2025**

- ✓ Consolidated revenue at Euro 118 million, in line with the previous fiscal year and slightly lower than pre-closing expectations due to two contracts being delayed
- ✓ EBITDA at Euro 42.2 million, slightly below the Euro 43.5 million as of June 30<sup>th</sup>, 2023, including Euro 1.4 million non-recurring costs related to the implementation of the reorganization plan
- ✓ EBIT was negative at Euro 1.4 million compared to the positive Euro 19.3 million as of June 30<sup>th</sup>, 2023, after Euro 8.2 million write-offs, also including productions cancelled during the year and a total Euro 2.6 million non-recurring items
- ✓ Net loss of Euro 6.2 million compared to the net profit of 9.6 million on June 30<sup>th</sup>, 2023, due to unexpected asset impairment and non-recurring items amounting to Euro 10.8 million, which lowered the pre-closing expectations
- ✓ Net financial debt at Euro 24.8 million (Euro 21 million net of the IFRS16 effect), significantly decreasing from the Euro 39.7 million as of June 30<sup>th</sup>, 2023, following the actions implemented during the fiscal year
- ✓ Revenue for the next fiscal year is expected to decline, but the reorganization and the refocused investments shall contribute to maintain the margins realized as of June 30<sup>th</sup>, 2024
- ✓ The release of the PC version of Assetto Corsa EVO in Early Access on Steam is officially announced for January 2025

Milan, September 26<sup>th</sup>, 2024 - The Board of Directors of Digital Bros Group (DIB:MI), videogames company listed on the Euronext STAR Milan (ISIN: IT0001469995) and part of the FTSE Italia Small Cap index and Euronext Tech Leaders, today approved the Draft Financial Statements for the fiscal year 2023/2024 (July 1<sup>st</sup>, 2023 - June 30<sup>th</sup>, 2024).

#### Results for FY 2023-2024

Euro thousand	June 30 <sup>th</sup> , 2024	June 30 <sup>th</sup> , 2023	Change €	Change %
Gross revenue	117,972	118,000	(28)	0.0%
Gross operating margin (EBITDA)	42,216	43,453	(1,237)	-2.8%
Operating margin (EBIT)	(1,409)	19,332	(20,741)	n.m.
Profit / (loss) before tax	(5,200)	13,724	(18,924)	n.m.
Net profit / (net loss)	(6,189)	9,635	(15,824)	n.m.

Digital Bros Group's key consolidated results for the fiscal year 2023-2024, together with prior year comparatives, are as follows:

- Consolidated gross revenue of Euro 118 million, in line with the revenue as of June 30<sup>th</sup>, 2023;
- EBITDA of Euro 42.2 million (35.8% of the consolidated net revenue) compared to Euro 43.4 million as of June 30<sup>th</sup>, 2023;
- EBIT was negative at Euro 1.4 million compared to the positive Euro 19.3 million as of June 30<sup>th</sup>, 2023;
- Loss before tax of Euro 5.2 million compared to Euro 13.7 million profit before tax as of June 30<sup>th</sup>, 2023;
- Net loss of Euro 6 million compared to the net profit of Euro 9.6 million realized on June 30<sup>th</sup>, 2023.

#### RESULTS BY OPERATING SEGMENT

Following the optimism resulting from the growth achieved by the video game industry during the pandemic, the Group implemented a significant investment plan, in line with most of its competitors. The great liquidity available on the market at the time, due to the entrance of new marketplaces and low interest rates, encouraged developers and publishers to increase the number of productions under development and their budget size, without transferring the production costs increase onto retail prices of the games. Starting from the second half of 2023, such investments resulted in a record number of new video games being launched on a very competitive market, combined with more selective consumers, that tend to play the same games for longer, rather than spending time on new and different gaming experiences. It has become more difficult to meet the expected volume and revenue targets, for both developers and publishers. During the same period, some of the new actors that entered the video game industry during the pandemic had left the industry while macroeconomic factors led to an increase in interest rates, reducing the available liquidity on the market. Facing this challenging competitive landscape, the publishing strategies and the organizational structure adopted by the Group and its competitors during the pandemic period were no longer sustainable.

As a result, during the reporting period, the Group implemented a strategic reassessment of its library, based upon the expected return on investment of each title, prioritizing high margin titles with greater revenue predictability, as well as fully owned Intellectual Properties to leverage on their long-term value creation. Accordingly, the Group reduced a number of lower budgets projects but also some larger budget titles with lower expected margins for the Group and with longer development periods, such as the new releases within the Control franchise.

The unpredictability of the new competitive environment also required the Group to reconsider its forecasting models, taking into account the new challenges related to launching new video games on the market. This resulted in Euro 8.2 million asset impairment charges. Unlike in previous fiscal years, when asset impairment charges solely related to underperforming games after launch, the write offs also impacted investments in some of the Intellectual Properties under development that were discontinued during the reporting period.

