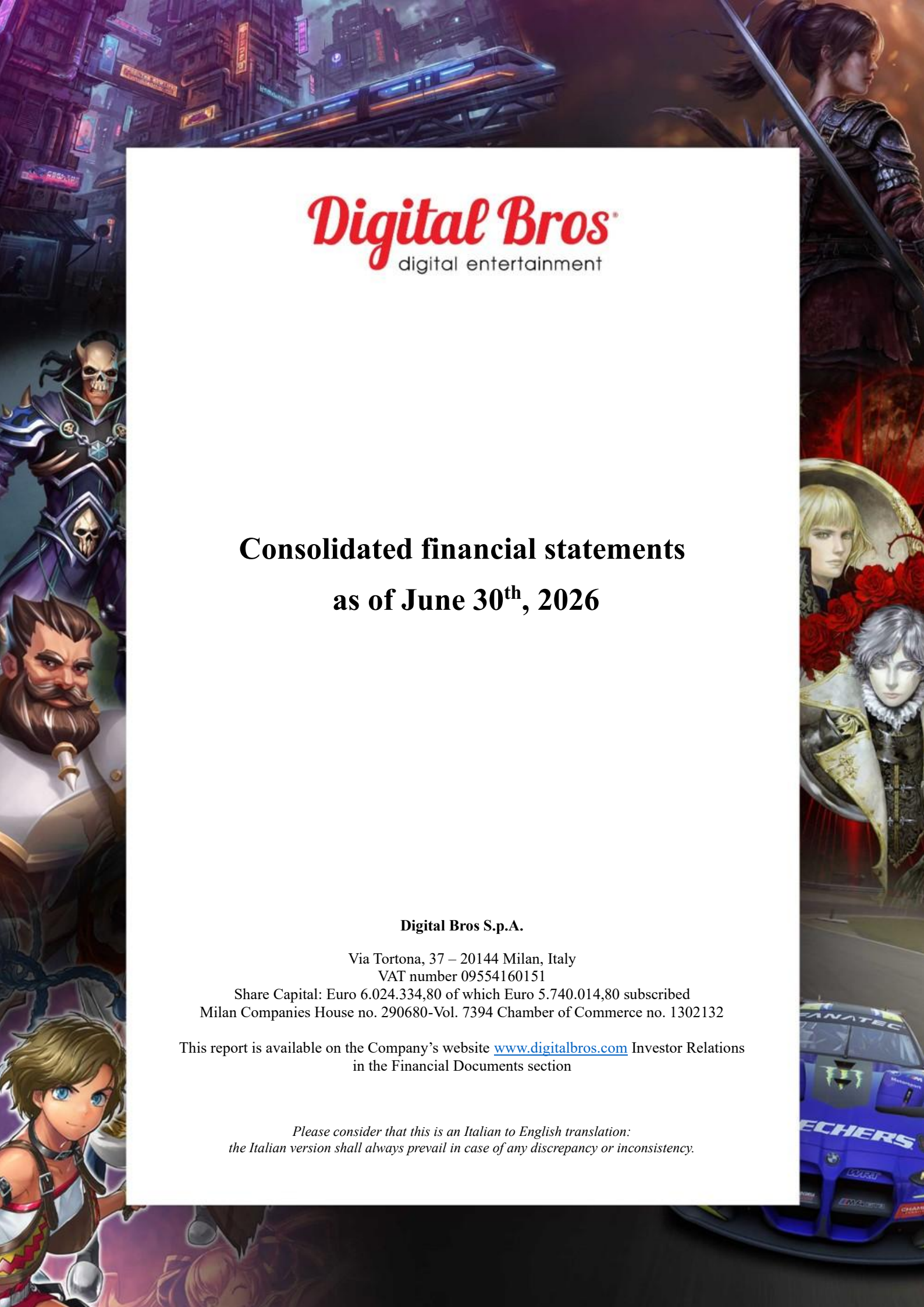

Consolidated financial statements as of June 30th, 2026

Digital Bros S.p.A.

Via Tortona, 37 – 20144 Milan, Italy
VAT number 09554160151
Share Capital: Euro 6.024.334,80 of which Euro 5.740.014,80 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 in the 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	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	M
Stefano Salbe [(1)]	Director	E			
Laura Soifer [(2)]	Director	I	P	M	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	CEO: Chief Executive Officer

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

Board of Statutory Auditors

Name	Office
Maria Pia Maspes	Statutory auditor
Pietro Piccone Ferrarotti	Statutory auditor
Paolo Villa	Chairman
Andrea Serra	Alternate statutory auditor
Stefano Spiniello	Alternate 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 approving the financial statements as of June 30th, 2026. On October 28th, 2024, the Shareholders' Meeting integrated the Board of Directors through the appointment of the non-executive director Veronica Devetag Chalaupka, whose term of office is aligned with the overall 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.

The Board of Directors held on August 7th, 2007 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 annual and half year condensed consolidated financial statements of the Group and the Digital Bros S.p.A. annual financial statements until the approval of the financial statements as of June 30th, 2030.

Other information

On September 24th, 2026, the Board of Directors authorized the publication of Digital Bros Group's Draft consolidated financial statements as of June 30th, 2026.

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.

Following the downsizing of retail distribution activities, the portion of revenues and costs that were previously reported under the Italian Distribution operating segment is now included in the residual operating segment Other Activities. Comparative figures for the previous fiscal year have been reclassified accordingly. As a result, the Group is currently organized in four operating segments:

Premium Games: the activities primarily involve the acquisition of intellectual property rights for video games 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 its internal development studios, or working with independent teams. In the case of video games developed by external studios, the Company secures global rights either through long-term exclusive licensing agreements or through full acquisitions.

The brands used for worldwide publishing are 505 Games and 505 Pulse.

During the reporting period, Premium Games activities were carried out by the subsidiary 505 Games S.p.A., which coordinates the operating segment, supported by 505 Games Ltd. and 505 Games (US) Inc.. The subsidiary 505 Pulse S.r.l. publishes indie video games, i.e. videogames with smaller development budget.

During the first half of the fiscal year, the Dutch company Rasplata B.V. transferred the intellectual property rights related to the video game Crime Boss: Rockay City, as well as the related trademark and proprietary technology, to 505 Games S.p.A..

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

- Kunos Simulazioni S.r.l., a fully owned Italian subsidiary, which developed and published the video games Assetto Corsa and Assetto Corsa Competizione. The team is currently finalizing the development of Assetto Corsa EVO, which was released in Early Access on Steam on January 16th, 2025;
- Ingame Studios a.s., a Brno-based Czech fully owned studio, which developed the video game Crime Boss: Rockay City;
- Avantgarden S.r.l., an Italian developer based in Milan fully owned by the Group, which focuses on the re-release of previously launched titles across more recent platforms;
- Supernova Games Studios S.r.l., a Milan-based development studio fully owned by the Group, which is currently developing Assetto Corsa Rally, which was released in Early Access on Steam on November 13th, 2025;
- Chrysalide Jeux et Divertissement Inc., a Canadian company in which the Group holds a 75% stake, that was in charge of the development of the videogame Directorate: Novitiate, discontinued during the fiscal year due to challenging market conditions.

On January 23rd, 2026, Digital Bros S.p.A. sold its 50% interest in MSE&DB S.L. to the other shareholder, Mercury Steam Entertainment S.L. The Spanish joint venture owns the intellectual property rights to the videogame Blades of Fire, which was launched during the previous fiscal year.

Free to Play: the activities involve developing and publishing video games and/or applications that are distributed for free on digital marketplaces and monetized through in-app purchases. Free to Play video games typically present lower technical complexity compared to Premium titles but, when successful, they may have a longer life cycle. Following their launch, Free to Play games require ongoing maintenance and updates to keep the players engaged and extend the game's lifecycle.

Worldwide publishing activities are coordinated by 505 Mobile S.r.l., together with the UK-based subsidiary DR Studios Ltd., which develops 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 their live support.

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. Following completion of the acquisition, the company was rebranded as 505 Go Inc.. As part of the Group's efforts to simplify its corporate structure, the activities previously carried out by 505 Mobile (US) are now performed by 505 Go Inc..

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

Other Activities: it's the residual operating segment that includes the Group's remaining smaller-scale activities, which are aggregated for reporting purposes. It consists of training and professional courses in the video game industry organized by the subsidiary Digital Bros Game Academy S.r.l. and, since the current fiscal year, the distribution in Italy of video games and trading cards acquired from international publishers, carried out by the Parent Company, Digital Bros S.p.A..

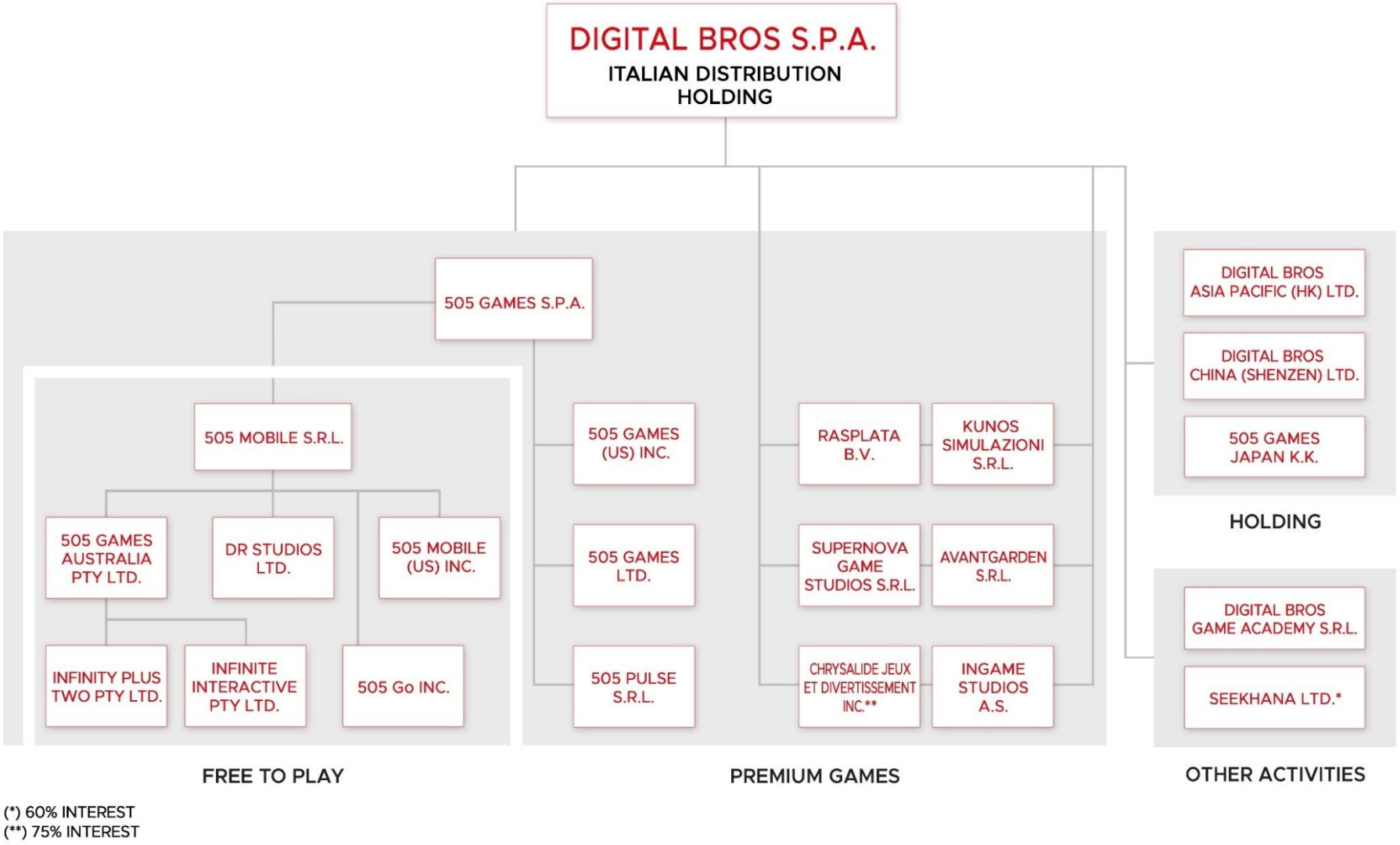
The Group also has a 60% stake in the UK-based company Seekhana Ltd..

Holding: activities mainly consist of HR management, 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 business development in the Asian markets.

Digital Bros Holdings Ltd. was liquidated during the fiscal year.

All the above-mentioned companies are fully owned, except for the 60% held in Seekhana Ltd and the 75% held in Chrysalide Jeux et Divertissement Inc..

The organization chart for operating companies as of June 30th, 2026 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.	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.*	23586 Calabasas Road, Suite 102, Calabasas, CA 91302	Offices
505 Go Inc.*	23586 Calabasas Road, Suite 102, Calabasas, CA 91302	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 delle Macere 20, 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
Rasplata B.V.	Churchill-laan 131 2, Amsterdam, Netherlands	Offices
Seekhana Ltd.	403 Silbury Boulevard, Milton Keynes, U.K.	Offices
Supernova Games Studios S.r.l.	Via Tortona, 37 Milan	Offices

* Effective from January 1st, 2026. Until that date, the operations of the U.S. subsidiaries were located at the following address: 5145 Douglas Fir Road, Calabasas, California, U.S.A.
** Effective from March 25th, 2026. Until that date, the subsidiary's operations were located at the following address: Via degli Olmetti 39, Formello (Rome), Italy.

The companies have been fully consolidated using the line-by-line consolidation method, with recognition of the share of equity and profit or loss of the fiscal year attributable to non-controlling interests.

2. MAIN INTELLECTUAL PROPERTIES OWNED BY THE GROUP

Launched in 2014, Assetto Corsa is a racing simulation videogame developed by the Group-owned studio Kunos Simulazioni S.r.l..

Assetto Corsa faithfully reproduces the performance and handling of cars across a wide range of categories and classes, delivering a realistic driving experience by simulating tyre grip and behaviour, aerodynamic effects, engine parameters and different weather conditions. Players can choose from more than 150 cars, faithfully reproduced in collaboration with some of the world's most prestigious automotive manufacturers, and race on legendary circuits including Silverstone, Monza, Nürburgring-Nordschleife, Barcelona and Spa-Francorchamps. The circuits have been recreated using Laser Scan technology to accurately reproduce every bump, kerb and gradient of the track. Assetto Corsa offers a range of customisable single-player and multiplayer modes, including quick races and race weekends featuring practice and qualifying sessions, as well as sprint and endurance races.

Assetto Corsa Competizione, launched in 2018, is a spin-off of Assetto Corsa. It is the official videogame of the GT World Challenge and was selected as the official videogame for the FIA Motorsport Games Esports competition.

The third title in the franchise, Assetto Corsa EVO, was released in Early Access for PC in January 2025 and is currently at an advanced stage of development.

Assetto Corsa Rally is another spin-off of the franchise, currently in development by the subsidiary Supernova Games Studios. The game was released in Early Access for PC on November 13th, 2025.

The Assetto Corsa franchise has generated revenues of over Euro 190 million since launch.

Wuchang: Fallen Feathers is a soulslike action RPG developed by Chinese studio Leenzee Games and published by 505 Games in July 2025.

Set in China during the late Ming Dynasty, Wuchang: Fallen Feathers blends historical elements, Chinese folklore and mythology within a dark fantasy world. Players take on the role of Wuchang, a warrior afflicted by a mysterious disease, and follow her journey through environments inspired by China's Shu region, battling creatures and other enemies while progressively developing new abilities, weapons and combat styles.

In April 2026, the Group acquired the Wuchang: Fallen Feathers intellectual property from Chengdu Lingze Technology Co. Ltd., gaining full control over the future development and exploitation of the Intellectual Property.

At the acquisition date, Wuchang: Fallen Feathers had generated revenues of over Euro 30 million in just eight months since its launch.

On July 29th, 2026, the Group entered into an agreement for the development of the game's sequel with the Chinese studio Chengdu Recursive Dolphin Technology Co. Ltd., founded by the creative director of Wuchang: Fallen Feathers.

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 for personal computers on Epic Games Store on March 28th, 2023. Console versions were released in June 2023. A new PC version was 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 was launched in the second quarter of the FY2024.

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.

A fully localised Chinese version will be released on the region's leading digital marketplaces during September 2026.

Since its launch, Gems of War has generated revenues exceeding Euro 40 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 console.

The game's intellectual property is owned by Digital Bros Group and it is used for the videogame published by the American 505 Go Inc..

3. THE VIDEO GAMES MARKET

The video game market is a key segment of the entertainment industry. Cinema, publishing, videogames and toys are interconnected sectors that often share the same characters, brands, distinctive elements and intellectual properties.

During the pandemic, the video game market recorded significant growth, accompanied by a substantial increase in investment in new productions. This expansion resulted in a higher-than-expected number of new videogames being released onto the market. At the same time, consumers have become increasingly selective, tending to concentrate their playing time on established titles rather than experimenting with new releases. As a result, despite the market continuing to record moderately positive growth rates, publishers have found it particularly challenging to achieve the sales volumes used at the moment of the investment decisions, leading to results below expectations and the need to reassess their videogame portfolios and the marketing strategies.

Since the second half of 2023, the industry has passed through a rationalisation process that is still ongoing, characterised by project cancellations, studio closures and consequent workforce layoffs on a global scale. The market continues to face a degree of uncertainty, also due to the technological developments in artificial intelligence, whose impact on development models, production costs and competitive dynamics cannot yet be fully predicted.

At the reporting date, the video game industry does not appear to be materially affected by recent developments in international markets relating to the introduction of varying and evolving tariffs on international trade.

The video games market value chain is as follows:

Physical distribution of video games had been progressively replaced by digital distribution and now represents only a marginal share of the market.

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 may retain ownership of the intellectual property and grant international videogame publishers the related rights for a limited period of time, as contractually agreed. Publishers therefore play an essential role in the value chain, supporting the development of the videogame as well as its visibility and distribution on an international scale.

In some cases, developers may choose to sell, publish and market their games directly. This approach entails significantly greater financial and operational risks for developers.

Publishers

The publisher is responsible for the launch of the video game, setting the global commercial strategy, overseeing product positioning and bearing all the related risks, but sharing all the 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 contracted period, including licensing rights for sequels.

Marketplaces and platforms

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 period by paying a subscription fee, rather than purchasing individual titles. Revenue is recognized by publishers and developers when a game is added to the platform, based on a contractual annual fee defined for each product. Additionally, at the back end, the platform pays 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 (so-called Downloadable Contents or DLC) are available on digital marketplaces for consumers to buy or download for free.

Free to Play video games are distributed exclusively in digital format through specific online marketplaces, including the App Store for iPhone and iPad, the Play Store for Android devices in Western market, and various digital platforms serving Far Eastern markets. Certain Free to Play titles are also available on the Sony PlayStation Store, Microsoft's Xbox Live for consoles, as well as on Steam and the Epic Games Store for PC.

4. ALTERNATIVE PERFORMANCE RATIOS

The Group has consistently reported a number of commonly used performance indicators over the past fiscal years to facilitate the understanding of the Group's consolidated financial performance and financial position.

The following ratios are included in the profit and loss statement:

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

The indicators used by the Group may differ from those adopted by other companies, as they are not defined by the applicable accounting standards and may therefore not be fully comparable.

No reconciliation between the performance indicators presented in the Directors' Report and the consolidated financial statements is required, as the Group's metrics are directly reported in the consolidated financial statements. The only exception is the Adjusted Liquidity Ratio, for which appropriate reconciliation is provided.

5. SEASONALITY EFFECTS

Market seasonality is 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 the launch is supported by the sales activity, targeted marketing and promotional campaigns.

Promotional campaigns on digital marketplaces concentrate revenues during specific periods. Publishers concentrate their marketing activities around peak consumer spending periods, such as Christmas in European markets, Black Friday in the U.S. and the Lunar New Year, when consumer demand is generally higher.

Revenue generated by Free to Play games is generally less subject to seasonal fluctuations compared to Premium Games. Free to Play titles typically produce progressively increasing revenue over time, without significant peaks at launch, except in limited cases involving highly anticipated titles associated with particularly well-established brands. Promotional activities have a material impact on revenue performance. However, unlike Premium Games, such promotions occur more frequently and in shorter intervals, thereby mitigating excessive volatility in revenue across reporting quarters.

The increasingly marginal contribution of physical distribution to consolidated revenues has significantly reduced net working capital requirements, resulting in a more stable and predictable evolution of the Group’s net financial position.

6. SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

Relations with Starbreeze

In the previous years, Digital Bros Group and the Swedish group Starbreeze ("Starbreeze") have entered various commercial and financial transactions.

In May 2016, the Group reverted to Starbreeze the rights related to the videogame PAYDAY 2 for a consideration of USD 30 million and a potential earn-out payments of up to USD 40 million, corresponding to 33% of the net revenues generated by the future release of the videogame PAYDAY 3.

After several purchases of Starbreeze shares on the market, the Group's interest exceeded 20% of the company's voting rights. The Group had continuously reviewed the existence of a significant influence over Starbreeze within the framework of IAS 28 but the moment when it occurred was at the Starbreeze's Shareholders' Meeting held on May 15th, 2025. During that meeting, Digital Bros proposed changes to the size and composition of the Board of Directors, which were approved, resulting in the appointment of the Digital Bros Group CFO, Stefano Salbe, as a Director of Starbreeze AB. From that date, the Group considered to have a significant influence over the Swedish company, as the relevant criteria provided by IAS 28 were met, in particular the representation in the Board of Directors and participation in the company's policy-making processes, including participation in decisions about dividends and other distributions.

During the fiscal year, the Group wrote off completely the investment in Starbreeze under IAS 28 by an incremental Euro 5.7 million to reflect the Starbreeze consolidated losses pro quota in addition to the previous fiscal year write-off. The actual carrying amount of the investment is zero. As of June 30th, 2026, the fair value of the investment, based on the market price of Starbreeze shares listed on Nasdaq Stockholm, amounted to Euro 2.8 million.

As of June 30th, 2026, the Group holds the same amount of shares as last fiscal year amounting at no. 87 million Starbreeze A shares and no. 223.4 million Starbreeze B shares, representing 19.11% of Starbreeze's share capital and 37.67% of its voting rights.

Others significant events during the reporting period

On April 27th, 2026, the Group entered into an agreement with Chinese development studio Chengdu Lingze Technology Co. Ltd. for the acquisition of the intellectual property rights to the videogame Wuchang: Fallen Feathers for a total consideration of Renminbi 32 million (approximately Euro 4 million).

7. CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE PERIOD ENDED JUNE 30TH, 2026

	Euro thousand	June 30th, 2026		June 30th, 2025		Change	
1	Gross revenue	108,455	100.0%	93,620	100.0%	14,835	15.8%
2	Revenue adjustments	0	0.0%	0	0.0%	0	n.m.
3	**Net revenue**	**108,455**	**100.0%**	**93,620**	**100.0%**	**14,835**	**15.8%**
4	Purchase of products for resale	(958)	-0.9%	(718)	-0.8%	(240)	33.5%
5	Purchase of services for resale	(4,214)	-3.9%	(7,383)	-7.9%	3,169	-42.9%
6	Royalties	(16,549)	-15.3%	(19,329)	-20.6%	2,780	-14.4%
7	Changes in inventories of finished products	(349)	-0.3%	(1,312)	-1.4%	963	-73.4%
8	**Total cost of sales**	**(22,070)**	**-20.3%**	**(28,742)**	**-30.7%**	**6,672**	**-23.2%**
9	**Gross profit (3+8)**	**86,385**	**79.7%**	**64,878**	**69.3%**	**21,507**	**33.1%**
10	Other income	8,184	7.5%	9,784	10.5%	(1,600)	-16.3%
11	Costs for services	(7,947)	-7.3%	(9,413)	-10.1%	1,466	-15.6%
12	Rent and leasing	(660)	-0.6%	(623)	-0.7%	(37)	5.9%
13	Payroll costs	(30,629)	-28.2%	(29,951)	-32.0%	(678)	2.3%
14	Other operating costs	(1,113)	-1.0%	(1,218)	-1.3%	105	-8.6%
15	**Total operating costs**	**(40,349)**	**-37.2%**	**(41,205)**	**-44.0%**	**856**	**-2.1%**
16	**Gross operating margin (EBITDA) (9+10+15)**	**54,220**	**50.0%**	**33,457**	**35.7%**	**20,763**	**62.1%**
17	Depreciation and amortization	(30,505)	-28.1%	(26,742)	-28.6%	(3,763)	14.1%
18	Provisions	0	0.0%	1,241	1.3%	(1,241)	n.m.
19	Asset impairment charge	(18,692)	-17.2%	(20,405)	-21.8%	1,713	-8.4%
20	Impairment reversal	96	0.1%	909	1.0%	(813)	-89.4%
21	**Total depreciation, amortization and impairment adjustments**	**(49,101)**	**-45.3%**	**(44,997)**	**-48.1%**	**(4,104)**	**9.1%**
22	**Operating margin (EBIT) (16+21)**	**5,119**	**4.7%**	**(11,540)**	**-12.3%**	**16,659**	**n.m.**
23	Interest and financial income	1,844	1.7%	3,952	4.2%	(2,108)	-53.3%
24	Interest and other financial expenses	(9,429)	-8.7%	(7,066)	-7.5%	(2,363)	33.5%
25	**Net interest income/(expenses)**	**(7,585)**	**-7.0%**	**(3,114)**	**-3.3%**	**(4,471)**	**n.m.**
26	**Profit/ (loss) before tax (22+25)**	**(2,466)**	**-2.3%**	**(14,654)**	**-15.7%**	**12,188**	**-83.2%**
27	Current tax	(4,615)	-4.3%	858	0.9%	(5,473)	n.m.
28	Deferred tax	592	0.5%	3,092	3.3%	(2,500)	-80.9%
29	**Total taxes**	**(4,023)**	**-3.7%**	**3,950**	**4.2%**	**(7,973)**	**n.m.**
30	**Net profit/loss**	**(6,489)**	**-6.0%**	**(10,704)**	**-11.4%**	**4,215**	**-39.4%**
	attributable to the shareholders of the Parent Company	**(6,503)**	**-6.0%**	**(10,919)**	**-11.7%**	**4,416**	**-40.4%**
	attributable to non-controlling interests	**14**	**0.0%**	**215**	**0.2%**	**(201)**	**-93.5%**
	Loss per share:						
33	**Basic loss per share (in Euro)**	**(0,46)**		**(0,77)**		**0,31**	**-40.5%**
34	**Diluted loss per share (in Euro)**	**(0,46)**		**(0,73)**		**0,27**	**-37.5%**

Consolidated revenue amounted to Euro 108.5 million as of June 30th, 2026, up 15.8%. Revenue was supported by the launch of Wuchang: Fallen Feathers in the first quarter and the release of Assetto Corsa Rally in Early Access for PC in the second quarter. Back catalogue sales also remained particularly healthy throughout the fiscal year.

The release of Assetto Corsa Rally is consistent with the Group's strategy of focusing its publishing portfolio on a smaller number of properties, prioritising titles based on fully owned intellectual properties with greater visibility and the potential to generate recurring revenues over time.

This strategic focus is particularly relevant in a videogame market that remains characterised by significant volatility and uncertainty and continues to adjust following the exceptional expansion experienced during the pandemic period. Players have become increasingly selective towards new releases and continue to devote a significant share of their time and spending to established titles, making the commercial performance of new games less predictable. These market dynamics have led developers and publishers globally to reassess their strategies and cost structures, resulting in project cancellations, studio closures and workforce reductions across the industry. The Group has also been affected by these trends and has continued to adapt its portfolio and operating structure accordingly.

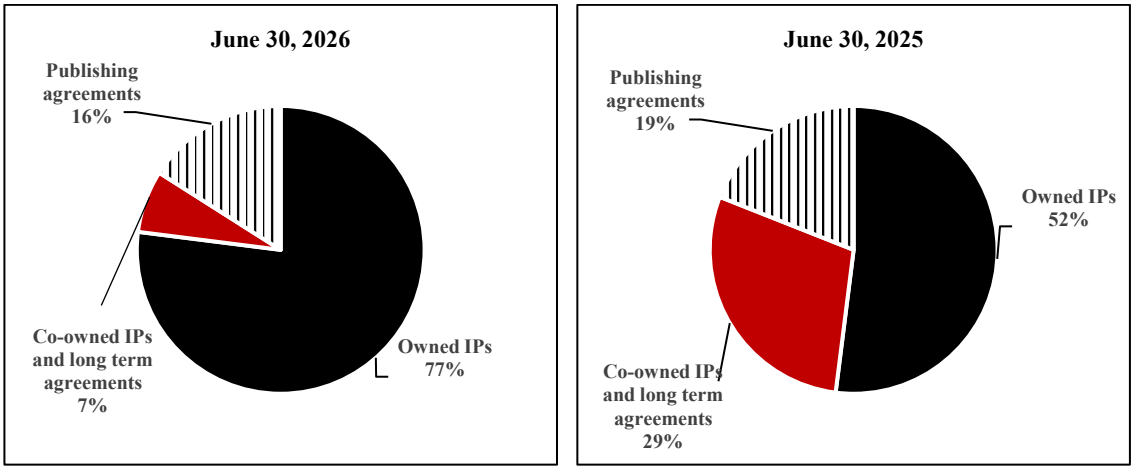
A breakdown of net revenue by operating segment as of June 30th, 2026 is provided below:

Euro thousand	**June 30th, 2026**	**June 30th, 2025**	**Change**	**Change %**
Premium Games	98,182	78,789	19,393	24.6%
Free to Play	9,261	12,688	(3,427)	-27.0%
Other Activities	1,012	2,143	(1,131)	-52.8%
Total net revenue	**108,455**	**93,620**	**14,835**	**15.8%**

As of June 30tht, 2026, Premium Games revenue amounted to Euro 98.2 million, compared to Euro 78.8 million of the previous fiscal year and represented 91% of total revenue.

