Draft consolidated financial statements as of June 30th, 2025

Digital Bros S.p.A.

Via Tortona, 37 – 20144 Milan, Italy
VAT number 09554160151
Share Capital: Euro 6.024.334,80 of which Euro 5.706.014,80 subscribed
Milan Companies House no. 290680-Vol. 7394 Chamber of Commerce no. 1302132

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

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

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BOARD OF DIRECTORS AND CORPORATE GOVERNANCE STRUCTURE

Board of Directors

Member	Office	Role	Committees		
			Risk & Control	Remuneration	Nomination
Carlotta Ilaria D'Ercole	Director	I	M	M	P
Veronica Devetag Chalapuka	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	Substitute statutory auditor
Stefano Spiniello	Substitute statutory auditor

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

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., with registered office at Via Meravigli 12, Milan, as the external auditor of the Group's consolidated annual and half-year financial statements, as well as of the separate financial statements of Digital Bros S.p.A., for the period ending with the approval of the financial statements as of June 30th, 2030.

Other information

On September 25th, 2025, the Board of Directors authorized the publication of the Group's draft consolidated financial statements as of June 30th, 2025.

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

DIRECTORS' REPORT

1. GROUP ORGANIZATION

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

The Group is organized into five operational business segments:

Premium Games: activities 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 via perpetual acquisitions.

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

During the reporting period, Premium Games activities were performed by the subsidiary 505 Games S.p.A., which coordinates this operating segment, together with 505 Games Ltd. and 505 Games (US) Inc.. As part of the Group's efforts to streamline its operations, starting from July 1st, 2024, all activities that were previously carried out by 505 Games Interactive Inc. have been fully transferred to 505 Games (US) Inc.. The Group finalized the liquidation process for 505 Games Interactive Inc. during the fiscal year.

The subsidiary 505 Pulse S.r.l, formerly known as Hook S.r.l., publishes indie video games, i.e. titles with lower development budget.

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

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

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

- the Italian company Kunos Simulazioni S.r.l., fully owned by the Group, which developed and published the video games Assetto Corsa and Assetto Corsa Competizione. The team is now finalizing the development of the video game Assetto Corsa EVO, which was released in Early Access on Steam on January 16th, 2025;
- the Czech company Ingame Studios a.s. a Brno-based studio in charge of the development of Crime Boss: Rockay City., which is fully owned by the Group;
- the Italian company Avantgarden S.r.l., a Milan-based development studio fully owned by the Group;
- the Italian company Supernova Games Studios S.r.l., a development studio based in Milan and fully owned by the Group;

- the Canadian company Chrysalide Jeux et Divertissement Inc., held at 75% by the Group, which is currently developing the video game The Directorate: Novitiate.

The Group established the Spanish joint venture MSE&DB SL with the development studio MercurySteam Entertainment S.l.. The joint venture owns the intellectual property of the video game Blades of Fire, which launched during the fiscal year.

Free to Play: 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 tend to enjoy a longer life cycle. Following their launch, Free-to-Play games require ongoing maintenance and updates to keep the users' interested, increase the players retention and extend the game's longevity.

Worldwide publishing activities are coordinated by 505 Mobile S.r.l., together with the U.S.-based 505 Mobile (US) Inc., which provides consultancy services to other Group companies and the UK-based 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, for which they provide live support activities.

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

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

Italian Distribution: consists of the distribution in Italy of video games purchased from international publishers and trading cards. The Italian Distribution activities are carried out by the Parent Company, Digital Bros S.p.A..

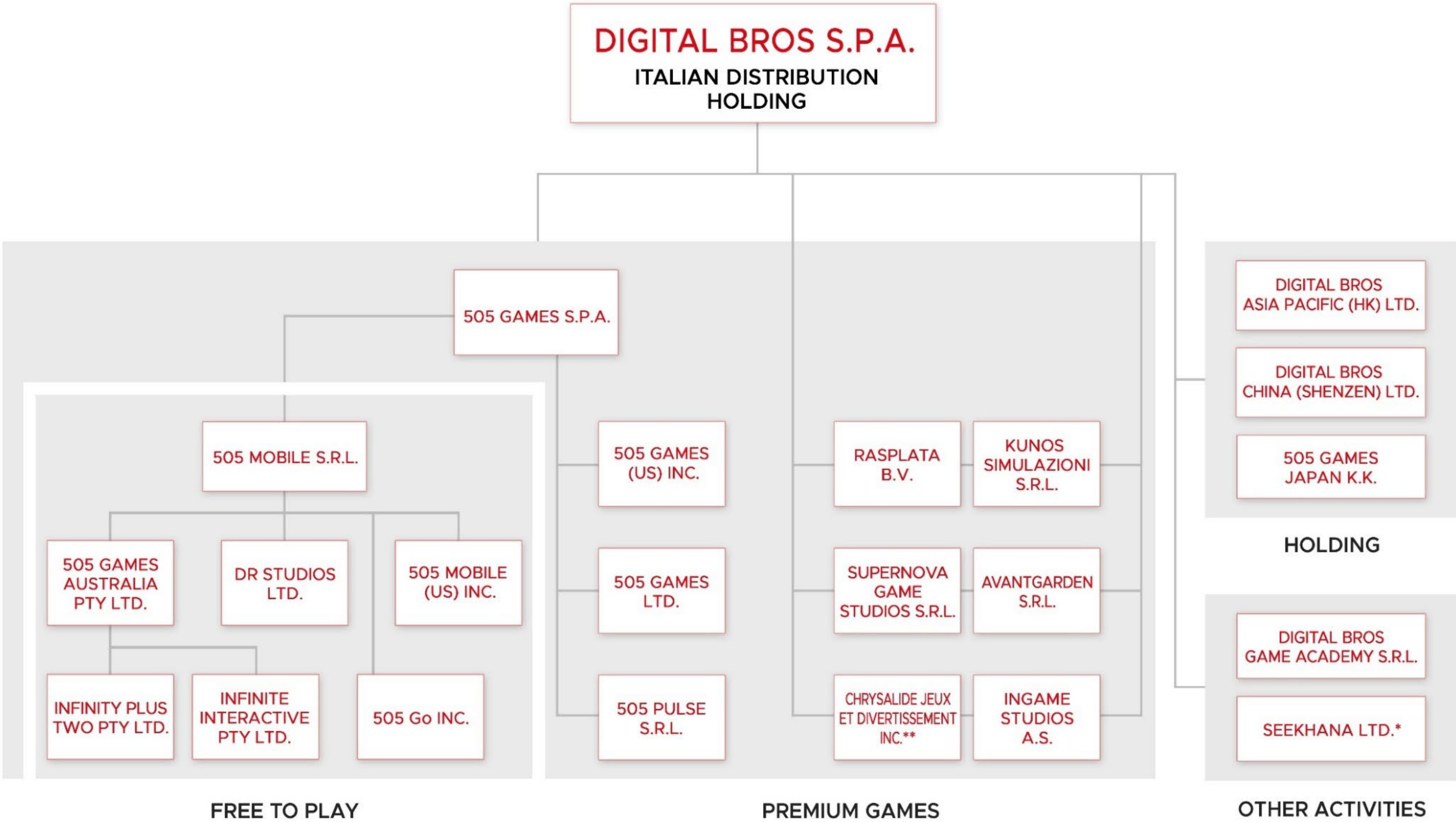
Other Activities: all remaining activities fall under the Other Activities operating segment for reporting purposes. This segment includes training and professional courses related to the video game industry carried out by the subsidiary Digital Bros Game Academy S.r.l..