Due to the reduction of the number of games in the library, the Group reduced its workforce accordingly. This reduction also reflected the lower number of professionals required by the internal studios after the launch of Crime Boss Rockay City and Puzzle Quest 3, which have both transitioned to live support. The Group's total workforce went down from 435 people as of June 30<sup>th</sup>, 2023, to 301 as of June 30<sup>th</sup>, 2024.

The reorganization plan started in the second quarter and resulted in non-recurring costs for Euro 1.4 million as of June 30<sup>th</sup>, 2024.

The corrective actions implemented by the Group, together with the positive performance of the recently launched video games, allowed for a significant improvement in the net debt, which amounted to Euro 24.8 million as of June 30<sup>th</sup>, 2024, down by Euro 14.9 million compared to Euro 39.7 million as of June 30<sup>th</sup>, 2023.

The Group’s revenue amounted to Euro 118 million, in line with the previous fiscal year. The Premium Games operating segment realized a 5.5% revenue growth, benefiting from the performance of the video games launched in the second half of the fiscal year. Total revenue recorded at fiscal year-end was slightly below expectations due to the delay in the revenue recognition of two agreements, whose contractual conditions were different from initial projections. The related revenue will be recognized in the next fiscal year.

The EBITDA amounted to Euro 42.2 million, largely positive despite a 2.8% decrease from the previous fiscal year, mainly due to non-recurring costs for Euro 1.4 million related to the implementation of the reorganization plan. The EBITDA net of such non-recurring items amounted to Euro 43.6 million, slightly above the gross operating margin realized as of June 30<sup>th</sup>, 2023.

The operating margin (EBIT) was negative at Euro 1.4 million, compared to the positive Euro 19.3 million as of June 30<sup>th</sup>, 2023. Such decline was mainly due to a Euro 16.5 million increase in depreciation and amortization, Euro 8.2 million asset impairment charges, which also impacted the productions discontinued during the reporting period and non-recurring provisions of Euro 1.2 million.

During the last months of the reporting period different interpretations emerged between the Group and Starbreeze AB about the calculation of the earn out from the transfer of PAYDAY 2 rights to the Swedish developer and different understandings about some items related to previous agreements between the two groups. Considering the inability to reach a mutually agreed interpretation, as of June 30<sup>th</sup>, 2024, the Company has allocated Euro 1.2 million to reflect the estimated arbitration costs that may arise should the matter remain unsolved.

The EBIT before non-recurring items was positive for Euro 1.2 million.

Revenue from international markets and digital sales respectively accounted for 97% and 90% of the total net revenue, in line with the previous fiscal year.

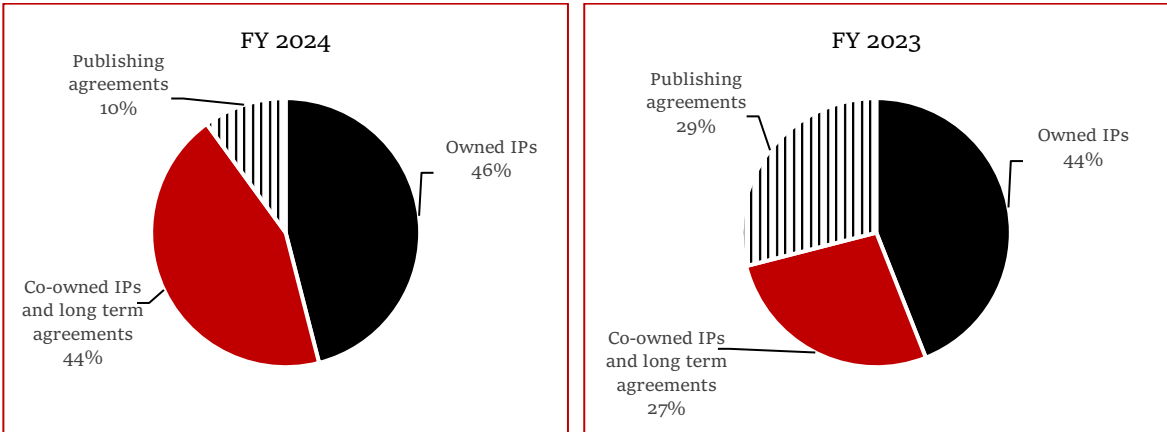
A breakdown of net revenue by operating segment for the period ended June 30<sup>th</sup>, 2024, compared to the period ended June 30<sup>th</sup>, 2023, is provided below:

**Net revenue**

Euro thousand	June 30 <sup>th</sup> , 2024	June 30 <sup>th</sup> , 2023	Change €	Change %
Premium Games	97.440	92.319	5.121	5,5%
Free to Play	17.766	22.046	(4.279)	-19,4%
Italian Distribution	1.696	2.599	(904)	-34,8%
Other Activities	1.032	968	64	6,6%
Total net revenue	117.934	117.932	2	0,0%

The net revenue for the Premium Games operating sector as of June 30<sup>th</sup>, 2024, amounted to Euro 97.4 million, corresponding to 82.6% of the consolidated net revenue. This was spread across a number of different Intellectual Properties, among which the most significant contribution came from the Assetto Corsa franchise, developed by the internal studio Kunos Simulazioni, which realized Euro 28 million revenue. as well as the recently launched Steam version of Crime Boss: Rockay City and the new video game Eiyuden Chronicle – Hundred Heroes.