Revenue generated by the different Assetto Corsa games amounted to Euro 33.6 million, up 5% from Euro 32 million as of June 30th, 2025. This performance benefited from the strong sales of products released in previous fiscal years (Assetto Corsa and Assetto Corsa Competizione), together with the contribution from Assetto Corsa EVO, released in the previous fiscal year, and the new Assetto Corsa Rally. These latter are currently available in Early Access on Steam only and will receive further updates ahead of their full releases, scheduled for the next fiscal year.As of June 30th, 2026, Premium Games revenue amounted to Euro 98.2 million, compared to Euro 78.8 million of the previous fiscal year and represented 91% of total revenue.

A breakdown of Premium Games revenue by the type of rights as of June 30th, 2026 is provided below compared to the previous fiscal year:



Revenue generated by videogames based on the Group's fully owned intellectual properties (Owned IPs) accounted for 77% of Premium Games revenues. This reflects the strong performance of Wuchang: Fallen Feathers, together with the contribution of the Assetto Corsa franchise. Revenues generated by Wuchang: Fallen Feathers, previously classified under co-owned intellectual properties and long-term agreements, were reclassified as Owned IP revenues following the acquisition of the videogame's intellectual property rights from the Chinese developer Chengdu Lingze Technology Co. Ltd. finalized during the third quarter of the fiscal year.

Free to Play revenue amounted to Euro 9.3 million, down 27%. During the month of August 2025, certain technical issues affecting the videogames published by the Group's subsidiary 505 Go Inc. temporarily impacted revenue. Although the issues were promptly resolved, the operating segment was unable to recover the revenue contraction during the remainder of the fiscal year.

Digital revenue accounted for approximately 94% of total revenues, broadly in line with the levels of the recent fiscal years. International markets accounted for 99% of total revenues.

Total cost of sales was limited to 20.3% of revenue, down from 30.7% of revenue in the previous fiscal year. The improvement reflects a more favourable product mix, with a significantly higher contribution from fully owned IPs, which present negligible royalties. As a result, the gross profit increased by 33.1% to Euro 86,385 thousand, compared to Euro 64,878 thousand in the previous fiscal year.

Other revenues amounted to Euro 8,184 thousand, a decrease of 16.3%. The capitalised internal development costs primarily related to Assetto Corsa EVO and Assetto Corsa Rally.

Operating costs decreased by 2.1% despite the revenue growth. The limited number of new releases resulted in a significant reduction in advertising costs, with marketing activities more selectively targeted towards specific markets, such as China for Wuchang: Fallen Feathers, and specific consumer audiences and media channels for Assetto Corsa EVO and Assetto Corsa Rally. Payroll costs increased by 2.3%, mainly reflecting the recognition of the variable remuneration as of June 30th, 2026, which was not recognised in the previous fiscal year. Payroll costs benefited from a reduction of the Group's average workforce by 19 employees.

The EBITDA margin increased to 50% of revenues, with EBITDA amounting to Euro 54,220 thousand, up Euro 20,763 thousand from Euro 33,457 thousand as of June 30th, 2025.

Depreciation and amortization amounted to Euro 30,505 thousand, increasing by Euro 3,763 thousand compared to the previous fiscal year.

The Group decided to discontinue the development of some videogames, Directorate: Novitiate, Armed Fantasia and the sequel to the Free to Play game Battle Island, after multiple attempts to revise their gameplay. The decisions followed a thorough review of the potential of each product in consideration of changing market conditions and the additional investment required to complete development to bring the games to the market. As a result, the Group reported non-cash asset impairment of Euro 18,692 thousand, including Euro 17,629 thousand in write-offs relating to the discontinued projects and Euro 1,009 thousand in impairment losses on videogames for which impairment testing indicated that the present value of expected future cash flows was below the carrying amount of the related assets, to reflect lower sales expectations.

EBIT was positive at Euro 5,119 thousand, significantly improved compared to the negative EBIT of Euro 11,540 thousand of the previous fiscal year.

The net interest expense amounted to Euro 7,585 thousand, compared to Euro 3,114 thousand as of June 30th, 2025. The other financial expenses include Euro 5,682 thousand relating to the write down of the carrying amount of the investment in Starbreeze to zero to align to IAS 28

The loss before tax amounted to Euro 2,466 thousand, improved by Euro 12,188 thousand from the loss before tax of Euro 14,654 thousand in the previous fiscal year.

The consolidated net loss amounted to Euro 6,489 thousand, compared to the net loss of Euro 10,704 thousand as of June 30th, 2025. The net loss attributable to the shareholders of the Parent Company amounted to Euro 6,503 thousand, compared to the loss of Euro 10,919 thousand of the previous fiscal year. The net profit attributable to non-controlling interests amounted to Euro 14 thousand, compared to Euro 215 thousand as of June 30th, 2025. As the period of exercise provided by the Stock Option Plan 2016-2026 expired on June 30th, 2026, the basic and diluted loss per share now coincide at Euro 0.46, compared to Euro 0.77 and Euro 0.73, respectively, as of June 30th, 2025.

8. CONSOLIDATED BALANCE SHEET AS OF JUNE 30TH, 2026

	Euro thousand	June 30th, 2026	June 30th, 2025	Change	
	Non-current assets				
1	Property, plant and equipment	5,166	5,459	(293)	-5.4%
2	Investment properties	0	0	0	0.0%
3	Intangible assets	76,797	111,234	(34,437)	-31.0%
4	Equity investments	234	7,159	(6,925)	-96.7%
5	Non-current receivables and other assets	1,958	2,601	(643)	-24.7%
6	Deferred tax assets	20,062	23,723	(3,661)	-15.4%
7	Non-current financial activities	0	2,821	(2,821)	n.m.
	Total non-current assets	**104,217**	**152,997**	**(48,780)**	**-31.9%**
	Current assets				
8	Inventories	1,007	1,356	(349)	-25.7%
9	Trade receivables	10,389	14,185	(3,796)	-26.8%
10	Tax receivables	6,105	7,198	(1,093)	-15.2%
11	Other current assets	6,326	7,108	(782)	-11.0%
12	Cash and cash equivalents	9,448	6,718	2,730	40.6%
13	Other current financial assets	2,981	0	2,981	n.m.
	Total current assets	**36,256**	**36,565**	**(309)**	**-0.8%**
	TOTAL ASSETS	***140,473***	***189,562***	***(49,089)***	***-25.9%***
	Shareholders' equity				
14	Share capital	(5,740)	(5,706)	(34)	0.6%
15	Reserves	(5,859)	(9,632)	3,773	-39.2%
16	Treasury shares	0	0	0	0.0%
17	Retained earnings	(92,099)	(98,612)	6,513	-6.6%
	Equity attributable to the shareholders of the Parent Company	**(103,698)**	**(113,950)**	**10,252**	**-9.0%**
	Equity attributable to non-controlling interests	**(804)**	**(790)**	**(14)**	**1.8%**
	Total net equity	**(104,502)**	**(114,740)**	**10,238**	**-8.9%**
	Non-current liabilities				
18	Employee benefits	(1,208)	(1,109)	(99)	9.0%
19	Non-current provisions	(376)	(1,059)	683	-64.5%
20	Other non-current payables and liabilities	0	(4,947)	4,947	n.m.
21	Non-current financial liabilities	(1,131)	(1,221)	90	-7.4%
	Total non-current liabilities	**(2,715)**	**(8,336)**	**5,621**	**-67.4%**
	Current liabilities				
22	Trade payables	(20,540)	(29,636)	9,096	-30.7%
23	Tax payables	(1,114)	(1,142)	28	-2.5%
24	Short term provisions	0	0	0	0.0%
25	Other current liabilities	(3,571)	(10,838)	7,267	-67.1%
26	Current financial liabilities	(8,031)	(24,870)	16,839	-67.7%
	Total current liabilities	**(33,256)**	**(66,486)**	**33,230**	**-50.0%**
	TOTAL LIABILITIES	**(35,971)**	**(74,822)**	**38,851**	**-51.9%**
	TOTAL NET EQUITY AND LIABILITIES	***(140,473)***	***(189,562)***	***49,089***	***-25.9%***

Total non-current assets decrease by Euro 48,780 thousand, mainly due to the decrease in intangible assets and in the equity investments.

During the fiscal year, the intangible assets decrease by Euro 34,437 thousand, as a consequence of:

- investments of Euro 17,421 thousand, in particular related to the acquisition of the Wuchang: Fallen Feathers' intellectual property and investments in new videogames, including the new Assetto Corsa titles and Bloodstained: The Scarlet Engagement;
- depreciation and amortization of Euro 28,406 thousand;
- the reduction of the capitalized cost of Blades of Fire of Euro 4,851 thousand, to reflect the agreement made with the developer;
- a decrease of Euro 17,629 thousand following the decision to discontinue the development of certain video games, including Directorate: Novitiate, Armed Fantasia and Battle Island 2;
- impairment losses of Euro 1,009 thousand on some videogames as a result of the individual impairment tests.

Equity investments decrease by Euro 6,925 thousand as a result of:

- a negative alignment of Euro 5,682 thousand of the carrying amount of the investment in Starbreeze after the recognition of the pro-quota losses of the associate's under IAS 28 as of June 30th, 2026. The fair value of the investment amounted to Euro 2.8 million, based on the market price of Starbreeze shares at that date;
- a decrease of Euro 1,305 thousand after the sale of the 50% of the Spanish joint venture MSE&DB S.L. for a nominal consideration of Euro 5 thousand. The disposal was agreed as part of an overall amendment to the contractual arrangements for Blades of Fire, which also provided for a reduction in the applicable royalty rate;
- an increase of Euro 62 thousand reflecting the fair value recognition of the investment in Noobz from Poland S.A..

The net financial position as of June 30th, 2026 is detailed below, as restated by the Group consistently with previous fiscal years:

	Euro thousand	**June 30th, 2026**	**June 30th, 2025**	**Change**
12	Cash and cash equivalents	9,448	6,718	2,730
13	Other current financial assets	2,981	0	2,981
26	Current financial liabilities	(8,031)	(24,870)	16,839
	Current net financial position	**4,398**	**(18,152)**	**22,550**
7	Non-current financial assets	0	2,821	(2,821)
21	Non-current financial liabilities	(1,131)	(1,221)	90
	Non-current financial liabilities	**(1,131)**	**1,600**	**(2,731)**
	Total restated net financial position	***3,267***	***(16,552)***	***19,819***

As of June 30th, 2026, the Group's adjusted net financial position was positive at Euro 3,267 thousand, above the previous expectations forecasting a net debt position at fiscal year-end, and improving by Euro 19,819 thousand compared to June 30th, 2025.The adjusted net financial position restated by the IFRS16 effect was positive at Euro 5,496 thousand.

The net financial position calculated in accordance with the “Guidelines on disclosure requirements under the Prospectus Regulation” issued by the European Securities and Markets Authority (ESMA), was positive at Euro 283 thousand, improving by Euro 19,659 thousand compared to June 30th, 2025.

9. FINANCIAL RATIOS

The table below presents some performance indicators used to analyse the Group's consolidated performance and financial position. All indicators improved compared to the previous fiscal year:

Profitability ratios	**June 30th, 2026**	**June 30th, 2025**
ROE (Net profit / Net equity)	-6.3%	-9.6%
ROI (Operating margin / Total assets)	3.6%	-6.1%
ROS (Operating margin / Gross profit)	4.7%	-12.3%

Financial structure ratios	**June 30th, 2026**	**June 30th, 2025**
Net working capital ratio (Current assets / Total assets)	25.8%	19.3%
Current ratio (Current assets / Current liabilities)	109.0%	51.3%
Quick ratio (Cash and cash equivalents and Other current assets / Current liabilities)	106.0%	49.4%

The videogame industry is characterised by specific settlement terms for royalty payables, which in many cases become due only after the Group has collected the related revenues. As a result, a significant portion of current liabilities at the reporting date is not immediately due for payment. To provide a clearer representation of the Group's liquidity position, the table below presents an adjusted liquidity ratio, calculated as the ratio of current non-financial receivables to current non-financial liabilities, excluding those liabilities that are not due within the first quarter of the following fiscal year.

Euro thousand		**June 30th, 2026**	**June 30th, 2025**
9	Trade receivables	10,389	14,185
10	Tax receivables	7,753	8,600
11	Other current assets	4,678	5,706
	Total current non-financial receivables (A)	**22,821**	**28,491**
22	Trade payables	(20,540)	(29,636)
23	Tax payables	(1,114)	(1,142)
24	Short term provisions	0	0
25	Other current liabilities	(3,571)	(10,838)
	Total current non-financial liabilities	**(25,227)**	**(41,616)**
	of which is not payable at sight	7,650	14,604
	Total current non-financial liabilities payable in Q1 (B)	**(17,576)**	**(27,012)**
	Adjusted liquidity ratio	129.8%	105.5%

10. SEGMENT REPORTING

Premium Games

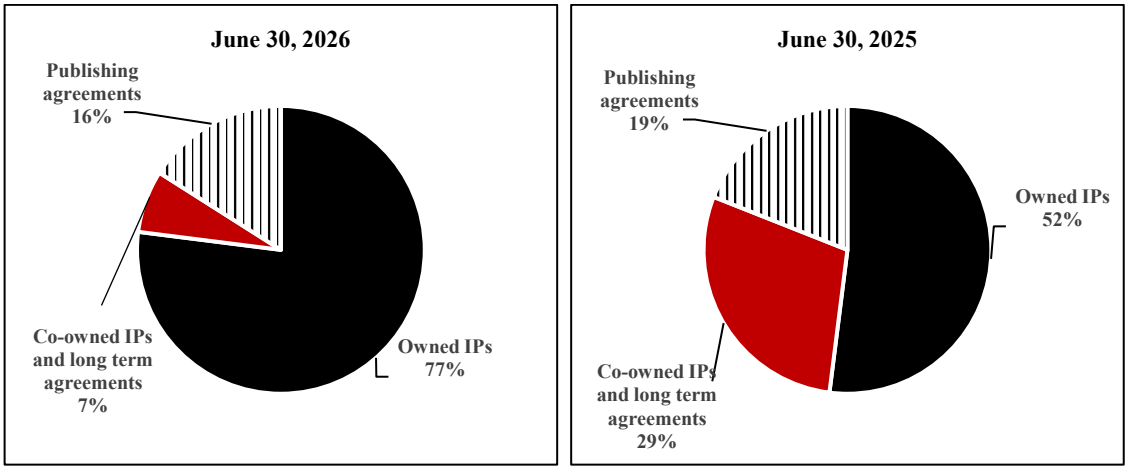
Reclassified P&L

	Consolidated amounts in Euro thousand	Premium Games					
		June 30th, 2026		June 30th, 2025		Change	
1	Gross revenue	98,182	100.0%	78,789	100.0%	19,393	24.6%
2	Revenue adjustments	0	0.0%	0	0.0%	0	0.0%
3	**Net revenue**	**98,182**	**100.0%**	**78,789**	**100.0%**	**19,393**	**24.6%**
4	Purchase of products for resale	(931)	-0.9%	(689)	-0.9%	(242)	35.1%
5	Purchase of services for resale	(2,272)	-2.3%	(3,871)	-4.9%	1,599	-41.3%
6	Royalties	(12,041)	-12.3%	(14,230)	-18.1%	2,189	-15.4%
7	Changes in inventories of finished products	(153)	-0.2%	(556)	-0.7%	403	-72.6%
8	**Total cost of sales**	**(15,397)**	**-15.7%**	**(19,346)**	**-24.6%**	**3,949**	**-20.4%**
9	**Gross profit (3+8)**	**82,785**	**84.3%**	**59,443**	**75.4%**	**23,342**	**39.3%**
10	Other income	6,858	7.0%	7,875	10.0%	(1,017)	-12.9%
11	Costs for services	(4,829)	-4.9%	(5,128)	-6.5%	299	-5.8%
12	Rent and leasing	(288)	-0.3%	(195)	-0.2%	(93)	47.7%
13	Payroll costs	(19,405)	-19.8%	(19,012)	-24.1%	(393)	2.1%
14	Other operating costs	(506)	-0.5%	(580)	-0.7%	74	-12.7%
15	**Total operating costs**	**(25,028)**	**-25.5%**	**(24,915)**	**-31.6%**	**(113)**	**0.5%**
16	**Gross operating margin (EBITDA) (9+10+15)**	**64,615**	**65.8%**	**42,403**	**53.8%**	**22,212**	**52.4%**
17	Depreciation and amortization	(27,733)	-28.2%	(23,186)	-29.4%	(4,547)	19.6%
18	Provisions	0	0.0%	1,241	1.6%	(1,241)	0.0%
19	Asset impairment charge	(15,624)	-15.9%	(13,227)	-16.8%	(2,397)	18.1%
20	Impairment reversal	0	0.0%	0	0.0%	0	0.0%
21	**Total depreciation, amortization and impairment adjustments**	**(43,357)**	**-44.2%**	**(35,172)**	**-44.6%**	**(8,185)**	**n.m.**
22	**Operating margin (EBIT) (16+21)**	**21,258**	**21.7%**	**7,231**	**9.2%**	**14,027**	**n.m.**

As of June 30tht, 2026, Premium Games revenue amounted to Euro 98.2 million, compared to Euro 78.8 million of the previous fiscal year and represented 91% of total revenue.

Revenue generated by the different Assetto Corsa games amounted to Euro 33.6 million, up 5% from Euro 32 million as of June 30th, 2025. This performance benefited from the recurring sales of products released in previous fiscal years (Assetto Corsa and Assetto Corsa Competizione), together with the contribution from Assetto Corsa EVO, released in the previous fiscal year, and the brand new Assetto Corsa Rally. These latter are currently available in Early Access on Steam only and will receive further updates ahead of their full releases, scheduled for the next fiscal year. As of June 30th, 2026, Premium Games revenue amounted to Euro 98.2 million, compared to Euro 78.8 million of the previous fiscal year and represented 91% of total revenue.

A breakdown of Premium Games revenue by the type of rights as of June 30th, 2026 is provided below compared to the previous fiscal year:



Revenue generated by videogames based on the Group's fully owned intellectual properties (Owned IPs) accounted for 77% of Premium Games revenues. This reflects the strong performance of Wuchang: Fallen Feathers, together with the contribution of the Assetto Corsa franchise. Revenues generated by Wuchang: Fallen Feathers, previously classified under co-owned intellectual properties and long-term agreements, were reclassified as Owned IP revenues following the acquisition of the videogame's intellectual property rights from the Chinese developer Chengdu Lingze Technology Co. Ltd. finalized during the third quarter of the fiscal year.

The Premium Games revenue breakdown by type is provided below:

Euro thousand	June 30th, 2026	June 30th, 2025	Change	
Retail distribution revenue	4,072	2,001	2,071	n.m.
Digital distribution revenue	92,386	73,281	19,105	26.1%
Sublicensing revenue	1,724	3,507	(1,783)	-50.8%
Total Premium Games revenue	**98,182**	**78,789**	**19,393**	**24.6%**

Digital distribution revenue amounted to approximately 94% of the total Premium Games revenue, in line with the previous fiscal year.

The increase in retail distribution revenues was mainly driven by the strong physical sales of Wuchang: Fallen Feathers during the reporting period, particularly in the Far East.

Digital distribution revenues include transactional revenues from the sale of videogames to players through digital marketplaces, as well as revenues from the licensing of intellectual property rights and related content to these platforms, including revenues from subscription services, promotional campaigns and minimum guarantee arrangements.

Sublicensing revenues relate to the licensing of videogame rights in markets where the Group does not have a direct presence, particularly in the Far East.

Digital distribution revenue as of June 30th, 2026 is detailed below:

Euro thousand	June 30th, 2026	June 30th, 2025	Change	
Console	32,292	24,580	7,712	31.4%
Personal Computer	57,634	45,868	11,766	25.7%
Mobile	2,460	2,833	(373)	-13.2%
Total digital distribution revenue	**92,386**	**73,281**	**19,105**	**26.1%**

PC revenues accounted for 62.4% of total digital distribution revenues, reflecting the contribution from recently released products, including Assetto Corsa EVO, Wuchang: Fallen Feathers and Assetto Corsa Rally, for which PC represents the primary revenue-generating platform.

The total cost of sales decreased by 20.4% from Euro 19,346 thousand to Euro 15,397 thousand as of June 30th, 2026. The decrease reflects a more favourable product mix, with a higher contribution from the Group's owned IPs, which are subject to significantly lower royalty rates. Royalties decreased from 18.1% of the operating segment's revenue in the previous fiscal year to 12.3% as of June 30th, 2026.

The gross profit amounted to Euro 82,785 thousand, up Euro 23,342 thousand from Euro 59,443 thousand as of June 30th, 2025.

Other revenue amounted to Euro 6,858 thousand, decreasing by Euro 1,017 thousand from Euro 7,875 thousand as of June 30th, 2025. The capitalised internal development costs mainly related to the Assetto Corsa EVO, in development by Kunos Simulazioni S.r.l., and of Assetto Corsa Rally, in development by Supernova Games Studio S.r.l..

Total operating costs amounted to Euro 25,028 thousand, in line with the previous fiscal year.

EBITDA represented 65.8% of revenues, compared to 53.8% in the previous fiscal year.

Depreciation and amortization amounted to Euro 27,733 thousand and increased by Euro 4,547 thousand compared to Euro 23,186 thousand as of June 30th, 2025.

The Group decided to discontinue the development of a number of videogames, including Directorate: Novitiate, in development by the Canadian subsidiary, and Armed Fantasia after several attempts to revise their gameplay. The decisions followed a thorough review of the potential of each product in consideration of changing market conditions and the additional investment required to complete the development to bring the games to the market. As of June 30th, 2026, the Group recognised asset impairment charges for Euro 15,624 thousand, including impairment losses for Euro 1,009 thousand.

As of June 30th, 2026, EBIT was positive at Euro 21,258 thousand, compared to Euro 7,231 thousand of the previous fiscal year.

Assets and liabilities of the Premium Games operating sector as of June 30th, 2026 are as follows:

Euro thousand		June 30th, 2026	June 30th, 2025	Change	
	Non-current assets				
1	Property, plant and equipment	1,402	1,586	(183)	-11.6%
2	Investment properties	0	0	0	0.0%
3	Intangible assets	71,684	103,724	(32,040)	-30.9%
4	Equity investments	0	0	0	0.0%
5	Non-current receivables and other assets	1,240	1,897	(657)	-34.6%
6	Deferred tax assets	15,834	15,023	811	5.4%
7	Non-current financial activities	0	2,821	(2,821)	n.m.
	Total non-current assets	**90,161**	**125,051**	**(34,891)**	**-27.9%**
	Current assets				
8	Inventories	10	163	(153)	-94.1%
9	Trade receivables	8,880	12,804	(3,924)	-30.6%
10	Tax receivables	1,018	889	129	14.5%
11	Other current assets	2,756	3,597	(841)	-23.4%
12	Cash and cash equivalents	5,992	6,050	(58)	-1.0%
13	Other current financial assets	2,981	0	2,981	n.m.
	Total current assets	**21,637**	**23,503**	**(1,866)**	**-7.9%**
		111,798	**148,554**	**(36,757)**	**-24.7%**
	TOTAL ASSETS				
	Non-current liabilities				
18	Employee benefits	(881)	(777)	(104)	13.4%
19	Non-current provisions	(328)	(1,000)	672	-67.2%
20	Other non-current payables and liabilities	0	(4,851)	4,851	n.m.
21	Non-current financial liabilities	(487)	(265)	(222)	83.8%
	Total non-current liabilities	**(1,696)**	**(6,893)**	**5,196**	**-75.4%**
	Current liabilities				
22	Trade payables	(15,835)	(25,514)	9,679	-37.9%
23	Tax payables	(884)	(881)	(3)	0.4%
24	Short term provisions	0	0	0	n.m.
25	Other current liabilities	(1,757)	(9,456)	7,699	-81.4%
26	Current financial liabilities	(1,765)	(16,437)	14,672	-89.3%
	Total current liabilities	**(20,241)**	**(52,288)**	**32,047**	**-61.3%**
	TOTAL LIABILITIES	**(21,938)**	**(59,181)**	**37,244**	**-62.9%**

Intangible assets decrease by Euro 32,040 thousand, from Euro 103,724 thousand to Euro 71,648 thousand as of June 30th, 2026. Such decrease reflects investments of Euro 15,161 thousand during the fiscal year, offset by amortisation of Euro 26,737 thousand, write offs of Euro 14,604 thousand, impairment losses of Euro 1,009 thousand and a Euro 4,851 reduction in the cost of Blades of Fire to consider the agreement made with the developer.

The receivable from Starbreeze is reclassified from non-current to current financial assets, since it is due within the next fiscal year. This reclassification mainly accounts for the Euro 2,821 thousand decrease in non-current financial assets and the Euro 2,981 thousand increase in other financial assets.

Trade receivables decrease by Euro 3,924 thousand, as revenues were concentrated in the first part of the fiscal year after the launch of Wuchang: Fallen Feathers.

Other current assets decrease by Euro 853 thousand, mainly reflecting the utilisation of the advances paid for the acquisition of videogame licences and prepaid development costs, primarily relating to programming and quality assurance services, as well as other operating costs, including ratings and localisation.

As of June 30th, 2026, there are no other non-current payables and liabilities. As of June 30th, 2025, the balance related exclusively to the variable consideration provided by the development agreement for Blades of Fire, which is no longer expected to be achieved.

Trade payables decrease by Euro 9,679 thousand compared to June 30th, 2025. They mainly consist of the royalties payable to developers and are generally settled within 30 days. The decrease reflects a more favourable product mix, with a significantly higher contribution from fully owned IPs, which present negligible royalties. The decrease in trade payables in the fiscal year is driven by the advances received from pre-sales of Wuchang: Fallen Feathers before June 30th, 2025.

Free to Play

Reclassified P&L

	Consolidated amounts in Euro thousand	Free to Play					
		June 30th, 2026		June 30th, 2025		Changes	
1	Gross revenue	9,261	100.0%	12,688	100.0%	(3,427)	-27.0%
2	Revenue adjustments	0	0.0%	0	0.0%	0	0.0%
3	**Net revenue**	**9,261**	**100.0%**	**12,688**	**100.0%**	**(3,427)**	**-27.0%**
4	Purchase of products for resale	0	0.0%	0	0.0%	0	0.0%
5	Purchase of services for resale	(1,942)	-21.0%	(3,512)	-27.7%	1,570	-44.7%
6	Royalties	(4,508)	-48.7%	(5,099)	-40.2%	591	-11.6%
7	Changes in inventories of finished products	0	0.0%	0	0.0%	0	0.0%
8	**Total cost of sales**	**(6,450)**	**-69.6%**	**(8,611)**	**-67.9%**	**2,161**	**-25.1%**
9	**Gross profit (3+8)**	**2,811**	**30.4%**	**4,077**	**32.1%**	**(1,266)**	**-31.0%**
10	Other income	1,046	11.3%	1,909	15.0%	(863)	-45.2%
11	Costs for services	(1,013)	-10.9%	(1,901)	-15.0%	888	-46.7%
12	Rent and leasing	(54)	-0.6%	(75)	-0.6%	21	-27.8%
13	Payroll costs	(5,718)	-61.7%	(5,556)	-43.8%	(162)	2.9%
14	Other operating costs	(108)	-1.2%	(89)	-0.7%	(19)	21.9%
15	**Total operating costs**	**(6,893)**	**-74.4%**	**(7,621)**	**-60.1%**	**728**	**-9.5%**
16	**Gross operating margin (EBITDA) (9+10+15)**	**(3,036)**	**-32.8%**	**(1,635)**	**-12.9%**	**(1,401)**	**85.7%**
17	Depreciation and amortization	(1,737)	-18.8%	(2,357)	-18.6%	620	-26.3%
18	Provisions	0	0.0%	0	0.0%	0	0.0%
19	Asset impairment charge	(3,026)	-32.7%	(6,866)	-54.1%	3,840	0.0%
20	Impairment reversal	96	1.0%	909	7.2%	(813)	0.0%
21	**Total depreciation, amortization and impairment adjustments**	**(4,667)**	**-50.4%**	**(8,314)**	**-65.5%**	**3,647**	**-43.9%**
22	**Operating margin (EBIT) (16+21)**	**(7,703)**	**-83.2%**	**(9,949)**	**-78.4%**	**2,246**	**-22.6%**

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

Euro thousand	June 30th, 2026	June 30th, 2025	Change	
505 Go!	4,524	8,411	(3,887)	-46.2%
Gems of War	2,680	3,142	(462)	-14.7%
Puzzle Quest 3	424	601	(177)	-29.5%
Other products	486	534	(48)	-9.0%
Other services	1,147	0	1,147	n.m.
Total Free to Play revenue	**9,261**	**12,688**	**(3,427)**	**-27.0%**

Free to Play revenue amounted to Euro 9.3 million, down 27%. During the month of August 2025, certain technical issues affecting the videogames published by the Group's subsidiary 505 Go Inc. temporarily impacted revenue. Although the issues were promptly resolved, the operating segment was unable to recover the revenue contraction during the remainder of the fiscal year. The issues convinced the Group to internalize live support activities, that are now performed by the Australian subsidiaries. This resulted in significantly lower purchases of services for resale starting from the third quarter of the fiscal year.

