



Half year condensed financial statements as of December 31st, 2024

(First half of the fiscal year 2024/2025)

Digital Bros S.p.A.

Via Tortona, 37 – 20144 Milan, Italy
VAT number 09554160151

Share Capital: Euro 6.024.334,80 of which Euro 5.706.014,80 subscribed
Milan Companies House no. 290680-Vol. 7394 Chamber of Commerce no. 1302132

This report is available on the Company's website www.digitalbros.com
Investor Relations / Financial Documents section

Please consider that this is an Italian to English translation: the Italian version shall always prevail in case of any discrepancy or inconsistency

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BOARD OF DIRECTORS AND CORPORATE GOVERNANCE STRUCTURE

Board of Directors

Member	Office	Risk & Control Committee	Remuneration Committee	Nomination Committee
Carlotta Ilaria D'Ercole	Director	I	M	P
Veronica Devetag Chalaupka	Director	NE		
Abramo Galante	Chairman and CEO	E		
Davide Galante	Director	NE		
Raffaele Galante	CEO	E		
Susanna Pedretti	Director	I	M	P
Stefano Salbe ⁽¹⁾	Director	E		
Laura Soifer ⁽²⁾	Director	I	P	M
Dario Treves	Director	E		

Key:

E: Executive Director	P: President of the Committee
NE: Non-Executive Director	M: Member of the Committee
I: Independent Director	

⁽¹⁾ Financial Reporting Manager pursuant to Art. 154 bis of Legislative Decree 58/98

⁽²⁾ Lead Independent Director

Board of Statutory Auditors

Member	Office
Maria Pia Maspes	Statutory auditor
Pietro Piccone Ferrarotti	Statutory auditor
Paolo Villa	Chairman
Andrea Serra	Substitute statutory auditor
Stefano Spiniello	Substitute statutory auditor

The Shareholders' Meeting held on October 27th, 2023 appointed the Board of Directors and the Board of Statutory Auditors. The terms of the Directors and the Statutory Auditors will expire at the Shareholders' Meeting which will approve the financial statements as of June 30th, 2026. On October 28th, 2024, the Shareholders' Meeting appointed attorney Veronica Devetag Chalaupka as a new non-executive Director, who will remain in office until the expiry of the current Board of Directors.

On October 27th, 2023, the Shareholders' Meeting appointed Abramo Galante as Chairman of the Board of Directors. On November 9th, 2023, the Board of Directors appointed Abramo Galante and Raffaele Galante as Chief Executive Officers, granting adequate powers of attorney.

On August 7th, 2007, the Board of Directors appointed the Executive Director Stefano Salbe as Financial Reporting Manager pursuant to Art. 154 bis of Legislative Decree 58/98 with appropriate powers.

Auditors

EY S.p.A.

On October 27th, 2021, the Shareholders' Meeting appointed EY S.p.A., based in Via Meravigli 12, Milan, as auditors of the Group's consolidated annual and half year condensed financial statements and Digital Bros S.p.A. annual financial statements until the approval of the financial statements as of June 30th, 2030.

Other information

The publication of Digital Bros Group's half year condensed financial statements as of December 31st, 2024 was authorized by a resolution of the Board of Directors on March 6th, 2025.

Digital Bros S.p.A. is incorporated and operating in Italy. The Company is listed on the Euronext STAR segment of the Euronext Milan market operated by Borsa Italiana S.p.A..

DIRECTORS' REPORT

1. GROUP ORGANIZATION

Digital Bros Group (“the Group”) develops, publishes and distributes video games on international markets.

The Group is organized into five operational business segments:

Premium Games: activities consist of the acquisition of video games’ intellectual properties from developers to distribute them primarily on digital marketplaces such as Steam, Sony PlayStation Network, Microsoft Xbox Live, Epic Game Store, etc..

The Group develops video games either directly, through the internal development studios, or through independent teams. The rights related to video games developed by independent studios are acquired for their use on a global scale, either through long-term exclusive licensing agreements or they are acquired perpetually.

The label used for worldwide publishing is 505 Games. A second label, 505 Pulse, publishes smaller budget video games.

During the reporting period, Premium Games activities were carried out by the subsidiary 505 Games S.p.A., which coordinates this operating segment, together with 505 Games Ltd. and 505 Games (US) Inc.. As part of the Group’s efforts to streamline its operations, starting from July 1, 2024, the staff previously employed at 505 Games Interactive Inc. has been fully transferred to 505 Games US.

The Dutch company Rasplata B.V., now 100% owned following the acquisition of the remaining 40% in August 2024, owns the intellectual property and the technology used in the development of the video game Crime Boss: Rockay City

The voluntary liquidation of the subsidiaries 505 Games France S.a.s. and 505 Games Spain Slu was finalized in the reporting period, while the liquidation process for the German subsidiary, 505 Games GmbH, is still ongoing.

The following internal development studios operate in the Premium Games segment:

- the Italian company Kunos Simulazioni S.r.l., fully owned by the Group, developed and published the video games Assetto Corsa and the Assetto Corsa Competizione and has now finalized the development of the upcoming video game Assetto Corsa EVO;
- the Czech company Ingame Studios a.s. a Brno-based studio in charge of the development of Crime Boss: Rockay City., fully owned by the Group;
- the Italian company Avantgarden S.r.l., a Milan-based development studio, fully owned by the Group;
- the Italian company Supernova Games Studios S.r.l., a development studio based in Milan;
- the Canadian company Chrysalide Jeux et Divertissement Inc., held at 75% by the Group, which is currently developing the new video game The Directorate: Novitiate.

The Group established a Spanish joint venture, MSE & DB S.l., together with the development studio MercurySteam Entertainment S.l., MSE &DB S.l. owns the intellectual property for the new video game Blades Of Fire.

Free to Play: activities consist of the development and publishing of video games and/or applications that are available for free on digital marketplaces, featuring in-app purchases. Free to Play video games usually have lower technical complexity compared to Premium video games but, when successful, tend to have a longer life cycle. After launch, Free to Play video games have to continuously undergo maintenance activities, in order to retain players and enhance the video game's life cycle.

Worldwide publishing activities within the Free to Play operating segment are carried out by 505 Mobile S.r.l., together with the U.S.-based 505 Mobile Inc., which provides consultancy services to other Group companies and the UK-based DR Studios Ltd., which is in charge of the development of the Group's Free to Play video games.

The Australian companies 505 Games Australia Pty Ltd., Infinite Interactive Pty. and Infinity Plus Two Pty own the intellectual properties for the video games Puzzle Quest and Gems of War and provide live support activities to such products.

In July 2022, 505 Games Mobile S.r.l. acquired 100% of D3Publisher of America Inc., an American publisher of Free to Play video games, including spin-offs of the Puzzle Quest series. The company was then renamed 505 Go! Inc. after the acquisition was finalized.

The labels 505 Mobile and 505 Go! are used for worldwide publishing activities in the Free to Play segment.

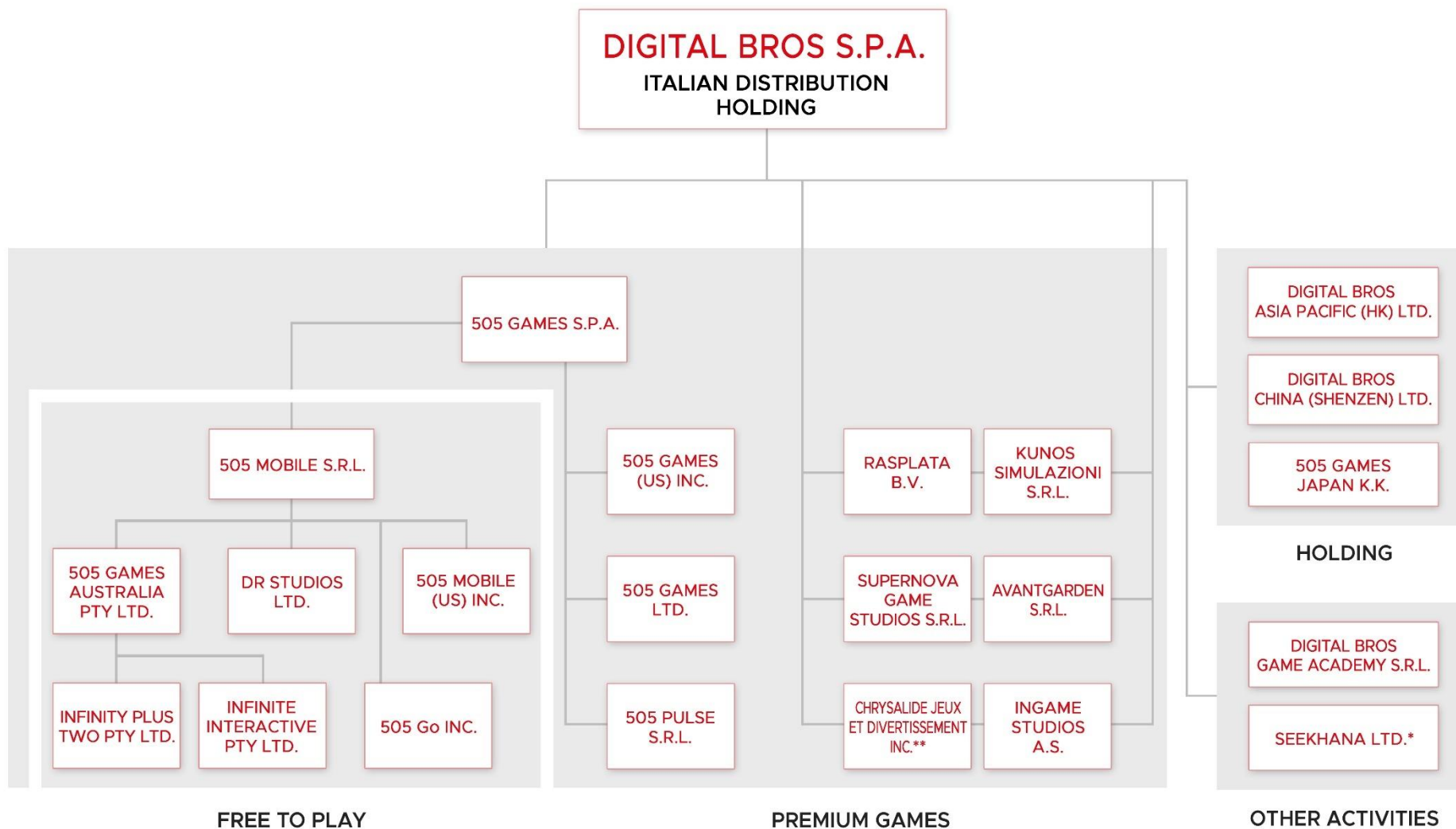
Italian Distribution: consists of the distribution of video games purchased from international publishers in Italy. The operations are run by the Parent Company, Digital Bros S.p.A., under the Halifax label.

Other Activities: all remaining activities are consolidated under the Other Activities operating segment for reporting purposes. This segment includes the training and professional courses carried out by the subsidiary Digital Bros Game Academy S.r.l. and the Group's 60% stake in the UK-based company Seekhana Ltd..

Holding: management of HR, financial planning and business development carried out by the Parent Company, Digital Bros S.p.A.. Digital Bros China Ltd., Digital Bros Asia Pacific (HK) Ltd. and 505 Games Japan K.K. support the Holding company with business development activities in the Asian markets. Digital Bros Holdings Ltd. was not active during the period.

All the above-mentioned companies are 100% owned, except for Seekhana Ltd, controlled with a 60% interest and Chrysalide Jeux et Divertissement Inc. with a 75% interest.

The organization chart of the operating companies as of December 31st, 2024 was as follows:



(*) 60% INTEREST
 (**) 75% INTEREST

During the reporting period, the Group operated in the following locations:

Company	Address	Activity
AvantGarden S.r.l.	Via Tortona, 37 Milan	Offices
Chrysalide Jeux et Divertissement Inc. ⁽¹⁾	300 Rue Saint Paul – Bureau 410, Quebec City, Canada	Offices
Digital Bros S.p.A.	Via Tortona, 37 Milan	Offices
Digital Bros S.p.A.	Via Boccaccio 95, Trezzano sul Naviglio (Milan)	Logistics
Digital Bros Asia Pacific (HK) Ltd.	33-35 Hillier Street, Sheung Wan, Hong Kong	Offices
Digital Bros China (Shenzhen) Ltd.	Wang Hai Road, Nanshan district, Shenzhen, 518062, China	Offices
Digital Bros Game Academy S.r.l.	Via Labus, 15 Milan	Offices
DR Studios Ltd.	403 Silbury Boulevard, Milton Keynes, U.K.	Offices
Game Entertainment S.r.l.	Via Tortona, 37 Milan	Offices
505 Games S.p.A.	Via Tortona, 37 Milan	Offices
505 Games Australia Pty Ltd.	333 Collins Street, South Melbourne Victoria, Australia	Offices
505 Games Japan K.K.	Jimbocho, 2-11-15, Kandajimbocho Chiyoda-ku, Tokyo, Giappone	Offices
505 Games Ltd.	403 Silbury Boulevard, Milton Keynes, U.K.	Offices
505 Games (US) Inc.	5145 Douglas Fir Road, Calabasas, California, U.S.A.	Offices
505 Go Inc.	5145 Douglas Fir Road, Calabasas, California, U.S.A.	Offices
505 Pulse S.r.l.	Via Tortona, 37 Milan	Offices
Ingame Studios a.s.	Moravské náměstí 249/8, Brno, Czech Republic	Offices
Kunos Simulazioni S.r.l.	Via degli Olmetti 39, Formello (Rome)	Offices
Infinite Interactive Pty Ltd.	333 Collins Street, Melbourne Victoria, Australia	Offices
Infinity Plus Two Pty Ltd.	333 Collins Street, Melbourne Victoria, Australia	Offices
505 Mobile S.r.l.	Via Tortona, 37 Milan	Offices
505 Mobile (US) Inc.	5145 Douglas Fir Road, Calabasas, California, U.S.A.	Offices
Rasplata B.V. ⁽¹⁾	Churchill-iaan 131 2, Amsterdam, Netherlands	Offices
Seekhana Ltd. ⁽²⁾	403 Silbury Boulevard, Milton Keynes, U.K.	Offices
Supernova Games Studios S.r.l.	Via Tortona, 37 Milan	Offices

⁽¹⁾ 75% consolidated

⁽²⁾ 60% consolidated

The subsidiary Seekhana Ltd. is 60% owned, while Chrysalide Jeux et Divertissement Inc. is 75% owned. Both entities have been included in the consolidated financial statements using the full consolidation method, considering the portion of net equity and net results attributable to minority shareholders.

2. MAIN INTELLECTUAL PROPERTIES OWNED BY THE GROUP



First launched in 2014, Assetto Corsa is a car racing simulator, developed by the internal studio Kunos Simulazioni S.r.l..

Assetto Corsa faithfully recreates the performance and the driving experience of real cars, replicating tyre grip, aerodynamic impact, engine parameters as well as different weather conditions. Nearly one hundred cars are available to choose from, reproduced in collaboration with the most prestigious automotive manufacturers, and that can be driven on legendary circuits including Silverstone, Monza, Nürburgring-Nordschleife, Barcelona, Brands Hatch, Spa Francorchamps. All circuits are recreated using Laser Scan technology so that each bump, curb and slope is a perfect match to the real counterpart. Assetto Corsa can be played in fully customizable single player and multiplayer modes including quick races, race weekends and free practice sessions, qualifying session and race day.

Launched in 2018, Assetto Corsa Competizione is the official GT World Challenge video game and the official video game of FIA Motorgames Esport Tournament.

The second version of Assetto Corsa, Assetto Corsa EVO, is currently in development. The Early Access version of the video game launched on Steam in January 2025.

Since launch, the Assetto Corsa franchise has generated revenues of around Euro 142 million.



Developed by the Czech studio Ingame Studios S.r.l., Crime Boss: Rockay City is a first-person shooter video game, set in the thriving metropolis of Rockay City during the Nineties. Find a few familiar faces there too: from the charismatic Travis Baker (Michael Madsen) and his team (Michael Rooker, Kim Basinger, Danny Glover and Damion Poitier) to rival gang bosses (Danny Trejo and Vanilla Ice). Play as Baker as he builds his empire using strategy, cunning and a little fire power to carry out heists and take territory from rival gangs. Winning the turf war won't be easy though: rival gangs will try to take the city for themselves, and Sheriff Norris (Chuck Norris) will stop at nothing to bring all criminals to justice. Stealing everything from cash and drugs, through to priceless artifacts is more fun with accomplices: jump into the co-op multiplayer and take on thrilling hits and heists with up to four players.

Crime Boss: Rockay City launched exclusively on Epic on March 28th, 2023. Console versions were released in June 2023. A new PC version launched on Steam in June 2024.



Developed by the Polish studio One More Level, Ghostrunner is a first-person cyberpunk action slasher videogame set in a grim dystopic future. Players assume the role of an android ninja ascending the Dharma Tower, an ominous neon tower built by the Architect, who died mysteriously years ago, and representing the last bastion of humanity, torn by violence, poverty, and class inequality. Players must fight their way to the top of the structure to bring down the tyrannical Keymaster and avert humanity's extinction.

Since its launch in October 2020, Ghostrunner became a successful title, selling over one million copies worldwide. The game is available on all platforms. The second version, Ghostrunner 2 launched during the second quarter of the last fiscal year.



Developed by the Australian studio Infinity Plus Two acquired by the Group in January 2021, Gems of War is a Free to Play puzzle-RPG video game first launched in 2014 and available on mobile, Steam, console and Nintendo Switch.

Embark on an epic journey across the realms Krystara where heroes can take on a world of adventure unlike any other: battle enemies matching gems to power and cast spells, and matching skulls to smite the enemies. Then take the spoils of war and forge a mighty empire.

Since its launch, Gems of War has generated revenues exceeding Euro 39 million.



Developed by the Australian studio Infinity Plus Two acquired by the Group in January 2021, Puzzle Quest 3 is an all-new instalment to the globally renowned puzzle-RPG franchise. The first version launched in 2007, with successful spin-offs published by the newly acquired 505 Go Inc..