A breakdown of Premium Games revenue by the type of rights held by the Group as of June 30<sup>th</sup>, 2024 is provided below with comparative figures as of June 30<sup>th</sup>, 2023:



Video games developed by the internal studios and fully owned intellectual properties (IPs) accounted for 46% of the total revenue for the operating segment, in line with the previous fiscal year. During the reporting period, the share of net revenue from co-owned Intellectual Properties and long-term agreements increased significantly, as a result of the launch of Eiyuden Chronicle-Hundred Heroes. This is in line with the Group's ongoing transformation, with a strategy focused on the owned and co-owned Intellectual Properties within its video game portfolio.

Net revenue from the Free to Play operating sector amounted to Euro 17,766 thousand, decreasing by Euro 4,280 thousand from the Euro 22,046 thousand realized as of June 30<sup>th</sup>, 2023. The decrease in Free to Play revenue reflected the lifecycle of these video games, which were launched over ten years ago. For this reason, these games are currently undergoing a significant revamping, in order to be relaunched in the next fiscal year, especially in some specific markets that are currently generating only marginal revenue.

The Italian Distribution operating sector revenue decreased by Euro 903 thousand from Euro 2,599 thousand to Euro 1,696 thousand as of June 30<sup>th</sup>, 2024, confirming the declining trend of the traditional retail market.

The total costs of sales amounted to Euro 38,169 thousand, up by 6.9% compared to the Euro 35,706 thousand recorded in the previous fiscal year.

The gross profit decreased by Euro 82,226 thousand as of June 30<sup>th</sup>, 2023, to the Euro 79,765 thousand as of June 30<sup>th</sup>, 2024.

The other income amounted to Euro 9,921 thousand, decreasing by Euro 7,604 thousand and consisted of the capitalization of internal studios development of video games. Such decrease reflected the launch of the video game Crime Boss: Rockay City by the subsidiary Ingame Studios, which was still in production during the previous fiscal year.

Total operating costs amounted to Euro 47,470 thousand, decreased by Euro 8,828 thousand compared to the Euro 56,298 thousand as of June 30<sup>th</sup>, 2023, benefiting from lower payroll costs and lower costs for services. As of June 30<sup>th</sup>, 2024, total operating costs included Euro 1,364 thousand related to the non-recurring reorganization costs.

The gross operating margin (EBITDA) for the period amounted to Euro 42,211 thousand, compared with the Euro 43,453 thousand as of June 30<sup>th</sup>, 2023.

Depreciation and amortization amounted to Euro 35,173 thousand, increasing by Euro 16,486 thousand, as a result of the greater use of the video games released during the reporting period, such as Crime Boss: Rockay City and Eiyuden Chronicle – Hundred Heroes.

The operating margin (EBIT) amounted to negative Euro 1.409 thousand, compared to the positive EBIT at Euro 19,332 thousand realized as of June 30<sup>th</sup>, 2023. As of June 30<sup>th</sup>, 2024, the consolidated EBIT net of non-recurring costs was positive for Euro 1.196 thousand.

The net interest expense amounted to Euro 3,791 thousand compared to the Euro 5,608 thousand realized in the previous fiscal year. As of June 30<sup>th</sup>, 2023, this item included the fair value adjustment of the financial receivable purchased from Starbreeze, which was then fully collected on July 3<sup>rd</sup>, 2023.

The loss before tax for the period ended June 30<sup>th</sup>, 2024, amounted to Euro 5,200 thousand, significantly decreasing from the Euro 9,635 thousand profit before tax as of June 30<sup>th</sup>, 2023.

The net loss amounted to Euro 6,189 thousand compared to the net profit of Euro 13,724 thousand as of June 30<sup>th</sup>, 2023. due to unexpected asset impairment and non-recurring items amounting to Euro 10.8 million, which lowered the pre-closing expectations.

The net loss attributable to the shareholders of the Parent Company was at Euro 2,214 thousand.

The basic earnings per share and diluted earnings per share respectively were at Euro 0.16 and 0.15 compared to Euro 0.68 and Euro 0.66 earnings per share as of June 30<sup>th</sup>, 2023.

The net loss attributable to non-controlling interests amounted to Euro 3,975 thousand, related for the most part to the portion of the net loss realized by the Dutch subsidiary Rasplata B.V..

## NET FINANCIAL POSITION

The net financial debt was at Euro 24,784 thousand, decreasing by 14,866 thousand compared to June 30<sup>th</sup>, 2023, improving significantly above expectations. Such improvement is a result of the corrective actions implemented by the Group during the fiscal year, such as the reduction in investment and the reorganization plan, as well as the positive performance of the recently launched video games.

The total net financial position, net of the IFRS16 effect, is negative at Euro 20,956 thousand.

#### PARENT COMPANY DIGITAL BROS S.p.A.

As of June 30<sup>th</sup>, 2024, the gross revenue of the parent company Digital Bros S.p.A, amounted to Euro 6,896 thousand, decreasing by 12.4% from the Euro 7,877 thousand realized in the previous fiscal year.