The total cost of sales amounted to Euro 6,450 thousand, decreasing by Euro 2,161 thousand compared to the previous fiscal year, primarily due to lower purchases of services for resale by Euro 1,570 thousand. Royalties were 48.7% of the operating segment's revenue (compared to 40.2% in the previous fiscal year), which negatively affected the gross profit. The decline in revenues generated by 505 Go! titles resulted in the contractual minimum guaranteed threshold not being met, leading to a disproportionately high incidence of royalties on revenues. In light of the lower revenue levels, the contractual minimum guarantee was subsequently revised with effect from April 1st, 2026.

Other income decreased by Euro 863 thousand and amounted to Euro 1,046 thousand. The capitalized development costs related to the development of different products, including a new game in the Puzzle Quest franchise by the subsidiary Infinity Plus Two Pty Ltd. and Battle Islands 2 by DR Studios Ltd.. DR Studios Ltd. also contributed to some activities for the Premium Games operating segment.

Total operating costs amounted to Euro 6,893 thousand, decreasing by Euro 728 thousand compared to the previous fiscal year. The decrease was mainly driven by an Euro 888 thousand reduction in service costs, partially offset by an Euro 162 thousand increase in payroll costs. The increase in payroll costs reflected the internalisation of live support activities for the 505 Go! videogames.

EBITDA was negative at Euro 3,036 thousand, down by Euro 1,401 thousand compared to the negative EBITDA at Euro 1,635 thousand as of June 30th, 2025.

Depreciation and amortization amounted to Euro 1,737 thousand, up Euro 620 thousand from the previous fiscal year.

Non-cash impairment charges amounted to Euro 3,026 thousand due to the decision to cancel the development of the video game Battle Island 2 after a thorough review of the potential of the product in consideration of changing market conditions and the additional investment required to complete development to bring the game to the market.

EBIT was negative at Euro 7,703 thousand, improved by Euro 2,246 thousand compared to negative Euro 9,949 thousand as of June 30th, 2025.

Assets and liabilities of the Free to Play operating sector are as follows:

Euro thousand		June 30th, 2026	June 30th, 2025	Change	
	Non-current assets				
1	Property, plant and equipment	385	104	281	n.m.
2	Investment properties	0	0	0	0.0%
3	Intangible assets	4,963	7,263	(2,300)	-31.7%
4	Equity investments	0	0	0	0.0%
5	Non-current receivables and other assets	41	27	14	52.1%
6	Deferred tax assets	3,803	3,928	(125)	-3.2%
7	Non-current financial activities	0	0	0	0.0%
	Total non-current assets	**9,192**	**11,322**	**(2,129)**	**-18.8%**
	Current assets				
8	Inventories	0	0	0	0.0%
9	Trade receivables	1,214	1,047	167	15.9%
10	Tax receivables	469	504	(35)	-7.0%
11	Other current assets	1,359	1,441	(82)	-5.7%
12	Cash and cash equivalents	1,837	460	1,377	n.m.
13	Other current financial assets	0	0	0	0.0%
	Total current assets	**4,879**	**3,452**	**1,427**	**41.3%**
		14,072	**14,774**	**(702)**	**-4.8%**
	TOTAL ASSETS				
	Non-current liabilities				
18	Employee benefits	0	0	0	0.0%
19	Non-current provisions	0	0	0	0.0%
20	Other non-current payables and liabilities	0	(96)	96	n.m.
21	Non-current financial liabilities	(292)	0	(292)	n.m.
	Total non-current liabilities	**(292)**	**(96)**	**(195)**	**n.m.**
	Current liabilities				
22	Trade payables	(3,462)	(2,611)	(851)	32.6%
23	Tax payables	(97)	(113)	16	-14.5%
24	Short term provisions	0	0	0	0.0%
25	Other current liabilities	(516)	(306)	(210)	68.5%
26	Current financial liabilities	(91)	(518)	427	-82.4%
	Total current liabilities	**(4,166)**	**(3,548)**	**(618)**	**17.4%**
	TOTAL LIABILITIES	**(4,458)**	**(3,644)**	**(814)**	**22.3%**

Non-current assets amount to Euro 9,192 thousand as of June 30th, 2026, decreasing by Euro 2,129 thousand compared to the previous fiscal year, mainly due to the decrease in intangible assets of Euro 2,300 thousand. The increase in property, plant and equipment mainly reflects the renewal of the lease agreements of the Australian subsidiaries.

Non-current assets account for over 65% of the operating segment's total assets, broadly in line with the previous fiscal year.

Other Activities

Following the downsizing of the retail distribution activities, revenues and costs that were previously reported under the Italian Distribution operating segment is now restated within the Other Activities operating segment. Comparative figures as of June 30th, 2025 have been reclassified accordingly.

Reclassified P&L

	Consolidated amounts in Euro thousand	Other Activities					
		June 30th, 2026		June 30th, 2025		Change	
1	Gross revenue	1,012	100.0%	2,143	100.0%	(1,131)	-52.8%
2	Revenue adjustments	0	0.0%	0	0.0%	0	n.m.
3	**Net revenue**	**1,012**	**100.0%**	**2,143**	**100.0%**	**(1,131)**	**-52.8%**
4	Purchase of products for resale	(27)	-2.7%	(29)	-1.4%	2	-6.0%
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	(196)	-19.3%	(756)	-35.3%	560	-74.1%
8	**Total cost of sales**	**(223)**	**-22.0%**	**(785)**	**-36.7%**	**562**	**-71.6%**
9	**Gross profit (3+8)**	**789**	**78.0%**	**1,358**	**63.3%**	**(569)**	**-41.9%**
10	Other income	280	27.7%	0	0.0%	280	0.0%
11	Costs for services	(224)	-22.2%	(238)	-11.1%	14	-5.9%
12	Rent and leasing	(40)	-3.9%	(34)	-1.6%	(6)	75.0%
13	Payroll costs	(1,227)	-121.2%	(1,201)	-56.0%	(26)	2.2%
14	Other operating costs	(100)	-9.9%	(99)	-4.6%	(1)	1.5%
15	**Total operating costs**	**(1,591)**	**-157.2%**	**(1,572)**	**-73.4%**	**(19)**	**1.2%**
16	**Gross operating margin (EBITDA) (9+10+15)**	**(522)**	**-51.5%**	**(214)**	**-10.0%**	**(308)**	**n.m.**
17	Depreciation and amortization	(215)	-21.2%	(376)	-17.6%	161	-42.9%
18	Provisions	0	0.0%	0	0.0%	0	0.0%
19	Asset impairment charge	(42)	-4.2%	(312)	-14.6%	270	-86.5%
20	Impairment reversal	0	0.0%	0	0.0%	0	0.0%
21	**Total depreciation, amortization and impairment adjustments**	**(257)**	**-25.4%**	**(688)**	**-32.1%**	**431**	**-62.7%**
22	**Operating margin (EBIT) (16+21)**	**(779)**	**-76.9%**	**(902)**	**-42.1%**	**123**	**-13.7%**

Revenues generated by the Other Activities operating sector decreased by Euro 1,131 thousand. Details below:

Euro thousand	June 30th, 2026	June 30th, 2025	Change	
Revenue from specialization and training courses	767	833	(66)	-7.9%
Distribution of console video games and trading cards	245	1,310	(1,065)	-81.3%
Total Other Activities revenue	**1,012**	**2,143**	**(1,131)**	**-52.8%**

During the fiscal year, distribution activities were limited to the sale of existing inventories, which decreased by Euro 196 thousand as of June 30th, 2026.

Other income amounted to Euro 280 thousand and mainly related to the insurance proceeds received by the Parent Company in respect of a damage to the building located in Trezzano sul Naviglio.

Operating costs amounted to Euro 1,591 thousand, up Euro 19 thousand compared to the previous fiscal year.

EBITDA was negative at Euro 522 thousand, compared to negative Euro 214 thousand as of June 30th, 2025.

The operating loss amounted to Euro 779 thousand, compared to Euro 902 thousand in the previous fiscal year.

Assets and liabilities of the Other Activity operating sector are as follows:

	Euro thousand	June 30th, 2026	June 30th, 2025	Change	
	Non-current assets				
1	Property, plant and equipment	2,201	1,968	233	11.9%
2	Investment properties	0	0	0	0.0%
3	Intangible assets	3	53	(50)	0.0%
4	Equity investments	0	0	0	0.0%
5	Non-current receivables and other assets	6	6	0	0.0%
6	Deferred tax assets	285	213	72	33.9%
7	Non-current financial activities	0	0	0	0.0%
	Total non-current assets	**2,495**	**2,240**	**255**	**11.4%**
	Current assets				
8	Inventories	997	1.193	(196)	-16.4%
9	Trade receivables	295	334	(39)	-11.8%
10	Tax receivables	990	891	99	11.1%
11	Other current assets	44	100	(56)	-56.0%
12	Cash and cash equivalents	1.125	101	1.024	n.m.
13	Other current financial assets	0	0	0	0.0%
	Total current assets	**3,451**	**2,619**	**832**	**31.8%**
		5,946	**4,859**	**1,087**	**22.4%**
	TOTAL ASSETS				
	Non-current liabilities				
18	Employee benefits	(327)	(332)	5	-1.5%
19	Non-current provisions	(48)	(59)	11	-18.8%
20	Other non-current payables and liabilities	0	0	0	0.0%
21	Non-current financial liabilities	0	0	0	0.0%
	Total non-current liabilities	**(375)**	**(391)**	**16**	**-4.1%**
	Current liabilities				
22	Trade payables	(96)	(207)	111	-53.8%
23	Tax payables	(103)	(84)	(19)	23.2%
24	Short term provisions	0	0	0	0.0%
25	Other current liabilities	(496)	(564)	68	-12.0%
26	Current financial liabilities	0	0	0	0.0%
	Total current liabilities	**(695)**	**(855)**	**160**	**-18.8%**
	TOTAL LIABILITIES	**(1,070)**	**(1,246)**	**176**	**-14.2%**

The increase in property, plant and equipment relates to renovation works carried out at the warehouse located in Trezzano sul Naviglio.

Inventories decrease by Euro 196 thousand, from Euro 1,193 thousand to Euro 997 thousand, in line with the Group's reduced focus on the retail distribution channel.

Holding

Reclassified P&L

	Consolidated amounts in Euro thousand	Holding					
		June 30th, 2026		June 30th, 2025		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	(1,881)	0.0%	(2,146)	0.0%	265	-12.4%
12	Rent and leasing	(278)	0.0%	(319)	0.0%	41	-12.8%
13	Payroll costs	(4,279)	0.0%	(4,182)	0.0%	(97)	2.3%
14	Other operating costs	(399)	0.0%	(450)	0.0%	51	-11.2%
15	**Total operating costs**	**(6,837)**	**0.0%**	**(7,097)**	**0.0%**	**260**	**-3.7%**
16	**Gross operating margin (EBITDA) (9+10+15)**	**(6,837)**	**0.0%**	**(7,097)**	**0.0%**	**260**	**-3.7%**
17	Depreciation and amortization	(820)	0.0%	(823)	0.0%	3	-0.4%
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**	**(820)**	**0.0%**	**(823)**	**0.0%**	**3**	**-0.3%**
22	**Operating margin (EBIT) (16+21)**	**(7,657)**	**0.0%**	**(7,920)**	**0.0%**	**263**	**-3.3%**

Total operating costs amounted to Euro 6,837 thousand, down 3.7%. Payroll costs increased in the fiscal year following the recognition of the short-term variable remuneration, which was not recognized in the previous fiscal year. The operating margin (EBIT) was negative at Euro 7,657 thousand compared to negative Euro 7,920 thousand in the last fiscal year.

Assets and liabilities of the Holding operating sector are as follows:

	Euro thousand	June 30th, 2026	June 30th, 2025	Change	
	Non-current assets				
1	Property, plant and equipment	1,177	1,801	(624)	-34.6%
2	Investment properties	0	0	0	0.0%
3	Intangible assets	147	194	(47)	-24.2%
4	Equity investments	234	7,159	(6,925)	-96.7%
5	Non-current receivables and other assets	671	671	0	0.0%
6	Deferred tax assets	140	4,559	(4,419)	-96.9%
7	Non-current financial activities	0	0	0	0.0%
	Total non-current assets	**2,369**	**14,384**	**(12,015)**	**-83.5%**
	Current assets				
8	Inventories	0	0	0	0.0%
9	Trade receivables	0	0	0	0.0%
10	Tax receivables	5,276	6,316	(1,040)	-16.5%
11	Other current assets	519	568	(49)	-8.6%
12	Cash and cash equivalents	494	107	387	n.s.
13	Other current financial assets	0	0	0	n.s.
	Total current assets	**6,289**	**6,991**	**(702)**	**-10.0%**
		8,658	**21,375**	**(12,717)**	**-59.5%**
	TOTAL ASSETS				
	Non-current liabilities				
18	Employee benefits	0	0	0	0.0%
19	Non-current provisions	0	0	0	0.0%
20	Other non-current payables and liabilities	0	0	0	0.0%
21	Non-current financial liabilities	(352)	(956)	604	-63.1%
	Total non-current liabilities	**(352)**	**(956)**	**604**	**-63.1%**
	Current liabilities				
22	Trade payables	(1,147)	(1,304)	157	-12.1%
23	Tax payables	(30)	(64)	34	-53.3%
24	Short term provisions	0	0	0	n.s.
25	Other current liabilities	(802)	(512)	(290)	56.7%
26	Current financial liabilities	(6,175)	(7,915)	1,740	-22.0%
	Total current liabilities	**(8,154)**	**(9,795)**	**1,641**	**-16.8%**
	TOTAL LIABILITIES	**(8,506)**	**(10,751)**	**2,245**	**-20.9%**

The total non-current assets decrease by Euro 12,015 thousand, mainly due to lower equity investments by Euro 6,925 thousand and lower deferred tax assets by Euro 4,419 thousand.

The decrease in equity investments is a result of the following:

- a negative alignment of Euro 5,682 thousand of the carrying amount of the investment in Starbreeze after the recognition of the pro-quota losses of the associate's under IAS 28 as of June 30th, 2026. The fair value of the investment amounted to Euro 2.8 million, based on the market price of Starbreeze shares at that date;
- a decrease of Euro 1,305 thousand after the sale of the 50% of the Spanish joint venture MSE&DB S.L. for a nominal consideration of Euro 5 thousand. The disposal was agreed as part of an overall amendment to the contractual arrangements for Blades of Fire, which also provided for a reduction in the applicable royalty rate;
- an increase of Euro 62 thousand reflecting the fair value recognition of the investment in Noobz from Poland S.A. (listed on the NewConnect market of the Warsaw Stock Exchange). The difference between the carrying amount and the market value as of June 30th, 2026 of the no.70,000 shares held in the Polish company (representing 4.5% of its share capital) was recognised in the net equity reserve, as the equity investment is classified as a financial asset measured at fair value through other comprehensive income.

The decrease in deferred tax assets is mainly effect of the reversal of deferred tax assets previously recognised in connection with the fair value measurement of the Starbreeze shares up to May 15th, 2025, with the related fair value changes recognised in the net equity reserve.

The decrease in tax receivables mainly reflects the transfer of the tax positions of the Italian subsidiaries to Digital Bros S.p.A. under the domestic tax consolidation regime, which includes all the Group's Italian companies.

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

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

Intercompany transactions

505 Games 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 video game production and the international marketing teams in the Premium Games operating segment.

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

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

Before the takeover, DR Studios Ltd. had entered into development and live support agreements with 505 Games S.p.A. and 505 Mobile S.r.l. for different video games, which remained in force after the acquisition. Subsequent development contracts are governed by a framework agreement, under which direct project costs are reimbursed, together with an additional markup. Starting from the current fiscal year, DR Studios Ltd. has provided development services to 505 Go Inc. under a cost-plus arrangement, under which the subsidiary is reimbursed for direct project costs plus 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, with an additional markup.

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 reimbursement of the direct costs incurred for the project, plus a markup.

Infinity Plus Two Pty. Ltd. carries out development and live support activities for several video games for the subsidiary 505 Games S.p.A. These services are regulated by a framework agreement under which the Australian company is reimbursed for direct project costs plus a additional mark-up.

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 an additional 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 headquarters located in Via Labus, Milan.

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

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

Under the relevant publishing agreement, Rasplata B.V. received royalties from the publishing of the videogame Crime Boss: Rockay City until the intellectual property rights were acquired by 505 Games S.p.A. in December 2025.

Digital Bros S.p.A. provided Rasplata B.V. with an interest-bearing loan, on which interest was accrued and charged on a quarterly basis until December 31st, 2025.

Prior to its acquisition, 505 Go Inc. entered into a licensing agreement with Infinite Interactive Pty. Ltd. for the use of the Puzzle Quest brand, 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, using intercompany current accounts to manage and transfer both positive and negative balances between Group companies, including the transfer of receivables. These accounts are interest-free.

Italian subsidiaries transferred tax receivables and tax 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 June 30th, 2026 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;
- the property leased by Matov LLC to the subsidiary 505 Games (US) Inc..

The lease agreement for the Group's U.S. offices in Calabasas will expire during the next fiscal year and will not be renewed.

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 7 of the Notes.

Atypical transactions

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

12. TREASURY SHARES

As of June 30th, 2026, Digital Bros S.p.A. did not hold any treasury shares and did perform any transactions concerning treasury shares during the reporting period, pursuant to Art- 2428 (2) no. 3 of the Italian Civil Code.

13. RESEARCH AND DEVELOPMENT

During the reporting period, development costs amounted to Euro 6,804 thousand, decreasing from Euro 8,389 thousand as of June 30th, 2025. These included the development of:

- the videogame Assetto Corsa EVO by the subsidiary Kunos Simulazioni S.r.l.;
- the videogame Assetto Corsa Rally by the subsidiary Supernova Games Studio S.r.l..

14. OPERATIONAL RISKS, FINANCIAL RISKS AND FINANCIAL INSTRUMENTS

The Group has established a risk identification and assessment process involving the Board of Directors and first-level managers, supported by periodic coordination meetings held throughout the fiscal year. The process results in a risk matrix, prepared and regularly updated by the Executive Director responsible for the internal control and risk management system, who also participates in the coordination meetings.

For each identified risk, the matrix provides a description of the risk, a gross risk rating based on an assessment of probability and impact, the mitigating factors and/or internal processes implemented by the Group to manage and monitor the risk, and the resulting net risk rating. The matrix also assesses the potential impact on the Group's operations and financial reporting should the relevant mitigation objectives not be achieved.

The CEOs and the Executive Director responsible for the internal control and risk management system assess the completeness and accuracy of the risk matrix and the net risk ratings assigned to each identified risk. The risk matrix is subsequently submitted to the Control and Risk Committee for review and to the Board of Directors for approval, with the Board of Statutory Auditors overseeing the overall process.

The identified risks are classified into two categories: operational risks and financial risks.

Operational risks

The Group's principal operational risks relate to the:

- competition, market positioning and concentration of the product portfolio;
- execution of the development project;
- ability to deliver products that meet evolving technology and quality standards;
- publisher disintermediation and limited control over intellectual property;
- reliance on established third-party brands;
- dependence on key personnel.

Competition, market positioning and product portfolio concentration

The videogame market, in line with the broader the entertainment industry, is inherently exposed to shifts in consumer preferences and demand.

Strong market growth following the pandemic encouraged significant investment in new productions, resulting in a sharp increase in the number of videogames competing for consumer attention and time. At the same time, players have become increasingly selective about new intellectual properties and tend to spend more time on established titles. The Group's products also compete with other forms of digital entertainment. Because of this, securing adequate visibility and positioning on digital platforms has become increasingly challenging and may require greater investment in product launches and marketing.

Failure to anticipate changing consumer preferences, position products effectively or build and retain a sufficiently large player base could result in lower sales than expected, adversely affecting revenues and margins.

This risk is heightened by the concentration of a significant portion of the Group's revenues and profitability in a relatively limited number of franchises and intellectual properties. A decline in consumer interest or weaker-than-expected performance from one or more key titles could therefore have a significant impact on the Group's financial performance and financial position.

The Group mitigates these risks through detailed analysis of individual markets, target audiences and product sales trends, supported where appropriate by market research and product assessments carried out by specialised third parties. The shift towards digital distribution has also extended product lifecycles, allowing the Group to continue generating value from its back catalogue and reducing its reliance on new releases.

As part of its short- and medium/long-term planning process, the Group regularly reviews individual development projects and, where possible, adjusts future investment commitments in response to changes in platform dynamics and the commercial outlook for each title.

Execution of development projects

The Group develops videogames both through its own studios and in partnership with external developers, which are contractually committed to agreed delivery schedules. The complexity of videogame production and the multi-year development cycle of certain projects nevertheless expose the Group to the risk of delays.

Development may also depend on third-party technologies, tools and services, including game engines and middleware. Changes in suppliers' commercial or operating terms, or the withdrawal of support for key technologies, could increase costs, create inefficiencies or delay development.

Technological change, including the growing use of artificial intelligence in videogame development, may also significantly reshape production methods, timelines and costs. If the Group or its external development partners will be unable to adopt and integrate these technologies effectively and in a timely manner, they could face higher costs, operational inefficiencies or a competitive disadvantage.

Delays in completing a videogame may increase development costs and postpone its release. Where a title is linked to a specific event or subject to contractual commitments with licensors or other third parties, delays may also result in missed commercial opportunities or contractual consequences. Development or release delays could

therefore cause actual financial performance to differ from the assumptions underlying the original investment decision.

The Group's exposure to event-driven products is limited. Its publishing strategy is also increasingly focused on titles developed by Group-owned studios, giving it greater control over the production process, and on sequels to successful videogames, where previous experience provides greater visibility over development schedules and expected commercial performance.

For significant projects, the Group's contract approval process includes a detailed review by the Board of Directors of the development studio's track record, supported by due diligence on its technical and organisational capabilities. Once development begins, dedicated internal brand managers and producers continuously monitor progress under the Group's project management procedures.

Ability to deliver products that meet evolving technology and quality standards

The videogame industry is characterised by rapid technological change, evolving ways of consuming content and increasingly demanding quality standards. The Group therefore faces the risk that its products may fail to keep pace with technological developments or meet consumer expectations at launch. Changes in technology or market standards during development may also require additional work, increasing costs or delaying release. Ultimately, products that do not meet market expectations may underperform commercially, adversely affecting the Group's revenues and margins.

The growing adoption of artificial intelligence by competing developers and publishers may further reshape the industry's competitive dynamics. If the Group adopts AI-based tools more slowly than its competitors, its development processes could become comparatively less efficient and its products could be perceived as less innovative or technologically dated. A lower degree of AI-enabled automation could also result in comparatively higher production costs.

The use of AI in videogame development currently faces a degree of social resistance in Western markets. Consumer attitudes may, however, evolve rapidly, including as AI becomes more widely accepted in other markets. If acceptance increases, the Group would need to be adequately prepared to capture the potential efficiency and innovation benefits offered by these technologies.

In recent fiscal years, the Group has reduced the number of development projects in its pipeline and placed greater emphasis on sequels to successful titles, particularly Group-owned intellectual properties. This provides greater control over development and supports longer-term value creation. The Group's development studios also have the technical expertise needed to assess emerging technologies and their potential application to individual projects, complemented by management's extensive industry experience.

The Group's project management procedures provide for quarterly reviews of forecasts and allow corrective action to be taken where necessary. For its most significant projects, the Group also carries out product and competitive analyses during development, with support from specialised third parties where appropriate, to assess whether each title remains appropriately positioned against prevailing market standards.

Publisher disintermediation and limited control over intellectual property

The continued shift towards digital distribution has shortened the videogame value chain and lowered barriers to publishing and distribution. Further disintermediation could weaken the role of traditional publishers, particularly where they neither own the underlying intellectual property nor have long-term contractual control over the related rights.

Artificial intelligence may accelerate this trend by lowering barriers to videogame development and enabling smaller teams to produce games more quickly and with lower budgets. Combined with digital distribution and broader adoption of AI-based tools and platforms, this could further reduce publishers' bargaining power within the value chain.

The Group seeks to mitigate this exposure by acquiring majority and minority interests in development studios, increasing its control over intellectual properties. It also gives preference to development agreements under which it acquires ownership of the relevant IP or secures long-term control over the associated rights. Its approval process for licensing and development agreements includes an assessment of the underlying intellectual property rights and of the commercial and contractual terms required to publish and exploit them successfully.

Reliance on established third-party brands

The use of established brands from sports, entertainment, toys and other areas is common across the entertainment industry, including videogames. A recognised brand can support the launch of a videogame by providing an existing level of consumer awareness and access to an established community, thereby reducing the marketing investment otherwise required to build awareness from scratch.

Licensing agreements for these brands are generally entered into before development begins, exposing the Group to changes in the brand's commercial appeal between signing and release. Where a brand has not yet been established, the Group is also exposed to the risk that it may ultimately prove less successful than expected.

Third-party intellectual properties also need to be developed and marketed in a way that is consistent with the brand and the expectations of its existing community. Poor positioning or ineffective community management could trigger a negative response and limit the benefits associated with the brand. Similarly, a deterioration in the brand's reputation or appeal, or weaker-than-expected performance, could reduce sales and product margins.

The Group mitigates this risk through management's extensive industry experience and, where technically and contractually feasible, by retaining the ability to release a videogame without the originally intended brand or under a different intellectual property. The Group also has limited overall reliance on third-party brands and IP. Quarterly project reviews allow corrective action to be taken where necessary, while the approval process for licensing and development agreements includes an assessment of the IP's commercial potential and expected financial returns before an investment is committed.

Dependence on key personnel

The Group's performance depends in part on a number of key individuals whose experience and expertise are important to the management and development of the business. These include senior executives such as the Chairman, CEOs and CFO. The departure of one or more key individuals without an appropriate and timely

replacement could disrupt decision-making and weaken the Group's ability to identify, assess and manage risks, with potential adverse effects on its financial performance and financial position.

This risk is partly mitigated by the fact that the two CEOs are also significant shareholders of the Group. The Nomination Committee is also in the process of preparing a succession plan for the Executive Directors.

Management of financial risks

The main financial instruments used by the Group are:

- bank overdrafts;
- demand and short-term bank deposits;
- import financing facilities;
- export financing facilities;
- commercial credit lines (factoring of trade receivables and advances on notes);
- finance leases;
- medium-term financing for product development.

These instruments are primarily used to fund the Group's operating activities.

The Group's credit facilities and amounts drawn as of June 30th, 2026 are as follows:

Euro thousands	Total amount	Disposed	Available
Bank overdrafts	1,550	29	1,521
Short-term financing	7,000	6,079	921
Advances on invoices and cash orders subject to collection	14,500	0	14,500
Total	**23,050**	**6,108**	**16,942**

As of June 30th, 2025, the Group's credit facilities were as follows:

Euro thousands	Total amount	Disposed	Available
Bank overdrafts	1,700	1,358	342
Short-term financing	7,500	7,335	165
Advances on invoices and cash orders subject to collection	16,500	3,661	12,839
Total	**25,700**	**12,354**	**13,346**

Digital Bros S.p.A. and 505 Games S.p.A. are responsible for the central management of financial risks across the Group. The individual subsidiaries remain responsible for the risks associated with financial instruments not listed above, primarily trade receivables and payables arising in the ordinary course of business.

The Group maintains a balanced mix of short- and medium/long-term financing, taking into account its expected funding requirements. Long-term investments are generally funded through medium/long-term credit facilities. Accordingly, there are no significant concentrations in the maturity profile of the Group's medium/long-term financial debt.

The main financial risks to which the Group is exposed are:

- foreign exchange risk;
- interest rate risk;
- funding and liquidity risk;
- customer concentration and credit risk.