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

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

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, 2025 was as follows:



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

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

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

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

2. MAIN INTELLECTUAL PROPERTIES OWNED BY THE GROUP

ASSETTO CORSA
YOUR RACING SIMULATOR

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

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

Launched in 2018, Assetto Corsa Competizione is the official video game for GT World Challenge and the official Esport video game for FIA Motorsport Games.

The second version of Assetto Corsa, Assetto Corsa EVO is currently in development. The video game launched in Early Access for personal computers in January 2025.

Since launch, the Assetto Corsa franchise has generated revenues for around Euro 174 million.

CRIME BOSS
ROCKAY CITY

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 launched on Steam in June 2024.

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

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

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

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

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

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

Puzzle Quest 3 is a Free to Play videogame available on mobile, Personal Computer and 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, alongside movies, books, magazines, and toys. These sectors share common characteristics, brands, features, and intellectual properties, contributing to a dynamic and interconnected entertainment landscape.

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

The video games market value chain is as follows:

The COVID-19 pandemic further accelerated the decline of retail distribution, which has now become marginal and has been almost entirely supplanted by digital distribution channels.

Developers

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

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

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

Publishers

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

Console manufacturers

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

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

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

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

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

The video game industry does not appear to be materially impacted by the current changes and developments in international tariff policies.

4. ALTERNATIVE PERFORMANCE RATIOS

The Group relies on specific key performance ratios to simplify the comprehension of the consolidated profit and loss statement and balance sheet. The key performance ratios used in this report are consistent with previous years.

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

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

With regards to the profit and loss statements, the same rationale is also valid for the net financial position, which is detailed in the Explanatory Notes.

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

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

5. SEASONALITY EFFECTS

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

The digitalization of the market has contributed to a more stable revenue stream for publishers across quarters. Unlike physical retail cycles, digital marketplaces recognize revenue at the time of the end consumer’s purchase, thereby reducing the impact of seasonal sales fluctuations.

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

Revenues from Free-to-Play games tend to be less affected by seasonal fluctuations compared to Premium Games. Free-to-Play titles typically generate steadily increasing revenue over time, without significant spikes at launch, except in rare cases involving highly anticipated titles with exceptionally well-known brands. The impact of promotions on revenue performance is significant; however, unlike Premium Games, these promotions occur much more frequently and are spread over shorter intervals, preventing excessive revenue volatility across different quarters.

The minimal contribution of physical distribution sales to total consolidated revenue has significantly reduced the volatility of net working capital, enabling more linear net financial position trends.

6. SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

On October 28th, 2024, the Shareholders' Meeting approved the Financial Statements for the fiscal year as of June 30th, 2024 of Digital Bros S.p.A. and appointed Veronica Devetag Chalaupka as a non-executive Director. The new Director will remain in charge with the current Board of Directors until the approval of the financial statements as of June 30th, 2026.

Relations with Starbreeze

Over the past fiscal years, Digital Bros Group and Starbreeze group ("Starbreeze") have entered multiple different transactions, summarized below.

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

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

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

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

During the last months of the previous fiscal year, different interpretations emerged between the Group and Starbreeze AB about the calculation of the earn out from the transfer of PAYDAY 2 rights to the Swedish developer and the repayment of receivables related to other contracts between the two groups.

On February 27th, 2025, the Group reached a settlement agreement with the Swedish developer, resolving all outstanding matters. Consequently, the Provision for Starbreeze arbitration costs accrued as of June 30, 2024 was released, as no arbitration proceeding is required. The agreement was reflected in the Group's half-year-consolidated financial statements with a neutral effect on its net result.

Ahead of Starbreeze AB's Annual General Meeting on May 15th, 2025, the Group submitted an alternative list of candidates for the company's Board of Directors, differing from the proposal initially presented by the Nomination Committee. Following the AGM's approval of the Group's list and the election of the Group's CFO to Starbreeze's

Board, the Group determined that it had acquired significant influence over the Swedish company as of that date. This determination was based on the following IAS 28 indicators:

- representation on the investee’s board of directors or equivalent governing body;
- participation in policy-making processes, including decisions on dividends and other distributions.

As of June 30th, 2025, the Group holds no. 87 million Starbreeze A shares and no. 223.4 million Starbreeze B shares, representing 19.11% of the share capital and 37.65% of voting rights.

7. CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE PERIOD ENDED JUNE 30TH, 2025

	Euro thousand	June 30th, 2025		June 30th, 2024		Change	
1	Gross revenue	93,620	100.0%	117,972	100.0%	(24.352)	-20.6%
2	Revenue adjustments	0	0.0%	(38)	0.0%	38	n.m.
3	**Net revenue**	**93,620**	**100.0%**	**117,934**	**100.0%**	**(24.314)**	**-20.6%**
4	Purchase of products for resale	(718)	-0.8%	(3,715)	-3.2%	2.997	-80.7%
5	Purchase of services for resale	(7,383)	-7.9%	(10,200)	-8.6%	2.817	-27.6%
6	Royalties	(19,329)	-20.6%	(23,567)	-20.0%	4.238	-18.0%
7	Changes in inventories of finished products	(1,312)	-1.4%	(687)	-0.6%	(625)	90.9%
8	**Total cost of sales**	**(28,742)**	**-30.7%**	**(38,169)**	**-32.4%**	**9.427**	**-24.7%**
9	**Gross profit (3+8)**	**64,878**	**69.3%**	**79,765**	**67.6%**	**(14.887)**	**-18.7%**
10	Other income	9,784	10.5%	9,921	8.4%	(137)	-1.4%
11	Costs for services	(9,413)	-10.1%	(11,212)	-9.5%	1.799	-16.0%
12	Rent and leasing	(623)	-0.7%	(564)	-0.5%	(59)	10.4%
13	Payroll costs	(29,951)	-32.0%	(34,363)	-29.1%	4.412	-12.8%
14	Other operating costs	(1,218)	-1.3%	(1,331)	-1.1%	113	-8.6%
15	**Total operating costs**	**(41,205)**	**-44.0%**	**(47,470)**	**-40.3%**	**6.265**	**-13.2%**
16	**Gross operating margin (EBITDA) (9+10+15)**	**33,457**	**35.7%**	**42,216**	**35.8%**	**(8.759)**	**-20.7%**
17	Depreciation and amortization	(26,742)	-28.6%	(35,173)	-29.8%	8.431	-24.0%
18	Provisions	1,241	1.3%	(1,241)	-1.1%	2.482	n.m.
19	Asset impairment charge	(20,405)	-21.8%	(8,164)	-6.9%	(12.241)	n.m.
20	Impairment reversal	909	1.0%	953	0.8%	(44)	-4.7%
21	**Total depreciation, amortization and impairment adjustments**	**(44,997)**	**-48.1%**	**(43,625)**	**-37.0%**	**(1.372)**	**3.1%**
22	**Operating margin (EBIT) (16+21)**	**(11,540)**	**-12.3%**	**(1,409)**	**-1.2%**	**(10.131)**	**n.m.**
23	Interest and financial income	3,952	4.2%	1,674	1.4%	2.278	136.0%
24	Interest and financial expenses	(7,066)	-7.5%	(5,465)	-4.6%	(1.601)	29.3%
25	**Net interest income/(expenses)**	**(3,114)**	**-3.3%**	**(3,791)**	**-3.2%**	**677**	**-17.9%**
26	**Profit/ (loss) before tax (22+25)**	**(14,654)**	**-15.7%**	**(5,200)**	**-4.4%**	**(9.454)**	**n.m.**
27	Current tax	858	0.9%	(1,751)	-1.5%	2.609	n.m.
28	Deferred tax	3,092	3.3%	762	0.6%	2.330	n.m.
29	**Total taxes**	**3,950**	**4.2%**	**(989)**	**-0.8%**	**4.939**	**n.m.**
30	**Net profit/loss**	**(10,704)**	**-11.4%**	**(6,189)**	**-5.2%**	**(4.514)**	**n.m.**
	attributable to the shareholders of the Parent Company	**(10,919)**	**-11.7%**	**(2,214)**	**-1.9%**	**(8.704)**	**n.m.**
	attributable to non-controlling interests	**215**	**0.2%**	**(3,975)**	**-3.4%**	**4.190**	**n.m.**
	Earnings per share:						
33	**Basic earnings per share (in Euro)**	**(0.77)**		**(0.16)**		**(0.61)**	**n.m.**
34	**Diluted earnings per share (in Euro)**	**(0.73)**		**(0.15)**		**(0.58)**	**n.m.**

In the post-pandemic period, the video game industry passed through significant structural changes, connected to an exceptional number of new launches. The Group has refocused its portfolio of intellectual properties to address the new market dynamics, continuously assessing the expected risk-return profile project by project. The strategic review prioritizes higher-margin titles with more predictable revenue streams, especially fully owned intellectual properties with the potential to generate long-term value for the Group.

As of June 30th, 2025, total revenue amounted to Euro 93.6 million, down by 20.6% year-on-year.

During the reporting period, the Group released the PC version of the new video game Assetto Corsa EVO in Early Access on Steam and a brand-new title, Blades of Fire, launched for consoles and as a PC exclusive on the Epic Games Store. The new video game underperformed the Group's expectations, despite receiving generally positive reviews from both the industry press and players.

A breakdown of net revenue by operating segment as of June 30th, 2025 is provided below, compared to the previous fiscal year:

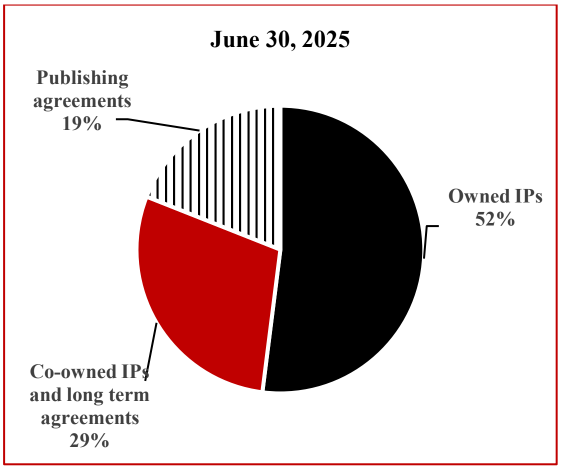
Net revenue

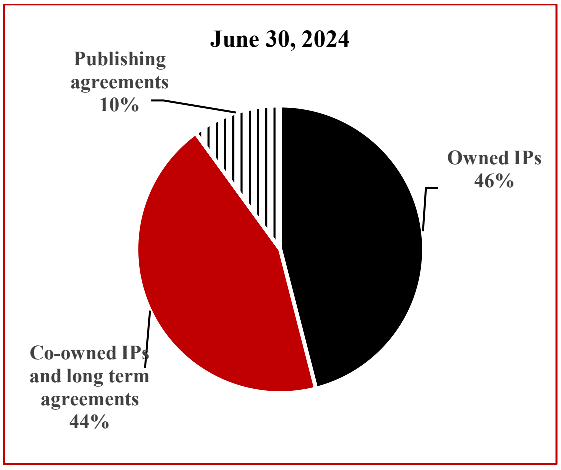
Euro thousand	June 30th, 2025	June 30th, 2024	Change €	Change %
Premium Games	78,789	97,440	(18,651)	-19.1%
Free to Play	12,688	17,766	(5,078)	-28.6%
Italian Distribution	1,310	1,696	(386)	-22.8%
Other Activities	833	1,032	(199)	-19.3%
Total net revenue	**93,620**	**117,934**	**(24,313)**	**-20.6%**

Premium Games revenue amounted to Euro 78.8 million, down by 19.1% and representing 84.2% of total revenue. The Assetto Corsa brand showed a particularly strong performance, generating Euro 32 million during the reporting period, a 16% increase compared to Euro 27.6 million realized in the previous fiscal year. The brand performances benefitted from the launch of the new version Assetto Corsa EVO in Early Access on Steam, developed by the internal studio Kunos Simulazioni.