Net profit amounted to Euro 4,080 thousand, decreasing by 17.3% compared to net profit at Euro 4,933 thousand as of June 30<sup>th</sup>, 2023.

During the next fiscal year, the Parent Company will continue the coordination activities across the Group subsidiaries, which are expected to enable other revenues to increase. The strong performance of the subsidiary Kunos Simulazioni S.r.l. is expected to contribute to maintain dividends in line with previous fiscal year. The Parent Company is expected to generate a net profit also in the next fiscal year.

#### TREASURY SHARES

As of June 30<sup>th</sup>, 2024, Digital Bros S.p.A. did not hold any treasury shares, and no transactions have been made in the period, in accordance with Art. 2428 paragraph 2.3 of the Italian Civil Code.

#### PROPOSAL FOR THE ALLOCATION OF EARNINGS

The Board of Directors proposes to the Shareholders' Meeting to allocate the entire profit of Euro 4,080 to Retained Earnings.

#### NOTICE OF ANNUAL GENERAL MEETING

On September 26<sup>th</sup>, 2024, the Board of Directors resolved to call the Ordinary and Extraordinary Shareholders' Meeting on October 28<sup>th</sup>, 2024, at 9.00 a.m. (one call only).

The Ordinary Shareholders' Meeting is convened to:

- approve the financial statements for the fiscal year 2023-2024, the Directors' Report, the Statutory Auditors Report, the Auditors' Report and the destination of the profit for the fiscal year 2023-2024;
- express its non-binding resolution on the second section of the Report on the policy regarding remuneration and fees paid, pursuant to art. 123-ter, paragraph 6, of Legislative Decree of February 24, 1998 no. 58.
- approve the reduction of the size of the Board of Directors, from no. 9 to no. 8 members;
- authorize the negotiation of treasury shares.

The Extraordinary Shareholders' Meeting is convened to:

- approve the amendment of Articles 11 and 12 of the Company's Articles of Association regarding the methods of participation in the Shareholders' Meeting. Related and resulting resolutions.

Pursuant to Article 106, paragraph 4, of Legislative Decree No. 18 of March 17<sup>th</sup>, 2020, converted into Law No. 27 of April 24<sup>th</sup>, 2020, the effects of which were recently extended by Article 11, paragraph 2, of Law No. 21 of March 5<sup>th</sup>, 2024, those entitled will be allowed to participate and vote at the Shareholders' Meeting exclusively through a Designated Representative observing the instructions outlined in the dedicated section of this Notice and in accordance with Article 135-undecies of Legislative Decree No. 58/1998

#### SIGNIFICANT EVENT DURING THE PERIOD

The significant events occurred during the reporting period are listed below:

- The Shareholders' Meeting held on October 27<sup>th</sup>, 2023 appointed the Board of Directors and the Board of Statutory Auditors. The terms of the Directors and the Statutory Auditors will expire on the Shareholders' Meeting which will approve the financial statements as of June 30<sup>th</sup>, 2026;
- On November 14<sup>th</sup>, 2023, having reconsidered the number of projects under development to adapt to the new competitive scenario, the Group announced an organizational review, which resulted in the reduction of approximately 30% of its global workforce. Such reduction was predominantly concentrated within its development studios and, to a lesser extent, across its publishing units, both Premium and Free to Play. The reorganization costs amounted to Euro 1.4 million. The process was finalized during the reporting period;

- On February 28<sup>th</sup>, 2024, the subsidiary 505 Games S.p.A. entered into an agreement with Remedy Entertainment to revert all publishing, distribution, and marketing rights related to the Control franchise to the Finnish developer, for a total repayment of minimum Euro 15.7 million, with a potential small premium. This corresponded to the investment made at that date by 505 Games for the development of the video games Condor and Control 2. 505 Games will continue as the exclusive publisher of Control until December 31<sup>st</sup>, 2024, executing the existing sublicensing deals under their original terms.

#### SIGNIFICANT EVENTS OCCURRED AFTER JUNE 30<sup>TH</sup>, 2024

No significant event occurred after the end of the reporting period.

#### BUSINESS OUTLOOK

The product release schedule for the next fiscal year reflects the refocused publishing strategy, aligned with the new competitive landscape.

In June 2024, the Group launched the new version of the video game *Crime Boss: Rockay City*, which was positively received by both the public and the critics, which acknowledged the significant qualitative improvements implemented by the development team based on the feedback received by the gaming community. During the next fiscal year, the Group will continue to invest in the live support of the game, releasing additional content on a regular basis.

The PC version of *Assetto Corsa EVO* will officially be released in Early Access on Steam in January 2025.

The release schedule for the next fiscal year will finally see the launch of a new video game, co-owned and co-founded by the Group, developed in cooperation with the Spanish development studio MercurySteam.

The Group expects the Free to Play revenue to recover, benefiting from the release of the new features of the video games published by the subsidiary 505 Go Inc..