Foreign Exchange Risk

The Group's exposure to the US dollar from sales denominated in that currency is partly offset by the fact that a significant number of its videogame development agreements are also denominated in US dollars. An adverse movement in the Euro/US dollar exchange rate would increase development costs and royalties payable after release but would also increase the Euro value of US dollar-denominated revenues. The opposite would apply in the event of a favourable exchange rate movement.

The Group is also exposed to fluctuations in the Chinese Renminbi following the launch of Wuchang: Fallen Feathers. The title's strong performance in China has increased the Group's exposure to the currency and, as a result, movements in the Euro/Renminbi exchange rate may affect the Euro value of revenues generated in Renminbi.

When preparing its short- and medium/long-term forecasts, the Group takes into account the currencies in which its companies operate and uses forward exchange rates derived from independent analysts' reports.

Foreign exchange risk is partly mitigated by the fact that payments in foreign currencies are often made in advance. This gives the Group visibility over the actual cost of videogame production at an early stage and allows exchange rate movements to be factored into pricing decisions. Selling prices may also be adjusted where appropriate to offset adverse currency movements.

Interest Rate Risk

The Group is exposed to increases in interest rates on its short-term borrowings, as higher financing costs cannot be immediately passed on through selling prices.

The Group mitigates this exposure by limiting its reliance on financial debt and maintaining an investment policy aligned with its cash-generating capacity. It can also draw on financing with different maturities and pricing structures depending on market conditions and its funding needs. The Group's short- and medium/long-term planning process provides forward visibility over expected cash requirements.

Liquidity Risk

Videogame development requires significant upfront investment, while the related cash inflows are often generated only after a development cycle lasting several years. This timing mismatch may require the Group to use external financing to fund its development pipeline and meet its other financial commitments.

The Group's ability to raise financing depends on credit market conditions, the terms offered by financial institutions and its own financial performance and financial position. A deterioration in market conditions or in the

Group's credit profile could make new financing, or the renewal of existing facilities, more difficult or expensive to obtain. If sufficient funding were not available when required, the Group could be constrained in its ability to fund planned investments or meet its financial commitments, potentially affecting the execution of its business plans and its financial performance.

Liquidity is managed centrally by the Group's treasury function, which monitors cash flows, funding needs and available liquidity to ensure that adequate financial resources are available when required. The Group has also reduced its reliance on external financing through cash generated from operations. The improvement in the Group's financial position and strong EBITDA have contributed to an improvement in its credit rating and a corresponding reduction in borrowing costs. The short- and medium/long-term planning process also provides forward visibility over the Group's funding needs.

Based on its short- and medium/long-term forecasts, the Group expects its available financial resources, together with cash flows generated from operating activities, to be sufficient to fund planned investments and working capital requirements and to meet its financial obligations as they fall due. The planning process also enables the Group to identify any additional funding requirements in advance.

CONTINGENT ASSETS AND LIABILITIES

In May 2016, the Group transferred the rights to PAYDAY 2 back to Starbreeze. As part of the agreement, the Group is entitled to an earn-out of up to USD 40 million, corresponding to 33% of the net revenues generated by Starbreeze from PAYDAY 3. In March 2021, Starbreeze announced that it had entered into an agreement with a major international publisher for the worldwide publishing of PAYDAY 3.

Following the release of PAYDAY 3 in September 2023, differences emerged between the parties over the interpretation of certain contractual terms used in Starbreeze AB's initial earn-out calculation.

The parties arrived at a settlement agreement on the calculation of such earn-out. Based on the agreed methodology, no earn-out receivable was recognised as of June 30th, 2026. In light of the performance of PAYDAY 3, the Group does not expect to recognise any earn-out in the short term.

As of June 30th, 2026, the Group had not recognised deferred tax assets on approximately Euro 7 million of tax losses incurred by certain subsidiaries, as the relevant recognition criteria were not considered to be met based on local tax legislation and the subsidiaries' forecast taxable profits.

15. SUBSEQUENT EVENTS

The following significant events occurred after the end of the reporting period:

- On July 20th, 2026, the Board of Directors approved the proposal for a new medium/long-term incentive scheme, the "Phantom Share Plan 2026-2032", for Executive Directors and selected employees and collaborators with key roles in the pursuing of the Group's objectives. The Phantom Share Plan 2026-2032 will be submitted for approval to the Shareholders' Meeting to be held on October 27th, 2026.
- On July 29th, 2026, the Group entered into an agreement for the development and publishing of the sequel to Wuchang: Fallen Feathers with the Chinese development studio Chengdu Recursive Dolphin Technology Co. Ltd., founded by the creative director of the original game. The initial investment is expected to amount to Euro 21.5 million.

16. BUSINESS OUTLOOK

The Group's release schedule for the next fiscal year will be concentrated in the second half, with the launch of Bloodstained: The Scarlet Engagement and the full release of Assetto Corsa EVO and Assetto Corsa Rally. Both Assetto Corsa games will subsequently be supported by additional content released over time. The release schedule will also include a number of titles with significantly lower levels of investment, including Nivalis Nights. No new releases are planned for the Free to Play operating segment.

The first half of the fiscal year will therefore be mainly driven by back catalogue sales, which are expected to continue having a significant contribution to revenues. For the Free to Play operating segment, sales will be exclusively generated by back catalogue sales throughout the fiscal year.

Given the timing of the main releases, management expects full-year revenues to decline compared to the current fiscal year, with a larger portion of revenues expected to be generated in the second half.

EBITDA is expected to reflect the revenue trend, but EBIT is expected to improve, mainly due to lower impairment losses and write-offs. The project cancellations that affected the current fiscal year are not expected to have the same impact in the next fiscal year, given the Group's strategy of increasingly focusing its investments on a smaller number of intellectual properties, particularly products that have already been released or are approaching release, as well as sequels to successful games. This approach is expected to provide better control over the Group's portfolio and greater visibility and predictability over future performance.

The net financial position as of June 30th, 2027 is expected to further improve, as EBITDA is expected to exceed forecasted investments for the next fiscal year, despite the Group expecting to be in a net debt position during the first three quarters of the next fiscal year, in relation to the main releases scheduled to happen in the second half.

17. OTHER INFORMATION

EMPLOYEES

The following table details the number of employees as of June 30th, 2026 with comparative figures as at June 30th, 2025:

Category	June 30th, 2026	June 30th, 2025	Change
Managers	13	13	0
Office workers	254	272	(18)
Blue-collar workers and apprentices	3	4	(1)
Total employees	**270**	**289**	**(19)**

The following table reports the number of employees of non-Italian companies as of June 30th, 2026, compared to the previous fiscal year

Category	June 30th, 2026	June 30th, 2025	Change
Managers	7	7	0
Office workers	158	171	(13)
Total employees outside Italy	**165**	**178**	**(13)**

The average number of employees for the fiscal year is calculated based on the number of employees at the end of each month. The table below provides a breakdown by category, together with comparative figures for the previous fiscal year:

Category	Average no. in 2026	Average no. in 2025	Change
Managers	13	14	(1)
Office workers	265	279	(14)
Blue-collar workers and apprentices	3	4	(1)
Total employees	**281**	**297**	**(16)**

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

Category	Average no. in 2026	Average no. in 2025	Change
Managers	7	8	(1)
Office workers	165	178	(13)
Total employees	**172**	**186**	**(14)**

The 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 videogame industry has a limited environmental impact due to the predominantly digital nature of its activities. Most products are distributed through digital marketplaces and the Group has progressively reduced sales through physical retail channels. Nevertheless, the Group continues to assess measures aimed at further reducing the environmental impact of its operations.

Where possible, obsolete equipment is replaced and its components are appropriately recycled. Documents are primarily stored digitally, with printing limited to legal requirements or specific operational needs. Consumables, including printer toners, are returned to suppliers for appropriate recycling. The Group also encourages the use of digital communication tools, including videoconferencing, as an alternative to business travel, helping to reduce both its environmental impact and travel costs.

18. SUSTAINABILITY REPORTING

The Group is not subject to the reporting obligations introduced by Legislative Decree No. 125 of September 6th, 2024 yet. As part of its voluntary sustainability initiatives, the Group published its Sustainability Report as of June 30th, 2024, which is available in the Sustainability section of the Company's website. No voluntary Sustainability Report was prepared for the fiscal year ended June 30th, 2025.

19. CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE REPORT

The Report on Corporate Governance and Ownership Structure provides information on the Group's compliance with the Corporate Governance Code, together with the disclosures required pursuant to Article 123-bis of Legislative Decree No. 58 of February 24th, 1998 (T.U.F.). The report is available in Italian and English in the Governance/Corporate Governance Report section of the corporate website at www.digitalbros.com.

20. REPORT ON THE REMUNERATION POLICY AND FEES PAID

The Report on the Remuneration Policy and fees paid, prepared pursuant to Art. 123-ter of the T.U.F., is available in Italian and English in the Governance/Remuneration section of the corporate website at www.digitalbros.com.

Consolidated financial statements

as of June 30, 2026

FINANCIAL STATEMENTS

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Consolidated balance sheet as of June 30th, 2026

	Euro thousand	June 30th, 2026	June 30th, 2025
	Non-current assets		
1	Property, plant and equipment	5,166	5,459
2	Investment properties	0	0
3	Intangible assets	76,797	111,234
4	Equity investments	234	7,159
5	Non-current receivables and other assets	1,958	2,601
6	Deferred tax assets	20,062	23,723
7	Non-current financial activities	0	2,821
	Total non-current assets	**104,217**	**152,997**
	Current assets		
8	Inventories	1,007	1,356
9	Trade receivables	10,389	14,185
10	Tax receivables	6,105	7,198
11	Other current assets	6,326	7,108
12	Cash and cash equivalents	9,448	6,718
13	Other current financial assets	2,981	0
	Total current assets	**36,256**	**36,565**
	TOTAL ASSETS	***140,473***	***189,562***
	Shareholders' equity		
14	Share capital	(5,740)	(5,706)
15	Reserves	(5,859)	(9,632)
16	Treasury shares	0	0
17	Retained earnings	(92,099)	(98,612)
	Equity attributable to the shareholders of the Parent Company	**(103,698)**	**(113,950)**
	Equity attributable to non-controlling interests	**(804)**	**(790)**
	Total net equity	**(104,502)**	**(114,740)**
	Non-current liabilities		
18	Employee benefits	(1,208)	(1,109)
19	Non-current provisions	(376)	(1,059)
20	Other non-current payables and liabilities	0	(4,947)
21	Non-current financial liabilities	(1,131)	(1,221)
	Total non-current liabilities	**(2,715)**	**(8,336)**
	Current liabilities		
22	Trade payables	(20,540)	(29,636)
23	Tax payables	(1,114)	(1,142)
24	Short term provisions	0	0
25	Other current liabilities	(3,571)	(10,838)
26	Current financial liabilities	(8,031)	(24,870)
	Total current liabilities	**(33,256)**	**(66,486)**
	TOTAL LIABILITIES	**(35,971)**	**(74,822)**
	TOTAL NET EQUITY AND LIABILITIES	***(140,473)***	***(189,562)***

Consolidated profit and loss statement for the period ended June 30th, 2026

	Euro thousand	June 30th, 2026	June 30th, 2025
1	Gross revenue	108,455	93,620
2	Revenue adjustments	0	0
3	**Net revenue**	**108,455**	**93,620**
4	Purchase of products for resale	(958)	(718)
5	Purchase of services for resale	(4,214)	(7,383)
6	Royalties	(16,549)	(19,329)
7	Changes in inventories of finished products	(349)	(1,312)
8	**Total cost of sales**	**(22,070)**	**(28,742)**
9	**Gross profit (3+8)**	**86,385**	**64,878**
10	Other income	8,184	9,784
11	Costs for services	(7,947)	(9,413)
12	Rent and leasing	(660)	(623)
13	Payroll costs	(30,629)	(29,951)
14	Other operating costs	(1,113)	(1,218)
15	**Total operating costs**	**(40,349)**	**(41,205)**
16	**Gross operating margin (EBITDA) (9+10+15)**	**54,220**	**33,457**
17	Depreciation and amortization	(30,505)	(26,742)
18	Provisions	0	1,241
19	Asset impairment charge	(18,692)	(20,405)
20	Impairment reversal	96	909
21	**Total depreciation, amortization and impairment adjustments**	**(49,101)**	**(44,997)**
22	**Operating margin (EBIT) (16+21)**	**5,119**	**(11,540)**
23	Interest and financial income	1,844	3,952
24	Interest and other financial expenses	(9,429)	(7,066)
25	**Net interest income/(expenses)**	**(7,585)**	**(3,114)**
26	**Profit/ (loss) before tax (22+25)**	**(2,466)**	**(14,654)**
27	Current tax	(4,615)	858
28	Deferred tax	592	3,092
29	**Total taxes**	**(4,023)**	**3,950**
30	**Net profit/loss**	**(6,489)**	**(10,704)**
	attributable to the shareholders of the Parent Company	**(6,503)**	**(10,919)**
	attributable to non-controlling interests	**14**	**215**
	Earnings per share:		
33	**Basic earnings per share (in Euro)**	**(0.46)**	**(0.77)**
34	**Diluted earnings per share (in Euro)**	**(0.46)**	**(0.73)**

Consolidated comprehensive income statement as of June 30th, 2026

Euro thousand	June 30th, 2026	June 30th, 2025
Profit (loss) for the period (A)	**(6,489)**	**(10,704)**
Actuarial gain (loss)	8	8
Income tax relating to actuarial gain (loss)	(2)	(2)
Changes in the fair value	62	(2,222)
Tax effect regarding fair value measurement of financial assets	(4,403)	533
Items that will not be subsequently reclassified to profit or loss (B)	**(4,335)**	**(1,683)**
Exchange differences on translation of foreign operations	(307)	(1,029)
Items that will subsequently be reclassified to profit or loss (C)	**(307)**	**(1,029)**
Total other comprehensive income D= (B)+(C)	**(4,642)**	**(2,712)**
Total comprehensive income (loss) (A)+(D)	**(11,131)**	**(13,416)**
Attributable to:		
Shareholders of the Parent Company	**(11,145)**	**(13,631)**
Non-controlling interests	**14**	**215**

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

Consolidated cash flow statement as of June 30th, 2026

Euro thousand		June 30th, 2026	June 30th, 2025
A.	**Opening net cash/debt**	**6,718**	**11,981**
B.	**Cash flows from operating activities**		
	Profit (loss) for the period	(6,489)	(10,704)
	Depreciation, amortization and non-monetary costs:		
	Provisions and impairment losses	18,692	20,405
	Amortization of intangible assets	28,406	24,495
	Depreciation of property, plant and equipment	2,099	2,247
	Net finance income/expense	7,585	3,114
	Current income taxes	4,615	(858)
	Deferred tax assets	(592)	(3,092)
	Net change in other provisions	(683)	(746)
	Net change in employee benefit provisions	107	150
	Other non monetary changes	(1,797)	(1,087)
	Total cash flows from operating activities (B)	**51,944**	**33,925**
C.	**Change in net working capital**		
	Inventories		
	Trade receivables	349	1,312
	Current tax assets	3,752	2,634
	Other current assets	1,093	(4,255)
	Trade payables	782	3,836
	Other current liabilities	(9,096)	(7,531)
	Other non-current liabilities	(3,114)	1,862
	Current tax liabilities	(7,267)	4,181
	Current provisions	0	(652)
	Non-current receivables and other assets	643	918
	Income taxes paid	(1,528)	(1,162)
	Interest paid	(1,105)	(2,893)
	Total change in net working capital (C)	**(15,491)**	**(1,748)**
D.	**Cash flows from investing activities**		
	Net payments for intangible assets	(17,421)	(20,521)
	Net payments for property, plant and equipment	(568)	(112)
	Net payments for non-current financial assets	5	0
	Changes in financial assets	0	3,668
	Total cash flows from investing activities (D)	**(17,984)**	**(16,966)**
E.	**Cash flows from financing activities**		
	Capital increases	34	0
	Increase (decrease) in other components of equity	859	0
	Changes in financial liabilities	(16,929)	(20,912)
	Effect of exchange rate changes	298	438
	Total cash flows from financing activities (E)	**(15,738)**	**(20,474)**
F.	**Changes in consolidated equity**		
	Dividends paid	0	0
	Changes in treasury shares held	0	0
	Total changes in consolidated equity (F)	**0**	**0**
G.	**Cash flow for the period (B+C+D+E+F)**	**2,730**	**(5,263)**
H.	**Closing net cash/debt (A+G)**	**9,448**	**6,718**

Consolidated statement of changes in equity as of June 30th, 2026

Euro thousand	Share capital (A)	Share premium reserve	Legal reserve	IAS transition reserve	Currency translation reserve	Other reserves	Total reserves (B)	Treasury shares (C)	Retained earnings	Profit (loss) for the year	Total retained earnings (D)	Equity of Parent Company shareholders (A+B+C+D)	Equity of non-controlling interests	Total equity
Total on July 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						470	**470**		(3,889)		**(3,889)**	**(3,419)**	**3,889**	**470**
Comprehensive income (loss)					(1,023)	(1,683)	**(2,706)**		(6)	(10,919)	**(10,925)**	**(13,631)**	**215**	**(13,416)**
Total on June 30th, 2025	**5,706**	18,528	1,141	1,367	(1,732)	(9,672)	**9,632**	**0**	109,531	(10,919)	**98,612**	**113,950**	**790**	**114,740**
Total on July 1st, 2025	**5,706**	18,528	1,141	1,367	(1,732)	(9,672)	**9,632**	**0**	109,531	(10,919)	**98,612**	**113,950**	**790**	**114,740**
Increase in the share capital	**34**	858					**858**				**0**	**892**	**0**	**892**
Allocation of previous year result							**0**		(10,919)	10,919	**0**	**0**	**0**	**0**
Comprehensive income (loss)					(296)	(4,335)	**(4,631)**		(10)	(6,503)	**(6,513)**	**(11,144)**	**14**	**(11,130)**
Total on June 30th, 2026	**5,740**	19,386	1,141	1,367	(2,028)	(14,007)	**5,859**	**0**	98,602	(6,503)	**92,099**	**103,698**	**804**	**104,502**

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Consolidated financial statements

as of June 30th, 2026

EXPLANATORY NOTES

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1. INTRODUCTORY NOTE

The main activities performed by the Group and its subsidiaries are detailed in the Directors' Report.

Accounting standards

The consolidated financial statements as of June 30th, 2026 have been prepared in accordance with International Financial Reporting Standards (IAS/IFRS) and the related interpretations (SIC/IFRIC), as endorsed by the European Union and effective as of that date. The consolidated financial statements include comparative information for the previous fiscal year.

The consolidated financial statements have been prepared on a historical cost basis, except for certain items measured at fair value. In particular, office buildings classified under property, plant and equipment, derivative financial instruments and certain financial assets, including investments in equity and debt instruments, are measured at fair value. In addition, the carrying amounts of assets and liabilities subject to fair value hedges are adjusted to reflect changes in fair value attributable to the risks being hedged.

The consolidated financial statements are presented in Euro, with amounts rounded to the nearest thousand unless otherwise stated.

Going concern principle

The consolidated financial statements as of June 30th, 2026, have been prepared on a going concern basis. The Group has assessed that the uncertainties and risks described in the Directors' Report will not harm the ability to continue operating as a going concern. In particular, the Group has considered the following:

- the consolidated EBITDA as of June 30th, 2026 was positive at Euro 54,220 thousand, increased by Euro 20,763 thousand. The consolidated loss was determined by non-cash items, including depreciation, amortization, impairment losses and write-offs;
- the Group generated significant operating cash flow during the fiscal year and has access to bank credit facilities;
- the investments forecasted in the strategic plan have some flexibility. A portion of planned investments is not subject to binding contractual commitments and development activities are often carried out by Group-owned studios;
- all financial ratios improved significantly during the fiscal year, particularly the adjusted liquidity ratio.

The consolidated financial statements and the related notes have also been prepared in accordance with the supplementary requirements concerning financial statement presentation and disclosure set out in the Consob Resolution No. 15519 of July 27th, 2006 and the Consob Communication No. DEM/6064293 of July 28th, 2006.

The financial statements include:

- the consolidated balance sheet as of June 30th, 2026, with comparative figures as of June 30th, 2025 (the last fiscal year-end);
- the consolidated profit and loss statement for the period ended June 30th, 2026 with comparative figures for the period July 1st, 2024 -June 30th, 2025;
- the consolidated comprehensive income statement as of 30th, 2026 with comparative figures for the period July 1st, 2024 -June 30th, 2025;
- the consolidated cash flow statement as of 30th, 2026 with comparative figures for the period July 1st, 2024 -June 30th, 2025;
- the consolidated statement of changes in net equity as of 30th, 2026 with comparative figures for the period July 1st, 2024 -June 30th, 2025.

The left-hand column of the balance sheet indicates the number of the related Note.

The balance sheet items are classified under the five categories below:

- non-current assets;
- current assets;
- net equity;
- current liabilities;
- non-current liabilities.

Non-current assets consist of items that are long-term in nature and include property, plant, and equipment with useful lives of more than one year, equity investments and receivables expected to be collected beyond twelve months from the reporting date. They also include deferred tax assets, irrespective of the period in which they are expected to be recovered.

Current assets comprise assets expected to be realised within twelve months and mainly include inventories, trade receivables, cash and cash equivalents and other current financial assets.

Net equity comprises share capital, reserves and retained earnings, including the profit or loss for the fiscal year and profits from previous fiscal years not allocated to any specific reserves by the Shareholders' Meeting. The Net equity attributable to non-controlling interests is presented separately.

Non-current liabilities comprise provisions that are not expected to be paid within twelve months from the reporting date, such as post-employment benefit obligations, including employee termination benefits (TFR) for the Parent Company and its Italian subsidiaries, and payables falling due after June 30th, 2027.

Current liabilities include obligations due within twelve months from the reporting date and mainly include trade payables, tax liabilities and current financial liabilities.

The left-hand column of the consolidated profit and loss statement identifies the reference number of each line item. The same presentation is used for the profit and loss statement for each operating segment.

The profit and loss statement is presented in a multi-step format, with expenses analysed by nature and includes the following intermediate performance measures:

- gross profit, calculated as the difference between net revenue and total cost of sales;
- gross operating margin (EBITDA), calculated as gross profit plus other income, less total operating costs;
- operating margin (EBIT), calculated as EBITDA less depreciation, amortisation, impairment losses and write-offs;
- profit before tax, calculated as operating profit adjusted for net financial income/(expenses).

Basic and diluted earnings per share are presented after net profit/(loss) for the fiscal year, which is determined as profit before tax less income taxes.

The consolidated cash flow statement is prepared using the indirect method, whereby the net profit/(loss) for the fiscal year is adjusted for the effects of non-cash transactions, changes in net working capital and other items whose cash effects relate to investing or financing activities. The overall changes for the period are calculated as the sum of the following components:

- Cash flows from operating activities;
- Changes in net working capital;
- Cash flows from investing activities;
- Cash flows from financing activities;
- Changes in the consolidated net equity.

The consolidated statement of changes in the net equity, prepared in accordance with IAS/IFRS, presents the changes in consolidated equity occurring between July 1st, 2025 and June 30th, 2026. The Net equity attributable to non-controlling interests is presented separately.

2. ACCOUNTING POLICIES

The accounting policies used in preparation of the consolidated financial statements as of June 30th, 2026 are consistent with those applied in the previous fiscal year, except for the new accounting standards and amendments effective from July 1st, 2025, as described below.

Property, plant and equipment

Property, plant and equipment are measured at purchase or production cost, net of accumulated depreciation and any accumulated impairment losses. No revaluations have been carried out and no borrowing costs have been capitalised.

Leasehold improvements and costs incurred subsequent to the acquisition of an asset are capitalised only when it is probable that they will generate additional future economic benefits. All other costs are recognised in the profit and loss statement as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets or, where applicable, over the term of the lease, using the following annual rates:

Buildings	3%
Plant and machinery	12%-25%
Industrial and commercial equipment	20%
Other assets	20%-25%
Leasehold improvements	17%

Land is not depreciated. It is, however, tested for impairment whenever there is an indication that its carrying amount may not be recoverable. An impairment loss is recognised when the carrying amount exceeds the recoverable amount, defined as the higher of fair value less costs of disposal and value in use.

The carrying amount of an item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in the profit and loss statement.

The residual values, useful lives and depreciation methods of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, where appropriate.

Right of-use assets

A right-of-use asset is recognised at the commencement date of a lease, i.e. the date on which the underlying asset is made available for use by the Group. Where a contract contains multiple lease components, the commencement date may be determined separately for each component.

At initial recognition, the right-of-use asset is measured at cost, comprising the initial amount of the lease liability, adjusted for any lease payments made at or before the commencement date, plus any initial direct costs and any other amounts required under IFRS 16. The carrying amount of the right-of-use asset may subsequently be adjusted to reflect certain remeasurements of the related lease liability.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset. Where ownership of the underlying asset transfers to the Group by the end of the lease term, or where the cost of the right-of-use asset reflects the exercise of a purchase option, the asset is depreciated over its useful life. As the Group's lease agreements generally do not provide for the transfer of ownership of the underlying assets, right-of-use assets are generally depreciated over the lease term, commencing on the lease commencement date.

Right-of-use assets are tested for impairment in accordance with the accounting policy applicable to impairment of non-financial assets and, where necessary, are written down to their recoverable amount.

Intangible assets

Intangible assets, whether acquired separately or internally generated, are recognised in accordance with IAS 38 – *Intangible Assets* when it is probable that the future economic benefits attributable to the asset will flow to the Group and the cost of the asset can be measured reliably.

Intangible assets acquired separately are initially measured at cost. Intangible assets acquired in a business combination are initially measured at fair value at the acquisition date. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

Internally generated intangible assets, other than capitalised development costs, are not recognised as assets and the related expenditure is recognised in the profit and loss statement as incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. The Group does not currently hold any intangible assets with indefinite useful lives.

Intangible assets with finite useful lives are amortised over their estimated useful lives from the date on which they are available for use. The amortisation method and period are determined individually for each asset based on the pattern in which the related future economic benefits are expected to be consumed. In the case of videogames, the amortisation pattern is determined based on the expected sales profile established at the time of release.

The amortisation rates and criteria applied are as follows:

- intellectual property rights, long-term rights of use and licences: based on the estimated useful lives of the underlying assets;
- licences for management control systems and other long-term licences and rights of use: 20%;
- brands and trademarks: 20%.

The carrying amounts of intangible assets are reviewed for impairment in accordance with IAS 36 – *Impairment of Assets*, as described in the "Impairment of assets" section below. The Group performs impairment testing at least twice during each fiscal year and whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in the profit and loss statement.

Business combinations

Business combinations are accounted for using the acquisition method. The acquisition cost is measured as the fair value of the consideration transferred at the acquisition date, together with the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure non-controlling interests in the acquiree at fair value or at their proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are generally recognised in the profit and loss statement as administrative expenses.

Upon the acquisition of a company, the Group classifies and designates the financial assets acquired and liabilities assumed on the basis of the contractual terms, economic conditions and other relevant circumstances existing at the acquisition date.

If a business combination is achieved in stages, any equity interest previously held by the Group in the acquiree (accounted for using the equity method) is remeasured at fair value at the acquisition date, with any resulting gain or loss recognised in the profit and loss statement.

Any contingent consideration is recognised at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration classified as an asset or liability are recognised in the profit and loss statement or in other comprehensive income, as appropriate, in accordance with the applicable accounting standards. If the contingent consideration is classified as equity, it is not subsequently remeasured and its settlement is accounted for within net equity.

Goodwill is initially measured at cost, determined as the excess of the consideration transferred and the amount recognised for non-controlling interests over the fair value of the identifiable net assets acquired. If the resulting amount is lower than the fair value of the net assets acquired, the difference is recognised immediately in the profit and loss statement.

If the initial accounting for a business combination is incomplete at the acquisition date, the business combination is accounted for using provisional amounts for the items for which the accounting is incomplete. Any adjustments arising from the completion of the valuation process are recognised during the measurement period, which may not exceed twelve months from the acquisition date, with comparative information restated accordingly.

Following initial recognition, goodwill is carried at cost less any accumulated impairment losses. For impairment testing purposes, goodwill acquired in a business combination is allocated, from the acquisition date, to each of the Group's cash-generating units that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is subsequently disposed of, the goodwill associated with the disposed operation is included in its carrying amount when determining the gain or loss on disposal. The portion of goodwill attributable to the disposed operation is determined on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Business combinations are accounted for using the acquisition method in accordance with IFRS 3. At the acquisition date, the assets acquired and liabilities assumed as part of the transaction are recognised at fair value, except for deferred tax assets and liabilities and assets and liabilities relating to employee benefits, which are recognised in accordance with the relevant accounting standards. Acquisition-related costs are recognised in the profit and loss statement.

At the acquisition date, identifiable assets acquired and liabilities assumed are recognised at fair value, with the exception of the following items, which are measured in accordance with the relevant accounting standards:

- deferred tax assets and liabilities;
- assets or liabilities relating to employee benefits;
- liabilities or equity instruments relating to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree;
- discontinued operations;
- discontinued assets and liabilities.