Revenue generated from fully owned Intellectual Properties (IPs) accounted for 52% of the Euro 78.8 million revenue generated by the Premium Games operating segment, increasing from 46% in the previous fiscal year, primarily driven by the launch of Assetto Corsa EVO. Co-owned IPs and long-term publishing agreements accounted for 29% of Premium Games revenue. The increase in the revenue share from publishing agreements was primarily driven by the performance of the video games Death Stranding and Terraria.

A breakdown of Premium Games revenue by the type of rights held by the Group as of June 30th, 2025 is provided below compared to the previous fiscal year:





Free to Play revenue amounted to Euro 12.7 million, down by 28.6% compared to the previous fiscal year. The video games published by the subsidiary 505 Go Inc. have been upgraded to a new game engine starting from the previous fiscal year. This will enhance the performance of the live support activities by allowing further reaching and more complex event updates, together with easier and more frequent promotional activities. The upgrade will also support localization into additional languages, expanding the game's player base to a global audience. As of the reporting date, the game is primarily available in English and, to a lesser extent, in major Western languages, with most revenue generated in the U.S.. The software upgrading process and the testing phase have been finalized in the first quarter of the new fiscal year.

Non-domestic revenues were 97% of net revenue, while digital sales represented 92% of the total, consistent with prior years.

The cost of sales as a percentage of total revenue slightly decreased, resulting in a smaller contraction of gross profit. In fact, the gross profit margin rose from 67.6% in the previous fiscal year to 69.3% as of June 30th, 2025.

Other revenue amounted to Euro 9,784 thousand, largely unchanged compared to Euro 9,921 thousand as of June 30th, 2024.The capitalization of internal studio video game development included:

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

The EBITDA margin as a percentage of revenue remained stable, decreasing by Euro 8,759 thousand, from Euro 42,216 thousand in the last fiscal year to Euro 33,457 thousand as of June 30th, 2025 and reflected the impact of the reorganization process and the lower costs of services resulting from fewer releases.

Total depreciation, amortization and impairment adjustments amounted to Euro 44,997 thousand, increasing by Euro 1,372 thousand:

- depreciation and amortization amounted to Euro 26,742 thousand, down by Euro 8,431 thousand from Euro 35,173 thousand as of June 30th, 2024;
- provisions were positive at Euro 1,241 thousand, reflecting the reversal of the Provision for Starbreeze arbitration costs accrued as of June 30th, 2024, since no arbitration is needed following the agreement reached with the Swedish group;
- asset impairment charges amounted to Euro 20,405 thousand, driven by video games write-offs. These included Euro 8,067 thousand related to lower cash flow projections of some products resulting from the impairment testing, and Euro 10,956 thousand related to projects under development that the Group decided to discontinue prior to completion. The remaining part mainly consisted of the Euro 966 thousand losses on Starbreeze receivables resulting from the settlement agreement;
- impairment reversal amounted to Euro 909 thousand related to the acquisition of the subsidiary 505 Go Inc..

As of June 30th, 2025, the EBIT margin was negative at Euro 11,540 thousand, compared to the negative EBIT at Euro 1,409 of the previous fiscal year.

The net interest expense amounted to Euro 3,114 thousand, compared to Euro 3,791 thousand of the last fiscal year. As of June 30th, 2025, financial income reflected the positive change in equity of the Spanish joint venture MSE&DB SL, while financial expenses included the impairment of the Starbreeze equity investment. Fair value adjustments on Starbreeze shares had previously been recognized in comprehensive income until May 15th, 2025, when the Group acquired significant influence on the Swedish company.

The loss before tax was at Euro 14,654 thousand, increasing by Euro 9,454 thousand from the Euro 5,200 thousand loss before tax realized as of June 30th, 2024.

The consolidated net loss amounted to Euro 10,704 thousand, compared to the net loss at Euro 6,189 thousand as of June 30th, 2024.

The net loss attributable to the shareholders of the Parent Company was at Euro 10,919 thousand, increasing by Euro 8,704 thousand year-on-year. The net profit attributable to non-controlling interest amounted to Euro 215 thousand, compared to the net loss of Euro 3,784 thousand in the previous fiscal year. The last year net loss was attributable to the 40% minority interest pro-rata result the Dutch subsidiary Rasplata B.V. which was fully acquired by the Group in August 2024.

The basic loss per share was at Euro 0.77 and the diluted loss per share amounted to Euro 0.73, compared to Euro 0.16 basic loss per share and Euro 0.15 diluted loss per share as of June 30th, 2024.