Considering the persistent uncertainty on the market, the Group cautiously forecasts declining revenue in the next fiscal year, mostly concentrated in the second half. Nonetheless, the corrective actions implemented during the reporting period, the reorganization and the rebalancing of the Group's investments, are expected to enable to maintain the margins in line with the levels achieved as of June 30<sup>th</sup>, 2024.

The forecasted results do not take into account any effect of the 33% earn out on the net revenue from the video game PAYDAY3, given the ongoing contractual disagreements and the potential arbitration with Starbreeze.

The net financial debt is expected to increase during the first half of the fiscal year, showing a significant decline in the second part, when it is expected to reach its lowest since the last few years.

#### ART. 154-BIS OF THE T.U.F.

*As required by paragraph 2, Art. 154-bis of the T.U.F., Digital Bros Group's Chief Financial Officer, Stefano Salbe, declares that the information contained in this press release corresponds to the Group's underlying documents, books and accounting records.*

This press release is available on the websites [www.digitalbros.com](http://www.digitalbros.com) and [www.iinfo.it](http://www.iinfo.it).

#### DIGITAL BROS GROUP

Listed on the Euronext STAR Milan and part of Euronext Tech Leaders, Digital Bros Group is a global company that has been operating since 1989 as a developer, publisher and distributor of video games through its brand 505 Games. The Group markets its contents on both retail and digital channels, Digital Bros Group is active around the world through its own direct operations in Italy, United States, UK, Czech Republic, China, Japan, Australia and Canada with 301 employees.

For further information please contact:

Digital Bros S.p.A.  
Stefano Salbe - CFO  
Tel, + 39 02 413031  
[ir@digitalbros.com](mailto:ir@digitalbros.com)

DIGITAL BROS GROUP- FINANCIAL STATEMENTS

Consolidated statement of financial position as of June 30<sup>th</sup>, 2024

	Euro thousand	June 30 <sup>th</sup> , 2024	June 30 <sup>th</sup> , 2023
	Non-current assets		
1	Property, plant and equipment	7,379	9,613
2	Investment properties	0	0
3	Intangible assets	129,614	153,023
4	Equity investments	9,685	11,400
5	Non-current receivables and other assets	7,945	8,089
6	Deferred tax assets	21,166	17,087
7	Non-current financial activities	0	0
	Total non-current assets	175,789	199,212
	Current assets		
8	Inventories	2,668	3,355
9	Trade receivables	16,887	14,104
10	Tax receivables	4,345	3,977
11	Other current assets	8,902	23,790
12	Cash and cash equivalents	11,981	9,407
13	Other current financial assets	10,238	11,344
	Total current assets	55,021	65,977
	<b>TOTAL ASSETS</b>	<b>230,810</b>	<b>265,189</b>
	Shareholders' equity		
14	Share capital	(5,706)	(5,706)
15	Reserves	(11,868)	(21,367)
16	Treasury shares	0	0
17	Retained earnings	(113,426)	(115,270)
	Equity attributable to the shareholders of the Parent Company	(131,000)	(142,343)
	Equity attributable to non-controlling interests	3,314	(1,375)
	Total net equity	(127,686)	(143,718)
	Non-current liabilities		
18	Employee benefits	(967)	(911)
19	Non-current provisions	(563)	(81)
20	Other non-current payables and liabilities	(1,657)	(1,824)
21	Non-current financial liabilities	(10,324)	(11,285)
	Total non-current liabilities	(13,511)	(14,101)
	Current liabilities		
22	Trade payables	(43,737)	(46,837)
23	Tax payables	(1,299)	(2,782)
24	Short term provisions	(1,241)	0
25	Other current liabilities	(6,657)	(8,635)
26	Current financial liabilities	(36,679)	(49,116)
	Total current liabilities	(89,613)	(107,370)
	<b>TOTAL LIABILITIES</b>	<b>(103,124)</b>	<b>(121,471)</b>
	<b>TOTAL NET EQUITY AND LIABILITIES</b>	<b>(230,810)</b>	<b>(265,189)</b>