Investments in associates and other entities

An associate is an entity over which the Group exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee without having control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to its net assets. Joint control is the contractually agreed sharing of control over an arrangement and exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations applied in determining whether the Group has significant influence or joint control are similar to those applied in assessing control over subsidiaries. The Group's investments in associates and joint ventures are accounted for using the equity method.

The Group's share of the profit or loss of an associate or joint venture is recognised in the profit and loss statement statement outside operating profit and represents the Group's share of the profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

Under the equity method, an investment in an associate or joint venture is initially recognised at cost. The carrying amount of the investment is subsequently adjusted to reflect the Group's share of changes in the net assets of the associate or joint venture from the acquisition date. The profit and loss statement reflects the Group's share of the results of associates and joint ventures. Changes in the other comprehensive income ("OCI") of such investees are recognised as part of the Group's OCI. Furthermore, where changes are recognised directly in the equity of an associate or joint venture, the Group recognises its share of such changes, where applicable, in the statement of changes in equity. Unrealised gains and losses arising from transactions between the Group and an associate or joint venture are eliminated to the extent of the Group's interest in the investee.

The financial statements of associates and joint ventures are prepared for the same reporting period as the Group. Where necessary, adjustments are made to align their accounting policies with those adopted by the Group.

After applying the equity method, the Group assesses whether there is any indication that its investment in an associate or joint venture may be impaired. At each reporting date, the Group assesses whether there is objective evidence of impairment of the investment. Where such evidence exists, the Group determines the impairment loss as the difference between the recoverable amount of the investment and its carrying amount and recognises the loss under "Share of profit of associates and joint ventures" in the profit and loss statement.

If the Group loses significant influence over an associate or joint control over a joint venture, any retained investment is measured and recognised at fair value. Any difference between the carrying amount of the associate or joint venture at the date on which significant influence or joint control is lost and the fair value of the retained investment plus any proceeds from disposal is recognised in the profit and loss statement.

In accordance with IFRS 9, investments in entities other than subsidiaries and associates, classified as non-current financial assets and not held for trading, are measured at fair value, except where fair value cannot be reliably determined, in which case they are measured at cost. In accordance with the irrevocable election made by the Group, changes in fair value are recognised in other comprehensive income (fair value through other comprehensive income – FVOCI), with no subsequent reclassification to profit or loss upon disposal of the investment.

For further information on the accounting policies applicable to financial assets, reference should be made to the relevant note ("Financial Assets") included in the Net Financial Position section.

Impairment of assets

In accordance with IAS 36 – Impairment of Assets, intangible assets, property, plant and equipment, investments in associates and other entities are tested for impairment.

The Group performs impairment testing on its assets at least annually and whenever there is an indication that an asset may be impaired. Where such an indication exists, the Group determines the recoverable amount of the individual asset or, where this is not possible, of the cash-generating unit (CGU) to which the asset belongs. The recoverable amount is the higher of fair value less costs of disposal and value in use. Value in use is determined by discounting estimated future cash flows to their present value using a discount rate that reflects the time value of money and the risks specific to the asset.

An impairment loss is recognised when the carrying amount of an asset or CGU exceeds its recoverable amount. If the conditions that gave rise to an impairment loss subsequently cease to exist, the impairment loss is reversed to the extent of the revised recoverable amount, provided that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised. Impairment losses recognised on goodwill are not reversed. Reversals of impairment losses are recognised in the profit and loss statement.

Inventories

Inventories of finished goods are measured at the lower of cost and net realisable value. The cost of inventories includes the purchase price and directly attributable ancillary costs and is determined using the specific cost method. Where the net realisable value of inventories falls below cost, a write-down is recognised to reduce their carrying amount to net realisable value.

Receivables and payables

Receivables are measured at amortised cost, taking into account their estimated recoverability. The carrying amount of receivables is adjusted through a loss allowance to reflect estimated credit losses, taking into account the specific circumstances of each debtor. Receivables from customers subject to insolvency proceedings are either written off in full or written down based on the amounts expected to be recovered in light of the relevant legal proceedings.

Payables are recognised at their nominal amount.

Employee benefits

Current employee benefits relating to salaries and wages, social security and pension contributions, accrued but unused leave expected to be settled within twelve months of the reporting date, and other benefits arising from the employment relationship are recognised in the period in which the related services are rendered.

Post-employment benefits provided through defined benefit or defined contribution plans are recognised over the period in which the employee renders the related services ("vesting period").

Defined benefit plans

Defined benefit plans are based on employees' length of service and remuneration earned over a specified period. The Group's obligation under these plans and the related annual expense recognised in the profit and loss statement are determined on the basis of actuarial valuations using the projected unit credit method. Remeasurements of the defined benefit obligation, including actuarial gains and losses, are recognised in full in other comprehensive income in the period in which they arise.

The liability recognised in the statement of financial position in respect of defined benefit plans reflects the present value of the defined benefit obligation.

Defined contribution plans

Contributions to defined contribution plans made by Group companies are recognised as an expense in the profit and loss statement when incurred.

Employees of the Group's Italian companies participate in post-employment benefit plans. In particular, the Italian post-employment benefit known as *Trattamento di Fine Rapporto* (TFR) is a statutory severance benefit governed by Article 2120 of the Italian Civil Code. TFR represents a form of deferred remuneration linked to employees' length of service and remuneration earned during the employment period.

Until December 31st, 2006, TFR was treated as a defined benefit plan. Legislative amendments introduced by Law No. 296 of December 27th, 2006 ("Finance Act 2007") and subsequent implementing regulations, effective from the beginning of 2007, introduced significant changes, including the option for employees to allocate accruing TFR either to supplementary pension funds or to the Treasury Fund managed by INPS.

As a result, from January 1st, 2007, TFR contributions are accounted for as a defined contribution plan, while TFR accrued up to December 31st, 2006 continues to be accounted for as a defined benefit obligation under IAS 19.

Actuarial gains and losses relating to defined benefit plans are recognised in other comprehensive income under items that will not subsequently be reclassified to profit or loss and are recognised in equity under Other Reserves.

Other long-term employee benefits

The measurement of other long-term employee benefits generally involves less uncertainty than the measurement of post-employment benefits. Accordingly, IAS 19 provides for a simplified accounting treatment for such benefits. Unlike the accounting treatment applicable to post-employment benefits, under this simplified approach remeasurements are not recognised in other comprehensive income.

For other long-term employee benefits, the Group recognises the net amount of the related cost directly in the profit and loss statement.

Share-based payments

Certain Group executives and employees participated in the Stock Option Plan 2016-2026, under which they received equity-settled share-based remuneration in exchange for services rendered to the Group. The final vesting date under the Plan was July 1st, 2025 and the exercise period ended on June 30th, 2026.

The Stock Option Plan 2016-2026 therefore expired as of the reporting date. As no other share-based payment plans were outstanding at that date, there were no outstanding options with a potential dilutive effect on earnings per share.

Current and non-current risks provisions

The Group recognises provisions when it has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are reviewed periodically and adjusted to reflect changes in the estimated amount required to settle the obligation.

Changes in estimates are recognised in the profit and loss statement in the period in which they arise.

Financial assets and liabilities

Current and non-current financial assets and liabilities are recognised and measured in accordance with IFRS 9 – Financial Instruments.

Cash and cash equivalents include cash on hand, bank deposits, units in mutual funds and other highly liquid securities classified as available for sale.

Purchases and sales of current financial assets and securities are recognised on the trade date.

Initial measurement

On initial recognition, financial assets are classified, for subsequent measurement purposes, as financial assets measured at amortised cost, at fair value through other comprehensive income (OCI), or at fair value through profit or loss. The classification of financial assets depends on the characteristics of their contractual cash flows and the Group's business model for managing them.

Financial assets are generally initially measured at fair value plus transaction costs, except for trade receivables that do not contain a significant financing component or for which the Group applies the practical expedient. Such trade receivables are measured at their transaction price.

Subsequent measurement

For subsequent measurement purposes, financial assets are classified into four categories:

- financial assets measured at amortised cost (debt instruments);
- financial assets measured at fair value through other comprehensive income (OCI), with recycling of cumulative gains and losses (debt instruments);
- financial assets measured at fair value through other comprehensive income (OCI), with no recycling of cumulative gains and losses upon derecognition (equity instruments);
- financial assets measured at fair value through profit or loss.

Financial assets measured at amortised cost (debt instruments)

Financial assets measured at amortised cost are subsequently measured using the effective interest method and are subject to impairment testing. Gains and losses are recognised in the profit and loss statement when the asset is derecognised, modified or impaired.

Financial assets measured at fair value through OCI (debt instruments)

For debt instruments measured at fair value through other comprehensive income (OCI), interest income, foreign exchange gains and losses, impairment losses and reversals are recognised in the profit and loss statement and calculated in the same manner as for financial assets measured at amortised cost. Other changes in fair value are recognised in OCI. Upon derecognition, cumulative fair value gains or losses previously recognised in OCI are reclassified to the profit and loss statement.

Investments in equity instruments

Upon initial recognition, the Group may make an irrevocable election to classify investments in equity instruments as measured at fair value through other comprehensive income (OCI), provided that such investments meet the definition of equity instruments under IAS 32 – Financial Instruments: Presentation and are not held for trading. This election is made on an instrument-by-instrument basis.

Gains and losses on these equity investments are not subsequently recognised in the profit and loss statement. Dividends are recognised as other income in the profit and loss statement when the right to receive payment has been established, unless the dividends clearly represent a recovery of part of the cost of the investment, in which case they are recognised in OCI. Equity instruments measured at fair value through OCI are not subject to impairment testing.

Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss are recognised in the statement of financial position at fair value. Net changes in fair value are recognised in the profit and loss statement for the fiscal year.

Derecognition

Financial assets are derecognised only when the contractual rights to receive cash flows from the assets expire (for example, upon final repayment of subscribed bonds) or when the Group transfers the financial asset together with substantially all the risks and rewards associated with ownership of the asset.

Financial liabilities include financial payables and other financial obligations, including liabilities arising from the fair value measurement of derivative financial instruments when their fair value is negative.

Initial measurement

Upon initial recognition, financial liabilities are classified as financial liabilities at fair value through profit or loss or as financial liabilities subsequently measured at amortised cost. All financial liabilities are initially measured at fair value, adjusted for directly attributable transaction costs in the case of liabilities subsequently measured at amortised cost.

Subsequent measurement

For subsequent measurement purposes, financial liabilities are classified into two categories:

- financial liabilities at fair value through profit or loss;
- financial liabilities at amortised cost (borrowings and loans).

Financial liabilities measured at fair value through profit or loss

Financial liabilities held for trading include liabilities incurred with the intention of repurchasing or settling them in the short term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in accordance with IFRS 9.

Gains and losses arising from these liabilities are recognised in the profit and loss statement for the fiscal year.

Financial liabilities at amortised cost (borrowings and loans)

Following initial recognition, borrowings and loans are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the profit and loss statement when the liabilities are derecognised, as well as through the effective interest amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the effective interest rate. Amortisation under the effective interest method is recognised as finance costs in the profit and loss statement.

Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires. Where an existing financial liability is replaced by another liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, the transaction is accounted for as the derecognition of the original liability and the recognition of a new liability. The difference between the respective carrying amounts is recognised in the profit and loss statement.

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. For assets traded in active markets, fair value is determined based on the quoted market price (bid price) at the close of trading on the reporting date.

Where quoted market prices are not available, fair value is determined using appropriate valuation techniques, which may include discounted cash flow analysis based on market data available at the measurement date.

Transactions are recognised on the trade date, i.e. the date on which the Group commits to purchase or sell the asset.

Where fair value cannot be reliably measured, the financial asset is measured at cost. The notes to the consolidated financial statements disclose the nature of the asset and the reasons for applying the cost method.

Derivative financial instruments

Initial measurement and subsequent measurement

The Group uses derivative financial instruments, including interest rate swaps, to hedge its exposure to interest rate risk. Derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are recognised as financial assets when their fair value is positive and as financial liabilities when their fair value is negative.

When derivative financial instruments meet the qualifying criteria for hedge accounting, they are accounted for as follows:

- fair value hedges: hedges of exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
- cash flow hedges: hedges of exposure to variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, or hedges of the foreign currency risk of an unrecognised firm commitment;
- hedges of a net investment in a foreign operation.

Transactions that meet all the qualifying criteria for hedge accounting are accounted for as follows.

Fair value hedges

Changes in the fair value of a hedging derivative are recognised in the profit and loss statement under Other costs. Changes in the fair value of the hedged item attributable to the hedged risk are recognised as an adjustment to the carrying amount of the hedged item and are also recognised in the profit and loss statement under Other expenses.

For fair value hedges relating to items measured at amortised cost, any adjustment to the carrying amount is amortised through the profit and loss statement over the remaining term of the hedge using the effective interest rate method (EIR). Such amortisation may begin as soon as an adjustment exists and no later than the date on which the hedged item ceases to be adjusted for changes in fair value attributable to the hedged risk.

If the hedged item is derecognised, any unamortised fair value adjustment is recognised immediately in the profit and loss statement.

When an unrecognised firm commitment is designated as a hedged item, subsequent cumulative changes in its fair value attributable to the hedged risk are recognised as an asset or liability, with the corresponding gain or loss recognised in the profit and loss statement.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in the cash flow hedge reserve within other comprehensive income, while any ineffective portion is recognised immediately in the profit and loss statement. The cash flow hedge reserve is adjusted to the lower, in absolute terms, of the cumulative gain or loss on the hedging instrument and the cumulative change in the fair value of the hedged item attributable to the hedged risk.

Amounts accumulated in the cash flow hedge reserve are accounted for according to the nature of the underlying hedged transaction. Where a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the amount accumulated in equity is removed from the separate component of equity and included directly in the initial cost or other carrying amount of the asset or liability. This is not considered a reclassification adjustment and therefore does not affect other comprehensive income for the period. The same treatment applies where a hedged forecast transaction relating to a non-financial asset or non-financial liability subsequently becomes a firm commitment to which fair value hedge accounting is applied.

For all other cash flow hedges, the amount accumulated in other comprehensive income is reclassified to the profit and loss statement as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount accumulated in other comprehensive income remains in equity if the hedged future cash flows are still expected to occur. If the hedged future cash flows are no longer expected to occur, the amount accumulated in other comprehensive income is immediately reclassified to the profit and loss statement as a reclassification adjustment. Following discontinuation of hedge accounting, once the hedged cash flow occurs, any amount remaining in other comprehensive income is accounted for according to the nature of the underlying transaction, as described above.

Hedges of a net investment in a foreign operation

Hedges of a net investment in a foreign operation, including hedges of a monetary item accounted for as part of the net investment, are accounted for in a manner similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised in other comprehensive income, while gains or losses relating to the ineffective portion are recognised in the profit and loss statement. Upon disposal of the foreign operation, the cumulative amount of gains or losses recognised in other comprehensive income is reclassified to the profit and loss statement.

Where hedge accounting cannot be applied, gains or losses arising from the fair value measurement of derivative financial instruments are recognised immediately in the profit and loss statement as interest income or expense or as other financial income or expense, as applicable.

Leased assets liabilities

The Group recognises a lease liability at the commencement date of a lease, measured at the present value of the lease payments that have not yet been paid at that date. Lease payments include payments that depend on an index or rate, initially measured using the index or rate applicable at the commencement date, as well as termination penalties where the lease term reflects the exercise of an option to terminate the lease. Lease payments are discounted using the interest rate implicit in the lease.

Subsequently, the lease liability is increased to reflect the interest accrued and reduced by the lease payments made.

Revenue

IFRS 15 – Revenue from Contracts with Customers establishes a five-step model for the recognition of revenue:

- identification of the contract with the customer;
- identification of the performance obligations in the contract;
- determination of the transaction price;
- allocation of the transaction price to the performance obligations in the contract;
- recognition of revenue when, or as, each performance obligation is satisfied.

Accordingly, revenue from the sale of goods and the related purchase costs are measured based on the consideration received or receivable/payable, taking into account any returns, bonuses, trade discounts and volume-related incentives.

Revenue from the sale of goods is recognised when the performance obligation relating to the transfer of the goods to the customer is satisfied and the amount of revenue can be reliably measured. Where discounts are expected and can be reliably estimated, they are taken into account when revenue is recognised.

Control of the goods is transferred when the customer obtains the ability to direct their use and obtain substantially all of their remaining benefits. For retail sales, control generally transfers upon delivery of the goods and payment by the customer. For wholesale sales, control generally transfers when the goods are delivered to the customer's warehouse.

Revenue and the related costs for services are recognised based on the stage of completion of the service at the reporting date. The stage of completion is determined based on the progress of the work performed. Where services provided under a single contract extend over more than one reporting period, the consideration is allocated to each period based on the fair value of the services provided.

Reimbursements of costs incurred on behalf of third parties are recognised as a reduction of the related costs.

Costs

Costs and other operating expenses that do not generate future economic benefits, or whose future economic benefits do not qualify for recognition as assets, are recognised in the reporting period in which they are incurred, in accordance with the accrual and matching principles. Advertising costs are recognised in the profit and loss statement when the related services are received.

Cost of sales

Cost of sales includes the purchase or production cost of products, goods and/or services intended for resale, including all costs relating to materials and processing.

Changes in inventories reflect movements in the gross carrying amount of inventories during the reporting period.

Royalties paid for the use of international and Italian licences are included in cost of sales.

Where royalty advances are fully recoupable, the amount recouped is calculated by applying the royalty rate per unit to the number of units sold during the reporting period. Where royalty advances are only partially recoupable, the amount is determined separately for each agreement based on estimated future recoupment.

Dividends received

Dividends received from investees other than subsidiaries are recognised when the Group's right to receive payment is established, provided that they arise from profits generated after the acquisition of the investment. Dividends distributed from reserves accumulated prior to the acquisition are recognised as a reduction in the carrying amount of the investment.

Interest income/expenses and financial income/expenses

Interest income and expense are recognised on an accrual basis and presented separately in the profit and loss statement, without offsetting.

Current tax

Income taxes include all taxes calculated on the taxable income of Group companies and are generally recognised in the profit and loss statement. Where taxes relate to items recognised directly in equity, the related tax effects are also recognised directly in equity. Other taxes that are not based on income, such as property and capital taxes, are recognised as operating costs.

Deferred tax

Deferred taxes are recognised using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Exceptions apply to non-deductible goodwill arising from transactions that do not constitute business combinations and affect neither accounting profit nor taxable profit or loss, and to temporary differences arising from investments in subsidiaries where reversal is not expected in the foreseeable future.

Deferred tax assets relating to tax losses and unused tax credits are recognised only to the extent that it is probable that sufficient future taxable profits will be available against which they can be utilised. Deferred tax assets and liabilities are measured using the tax rates expected to apply when the temporary differences are realised or reversed, based on the tax legislation applicable in each jurisdiction in which the Group operates.

Deferred tax assets and liabilities are reviewed quarterly. Previously unrecognised deferred tax assets are reassessed and recognised to the extent that it has become probable that sufficient future taxable profits will be available to allow their recovery. Deferred taxes relating to items not recognised in the profit and loss statement are recognised in equity or other comprehensive income, depending on the nature of the underlying item. Deferred tax assets and liabilities are classified as non-current, irrespective of the period in which they are expected to be recovered or settled.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, regardless of the period in which they are expected to be recovered or settled.

Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the reporting period, excluding treasury shares.

As the Group had no dilutive potential ordinary shares outstanding as of the reporting date, diluted earnings per share is equal to basic earnings per share.

Foreign currency transactions

Foreign currency transactions are recognised using the exchange rate prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies are subsequently retranslated at the exchange rate prevailing at the reporting date. Any resulting foreign exchange gains or losses are recognised in the profit and loss statement.

Share-based payments – Equity-settled transactions

Group employees, including executives, may receive part of their remuneration in the form of share-based payments, whereby they render services in exchange for equity instruments ("equity-settled transactions").

The related cost, together with a corresponding increase in equity, is recognised under personnel expenses over the period in which the relevant service and/or performance conditions are satisfied. At each reporting date up to the vesting date, the cumulative expense recognised reflects the portion of the vesting period that has elapsed and the Group's best estimate of the number of equity instruments expected to vest. The amount recognised in the profit and loss statement for each period represents the change in the cumulative expense recognised at the beginning and end of the period.

Service conditions and non-market performance conditions are not taken into account when determining the fair value of the award at the grant date. However, the likelihood of satisfying these conditions is taken into account when estimating the number of equity instruments expected to vest. Market performance conditions are reflected in the grant-date fair value. Any other condition that does not include a service requirement is considered a non-vesting condition. Non-vesting conditions are reflected in the fair value of the award and result in the immediate recognition of the related cost, unless service and/or performance conditions also apply.

No expense is recognised for awards that do not ultimately vest because service and/or non-market performance conditions are not satisfied. Where awards are subject to a market condition or a non-vesting condition, they are treated as vested irrespective of whether such condition is ultimately satisfied, provided that all other service and/or performance conditions are satisfied.

If the terms of an award are modified, at a minimum, the expense recognised corresponds to the grant-date fair value of the original award, provided that the original vesting conditions are satisfied. Any increase in fair value, or any other modification that is beneficial to employees, is recognised as an additional cost, measured at the date of modification. Where an award is cancelled by the entity or the counterparty, any remaining unrecognised amount is recognised immediately as an expense in the profit and loss statement.

The dilutive effect of outstanding options is reflected in the calculation of diluted earnings per share.

Accounting standards, amendments and IFRS interpretations in force from July 1st, 2025

With reference to Digital Bros' application of accounting standards, please refer to Digital Bros S.p.A. financial statements as of June 30th, 2025, available on the corporate website.

Accounting standards, amendments and IFRS and IFRIC interpretations endorsed by the European Union, not yet mandatory, which were not applied by the Group as of June 30th, 2026

Pursuant to the applicable European regulations, the accounting standards adopted by the Group do not include standards and interpretations issued by the IASB and IFRIC as of June 30th, 2026 but not yet endorsed by the European Union at that date. With regard to standards and interpretations that had already been issued as of the date of preparation of these consolidated financial statements but were not yet effective, the Group intends to adopt them, where applicable, when they become effective.

IASB and IFRS IC Documents	Effective Date
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (issued on 30 May 2024)	01/01/2026
Annual Improvements Volume 11 (issued on 18 July 2024)	01/01/2026
Amendments IFRS 9 — Financial Instruments and IFRS 7 — Financial Instruments: Disclosures for nature-dependent electricity contracts (issued on 18 December 2024)	01/01/2026
IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024)	01/01/2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024)	01/01/2027
Translation to a Hyperinflationary Presentation Currency - Amendments to IAS 21 (issued on 13 November 2025)	01/01/2027

3. DISCRETIONARY ITEMS AND SIGNIFICANT ESTIMATES

Judgements and estimates

The preparation of the consolidated financial statements as of June 30th, 2026, and the related notes requires management to make judgements, estimates and assumptions that affect the amounts recognised for assets and liabilities and the disclosure of contingent assets and liabilities at the reporting date. These judgements and estimates are based on short- and medium/long-term forecasts, which are regularly updated and approved by the Board of Directors prior to the approval of each financial report.

Estimates are based on the information available at the time they are made and are reviewed periodically. Any effects resulting from the changes in estimates are recognised in the profit and loss statement. Actual results may differ from these estimates due to changes in the factors and assumptions used. In particular, estimates are used in to assess the allowances for credit losses, the valuation of inventories, depreciation and amortisation, investments, impairment of assets, employee benefits, deferred taxes and other provisions.

The main sources of estimation uncertainty relate to the recoverable amount of the intangible assets, the employee benefits and the deferred taxes.

As in the previous fiscal year, the Group no longer considers estimates relating to the royalty advances and inventory valuation to be significant sources of uncertainty, given the limited amounts involved and the lower degree of uncertainty associated with these estimates.

Recoverable amount of intangible assets

Intangible assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Such circumstances may include changes in strategic plans or market conditions that could adversely affect operating performance and the expected exploitation of licences and trademarks. Determining whether an impairment loss should be recognised, and the amount of any such loss, requires management to make judgements and estimates regarding complex and inherently uncertain factors, including future price trends and global or regional demand conditions.

Employee benefits

The measurement of employee termination benefits (Trattamento di Fine Rapporto – TFR) involves a degree of estimation uncertainty, as it requires estimates of future cash outflows arising from voluntary and involuntary employee departures, taking into account employees' length of service and the statutory revaluation rates applicable to the benefit.

The regulations governing TFR were amended during the fiscal year ended June 30th, 2006. Nevertheless, a degree of estimation uncertainty remains in relation to the residual portion of the obligation retained by Group companies. For the purposes of this measurement, the Group is assisted by a qualified actuary in determining the relevant actuarial assumptions.

Following the approval of the Stock Option Plan 2016-2026, an actuarial valuation of the Plan was required in accordance with IFRS 2 – Share-based Payment. In previous fiscal years, this valuation was performed by an independent professional.

The measurement of liabilities arising from the medium/long-term incentive plan (LTI), approved by the Shareholders' Meeting on June 15th, 2021, is comparatively straightforward. The potential actuarial component of the estimate, relating to the possibility that beneficiaries may forfeit their entitlement under the Plan's bad leaver provisions, was considered immaterial. Accordingly, the related liability was estimated by the Directors without the assistance of an independent actuary.

Deferred tax assets and liabilities

The measurement of deferred tax assets and liabilities involves two main areas of uncertainty. The first relates to the recoverability of deferred tax assets. The Group assesses their recoverability based on the five-year forecasts of each Group company, which are reviewed and approved by the Board of Directors every six months, as well as the applicable local tax rules governing their utilisation in future fiscal years.

The second relates to the tax rates applied in measuring deferred taxes. The Group uses the tax rates currently applicable in each country in which it operates, assuming that they will remain unchanged over time, unless changes have already been enacted and will become effective in future periods.

4. CONSOLIDATION CRITERIA

Subsidiaries

Subsidiaries are entities over which the Group exercises control. The Group controls an entity when it has the ability to direct its financial and operating policies and obtain benefits from its activities. More specifically, the Group controls an entity if it has:

- has power over the entity i.e. existing rights that give the Group the current ability to direct the company's relevant activities;
- exposure, or rights, to variable returns from its involvement with the entity; and
- the ability to use its power over the entity to affect the amount of those returns.

Control is generally presumed to exist when the Group holds, directly or indirectly, a majority of the voting rights.

Subsidiaries are consolidated from the date on which the Group obtains control and cease to be consolidated when control is lost.

The financial statements of subsidiaries are prepared for the same reporting period as those of the Parent Company and using consistent accounting policies. Where necessary, financial statements prepared in accordance with local accounting standards are adjusted to comply with the IFRS Accounting Standards adopted by the Group.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the related assets, including goodwill, liabilities, non-controlling interests and other components of equity. Any resulting gain or loss is recognised in the profit and loss statement. Any retained interest in the former subsidiary is measured at fair value at the date control is lost.

Investments in associates are initially recognised at cost and subsequently accounted for using the equity method.

Translation of financial statements denominated in foreign currencies

The Euro is the Group's presentation currency and the functional currency of the Parent Company. At each reporting date, the financial statements of foreign operations whose functional currency differs from the Euro are translated as follows:

- assets and liabilities are translated at the exchange rate prevailing at the reporting date;
- income and expenses are translated at the average exchange rate for the reporting period;
- equity items are translated at historical exchange rates.

The exchange differences arising on translation are recognised in other comprehensive income and accumulated in the foreign currency translation reserve within equity. Upon disposal of a foreign operation, the cumulative amount of exchange differences relating to that operation is reclassified to the profit and loss statement in accordance with the applicable accounting standards.

The goodwill arising on the acquisition of a foreign operation, as well as any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition, are treated as assets and liabilities of the foreign operation. They are therefore denominated in the functional currency of the foreign operation and translated into Euro at the exchange rate prevailing at the reporting date.

Transactions eliminated on consolidation

All intragroup assets and liabilities, income and expenses arising from transactions between Group companies are eliminated in full in preparing the consolidated financial statements. Unrealised gains and losses arising from intragroup transactions are also eliminated.

Scope of consolidation

The following tables provide details of the Group companies included in the scope of consolidation, indicating whether they are fully consolidated or accounted for using the equity method. Share capital is presented in the respective local currencies.

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	5,740,014.80	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 GmbH*	Burglengenfeld	Germany	Euro	50,000	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 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
**Liquidated in the reporting period

Equity consolidation method:

Company name	Operational headquarters	Country	Currency	Share Capital	% held directly or indirectly
Starbreeze AB	Stockholm	Sweden	SEK	32,488,765	19.11%

5. INVESTMENTS IN JOINT-VENTURES AND ASSOCIATED COMPANIES

During the fiscal year, the Group sold its 50% interest in MSE&DB S.L. to the other shareholder, Mercury Steam Entertainment S.L..