Puzzle Quest 3 is a Free to Play videogame available on mobile, Personal Computer and consoles.

The game's intellectual property is owned by Digital Bros Group.

3. THE VIDEO GAMES MARKET

The video game market is a key segment of the entertainment industry, alongside movies, books, magazines, and toys. These sectors share common characteristics, brands, features, and intellectual properties, contributing to a dynamic and interconnected entertainment landscape.

The growth achieved by the video game industry during the pandemic generated widespread optimism, prompting many competitors to initiate new productions and significantly increase the average investment per game. As a result, an unprecedented and unexpected number of new video games were launched in the market, making it harder to meet the expected volume and revenue targets. Because of this, many companies were forced to reassess their strategies regarding portfolio investments and marketing expenditures to adapt to this competitive scenario. Starting from the second half of 2023, the market has seen waves of layoffs, studio closures, and project cancellations. As of the date of this Report, this situation remains unresolved.

The video games market value chain is as follows:



The COVID-19 pandemic further accelerated the decline of the retail distribution, which now is only marginal and almost entirely replaced by digital distribution.

Developers

Developers create and design video games, usually based on original ideas, a successful brand, a movie, sports simulations etc.. It has become increasingly common for highly successful video games to be adapted into movies, TV series, cartoons, and other media.

Developers generally retain intellectual property rights, but they may transfer their rights to publishers for a limited period of time, which is defined contractually. Publishers play therefore a key role in this value chain, contributing to the production of video games, creating a player community, and managing its distribution across their global commercial networks.

In some cases, developers may choose to publish and market the game independently. However, this approach significantly increases the financial and operational risks for these players.

Publishers

The publisher is responsible for the video game's launch, defining its global commercial strategy, overseeing product positioning and packaging, bearing all the related risks, while sharing instead all opportunities from the game success with the developer. Publishers typically finance the development process and often acquire the game's intellectual property either permanently or for a set period, including licensing rights for sequels.

Console manufacturers

The console manufacturer designs and produces the hardware used for playing video games. Sony manufactures the PlayStation, Microsoft the Xbox and Nintendo the Nintendo Switch. Console manufacturers often also operate as video game publishers.

The key marketplaces that sell console video games are Sony's PlayStation Store, Microsoft's Xbox Live and Nintendo's eShop. Steam is the global leader in the digital distribution of video games for personal computers. More recently, the US company Epic Games Inc. launched its Epic Games Store for PC.

The digitalization of the market has driven both Microsoft (with Xbox Game Pass) and Sony (with PlayStation Now) to develop digital platforms where players can access an entire library of video games for a predefined period by paying a subscription fee, rather than purchasing individual titles. Revenues for publishers and developers are recognized when a game is added to the platform, based on a predetermined annual fee defined for each product. Additionally, as end consumers play the games, the platform provides an incremental fee to the publishers based on user engagement.

Digital distribution has extended the video game's lifecycle. Video games' availability is no longer limited to their launch on the retail channel, but rather they remain available on marketplaces for longer, thus generating a continuous revenue stream, which can be significantly influenced by promotional campaigns. The video games' life cycle can also be extended by releasing additional chapters and content after the official launch of the main game. The additional features (the so-called DLC, or Downloadable Contents) are available on digital marketplaces for consumers to buy or download for free.

Free to Play video games are only available in digital format on the following marketplaces: the App Store for iPhone and iPad, the PlayStore for Android for Western markets and a number of different marketplaces for Far Eastern markets. Some Free to Play video games are also available on Sony PlayStation Store, Microsoft's Xbox Live for console, Steam and Epic Store for PC.

4. ALTERNATIVE PERFORMANCE RATIOS

The Group relies on specific key performance ratios to simplify the comprehension of the consolidated profit and loss statement and balance sheet.

The following ratios are directly reported in the profit and loss statement:

- Gross profit, being the difference between net revenue and total cost of sales;
- EBITDA, being the difference between gross profit, other income and total operating costs plus other income;
- EBIT, being the difference between EBITDA and total depreciation, amortization and impairment adjustments.

With regards to the balance sheet ratio, the same is valid for the net financial position, as detailed in the Explanatory Notes.

The ratios used by the Group could be misaligned with those adopted by other companies, as they are not defined by any accounting standard, and therefore they could not be comparable with them.

There is no need for a reconciliation between the performance ratios included in the Directors' Report and the financial statements, as the indicators used by the Group are calculated directly from the consolidated financial statements.

5. SEASONALITY EFFECTS

Market seasonality is heavily influenced by the release of highly anticipated and popular video games. The launch of a successful title in a specific period can lead to significant revenue volatility across quarters. Sales are often concentrated in the first few days following the game's release, especially when supported by targeted marketing campaigns.

The digitalization of the market has helped stabilize publishers' revenue across quarters. Digital marketplaces recognize revenue at the time of the end consumer's purchase, minimizing the impact of sales fluctuations associated with physical retail cycles.

Promotional campaigns on digital marketplaces play a crucial role in boosting revenue during specific periods. Publishers strategically align their marketing efforts with peak consumer spending seasons, such as Christmas in European markets, Black Friday in the U.S., and the Chinese New Year.

Revenues from Free-to-Play games tend to be less affected by seasonal fluctuations compared to Premium Games. Free-to-Play titles typically experience steady revenue growth over time, with exceptions occurring for highly anticipated releases and established brands. Additionally, frequent promotions for Free-to-Play games further smooth out revenue trends across quarters, unlike Premium Games, where sales spikes are more common.

The very marginal share of physical distribution sales on total consolidated revenue has also significantly reduced the volatility of net working capital investments.

6. SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

On October 28th, 2024, the Shareholders' Meeting of Digital Bros Group approved the Financial Statements for the fiscal year 2023-2024 and appointed Veronica Devetag Chalaupka as a new member of the Board of Directors. The new Director will remain in office until the expiry of the current Board of Directors, i.e. until the Shareholders' Meeting convened for the approval of the financial statements as at June 30th, 2026.

Relationships with Starbreeze and Starbreeze shareholders

In recent years, Digital Bros Group and Starbreeze group have entered multiple different transactions, summarized below.

In May 2016, the Group sold back the PAYDAY2 co-publishing rights to Starbreeze against a payment of USD 30 million and an earn-out of USD 40 million as 33% of the net revenues from the future video game PAYDAY3.

In January and February 2020, the Group conducted the following transactions:

- on January 15th, 2020, Digital Bros S.p.A. acquired 18,969,395 Starbreeze STAR A shares held by Swedish company Varvtre AB for a consideration of around SEK 25.8 million, at a price of SEK 1.36 per share;
- on February 26th, 2020, Digital Bros S.p.A. completed the acquisition of all of the assets held by Smilegate Holdings in Starbreeze for a price of Euro 19.2 million. The assets acquired have a nominal value of Euro 35.3 million, as detailed below:
 - a) a convertible bond of approximately SEK 215 million issued by Starbreeze for a total of Euro 16.9 million;
 - b) a receivable of around SEK 165 million for a consideration of Euro 100 thousand. This credit fell under the Starbreeze restructuring process and provided for repayment based on the terms of payment approved by the Swedish District Court and no later than December 2024;
 - c) 3,601,083 Starbreeze STAR A shares and 6,018,948 Starbreeze STAR B shares for a total amount of Euro 2.2 million.

On July 19th, 2023, the Company requested the full conversion of the convertible bond, which resulted in the issuance of no. 148.3 million Starbreeze B shares.

During the last months of the previous fiscal year, 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 the repayment of receivables related to other contracts between the two groups.

On October 27th, 2024, the Group signed a preliminary agreement concerning the aforementioned receivables, with a suspensive clause contingent upon reaching a mutual understanding of the method for calculating the net revenue of PAYDAY3 and the related earn-out, by January 27th, 2025. The deadline for this agreement was subsequently extended to February 27th, 2025.

On February 27th, 2025, the Group reached an agreement with the Swedish developer to settle all outstanding matters. As a result, the Provision for Starbreeze arbitration costs allocated at June 30, 2024 was released, since no arbitration between the parties was needed. The agreement had no significant effects on the net result as of

December 31st, 2024, as the amounts released were balanced by losses on Starbreeze receivables of Euro 966 thousand and financial charges of Euro 276 thousand, related to the net present value adjustment of the expected payments which will occur before January 2027.

As of March 6th, 2025, after additional conversions of multiple-vote shares into single-vote shares carried out by various shareholders, the Group now holds no. 87 million Starbreeze A shares and no. 223.4 million Starbreeze B shares. This accounts for 21% of the total capital and 39.67% of voting rights.

The Group reassessed its analysis on:

- Starbreeze AB's governance structure and Digital Bros' representation in its corporate bodies;
- Digital Bros' involvement in Starbreeze AB's decision making process;
- the existing business relations between Digital Bros and Starbreeze AB;
- the exchange of professionals and technical information between the two companies.

As a result of the analysis and in line with the past fiscal years, Digital Bros assessed not to have any significant influence over Starbreeze, despite holding a significant share of the voting capital.

7. CONSOLIDATED PROFIT AND LOSS STATEMENT AT DECEMBER 31ST, 2024

	Euro thousand		December 31st, 2024		September 30 th , 2023		Change	
1	Gross revenue	43,024	100.0%	47,134	100.1%	(4,110)	-8.7%	
2	Revenue adjustments	0	0.0%	(34)	-0.1%	34	n.m.	
3	Net revenue	43,024	100.0%	47,100	100.0%	(4,076)	-8.7%	
4	Purchase of products for resale	(343)	-0.8%	(1,522)	-3.2%	1,179	-77.5%	
5	Purchase of services for resale	(3,381)	-7.9%	(5,092)	-10.8%	1,711	-33.6%	
6	Royalties	(10,106)	-23.5%	(9,321)	-19.8%	(785)	8.4%	
7	Changes in inventories of finished products	(1,044)	-2.4%	80	0.2%	(1,124)	n.m.	
8	Total cost of sales	(14,874)	-34.6%	(15,855)	-33.7%	981	-6.2%	
9	Gross profit (3+8)	28,150	65.4%	31,245	66.3%	(3,095)	-9.9%	
10	Other income	3,603	8.4%	6,225	13.2%	(2,622)	-42.1%	
11	Costs for services	(3,976)	-9.2%	(5,973)	-12.7%	1,997	-33.4%	
12	Rent and leasing	(237)	-0.6%	(250)	-0.5%	13	-5.0%	
13	Payroll costs	(13,887)	-32.3%	(20,847)	-44.3%	6,960	-33.4%	
14	Other operating costs	(564)	-1.3%	(723)	-1.5%	159	-21.9%	
15	Total operating costs	(18,664)	-43.4%	(27,793)	-59.0%	9,129	-32.8%	
16	Gross operating margin (EBITDA) (9+10+15)	13,089	30.4%	9,677	20.5%	3,412	35.3%	
17	Depreciation and amortization	(13,115)	-30.5%	(14,443)	-30.7%	1,328	-9.2%	
18	Provisions	1,241	2.9%	0	0.0%	1,241	n.m.	
19	Asset impairment charge	(1,741)	-4.0%	(779)	-1.7%	(962)	n.m.	
20	Impairment reversal	131	0.3%	896	1.9%	(765)	-85.4%	
21	Total depreciation, amortization and impairment adjustments	(13,484)	-31.3%	(14,326)	-30.4%	842	-5.9%	
22	Operating margin (EBIT) (16+21)	(395)	-0.9%	(4,649)	-9.9%	4,254	-91.5%	
23	Interest and financial income	843	2.0%	1,389	2.9%	(546)	-39.3%	
24	Interest and financial expenses	(3,379)	-7.9%	(2,568)	-5.5%	(811)	31.6%	
25	Net interest income/(expenses)	(2,536)	-5.9%	(1,179)	-2.5%	(1,357)	n.m.	
26	Profit/ (loss) before tax (22+25)	(2,931)	-6.8%	(5,828)	-12.4%	2,897	-49.7%	
27	Current tax	(1,639)	-3.8%	425	0.9%	(2,064)	n.m.	
28	Deferred tax	1,080	2.5%	(1,017)	-2.2%	2,096	n.m.	
29	Total taxes	(559)	-1.3%	(592)	-1.3%	33	-5.5%	
30	Net profit/loss	(3,490)	-8.1%	(6,420)	-13.6%	2,930	-45.6%	
	attributable to the shareholders of the Parent Company	(3,695)	-8.6%	(3,697)	-7.8%	2	-0.1%	
	attributable to non-controlling interests	205	0.5%	(2,723)	-5.8%	2,928	n.m.	
	Earnings per share:							
33	Basic earnings per share (in Euro)	(0.26)		(0.26)		0.00	-0.0%	
34	Diluted earnings per share (in Euro)	(0.25)		(0.25)		0.00	-0.0%	

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 to the games' retail prices. Starting from the previous fiscal years, such investments resulted in a record number of new video games being launched on a very competitive market, combined with increased consumer product selection, with consumers tending to play the same games for longer, rather than spending time on new and different gaming experiences. Such dynamics made it 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 had entered the video game industry during the pandemic 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 last fiscal year, the Group strategically re-evaluated its library, based upon the expected return on investment of each title, prioritizing development projects with higher-margin and greater revenue predictability, particularly focusing on 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.

Given these market challenges and the corrective actions undertaken, the Group expects a decline in full-year revenue, while EBIT is expected to remain at the same level as the one realized in the last fiscal year-end.

As of December 31st, 2024, revenue amounted to Euro 43 million, down by 8.7%, made exclusively by back catalogue sales, differently from the first half of the last fiscal year, in consideration that no video games were launched during the reporting period.

The breakdown of net revenue by operating segment as of December 31st, 2024, compared to the same period of the previous fiscal year is as follows:

Net revenue				
Euro thousand	December 31, 2024	December 31, 2023	Change €	Change %
Premium Games	34,409	35,851	(1,442)	-4,0%
Free to Play	7,223	9,633	(2,410)	-25,0%
Italian Distribution	1,061	1,204	(143)	-11,9%
Other Activities	331	412	(81)	-19,7%
Total net revenue	43,024	47,100	(4,075)	-8,7%

As of December 31st, 2024, Premium Games revenue was at Euro 34.4 million, down 4% and accounted for 80% of total net revenue. The Assetto Corsa brand showed strong performances, generating Euro 13.1 million during the reporting period. The new version Assetto Corsa EVO, developed by the Group's subsidiary Kunos Simulazioni, was released in Early Access on Steam on January 16th, 2025. Video games developed by the internal

Free-to-Play revenues amounted to Euro 7.2 million, down by 25% compared to the first semester of the previous fiscal year. Starting from the previous fiscal year, the video game published by the subsidiary 505 Go! has been undergoing a software conversion to the Unity game engine, which is expected to enhance performance of the live support activities by allowing further reaching and more complex event updates, together with easier and more frequent promotion activities. The conversion will also support localization into additional languages, expanding the game's player game to a global audience. As of the reporting date, the game is primarily available in English and, to a lesser extent, in major Western languages, with most revenue generated in the U.S.. The software conversion to Unity is being finalized with the new version currently in test, with a global launch expected in Q4 of the current fiscal year.

Non-domestic revenues accounted for 96% of total net revenue, while digital sales amounted to 91% of the total net revenue, in line with previous fiscal years.

The gross profit for the period decreased by Euro 3,095 thousand, from Euro 31,245 thousand as of December 31st, 2023 to Euro 28,150 thousand, considering the lower cost of sales for Euro 981 thousand. Inventories decreased significantly, as a result of the Group's strategy of reducing the stock levels of finished products for the retail channel, now a fractional segment of the market.

Other income amounted to Euro 3,603 thousand, down by Euro 2,622 thousand due to lower capitalization of internal studios development of video games, since most of their projects have now transitioned to the live support phase. During the reporting period, the capitalization of internal studios development of video games included:

- the Free to Play game Hawken: Reborn by the subsidiary DR Studios Ltd.;
- the development of Assetto Corsa EVO, new version of the video game Assetto Corsa, developed by the subsidiary Kunos Simulazioni S.r.l.;
- the new video game The Directorate: Novitiate, in development by the subsidiary Chrysalide Jeux et Divertissement Inc..

EBITDA amounted to Euro 13,089 thousand, up by Euro 3,412 thousand. As of December 31st, 2024, EBITDA benefited from lower costs for services and a significant reduction in payroll costs, down by Euro 6,960 thousand in H1, as a result of the reorganization implemented from Q2 last year.

Total depreciation, amortization and impairment adjustments decreased by Euro 832 thousand and contributed to the Euro 4,254 thousand improvement of the EBIT margin. Nevertheless, EBIT remained slightly negative for Euro 395 thousand in the reporting period.

Depreciation and amortization amounted to Euro 13,115 thousand, a Euro 1,328 thousand decrease from Euro 14,443 thousand as of December 31st, 2023.

Provisions were positive for Euro 1,241 thousand, reflecting the reversal of the "Provision for Starbreeze arbitration costs" allocated as of June 30th, 2024, since no arbitration between the parties is needed following the settlement agreement signed with the Swedish developer.

Asset impairment charges amounted to Euro 1,741 thousand and included Euro 966 thousand losses on Starbreeze receivables. The remaining portion was mainly related to the lower-than-expected performance of some video games, whose impairment tests resulted in write-offs of Euro 750 thousand.

The net interest expense amounted to Euro 2,536 thousand, compared to the Euro 1,179 thousand of the first half of the last fiscal year. This was primarily driven by increasing exchange rate losses.

The loss before tax was at Euro 2,931 thousand, improving from the Euro 5,828 thousand loss before tax realized as of December 31st, 2023.

The consolidated net loss for the period amounted to Euro 3,490 thousand, significantly reduced compared to the Euro 6,420 thousand net loss of the first half of the last fiscal year.

The net loss attributable to the shareholders of the Parent Company was at Euro 3,695 thousand, almost unchanged compared to the previous fiscal year. The net profit attributable to non-controlling interests amounted to Euro 205 thousand, compared to the net loss of Euro 2,723 thousand in the previous year. In the first half of the previous fiscal year, the net loss attributable to non-controlling interests included Euro 2,615 thousand representing the 40% minority interest in the net result of the Dutch subsidiary Rasplata B.V., fully owned by the Group from August 2024.