Consolidated profit and loss statement as of June 30<sup>th</sup>, 2024

	Euro thousand	June 30 <sup>th</sup> , 2024	June 30 <sup>th</sup> , 2023
1	Gross revenue	117,972	118,000
2	Revenue adjustments	(38)	(68)
3	Net revenue	117,934	117,932
4	Purchase of products for resale	(3,715)	(2,954)
5	Purchase of services for resale	(10,200)	(9,042)
6	Royalties	(23,567)	(22,892)
7	Changes in inventories of finished products	(687)	(818)
8	Total cost of sales	(38,169)	(35,706)
9	Gross profit (3+8)	79,765	82,226
10	Other income	9,921	17,525
11	Costs for services	(11,212)	(14,975)
12	Rent and leasing	(564)	(621)
13	Payroll costs	(34,363)	(38,915)
14	Other operating costs	(1,331)	(1,787)
15	Total operating costs	(47,470)	(56,298)
16	Gross operating margin (EBITDA) (9+10+15)	42,216	43,453
17	Depreciation and amortization	(35,173)	(18,687)
18	Provisions	(1,241)	0
19	Asset impairment charge	(8,164)	(7,700)
20	Impairment reversal	953	2,266
21	Total depreciation, amortization and impairment adjustments	(43,625)	(24,121)
22	Operating margin (EBIT) (16+21)	(1,409)	19,332
23	Interest and financial income	1,674	7,428
24	Interest and financial expenses	(5,465)	(13,036)
25	Net interest income/(expenses)	(3,791)	(5,608)
26	Profit/ (loss) before tax (22+25)	(5,200)	13,724
27	Current tax	(1,751)	(4,332)
28	Deferred tax	762	243
29	Total taxes	(989)	(4,089)
30	Net profit/loss	(6,189)	9,635
	attributable to the shareholders of the Parent Company	(2,214)	9,683
	attributable to non-controlling interests	(3,975)	(48)
	Earnings per share:		
33	Basic earnings per share (in Euro)	(0.16)	0.68
34	Diluted earnings per share (in Euro)	(0.15)	0.66



Consolidated comprehensive income statement as of June 30<sup>th</sup>, 2024

Euro thousand	June 30 <sup>th</sup> , 2024	June 30 <sup>th</sup> , 2023
Profit (Loss) for the period (A)	(6,189)	9,635
Actuarial gain (loss)	9	(11)
Income tax relating to actuarial gain (loss)	(2)	3
Changes in the fair value	(13,189)	(699)
Tax effect regarding fair value measurement of financial assets	3,165	168
Items that will not be subsequently reclassified to profit or loss (B)	(10,017)	(539)
Exchange differences on translation of foreign operations	204	(302)
Items that will subsequently be reclassified to profit or loss (C)	204	(302)
Total other comprehensive income D= (B)+(C)	(9,813)	(841)
Total comprehensive income (loss) (A)+(D)	(16,002)	8,794
Attributable to:		
Shareholders of the Parent Company	(12,027)	8,842
Non-controlling interests	(3,975)	(48)

Changes in fair value reflected the changes in third party equity investments that were classified in the consolidated comprehensive income statement and not in the consolidated profit and loss statement.

Consolidated cash flow statement as of June 30<sup>th</sup>, 2024

Euro thousand	June 30 <sup>th</sup> , 2024	June 30 <sup>th</sup> , 2023
A. Opening net cash/debt	9,407	10,961
B. Cash flows from operating activities		
Profit (loss) for the period	(6,189)	9,635
<i>Depreciation, amortization and non-monetary costs:</i>		
Provisions and impairment losses	8,164	7,700
Amortization of intangible assets	32,543	15,990
Depreciation of property, plant and equipment	2,630	2,697
Net change in tax advance	(4,079)	(4,258)
Net changes in provisions	482	0
Net change in employee benefit provisions	56	150
Non monetary changes to the net equity	(9,843)	(668)
SUBTOTAL B.	23,764	31,246
C. Change in net working capital		
Inventories	687	818
Trade receivables	(2,875)	13,532
Current tax assets	(368)	(1,051)
Other current assets	14,888	(10,760)
Trade payables	(3,100)	(5,288)
Current tax liabilities	(1,483)	(793)
Current provisions	1,241	0
Other current liabilities	(1,978)	3,978
Other non-current liabilities	(167)	(130)
Non-current receivables and other assets	144	5,983
SUBTOTAL C.	6,989	6,289
D. Cash flows from investing activities		
Net payments for intangible assets	(17,197)	(72,479)
Net payments for property, plant and equipment	(396)	(1,957)
Net payments for non-current financial assets	1,706	(3,889)
Changes in financial assets	1,106	0
SUBTOTAL D.	(14,781)	(78,325)
E. Cash flows from financing activities		
Capital increases	0	1
Changes in financial liabilities	(13,398)	34,561
Changes in financial assets	0	7,242
SUBTOTAL E.	(13,398)	41,804
F. Changes in consolidated equity		
Dividends paid	0	0
Changes in treasury shares held	0	0
Increases (decreases) in other equity components	0	(2,568)
SUBTOTAL F.		
G. Cash flow for the period (B+C+D+E+F)	2,574	(1,554)
H. Closing net cash/debt (A+G)	11,981	9,407

Consolidated profit and loss statement per operating segment as of June 30<sup>th</sup>, 2024