Relations with Starbreeze

In the previous years, Digital Bros Group and the Swedish group Starbreeze ("Starbreeze") have entered various commercial and financial transactions.

In May 2016, the Group reverted to Starbreeze the rights related to the videogame PAYDAY 2 for a consideration of USD 30 million and a potential earn-out payments of up to USD 40 million, corresponding to 33% of the net revenues generated by the future release of the videogame PAYDAY 3.

After several purchases of Starbreeze shares on the market, the Group's interest exceeded 20% of the company's voting rights. The Group had continuously reviewed the existence of a significant influence over Starbreeze within the framework of IAS 28 but the moment when it occurred was at the Starbreeze's Shareholders' Meeting held on May 15th, 2025. During that meeting, Digital Bros proposed changes to the size and composition of the Board of Directors, which were approved, resulting in the appointment of the Digital Bros Group CFO, Stefano Salbe, as a Director of Starbreeze AB. From that date, the Group considered to have a significant influence over the Swedish company, as the relevant criteria provided by IAS 28 were met, in particular the representation in the Board of Directors and participation in the company's policy-making processes, including participation in decisions about dividends and other distributions.

During the fiscal year, the Group wrote off completely the investment in Starbreeze under IAS 28 by an incremental Euro 5.7 million to reflect the Starbreeze consolidated losses pro quota in addition to the previous fiscal year write-off. The actual carrying amount of the investment is zero. As of June 30th, 2026, the fair value of the investment, based on the market price of Starbreeze shares listed on Nasdaq Stockholm, amounted to Euro 2.8 million.

As of June 30th, 2026, the Group holds the same amount of shares as last fiscal year amounting at no. 87 million Starbreeze A shares and no. 223.4 million Starbreeze B shares, representing 19.11% of Starbreeze's share capital and 37.67% of its voting rights.

6. BUSINESS COMBINATIONS

No business combinations were undertaken during the fiscal year.

7. RECONCILIATION OF CONSOLIDATED PROFIT FOR THE YEAR AND NET EQUITY TO THOSE OF PARENT COMPANY

The following table provides a reconciliation between the profit for the fiscal year and the net equity of the Parent Company, Digital Bros S.p.A., and the corresponding consolidated amounts:

Euro thousand	Profit (loss) in the fiscal year ended		Net Equity	
	June 30th, 2026	June 30th, 2025	June 30th, 2026	June 30th, 2025
Profit (loss) for the year and net equity of Digital Bros S.p.A.	**10,273**	**144**	**60,531**	**53,700**
Profit for the year and equity of subsidiaries	19,339	(7,593)	127,927	119,278
Carrying amount of equity investments	0	0	(37,702)	(37,742)
Consolidation adjustments				
Impairment of financial receivables and equity investments	(4,309)	8,236	7,863	12,191
Elimination of intercompany profits	(2,598)	(576)	(17,351)	(14,753)
Dividends	(25,905)	(10,461)	(25,905)	(10,461)
Other adjustments	(3,289)	(454)	(10,861)	(7,473)
Total consolidation adjustments	**(36,101)**	**(3,255)**	**(46,254)**	**(20,496)**
Consolidated net result and net equity	**(6,489)**	**(10,704)**	**104,502**	**114,740**

Details of the total consolidation adjustments as of June 30th, 2026 compared with the previous fiscal year are provided below:

Euro thousand	Profit (loss) at		Net Equity	
	June 30th, 2026	June 30th, 2025	June 30th, 2026	June 30th, 2025
Impairment of the equity investment in 505 Games (US)	2,620	0	2,620	0
Impairment of the equity investment in Digital Bros Holdings Ltd.	20	0	0	0
Impairment of the equity investment in Digital Bros Game Academy S.r.l.	12	34	143	131
Impairment of the equity investment in Game Entertainment S.r.l.	12	0	154	142
Impairment of the equity investment in Game Network S.r.l.	0	160	0	0
Impairment of the equity investment in Seekhana Lt.d.	0	0	504	504
Reversal of the impairment of the financial receivable due to Digital Bros S.p.A. from Rasplata B.V.	(6,973)	8,042	4,442	11,415
Total impairment of investments in subsidiaries	**(4,309)**	**8,236**	**7,863**	**12,192**
Elimination of unrealized profit in inventory	0	0	(32)	(32)
Elimination of margin on internal development contracts	(2,598)	(576)	(17,319)	(14,721)
Total elimination of intercompany profits	**(2,598)**	**(576)**	**(17,351)**	**(14,753)**
Dividends from Kunos Simulazioni S.r.l.	(12,000)	(10,000)	(12,000)	(10,000)
Dividends from 505 Games Interactive Inc.	0	(461)	0	(461)
Dividends from 505 Games Ltd..	(7,446)	0	(7,446)	0
Dividends from DR Studios Ltd.	(6,301)	0	(6,301)	0
Dividends from 505 Games France S.a.s.	(158)	0	(158)	0
Total dividends	**(25,905)**	**(10,461)**	**(25,905)**	**(10,461)**
Alignment of measurement criteria between 505 Games and Rasplata, net of the related tax effect	(3,762)	(1,376)	0	3,762
Purchase price allocation for Rasplata B.V., net of the related tax effect	(217)	(233)	588	805
Purchase price allocation of the Australian companies, net of tax effect	(670)	(1,338)	0	670
Application of IFRS 9	(9)	178	(129)	(120)
Reversal of the revaluation of the Assetto Corsa trademark recognised for tax purposes	1,248	1,248	(11,555)	(12,803)
Other residual adjustments	121	1,067	235	212
Total other adjustments	**(3,289)**	**(454)**	**(10,861)**	**(7,474)**
Total consolidation adjustments	**(36,101)**	**(3,255)**	**(46,254)**	**(20,496)**

8. CONSOLIDATED BALANCE SHEET AS OF JUNE 30th, 2026

1. Property, plant and equipment

Property, plant and equipment decrease from Euro 5,459 thousand to Euro 5,166 thousand, as a result of investments of Euro 1,809 thousand, offset by depreciation of Euro 2,099 thousand. The following tables detail the movements occurred in the current and previous reporting periods:

Euro thousand	July 1st, 2025	Investments	Disposals	Translation differences	Deprec'n	Use of accum. dep'n	June 30th, 2026
Industrial buildings	3,827	1,567	0	0	(1,576)	0	**3,818**
Land	635	0	0	0	0	0	**635**
Indust. and comm. equipment	658	162	(60)	(3)	(359)	60	**458**
Other assets	339	80	(66)	0	(164)	66	**255**
Total	**5,459**	**1,809**	**(126)**	**(3)**	**(2,099)**	**126**	**5,166**

Euro thousand	July 1st, 2024	Investments	Disposals	Translation differences	Deprec'n	Use of accum. dep'n	June 30th, 2025
Industrial buildings	5,247	217	0	0	(1,637)	0	**3,827**
Land	635	0	0	0	0	0	**635**
Indust. and comm. equipment	990	130	(5)	(44)	(418)	5	**658**
Other assets	507	24	(62)	0	(192)	62	**339**
Total	**7,379**	**371**	**(67)**	**(44)**	**(2,247)**	**67**	**5,459**

Industrial buildings increase by Euro 1,567 thousand, of which Euro 1,241 thousand related to the application of IFRS 16 to the renewal of rental contracts by some non-Italian subsidiaries. The remaining Euro 326 thousand related to reconstruction works carried out at the warehouse in Trezzano sul Naviglio.

Land includes the logistic facilities based in Trezzano sul Naviglio and amounts to Euro 635 thousand, which remained unchanged during the fiscal year.

Investments in Industrial and commercial equipment amount to Euro 162 thousand and mainly related to office automation equipment.

Fiscal year as of June 30th, 2026

Gross amount of property, plant and equipment

Euro thousand	July 1st, 2025	Investments	Disposals	Exchange currency translation	June 30th, 2026
Industrial buildings	14,853	1,567	0	0	16,420
Land	635	0	0	0	635
Plant and machinery	24	0	0	0	24
Industrial & commercial equipment	6,409	162	(60)	(3)	6,508
Other assets	3,318	80	(66)	0	3,332
Total	**25,239**	**1,809**	**(126)**	**(3)**	**26,919**

Accumulated depreciation

Euro thousand	July 1st, 2025	Depreciation	Disposals	June 30th, 2026
Industrial buildings	(11,026)	(1,576)	0	(12,602)
Land	0	0	0	0
Plant and machinery	(24)	0	0	(24)
Industrial & commercial equipment	(5,751)	(359)	60	(6,050)
Other assets	(2,979)	(164)	66	(3,077)
Total	**(19,780)**	**(2,099)**	**126**	**(21,753)**

Fiscal year ended June 30th, 2025

Gross amount of property, plant and equipment

Euro thousand	July 1st, 2024	Investments	Disposals	Exchange currency translation	June 30th, 2025
Industrial buildings	14,636	217	0	0	14,853
Land	635	0	0	0	635
Plant and machinery	24	0	0	0	24
Industrial & commercial equipment	6,328	130	(5)	(44)	6,409
Other assets	3,356	24	(62)	0	3,318
Total	**24,979**	**371**	**(67)**	**(44)**	**25,239**

Accumulated depreciation

Euro thousand	July 1st, 2024	Depreciation	Disposals	June 30th, 2025
Industrial buildings	(9,389)	(1,637)	0	(11,026)
Land	0	0	0	0
Plant and machinery	(24)	0	0	(24)
Industrial & commercial equipment	(5,338)	(418)	5	(5,751)
Other assets	(2,849)	(192)	62	(2,979)
Total	**(17,600)**	**(2,247)**	**67**	**(19,780)**

2. Investment properties

As of June 30th, 2026, the Group has not recognised any investment properties, consistent with previous years.

3. Intangible assets

During the fiscal year, the intangible assets decrease by Euro 34,437 thousand, as a consequence of:

- investments of Euro 17,421 thousand, in particular related to the acquisition of the Wuchang: Fallen Feathers' intellectual property and investments in new videogames, including the new Assetto Corsa titles and Bloodstained: The Scarlet Engagement;
- depreciation and amortization of Euro 28,406 thousand;
- the reduction of the capitalized cost of Blades of Fire of Euro 4,851 thousand, to reflect the agreement made with the developer;

- a decrease of Euro 17,629 thousand following the decision to discontinue the development of certain video games, including Directorate: Novitiate, Armed Fantasia and Battle Island 2;
- impairment losses of Euro 1,009 thousand on some videogames as a result of the individual impairment tests.

All of the intangible assets recognized by the Group have limited useful lives.

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

Migliaia di Euro	Euro thousand	July 1st, 2025	Investm.	Decr.	Impair-ment Adj.	Exch. currency transl.	Amort'n	June 30th, 2026
Concessions and licenses	43,293	3,406	15,110	(4,851)	0	37	(27,366)	29,630
Trademarks and sim. rights	3,912	1,232	0	0	0	0	(1,004)	4,140
Other assets	58	30	0	0	0	0	(36)	52
Assets in development	63,971	12,753	(15,110)	0	(18,638)	0	0	42,975
Total	**111,234**	**17,421**	**0**	**(4,851)**	**(18,638)**	**37**	**(28,406)**	**76,797**

Euro thousand	July 1st, 2024	Investm.	Recl.	Impair-ment Adj.	Exch. currency transl.	Amort'n	June 30th, 2025
Concessions and licenses	51,284	1,238	22,482	(7,718)	(28)	(23,392)	43,866
Trademarks and sim. rights	4,980	0	0	0	0	(1,085)	3,895
Other assets	27	0	0	0	0	(18)	9
Assets in development	73,323	24,247	(22,482)	(11,539)	(85)	0	63,464
Total	**129,614**	**25,485**	**0**	**(19,257)**	**(113)**	**(24,495)**	**111,234**

Total investments amount to Euro 17,421 thousand and include Euro 10,547 thousand related to the advances paid to external developers and/or suppliers of localization, rating and Quality Assurance services, while the remaining Euro 6,874 thousand consist of capitalization of internal work.

The carrying amount of Blades of Fire decrease by Euro 4,851 thousand following a revision of the variable consideration provided for under the development agreement. Based on the videogame's performance, the conditions for payment of the variable component were no longer expected to be achieved.

Impairment losses and write-offs amount to Euro 18,638 thousand, of which Euro 17,629 thousand related to development costs for videogames that the Group decided to discontinue before completion. A further Euro 1,009 thousand is recognised following impairment testing on products for which revised sales expectations resulted in lower projected cash flows and a recoverable amount below the carrying amount of the related assets.

As of June 30th, 2026, impairment testing of the intangible assets is based on projected cash flows and revenues included in the 2027-2031 Strategic Plan, approved by the Board of Directors on July 20th, 2026. The discount rates applied are determined based on the Weighted Average Cost of Capital (WACC), taking into account the expected return on invested capital and financing costs for a sample of comparable companies operating in the same industry and geographic markets. The WACC applied to Premium and Free to Play licences is 10.19% and

10.29%, respectively, compared to 10.92% and 10.75% used in the previous fiscal year. The WACC as of June 30th, 2026 was reviewed by the Board of Directors with the support of an independent expert.

The sensitivity analysis performed as part of the impairment test shows that the recoverable amount remains comfortably above the carrying amount under reasonably possible changes in the key assumptions used in the valuation model, including changes of ±0.5% in the WACC and ±5% in revenues.

Investments in intangible assets decrease compared to the previous fiscal year, reflecting the corrective actions implemented by the Group, including a reduction in the number of projects under development and the transition of certain videogames from development to post-launch support activities:

Euro thousand	June 30th, 2026	June 30th, 2025
Premium Games rights	3,354	1,095
Management systems	51	143
Increase in investment on concessions and licences (A)	**3,405**	**1,238**
Increase in investments on trademarks (B)	**1,261**	**0**
Dr Studios Ltd.	1,062	767
Chrysalide Jeux et Divertissement Inc.	(934)	(642)
Kunos Simulazioni S.r.l.	3,476	4,778
Supernova Games S.r.l.	1,770	2,965
Avantgarden S.r.l.	1,342	1,032
Infinity Plus Two Pty Ltd.	158	374
Increase in total assets in development by internal studios	**6,874**	**9,274**
Increase in total assets in development by third-parties	**5,881**	**14,973**
Total investments for assets in development (C)	**12,755**	**24,247**
Total investments in intangible assets (A+B+C)	**17,421**	**25,485**

The decrease in assets under development by the Canadian subsidiary Chrysalide Jeux et Divertissement Inc. reflects a grant received from the Québec government to support videogame development, which is recognised as a reduction in the carrying amount of the related assets.

4. Equity investments

Total equity investments decrease by Euro 6,925 thousand, mainly reflecting the measurement as of June 30th, 2026 of the investment in Starbreeze and MSE&DB S.L.. Details are provided below:

Euro thousand	June 30th, 2026	June 30th, 2025	Change
MSE&DB Slu	0	1,305	(1,305)
Starbreeze AB	0	5,682	(5,682)
Total equity investments in associated companies (A)	**0**	**6,987**	**(6,987)**
Noobz from Poland S.A.	234	172	62
Total other equity investments (B)	**234**	**172**	**62**
Total equity investments (A+B)	**234**	**7,159**	**(6,925)**

Equity investments decrease by Euro 6,925 thousand as a result of:

- a negative alignment of Euro 5,682 thousand of the carrying amount of the investment in Starbreeze after the recognition of the pro-quota losses of the associate's under IAS 28 as of June 30th, 2026. The fair value of the investment amounted to Euro 2.8 million, based on the market price of Starbreeze shares at that date;
- a decrease of Euro 1,305 thousand after the sale of the 50% of the Spanish joint venture MSE&DB S.L. for a nominal consideration of Euro 5 thousand. The disposal was agreed as part of an overall amendment to the contractual arrangements for Blades of Fire, which also provided for a reduction in the applicable royalty rate;
- an increase of Euro 62 thousand reflecting the fair value recognition of the investment in Noobz from Poland S.A. (listed on the NewConnect market of the Warsaw Stock Exchange). The difference between the carrying amount and the market value as of June 30th, 2026 of the no.70,000 shares held in the Polish company (representing 4.5% of its share capital) was recognised in the net equity reserve, as the equity investment is classified as a financial asset measured at fair value through other comprehensive income.

5. Non-current receivables and other assets

Total non-current receivables and other assets amount to Euro 1,958 thousand, decreasing by Euro 643 thousand compared to June 30th, 2025:

Euro thousand	June 30th 2026	June 30th 2025	Changes
Royalty receivables	1,115	1,790	(675)
Guarantee deposits – office rental for Italian companies	635	635	0
Guarantee deposits – office rental for non-Italian companies	203	171	32
Guarantee deposits – other	5	5	0
Total non-current receivables and other assets	**1,958**	**2,601**	**(643)**

Royalty receivables relate to royalty advances expected to be recovered beyond twelve months from the reporting date.

The remaining non-current assets mainly comprise security deposits provided in connection with contractual lease obligations.

6. Deferred tax assets

Deferred tax assets are recognised in respect of tax losses carried forward and temporary differences between the carrying amounts of assets and liabilities and their respective tax bases. They are measured using the tax rates expected to apply when the assets are expected to be recovered or the liabilities settled. As of June 30th, 2026, deferred tax assets amount to Euro 20,062 thousand, decreasing by Euro 3,661 thousand compared to June 30th, 2025.

The following table provides a breakdown of the Group's deferred tax assets relating to Italian companies, foreign companies and consolidation adjustments:

Euro thousand	June 30th, 2026	June 30th, 2025	Change
Italian companies	3,352	6,250	(2,898)
Non-Italian companies	5,219	5,143	76
Consolidation adjustments	11,491	12,330	(839)
Total deferred tax assets	**20,062**	**23,723**	**(3,661)**

Deferred tax assets decrease by Euro 3,661 thousand, mainly reflecting the Euro 2,898 thousand decrease relating to the Italian companies and the decrease of Euro 839 thousand relating to consolidation adjustments. The decrease for the Italian companies is driven by the reversal of Euro 4,388 thousand in deferred tax assets previously recognised by Digital Bros S.p.A. in connection with the fair value measurement of the Starbreeze shares, partially offset by a Euro 1,204 thousand increase in the deferred tax assets recognised by 505 Games S.p.A.. The Euro 4,388 thousand reversal relates to deferred tax assets accumulated up to May 15th, 2025, when the investment in Starbreeze was measured at fair value through other comprehensive income (OCI). The related fair value changes, based on the difference between the carrying amount and the market value of the Starbreeze shares, were recognised in OCI and accumulated in an equity reserve.

The following table provides details on the temporary differences of the Italian companies as of June 30th, 2026 and June 30th, 2025:

Euro thousand	June 30th, 2026	June 30th, 2025	Change
Provision for doubtful accounts	917	917	0
Asset impairment charges	5,861	1,549	4,312
Actuarial differences	88	97	(9)
Costs not deducted in prior years	4,895	3,761	1,134
Taxes loss carryforwards	296	346	(50)
Reserve for IFRS securities valuation	49	18,390	(18,341)
Total differences	**12,106**	**25,060**	**(12,954)**
IRES tax rate	24%	24%	
Deferred tax assets for IRES	**2,905**	**6,014**	**(3,109)**
Deferred tax assets for IRAP	**447**	**236**	**211**
Total deferred tax assets of Italian companies	**3,352**	**6,250**	**(2,898)**

The deferred tax assets relating to the non-Italian subsidiaries are as follows:

Euro thousand	June 30th, 2026	June 30th, 2025	Change
Deferred tax assets for losses	4,158	3,881	277
Deferred tax assets for temporary differences.	1,061	1,262	(201)
Total deferred tax assets of non-Italian subsidiaries	**5,219**	**5,143**	**76**

Deferred tax assets relating to tax losses carried forward by non-Italian subsidiaries increase by Euro 76 thousand. These assets are recognised to the extent that they are considered recoverable under the applicable local tax regulations.

Deferred tax assets from temporary differences at foreign subsidiaries decrease by Euro 201 thousand compared to June 30th, 2025. Their recoverability is supported by the subsidiaries' approved plans, which estimate sufficient future taxable profits to use the related tax benefits.

Deferred tax assets arising from consolidation adjustments decrease by Euro 839 thousand. As of June 30th, 2025, Euro 6,483 thousand related to the revaluation of the Assetto Corsa trademark by Kunos Simulazioni, while the remaining balance mainly related to differences between the amortisation rates applied in the statutory financial statements and those applied for consolidation purposes.

CURRENT ASSETS

8. Inventories

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

Euro thousand	June 30th, 2026	June 30th, 2025	Change
Italian Distribution inventories	997	1,193	(196)
Premium Games inventories	10	163	(153)
Total inventories	**1,007**	**1,356**	**(349)**

Total inventories decrease from Euro 1,356 thousand to Euro 1,007 thousand as of June 30th, 2026, reflecting the continued reduction in the Group's retail distribution activities.

Trade receivables

Trade receivables were as follows:

Euro thousand	June 30th, 2026	June 30th, 2025	Change
Receivables from customers - Italy	763	1,489	(726)
Receivables from customers - EU	3,017	2,879	138
Receivables from customers - Rest of the world	7,112	11,041	(3,929)
Total receivables from customers	**10,892**	**15,409**	**(4,517)**
Provision for doubtful accounts	(503)	(1,224)	721
Total trade receivables	**10,389**	**14,185**	**(3,796)**

Total trade receivables amount to Euro 10,389 thousand as of June 30th, 2026, decreasing by Euro 3,796 thousand compared to Euro 14,185 thousand of the previous fiscal year. Revenues of the fiscal year were concentrated in the first quarter due to the launch of Wuchang: Fallen Feathers in July 2025.

Provisions for doubtful accounts decrease by Euro 499 thousand to Euro 1,224 thousand following the write-off of some receivables that were no longer considered recoverable. The provisions for doubtful accounts is determined primarily through an individual assessment of each customer balances and the related credit risk, with the IFRS 9 expected credit loss model applied to the remaining receivables.

The following table provides an analysis of trade receivables by due date as of June 30th, 2026, together with comparative figures as of June 30th, 2025:

Euro thousand	June 30th, 2026	% of total	June 30th, 2025	% of total
Current	10,051	97%	13,838	98%
0 > 30 days overdue	0	0%	0	0%
30 > 60 days overdue	18	0%	0	0%
60 > 90 days overdue	0	0%	0	0%
> 90 days overdue	320	3%	347	2%
Total trade receivables	**10,389**	**100%**	**14,185**	**100%**

10. Tax receivables

Total tax receivables are as follows:

Euro thousand	June 30th, 2026	June 30th, 2025	Change
Receivables under domestic tax group consolidation	4,525	5,725	(1,200)
Tax credit for foreign tax withholdings	53	51	2
Other tax receivables	1,527	1,422	105
Total tax receivables	**6,105**	**7,198**	**(1,093)**

Total tax receivables decrease by Euro 1,093 thousand, from Euro 7,198 thousand at June 30th, 2025 to Euro 6,105 thousand as of June 30th, 2026 primarily due to the decrease in the receivables under domestic tax consolidation resulting from the current fiscal year positive taxable income of the Italian companies participating in the national tax consolidation.

11. Other current assets

Total other current assets decrease from Euro 7,108 thousand as of June 30th, 2025 to Euro 6,326 thousand as of June 30th, 2026. They are analyzed as follows:

Euro thousand	June 30th, 2026	June 30th, 2025	Change
Receivables for video game user licensing rights	2,521	2,004	517
Advances for video game development operating costs	785	1,279	(494)
Advances to suppliers	1,159	2,203	(1,044)
VAT receivables	1,648	1,402	246
Other receivables	213	220	(7)
Total other current assets	**6,326**	**7,108**	**(782)**

The receivables for video game user licenses rights amounted to Euro 2,521 thousand and relate to payments made for licences whose exploitation was still ongoing as of the reporting date.

Advances for the videogame development activities amount to Euro 785 thousand and are expected to be recovered in the short term. They mainly relate to programming, quality assurance, ratings, localisation and other development services.

Advances to suppliers decrease due to the fact that the amounts paid in the previous fiscal year for the production of physical copies of Wuchang: Fallen Feathers were recognised as costs during the fiscal year. The balance also includes other prepaid operating expenses, including office rental costs.

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 translation reserve	Other reserves	Total reserves (B)	Treasury shares (C)	Retained earnings	Profit (loss) for the year	Total retained earnings (D)	Equity of Parent Company shareholders (A+B+C+D)	Equity of non-controlling interests	Total equity
Total on July 1st, 2025	**5,706**	18,528	1,141	1,367	(1,732)	(9,672)	**9,632**	**0**	109,531	(10,919)	**98,612**	**113,950**	**790**	**114,740**
Allocation of previous year result	**34**	859					**859**				**0**	**893**	**0**	**893**
Other changes							**0**		(10,919)	10,919	**0**	**0**	**0**	**0**
Comprehensive income (loss)					(297)	(4,335)	**(4,632)**		(10)	(6,503)	**(6,513)**	**(11,145)**	**14**	**(11,131)**
Total on June 30th, 2026	**5,740**	19,387	1,141	1,367	(2,029)	(14,007)	**5,859**	**0**	98,602	(6,503)	**92,099**	**103,698**	**804**	**104,502**

14. Share capital

As of June 30th, 2026, the share capital increases by Euro 34 thousand compared to June 30th, 2025, following the subscription of no. 85,000 new shares under the Stock Option Plan 2016-2026. The share capital as of June 30th, 2026 amounts to Euro 5,740,014.80 and consisted of no.14,350,037 ordinary shares with a nominal value of Euro 0.40 each. No other classes of shares are outstanding, and the ordinary shares are not subject to any specific rights, privileges or restrictions.

15. Reserves

The increase in the share premium reserve reflects the difference between the subscription price of Euro 10.50 and the nominal value of Euro 0.40 for each of the no. 85,000 shares subscribed during the fiscal year.

Other reserves decrease by Euro 4,335 thousand, reflecting:

- a reversal of deferred tax assets of Euro 4,388 thousand previously recognised up to May 15th, 2025 in connection with the fair value measurement of the Starbreeze shares, with the related changes in fair value recognised in other comprehensive income and accumulated in an equity reserve;
- an increase of Euro 47 thousand in the fair value reserve, reflecting the change in the market value of the investment in Noobz from Poland s.a.;
- an increase of Euro 6 thousand in the actuarial reserve.

The exercise period of the Stock Option Plan 2016-2026 expired on June 30th, 2026.

NON-CURRENT LIABILITIES

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 June 30th, 2026, employee benefits increase by Euro 99 thousand compared to the previous fiscal year.

For the actuarial valuation as of June 30th, 2026, the Group applied an Iboxx Corporate A discount rate with a maturity of more than ten years, consistent with the previous fiscal year. Applying an Iboxx Corporate AA rate would not have had a significant impact on the valuation.

The valuation is based on the following methodology:

- the TFR accrued by each employee as of December 31st, 2006, including subsequent revaluations, is projected to the expected payment date;
- expected TFR payments are estimated based on the probability of each employee leaving the Group as a result of dismissal, resignation, disability, death or retirement, as well as the probability of advance payments being requested;
- the resulting expected payments are discounted to their present value.

The estimate is based on the Italian companies' reporting date headcount of 105 employees.

The economic and financial parameters used in the actuarial calculation as of June 30th, 2026 were as follows:

- annual interest rate of 4.02%;
- annual increase in remuneration rate of 3%;
- annual inflation rate of 2%.

The economic and financial parameters used in the actuarial calculation as of June 30th, 2025 were as follows:

- annual interest rate of 4%;
- annual increase in remuneration rate of 3%;
- annual inflation rate of 2%.

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

Euro thousand	June 30th, 2026	June 30th, 2025
Provision for employee termination indemnities at July 1st, 2025	**1,109**	**967**
Utilization of provision for leavers	(75)	(31)
Allocated during period	441	393
Restatement for supplementary pension schemes	(259)	(212)
Restatement for actuarial measurement	(8)	(8)
Provision for employee termination indemnities as of June 30th, 2026	**1,208**	**1,109**

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

19. Non-current provisions

As of June 30th, 2026, non-current provisions amount to Euro 376 thousand, decreasing by Euro 683 thousand in the fiscal year.

Non current provisions increase by Euro 328 thousand following the recognition by the subsidiary Avantgarden S.r.l. of a provision to cover the risk that costs relating to tax incentives already utilised by the company may not be certified.

During the fiscal year, the Group fully released the provision of Euro 1,000 thousand recognised as of June 30th, 2025 by the subsidiary Supernova Games Studios S.r.l., following the successful certification of the costs underlying the related tax incentives.

The remaining Euro 48 thousand relate to the provision for agents' termination indemnities, which decrease by Euro 11 thousand compared to the previous fiscal year.

20. Other non-current payables and liabilities

As of June 30th, 2026, there are no other non-current payables or liabilities, compared to Euro 4,947 thousand as of June 30th, 2025.

The other non-current payables and liabilities as of June 30th, 2025 mainly consist of Euro 4,851 thousand relating to the variable consideration under the development agreement for Blades of Fire. During the fiscal year, this amount was reversed as the conditions for payment of the variable consideration were no longer expected to be achieved, as described in the note on intangible assets.