The basic loss per share amounted to Euro 0.25 and the diluted loss per share was Euro 0.25, in line with the results as of December 31st, 2023.

8. CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31ST, 2024

Euro thousand		December 31st, 2024	June 30 th , 2024	Change	
Non-current assets					
1	Property, plant and equipment	6,477	7,379	(902)	-12.2%
2	Investment properties	0	0	0	0.0%
3	Intangible assets	125,702	129,614	(3,912)	-3.0%
4	Equity investments	5,788	9,685	(3,897)	-40.2%
5	Non-current receivables and other assets	2,920	7,945	(5,025)	-63.3%
6	Deferred tax assets	22,656	21,166	1,490	7.0%
7	Non-current financial activities	2,895	0	2,895	n.m.
	Total non-current assets	166,438	175,789	(9,351)	-5.3%
Current assets					
8	Inventories	1,624	2,668	(1,044)	-39.1%
9	Trade receivables	13,869	16,887	(3,018)	-17.9%
10	Tax receivables	3,920	4,345	(425)	-9.8%
11	Other current assets	7,126	8,902	(1,775)	-19.9%
12	Cash and cash equivalents	4,631	11,981	(7,350)	-61.4%
13	Other current financial assets	5,221	10,238	(5,017)	-49.0%
	Total current assets	36,392	55,021	(18,629)	-33.9%
	TOTAL ASSETS	202,830	230,810	(27,980)	-12.1%
Shareholders' equity					
14	Share capital	(5,706)	(5,706)	0	0.0%
15	Reserves	(9,929)	(11,868)	1,939	-16.3%
16	Treasury shares	0	0	0	0.0%
17	Retained earnings	(105,842)	(113,426)	7,584	-6.7%
	Equity attributable to the shareholders of the Parent Company	(121,477)	(131,000)	9,523	-7.3%
	Equity attributable to non-controlling interests	(780)	3,314	(4,094)	n.m.
	Total net equity	(122,257)	(127,686)	5,429	-4.3%
Non-current liabilities					
18	Employee benefits	(1,036)	(967)	(69)	7.1%
19	Non-current provisions	(877)	(563)	(314)	55.8%
20	Other non-current payables and liabilities	(771)	(1,657)	886	-53.5%
21	Non-current financial liabilities	(5,164)	(10,324)	5,160	-50.0%
	Total non-current liabilities	(7,848)	(13,511)	5,663	-41.9%
Current liabilities					
22	Trade payables	(30,096)	(43,737)	13,641	-31.2%
23	Tax payables	(1,444)	(1,299)	(145)	11.2%
24	Short term provisions	0	(1,241)	1,241	n.m.
25	Other current liabilities	(3,891)	(6,657)	2,766	-41.5%
26	Current financial liabilities	(37,294)	(36,679)	(615)	1.7%
	Total current liabilities	(72,725)	(89,613)	16,888	-18.8%
	TOTAL LIABILITIES	(80,573)	(103,124)	22,552	-21.9%
	TOTAL NET EQUITY AND LIABILITIES	(202,830)	(230,810)	27,980	-12.1%

Total non-current assets decrease by Euro 9,351 thousand. During the reporting period, intangible assets decreased by Euro 3,912 thousand, due to amortization and impairment adjustments for Euro 12,673 thousand and Euro 8,761 thousand investments.

Equity investments decrease by Euro 3,897 thousand, mainly due to the fair value adjustment of the Starbreeze A and Starbreeze B shares as of December 31st, 2024.

Non-current receivables and other assets decrease by Euro 5,025 thousand, of which Euro 4,425 thousand related to the reclassification of the portion of the receivable from Starbreeze that is due beyond twelve months, as per the settlement agreement signed with the Swedish developer on February 27th, 2025.

Total current assets decrease by Euro 18,629 thousand compared to June 30th, 2024, mainly due to lower cash and cash equivalents by Euro 7,350 thousand, lower trade receivables by Euro 3,018 thousand and lower current financial assets by Euro 5,017 thousand. The decrease in current financial assets reflects the collection of a portion of the receivable from Remedy Entertainment, following the agreement finalized in the previous fiscal year for the reversion of all rights related to the publishing, distribution, and marketing of the Control franchise.

Non-current liabilities decrease by Euro 5,663 thousand, mainly due to lower non-current financial liabilities for Euro 5,160 thousand.

Total current liabilities is down by Euro 16,888 thousand as a result of:

- lower trade payables for Euro 13,641 thousand driven by payments made in the first quarter of the current fiscal year for purchases recorded in the last quarter of the previous fiscal year, which saw a significant level of activity;
- the reversal of Euro 1,241 thousand provisions, related to the release of the above-mentioned “Provision for Starbreeze arbitration costs”;
- lower other current liabilities for Euro 2,766 thousand, mainly due to the recognition of Euro 2,774 thousand revenue related to digital distribution contracts in the profit and loss statement.

The following table details the Group’s net financial position as of December 31st, 2024 together with comparative figures as of June 30th, 2024:

Euro thousand		December 31 st , 2024	June 30 th , 2024	Change
12	Cash and cash equivalents	4,631	11,981	(7,350)
13	Other current financial assets	5,221	10,238	(5,017)
26	Current financial liabilities	(37,294)	(36,679)	(615)
	Current net financial position	(27,442)	(14,460)	(12,982)
7	Non-current financial assets	2,895	0	2,895
21	Non-current financial liabilities	(5,164)	(10,324)	5,160
	Non-current financial liabilities	(2,269)	(10,324)	8,055
	Total net financial position	(29,711)	(24,784)	(4,927)

The net financial debt amounted to Euro 29,711 thousand as of December 31st, 2024, increasing by Euro 4,927 thousand, in line with expectations. The Group will be able to manage its current liabilities with its future cash flow generation.

The net financial position net of the IFRS16 effect was negative at Euro 26,510 thousand.

9. FINANCIAL RATIOS

The table below details some performance indicators, to facilitate the reading of the consolidated economic and financial data:

Profitability ratios	December 31st, 2024	December 31st, 2023
ROE (Net profit / Net equity)	-3.0%	-2.8%
ROI (Operating margin / Total assets)	-0.2%	-1.9%
ROS (Operating margin / Gross profit)	-0.9%	-9.9%

Structure ratios	December 31st, 2024	June 30th, 2024
Net working capital ratio (Current assets / Total assets)	17.9%	23.08%
Current ratio (Current assets / Current liabilities)	50.0%	61.4%
Quick ratio (Cash and cash equivalents and Other current assets / Current liabilities)	47.8%	58.4%

10. SEGMENT REPORTING

Premium Games

Reclassified P&L highlights

Euro thousand		Premium Games					
		December 31 st , 2024		December 31 st , 2023		Change	
1	Gross revenue	34,409	100.0%	35,863	100.0%	(1,454)	-4.1%
2	Revenue adjustments	0	0.0%	(12)	0.0%	12	n.m.
3	Net revenue	34,409	100.0%	35,851	100.0%	(1,442)	-4.0%
4	Purchase of products for resale	(319)	-0.9%	(565)	-1.6%	246	-43.5%
5	Purchase of services for resale	(1,478)	-4.3%	(3,065)	-8.5%	1,587	-51.8%
6	Royalties	(8,085)	-23.5%	(6,827)	-19.0%	(1,258)	18.4%
7	Changes in inventories of finished products	(397)	-1.2%	57	0.2%	(454)	n.m.
8	Total cost of sales	(10,279)	-29.9%	(10,400)	-29.0%	121	-1.2%
9	Gross profit (3+8)	24,130	70.1%	25,451	71.0%	(1,321)	-5.2%
10	Other income	2,825	8.2%	4,799	13.4%	(1,974)	-41.1%
11	Costs for services	(1,707)	-5.0%	(3,205)	-8.9%	1,498	-46.7%
12	Rent and leasing	(68)	-0.2%	(57)	-0.2%	(11)	19.2%
13	Payroll costs	(8,173)	-23.8%	(12,714)	-35.5%	4,541	-35.7%
14	Other operating costs	(275)	-0.8%	(403)	-1.1%	128	-31.9%
15	Total operating costs	(10,223)	-29.7%	(16,379)	-45.7%	6,156	-37.6%
16	Gross operating margin (EBITDA) (9+10+15)	16,732	48.6%	13,871	38.7%	2,861	20.6%
17	Depreciation and amortization	(11,263)	-32.7%	(12,508)	-34.9%	1,245	-10.0%
18	Provisions	1,241	3.6%	0	0.0%	1,241	n.m.
19	Asset impairment charge	(1,721)	-5.0%	(779)	-2.2%	(941)	n.m.
20	Impairment reversal	0	0.0%	889	2.5%	(889)	n.m.
21	Total depreciation, amortization and impairment adjustments	(11,743)	-34.1%	(12,398)	-34.6%	655	-5.3%
22	Operating margin (EBIT) (16+21)	4,989	14.5%	1,473	4.1%	3,516	n.m.

As of December 31st, 2024, Premium Games revenue was at Euro 34.4 million, down 4% and accounted for 80% of total net revenue. The Assetto Corsa brand showed strong performances, generating Euro 13.1 million during the reporting period. The new version Assetto Corsa EVO, developed by the Group's subsidiary Kunos Simulazioni, was released in Early Access on Steam on January 16th, 2025.

Video games developed by the internal studios and fully owned intellectual properties (IPs) accounted for 59% of the total revenue for the Premium Games operating segment, while 24% of Premium Games revenue was generated by co-owned IPs and long-term publishing agreements. This is in line with the previous fiscal year and consistent with the Group's strategy, looking to reduce third party IPs, generally less profitable and less effective in creating long-term value.

A breakdown by revenue type is provided below:

Euro thousand	December 31st, 2024	December 31st, 2023	Change	
Retail distribution revenue	871	2,031	(1,160)	-57.1%
Digital distribution revenue	31,861	32,486	(625)	-1.9%
Sublicensing revenue	1,677	1,346	331	24.6%
Total Premium Games revenue	34,409	35,863	(1,454)	-4.1%

Digital distribution accounted for approximately 93% of the net revenue for the operating segment.

Digital distribution revenue consists of transactional revenue, generated from the sale of the video games to end-consumers on digital marketplaces, and buyout revenue, related to the transfer of the video game IP rights and of the related additional content to the digital marketplaces. Buyout revenue includes revenue from subscriptions, free promotions, and minimum guarantee contracts.

Sub-licensing revenue reflected the sub-licensing of video game rights to publishers on markets where the Group does not operate directly, especially the Far East.

Revenue from the digital distribution for the period ended on December 31st, 2024 may be broken down as follows:

Euro thousand	December 31st, 2024	December 31st, 2023	Change	
Console	14,058	11,661	2,397	20.6%
Personal Computer	16,389	18,666	(2,277)	-12.2%
Mobile	1,414	2,159	(745)	-34.5%
Total digital distribution revenue	31,861	32,486	(625)	-1.9%

The increase in console revenue is offset by lower PC revenue resulting from the different product mix across the two reporting periods.

The total cost of sales improved slightly, decreasing by 1.2% compared to December 31st, 2023.

The gross profit amounted to Euro 24,130 thousand, decreased by Euro 1,321 thousand compared to December 31st, 2023, representing a 5.2% decrease.

Other income amounted to Euro 2,825 thousand, decreasing by Euro 1,974 thousand due to lower capitalization of internal studios development of video games, since most of their projects have now transitioned to the live support phase. The capitalization of video games developed by fully owned studios involved:

- the development of the new version of Assetto Corsa by the subsidiary Kunos Simulazioni S.r.l.;
- the development of the new video game The Directorate: Novitiate by the subsidiary Chrysalide Jeux et Divertissement Inc..

The total operating costs decreased by 37.6%, a Euro 6,156 thousand reduction compared to the first half of the previous fiscal year, mainly due to lower payroll costs by Euro 4,541 thousand, as a result of the reorganization implemented during the last fiscal year. Costs for services decreased by Euro 1,498 thousand due to the lack of new releases in the period.

The gross operating margin (EBITDA) amounted to Euro 16,732 thousand (48.6% of net revenue), increasing by Euro 2,861 thousand compared to Euro 13,871 thousand realized as of December 31st, 2023 (when it represented 38.7% of net revenue).

The Euro 655 thousand decrease in Total depreciation, amortization and impairment adjustments contributed to the Euro 3,516 thousand EBIT improvement compared to the first half of the previous fiscal year. As of December 31st, 2024, EBIT was positive at Euro 4,989 thousand, representing 14.5% of net revenue.

Depreciation and amortization decreased by Euro 1,245 thousand, while provisions were positive for Euro 1,241 thousand as a result of the release of the Provision for Starbreeze arbitration costs set up as of June 30th, 2024, no longer needed following the settlement agreement signed with the Swedish group.

Asset impairments for the period amounted to Euro 1,721 thousand and included Euro 966 thousand related to the net losses on the receivable from Starbreeze AB following the agreement with the Swedish group. The remaining portion was mainly related to the lower-than-expected performance of some video games, whose impairment tests resulted in write-offs of Euro 750 thousand.

Free to Play

Reclassified P&L highlights

Euro thousand		Free to Play					
		December 31 st , 2024		December 31 st , 2023		Change	
1	Gross revenue	7,223	100.0%	9,633	100.0%	(2,410)	-25.0%
2	Revenue adjustments	0	0.0%	0	0.0%	0	0.0%
3	Net revenue	7,223	100.0%	9,633	100.0%	(2,410)	-25.0%
4	Purchase of products for resale	0	0.0%	0	0.0%	0	0.0%
5	Purchase of services for resale	(1,903)	-26.3%	(2,027)	-21.0%	124	-6.1%
6	Royalties	(2,021)	-28.0%	(2,494)	-25.9%	473	-18.9%
7	Changes in inventories of finished products	0	0.0%	0	0.0%	0	0.0%
8	Total cost of sales	(3,924)	-54.3%	(4,521)	-46.9%	597	-13.2%
9	Gross profit (3+8)	3,299	45.7%	5,112	53.1%	(1,813)	-35.5%
10	Other income	778	10.8%	1,426	14.8%	(648)	-45.5%
11	Costs for services	(1,135)	-15.7%	(1,432)	-14.9%	297	-20.7%
12	Rent and leasing	(31)	-0.4%	(70)	-0.7%	39	-55.3%
13	Payroll costs	(2,978)	-41.2%	(4,860)	-50.5%	1,882	-38.7%
14	Other operating costs	(45)	-0.6%	(55)	-0.6%	10	-17.4%
15	Total operating costs	(4,189)	-58.0%	(6,417)	-66.6%	2,228	-34.7%
16	Gross operating margin (EBITDA) (9+10+15)	(112)	-1.5%	121	1.3%	(233)	n.m.
17	Depreciation and amortization	(1,180)	-16.3%	(1,234)	-12.8%	54	-4.4%
18	Provisions	0	0.0%	0	0.0%	0	0.0%
19	Asset impairment charge	0	0.0%	0	0.0%	0	0.0%
20	Impairment reversal	131	1.8%	0	0.0%	131	0.0%
21	Total depreciation, amortization and impairment adjustments	(1,049)	-14.5%	(1,234)	-12.8%	185	-15.0%
22	Operating margin (EBIT) (16+21)	(1,161)	-16.1%	(1,113)	-11.6%	(48)	4.2%

A breakdown of Free to Play gross revenue by video games is provided below:

Euro thousand	December 31 st , 2024	December 31 st , 2023	Change	
505 Go Inc.	4,976	7,101	(2,125)	-29.9%
Gems of War	1,625	1,813	(188)	-10.4%
Puzzle Quest 3	343	445	(102)	-22.9%
Other products	279	274	5	1.8%
Total Free to Play revenue	7,223	9,633	(2,410)	-25.0%

Revenue for the Free-to-Play operating segment amounted to Euro 7,223 thousand, down by 25% compared to the first half of the previous fiscal year. Revenue from the subsidiary 505 Go! amounted to Euro 4,976 thousand, compared to Euro 7,101 thousand realized as of December 31st, 2023. Starting from the previous fiscal year, the video game published by the subsidiary 505 Go! has been undergoing a software conversion to the Unity game

engine, which is expected to enhance performance of the live support activities by allowing further reaching and more complex event updates, together with easier and more frequent promotion activities. The conversion will also support localization into additional languages, expanding the game's player game to a global audience. As of the reporting date, the game is primarily available in English and, to a lesser extent, in major Western languages, with most revenue generated in the U.S.. The software conversion to Unity is being finalized with the new version currently in test, with a global launch expected in last quarter of the current fiscal year.

The video game Gems of War generated Euro 1,625 thousand revenue. The game, launched over ten years ago, entered the Group's portfolio of intellectual properties after the acquisition of the Australian studio Infinity Plus Two in January 2021.

The total cost of sales decreased by Euro 597 thousand, driven by a contraction in royalties related to video games from 505 Go! Inc..

Other income decreased by Euro 648 thousand and amounted to Euro 778 thousand, reflecting the video games in development by the Group's subsidiaries. The capitalization of own work mainly involved the development of the Free to Play videogame Hawken Reborn by the subsidiary DR Studios Ltd..

Total operating costs amounted to Euro 4,189 thousand, decreasing by Euro 2,228 thousand compared to the first half of the previous fiscal year, benefiting from lower payroll costs by Euro 1,882 thousand resulting from the reorganization implemented in the previous fiscal year.

The gross operating margin (EBITDA) was negative at Euro 112 thousand, decreasing by Euro 233 thousand compared to the positive Euro 121 thousand as of December 31st, 2023.

Depreciation and amortization as of December 31st, 2024 amounted to Euro 1,180 thousand and included Euro 880 thousand related to the portion of the goodwill for the Australian companies attributable to the reporting period. The remaining portion related to the depreciation of the Group's Intellectual Properties for the reporting period, as well as the IFRS 16 application to the rental agreements for DR Studios Ltd. and for the Australian companies.

The operating margin (EBIT) was negative at Euro 1,161 thousand, decreasing compared to the negative Euro 1,113 realized as of December 31st, 2023.