8. CONSOLIDATED BALANCE SHEET AS OF JUNE 30TH, 2025

	Euro thousand	June 30th, 2025	June 30th, 2024	Change	
	Non-current assets				
1	Property, plant and equipment	5,459	7,379	(1,920)	-26.0%
2	Investment properties	0	0	0	0.0%
3	Intangible assets	111,234	129,614	(18,380)	-14.2%
4	Equity investments	7,159	9,685	(2,526)	-26.1%
5	Non-current receivables and other assets	2,601	7,945	(5,344)	-67.3%
6	Deferred tax assets	23,723	21,166	2,557	12.1%
7	Non-current financial activities	2,821	0	2,821	n.m.
	Total non-current assets	**152,997**	**175,789**	**(22,792)**	**-13.0%**
	Current assets				
8	Inventories	1,356	2,668	(1,312)	-49.2%
9	Trade receivables	14,185	16,887	(2,702)	-16.0%
10	Tax receivables	8,600	4,345	4,255	97.9%
11	Other current assets	5,706	8,902	(3,196)	-35.9%
12	Cash and cash equivalents	6,718	11,981	(5,263)	-43.9%
13	Other current financial assets	0	10,238	(10,238)	n.m.
	Total current assets	**36,565**	**55,021**	**(18,456)**	**-33.5%**
	TOTAL ASSETS	***189,562***	***230,810***	***(41,248)***	***-17.9%***
	Shareholders' equity				
14	Share capital	(5,706)	(5,706)	0	0.0%
15	Reserves	(9,632)	(11,868)	2,236	-18.8%
16	Treasury shares	0	0	0	0.0%
17	Retained earnings	(98,612)	(113,426)	14,814	-13.1%
	Equity attributable to the shareholders of the Parent Company	**(113,950)**	**(131,000)**	**17,050**	**-13.0%**
	Equity attributable to non-controlling interests	**(790)**	**3,314**	**(4,104)**	**n.m.**
	Total net equity	**(114,740)**	**(127,686)**	**12,946**	**-10.1%**
	Non-current liabilities				
18	Employee benefits	(1,109)	(967)	(142)	14.7%
19	Non-current provisions	(1,059)	(563)	(496)	88.2%
20	Other non-current payables and liabilities	(4,947)	(1,657)	(3,290)	198.6%
21	Non-current financial liabilities	(1,221)	(10,324)	9,103	-88.2%
	Total non-current liabilities	**(8,336)**	**(13,511)**	**5,175**	**-38.3%**
	Current liabilities				
22	Trade payables	(29,636)	(43,737)	14,101	-32.2%
23	Tax payables	(1,142)	(1,299)	157	-12.0%
24	Short term provisions	0	(1,241)	1,241	n.m.
25	Other current liabilities	(10,838)	(6,657)	(4,181)	62.8%
26	Current financial liabilities	(24,870)	(36,679)	11,809	-32.2%
	Total current liabilities	**(66,486)**	**(89,613)**	**23,127**	**-25.8%**
	TOTAL LIABILITIES	**(74,822)**	**(103,124)**	**28,302**	**-27.4%**
	TOTAL NET EQUITY AND LIABILITIES	***(189,562)***	***(230,810)***	***41,248***	***-17.9%***

Total non-current assets decrease by Euro 22,792 thousand.

During the reporting period, intangible assets decrease by Euro 18,380 thousand, as a result of depreciation and impairment charges at Euro 43,752 thousand and investments at Euro 25,372 thousand.

Equity investments decrease by Euro 2,526 thousand, primarily due to the carrying amount of the investment in Starbreeze as of June 30th, 2025, partially offset by Euro 1,300 thousand reflecting the Group's share of net results from the. joint venture MSE&DB SL.

Non-current receivables and other assets decrease by Euro 5,344 thousand, of which Euro 4,425 thousand related to the portion of the receivable from Starbreeze that is due beyond twelve months, according to the settlement agreement finalized with the Swedish developer on February 27th, 2025.

Total current assets decrease by Euro 18,456 thousand compared to June 30th, 2024, mainly due to:

- lower trade receivables by Euro 2,702;
- lower tax receivables by Euro 4,225 thousand;
- lower other current assets by Euro 3,196 thousand;
- lower cash and cash equivalent by Euro 5,263 thousand;
- lower current financial assets by Euro 10,238 thousand resulting from the collection of the receivables from Remedy Entertainment, as per last years' agreement reverting all rights related to the Control franchise to the Finnish developer.

Non-current liabilities decrease by Euro 5,175 thousand, mainly due to the reclassification to current liabilities of the remaining portions of outstanding loans, according to the contractual maturities.

Total current liabilities are down by Euro 23,127 thousand, driven by:

- lower trade payables for Euro 14,101 thousand;
- the reversal of Euro 1,241 thousand accrued for the Provision for Starbreeze arbitration costs;
- higher other current liabilities for Euro 4,181 thousand;
- lower current financial liabilities by Euro 11,809 thousand.

The net financial position as of June 30th, 2025 is detailed below, as restated by the Group consistently with previous fiscal years:

Euro thousand		June 30th, 2025	June 30th, 2024	Change
12	Cash and cash equivalents	6,718	11,981	(5,263)
13	Other current financial assets	0	10,238	(10,238)
26	Current financial liabilities	(24,870)	(36,679)	11,809
	Current net financial position	**(18,152)**	**(14,460)**	**(3,692)**
7	Non-current financial assets	2,821	0	2,821
21	Non-current financial liabilities	(1,221)	(10,324)	9,103
	Non-current financial liabilities	**1,600**	**(10,324)**	**11,924**
	Total net financial position	***(16,552)***	***(24,784)***	***8,232***

The Group's restated net financial debt amounted to Euro 16,552 thousand, a Euro 8,232 thousand decrease compared to June 30th, 2024. The Group expects to be able to meet its current liabilities through projected future cash flows.

The restated net financial position, excluding the impact of IFRS 16, was negative at Euro 14,070 thousand.

The net financial position at fiscal year-end, prepared in accordance with the "Guidelines on disclosure requirements under the Prospectus Regulation" issued by the European Securities and Markets Authority (ESMA), was negative at Euro 19,373 thousand, improving by Euro 15,649 thousand compared to the previous fiscal year-end.

9. FINANCIAL RATIOS

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

Profitability ratios	**June 30th, 2025**	**June 30th, 2024**
ROE (Net profit / Net equity)	-9.6%	-1.7%
ROI (Operating margin / Total assets)	-6.1%	-0.6%
ROS (Operating margin / Gross profit)	-12.3%	-1.2%

Structure ratios	**June 30th, 2025**	**June 30th, 2024**
Net working capital ratio (Current assets / Total assets)	19.3%	23.8%
Current ratio (Current assets / Current liabilities)	51.3%	61.4%
Quick ratio (Cash and cash equivalents and Other current assets / Current liabilities)	49.4%	58.4%

The video game industry features a unique settlement structure for royalty payables. In many cases, these payables are only due once the Group has collected the corresponding revenues. Consequently, a substantial portion of current liabilities at the reporting date is not immediately payable in the first quarter of the next fiscal year.