The remaining Euro 96 thousand relates to the outstanding consideration for the acquisition of 505 Go Inc., which is no longer considered payable.

CURRENT LIABILITIES

22. Trade payables

Total trade payables amount to Euro 20,540 thousand and are primarily related to payables to developers for royalties.

Details by geographical area are provided below:

Euro thousand	June 30th, 2026	June 30th, 2025	Change
Trade payables – Italy	(4,394)	(4,885)	491
Trade payables – EU	(2,019)	(5,675)	3,656
Trade payables – Rest of world	(14,127)	(19,076)	4,949
Total trade payables	**(20,540)**	**(29,636)**	**9,096**

The decrease in total trade payables reflects the reduction in the Group's investments aimed at limiting its exposure to the risks associated with a market that continues to be characterised by significant uncertainty.

23. Tax payables

Total tax payables amount to Euro 1,114 thousand as of June 30th, 2026 from Euro 1,142 thousand in the previous fiscal year. The balance is detailed as follows:

Euro thousand	June 30th, 2026	June 30th, 2025	Change
Income taxes payable	(426)	(532)	106
Other tax payables	(688)	(610)	(78)
Total tax payables	**(1,114)**	**(1,142)**	**28**

24. Current provisions

No current provisions were recognised as of June 30th, 2026, in line with June 30th, 2025.

25. Other current liabilities

Total other current liabilities amount to Euro 3,571 thousand, decreasing by Euro 7,267 thousand compared to June 30th, 2025. Details are provided below:

Euro thousand	June 30th, 2026	June 30th, 2025	Change
Amounts due to social security institutions	(529)	(442)	(87)
Amounts due to employees	(2,721)	(2,032)	(689)
Amounts due to contractors	(4)	(36)	32
Other payables	(317)	(8,328)	8,011
Total other current liabilities	**(3,571)**	**(10,838)**	**7,267**

Amounts due to employees include the accruals for unused holidays and leave, the deferred salary payment and the variable remuneration. No accrual for the variable remuneration was recognised in the previous fiscal year.

Other payables amount to Euro 317 thousand and mainly relate to advances received from customers for videogames scheduled for release in the next fiscal year. The decrease during the fiscal year mainly reflects the recognition of the revenue from the pre-orders of Wuchang: Fallen Feathers collected before June 30th, 2025. The videogame was released in July 2025.

NET FINANCIAL POSITION

The net financial position as of June 30th, 2026 is detailed below, restated by the Group consistently with previous fiscal years:

	Euro thousand	June 30th, 2026	June 30th, 2025	Change
12	Cash and cash equivalents	9,448	6,718	2,730
13	Other current financial assets	2,981	0	2,981
26	Current financial liabilities	(8,031)	(24,870)	16,839
	Current net financial position	**4,398**	**(18,152)**	**22,550**
7	Non-current financial assets	0	2,821	(2,821)
21	Non-current financial liabilities	(1,131)	(1,221)	90
	Non-current net financial position	**(1,131)**	**1,600**	**(2,731)**
	Total net financial position	***3,267***	***(16,552)***	***19,819***

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 is provided later.

As of June 30th, 2026, the Group's adjusted net financial position was positive at Euro 3,267 thousand, above the previous expectations forecasting a net debt position at fiscal year-end, and improving by Euro 19,819 thousand compared to June 30th, 2025.The adjusted net financial position restated by the IFRS16 effect was positive at Euro 5,496 thousand.

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

Euro thousand	June 30th, 2026	June 30th, 2025	Change
Current financial liabilities	(1,162)	(1,477)	315
Non-current financial liabilities	(1,067)	(2,351)	1,284
Total financial liabilities according to IFRS 16	**(2,229)**	**(3,828)**	**1,599**

Current net financial position

12. Cash and cash equivalents

Cash and cash equivalents amount to Euro 9,448 thousand as of June 30th, 2026, increasing by Euro 2,730 thousand compared to the previous fiscal year. Cash and cash equivalents mainly consist of current account deposits.

13. Other current financial assets

As of June 30th, 2026, the other current financial assets amount to Euro 2,981 thousand and consist of the receivable from the associate Starbreeze AB following the settlement agreement of February 2025. The receivable is reclassified from non-current financial assets, where it was recognised at Euro 2,821 thousand as of June 30th, 2025.

26. Current financial liabilities

Current financial liabilities amount to Euro 8,031 thousand, of which Euro 752 thousand relating to the current portion of loans due within twelve months and Euro 7,279 thousand of other current financial liabilities., as detailed below:

Euro thousand	June 30th, 2026	June 30th, 2025	Change
Financial loans due within a year	(752)	(11,232)	10,480
Other current financial liabilities	(7,279)	(13,638)	6,359
Total current financial liabilities	**(8,031)**	**(24,870)**	**16,839**

On March 15th, 2026, Kunos Simulazioni S.r.l. obtained a new loan of Euro 1 million from Banco BPM to support its business activities. The loan has a 16-month term and is repayable in 16 monthly instalments from April 30th, 2026 to July 31st, 2027. Interest is calculated at a floating rate based on three-month Euribor plus a spread of 1.75 percentage points and is included in the monthly instalments. The loan is not subject to any financial covenants or hedging arrangements.

During the reporting period, the following loans arrived at maturity:

Lending institution	Recipient	Issue date	Total amount	Maturity date
MPS S.p.A.	505 Mobile S.r.l.	28/07/2022	5,000	30/09/2025
Intesa SanPaolo S.p.A.	505 Games S.p.A.	31/05/2023	5,000	30/11/2025
Intesa SanPaolo S.p.A.	505 Games S.p.A.	27/06/2024	5,000	30/06/2026
Unicredit S.p.A.	505 Games S.p.A.	27/06/2024	5,000	30/06/2026
Banco B.P.M.	505 Games S.p.A.	27/06/2024	5,000	30/06/2026
Unicredit S.p.A.	505 Games S.p.A.	05/05/2025	900	31/05/2026
Banco B.P.M.	Kunos Simulazioni S.r.l.	15/05/2025	1,000	31/05/2026

Total other current financial liabilities are detailed as follows:

Euro thousand	June 30th, 2026	June 30th, 2025	Change
Liabilities for bank accounts	(31)	(1,358)	1,327
Liabilities for bank loans relating to import	(6,080)	(7,335)	1,255
Liabilities for bank loans relating to invoice advances	0	(3,661)	3,661
Lease contracts liabilities – IFRS 16	(1,168)	(1,284)	116
Total current financial liabilities	**(7,279)**	**(13,638)**	**6,359**

The decrease in current financial liabilities is consistent with the lower utilisation of available credit facilities, reflecting the significant cash generated by the Group during the fiscal year.

Non-current net financial position

7. Non-current financial assets

As of June 30th, 2026, there are no non-current financial assets as a result of the reclassification of the Starbreeze receivable previously described.

21. Non-current financial liabilities

Non-current financial liabilities amount to Euro 1,131 thousand as of June 30th, 2026, down from Euro 1,221 thousand, and consist of non-current lease liabilities recognised under IFRS16 of Euro 1,067 thousand and Euro 64 thousand representing the portion of the loan obtained by Kunos Simulazioni S.r.l. that is due beyond twelve months.

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

Euro thousand	June 30th, 2026	June 30th, 2025	Change
Within 1 year	1,168	1,284	(116)
1-5 years	1,050	1,221	(171)
More than 5 years	17	0	17
Total	**2,235**	**2,505**	**(270)**

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	June 30th, 2026	June 30th, 2025	Change	
A.	Cash	9,448	6,718	2,730	40.6%
B.	Cash equivalents	0	0	0	0.0%
C.	Other current financial assets	0	0	0	0.0%
D.	**Liquidity (A + B + C)**	**9,448**	**6,718**	**2,730**	**40.6%**
E.	Current financial debt[1]	0	0	0	0.0%
F.	Current portion of non-current financial debt	8,031	24,870	(16,839)	-67.7%
G.	**Net current financial indebtedness (E+F)**	**8,031**	**24,870**	**(16,839)**	**-67.7%**
H.	**Net current financial indebtedness (G-D)**	**(1,417)**	**18,152**	**(19,569)**	**0.0%**
I.	Non-current financial debt[2]	1,131	1,221	(90)	-45.1%
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)**	**1,131**	**1,221**	**(90)**	**-7.4%**
M.	***Total financial indebtedness (H+L)***	**(286)**	**19,373**	**(19,659)**	**n.m.**

[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 June 30th, 2026, the difference between the Group's total financial indebtedness as shown in the above table and the adjusted net financial position detailed in the previous section amount to Euro 2,981 thousand, which reflects the Group's current financial receivables from Starbreeze AB.

CONTRACTUAL OBLIGATIONS AND RISKS

Contractual obligations decrease from Euro 7,252 thousand as of June 30th, 2025 to Euro 5,816 thousand as of June 30th, 2026. These consist of future payments for development and sub-licensing contracts for video games under development as of the fiscal year-end.

PROFIT AND LOSS STATEMENT

3. Net revenue

The following table provides a breakdown of revenue by operating segment for the fiscal year ended on June 30th, 2026. The Holding operating segment did not generate revenues:

	Euro thousand	Free to Play	Premium Games	Other Activities	Total
1	Gross revenue	9,261	98,182	1,012	108,455
2	Revenue adjustments	0	0	0	0
3	**Total net revenue**	**9,261**	**98,182**	**1,012**	**108,455**

The breakdown as of June 30th, 2025 was as follows:

	Euro thousand	Free to Play	Premium Games	Other Activities	Total
1	Gross revenue	12,688	78,789	833	93,620
2	Revenue adjustments	0	0	0	0
3	**Total net revenue**	**12,688**	**78,789**	**833**	**93,620**

A description of the Group's revenue is provided in the Directors' Report.

8. Cost of sales

The cost of sales is analysed as follows:

Euro thousand	June 30th, 2026	June 30th, 2025	Change	Change %
Purchase of products for resale	(958)	(718)	(761)	25.8%
Purchase of services for resale	(4,214)	(7,383)	(1,158)	12.8%
Royalties	(16,549)	(19,329)	(675)	2.9%
Changes in inventories of finished products	(349)	(1,312)	131	-16.0%
Total cost of sales	**(22,070)**	**(28,742)**	**(2,463)**	**6.9%**

Further details on the individual components of revenues and of the cost of sales are provided in the Directors' Report, including details for each operating segment.

10. Other revenue

Other revenue amounted to Euro 8,184 thousand, decreasing by Euro 1,600 thousand compared to Euro 9,784 thousand of the previous fiscal year. As of June 30th, 2026, the capitalised development costs mainly related to:

- the video game Assetto Corsa EVO, developed by the subsidiary Kunos Simulazioni S.r.l;
- the new video game Assetto Corsa Rally in development by the subsidiary Supernova Games Studio S.r.l..

11. Costs for services

Costs for services are analysed as follows:

Euro thousand	June 30th, 2026	June 30th, 2025	Change	Change %
Advertising, marketing, trade fairs and exhibitions	(3,931)	(5,041)	1,110	-22.0%
Transport and freight	(30)	(28)	(2)	6.6%
Subtotal: sales related services	**(3,961)**	**(5,069)**	**1,108**	**-21.9%**
Sundry insurance	(236)	(334)	98	-29.2%
Consulting fees	(2,625)	(2,654)	29	-1.1%
Postage and telegraph	(315)	(304)	(11)	3.5%
Travel and subsistence costs	(407)	(637)	230	-36.0%
Utilities	(194)	(198)	4	-2.2%
Maintenance	(94)	(102)	8	-8.2%
Statutory Auditors' fees	(115)	(115)	0	0.0%
Subtotal: general services	**(3,986)**	**(4,344)**	**358**	**-8.2%**
Total costs for services	**(7,947)**	**(9,413)**	**1,466**	**-15.6%**

Total costs for services decreased by Euro 1,466 thousand, mainly reflecting a Euro 1,110 thousand reduction in advertising costs following the lower marketing expenditure, consistent with the reduced number of releases under the Group's revised publishing strategy. Travel expenses also decreased by Euro 230 thousand. The overall reduction reflects the Group's cost containment measures, including greater use of remote communication tools.

12. Lease and rental costs

Lease and rental costs amounted to Euro 660 thousand as of June 30th, 2026 compared to Euro 623 thousand as of June 30th, 2025. The item included Euro 438 thousand for ancillary costs related to the rental of the offices of the Group's companies and Euro 222 thousand of the lease costs for cars and warehouse equipment. These leases are excluded from the scope of IFRS 16 due to either their low value or the short remaining duration of the lease.

13. Payroll costs

Payroll costs include the Directors' fees, as approved by the Shareholders' Meeting, as well as the amounts paid to temporary workers and contract staff and the cost of the cars assigned to employees. As of June 30th, 2026, payroll costs amounted to Euro 30,629 thousand, increasing by Euro 678 thousand compared to the previous fiscal year. Such increase results from higher wages and salaries, partially offset by lower cost for temporary labour and contract staff and the conclusion of the Stock Option Plan.

The breakdown of total payroll costs is provided below:

Euro thousand	June 30th, 2026	June 30th, 2025	Change	%
Wages and salaries	(20,538)	(19,294)	(1,244)	6.4%
Social contributions	(5,270)	(4,744)	(526)	11.1%
Employee termination indemnity	(452)	(398)	(54)	13.7%
Stock option plan	0	(470)	470	n.s.
Directors' fees	(1,210)	(965)	(245)	25.4%
Temporary labour and contract staff	(3,078)	(4,020)	942	-23.4%
Agents' commission	0	(3)	3	-88.4%
Other payroll costs	(81)	(57)	(24)	41.8%
Total payroll costs	**(30,629)**	**(29,951)**	**(678)**	**2.3%**

The payroll costs for employees comprise salaries and wages, the related social security contributions and employee termination benefits (TFR). They increased by Euro 1,824 thousand compared to the previous fiscal year, mainly reflecting the recognition of the variable remuneration, which had not been recognised in the previous fiscal year:

Euro thousand	June 30th, 2026	June 30th, 2025	Change	%
Wages and salaries	(20,538)	(19,294)	(1,244)	6.4%
Social contributions	(5,270)	(4,744)	(526)	11.1%
Employee termination indemnity	(452)	(398)	(54)	13.7%
Total payroll costs	**(26,260)**	**(24,436)**	**(1,824)**	**7.5%**
Average number of employees	281	297	(16)	-5.4%
Average cost per employee	**(93.5)**	**(82.3)**	**(11.2)**	**13.6%**

A breakdown of the Group's workforce by the category of employees as of June 30th, 2026 is provided in the Directors' Report.

14. Other operating costs

The following table provides details on operating costs, together with prior year comparatives:

Euro thousand	June 30th, 2026	June 30th, 2025	Change	%
Sundry materials costs	(12)	(21)	9	-42.3%
General and administrative costs	(887)	(901)	14	-1.5%
Entertainment expenses	0	(5)	5	n.m.
Bank charges	(214)	(291)	77	-26.5%
Total other operating costs	**(1,113)**	**(1,218)**	**105**	**-8.6%**

Total other operating costs amounted to Euro 1,113 thousand, decreasing compared to the previous year due to lower bank charges.

21. Depreciation, amortization and impairment adjustments

Total depreciation, amortization and impairment adjustments included:

Euro thousand	June 30th, 2026	June 30th, 2025	Change	%
Depreciation and amortization	(30,505)	(26,742)	(3,763)	14.1%
Provisions	0	1,241	(1,241)	n.m.
Asset impairment charges	(18,692)	(20,405)	1,713	-8.4%
Impairment reversal	96	909	(813)	-89.4%
Total depreciation, amortization and impairment adjustments	**(49,101)**	**(44,997)**	**(4,104)**	**9.1%**

Total depreciation, amortization and impairment adjustments amounted to Euro 49,101 thousand, increasing by Euro 4,104 thousand as a result of the following:

- depreciation and amortization of Euro 30,505 thousand, increased by Euro 3,763 thousand from Euro 26,742 thousand as of June 30th, 2025;
- write-offs of Euro 17,629 thousand following the decision to discontinue some videogames before completion, including Directorate: Novitiate, Armed Fantasia and Battle Island 2;
- impairment losses Euro 1,009 thousand on videogames for which impairment testing indicated that the present value of expected future cash flows was below the carrying amount of the related assets, to reflect lower sales expectations;
- impairment reversal of Euro 96 thousand related to the adjustment of the liability for the acquisition of the subsidiary 505 Go Inc..

25. Net financial income / (expenses)

The analysis is as follows:

	Euro thousand	June 30th, 2026	June 30th, 2025	Change €	Change %
23	Interest and financial income	1,844	3,952	(2,108)	-53.3%
24	Interest and other financial expense	(9,429)	(7,066)	(2,363)	33.4%
25	**Net financial income / (expenses)**	**(7,585)**	**(3,114)**	**(4,471)**	**n.m.**

The net financial expenses amounted to 7,585 thousand compared to the net financial expenses at Euro 3,114 thousand of the previous fiscal year,

Interest and financial income are analyzed as follows:

Euro thousand	June 30th, 2026	June 30th, 2025	Change €	Change %
Currency exchange gains	1,674	2,369	(695)	-29.3%
Financial income	0	1,300	(1,300)	n.m.
Other	170	283	(113)	-39.9%
Total interest and financial income	**1,844**	**3,952**	**(2,108)**	**-53.3%**

As of June 30th, 2026, total interest and financial income increased by Euro 2,108 thousand as a result of lower financial income by Euro 1,300 thousand and lower currency exchange gains by Euro 695 thousand.

Interest and financial expenses are detailed as follows:

Euro thousand	June 30th, 2026	June 30th, 2025	Change €	Change %
Interest expenses on current accounts and trade finance	(588)	(1,241)	653	-52.6%
Interest expenses on derivative products	(453)	(1,590)	1,137	-71.5%
Interest expenses on leases IFRS16	(64)	(62)	(2)	-3.2%
Total interest expenses on sources of finance	**(1,105)**	**(2,893)**	**1,788**	**-61.8%**
Currency exchange losses	(1,307)	(2,309)	1,002	-43.4%
Adjustment of receivables	(34)	(236)	202	-85.6%
Alignment to IAS28 - Starbreeze	(5,683)	(1,628)	(4,055)	n.m.
Alignment to IAS28 – MS&DB	(1,300)	0	(1,300)	n.m.
Total interest and other financial expense	**(9,429)**	**(7,066)**	**(2,363)**	**33.4%**

As of June 30th, 2026, total interest and other financial expense amounted to Euro 9,429 thousand, including Euro 5,682 thousand related to the application of IAS28 to the investment in Starbreeze, reflecting the Group's share of the associate's losses for the fiscal year. Until May 15th, 2025, the equity investment in Starbreeze was measured at fair value, with changes in fair value recognised in the other comprehensive income statement.

29. Taxation

Total taxes as at June 30th, 2026 are detailed below:

Euro thousand	June 30th, 2026	June 30th, 2025	Change €	Change %
Current taxes	(4,615)	858	(5,473)	n.m.
Deferred taxes	592	3,092	(2,500)	-80.9%
Total taxes	**(4,023)**	**3,950**	**(7,973)**	**n.m.**

Total taxes increase as a result of the higher tax base of the Italian subsidiaries.

Current taxes are analyzed in more detail as follows:

Euro thousand	June 30th, 2026	June 30th, 2025	Change €	Change %
IRES	(2,948)	2,732	(5,680)	n.m.
IRAP	(963)	(1,134)	171	-15.1%
Foreign companies taxes	(704)	(740)	36	-4.9%
Total current taxes	**(4,615)**	**858**	**(5,473)**	**n.m.**

IRES for the year was determined as follows:

Euro thousand	June 30th, 2026	June 30th, 2025
Taxable income for IRES purposes (A)	12,217	(11,829)
IRES rate (B)	24.0%	24.0%
IRES for the period (A)*(B)	(2,932)	2,839
Taxes relating to prior period	(16)	(107)
IRES for the fiscal year	**(2,948)**	**2,732**

IRES for the fiscal year is reconciled to the profit before tax reported in the financial statements as follows::

Euro thousand	June 30th, 2026		June 30th, 2025	
Parent Company profit before tax	**9,999**		**(20)**	
IRES rate	**24.0%**		**24,0%**	
Theoretical taxation	**(2,400)**	**-24.0%**	**5**	**-24.0%**
Tax effect of non-deductible costs	2,695	27%	170	n.m.
Net tax effect of reversal of deferred tax assets not included in the items above	(60)		69	
Parent Company total IRES	235		244	
Tax effect of share of profits of subsidiaries	(3,167)		2,595	
Prior fiscal year taxation	(16)		(107)	
Taxes on income for the year and effective tax rate	**(2,948)**	**-29%**	**2,732**	**n.m.**

IRAP for the period was as follows:

Euro thousand	June 30th, 2026	June 30th, 2025
Taxable income for IRAP purposes	20,000	23,793
IRAP rate	3.9%/4.82%	3.9%/4.82%
IRAP for the period	(958)	(1.141)
IRAP relating to prior fiscal year	(5)	7
IRAP for the period	**(963)**	**(1.134)**

The IRAP rates applied are 5.57% for Digital Bros S.p.A., 4.82% for Kunos Simulazioni S.r.l., and 3.9% for the other Italian subsidiaries.

The IRAP expense for the fiscal year is reconciled to the profit before tax reported in the financial statements as follows:

Euro thousand	June 30th, 2026		June 30th, 2025	
Operating margin/EBIT of Parent Company	**861**		**1,501**	
IRAP rate	**5.57%**		**5.57%**	
Theoretical IRAP	**(48)**	**-5.57%**	**(84)**	**-9.71%**
Tax effect of non-deductible costs	93	10.8%	97	11.3%
Net tax effect of reversal of deferred tax assets not included in items above	0		0	
Parent Company total IRAP	0		0	
Tax effect of share of results of subsidiaries	(958)	-111.3%	(1,141)	-76.0%
Tax on income for the period and effective tax rate	**(958)**	**-111.3%**	**(1,141)**	**-76.0%**

32. Basic earnings per share

The calculation of Basic earnings per share is based on the following:

Euro thousand	June 30th, 2026	June 30th, 2025
Total net result	(6,503)	(10,919)
Total average number of shares issued	14.267.078	14.980.837
Earnings per share in Euro	**(0.46)**	**(0.73)**

Basic earnings per share is calculated by dividing the profit or loss for the fiscal year by the weighted average number of ordinary shares outstanding during the fiscal year, excluding treasury shares.

33. Diluted earnings per share

As the exercise period for the Stock Option Plan 2016-2026 expired on June 30th, 2026, there were no outstanding dilutive potential ordinary shares as of the reporting date. Accordingly, the basic and diluted loss per share are the same:

Euro thousand	June 30th, 2026	June 30th, 2025
Total net result	(6,503)	(10,919)
Total average number of shares issued	14,267,078	14,265,037
Earnings per share in Euro	**(0.46)**	**(0.77)**

9. FINANCIAL INSTRUMENTS AND FINACIAL RISK MANAGEMENT (IFRS 7)

The main financial instruments used by the Group are:

- bank overdrafts;
- demand and short-term bank deposits;
- import financing;
- export financing;
- commercial credit lines (factoring);
- finance leases;
- medium-term loans for product development.

These financial instruments are primarily used to finance the Group's operating activities.

The Parent Company Digital Bros S.p.A. and its subsidiary 505 Games S.p.A. centrally manage the Group's financial risks on behalf of the other subsidiaries. Trade receivables and payables arising from operating activities are managed directly by the individual subsidiaries, which bear the related financial risks.

The Group maintains an appropriate balance between short-term and medium/long-term sources of financing, taking into account its expected funding requirements. Long-term investments are generally financed through medium/long-term credit facilities. Accordingly, the Group's medium- and long-term financial liabilities have a well-distributed maturity profile.

In accordance with IFRS 7, the following tables provide additional disclosures for the current and previous fiscal years on the Group's financial instruments and their impact on its financial performance and financial position.

Financial instruments: consolidated balance sheet as of June 30th, 2026

Category of financial assets in terms of IFRS 9

Financial instruments – Assets as of June 30th, 2026 (Euro/000)	FVTPL	Assets at amortized cost	FVTOCI	Carrying amount as of June 30th, 2026	Notes
Shares	-	-	234	234	4
Non-current receivables and other assets	-	1,958	-	1,958	5
Non-current financial assets	-	-	-	-	7
Trade receivables	-	10,389	-	10,389	9
Other current assets	-	6,326	-	6,326	11
Cash and cash equivalents	-	9,448	-	9,448	12
Current financial assets	-	2,981	-	2,981	13
Total	**-**	**31,102**	**234**	**31,336**	

Category of financial liabilities in terms of IFRS 9

Financial instruments – Liabilities as of June 30th, 2026 (Euro/000)	FVTPL	Assets at amortized cost	FVTOCI	Carrying amount as of June 30th, 2026	Notes
Non-current financial liabilities	-	1,131	-	1,131	21
Trade payables	-	20,540	-	20,540	22
Other current liabilities	-	3,571	-	3,571	25
Current financial liabilities	-	8,031	-	8,031	26
Total	**-**	**33,273**	**-**	**33,273**	

Financial instruments: consolidated balance sheet as of June 30th, 2025

Category of financial assets in terms of IFRS 9

Financial instruments – Assets as of June 30th, 2025 (Euro/000)	FVTPL	Assets at amortized cost	FVTOCI	Carrying amount as of June 30th, 2025	Notes
Shares	-	-	7,159	7,159	4
Non-current receivables and other assets	-	2,601	-	2,601	5
Non-current financial assets	-	2,821	-	2,821	7
Trade receivables	-	14,185	-	14,185	9
Other current assets	-	7,108	-	7,108	11
Cash and cash equivalents	-	6,718	-	6,718	12
Current financial assets	-	-	-	-	13
Total	**-**	**33,433**	**7,159**	**40,592**	

Category of financial liabilities in terms of IFRS 9

Financial instruments – Liabilities as of June 30th, 2025 (Euro/000)	FVTPL	Assets at amortized cost	FVTOCI	Carrying amount as of June 30th, 2025	Notes
Non-current financial liabilities	-	1,221	-	1,221	21
Trade payables	-	34,487	-	34,487	22
Other current liabilities	-	10,838	-	10,838	25
Current financial liabilities	-	24,870	-	24,870	26
Total	**-**	**71,416**	**-**	**71,416**	

The main financial risks to which the Group is exposed are:

- foreign exchange risk;
- interest rate risk;
- funding and liquidity risk; and
- customer concentration and credit risk.

Interest Rate Risk

The Group is exposed to increases in interest rates on its short-term borrowings, as higher financing costs cannot be immediately passed on through selling prices.

The Group mitigates this exposure by limiting its reliance on financial debt and maintaining an investment policy aligned with its cash-generating capacity. It can also draw on financing with different maturities and pricing structures depending on market conditions and its funding needs. The Group's short- and medium/long-term planning process provides forward visibility over expected cash requirements.

Liquidity Risk

Videogame development requires significant upfront investment, while the related cash inflows are often generated only after a development cycle lasting several years. This timing mismatch may require the Group to use external financing to fund its development pipeline and meet its other financial commitments.

The Group's ability to raise financing depends on credit market conditions, the terms offered by financial institutions and its own financial performance and financial position. A deterioration in market conditions or in the Group's credit profile could make new financing, or the renewal of existing facilities, more difficult or expensive to obtain. If sufficient funding were not available when required, the Group could be constrained in its ability to fund planned investments or meet its financial commitments, potentially affecting the execution of its business plans and its financial performance.

Liquidity is managed centrally by the Group's treasury function, which monitors cash flows, funding needs and available liquidity to ensure that adequate financial resources are available when required. The Group has also reduced its reliance on external financing through cash generated from operations. The improvement in the Group's financial position and strong EBITDA have contributed to an improvement in its credit rating and a corresponding reduction in borrowing costs. The short- and medium/long-term planning process also provides forward visibility over the Group's funding needs.

Based on its short- and medium/long-term forecasts, the Group expects its existing financial resources, together with cash generated from operations, to be sufficient to fund planned investments and working capital requirements and to repay financial debt as it falls due. The planning process also allows any additional funding requirements to be identified well ahead of time.

The following table displays the Group's financial obligations by contractual maturity, based on a worst-case scenario and on an undiscounted basis. The amounts are allocated to the earliest period in which the Group may be required to make payment, with the relevant financial statement note indicated for each class of financial liability.

Financial liabilities as of June 30th, 2026 (€/000)	Carrying amount	Within a year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total	Notes
Non-current financial liabilities	1,131		696	282	114	22	17	1,131	21
Current financial liabilities	8,031	8,031						8,031	26
Total	**9,162**	**8,031**	**696**	**282**	**114**	**22**	**17**	**9,162**	

Financial liabilities as of June 30th, 2025 (€/000)	Carrying amount	Within a year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total	Notes
Non-current financial liabilities	1,221		877	338	6			1,221	21
Current financial liabilities	24,870	24,870						24,870	26
Total	**26,091**	**24,870**	**877**	**338**	**6**			**26,901**	

The Group has sufficient financial resources to meet the obligations due within the fiscal year, relying on available liquidity, unused credit lines and facilities, which amount to approximately Euro 17.4 million as of the reporting date, and on cash flows generated by its core operations.