Italian Distribution

Reclassified P&L highlights

Euro thousand		Italian Distribution					
		December 31st, 2024		December 31st, 2023		Change	
1	Gross revenue	1,061	100.1%	1,226	101.8%	(165)	-13.4%
2	Revenue adjustments	0	0.0%	(22)	-1.8%	22	n.m.
3	Net revenue	1,061	100.0%	1,204	100.0%	(143)	-11.9%
4	Purchase of products for resale	(24)	-2.2%	(957)	-79.5%	933	-97.5%
5	Purchase of services for resale	0	0.0%	0	0.0%	0	0.0%
6	Royalties	0	0.0%	0	0.0%	0	0.0%
7	Changes in inventories of finished products	(647)	-61.0%	23	1.9%	(670)	n.m.
8	Total cost of sales	(671)	-63.3%	(934)	-77.6%	263	-28.1%
9	Gross profit (3+8)	390	36.8%	270	22.4%	120	44.5%
10	Other income	0	0.0%	0	0.0%	0	0.0%
11	Costs for services	(72)	-6.8%	(116)	-9.6%	44	-37.8%
12	Rent and leasing	(14)	-1.4%	(7)	-0.6%	(7)	75.0%
13	Payroll costs	(307)	-29.0%	(574)	-47.7%	267	-46.5%
14	Other operating costs	(25)	-2.4%	(25)	-2.1%	0	0.0%
15	Total operating costs	(418)	-39.4%	(722)	-60.0%	304	-42.2%
16	Gross operating margin (EBITDA) (9+10+15)	(28)	-2.6%	(452)	-37.6%	424	-93.8%
17	Depreciation and amortization	(74)	-6.9%	(71)	-5.9%	(3)	0.0%
18	Provisions	0	0.0%	0	0.0%	0	0.0%
19	Asset impairment charge	(20)	-1.9%	0	0.0%	(20)	0.0%
20	Impairment reversal	0	0.0%	7	0.6%	(7)	0.0%
21	Total depreciation, amortization and impairment adjustments	(94)	-8.9%	(64)	-5.3%	(30)	47.4%
22	Operating margin (EBIT) (16+21)	(122)	-11.5%	(516)	-42.9%	394	-76.4%

Revenue from the Italian Distribution operating sector decreased by Euro 165 thousand, from Euro 1,226 thousand to Euro 1,061 thousand as of December 31st, 2024. The breakdown of revenue was as follows:

Euro thousand	December 31st, 2024	December 31st, 2023	Change	
Distribution of console video games	451	287	164	-57.1%
Distribution of trading cards	610	939	(329)	35.0%
Total Italian Distribution revenue	1,061	1,226	(165)	-13.4%

During the reporting period, activities within the Italian Distribution operating segment were limited to the sales of inventories, which decreased by Euro 670 thousand as of December 31st, 2024.

The total operating costs amounted to Euro 418 thousand, decreasing by Euro 304 thousand compared to December 31st, 2023, as a result of lower payroll costs by Euro 267 thousand.

The gross operating margin (EBITDA) was negative at Euro 28 thousand, compared to the negative Euro 452 thousand realized as of December 31st, 2023. The operating margin (EBIT) was negative for Euro 122 thousand compared to the negative Euro 516 thousand as of December 31st, 2023.

Other Activities

Reclassified P&L highlights

Euro thousand		Other Activities					
		December 31st, 2024		December 31st, 2023		Change	
1	Gross revenue	331	100.0%	412	100.0%	(81)	-19.7%
2	Revenue adjustments	0	0.0%	0	0.0%	0	0.0%
3	Net revenue	331	100.0%	412	100.0%	(81)	-19.7%
4	Purchase of products for resale	0	0.0%	0	0.0%	0	0.0%
5	Purchase of services for resale	0	0.0%	0	0.0%	0	0.0%
6	Royalties	0	0.0%	0	0.0%	0	0.0%
7	Changes in inventories of finished products	0	0.0%	0	0.0%	0	0.0%
8	Total cost of sales	0	0.0%	0	0.0%	0	0.0%
9	Gross profit (3+8)	331	100.0%	412	100.0%	(81)	-19.7%
10	Other income	0	0.0%	0	0.0%	0	0.0%
11	Costs for services	(67)	-20.2%	(146)	-35.5%	79	-54.3%
12	Rent and leasing	0	0.0%	(0)	-0.1%	0	0.0%
13	Payroll costs	(262)	-79.1%	(332)	-80.6%	70	-21.2%
14	Other operating costs	(24)	-7.2%	(18)	-4.5%	(6)	28.4%
15	Total operating costs	(353)	-106.8%	(496)	-120.5%	143	-28.8%
16	Gross operating margin (EBITDA) (9+10+15)	(22)	-6.8%	(84)	-20.5%	62	-73.4%
17	Depreciation and amortization	(186)	-56.2%	(183)	-44.5%	(3)	1.4%
18	Provisions	0	0.0%	0	0.0%	0	0.0%
19	Asset impairment charge	0	0.0%	0	0.0%	0	0.0%
20	Impairment reversal	0	0.0%	0	0.0%	0	0.0%
21	Total depreciation, amortization and impairment adjustments	(186)	-56.2%	(183)	-44.5%	(3)	1.4%
22	Operating margin (EBIT) (16+21)	(208)	-63.0%	(267)	-64.7%	59	-21.9%

The Other Activities revenue decreased by Euro 81 thousand, while operating costs decreased by Euro 143 thousand. EBITDA was negative for Euro 22 thousand, compared to the negative EBITDA for Euro 84 thousand as of December 31st, 2023. The segment generated a Euro 208 thousand net loss, compared to the previous Euro 267 thousand net loss as of December 31st, 2023.

Holding

Reclassified P&L highlights

Euro thousand		Holding					
		December 31st, 2024		December 31st, 2023		Change	
1	Gross revenue	0	0.0%	0	0.0%	0	0.0%
2	Revenue adjustments	0	0.0%	0	0.0%	0	0.0%
3	Net revenue	0	0.0%	0	0.0%	0	0.0%
4	Purchase of products for resale	0	0.0%	0	0.0%	0	0.0%
5	Purchase of services for resale	0	0.0%	0	0.0%	0	0.0%
6	Royalties	0	0.0%	0	0.0%	0	0.0%
7	Changes in inventories of finished products	0	0.0%	0	0.0%	0	0.0%
8	Total cost of sales	0	0.0%	0	0.0%	0	0.0%
9	Gross profit (3+8)	0	0.0%	0	0.0%	0	0.0%
10	Other income	0	0.0%	0	0.0%	0	0.0%
11	Costs for services	(995)	0.0%	(1,074)	0.0%	79	-7.4%
12	Rent and leasing	(124)	0.0%	(116)	0.0%	(8)	6.6%
13	Payroll costs	(2,167)	0.0%	(2,367)	0.0%	200	-8.5%
14	Other operating costs	(195)	0.0%	(222)	0.0%	27	12.3%
15	Total operating costs	(3,481)	0.0%	(3,779)	0.0%	298	-7.9%
16	Gross operating margin (EBITDA) (9+10+15)	(3,481)	0.0%	(3,779)	0.0%	298	-7.9%
17	Depreciation and amortization	(412)	0.0%	(447)	0.0%	35	-7.9%
18	Provisions	0	0.0%	0	0.0%	0	0.0%
19	Asset impairment charge	0	0.0%	0	0.0%	0	0.0%
20	Impairment reversal	0	0.0%	0	0.0%	0	0.0%
21	Total depreciation, amortization and impairment adjustments	(412)	0.0%	(447)	0.0%	35	-7.9%
22	Operating margin (EBIT) (16+21)	(3,893)	0.0%	(4,226)	0.0%	333	-7.9%

The total operating costs amounted to Euro 3,481 thousand, a Euro 298 thousand decrease compared to the first half of the previous fiscal year, mainly driven by lower payroll and service costs.

The operating margin (EBIT) was negative for Euro 3,893 thousand compared to the Euro 4,226 thousand negative EBIT as of December 31st, 2023.

11. INTERCOMPANY AND RELATED PARTY TRANSACTION AND ATYPICAL/UNUSUAL TRANSACTIONS

All intercompany and related party transactions entered by Group companies were conducted at arm's length.

Intercompany transactions

505 Games S.p.A. charged royalties to the U.S. subsidiary 505 Games Inc., related to the products distributed on American markets.

505 Games (UK) Ltd. and 505 Games (US) Inc. charged 505 Games S.p.A. for payroll costs and some general expenses related to the workforce involved in the production and international marketing teams within the Premium Games operating segment.

505 Mobile (US) Inc. charged 505 Mobile S.r.l. and 505 Games S.p.A. for payroll costs and general costs related to employees involved in the production and marketing teams within the Free to Play operating segment.

505 Games (US) Inc. charged 505 Mobile S.r.l. for general costs related to the workforce employed in the Free to Play production and marketing teams.

Before its consolidation, DR Studios Ltd. had already established development and live support agreements with 505 Games S.p.A. and 505 Mobile S.r.l. for various video games, which remained in effect following its acquisition. New development contracts signed post-acquisition were governed by a framework agreement, ensuring the reimbursement of direct project costs incurred, along with an additional markup.

Digital Bros China Ltd., Digital Bros Asia Pacific Ltd. and 505 Games Japan K.K. charged 505 Games S.p.A. for the costs related to business development activities in the Asian markets.

Before its acquisition, Kunos Simulazioni S.r.l. had already entered a development contract with 505 Games S.p.A. for the video game Assetto Corsa, which remained unchanged.

Avantgarden S.r.l. entered a development contract with 505 Games S.p.A. which provides for the reimbursement of direct project costs plus an additional markup.

Supernova Games Studios S.r.l. entered a development contract with 505 Games S.p.A., which provides for the refund of the direct costs incurred for the project, plus a markup.

Before its acquisition, Infinity Plus Two Pty. Ltd. had already entered development agreements with 505 Games S.p.A. for several video games, which remain unchanged.

Ingame Studios a.s. entered a video game development and live support contract with 505 Games S.p.A., which provides for the reimbursement of the direct costs incurred for the project, with a markup.

Digital Bros S.p.A. charges 505 Games S.p.A. for the direct costs incurred on its behalf, as well as for its share of indirect costs related to coordination activities, including video game acquisitions, financial and legal services, logistics, HR services and IT support provided by the Parent Company.

Digital Bros S.p.A. charged Digital Bros Game Academy S.r.l. for the cost of administrative, financial, legal and IT services incurred on its behalf and for the rent of the subsidiary's operational headquarters located in Via Labus, Milan.

Digital Bros S.p.A. charges Avantgarden S.r.l. for the rent of its headquarters located in Via Tortona, Milan.

505 Games S.p.A. charges 505 Games Go Inc. for the costs associated with coordinating its game acquisition activities, as well as for administrative, financial, legal, and IT services.

Rasplata B.V. charged 505 Games S.p.A. for the royalties related to the publishing of Crime Boss: Rockay City, pursuant to the relative publishing agreement.

Digital Bros S.p.A. granted a loan to Rasplata B.V. with quarterly interests.

Before its acquisition, 505 Go Inc. signed a licensing agreement with Infinite Interactive Pty. for the video game Puzzle Quest, which remained unchanged.

Other minor transactions relate to the financial, legal and general services performed by Digital Bros S.p.A. on behalf of the Group's subsidiaries. The Parent Company also operates a cash pooling service, utilizing intercompany current accounts to manage and transfer both positive and negative balances between Group companies, including the transfer of receivables. These accounts are maintained interest-free.

Italian Group companies transferred tax receivables and payables to the Parent Company, in compliance with domestic tax group arrangements.

The effects of all intercompany transactions on the consolidated results and financial position as at December 31st, 2024 were fully eliminated.

Transactions with other related parties

Related party transactions referred to:

- the property leased by Matov Imm. S.r.l. to the Parent Company and to the subsidiary 505 Games France S.a.s.;
- the property leased by Matov LLC to the subsidiary 505 Games (US) Inc..

Both Matov Imm. S.r.l. and Matov LLC are owned by Abramo and Raffaele Galante. The effects of related party transactions on the profit and loss statement and on the balance sheet are detailed in paragraph 8 of the Notes.

Atypical transactions

During the reporting period, there were no atypical or unusual transactions, as defined by Consob Communication DEM 6064293 of July 28th, 2006, as in the same reporting period of the previous fiscal year.

12. TREASURY SHARES

As of December 31st, 2024, Digital Bros S.p.A. did not hold any treasury shares and did not carry out any transactions in treasury shares during the reporting period, pursuant to Art- 2428 (2) no. 3 of the Italian Civil Code.

13. OPERATIONAL RISKS, FINANCIAL RISKS AND FINANCIAL INSTRUMENTS

For further details on the management of operational and financial risks and financial instruments, please refer to the Directors' Report accompanying the Consolidated financial statements as of June 30th, 2024 as there were no significant changes during the reporting period.

14. CONTINGENT ASSETS AND LIABILITIES

As part of the agreement finalized in May 2016 for the transfer of PAYDAY 2 rights to Starbreeze AB, Digital Bros is entitled to receive 33% of Starbreeze's net revenue from the net sales of PAYDAY 3, up to USD 40 million. In March 2021, Starbreeze announced a publishing deal with a major international publisher for the global release of PAYDAY 3.

Following the launch of PAYDAY 3 in September 2023 and the initial earn-out calculation submitted by Starbreeze AB, different interpretations of contractual definitions emerged between the Group and the Swedish developer.

Following the settlement agreement signed between the two groups, as detailed in the "Relations with Starbreeze" section of this Report, and considering both the calculation methods defined in the agreement and the performance of PAYDAY 3, the Group has not recognized any earn-out from the video game during the reporting period, nor it anticipates recognizing any earn out from the video game in the short term.

As of December 31st, 2024, the Group has not recognized deferred tax assets related to approximately Euro 17 million tax losses incurred by some of its subsidiaries, due to the fact that these were considered unrecoverable based on the applicable local tax regulations.

15. SUBSEQUENT EVENTS

The only subsequent event was the settlement agreement signed by the Group with Starbreeze AB on February 27th, 2025. Its effects have been reflected in the consolidated half-year financial statements, with no significant impact on the net result of the reporting period.

16. BUSINESS OUTLOOK

The new video game Assetto Corsa EVO was released in Early Access on Steam on January 16th, 2025. The Early Access version provides for the regular release of additional content (multiplayer, free roaming, etc.) until the launch of the final version of the game, which is scheduled for Fall 2025. The Premium Games release schedule will additionally benefit from the recently announced new video game Blades of Fire, scheduled to launch on May 22nd, 2025. In the second half of the fiscal year, the Group will also release the Free to Play games converted to the Unity engine.

As a result of the new launches, revenue is expected to improve in the second half of the current fiscal year compared to the first. Despite this, the Group reiterates its business outlook, projecting a decline in full-year revenue. The actions implemented in the previous fiscal year, including the reorganization and the refocused investments, are expected to maintain FY25 EBIT at the same level as of June 30th, 2024.

At fiscal year-end, the net financial debt is expected to remain in line with the same level as of December 31st, 2024. The forecasted improvement in the Group's financial debt is now expected to occur during the first quarter of the next fiscal year. In such a period, the Group is expected to collect the Blades of Fire sales, the effects of the promotional campaigns scheduled for June 2025 and benefit from the receipt of the highly anticipated video game Wuchang: Fallen Feathers, which attracted over 95,000 followers on Steam to date.

OTHER INFORMATION

EMPLOYEES

The following table details the number of employees as of December 31st, 2024 with comparative figures as at December 31st, 2023.

Category	December 31 st , 2024	December 31 st , 2023	Change
Managers	14	14	0
Office workers	268	357	(89)
Blue-collar workers and apprentices	4	5	(1)
Total employees	286	376	(90)

As of December 31st, 2024, the substantial decline in employee numbers reflected the organizational restructuring announced in November 2023, leading to a reduction of over 30% of the global workforce. The majority of these reductions occurred within the Group's studios, while the publishing units—both in the Premium Games and Free-to-Play segments—experienced only minimal redundancies.

The following table reports the number of employees of non-Italian companies as of December 31st, 2024, with comparative figures as of December 31st, 2023:

Category	December 31 st , 2024	December 31 st , 2023	Change
Managers	8	8	0
Office workers	168	255	(87)
Total employees outside Italy	176	263	(87)

The average number of employees for the period is calculated as the mean number of employees at the end of each month. It is shown below with corresponding comparative figures:

Category	Average no. in 2025	Average no. in 2024	Change
Managers	14	14	0
Office workers	278	394	(116)
Blue-collar workers and apprentices	4	4	0
Total employees	296	412	(116)

The average number of employees of the non-Italian companies is as follow:

Category	Average no. in 2025	Average no. in 2024	Change
Managers	8	8	0
Office workers	177	289	(112)
Total employees	185	297	(112)

Employees of the Group's Italian companies are contracted under the current Confcommercio national collective employment agreement for the commercial, distribution and services sector. Employees of the three Italian studios – Kunos Simulazioni S.r.l., AvantGarden S.r.l. and Supernova Games Studios S.r.l. – are contracted under the national collective employment agreement for the mechanical industry.

ENVIRONMENTAL ISSUES

The video game industry has a negligible environmental impact due to its primarily digital nature.

Most of the products are sold through digital marketplaces and the Group aims to progressively reduce sales through physical stores. Although the environmental impact is considered exceptionally low, the Group actively monitors solutions to further minimize the environmental effects of its activities both currently and in the future.

The Group updates obsolete equipment whenever possible and ensures all components are recycled appropriately. Documents are stored digitally, with physical printing limited to legal requirements or specific task needs. Consumables such as printer toners are returned to suppliers for proper recycling. Additionally, the Group prioritizes digital communications, such as video conferencing, over travel to enhance sustainability and reduce costs.

During the reporting period, the Group published its first Sustainability Report for the fiscal year ending June 30, 2023, on a voluntary basis. The document is available on the company website under the Sustainability section.