The adjusted liquidity ratio is presented in the table below to provide a clearer picture of the Group's liquidity position. This ratio is calculated as current non-financial receivables divided by current non-financial liabilities, adjusted to exclude liabilities that are not due within the first quarter of the fiscal year.

Euro thousand		**June 30th, 2025**	**June 30th, 2024**
9	Trade receivables	14,185	16,887
10	Tax receivables	8,600	4,345
11	Other current assets	5,706	8,902
	Total current non-financial receivables	**28,491**	**30,134**
22	Trade payables	(29,636)	(43,737)
23	Tax payables	(1,142)	(1,299)
24	Short term provisions	0	(1,241)
25	Other current liabilities	(10,838)	(6,657)
	Total current non-financial liabilities	**(41,616)**	**(52,934)**
	of which is not payable at sight	14,604	17,984
	Total current non-financial liabilities payable in Q1	**(27,012)**	**(34,950)**
	Adjusted liquidity ratio	**105.5%**	**86.2%**

10. SEGMENT REPORTING

Premium Games

Reclassified P&L highlights

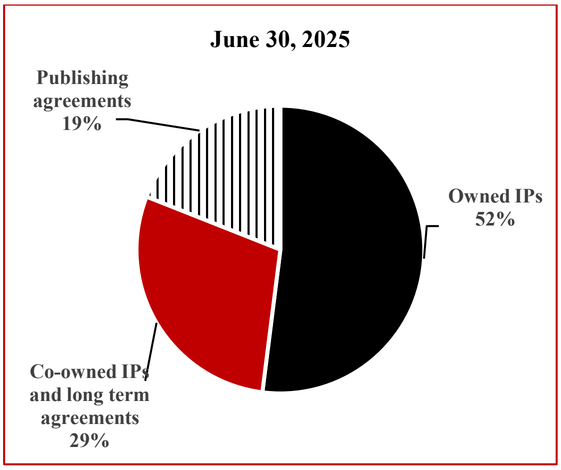
	Consolidated amounts in Euro thousand	Premium Games					
		June 30th, 2025		June 30th, 2024		Change	
1	Gross revenue	78,789	100.0%	97,449	100.0%	(18,660)	-19.1%
2	Revenue adjustments	0	0.0%	(9)	0.0%	9	n.s.
3	**Net revenue**	**78,789**	**100.0%**	**97,440**	**100.0%**	**(18,651)**	**-19.1%**
4	Purchase of products for resale	(689)	-0.9%	(2,738)	-2.8%	2,049	-74.9%
5	Purchase of services for resale	(3,871)	-4.9%	(6,198)	-6.4%	2,327	-37.5%
6	Royalties	(14,230)	-18.1%	(18,386)	-18.9%	4,156	-22.6%
7	Changes in inventories of finished products	(556)	-0.7%	(207)	-0.2%	(349)	n.s.
8	**Total cost of sales**	**(19,346)**	**-24.6%**	**(27,529)**	**-28.3%**	**8,183**	**-29.7%**
9	**Gross profit (3+8)**	**59,443**	**75.4%**	**69,911**	**71.7%**	**(10,468)**	**-15.0%**
10	Other income	7,875	10.0%	7,727	7.9%	148	1.9%
11	Costs for services	(5,128)	-6.5%	(5,870)	-6.0%	742	-12.6%
12	Rent and leasing	(195)	-0.2%	(205)	-0.2%	10	-4.7%
13	Payroll costs	(19,012)	-24.1%	(21,246)	-21.8%	2,234	-10.5%
14	Other operating costs	(580)	-0.7%	(720)	-0.7%	140	-19.4%
15	**Total operating costs**	**(24,915)**	**-31.6%**	**(28,041)**	**-28.8%**	**3,126**	**-11.1%**
16	**Gross operating margin (EBITDA) (9+10+15)**	**42,403**	**53.8%**	**49,597**	**50.9%**	**(7,194)**	**-14.5%**
17	Depreciation and amortization	(23,186)	-29.4%	(31,221)	-32.0%	8,035	-25.7%
18	Provisions	1,241	1.6%	(1,241)	-1.3%	2,482	n.s.
19	Asset impairment charge	(13,227)	-16.8%	(6,310)	-6.5%	(6,917)	n.s.
20	Impairment reversal	0	0.0%	885	0.9%	(885)	n.s.
21	**Total depreciation, amortization and impairment adjustments**	**(35,172)**	**-44.6%**	**(37,887)**	**-38.9%**	**2,715**	**-7.2%**
22	**Operating margin (EBIT) (16+21)**	**7,231**	**9.2%**	**11,710**	**12.0%**	**(4,479)**	**-38.2%**

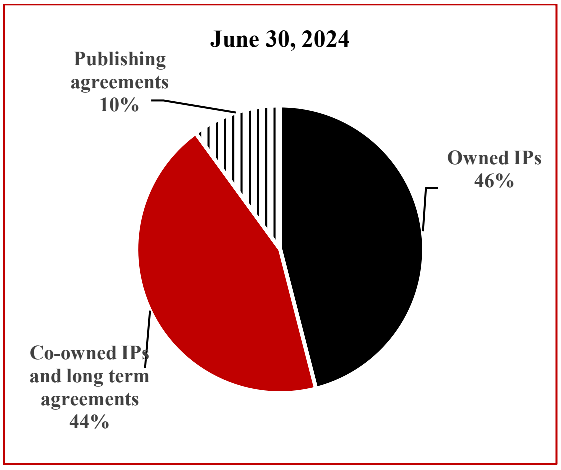
Premium Games revenue amounted to Euro 78.8 million, down by 19.1% and representing 84.2% of total revenue. The Assetto Corsa brand showed particularly strong performances, generating Euro 32 million during the reporting period, a 16% increase compared to the Euro 27.6 million realized in the previous fiscal year. The brand performances benefitted from the launch of the new version Assetto Corsa EVO in Early Access on Steam, developed by the internal studio Kunos Simulazioni.

Revenue generated from fully owned Intellectual Properties (IPs) accounted for 52% of the Euro 78.8 million revenue generated by the Premium Games operating segment, increasing from 46% in the previous fiscal year, primarily driven by the launch of Assetto Corsa EVO. Co-owned IPs and long-term publishing agreements accounted for 29% of Premium Games revenue.

