

Digital Bros

 digital entertainment

PRESS RELEASE

TRADE UPDATE

FY23 GROUP REVENUES AT 116 MILLION EURO (-13,2% YOY)

CONSOLIDATED FY23 EBIT IN A RANGE BETWEEN 19 AND 21 MILLION EURO COMPARED TO 36 MILLION REALIZED LAST FISCAL YEAR

Milan, July 11, 2023 - Digital Bros Group (DIB:MI), a videogames company listed on the Euronext STAR Milan (ISIN: IT0001469995) and part of the FTSE Italia Small Cap index and Euronext Tech Leaders, updates today the outlook for the fiscal year ending 30 June 2023.

Current market conditions are making the release of new games into the market somewhat challenging. In particular, smaller budget videogames with limited marketing spend with which to drive the launch and create a consumer base. With a tightening economy, consumers are playing the same games for longer rather than spending on new and different experiences. Attracting gamers to new games IP requires significantly larger marketing investments.

The Group has launched, in the period, Crime Boss: Rockay City (launched end of the third quarter, fiscal year). Crime Boss has met expectations and will continue to be supported by recurring drops of additional content. Assetto Corsa continued to outperform expectations and has contributed 24.5 million Euro revenues for the full fiscal year.

Alongside the above properties, the Group has also launched (end of Q3 and during Q4) a significant number of new but smaller videogames, these games have not met expected results as originally forecast.

This has resulted in revenues significantly below expectations. Actual revenues show a decline of 13.2% compared to the previous fiscal year despite original forecasts. EBIT was previously forecast at the same level as last year (36M Euro). Giving consideration to the above, it is now expected to be in a range between 19 million and 21 million Euro already considering significant write offs related to the videogames recently launched.



The next fiscal year has already started. The launch of Ghostrunner 2 in the first half together with the second version of Assetto Corsa and Eiyuden Chronicle – Hundred Heroes during the second half will strengthen the Group properties. These games significantly reduce risk for the current fiscal year as they are sequels of existing successful products or products that can benefit of exclusivity agreements to hedge risk. As a result of that, the previous guidance of growing revenues for next fiscal years will remain in place.

ALTERNATIVE PERFORMANCE RATIOS

- EBIT: the difference between EBITDA and total depreciation, amortization and impairment adjustments.

This press release is available on www.digitalbros.com and www.1info.it.

DIGITAL BROS GROUP

Listed on the Euronext STAR Milan and part of Euronext Tech Leaders, Digital Bros Group (ISIN IT0001469995) is a global company that has been operating since 1989 as a developer, publisher and distributor of video games through its brand 505 Games. The Group markets its contents on both retail and digital channels. Digital Bros Group is active around the world through its own direct operations in Italy, United States, UK, France, Spain, Germany, Czech Republic, China, Japan, Australia and Canada with 430 employees.

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