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**Half year condensed financial statements as of
December 31st, 2024**

FINANCIAL STATEMENTS

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Consolidated balance sheet as of December 31st, 2024

Euro thousand		December 31 st , 2024	June 30 th , 2024
	Non-current assets		
1	Property, plant and equipment	6,477	7,379
2	Investment properties	0	0
3	Intangible assets	125,702	129,614
4	Equity investments	5,788	9,685
5	Non-current receivables and other assets	2,920	7,945
6	Deferred tax assets	22,656	21,166
7	Non-current financial activities	2,895	0
	Total non-current assets	166,438	175,789
	Current assets		
8	Inventories	1,624	2,668
9	Trade receivables	13,869	16,887
10	Tax receivables	3,920	4,345
11	Other current assets	7,126	8,902
12	Cash and cash equivalents	4,631	11,981
13	Other current financial assets	5,221	10,238
	Total current assets	36,392	55,021
	TOTAL ASSETS	202,830	230,810
	Shareholders' equity		
14	Share capital	(5,706)	(5,706)
15	Reserves	(9,929)	(11,868)
16	Treasury shares	0	0
17	Retained earnings	(105,842)	(113,426)
	Equity attributable to the shareholders of the Parent Company	(121,477)	(131,000)
	Equity attributable to non-controlling interests	(780)	3,314
	Total net equity	(122,257)	(127,686)
	Non-current liabilities		
18	Employee benefits	(1,036)	(967)
19	Non-current provisions	(877)	(563)
20	Other non-current payables and liabilities	(771)	(1,657)
21	Non-current financial liabilities	(5,164)	(10,324)
	Total non-current liabilities	(7,848)	(13,511)
	Current liabilities		
22	Trade payables	(30,096)	(43,737)
23	Tax payables	(1,444)	(1,299)
24	Short term provisions	0	(1,241)
25	Other current liabilities	(3,891)	(6,657)
26	Current financial liabilities	(37,294)	(36,679)
	Total current liabilities	(72,725)	(89,613)
	TOTAL LIABILITIES	(80,573)	(103,124)
	TOTAL NET EQUITY AND LIABILITIES	(202,830)	(230,810)

Consolidated profit and loss statement for the period ended December 31st, 2024

	Euro thousand	December 31st, 2024	December 31st, 2023
1	Gross revenue	43,024	47,134
2	Revenue adjustments	0	(34)
3	Net revenue	43,024	47,100
4	Purchase of products for resale	(343)	(1,522)
5	Purchase of services for resale	(3,381)	(5,092)
6	Royalties	(10,106)	(9,321)
7	Changes in inventories of finished products	(1,044)	80
8	Total cost of sales	(14,874)	(15,855)
9	Gross profit (3+8)	28,150	31,245
10	Other income	3,603	6,225
11	Costs for services	(3,976)	(5,973)
12	Rent and leasing	(237)	(250)
13	Payroll costs	(13,887)	(20,847)
14	Other operating costs	(564)	(723)
15	Total operating costs	(18,664)	(27,793)
16	Gross operating margin (EBITDA) (9+10+15)	13,089	9,677
17	Depreciation and amortization	(13,115)	(14,443)
18	Provisions	1,241	0
19	Asset impairment charge	(1,741)	(779)
20	Impairment reversal	131	896
21	Total depreciation, amortization and impairment adjustments	(13,484)	(14,326)
22	Operating margin (EBIT) (16+21)	(395)	(4,649)
23	Interest and financial income	843	1,389
24	Interest and financial expenses	(3,379)	(2,568)
25	Net interest income/(expenses)	(2,536)	(1,179)
26	Profit/ (loss) before tax (22+25)	(2,931)	(5,828)
27	Current tax	(1,639)	425
28	Deferred tax	1,080	(1,017)
29	Total taxes	(559)	(592)
30	Net profit/loss	(3,490)	(6,420)
	attributable to the shareholders of the Parent Company	(3,695)	(3,697)
	attributable to non-controlling interests	205	(2,723)
	Earnings per share:		
33	Basic earnings per share (in Euro)	(0.26)	(0.26)
34	Diluted earnings per share (in Euro)	(0.25)	(0.25)

Consolidated comprehensive income statement as of December 31st, 2024

Euro thousand	December 31 st , 2024	December 31 st , 2023
Profit (loss) for the period (A)	(3,490)	(6,420)
Actuarial profit (loss)	(29)	(5)
Tax effect regarding the actuarial profit (loss)	7	1
Changes in the fair value	(3,895)	(9,234)
Tax effect regarding fair value measurement of financial assets	935	2,216
Items that will not be subsequently reclassified to profit or loss (B)	(2,982)	(7,022)
Exchange differences on translation of foreign operations	807	(521)
Items that will subsequently be reclassified to profit or loss (C)	807	(521)
Total other comprehensive income D= (B)+(C)	(2,175)	(7,543)
Total comprehensive income (loss) (A)+(D)	(5,665)	(13,963)
Attributable to:		
Shareholders of the Parent Company	(5,870)	(11,240)
Non-controlling interests	205	(2,723)

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 December 31st, 2024

Euro thousand	December 31 st , 2024	December 31 st , 2023
A. Opening net cash/debt	11,981	9,407
B. Cash flows from operating activities		
Profit (loss) for the period	(3,490)	(6,420)
<i>Depreciation, amortization and non-monetary costs:</i>		
Provisions and impairment losses	1,741	779
Amortization of intangible assets	11,924	13,097
Depreciation of property, plant and equipment	1,191	1,346
Net change in tax advance	(1,490)	(1,125)
Net change in other provisions	314	106
Net change in employee benefit provisions	69	67
Other nonmonetary changes to the net equity	(1,939)	(7,809)
SUBTOTAL B.	8,320	41
C. Change in net working capital		
Inventories	1,044	(80)
Trade receivables	2,993	930
Current tax assets	425	(1,361)
Other current assets	1,775	14,007
Trade payables	(13,641)	939
Current tax liabilities	145	(672)
Current provisions	(1,241)	0
Other current liabilities	(2,766)	(997)
Other non-current liabilities	(886)	(234)
Non-current receivables and other assets	4,060	(355)
SUBTOTAL C.	(8,092)	12,177
D. Cash flows from investing activities		
Net payments for intangible assets	(8,761)	(20,518)
Net payments for property, plant and equipment	(290)	(374)
Net payments for non-current financial assets	3,897	(2,162)
Changes in financial assets	2,121	11,200
SUBTOTAL D.	(3,033)	(11,854)
E. Cash flows from financing activities		
Capital increases	0	0
Changes in financial liabilities	(4,545)	(5,545)
Changes in financial assets	0	0
SUBTOTAL E.	(4,545)	(5,545)
F. Changes in consolidated equity		
Dividends paid	0	0
Changes in treasury shares held	0	0
Increases (decreases) in other equity components	0	0
SUBTOTAL F.	0	0
G. Cash flow for the period (B+C+D+E+F)	(7,350)	(5,181)
H. Closing net cash/debt (A+G)	4,631	4,226

Consolidated statement of changes in equity as of December 31st, 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 as of July 1st, 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						78	78		370		370	448	(714)	(266)
Comprehensive income (loss)					(521)	(7,022)	(7,543)			(3,697)	(3,697)	(11,240)	(2,723)	(13,963)
Total as of December 31st, 2023	5,706	18,528	1,141	1,367	(1,434)	(5,700)	13,902	0	115,640	(3,697)	111,943	131,551	(2,062)	129,489
Total as of July 1st, 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
Allocation of previous year result							0		(2,214)	2,214	0	0	0	0
Other changes						236	236		(3,889)		(3,889)	(3,653)	3,889	236
Comprehensive income (loss)					807	(2,982)	(2,175)			(3,695)	(3,695)	(5,870)	205	(5,665)
Total as of December 31st, 2024	5,706	18,528	1,141	1,367	98	(11,205)	9,929	0	109,537	(3,695)	105,842	121,477	780	122,257

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**Half year condensed financial statements as of
December 31st, 2024**

EXPLANATORY NOTES

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1. INTRODUCTORY NOTE

The Half year condensed financial statements as of December 31st, 2024 were approved by the Board of Directors on March 6th, 2025. The Board of Directors authorized its dissemination through the press release published on March 6th, 2025.

The Half year condensed financial statements were prepared in accordance with the International Accounting Standards (IFRS) in force from July 1st, 2024 and as adopted by the European Union and, more precisely, they have been prepared in accordance with the International Accounting Standard IAS 34 on interim financial reports.

The Half year condensed financial statements do not include all the information and notes required for the year-end financial statements and should therefore be read together with the Group's consolidated financial statements as of June 30th, 2024.

The Group's Half year condensed financial statements as of December 31st, 2024 have been prepared on a going concern basis. The Group has assessed that there are no significant uncertainties regarding its ability to continue operating as a going concern.

Further information on the format, content, and other general details, as well as significant judgments and estimates, is provided in the notes to the consolidated financial statements as of June 30th, 2024.

Accounting standards, amendments, and interpretations of IFRS applicable from July 1st, 2024

For details regarding the accounting standards applied by Digital Bros Group, please refer to the consolidated financial statements as of June 30th, 2024, available on the corporate website.

In line with EU regulations, the accounting standards used by the Group do not take into account any regulation and interpretation issued by the IASB and IFRIC as of December 31st, 2024 that have not yet been approved by the European Union.

Outlined below are the accounting standards, amendments and interpretations that have been issued as of the reporting date but are not yet in force. The Group will adopt them only once they come into force, where applicable:

IASB and IFRS IC Documents	Effective Date
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023)	01/01/2025
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on 25 May 2023)	01/01/2024
Non-current Liabilities with Covenants (issued on 31 October 2022)	01/01/2024
Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022)	01/01/2024

2. CONSOLIDATION CRITERIA

Subsidiaries

The Group's subsidiaries include entities over which the Group has control, meaning that it has the authority to direct, either directly or indirectly, the financial and operational policies of the subsidiary to benefit its own activities. Specifically, the Group is considered to control a subsidiary when:

- it has the authority over the subsidiary (holding rights that allow it to direct the subsidiary's key activities);
- it is exposed to, or holds rights to, obtain returns from its relationship with the subsidiary;
- it can use its authority over the subsidiary to influence the amount of its returns.

Control is generally assumed when the Group holds a majority of voting rights.

The subsidiaries' financial statements are consolidated from the date when the Group obtains control and until it ceases to have control.

The financial statements for the Group's subsidiaries are prepared based on the same reporting period and converted from the local to the international accounting standards used by the Group.

Changes in the Group's shareholding in a subsidiary that do not result in a loss of control are recognized as net equity changes.

When the Group loses control of a subsidiary, all related assets (including goodwill), liabilities, non-controlling interests, and equity components are derecognized, with any resulting gain or loss recognized in the profit and loss statement. Any remaining equity interest retained by the Group is recognized at fair value.

Investments in associates are initially recorded at acquisition cost and subsequently valued using the equity method.

Conversion of foreign currency financial statements

The Euro is the Group's reporting currency, which corresponds to the functional currency of the Parent Company. At the reporting date, the financial statements of foreign subsidiaries with a functional currency other than the Euro are converted as follows:

- assets and liabilities are converted using the exchange rate in effect at the reporting date;
- items in the profit and loss statements are converted using the average exchange rate for the period;
- equity items are converted at historical exchange rates.

Exchange differences resulting from the conversion are recognized in the comprehensive income statement and recorded in the conversion reserve, which is included in the reserve item of the net equity prospectus. Upon the disposal of a foreign subsidiary, the portion of the conversion reserve referring to that subsidiary is reclassified into the profit and loss statement.

The goodwill from the acquisition of a foreign subsidiary (that operates in a currency other than the), along with any fair value adjustments to the assets and liabilities from its acquisition, are initially recorded in the local currency and subsequently converted into euro at the exchange rate in force at the end of the reporting period.

Transactions that are eliminated in the consolidation process

All intercompany assets, liabilities, income and expenses arising from intercompany transactions were eliminated when preparing the consolidated financial statements, including unrealised profits and losses on such transactions.

Scope of consolidation

The following tables provide details on the consolidated subsidiaries, both on a line-by-line basis or the equity method. Their respective capital is shown in their local currency.

Line-by-line consolidation method:

Company name	Operational headquarters	Country	Currency	Capital	% held directly or indirectly
Avantgarden S.r.l.	Milano	Italy	Euro	100,000	100%
Chrysalide Jeux et Divertissement Inc.	Québec	Canada	Canadian Dollar	100	75%
Digital Bros S.p.A.	Milano	Italy	Euro	5,706,014.80	Parent Company
Digital Bros Asia Pacific (HK) Ltd.	Hong Kong	Hong Kong	Euro	100,000	100%
Digital Bros China (Shenzhen) Ltd.	Shenzhen	China	Euro	100,000	100%
Digital Bros Game Academy S.r.l.	Milano	Italy	Euro	300,000	100%
Digital Bros Holdings Ltd*	Milton Keynes	UK	Pounds	100,000	100%
DR Studios Ltd.	Milton Keynes	UK	Pounds	60,826	100%
Game Entertainment S.r.l.	Milano	Italy	Euro	100,000	100%
505 Games S.p.A.	Milano	Italy	Euro	10,000,000	100%
505 Games Australia Pty Ltd.	Melbourne	Australia	Australian Dollar	100,000	100%
505 Games France S.a.s.*	Francheville	France	Euro	100,000	100%
505 Games GmbH*	Burglengenfeld	Germany	Euro	50,000	100%
505 Games Interactive Inc*.	Calabasas (CA)	USA	US Dollar	100,000	100%
505 Games Japan K.K.	Tokyo	Japan	YEN	6,000,000	100%
505 Games Ltd.	Milton Keynes	UK	Pounds	100,000	100%
505 Games (US) Inc.	Calabasas (CA)	USA	US Dollar	100,000	100%
505 Go Inc.	Calabasas (CA)	USA	US Dollar	975,000	100%
505 Games Spain Slu*	Las Rozas de Madrid	Spain	Euro	100,000	100%
Game Network S.r.l. (in liquidation)*	Milano	Italy	Euro	10,000	100%
505 Pulse S.r.l.	Milano	Italy	Euro	100,000	100%
Kunos Simulazioni S.r.l.	Roma	Italy	Euro	10,000	100%
Infinite Interactive Pty Ltd.	Melbourne	Australia	Australian Dollar	100	100%
Infinity Plus Two Pty Ltd.	Melbourne	Australia	Australian Dollar	100	100%
Ingame Studios a.s.	Brno	Czech Rep.	Czech Crowns	2,000,000	100%
505 Mobile S.r.l.	Milano	Italy	Euro	100,000	100%
505 Mobile (US) Inc.	Calabasas (CA)	USA	US Dollar	100,000	100%
Rasplata B.V.	Amsterdam	Netherlands	Euro	1,750	100%
Seekhana Ltd.	Milton Keynes	UK	Pounds	18,500	60%
Supernova Games Studio S.r.l.	Milano	Italy	Euro	100,000	100%

*Not active in the reporting period

Equity consolidation method:

Company name	Operational headquarters	Country	Currency	Capita	% held directly or indirectly
MSE & DB Slu	Tudela	Spain	Euro	10,000	50%

3. INVESTMENTS IN JOINT-VENTURES AND ASSOCIATED COMPANIES

As of December 31st, 2024 the Group held a 50% stake in the Spanish company MSE & DB S.L., at a book value of Euro 5 thousand.

Pursuant to IAS28 and in line with previous reporting periods, the Group reassessed its analysis on its equity investment in Starbreeze AB as of December 31st, 2024. It particularly analyzed:

- Starbreeze AB's governance structure and Digital Bros' representation in its corporate bodies;
- Digital Bros' involvement in Starbreeze AB's decision making process;
- the existing business relations between Digital Bros and Starbreeze AB;
- the exchange of professionals and technical information between the two companies.

As a result of the analysis and in line with the previous fiscal years, Digital Bros assessed not to have any significant influence over Starbreeze, despite holding a significant share of the voting capital.

4. RECONCILIATION OF THE CONSOLIDATED NET RESULT AND THE NET EQUITY OF THE REPORTING PERIOD AND THOSE OF THE PARENT COMPANY

The following table provides a reconciliation of the consolidated net result recorded in the reporting period and the net equity of the Parent Company and the consolidated subsidiaries:

Euro thousand	Profit (loss) at		Net Equity	
	December 31 st , 2024	December 31 st , 2023	December 31 st , 2024	December 31 st , 2023
Consolidated profit (loss) for the year and net equity	9,114	9,125	61,139	62,498
Profit for the year and equity of subsidiaries	(1,094)	(5,935)	116,601	128,582
Carrying amount of equity investments	0	0	(38,836)	(39,379)
Consolidation adjustments				
Impairment of investments in subsidiaries	0	0	4,167	435
Elimination of intercompany profits	411	(320)	(2,650)	(4,530)
Dividends	(10,000)	(10,000)	(10,000)	(10,000)
Other adjustments	(1,921)	710	(8,164)	(8,117)
Total consolidation adjustments	(11,510)	(9,610)	(16,647)	(22,212)
Profit for the year and net equity of the Parent Company	(3,490)	(6,420)	122,257	129,489

Details for consolidation adjustments as of December 31st, 2024 compared with December 31st, 2023 are provided below:

Euro thousand	Profit (loss) at		Net Equity	
	Dec. 31 st , 2024	Dec. 31 st , 2023	Dec. 31 st , 2024	Dec. 31 st , 2023
Impairment of Digital Bros S.p.A.'s investment in Game Network S.r.l.	0	0	51	51
Impairment of Digital Bros S.p.A.'s investment in Digital Bros Game Academy S.r.l.	0	0	97	0
Impairment of Digital Bros S.p.A.'s investment in Seekhana Ltd.	0	0	504	242
Impairment of 505 Mobile S.r.l.'s investment in Game Entertainment S.r.l.	0	0	142	142
Impairment of Digital Bros' financial receivable from Rasplata B.V.	0	0	3,373	0
Total impairment of investments in subsidiaries	0	0	4,167	435
Elimination of unrealized profit in inventories	0	(7)	(32)	(32)
Elimination of margin on internal development contracts	411	(313)	(2,618)	(4,498)
Total elimination of intercompany profits	411	(320)	(2,650)	(4,530)
Dividends from Kunos Simulazioni S.r.l.	(10,000)	(10,000)	(10,000)	(10,000)
Dividends from 505 Games S.p.A.	0	0	0	0
Total dividends	(10,000)	(10,000)	(10,000)	(10,000)
Amortization/Allocation of acquisition price for Kunos S.r.l., net of tax effect	(31)	(31)	30	92
Amort. Allocation of acquisition price for Rasplata B.V., net of tax effect	(154)	(141)	885	773
Amort Allocation of acquisition for the Australian companies, net of tax effect	(669)	(669)	1,154	2,677
Application of IFRS 9	253	10	(45)	(285)
Deferred tax effect of the revaluation of the Assetto Corsa brand	624	624	(13,427)	(14,675)
Other items	(1,944)	917	3,239	3,305
Total other adjustments	(1,921)	710	(8,164)	(8,117)
Total consolidation adjustments	(11,510)	(9,610)	(16,647)	(22,212)

5. CONSOLIDATED BALANCE SHEET

1. Property, plants and equipment

Property, plant and equipment decrease from Euro 7,379 thousand to Euro 6,477 thousand, as a result of an additional Euro 290 thousand investment, offset by the depreciation for the period, amounting to Euro 1,192 thousand. Details in the tables below:

Euro thousand	July 1 st , 2024	Investments	Disposals	Translation differences	Deprec'n	Use of accum. dep'n	Dec. 31, 2024
Industrial buildings	5,247	216	0	0	(881)	0	4,582
Land	635	0	0	0	0	0	635
Indust. and comm. equipment	990	50	0	0	(215)	0	825
Other assets	507	24	0	0	(96)	0	435
Total	7,379	290	0	0	(1,192)	0	6,477

Euro thousand	July 1 st , 2023	Investments	Disposals	Translation differences	Deprec'n	Use of accum. dep'n	Dec. 31, 2023
Industrial buildings	6,921	235	0	0	(972)	0	6,184
Land	635	0	0	0	0	0	635
Indust. and comm. equipment	1,304	170	(28)	(32)	(253)	28	1,189
Other assets	753	16	(19)	0	(121)	4	633
Total	9,613	421	(47)	(32)	(1,346)	32	8,641

Industrial buildings increase by Euro 216 thousand because of the application of IFRS 16 to the new rental contracts for the US-based companies.