The increase in the revenue share from publishing agreements was primarily driven by the performance of the video games Death Stranding and Terraria.

A breakdown of Premium Games revenue by the type of rights held by the Group as of June 30th, 2025 is provided below with comparative figures as of June 30th, 2024:





The Premium Games revenue breakdown by type is provided below:

Euro thousand	June 30th, 2025	June 30th, 2024	Change	
Retail distribution revenue	2,001	6,714	(4,713)	-70.2%
Digital distribution revenue	73,281	87,834	(14,553)	-16.6%
Sublicensing revenue	3,507	2,901	606	20.9%
Total Premium Games revenue	**78,789**	**97,449**	**(18,660)**	**-19.1%**

Digital distribution revenue amounted approximately to 93% of the gross revenue for the operating segment.

Digital distribution revenue included transactional income from the sale of video games to players through digital marketplaces, as well as buyout revenue, which relates to the transfer of intellectual property rights and associated content to these platforms. Buyout revenue also includes proceeds from subscription services, promotional campaigns, and minimum guarantee arrangements.

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

Digital distribution revenue as of June 30th, 2025 is detailed below:

Euro thousand	June 30th, 2025	June 30th, 2024	Change	
Console	24,580	42,393	(17,814)	-42.0%
Personal Computer	45,868	41,415	4,453	10.8%
Mobile	2,833	4,026	(1,193)	-29.6%
Total digital distribution revenue	**73,281**	**87,834**	**(14,554)**	**-16.6%**

The increase in PC revenue was offset by lower console and mobile revenue, reflecting a different product mix across the two reporting periods. The difference in the product mix was mainly driven by the fact that the new video game Assetto Corsa EVO was released exclusively for PC.

The total cost of sales decreased by 29.7% compared to June 30th, 2024, from Euro 27,529 thousand to Euro 19,346 thousand.

Gross profit amounted to Euro 59,443 thousand, decreasing by Euro 10,468 thousand compared to June 30th, 2024. The gross profit as of June 30th, 2025 was 75.4% of Premium Games revenue, compared to 71.7% of the previous fiscal year.

Other revenue amounted to Euro 7,875 thousand, largely unchanged compared to the last fiscal year. The capitalization of internal studios development of video games included:

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

The total operating costs decreased by 11.1%, a Euro 3,126 thousand reduction compared to the previous fiscal year. The reduction was mainly driven by lower payroll costs of Euro 2,234 thousand resulting from the reorganization implemented during the last fiscal year. Costs for services decreased by Euro 742 thousand due to fewer launches compared to the previous period and benefiting from cost cutting initiatives implemented along with the reorganization plan.

The gross operating margin (EBITDA) amounted to Euro 42,403 thousand (53.8% of net revenue), decreasing by Euro 7,194 thousand compared to Euro 49,597 thousand realized as of June 30th, 2024 (50.9% of net revenue).

Total depreciation, amortization and impairment adjustments improved by Euro 2,715 thousand, helping to contain the decline in EBIT, down by Euro 4,479 thousand year-on-year. As of June 30th, 2025, EBIT was positive at Euro 7,231 thousand (9.2% of net revenue) compared to Euro 11,710 thousand of the last fiscal year (12% of net revenue).

Depreciation and amortization decreased by Euro 8,035 thousand, while provisions were positive for Euro 1,241 thousand, reflecting the release of the Provision for Starbreeze arbitration costs accrued as of June 30th, 2024, which was no longer required following the settlement agreement with the Swedish company.

Asset impairment charges amounted to Euro 13,227 thousand, mainly driven by video games write-offs. These included Euro 8,067 thousand related to lower cash flow projections of some products resulting from the impairment testing, and Euro 4,090 thousand related to projects under development that the Group decided to discontinue prior to completion. The remaining Euro 1,070 thousand mainly consisted of the Euro 966 thousand losses on Starbreeze receivables resulting from the settlement agreement.

Assets and liabilities assignable to the Premium Games operating sector are as follows:

	Euro thousand	June 30th, 2025	June 30th, 2024	Change	
	Non-current assets				
1	Property, plant and equipment	1,586	2,568	(982)	-38.2%
2	Investment properties	0	0	0	0.0%
3	Intangible assets	103,724	113,619	(9,895)	-8.7%
4	Equity investments	0	0	0	0.0%
5	Non-current receivables and other assets	1,897	6,435	(4,538)	-70.5%
6	Deferred tax assets	15,023	14,481	542	3.7%
7	Non-current financial activities	2,821	0	2,821	n.m.
	Total non-current assets	**125,051**	**137,103**	**(12,052)**	**-8.8%**
	Current assets				
8	Inventories	163	719	(556)	-77.3%
9	Trade receivables	12,804	14,515	(1,711)	-11.8%
10	Tax receivables	889	1,104	(215)	-19.4%
11	Other current assets	3,597	6,930	(3,333)	-48.1%
12	Cash and cash equivalents	6,050	9,798	(3,748)	-38.3%
13	Other current financial assets	0	10,197	(10,197)	n.m.
	Total current assets	**23,503**	**43,263**	**(19,760)**	**-45.7%**
		148,554	**180,366**	**(31,812)**	**-17.6%**
	TOTAL ASSETS				
	Non-current liabilities				
18	Employee benefits	(777)	(645)	(132)	20.5%
19	Non-current provisions	(1,000)	(482)	(518)	n.m.
20	Other non-current payables and liabilities	(4,851)	0	(4,851)	0.0%
21	Non-current financial liabilities	(265)	(8,198)	7,933	-96.8%
	Total non-current liabilities	**(6,893)**	**(9,325)**	**2,432**	**-26.1%**
	Current liabilities				
22	Trade payables	(25,514)	(40,337)	14,823	-36.7%
23	Tax payables	(881)	(967)	86	-8.9%
24	Short term provisions	0	(1,241)	1,241	n.m.
25	Other current liabilities	(9,456)	(5,026)	(4,430)	88.1%
26	Current financial liabilities	(16,437)	(27,513)	11,076	-40.3%
	Total current liabilities	**(52,288)**	**(75,084)**	**22,796**	**-30.4%**
	TOTAL LIABILITIES	**(59,181)**	**(84,409)**	**25,226**	**-29.9%**

Total non-current assets decrease by Euro 9,895 thousand, from Euro 113,619 thousand to Euro 103,724 thousand as of June 30th, 2025. Such decrease was driven by Euro 25,448 thousand investments for the period, offset by Euro 23,186 thousand depreciation and amortization and Euro 12,157 thousand impairment charges.