Euro thousand		Free to Play	Premium Games	Italian Distribution	Other Activities	Holding	Total
1	Gross revenue	17,766	97,449	1,725	1,032	0	117,972
2	Revenue adjustments	0	(9)	(29)	0	0	(38)
3	Net revenue	17,766	97,440	1,696	1,032	0	117,934
4	Purchase of products for resale	(0)	(2,738)	(977)	0	0	(3,715)
5	Purchase of services for resale	(4,002)	(6,198)	0	0	0	(10,200)
6	Royalties	(5,181)	(18,386)	0	0	0	(23,567)
7	Changes in inventories of finished products	0	(207)	(480)	0	0	(687)
8	Total cost of sales	(9,183)	(27,529)	(1,457)	0	0	(38,169)
9	Gross profit (3+8)	8,583	69,911	239	1,032	0	79,765
10	Other income	2,194	7,727	0	0	(0)	9,921
11	Costs for services	(2,955)	(5,870)	(188)	(270)	(1,929)	(11,212)
12	Rent and leasing	(114)	(205)	(14)	(1)	(230)	(564)
13	Payroll costs	(7,349)	(21,246)	(884)	(710)	(4,174)	(34,363)
14	Other operating costs	(129)	(720)	(45)	(35)	(402)	(1,331)
15	Total operating costs	(10,547)	(28,041)	(1,131)	(1,016)	(6,735)	(47,470)
16	Gross operating margin (EBITDA) (9+10+15)	230	49,597	(892)	16	(6,735)	42,216
17	Depreciation and amortization	(2,562)	(31,221)	(140)	(368)	(882)	(35,173)
18	Provisions	0	(1,241)	0	0	0	(1,241)
19	Asset impairment charge	(1,767)	(6,310)	(78)	0	(9)	(8,164)
20	Impairment reversal	52	885	16	0	0	953
21	Total depreciation, amortization and impairment adjustments	(4,277)	(37,887)	(202)	(368)	(891)	(43,625)
22	Operating margin (EBIT) (16+21)	(4,047)	11,710	(1,094)	(352)	(7,626)	(1,409)

Consolidated statement of changes in equity as of June 30<sup>th</sup>, 2024

Euro thousand	Share capital (A)	Share premium reserve	Legal reserve	IAS transition reserve	Currency translation reserve	Other reserves	Total reserves (B)	Treasury shares (C)	Retained earnings	Profit (loss) for the year	Total retained earnings (D)	Equity of Parent Company shareholders (A+B+C+D)	Equity of non-controlling interests	Total equity
Total on July 1 <sup>st</sup> , 2022	5,705	18,507	1,141	1,367	(611)	1,626	22,030	0	79,614	28,546	108,160	135,895	1,423	137,318
Capital increases	1	21					21				0	22		22
Allocation of previous year result							0		28,546	(28,546)	0	0	0	0
Dividend paid									(2,568)		(2,568)	(2,568)		(2,568)
Other changes						157	157		(5)		(5)	152		152
Comprehensive income (loss)					(302)	(539)	(841)			9,683	9,683	8,842	(48)	8,794
Total on June 30 <sup>th</sup> , 2023	5,706	18,528	1,141	1,367	(913)	1,244	21,367	0	105,587	9,683	115,270	142,343	1,375	143,718
Total on July 1 <sup>st</sup> , 2023	5.706	18.528	1.141	1.367	(913)	1.244	21.367	0	105.587	9.683	115.270	142.343	1.375	143.718
Allocation of previous year result							0		9,683	(9,683)	0	0	0	0
Other changes						314	314		370		370	684	(714)	(30)
Comprehensive income (loss)					204	(10.017)	(9.813)			(2.214)	(2.214)	(12.027)	(3.975)	(16.002)
Total on June 30 <sup>th</sup> , 2024	5.706	18.528	1.141	1.367	(709)	(8.459)	11.868	0	115.640	(2.214)	113.426	131.000	(3.314)	127.686

FINANCIAL STATEMENTS - DIGITAL BROS S,p,A,

Digital Bros S.p.A. - Balance sheet as of June 30th, 2024

	Euro thousand	June 30, 2024	June 30, 2023
	Non-current assets		
1	Property, plant and equipment	4,336	5,081
2	Investment properties	0	0
3	Intangible assets	193	146
4	Equity investments	26,374	29,855
5	Non-current receivables and other assets	641	641
6	Deferred tax assets	4,215	1,032
7	Non-current financial activities	24,378	18,337
	Total non-current assets	60,137	55,092
	Current assets		
8	Inventories	1,949	2,429
9	Trade receivables	527	721
10	Tax receivables	35,532	21,364
11	Other current assets	2,926	2,233
12	Cash and cash equivalents	677	13,211
13	Other current financial assets	709	163
14	Total current assets	2,316	18,491
	Current assets	44,636	58,612
	<i>TOTALE ATTIVITA'</i>	<i>104,773</i>	<i>113,704</i>
	Shareholders' equity		
15	Share capital	(5,706)	(5,706)
16	Reserves	(11,070)	(20,598)
17	Treasury shares	0	0
18	Retained earnings	(37,975)	(33,895)
	Total net equity	(54,751)	(60,199)
	Non-current liabilities		
19	Employee benefits	(295)	(353)
20	Non-current provisions	(81)	(81)
21	Other non-current payables and liabilities	0	0
22	Non-current financial liabilities	(1,535)	(2,465)
	Total non-current liabilities	(1,911)	(2,899)
	Current liabilities		
23	Current liabilities	(1,328)	(1,206)
24	Trade payables	(39,122)	(37,815)
25	Tax payables	(129)	(283)
26	Short term provisions	(414)	0
27	Other current liabilities	(735)	(770)
28	Current financial liabilities	(6,383)	(10,532)
	Total current liabilities	(48,111)	(50,606)
	<i>TOTAL LIABILITIES</i>	<i>(50,022)</i>	<i>(53,505)</i>
	<i>TOTAL NET EQUITY AND LIABILITIES</i>	<i>(104,773)</i>	<i>(113,704)</i>