The item Land includes the logistic facilities based in Trezzano sul Naviglio, whose value of Euro 635 thousand remained unchanged.

The investments in Industrial and commercial equipment amount to Euro 50 thousand, mainly related to office automation equipment.

2. Investment properties

As of December 31, 2024, the Group has not recorded any investment properties, in line with the previous fiscal years.

3. Intangible assets

During the reporting period, intangible assets decrease by Euro 3,912 thousand, due to amortization and impairment adjustments for Euro 12,673 thousand, only partially offset by Euro 8,761 thousand investments.

All of the Group's intangible assets have limited useful lives.

The following tables show the changes in intangible assets in the current and the previous reporting periods:

Euro thousand	July 1 st , 2024	Investm.	Recl.	Impairment Adj.	Exch. currency transl.	Amort'n	Dec. 31, 2024
Concessions and licenses	51,284	454	1,269	(401)	39	(11,357)	41,288
Trademarks and sim. rights	4,980	0	0	0	0	(549)	4,431
Other assets	27	0	0	0	0	(17)	10
Assets in development	73,323	8,268	(1,269)	(349)	0	0	79,973
Total	129,614	8,722	0	(750)	39	(11,923)	125,702

Euro thousand	July 1 st , 2023	Investm.	Recl.	Impairment Adj.	Exch. currency transl.	Amort'n	Dec. 31, 2023
Concessions and licenses	68,303	1,038	6,235	(662)	(15)	(12,778)	62,121
Trademarks and sim. rights	821	0	5,000	0	0	(300)	5,521
Other assets	57	5	0	0	0	(19)	43
Assets in development	83,842	19,490	(11,235)	(117)	0	0	91,980
Total	153,023	20,533	0	(779)	(15)	(13,097)	159,665

During the reporting period, investments consist of Euro 3,425 thousand increase in capitalization of internal work, while the remaining Euro 5,297 thousand represent advances to developers and service providers (localization, rating and Quality Assurance).

Impairment adjustments amount to Euro 750 thousand and consist of write-offs of some video games due to lower-than-expected performance post-launch, but also some investments in intellectual properties under development, whose discounted cash flows are lower than the carrying amount of the assets as of December 31, 2024, plus the estimated completion costs.

The impairment tests on concessions and licenses as of December 31st 2024, are based on the projected cash flows and revenues of the 2025-2029 Business Plan, approved by the Board of Directors on December 19th, 2024. The discount rate was calculated using the Weighted Average Cost of Capital (WACC), which considers the expected return on invested capital net of financing costs for a sample of companies within the same industry as well as companies generating revenue within the same geographic area. The rates used for the impairment test on Premium and Free to Play licenses were 10.97% and 10.87%, respectively, reduced compared with the WACC used in the previous fiscal year. The WACC applied to two specific cash-generating units ("CGUs") within the Premium Publishing segment was increased to 15.36% to account for the higher execution risk, as these CGUs include assets where the Group has either temporarily suspended development or transferred publishing rights to a third party.

Investments in intangible assets as of December 31st, 2024 significantly decrease compared to the previous fiscal year, driven by the corrective actions implemented by the Group and the transition of certain video games from the development phase to live support. Details in the table below:

Euro thousand	December 31st, 2024	December 31st, 2023
Premium Games rights	392	997
Management systems	62	41
Increase in investments in concessions and licences (A)	454	1,038
Increase in investments on trademarks (B)	0	5
Dr Studios Ltd.	607	1,827
Chrysalide Jeux et Divertissement Inc.	(644)	2,267
Kunos Simulazioni S.r.l.	1,457	814
Supernova Games S.r.l.	1,518	1,216
Avantgarden S.r.l.	487	846
Increase in total assets in development by internal studios	3,425	6,970
Increase in total assets in development by third parties	4,843	12,520
Total investments for assets in development (C)	8,268	19,490
Total investments in intangible assets (A+B+C)	8,722	20,533

The decrease in the assets in development by the Canadian subsidiary Chrysalide Jeux et Divertissement Inc. results from the collection of a grant from the Québec government related to video game development initiatives, which was recognized as a reduction in the asset's value.

4. Equity investments

Total equity investments decrease by Euro 3,897 thousand, primarily due to the fair value adjustment of the Starbreeze A and B shares as of December 31st, 2024. Details below:

Euro thousand	Dec. 31st, 2024	June 30th, 2024	Change
MSE&DB Slu	5	5	0
Total investments in associated companies (A)	5	5	(9)
Starbreeze AB - A shares	1,565	2,812	(1,247)
Starbreeze AB - B shares	4,087	6,674	(2,587)
Noobz from Poland S.A.	131	194	(63)
Total other investments (B)	5,783	9,680	(3,897)
Total equity investments (A+B)	5,788	9,685	(3,897)

Changes in equity investments include:

- Euro 1,247 thousand decrease from the fair value adjustment of no. 87,034,133 Starbreeze A shares and the related allocation to an equity reserve of the difference between the carrying amount and the fair value as of December 31st, 2024, recognized in the Other Comprehensive Income (“OCI”);
- a Euro 2,587 thousand decrease from the fair value adjustment of no. 233,433,993 Starbreeze B shares and the related allocation to an equity reserve of the difference between the carrying amount and the fair value as of December 31st, 2024, recognized in the OCI;

- a Euro 63 thousand decrease in the equity investment in Noobz from Poland S.A. (listed on the Warsaw Stock Exchange New Connect segment), due to the fair value adjustment of the 70,000 shares held in the company (4.5% of the share capital). The difference between the carrying amount and the fair value as of December 31st, 2024, was allocated to an equity reserve and recognized in the OCI.

5. Non-current receivables and other assets

Total non-current receivables and other assets amount to Euro 2,920 thousand and decreased by Euro 5,025 thousand compared to June 30th, 2024:

Euro thousand	Dec. 31st, 2024	June 30th 2024	Changes
Receivable from Starbreeze AB	0	4,425	(4,425)
Royalties receivables	2,066	2,655	(589)
Guarantee deposits – office rental for Italian companies	635	635	0
Guarantee deposits – office rental for non-Italian companies	214	225	(11)
Guarantee deposits – other	5	5	0
Total non-current receivables and other assets	2,920	7,945	(5,025)

Following the settlement agreement with Starbreeze AB, the Group recognized part of the receivable for the advances paid for the development of the video game Overkill: The Walking Dead as Current assets, while the residual part was recognized as non-current financial assets, according to the agreed payment schedule.

Royalty receivables consist of the advance royalty payment made by 505 Games S.p.A. and 505 Go Inc., expected to be collected beyond twelve months.

The remaining part of non-current assets consists of security deposits for contractual obligations.

6. Deferred tax assets

Deferred tax assets are calculated on taxes loss carryforwards and on temporary differences between the carrying value and the tax value. They have been estimated at the tax rates expected in the period when the assets will be realized or settled. As of December 31st, 2024, the balance is at Euro 22,656 thousand, increased by Euro 1,490 thousand compared to June 30th, 2024, resulting from:

- an increase of Euro 920 thousand related to the fair value adjustment of the Starbreeze shares;
- an increase of Euro 1,247 thousand related to the effects of consolidation adjustments;
- a decrease of Euro 728 thousand related to the adjustment of deferred tax assets of the Australian subsidiaries;
- a residual Euro 51 thousand increase of other items.

The following table contains a breakdown of the Group's deferred tax assets between Italian companies, non-Italian companies and consolidation adjustments:

Euro thousand	December 31st, 2024	June 30th, 2024	Change
Italian companies	10,170	9,138	1,032
Non-Italian companies	4,078	4,867	(789)
Consolidation adjustments	8,408	7,161	1,247
Total deferred tax assets	22,656	21,166	1,490

The following table provides details on the temporary differences of the Italian companies as of December 31st, 2024 and June 30th, 2024:

Euro thousand	December 31st, 2024	June 30th, 2024	Change
Provision for doubtful accounts	811	811	0
Other liabilities	15,083	14,670	413
Actuarial differences	104	104	0
Costs not deducted in prior years	2,856	2,856	0
Taxes loss carryforwards	358	396	(38)
Reserve for IFRS securities valuation	20,090	16,195	3,895
Reserve for derivatives hedge accounting	272	243	29
Total differences	39,574	35,275	4,299
IRES tax rate	24%	24%	
Deferred tax assets for IRES	9,498	8,466	1,032
Deferred tax assets for IRAP	672	672	0
Total deferred tax assets of Italian companies	10,170	9,138	1,032

Total deferred tax assets of non-Italian subsidiaries are as follows:

Euro thousand	Dec. 31st, 2024	June 30th, 2024	Change
Deferred tax assets for losses	2,601	3,216	(615)
Deferred tax assets for temporary differences.	1,477	1,434	43
Total deferred tax assets of non-Italian subsidiaries	4,078	4,867	(572)

Deferred tax assets of non-Italian subsidiaries related to temporary differences assuming their entire recoverability, based on the approved business plans and forecasts. It is expected that each subsidiary will generate enough future taxable income to enable the full recovery of the temporary differences. Deferred tax assets for temporary differences increase by 43 thousand as of December 31st, 2024.

Deferred tax assets for previous losses of non-Italian subsidiaries are recognized if deemed recoverable under the local regulations. This item decreases by Euro 615 thousand, mainly attributable to the Australian subsidiaries. Previous losses of approximately Euro 17 million were not recognized as deferred tax assets, due to their non-recoverability under the current local Law.

The total consolidation adjustments increased by Euro 1,247 thousand, primarily due to the Assetto Corsa brand reevaluation for Euro 6,699 thousand, while the residual portion consists of the tax effect relating to the consolidation of internally developed products.

CURRENT ASSETS

8. Inventories

Inventories consisted of finished products for resale. The following table contains a breakdown of inventories by segment:

Euro thousand	December 31st, 2024	June 30th, 2024	Change
Italian Distribution inventories	1,301	1,948	(647)
Premium Games inventories	323	720	(397)
Total inventories	1,624	2,668	(1,044)

Total inventories decreased from Euro 2,668 thousand to Euro 1,624 thousand as of December 31st, 2024, in line with the decrease in retail distribution activities.

9. Trade receivables

Trade receivables as of December 31st, 2024 are as follows:

Euro thousand	December 31st, 2024	June 30th, 2024	Change
Receivables from customers - Italy	1,502	1,608	(106)
Receivables from customers - EU	3,094	3,020	74
Receivables from customers - Rest of the world	10,447	13,394	(2,947)
Total receivables from customers	15,043	18,022	(2,979)
Provision for doubtful accounts	(1,174)	(1,135)	(39)
Total trade receivables	13,869	16,887	(3,018)

Total trade receivables amount to Euro 13,869 thousand as of December 31st, 2024, a Euro 3,018 thousand decrease compared to June 30th, 2024.

The provision for doubtful accounts increases by Euro 39 thousand, amounting to Euro 1,174 thousand. The provision for doubtful accounts is estimated based on both a detailed analysis of each single debtor and the application of IFRS 9.

10. Tax receivables

Total tax receivables are analysed as follows:

Euro thousand	Dec. 31st, 2024	June 30th, 2024	Change
Receivables under domestic tax group consolidation	1,186	1,735	(549)
VAT receivable	1,128	1,099	29
Tax credit for foreign tax withholdings	477	525	(48)
Other tax receivables	1,129	986	143
Total tax receivables	3,920	4,345	(425)

Total tax receivables decrease by Euro 425 thousand, from 4,345 thousand at June 30th, 2024 to Euro 3,920 thousand as of December 31st, 2024 mainly due to the decrease in the receivable from the national tax consolidation.

11. Other current assets

Total other current assets decrease from Euro 8,902 thousand as of June 30th, 2024 to Euro 7,126 thousand as of December 31st, 2024. They are analyzed as follows:

Euro thousand	Dec. 31st, 2024	June 30th, 2024	Change
Receivables for video game user licensing rights	2,501	3,034	(533)
Advances for video game development operating costs	1,648	2,146	(498)
Advances to suppliers	1,860	3,565	(1,705)
Other receivables	1,117	157	960
Total other current assets	7,126	8,902	(1,776)

The receivables for video game user licenses rights consist of advances paid for licenses not yet exploited or completely exploited as at the reporting date. As of December 31st, 2024, they amount to Euro 2,501 thousand.

The advances for video game development amount to Euro 1,648 thousand, which are expected to be collected in the short term. They mainly consist of the advances paid for video game programming, quality assurance and other operating costs (i.e. rating and localization). Further details are provided below:

Euro thousand	Dec. 31st, 2024	June 30th, 2024	Change
Programming	1,171	1,529	(358)
Quality assurance	398	504	(106)
Other operating costs	79	113	(34)
Total advances for video game development operating costs	1,648	2,146	(498)

The Euro 498 thousand decrease in advances for videogame development operating costs is due to their collection during the reporting period.

The decrease in advances to suppliers mainly relates to the agreement with Remedy Entertainment reverting all rights related to the Control franchise to the Finnish developer.

Other receivables primarily consist of the Euro 929 thousand portion of the receivable from Stabreeze AB expiring within a twelve-month-period, as per the above-mentioned agreement with the Swedish group.

NET EQUITY

The detailed changes in equity are shown in the consolidated statement of changes in equity. They can be summarized as follows:

Euro thousand	Share capital (A)	Share premium reserve	Legal reserve	IAS transition reserve	Currency transl. 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 1st, 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
Allocation of previous year result							0		(2,214)	2,214	0	0	0	0
Other changes						236	236		(3,889)		(3,889)	(3,653)	3,889	236
Comprehensive income (loss)					807	(2,982)	(2,175)			(3,695)	(3,695)	(5,870)	205	(5,665)
Total on December 31st, 2024	5,706	18,528	1,141	1,367	98	(11,205)	9,929	0	109,537	(3,695)	105,842	121,477	780	122,257

14. Share capital

The share capital as of December 31st, 2024 is unchanged with respect to the amount on June 30th, 2024. It is composed of no.14,265,037 ordinary shares with a par value of Euro 0.4 each, for a total of Euro 5,706,014.80. No other shares of any nature were issued. There are no rights, liens or restrictions associated with the ordinary shares.

15. Reserves

The change in Other reserves included Euro 236 thousand increase to adjust the stock option reserve and the decrease of Euro 2,982 thousand related to:

- a Euro 2,960 thousand negative increase in the reserve for fair value of financial assets, as a result of the fair value of the equity investment in Starbreeze;
- a Euro 22 thousand decrease of the actuarial reserve

The Euro 3,889 thousand negative change in the Total retained earnings relate to the portion of the net equity of the subsidiary Rasplata B.V., as a result of the acquisition of the remaining 40% stake in the Dutch company acquired in August 2024.

Digital Bros S.p.A. has approved a stock option plan for the period 2016-2026, providing for a maximum distribution of no.800,000 options. On January 20th, 2017 and May 12th, 2017, the Board of Directors approved the assignment of no.744,000 options with an exercise price of Euro 10.61 and of no.56,000 options with an exercise price of Euro 12.95. All the options will expire on June 30th, 2026.

As of December 31st, 2024, the options in place are no.720,800, following the resignations of some beneficiaries in previous years and the exercise of no.4,200 options before the reporting period. Details below:

	Number of options
Assigned (2017)	800,000
Expired	0
Resignation*	(75,000)
Exercised*	(4,200)
Number of options as of December 31st, 2024	720,800

*No resignation or exercise of options occurred in the reporting period (July 1, 2024 – December 31, 2024)

Digital Bros S.p.A. applies vesting conditions by adjusting the total number of outstanding options based on the assessment of those that will actually vest. The options assessed as of December 31st, 2024 are no.720,800 for a stock option reserve of Euro 3,908 thousand. For further details regarding the current Stock Options plan in place, refer to the documentation available on the company's website under the "Governance/Remuneration" section.

18. Employee benefits

Employee benefits are assessed at the actuarial value at the closing date of the Group's liability to employees, as calculated by an independent actuary. As of December 31st, 2024, it increased by Euro 69 thousand.

The IAS 19 actuarial measurement as of December 31st, 2024 was performed using a discount rate based on the Iboxx Corporate A 10y+ index, in line with the rate used at the previous reporting date. The use of a discount rate based on the Iboxx Corporate AA index would not create a significant difference.