Exchange rate risk

The Group's exposure to the US dollar from sales denominated in that currency is partly offset by the fact that a significant number of its videogame development agreements are also denominated in US dollars. An adverse movement in the Euro/US dollar exchange rate would increase development costs and royalties payable after release but would also increase the Euro value of US dollar-denominated revenues. The opposite would apply in the event of a favourable exchange rate movement.

The Group is also exposed to fluctuations in the Chinese Renminbi following the launch of Wuchang: Fallen Feathers. The title's strong performance in China has increased the Group's exposure to the currency and, as a result, movements in the Euro/Renminbi exchange rate may affect the Euro value of revenues generated in Renminbi.

When preparing its short- and medium/long-term forecasts, the Group takes into account the currencies in which its companies operate and uses forward exchange rates derived from independent analysts' reports.

Foreign exchange risk is partly mitigated by the fact that payments in foreign currencies are often made in advance. This gives the Group visibility over the actual cost of videogame production at an early stage and allows exchange rate movements to be factored into pricing decisions. Selling prices may also be adjusted where appropriate to offset adverse currency movements.

Risk of dependence on key customers and collection risk

During the fiscal year, the Group's ten largest customers accounted for approximately the 92% of total revenue. The market digitalisation has inevitably created higher customer concentration, as digital sales are generally made through marketplaces operating on a global scale. This concentration creates a degree of dependence on a limited number of key customers. Any changes in the commercial relationships with one or more of these customers could therefore affect the Group's ability to distribute its products and the related commercial performance. The concentration of sales among a smaller number of customers also results in greater credit risk.

This risk is mitigated by the potential entry of new marketplaces into the digital distribution market for videogames and by the fact that digital revenues are concentrated among a limited number of marketplaces with strong credit ratings, including Sony, Microsoft and Apple.

The following table breakdowns receivables from customers by due date as of June 30th, 2026 and June 30th, 2025:

Euro thousand	**June 30th, 2026**	**% of total**	**June 30th, 2025**	**% of total**
Not overdue	10,051	97%	13,838	98%
0 -30 days overdue	0	0%	0	0%
30 - 60 days overdue	18	0%	0	0%
60 - 90 days overdue	0	0%	0	0%
> 90 days overdue	320	3%	347	2%
Total receivables from customers	**10,389**	**100%**	**14,185**	**100%**

Fair value of financial assets and liabilities and valuation techniques

The table below presents the fair value of financial assets and liabilities based on the valuation methods and techniques applied in preparing these consolidated financial statements. Financial assets for which fair value cannot be reliably determined are not included in the table.

The fair value of bank borrowings is determined based on the interest rate curve at the reporting date, without taking into account any credit spread.

The fair value of financial instruments traded in active markets is determined using quoted market prices at the reporting date, based on the relevant bid or ask price for the asset or liability held by the Group. The fair value of unlisted financial instruments and derivatives is determined using commonly accepted valuation techniques and models based, where available, on observable market inputs.

Fair value is not separately determined for trade receivables and trade payables, as their carrying amounts are considered to approximate their fair values.

The Group considers the carrying amounts of lease liabilities and amounts due to other lenders to approximate their respective fair values.

Euro thousand	Carrying amount as of June 30th, 2026	*Mark to Market*	*Mark to Model*	Total *Fair value*	Notes
		Fair value	*Fair value*		
Non-current financial assets	-	-	-	-	7
Cash and cash equivalents	9,448	9,448	-	9,448	12
Other current financial assets	2,981	2,981	-	2,981	13
Non-current financial liabilities	(1,131)	(1,131)	-	(1,131)	21
Current financial liabilities	(8,031)	(8,031)	-	(8,031)	26
Total	**3,267**	**3,267**	**-**	**3,267**	

Euro thousand	Carrying amount as of June 30th, 2025	*Mark to Market*	*Mark to Model*	Total *Fair value*	Notes
		Fair value	*Fair value*		
Non-current financial assets	2,821	2,821	-	2,821	7
Cash and cash equivalents	6,718	6,718	-	6,718	12
Other current financial assets	0	0	-	0	13
Non-current financial liabilities	(1,221)	(1,221)	-	(1,221)	21
Current financial liabilities	(24,870)	(24,870)	-	(24,870)	26
Total	**(16,552)**	**(16,552)**	**-**	**(16,552)**	

Foreign exchange rate risk: sensitivity analysis

In accordance with IFRS 7, the Group performed a sensitivity analysis on the financial instruments recognised in the consolidated financial statements.

The analysis measures the impact on the profit and loss statement and statement of financial position of a ±10% change in exchange rates compared to those prevailing as of June 30th, 2026, with all other variables held constant. The analysis is illustrative, as changes in exchange rates would not normally occur in isolation.

As of June 30th, 2026, the Group was not exposed to other significant market risks, such as commodity price risk.

The sensitivity analysis on the exchange rates took into account the risk of an increase in the exchange rate on financial instruments that are not denominated in Euro. This means that the sensitivity analysis also assessed the conversion risk.

The table below displays the impact on the net financial position and on the profit before tax of a 10% increase/decrease in the EUR/USD exchange rate, compared to the rate of 1.178 used for the budget:

Type of change	Effect on net financial position	Effect on profit before tax
+ 10% USD	(3,962)	(4,102)
- 10% USD	4,843	5,014

Fair Value hierarchy

In accordance with IFRS 7, financial instruments measured at fair value are classified within a fair value hierarchy based on the significance of the inputs used in the measurement. The hierarchy comprises the following three levels:

- Level 1: quotations for prices in active markets for identical listed assets or liabilities;
- Level 2: inputs that differ from listed market prices included within Level 1 that are directly or indirectly observable in the market;
- Level 3: inputs that are not based on observable market data.

The Group uses different measurements and valuation models to determine the fair value of its financial instruments.

The following tables summarize such financial instruments as of June 30th, 2025 and as of June 30th, 2024:

Carrying amount as of June 30th, 2026	Instrument	Level 1	Level 2	Level 3	Total	Notes
Equity investments	Listed shares	234	-	-	234	4
Other financial assets	Financial receivable			2,981	2,981	13

Carrying amount as of June 30th, 2025	Instrument	Level 1	Level 2	Level 3	Total	Notes
Equity investments	Listed shares	7,159	-	-	7,159	4
Non-current financial assets	Financial receivable	-	-	2,821	2,821	13

10. NON-RECURRING ITEMS

Non-recurring income and expenses shall be presented separately in the profit and loss statement, pursuant to the Consob Resolution 15519 of July 27th, 2006. Such items arise from transactions or events that, by their nature, are not expected to occur frequently within the Group's ordinary course of business. The consolidated profit and loss statement prepared in accordance with the Consob Resolution No. 15519 of July 27, 2006 is presented below:

	Euro thousand	**June 30th, 2026**		**June 30th, 2025**	
		total	**non-recurrent**	**total**	**non-recurrent**
1	Gross revenue	108,455	0	93,620	0
2	Revenue adjustments	0	0	0	0
3	**Net revenue**	**108,455**	**0**	**93,620**	**0**
4	Purchase of products for resale	(958)	0	(718)	0
5	Purchase of services for resale	(4,214)	0	(7,383)	0
6	Royalties	(16,549)	0	(19,329)	0
7	Changes in inventories of finished products	(349)	0	(1,312)	0
8	**Total cost of sales**	**(22,070)**	**0**	**(28,742)**	**0**
9	**Gross profit (3+8)**	**86,385**	**0**	**64,878**	**0**
10	Other income	8,184	0	9,784	0
11	Costs for services	(7,947)	0	(9,413)	0
12	Rent and leasing	(660)	0	(623)	0
13	Payroll costs	(30,629)	0	(29,951)	0
14	Other operating costs	(1,113)	0	(1,218)	0
15	**Total operating costs**	**(40,349)**	**0**	**(41,205)**	**0**
16	**Gross operating margin (EBITDA) (9+10+15)**	**54,220**	**0**	**33,457**	**0**
17	Depreciation and amortization	(30,505)	0	(26,742)	0
18	Provisions		0	1,241	1,241
19	Asset impairment charge	(18,692)	0	(20,405)	(966)
20	Impairment reversal	96	0	909	0
21	**Total depreciation, amortization and impairment adjustments**	**(49,101)**	**0**	**(44,997)**	**275**
22	**Operating margin (EBIT) (16+21)**	**5,119**	**0**	**(11,540)**	**275**
23	Interest and financial income	1,844	0	3,952	0
24	Interest and other financial expenses	(9,429)	0	(7,066)	(236)
25	**Net interest income/(expenses)**	**(7,585)**	**0**	**(3,114)**	**(236)**
26	**Profit/ (loss) before tax (22+25)**	**(2,466)**	**0**	**(14,654)**	**39**
27	Current tax	(4,615)	0	858	0
28	Deferred tax	592	0	3,092	0
29	**Total taxes**	**(4,023)**	**0**	**3,950**	**0**
30	**Net profit/loss (26+29)**	**(6,489)**	**0**	**(10,704)**	**39**

No non-recurring income or expenses were recognised during the fiscal year.

In the previous fiscal year, non-recurring income amounted to Euro 1,241 thousand and related to the release of the provision for costs associated with the Starbreeze arbitration proceedings. Non-recurring expenses included Euro 966 thousand relating to losses on receivables from Starbreeze and Euro 236 thousand of financial expenses arising from the discounting of amounts expected to be settled by January 2027.

11. INFORMATION BY OPERATING SEGMENT

Digital Bros Group develops, publishes, distributes and markets video games on an global scale.

Following the downsizing of retail distribution activities, the portion of revenues and costs that were previously reported under the Italian Distribution operating segment is now included in the residual Other Activities operating segment. Comparative figures for the previous fiscal year have been reclassified accordingly. As a result, the Group is currently organized into four operating segments:

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

The Group's Directors monitor the performance of each operating segment separately to assess the allocation of resources and evaluate segment performance. Financial income and expenses, including those related to financing activities, and income taxes are managed at Group level and are therefore not allocated to individual operating segments. Further information on segment performance is provided in the Directors' Report.

The table below presents the results of the Group's operating segments as of June 30th, 2026, together with comparative figures for the previous fiscal year:

Consolidated profit and loss statement by operating segment for the period ended June 30th, 2026

	Euro thousand	Free to Play	Premium Games	Other Activities	Holding	Total
1	Revenue	9,261	98,182	1,012	0	108,455
2	Revenue adjustments	0	0	0	0	0
3	**Total revenue**	**9,261**	**98,182**	**1,012**	**0**	**108,455**
4	Purchase of products for resale	0	(931)	(27)	0	(958)
5	Purchase of services for resale	(1,942)	(2,272)	0	0	(4,214)
6	Royalties	(4,508)	(12,041)	0	0	(16,549)
7	Changes in inventories of finished products	0	(153)	(196)	0	(349)
8	**Total cost of sales**	**(6,450)**	**(15,397)**	**(223)**	**0**	**(22,070)**
9	**Gross profit (3+8)**	**2,811**	**82,785**	**789**	**0**	**86,385**
10	Other income	1,046	6,858	280	0	8,184
11	Costs for services	(1,013)	(4,829)	(224)	(1,881)	(7,947)
12	Lease and rental costs	(54)	(288)	(40)	(278)	(660)
13	Payroll costs	(5,718)	(19,405)	(1,227)	(4,279)	(30,629)
14	Other operating costs	(108)	(506)	(100)	(399)	(1,113)
15	**Total operating costs**	**(6,893)**	**(25,028)**	**(1,591)**	**(6,837)**	**(40,349)**
16	**Gross operating margin (EBITDA) (9+10+15)**	**(3,036)**	**64,615**	**(522)**	**(6,837)**	**54,220**
17	Depreciation and amortization	(1,737)	(27,733)	(215)	(820)	(30,505)
18	Allocations to provisions	0	0	0	0	0
19	Asset impairment change	(3,026)	(15,624)	(42)	0	(18,692)
20	Impairment reversal	96	0	0	0	96
21	**Total depreciation, amortization and impairment adjustments**	**(4,667)**	**(43,357)**	**(257)**	**(820)**	**(49,101)**
22	**Operating margin (EBIT) (16+21)**	**(7,703)**	**21,258**	**(779)**	**(7,657)**	**5,119**

Consolidated balance sheet as of June 30th, 2026

	Euro thousand	Free to Play	Premium Games	Other Activities	Holding	Total
	Non-current assets					
1	Property, plant and equipment	385	1,402	2,201	1,177	5,166
2	Investment properties	0	0	0	0	0
3	Intangible assets	4,963	71,684	3	147	76,797
4	Equity interests	0	0	0	234	234
5	Non-current receivables and other assets	41	1,240	6	671	1,958
6	Deferred tax assets	3,803	15,834	285	140	20,062
7	Non-current financial assets	0	0	0	0	0
	Total non-current assets	**9,192**	**90,161**	**2,495**	**2,369**	**104,217**
	Current assets					
8	Inventories	0	10	997	0	1,007
9	Trade receivables	1,214	8,880	295	0	10,389
10	Tax receivables	438	969	172	4,526	6,105
11	Other current assets	1,390	2,805	862	1,269	6,326
12	Cash and cash equivalents	1,837	5,992	1,125	494	9,448
13	Other current financial assets	0	2,981	0	0	2,981
	Total current assets	**4,879**	**21,637**	**3,451**	**6,289**	**36,256**
	TOTAL ASSETS	**14,072**	**111,798**	**5,946**	**8,658**	**140,473**
	Non-current liabilities					
18	Employee benefits	0	(881)	(327)	0	(1,208)
19	Non-current provisions	0	(328)	(48)	0	(376)
20	Other non-current payables and liabilities	0	0	0	0	0
21	Financial liabilities	(292)	(487)	0	(352)	(1,131)
	Total non-current liabilities	**(292)**	**(1,696)**	**(375)**	**(352)**	**(2,715)**
	Current liabilities					
22	Trade payables	(3,462)	(15,835)	(96)	(1,147)	(20,540)
23	Current tax liabilities	(97)	(884)	(103)	(30)	(1,114)
24	Current provisions	0	0	0	0	0
25	Other current liabilities	(516)	(1,757)	(496)	(802)	(3,571)
26	Financial liabilities	(91)	(1,765)	0	(6,175)	(8,031)
	Total current liabilities	**(4,166)**	**(20,241)**	**(695)**	**(8,154)**	**(33,256)**
	TOTAL LIABILITIES	**(4,458)**	**(21,938)**	**(1,070)**	**(8,506)**	**(35,971)**

Consolidated profit and loss statement by operating segment for the period ended June 30th, 2025

	Euro thousand	Free to Play	Premium Games	Other Activities	Holding	Total
1	Revenue	12,688	78,789	2,413	0	93,620
2	Revenue adjustments	0	0	0	0	0
3	**Total revenue**	**12,688**	**78,789**	**2,413**	**0**	**93,620**
4	Purchase of products for resale	0	(689)	(29)	0	(718)
5	Purchase of services for resale	(3,512)	(3,871)	0	0	(7,383)
6	Royalties	(5,099)	(14,230)	0	0	(19,329)
7	Changes in inventories of finished products	0	(556)	(756)	0	(1,312)
8	**Total cost of sales**	**(8,611)**	**(19,346)**	**(785)**	**0**	**(28,742)**
9	**Gross profit (3+8)**	**4,077**	**59,443**	**1,358**	**0**	**64,878**
10	Other income	1,909	7,875	0	0	9,784
11	Costs for services	(1,901)	(5,128)	(238)	(2,146)	(9,400)
12	Lease and rental costs	(75)	(195)	(34)	(319)	(623)
13	Payroll costs	(5,556)	(19,012)	(1,201)	(4,182)	(29,951)
14	Other operating costs	(89)	(580)	(99)	(450)	(1,218)
15	**Total operating costs**	**(7,621)**	**(24,915)**	**(1,572)**	**(7,097)**	**(41,192)**
16	**Gross operating margin (EBITDA) (9+10+15)**	**(1,635)**	**42,403**	**(214)**	**(7,097)**	**33,470**
17	Depreciation and amortization	(2,357)	(23,186)	(376)	(823)	(26,742)
18	Allocations to provisions	0	1,241	0	0	1,241
19	Asset impairment change	(6,866)	(13,227)	(312)	0	(20,405)
20	Impairment reversal	909	0	0	0	909
21	**Total depreciation, amortization and impairment adjustments**	**(8,314)**	**(35,172)**	**(688)**	**(823)**	**(44,997)**
22	**Operating margin (EBIT) (16+21)**	**(9,949)**	**7,231**	**(902)**	**(7,920)**	**(11,527)**

Consolidated balance sheet as of June 30th, 2025

	Euro thousand	Free to Play	Premium Games	Other Activities	Holding	Total
	Non-current assets					
1	Property, plant and equipment	104	1.586	1.968	1.801	5.459
2	Investment properties	0	0	0	0	0
3	Intangible assets	7.263	103.724	53	194	111.234
4	Equity interests	0	0	0	7.159	7.159
5	Non-current receivables and other assets	27	1.897	6	671	2.601
6	Deferred tax assets	3.928	15.023	213	4.559	23.723
7	Non-current financial assets	0	2.821	0	0	2.821
	Total non-current assets	**11.322**	**125.051**	**2.240**	**14.384**	**152.997**
	Current assets					
8	Inventories	0	163	1.193	0	1.356
9	Trade receivables	1.047	12.804	334	0	14.185
10	Tax receivables	467	828	175	5.728	7.198
11	Other current assets	1.478	3.658	816	1.156	7.108
12	Cash and cash equivalents	460	6.050	101	107	6.718
13	Other current financial assets	0	0	0	0	0
	Total current assets	**3.452**	**23.503**	**2.619**	**6.991**	**36.565**
	TOTAL ASSETS	**14.774**	**148.554**	**4.859**	**21.375**	**189.562**
	Non-current liabilities					
18	Employee benefits	0	(777)	(332)	0	(1.109)
19	Non-current provisions	0	(1.000)	(59)	0	(1.059)
20	Other non-current payables and liabilities	(96)	(4.851)	0	0	(4.947)
21	Financial liabilities	0	(265)	0	(956)	(1.221)
	Total non-current liabilities	**(96)**	**(6.893)**	**(391)**	**(956)**	**(8.336)**
	Current liabilities					
22	Trade payables	(2.611)	(25.514)	(207)	(1.304)	(29.636)
23	Current tax liabilities	(113)	(881)	(84)	(64)	(1.142)
24	Current provisions	0	0	0	0	0
25	Other current liabilities	(306)	(9.456)	(564)	(512)	(10.838)
26	Financial liabilities	(518)	(16.437)	0	(7.915)	(24.870)
	Total current liabilities	**(3.548)**	**(52.288)**	**(855)**	**(9.795)**	**(66.486)**
	TOTAL LIABILITIES	**(3.644)**	**(59.181)**	**(1.246)**	**(10.751)**	**(74.822)**

Information by geographical area

Gross revenue broken down by geographical area is detailed below:

Euro thousand	June 30th, 2026		June 30th, 2025		Change	
Europe	19,831	18%	13,572	14%	6,259	46.1%
Americas	71,362	66%	68,309	73%	3,053	4.5%
Rest of the world	16,196	15%	9,292	10%	6,904	74.3%
Total non-Italian revenue	**107,389**	**99%**	**91,173**	**97%**	**16,216**	**17.8%**
Italy	1,066	1%	2,447	3%	(1,381)	-56.4%
Total consolidated gross revenue	**108,455**	**100%**	**93,620**	**100%**	**14,835**	**15.8%**

As in the previous fiscal year, international revenues accounted for substantially all consolidated gross revenues and increased by Euro 16,216 thousand compared to June 30th, 2025.

Revenues generated in the Rest of the World mainly relate to sales by the subsidiary 505 Games S.p.A. in the Far East. The significant increase compared to the previous fiscal year was primarily driven by the strong performance of Wuchang: Fallen Feathers in the Chinese market.

The Premium Games operating segment accounted for the 91% of international revenues, generating Euro 98,128 thousand.

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

Euro thousand	June 30th, 2026		June 30th, 2025		Change	
Free to Play	9,261	9%	12,688	14%	(3,427)	-27.0%
Premium Games	98,128	91%	78,485	86%	19,643	25.0%
Total gross non-Italian revenue	**107,389**	**100%**	**91,173**	**100%**	**16,216**	**17.8%**

12. RELATED PARTY TRANSACTIONS

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

Intercompany transactions

Intercompany transactions are detailed in section 11 of the Directors' Report.

Other related parties

Other related parties transactions include:

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

The lease agreement for the Group's U.S. offices in Calabasas will expire during the next fiscal year and will not be renewed.

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:

June 30th, 2026

Euro thousand	Receivables		Payables		Revenue	Costs
	Trade	Financial	Trade	Financial		
Matov Imm. S.r.l.	0	635	0	(909)	0	(798)
Matov LCC	0	42	0	(34)	0	(120)
Total	**0**	**677**	**0**	**(943)**	**0**	**(918)**

June 30th, 2025

Euro thousand	Receivables		Payables		Revenue	Costs
	Trade	Financial	Trade	Financial		
Matov Imm. S.r.l.	0	635	0	(1,502)	0	(856)
Matov LCC	0	91	0	(174)	0	(222)
Total	**0**	**726**	**0**	**(1,676)**	**0**	**(1,078)**

The financial receivable due to Digital Bros S.p.A. from Matov Imm. S.r.l. relates to the security deposit paid in connection with the lease of the offices at Via Tortona 37 in Milan.

The financial receivable due to 505 Games (US) Inc. from Matov LLC relates to the security deposit paid in connection with the lease of the Calabasas offices in California, which are used by certain U.S. subsidiaries. The deposit is expected to be refunded upon expiry of the lease agreement.

The financial liabilities due to Matov Imm. S.r.l. and Matov LLC relate to lease liabilities recognised in accordance with IFRS 16.

The annual rent paid by Digital Bros S.p.A. to Matov Imm. S.r.l. for the Milan offices amounted to Euro 696 thousand during the fiscal year.

Tax consolidation

The Parent Company Digital Bros S.p.A. acts as the consolidating entity under the Italian national tax consolidation regime, together 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., 505 Pulse S.r.l. and Supernova Games S.r.l.

Participation in the national tax consolidation regime required the Group to adopt specific rules governing the intercompany relationships to ensure that none of the participating companies is disadvantaged as a result of the tax consolidation.

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

	Euro thousand	June 30th, 2025		June 30th, 2026	
		Total	non correlated	Total	non correlated
1	Gross revenue	108,455	0	93,620	0
2	Revenue adjustments	0	0	0	0
3	**Net revenue**	**108,455**	**0**	**93,620**	**0**
4	Purchase of products for resale	(958)	0	(718)	0
5	Purchase of services for resale	(4,214)	0	(7,383)	0
6	Royalties	(16,549)	0	(19,329)	0
7	Changes in inventories of finished products	(349)	0	(1,312)	0
8	**Total cost of sales**	**(22,070)**	**0**	**(28,742)**	**0**
9	**Gross profit (3+8)**	**86,385**	**0**	**64,878**	**0**
10	Other income	8,184	0	9,784	0
11	Costs for services	(7,947)	0	(9,413)	0
12	Rent and leasing	(660)	(183)	(623)	(218)
13	Payroll costs	(30,629)	0	(29,951)	0
14	Other operating costs	(1,113)	0	(1,218)	0
15	**Total operating costs**	**(40,349)**	**(183)**	**(41,205)**	**(218)**
16	**Gross operating margin (EBITDA) (9+10+15)**	**54,220**	**(183)**	**33,457**	**(218)**
17	Depreciation and amortization	(30,505)	(707)	(26,742)	(823)
18	Provisions	0	0	1,241	0
19	Asset impairment charge	(18,692)	0	(20,405)	0
20	Impairment reversal	96	0	0	0
21	**Total depreciation, amortization and impairment adjustments**	**(49,101)**	**(707)**	**(44,997)**	**(823)**
		0			
22	**Operating margin (EBIT) (16+21)**	**5,119**	**(890)**	**(11,540)**	**(1,041)**
23	Interest and financial income	1,844	0	3,952	0
24	Interest and other financial expenses	(9,429)	(28)	(7,066)	(37)
25	**Net interest income/(expenses)**	**(7,585)**	**(28)**	**(3,114)**	**(37)**
26	**Profit/ (loss) before tax (22+25)**	**(2,466)**	**(918)**	**(14,654)**	**(1,078)**
27	Current tax	(4,615)	0	858	0
28	Deferred tax	592	0	3,092	0
29	**Total taxes**	**(4,023)**	**0**	**3,950**	**0**
30	**Net profit/loss (26+29)**	**(6,489)**	**(918)**	**(10,704)**	**(1,078)**

	Euro thousand	June 30th, 2026		June 30th, 2025	
		Total	with related parties	Total	with related parties
	Non-current assets				
1	Property, plant and equipment	5,166	0	5,459	0
2	Investment properties	0	0	0	0
3	Intangible assets	76,797	0	111,234	0
4	Equity investments	234	0	7,159	0
5	Non-current receivables and other assets	1,958	677	2,601	726
6	Deferred tax assets	20,062	0	23,723	0
7	Non-current financial activities	0	0	2,821	0
	Total non-current assets	**104,217**	**677**	**152,997**	**726**
	Current assets				
8	Inventories	1,007	0	1,356	0
9	Trade receivables	10,389	0	14,185	0
10	Tax receivables	6,105	0	7,198	0
11	Other current assets	6,326	0	7,108	0
12	Cash and cash equivalents	9,448	0	6,718	0
13	Other current financial assets	2,981	0	0	0
	Total current assets	**36,256**	**0**	**36,565**	**0**
	TOTAL ASSETS	***140,473***	**677**	***189,562***	***726***
	Shareholders' equity				
14	Share capital	(5,740)	0	(5,706)	0
15	Reserves	(5,859)	0	(9,632)	0
16	Treasury shares	0	0	0	0
17	Retained earnings	(92,099)	0	(98,612)	0
	Equity attributable to the shareholders of the Parent Company	**(103,698)**	**0**	**(113,950)**	**0**
	Equity attributable to non-controlling interests	**(804)**	**0**	**(790)**	**0**
	Total net equity	**(104,502)**	**0**	**(114,740)**	**0**
	Non-current liabilities				
18	Employee benefits	(1,208)	0	(1,109)	0
19	Non-current provisions	(376)	0	(1,059)	0
20	Other non-current payables and liabilities	0	0	(4,947)	0
21	Non-current financial liabilities	(1,131)	(637)	(1,221)	(972)
	Total non-current liabilities	**(2,715)**	**(637)**	**(8,336)**	**(972)**
	Current liabilities				
22	Trade payables	(20,540)	0	(29,636)	0
23	Tax payables	(1,114)	0	(1,142)	0
24	Short term provisions	0	0	0	0
25	Other current liabilities	(3,571)	0	(10,838)	0
26	Current financial liabilities	(8,031)	(306)	(24,870)	(704)
	Total current liabilities	**(33,256)**	**(306)**	**(66,486)**	**(704)**
	TOTAL LIABILITIES	**(35,971)**	**(943)**	**(74,822)**	**(1,676)**
	TOTAL NET EQUITY AND LIABILITIES	***(140,473)***	**(943)**	***(189,562)***	***(1,676)***

13. ATYPICAL OR UNUSUAL TRANSACTIONS

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

14. ASSET REVALUATION

No revaluation of the Group's assets was made, pursuant to Art.110 of D.L. 104/2020.

15. LOANS GRANTED TO EXECUTIVES AND SUPERVISORY BODIES

No loans have been granted to members of the Company's administrative, management and supervisory bodies, pursuant to Art. 43 (1) of the Fourth Council Directive 78/660/EEC.

16. AUDIT FEES

The following table provides details of the fees from E.Y. S.p.A., the external auditor of Digital Bros S.p.A., and to other auditing firms not pertaining to the main auditor's network, pursuant to Article 149-duodecies of the Issuers' Regulation:

Fees pertaining to FY 2024/2025						
Nature of service	**Parent Company auditor**			**Network of the Parent Company auditor**	**Out of the network of the Parent Company auditor**	**Total**
	to the Parent Company	**to other companies**	**total**	**to other companies**	**to other companies**	
Audit	123,558	137,364	260,922	0	53,648	**314,570**

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 consolidated financial statements for the period July 1st, 2025 – June 30th, 2026. No significant issues have arisen.

We also confirm that:

1. the consolidated financial statements of Digital Bros Group as of June 30th, 2026:
   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 view of the results and financial position of the issuer and of the entities included in the consolidation;
2. the Directors' Report accompanying the 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, September 24th, 2026

Signed

Chairman of the Board of Directors	Chief Financial Officer
Abramo Galante	Stefano Salbe