Digital Bros S.p.A. - Profit and loss statement as of June 30th, 2024

	Euro thousand	June 30 <sup>th</sup> , 2024	June 30 <sup>th</sup> , 2023
1	Gross revenue	6.896	7.877
2	Revenue adjustments	(29)	(68)
3	Net revenue	6.867	7.809
4	Purchase of products for resale	(977)	(1.760)
5	Purchase of services for resale	0	0
6	Royalties	0	0
7	Changes in inventories of finished products	(480)	(464)
8	Total cost of sales	(1.457)	(2.224)
9	Gross profit (3+8)	5.410	5.585
10	Other income	123	178
11	Costs for services	(2.074)	(2.286)
12	Rent and leasing	(230)	(228)
13	Payroll costs	(4.468)	(4.287)
14	Other operating costs	(425)	(553)
15	Total operating costs	(7.197)	(7.354)
16	Gross operating margin (EBITDA) (9+10+15)	(1.664)	(1.591)
17	Depreciation and amortization	(872)	(927)
18	Provisions	(414)	0
19	Asset impairment charge	(3.819)	(299)
20	Impairment reversal	16	0
21	Total depreciation, amortization and impairment adjustments	(5.089)	(1.226)
22	Operating margin (EBIT) (16+21)	(6.753)	(2.817)
23	Interest and financial income	11.594	15.665
24	Interest and financial expenses	(1.332)	(8.928)
25	Net interest income/(expenses)	10.262	6.737
26	Profit/ (loss) before tax (22+25)	3.509	3.920
27	Current tax	501	1.216
28	Deferred tax	70	(203)
29	Total taxes	571	1.013
30	Net profit/loss	4.080	4.933

Digital Bros S.p.A. - Comprehensive income statement as of June 30<sup>th</sup>, 2024

<b>Euro thousand</b>	<b>June 30<sup>th</sup>, 2024</b>	<b>June 30<sup>th</sup>, 2023</b>
<b>Profit (loss) for the period (A)</b>	<b>4,080</b>	<b>4,933</b>
Actuarial gain (loss)	9	(11)
Income tax relating to actuarial gain (loss)	(2)	3
Changes in the fair value	(12,959)	(710)
Tax effect regarding fair value measurement of financial assets	3,110	170
<b>Items that will not be subsequently reclassified to profit or loss (B)</b>	<b>(9,842)</b>	<b>(548)</b>
<b>Total comprehensive income (loss) (A)+(B)</b>	<b>(5,762)</b>	<b>4,385</b>

Digital Bros S.p.A. - Cash flow statement as of June 30th, 2024

Euro thousand		June 30 <sup>th</sup> ,2024	June 30 <sup>th</sup> ,2023
A.	Opening net cash/debt	163	384
B.	Cash flows from operating activities		
	Profit (loss) for the period attributable to the Group	4,080	4,933
	<i>Depreciation, amortization and non-monetary costs:</i>		
	Provisions and impairment losses	3,810	299
	Amortization of intangible assets	98	117
	Depreciation of property, plant and equipment	774	810
	Net change in tax advance	(3,183)	29
	Net change in other provisions	0	0
	Net change in employee benefit provisions	(58)	7
	Net change in other non-current liabilities	(9,528)	(370)
	Cash flows from operating activities	(4,007)	5,825
C.	Change in net working capital		
	Inventories	480	464
	Trade receivables	116	(198)
	Receivables due from subsidiaries	(14,168)	(4,561)
	Current tax assets	(693)	(1,457)
	Other current assets	12,534	(12,705)
	Trade payables	122	(749)
	Payables from subsidiaries	1,307	9,710
	Current tax liabilities	(154)	(12)
	Current provisions	414	(0)
	Other current liabilities	(35)	(510)
	Other non-current liabilities	0	0
	Non-current receivables and other assets	0	8,726
	SUBTOTAL C.	(77)	(1,292)
D.	Cash flows from investing activities		
	Net payments for intangible assets	(145)	(97)
	Net payments for property, plant and equipment	(29)	(89)
	Net payments for non-current financial assets	3,122	(4,305)
	SUBTOTAL D.	6,761	(3,140)
		9,709	(4,491)
E.	Cash flows from financing activities		
	Capital increases		
	Changes in financial liabilities	0	1
	Changes in financial assets	(5,079)	5,444
	SUBTOTAL E.	(5,079)	5,445
F.	Changes in consolidated equity		
	Dividends pay-out	0	(2,568)
	Changes in treasury shares held	0	0
	Increases (decreases) in other equity components	0	0
	SUBTOTAL F.	0	(2,568)
G.	Cash flow for the period (B+C+D+E+F+G)	546	(221)
H.	Closing net cash/debt (A+G)	709	163