The calculation method can be summarized as follows:

- for each employee on the payroll, the termination indemnity provided as of December 31st, 2006 is projected and revalued as of the measurement date.;
- calculation for each employee of the estimated termination indemnity that the Company would have to pay in the event of the employee's dismissal, resignation, disability, death or retirement and in the event of requests for advances;
- discounting of each probable payment to net present value.

The estimate is based on the Italian companies' reporting date headcount of 110 employees.

The economic and financial parameters used in the actuarial calculation as of December 31st, 2024 were as follows:

- annual interest rate of 3.38%;
- annual increase in remuneration rate of 3%;
- annual inflation rate of 2%.

The economic and financial parameters used in the actuarial calculation as of December 31st, 2023 were as follows:

- annual interest rate of 3.17%;
- annual increase in remuneration rate of 3 %;
- annual inflation rate of 2.30%.

The following table shows the changes on the provision for employee termination indemnities in the current and previous reporting periods:

Euro thousand	Dec. 31st, 2024	Dec. 31st, 2023
Provision for employee termination indemnities at July 1st, 2024	967	911
Utilization of provision for leavers	(29)	(40)
Allocated during period	214	229
Restatement for supplementary pension schemes	(116)	(127)
Restatement for actuarial measurement	0	5
Provision for employee termination indemnities as of December 31st, 2024	1,036	978

The Group does not have any supplementary pension plans in place.

19. Non-current provisions

As of December 31st, 2024, non-current provisions amounted to Euro 877 thousand, which include Euro 796 thousand related to the provision for tax incentives at the benefit of Supernova Games Studio, already used but which are still pending the certification by an authorized body. The remaining Euro 81 thousand consist of the sales representatives' termination indemnity provision and remained unchanged compared to June 30th, 2024.

20. Other non-current payables and liabilities

As of December 31st, 2024, other non-current payables and liabilities amount to Euro 771 thousand and exclusively consist of the remaining portion of the debt with a vesting period exceeding twelve months for the acquisition of 505 Go Inc..

CURRENT LIABILITIES

22. Trade payables

Total trade payables amounted to Euro 30,096 thousand as of December 31st, 2024 and decreased by Euro 13,641 thousand compared to June 30th, 2024 driven by payments made in the first quarter of the current fiscal year for purchases recorded in the last quarter of the previous fiscal year, which saw a significant level of activity.

Details by geographical area are provided below:

Euro thousand	December 31 st , 2024	June 30 th , 2024	Change
Trade payables – Italy	(2,273)	(3,827)	1,554
Trade payables – EU	(5,710)	(13,383)	7,673
Trade payables – Rest of world	(22,113)	(26,527)	4,414
Total trade payables	(30,096)	(43,737)	13,641

23. Tax payables

Total tax payables increased by Euro 145 thousand from Euro 1,299 thousand as of June 30th, 2024 to Euro 1,444 thousand. Details below:

Euro thousand	December 31 st , 2024	June 30 th , 2024	Change
Income taxes payable	(734)	(322)	(412)
Other tax payables	(710)	(977)	267
Total tax payables	(1,444)	(1,299)	(145)

The increase in income tax payables results from Kunos Simulazioni S.r.l.'s IRAP payable, while the decrease in other tax payables mainly results from the lower payables for 505 Games S.p.A. related to the withholding taxes applied to payments made to foreign developers.

24. Current provisions

As of June 30th, 2024, Current provisions solely consisted of the Provision for Starbreeze arbitration costs of Euro 1,241 thousand. This provision represented the estimated arbitration costs the Group anticipated incurring to resolve differing interpretations between the Group and Starbreeze AB regarding the calculation of the earn-out from the transfer of PAYDAY 2 rights to the Swedish developer, as well as disagreements over the repayment of receivables related to other contracts between the two groups. During the reporting period, the parties reached a settlement agreement, resulting in the full release of the provision.

25. Other current liabilities

Other current liabilities amount to Euro 3,891 thousand, decreasing by Euro 2,766 thousand compared to June 30th, 2024. Details are provided below:

Euro thousand	December 31 st , 2024	June 30 th , 2024	Change
Amounts due to social security institutions	(558)	(426)	(132)
Amounts due to employees	(1,731)	(1,871)	140
Amounts due to contractors	(53)	(37)	(16)
Other payables	(1,549)	(4,323)	2,774
Total other current liabilities	(3,891)	(6,657)	2,766

Amounts due to employees include the holiday accrual at the end of the reporting period and the amounts accrued for the deferred portion of short-term bonuses.

The decrease in other current liabilities for Euro 2,766 thousand is mainly driven by the Euro 2,774 thousand revenue recognition of digital distribution contracts.

NET FINANCIAL POSITION

The following table contains details of the Group's net financial position as of December 31st, 2024 together with comparative figures as of June 30th, 2024:

	Euro thousand	December 31 st , 2024	June 30 th , 2024	Change
12	Cash and cash equivalents	4,631	11,981	(7,350)
13	Other current financial assets	5,221	10,238	(5,017)
26	Current financial liabilities	(37,294)	(36,679)	(615)
	Current net financial position	(27,442)	(14,460)	(12,982)
7	Non-current financial assets	2,895	0	2,895
21	Non-current financial liabilities	(5,164)	(10,324)	5,160
	Non-current net financial position	(2,269)	(10,324)	8,055
	Total net financial position	(29,711)	(24,784)	(4,927)

Information on the net financial position in accordance with the Guidelines on disclosure requirements pursuant to the regulation on the prospectus issued by ESMA (European Securities and Markets Authority) on March 4th, 2021 can be found later in this document.

The net financial debt was at Euro 29,711 thousand, increasing by 4,927 thousand compared to June 30th, 2024, in line with expectations. The Group will be able to cover its current liabilities with the expected future cash generation.

Net of IFRS 16 recognized financial payables, the net financial position amounted to negative Euro 26,510 thousand.

The breakdown of financial liabilities net of IFRS 16 is as follows:

Euro thousand	December 31st, 2024	June 30th, 2024	Change
Current financial liabilities	(1,380)	(1,477)	97
Non-current financial liabilities	(1,821)	(2,351)	530
Total financial liabilities according to IFRS 16	(3,201)	(3,828)	627

Current net financial position

12. Cash and cash equivalents

Cash and cash equivalents amount to Euro 4,631 thousand as of December 31st, 2024, decreasing by Euro 7,350 thousand compared to June 30th, 2024 and mainly consist of current account deposits.

13. Other current financial assets

Other current financial assets as at December 31st, 2024 amount to Euro 5,221 thousand, of which Euro 5,217 thousand relate to the receivable from Remedy Entertainment for the reversion of the Control franchise rights. The remaining Euro 4 thousand consists of the fair value of the three option contracts subscribed by the Group for a total notional value of Euro 20,375 thousand to hedge interest rates changes on the loans granted by UniCredit S.p.A.. in accordance with the provisions of hedge accounting.

26. Current financial liabilities

Current financial liabilities consist of loans due within a year and other current financial liabilities for a total amount of Euro 37,294 thousand. Details are as follows:

Euro thousand	December 31st, 2024	June 30th, 2024	Change
Financial loans due within a year	(17,399)	(19,469)	2,070
Other current financial liabilities	(19,895)	(17,210)	(2,685)
Total current financial liabilities	(37,294)	(36,679)	(615)

The breakdown of outstanding loans as of December 31st, 2024, is provided in the following table:

	Lending institution	Recipient	Issue date	Total amount	Residual value	Short term	Long term	Loan term	Start date	End date	Euribor	Spread	Securing	Covenants
a.	Unicredit S.p.A.	Digital Bros S.p.A.	28/01/2021	1,375	115	115	0	36 months	30/04/2022	31/01/2025	3 months	0.90%	Yes	No
b.	Unicredit S.p.A.	505 Games S.p.A.	28/01/2021	4,000	333	333	0	36 months	30/04/2022	31/01/2025	3 months	0.90%	Yes	No
d.	MPS S.p.A.	505 Mobile S.r.l.	28/07/2022	5,000	1,250	1,250	0	36 months	31/12/2022	30/09/2025	3 months	2.00%	No	Yes
f.	Banco B.P.M.	505 Games S.p.A.	19/05/2023	5,000	1,475	1,475	0	26 months	30/06/2023	30/06/2025	3 months	1.70%	No	Yes
g.	Intesa SanPaolo S.p.A.	505 Games S.p.A.	31/05/2023	5,000	2,559	2,559	0	30 months	29/02/2024	30/11/2025	3 months	1.50%	No	Yes
h.	Intesa SanPaolo S.p.A.	505 Games S.p.A.	27/06/2024	5,000	5,000	3,889	1,111	24 months	31/03/2025	30/06/2026	3 months	3.00%	No	Yes
i.	Unicredit S.p.A.	505 Games S.p.A.	27/06/2024	5,000	5,000	3,889	1,111	24 months	31/03/2025	30/06/2026	3 months	3.00%	No	Yes
j.	Banco B.P.M.	505 Games S.p.A.	27/06/2024	5,000	5,000	3,889	1,111	24 months	31/03/2025	30/06/2026	3 months	3.00%	No	Yes
	Total			35,375	20,732	17,399	3,333							

On June 27th, 2024, a pool of Italian banks, Banco BPM S.p.A., Intesa SanPaolo S.p.A. and Unicredit S.p.A., granted a new loan for a total amount of Euro 15 million, divided into three equal Euro 5 million share for each lending institution.

The financial loans include a variable pre-amortization period ranging from 3 to 9 months, followed by quarterly payments that encompass interest based on the variable quarterly rate equal to the three- or six-month Euribor rate plus a spread.

The main purpose for these loans is the development and production of video games and the consolidation of credit facilities.

Some of the loans are subject to covenants, which were all met at the reporting date. Details below:

- the two loans from Intesa SanPaolo S.p.A. to 505 Games S.p.A. are subject to a financial covenant, which requires the net financial position to gross operating margin ratio to be below 1;
- the loan from MPS S.p.A. to 505 Mobile S.r.l. is subject to compliance with a commercial covenant, which requires that the company commits to presenting the bank with yearly commercial flows totaling at least Euro 2,200 thousand;
- the loan from Banco B.P.M. S.p.A. to 505 Games S.p.A. is subject to ESG (Environmental, Social, and Governance) covenants related to sustainability indices. This covenant only affects the cost of the loan;
- the loan granted in pool by Banco BPM S.p.A., Intesa SanPaolo S.p.A. and Unicredit S.p.A. is subject to a covenant based on the Gearing Ratio, which requires the ratio between the Group's net financial position and its net equity to be below 0.5 and another based on the Group's Leverage Ratio, which requires the Net Financial Position to EBITDA ratio to remain below 1.

During the reporting period, the Euro 5 million loan issued on December 31st, 2021 by Unicredit S.p.A. to 505 Games S.p.A. and the Euro 5 million loan issued on December 22nd, 2022 by Intesa SanPaolo S.p.A. to 505 Games S.p.A. reached maturity.

Other current financial liabilities are detailed as follows:

Euro thousand	December 31st, 2024	June 30th, 2024	Change
Liabilities for bank accounts	(1,401)	(6)	(1,395)
Liabilities for bank loans relating to import	(7,508)	(5,761)	(1,747)
Liabilities for bank loans relating to invoice advances	(8,331)	(8,579)	248
Fair value of derivatives	(1,255)	(1,372)	117
Lease contracts liabilities	(1,400)	(1,492)	92
Total current financial liabilities	(19,895)	(17,210)	(2,685)

The fair value of derivatives related to the valuation as of December 31st, 2024 of the two contracts signed with UniCredit S.p.A. to hedge the risks of the Yen exchange rates to which the Group is exposed for certain development contracts. Pursuant with the provisions of IAS 39, financial liabilities hedged by derivative instruments have been valued at fair value, in accordance with the provisions of hedge accounting.

Non-current net financial position

7. Non-current financial assets

As of December 31st, 2024, non-current financial assets exclusively consist of Euro 2,895 thousand related to the portion of the receivable from Starbreeze AB due beyond twelve months, as a result of the settlement agreement with the Swedish group.

21. Non-current financial liabilities

Total non-current financial liabilities included loans due after more than a year and other non-current financial liabilities for a total of Euro 5,164 thousand. Details are provided below:

Euro thousand	December 31, 2024	June 30th, 2024	Change
Loans due after more than a year	(3,333)	(7,950)	4,617
Other non-current financial liabilities	(1,831)	(2,374)	543
Total non-current financial liabilities	(5,164)	(10,324)	5,160

As of December 31st, 2024, non-current financial liabilities to financial institutions amount to Euro 3,333 thousand, representing the portion of the above-mentioned loans that is due after more than one year.

Other non-current financial liabilities amounted to Euro 1,831 thousand. They include the application of IFRS 16 accounting standard on the long-term portion of financial liabilities for leases for Euro 1,821 thousand and Euro 10 thousand of lease repayments due after more than a year.

The following table shows finance and operating lease payments by maturity:

Euro thousand	December 31, 2024	June 30th, 2024	Change
Within 1 year	1,400	1,492	(92)
1-5 years	1,831	2,374	(543)
More than 5 years	0	0	0
Total	3,231	3,866	(635)

The following table details the net financial position in accordance with the Guidelines on disclosure requirements pursuant to the regulation on the prospectus issued by ESMA (European Securities and Markets Authority) on March 4th, 2021:

	Euro thousand	Dec. 31, 2024	June 30th, 2024	Change	
A.	Cash	4,631	11,981	(7,350)	-61.4%
B.	Cash equivalents	0	0	0	0.0%
C.	Other current financial assets	0	0	0	0.0%
D.	Liquidity (A + B + C)	4,631	11,981	(7,350)	-61.4%
E.	Current financial debt ¹	19,895	17,210	2685	0.0%
F.	Current portion of non-current financial debt	17,399	19,469	(2,070)	1.7%
G.	Net current financial indebtedness (E+F)	37,294	36,679	615	1.7%
H.	Net current financial indebtedness (G-D)	32,664	24,698	7,966	32.3%
I.	Non-current financial debt ²	5,164	10,324	(5,160)	-50.0%
J.	Debt instruments	0	0	0	0.0%
K.	Non-current financial other payables	0	0	0	0.0%
L.	Non-current financial indebtedness (I+J+K)	5,164	10,324	(5,160)	-50.0%
M.	Total financial indebtedness (H+L)	37,828	35,022	2,806	8.0%

¹ with debt instrument, but without the current portion of the non-current financial debt

² without the current portion of debt instruments

As of December 31st, 2024, the difference between the Group's total financial indebtedness as shown in the above table and the net financial position detailed in the previous section amounted to Euro 8,117 thousand. This corresponds to the Group's non-current financial receivables from Starbreeze and the current financial receivables from Remedy Entertainment. As of June 30th, 2024, such difference amounted to Euro 10,238 thousand and was solely related to the current financial receivables from Remedy Entertainment.

CONTRACTUAL OBLIGATIONS AND RISKS

Contractual obligations decreased from Euro 13,912 thousand as of June 30th, 2024 to Euro 10,523 thousand as of December 31st, 2024. Obligations consist of future payments for development and sub-licensing contracts for video games under development as of the reporting date.

PROFIT AND LOSS STATEMENT

3. Net revenue

The following table contains a breakdown of revenue by operating segment for the period ended on December 31st, 2024. The Holding operating segment did not generate any revenue:

	Euro thousand	Free to Play	Premium Games	Italian Distribution	Other Activities	Total
1	Gross revenue	7,223	34,409	1,061	331	43,024
2	Revenue adjustments	0	0	0	0	0
3	Total net revenue	7,223	34,409	1,061	331	43,024

As of December 31st, 2023, the breakdown was as follows:

	Euro thousand	Free to Play	Premium Games	Italian Distribution	Other Activities	Total
1	Gross revenue	9,633	35,863	1,226	412	47,134
2	Revenue adjustments	0	(12)	(22)	0	(34)
3	Total net revenue	9,633	35,851	1,204	412	47,100

25. Net financial result

The analysis is as follows:

	Euro thousand	December 31 st , 2024	December 31 st , 2023	Change €	Change %
23	Interest and financial income	843	1,389	(546)	-39.3%
24	Interest and financial expense	(3,379)	(2,568)	(811)	31.6%
25	Net financial income / (expenses)	(2,536)	(1,179)	(1,357)	n.m.

The net financial result was negative for Euro 2,536 thousand compared to the net financial expenses of Euro 1,179 thousand recorded in the first half of the previous fiscal year, due to lower interest and financial income for Euro 546 thousand and higher interest and financial expense for Euro 811 thousand.

Interest and financial income may be analyzed as follows:

Euro thousand	December 31 st , 2024	December 31, 2023	Change €	Change %
Currency exchange gains	631	1,059	(428)	-40.4%
Interest on derivative products	165	303	(138)	-45.5%
Other	47	27	20	74.1%
Total interest and financial income	843	1,389	(546)	-39.3%

Total net interest and financial income decreased by Euro 546 thousand, as a result of lower currency exchange gains by Euro 428 thousand and lower interest on derivatives for Euro 138 thousand.

Interest and financial expenses are analyzed in detail as follows:

Euro thousand	December 31st, 2024	December 31st, 2023	Change €	Change %
Interest expenses on current accounts and trade finance	(750)	(832)	82	-9.9%
Interest expenses to tax authorities	0	(24)	24	n.m.
Interest expenses on loans and leases	(1,025)	(784)	(241)	30.9%
Total interest expenses on sources of finance	(1,775)	(1,640)	(135)	8.2%
Currency exchange losses	(1,328)	(928)	(400)	43.1%
Discounting of receivables	(276)	0	(276)	n.m.
Total interest expenses	(3,379)	(2,568)	(811)	31.6%

Total interest expenses amounted to Euro 3,379 thousand, increasing by Euro 811 thousand compared to December 31st, 2023. This increase was primarily due to higher currency exchange losses of Euro 400 thousand and higher interest expenses on loans and leases, in line with the Group's higher average debt during the period. Discounting of receivables amounted to Euro 276 thousand, referring to the net present value adjustments of the amounts related to the agreement with Starbreeze, which will be collected by January 2027.

29. Total taxes

Current and deferred taxes as of December 31st, 2024 are detailed below:

Euro thousand	December 31st, 2024	December 31st, 2023	Change €	Change %
Current taxes	(1,639)	425	(2,064)	n.m..
Deferred taxes	1,080	(1,017)	2,097	n.m..
Total taxes	(559)	(592)	33	-5.5%

Total taxes are substantially in line with the previous reporting period.

6. NON-RECURRING ITEMS

Non-recurring income and expenses shall be presented separately in the profit and loss statement, pursuant to Consob Resolution 15519 of July 27th, 2006. They are generated by transactions or events that events that, by their nature, are not regularly incurred during ordinary operating activities. The consolidated profit and loss statement according to Consob Resolution 15519 of July 27th, 2006 is as follows:

	Euro thousand	December 31 st , 2024		December 31 st , 2023	
		Total	Of which non recurring	Total	Of which non recurring
1	Gross revenue	43,024	0	47,134	0
2	Revenue adjustments	(0)	0	(34)	0
3	Net revenue	43,024	0	47,100	0
4	Purchase of products for resale	(343)	0	(1,522)	0
5	Purchase of services for resale	(3,381)	0	(5,092)	0
6	Royalties	(10,106)	0	(9,321)	0
7	Changes in inventories of finished products	(1,044)	0	80	0
8	Total cost of sales	(14,874)	0	(15,855)	0
9	Gross profit (3+8)	28,150	0	31,245	0
10	Other income	3,603	0	6,225	0
11	Costs for services	(3,976)	0	(5,973)	0
12	Rent and leasing	(237)	0	(250)	0
13	Payroll costs	(13,887)	0	(20,847)	(846)
14	Other operating costs	(564)	0	(723)	0
15	Total operating costs	(18,664)	0	(27,793)	(846)
16	Gross operating margin (EBITDA) (9+10+15)	13,089	0	9,677	(846)
17	Depreciation and amortization	(13,115)	0	(14,443)	0
18	Provisions	1,241	1,241	0	0
19	Asset impairment charge	(1,741)	(966)	(779)	0
20	Impairment reversal	131	0	896	0
21	Total depreciation, amortization and impairment adjustments	(13,484)	275	(14,326)	0
22	Operating margin (EBIT) (16+21)	(395)	275	(4,649)	(846)
23	Interest and financial income	843	0	1,389	0
24	Interest and financial expenses	(3,379)	(276)	(2,568)	0
25	Net interest income/(expenses)	(2,536)	(276)	(1,179)	0
26	Profit/ (loss) before tax (22+25)	(2,931)	(1)	(5,828)	(846)
27	Current tax	(1,639)	0	425	0
28	Deferred tax	1,080	0	(1,017)	0
29	Total taxes	(559)	0	(592)	0
30	Net profit/loss (26+29)	(3,490)	(1)	(6,420)	(846)

During the reporting period, the Group recognized non-recurring income for Euro 1,241 from the release of the Provisions for Starbreeze arbitration costs, which were balanced by losses on Starbreeze receivables of Euro 966 thousand and financial charges of Euro 276 thousand, related to the net present value adjustment of the expected payments which will occur before January 2027.

As of June 30th, 2024, non-recurring items included Euro 846 thousand related to the reorganization costs.

7. INFORMATION BY OPERATING SEGMENT

Digital Bros Group develops, publishes, distributes and markets video games on an global scale. The Group is organised into five operating segments:

- Premium Games;
- Free to Play;
- Italian Distribution;
- Other Activities;
- Holding.

Further details on the activity of each operating segment are provided in the Directors' Report.

The Group's Directors monitor the results achieved by each operating segment individually, in order to assess the ideal allocation of the resources and to verify their individual results. Financial income and expenses (including loan income and expenses) and income taxes are managed at Group level and are not allocated to the operating segments. Comments are provided in the Directors' Report.

The table below details the results by operating segments as of December 31st, 2024, with comparative figures from the previous fiscal year:

Consolidated profit and loss statement by operating segment for the period ended December 31st, 2024

Euro thousand		Free to Play	Premium Games	Italian Distribution	Other Activities	Holding	Total
1	Revenue	7,223	34,409	1,061	331	0	43,024
2	Revenue adjustments	0	0	0	0	0	(0)
3	Total revenue	7,223	34,409	1,061	331	0	43,024
4	Purchase of products for resale	0	(319)	(24)	0	0	(343)
5	Purchase of services for resale	(1,903)	(1,478)	0	0	0	(3,381)
6	Royalties	(2,021)	(8,085)	0	0	0	(10,106)
7	Changes in inventories of finished products	0	(397)	(647)	0	0	(1,044)
8	Total cost of sales	(3,924)	(10,279)	(671)	0	0	(14,874)
9	Gross profit (3+8)	3,299	24,130	390	331	0	28,150
10	Other income	778	2,825	0	0	0	3,603
11	Costs for services	(1,135)	(1,707)	(72)	(67)	(995)	(3,976)
12	Lease and rental costs	(31)	(68)	(14)	0	(124)	(237)
13	Payroll costs	(2,978)	(8,173)	(307)	(262)	(2,167)	(13,887)
14	Other operating costs	(45)	(275)	(25)	(24)	(195)	(564)
15	Total operating costs	(4,189)	(10,223)	(418)	(353)	(3,481)	(18,664)
16	Gross operating margin (EBITDA) (9+10+15)	(112)	16,732	(28)	(22)	(3,481)	13,089
17	Depreciation and amortization	(1,180)	(11,263)	(74)	(186)	(412)	(13,115)
18	Allocations to provisions	0	1,241	0	0	0	1,241
19	Asset impairment change	0	(1,721)	(20)	0	0	(1,741)
20	Impairment reversal	131	0	0	0	0	131
21	Total depreciation, amortization and impairment adjustments	(1,049)	(11,743)	(94)	(186)	(412)	(13,484)
22	Operating margin (EBIT) (16+21)	(1,161)	4,989	(122)	(208)	(3,893)	(395)

Consolidated profit and loss statement by operating segment for the period ended December 31st, 2023

Euro thousand		Free to Play	Premium Games	Italian Distribution	Other Activities	Holding	Total
1	Revenue	9,633	35,863	1,226	412	0	47,134
2	Revenue adjustments	0	(12)	(22)	0	0	(34)
3	Total revenue	9,633	35,851	1,204	412	0	47,100
4	Purchase of products for resale	0	(565)	(957)	0	0	(1,522)
5	Purchase of services for resale	(2,027)	(3,065)	0	0	0	(5,092)
6	Royalties	(2,494)	(6,827)	0	0	0	(9,321)
7	Changes in inventories of finished products	0	57	23	0	0	80
8	Total cost of sales	(4,521)	(10,400)	(934)	0	0	(15,855)
9	Gross profit (3+8)	5,112	25,451	270	412	0	31,245
10	Other income	1,426	4,799	0	0	0	6,225
11	Costs for services	(1,432)	(3,205)	(116)	(146)	(1,074)	(5,973)
12	Lease and rental costs	(70)	(57)	(7)	(0)	(116)	(250)
13	Payroll costs	(4,860)	(12,714)	(574)	(332)	(2,367)	(20,847)
14	Other operating costs	(55)	(403)	(25)	(18)	(222)	(723)
15	Total operating costs	(6,417)	(16,379)	(722)	(496)	(3,779)	(27,793)
16	Gross operating margin (EBITDA) (9+10+15)	121	13,871	(452)	(84)	(3,779)	9,677
17	Depreciation and amortization	(1,234)	(12,508)	(71)	(183)	(447)	(14,443)
18	Allocations to provisions	0	0	0	0	0	0
19	Asset impairment change	0	(779)	0	0	0	(779)
20	Impairment reversal	0	889	7	0	0	896
21	Total depreciation, amortization and impairment adjustments	(1,234)	(12,398)	(64)	(183)	(447)	(14,326)
22	Operating margin (EBIT) (16+21)	(1,113)	1,473	(516)	(267)	(4,226)	(4,649)

Information by geographical area

Gross revenue broken down by geographical area is detailed below:

Euro thousand	December 31st, 2024		December 31st, 2023		Change	
Europe	6,236	14%	5,557	12%	680	12.2%
Americas	30,604	71%	34,291	73%	(3,687)	-10.8%
Rest of the world	4,530	11%	5,353	11%	(823)	-15.4%
Total non-Italian revenue	41,370	96%	45,201	96%	(3,830)	-8.5%
Italy	1,654	4%	1,933	4%	(279)	-14.4%
Total consolidated gross revenue	43,024	100%	47,134	100%	(4,109)	-8.7%

Total foreign revenue decreased by Euro 3,380 thousand and represented 96% of consolidated gross revenue, in line with the previous fiscal year.

Rest of the world revenue related to the sales made by the subsidiary 505 Games S.p.A. in the Far East markets.

The most significant portion of foreign revenue is generated by the Premium Games operating segment, which generated foreign revenue for Euro 34,147 thousand, i.e. 83% of total foreign revenue.

Details of gross foreign revenue by operating segment are provided below:

Euro thousand	December 31st, 2024		December 31st, 2023		Change	
Free to Play	7,223	17%	9,632	23%	(2,409)	-25.0%
Premium Games	34,147	83%	35,569	77%	(1,422)	-4.0%
Total gross non-Italian revenue	41,370	100%	45,201	100%	(3,831)	-8.5%

8. RELATED PARTY TRANSACTIONS

Pursuant to Consob Resolution 17221 of March 12th, 2010, it is hereby disclosed that all commercial and financial transactions between Digital Bros Group subsidiaries and between those subsidiaries and other companies' related parties have been conducted at arm's length and cannot be classed as atypical or unusual transactions.

Intercompany transactions

Intercompany transactions are detailed in section 10 of the Directors' Report.

Other related parties

- property leased by Matov Imm. S.r.l. to the Parent company;
- property leased by Matov LLC to subsidiary 505 Games (US) Inc..

Both Matov Imm. S.r.l. and Matov LLC are owned by Abramo and Raffaele Galante.

The following table contains details of the reporting date balance sheet balances and total transactions for the period, together with prior year comparatives:

Euro thousand	Receivables		Payables		Revenue	Costs
	Trade	Financial	Trade	Financial		
Matov Imm. S.r.l.	0	635	0	(1.796)	0	(404)
Matov LCC	0	143	0	(239)	0	(153)
Total	0	778	0	(2.035)	0	(557)

Euro thousand	Receivables		Payables		Revenue	Costs
	Trade	Financial	Trade	Financial		
Matov Imm. S.r.l.	0	635	0	(2,376)	0	(416)
Matov LCC	0	134	0	(490)	0	(248)
Total	0	769	0	(2,866)	0	(664)

Digital Bros S.p.A.'s financial receivable from Matov Imm. S.r.l. refers to the guarantee deposit paid in relation to lease instalments due for the premises at Via Tortona 37, Milan.

505 Games (US) Inc.'s financial receivable from Matov LLC relates to a guarantee deposit paid for the rental of office premises in Calabasas, California, where several US subsidiaries are based.

The financial liabilities towards Matov Imm. S.r.l. and Matov LLC are the result of application of IFRS 16.

During the reporting period, Digital Bros S.p.A. paid Matov Imm S.r.l. a total rent of Euro 407 thousand for its Milan office premises.

In November 2013, the subsidiary 505 Games (US) Inc. entered a lease agreement with Matov LLC, a related party owned by the Galante family, then renewed in 2024. The transaction was governed by the Procedure for related party transactions adopted by Digital Bros S.p.A. pursuant to Consob Regulation 17221 of March 12th, 2010 and provides for an annual lease charge of USD 150 thousand.

Tax consolidation

The Parent company Digital Bros S.p.A. joined the tax filing system as parent-consolidating company with 505 Mobile S.r.l., Game Entertainment S.r.l., Game Service S.r.l., 505 Games S.p.A., Digital Bros Game Academy S.r.l., Game Network S.r.l., Kunos Simulazioni S.r.l., Avantgarden S.r.l., Hook S.r.l. and Supernova Games S.r.l., following the introduction into the Italian tax system of the tax filing system. Adherence to the national tax consolidation system required Digital Bros Group to draw up a regulation implementing inter-company relations aimed at ensuring that there is no prejudice to the individual companies involved.

The consolidated profit and loss and balance sheet statements pursuant to Consob Resolution 15519 of July 27th, 2006 is as follows:

	Euro thousand	December 31 st , 2024		December 31 st , 2023	
		Total	Of which non correlated	Total	Of which non correlated
1	Gross revenue	43,024	0	47,134	0
2	Revenue adjustments	0	0	(34)	0
3	Net revenue	43,024	0	47,100	0
4	Purchase of products for resale	(343)	0	(1,522)	0
5	Purchase of services for resale	(3,381)	0	(5,092)	0
6	Royalties	(10,106)	0	(9,321)	0
7	Changes in inventories of finished products	(1,044)	0	80	0
8	Total cost of sales	(14,874)	0	(15,855)	0
9	Gross profit (3+8)	28,150	0	31,245	0
10	Other income	3,603	0	6,225	0
11	Costs for services	(3,976)	0	(5,973)	0
12	Rent and leasing	(237)	(69)	(250)	(81)
13	Payroll costs	(13,887)	0	(20,847)	0
14	Other operating costs	(564)	0	(723)	0
15	Total operating costs	(18,664)	(69)	(27,793)	(81)
16	Gross operating margin (EBITDA) (9+10+15)	13,089	(69)	9,677	(81)
17	Depreciation and amortization	(13,115)	(470)	(14,443)	(553)
18	Provisions	1,241	0	0	0
19	Asset impairment charge	(1,741)	0	(779)	0
20	Impairment reversal		0	896	0
21	Total depreciation, amortization and impairment adjustments	(13,484)	(470)	(14,326)	(553)
22	Operating margin (EBIT) (16+21)	(395)	(539)	(4,649)	(634)
23	Interest and financial income	843	0	1,389	0
24	Interest and financial expenses	(3,379)	(18)	(2,568)	(30)
25	Net interest income/(expenses)	(2,536)	(18)	(1,179)	(30)
26	Profit/ (loss) before tax (22+25)	(2,931)	(557)	(5,828)	(664)
27	Current tax	(1,639)	0	425	0
28	Deferred tax	1,080	0	(1,017)	0
29	Total taxes	(559)	0	(592)	0
30	Net profit/loss (26+29)	(3,490)	(557)	(6,420)	(664)

	Euro thousand	December 31 st , 2024		June 30 th , 2024	
		Total	Of which non correlated	totale	Total
	Non-current assets				
1	Property, plant and equipment	6,477	0	7,379	0
2	Investment properties	0	0	0	0
3	Intangible assets	125,702	0	129,614	0
4	Equity investments	5,788	0	9,685	0
5	Non-current receivables and other assets	2,920	778	7,945	774
6	Deferred tax assets	22,656	0	21,166	0
7	Non-current financial activities	2,895	0	0	0
	Total non-current assets	166,438	778	175,789	774
	Current assets				
8	Inventories	1,624	0	2,668	0
9	Trade receivables	13,869	0	16,887	0
10	Tax receivables	3,920	0	4,345	0
11	Other current assets	7,126	0	8,902	0
12	Cash and cash equivalents	4,631	0	11,981	0
13	Other current financial assets	5,221	0	10,238	0
	Total current assets	36,392	0	55,021	0
	TOTAL ASSETS	202,830	778	230,810	774
	Shareholders' equity				
14	Share capital	(5,706)	0	(5,706)	0
15	Reserves	(9,929)	0	(11,868)	0
16	Treasury shares	0	0	0	0
17	Retained earnings	(105,842)	0	(113,426)	0
	Equity attributable to the shareholders of the Parent Company	(121,477)	0	(131,000)	0
	Equity attributable to non-controlling interests	(780)	0	3,314	0
	Total net equity	(122,257)	0	(127,686)	0
	Non-current liabilities				
18	Employee benefits	(1,036)	0	(967)	0
19	Non-current provisions	(877)	0	(563)	0
20	Other non-current payables and liabilities	(771)	0	(1,657)	0
21	Non-current financial liabilities	(5,164)	(1,318)	(10,324)	(1,502)
	Total non-current liabilities	(7,848)	(1,318)	(13,511)	(1,502)
	Current liabilities				
22	Trade payables	(30,096)	0	(43,737)	0
23	Tax payables	(1,444)	0	(1,299)	0
24	Short term provisions	(0)	0	(1,241)	0
25	Other current liabilities	(3,891)	0	(6,657)	0
26	Current financial liabilities	(37,294)	(717)	(36,679)	(832)
	Total current liabilities	(72,725)	(717)	(89,613)	(832)
	TOTAL LIABILITIES	(80,573)	(2,035)	(103,124)	(2,334)
	TOTAL NET EQUITY AND LIABILITIES	(202,830)	(2,035)	(230,810)	(2,334)

9. ATYPICAL OR UNUSUAL TRANSACTIONS

During the reporting period, as in the previous period, there were no atypical or unusual transactions, as defined by Consob Communication DEM 6064293 of July 28th, 2006.

STATEMENT PURSUANT TO ART. 154- BIS (5) OF THE T.U.F.

We, the undersigned, Abramo Galante, Chairman of the Board of Directors and Stefano Salbe, Chief Financial Officer and Financial Reporting Manager of Digital Bros Group, hereby declare, including in accordance with Art. 154-bis (3) and (4) of Legislative Decree 58 of February 24th, 1998:

- the adequacy in relation to the characteristics of the business; and
- the effective application of the administrative and accounting procedures for the preparation of the Half year condensed consolidated financial statements for the period July 1st, 2024 – December 31st, 2024. No significant issues have arisen.

We also confirm that:

1. the Half year condensed financial statements of Digital Bros Group as of December 31st, 2024:
 - a) have been prepared in accordance with applicable International Financial Reporting Standards endorsed by the European Union pursuant to Regulation 1606/2002/EC of the European Parliament and the Council of July 19th, 2002;
 - b) reflect the accounting books and records;
 - c) give a true and fair representation of the assets and liabilities, profits and losses and financial position of the issuer and of the entities included in the consolidation;
2. the half year Directors' Report as of December 31st, 2024 accompanying the Half year condensed consolidated financial statements includes a reliable analysis of the results, as well as a description of the main risks and uncertainties to which Digital Bros S.p.A. and the consolidated entities are exposed.

Milan, March 6th, 2025

Signed

Chairman of the Board of Directors

Abramo Galante

Chief Financial Officer

Stefano Salbe