Non-current receivables and other assets decreased by Euro 4,538 thousand, primarily due to the settlement agreement reached with Starbreeze AB. Under the agreement, receivables related to the video game Overkill: The Walking Dead were reclassified in line with the agreed payment schedule, partly as non-current financial assets and partly offset against trade payables to the Swedish developer.

Other current assets decrease by Euro 3,333 thousand as a result of the utilization of advances paid for the acquisition of video game licenses and for costs incurred in advance for the development of video games, particularly relating to programming, quality assurance and other operating expenses (i.e. ratings, localization).

As of June 30^{th}, 2025, there were no other financial assets, down by Euro 10,197 thousand year-on-year, given that the receivable from Remedy Entertainment related to the reversion of publishing, distribution and marketing rights for video games under the Control brand was fully collected.

Current liabilities increase by Euro 4,430 thousand, primarily due to the advances received for video games that are scheduled to launch in the next fiscal year.

Free to Play

Reclassified P&L highlights

Consolidated amounts in Euro thousand		Free to Play					
		June 30th, 2025		June 30th, 2024		Changes	
1	Gross revenue	12,688	100.0%	17,766	100.0%	(5,078)	-28.6%
2	Revenue adjustments	0	0.0%	0	0.0%	0	0.0%
3	**Net revenue**	**12,688**	**100.0%**	**17,766**	**100.0%**	**(5,078)**	**-28.6%**
4	Purchase of products for resale	0	0.0%	0	0.0%	0	0.0%
5	Purchase of services for resale	(3,512)	-27.7%	(4,002)	-22.5%	490	-12.2%
6	Royalties	(5,099)	-40.2%	(5,181)	-29.2%	82	-1.6%
7	Changes in inventories of finished products	0	0.0%	0	0.0%	0	0.0%
8	**Total cost of sales**	**(8,611)**	**-67.9%**	**(9,183)**	**-51.7%**	**572**	**-6.2%**
9	**Gross profit (3+8)**	**4,077**	**32.1%**	**8,583**	**48.3%**	**(4,506)**	**-52.5%**
10	Other income	1,909	15.0%	2,194	12.4%	(285)	-13.0%
11	Costs for services	(1,901)	-15.0%	(2,955)	-16.6%	1,054	-35.7%
12	Rent and leasing	(75)	-0.6%	(114)	-0.6%	39	-33.7%
13	Payroll costs	(5,556)	-43.8%	(7,349)	-41.4%	1,793	-24.4%
14	Other operating costs	(89)	-0.7%	(129)	-0.7%	40	-31.0%
15	**Total operating costs**	**(7,621)**	**-60.1%**	**(10,547)**	**-59.4%**	**2,926**	**-27.7%**
16	**Gross operating margin (EBITDA) (9+10+15)**	**(1,635)**	**-12.9%**	**230**	**1.3%**	**(1,865)**	**n.m.**
17	Depreciation and amortization	(2,357)	-18.6%	(2,562)	-14.4%	205	-8.0%
18	Provisions	0	0.0%	0	0.0%	0	0.0%
19	Asset impairment charge	(6,866)	-54.1%	(1,767)	-9.9%	(5,099)	0.0%
20	Impairment reversal	909	7.2%	52	0.3%	857	0.0%
21	**Total depreciation, amortization and impairment adjustments**	**(8,314)**	**-65.5%**	**(4,277)**	**-24.1%**	**(4,037)**	**94.4%**
22	**Operating margin (EBIT) (16+21)**	**(9,949)**	**-78.4%**	**(4,047)**	**-22.8%**	**(5,902)**	**n.m.**

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

Euro thousand	June 30th, 2025	June 30th, 2024	Change	
505 Go Inc.	8,411	12,880	(4,469)	-34.7%
Gems of War	3,142	3,465	(323)	-9.3%
Puzzle Quest 3	601	826	(225)	-27.2%
Other products	534	595	(61)	-10.3%
Total Free to Play revenue	**12,688**	**17,766**	**(5,078)**	**-28.6%**

Free to Play revenue amounted to Euro 12.7 million, down by 28.6% compared to the previous fiscal year. The video games published by the subsidiary 505 Go Inc. have been upgraded to a new game engine starting from the previous fiscal year. This will enhance the performance of the live support activities by allowing further reaching and more complex event updates, together with easier and more frequent promotional activities. The upgrade will also support localization into additional languages, expanding the game's player base to a global audience. As of the reporting date, the game is primarily available in English and, to a lesser extent, in major Western languages, with most revenue generated in the U.S. The software upgrading process, as well as the testing phase, has been finalized in the first quarter of the new fiscal year.

The video game Gems of War generated Euro 3,142 thousand revenue, down by 9.3% compared to the previous fiscal year. The title still delivers interesting volumes despite being launched over a decade ago.

The total cost of sales amounted to Euro 8,611 thousand, down by Euro 572 thousand, driven by lower purchase of services for resale.

Other income amounted to Euro 1,909 thousand, decreasing by Euro 285 thousand compared to June 30th, 2024, reflecting the video games currently in production by the Group's subsidiaries. The capitalization of own work included the video game Puzzle Quest: Immortals by the Australian subsidiary Infinity Plus Two and the new title Battle Island II in development by the subsidiary DR Studios Ltd, which is also involved in some development activities for the Premium Games operating segment.

The total operating costs amounted to Euro 7,621 thousand, decreasing by Euro 2,926 thousand compared to the last fiscal year. The reduction was driven by lower payroll costs by Euro 1,793 thousand resulting from last year's reorganization and lower cost for services by Euro 1,054 thousand.

The gross operating margin (EBITDA) was negative at Euro 1,635 thousand, down by Euro 1,865 thousand compared to the positive Euro 230 thousand as of June 30th, 2024.

Depreciation and amortization amounted to Euro 2,357 thousand as of June 30th, 2025 and included Euro 1,760 thousand related to the depreciation of the video game Puzzle Quest. The remaining amounts related to the IFRS 16 application to the rental agreements for DR Studios Ltd. and the Australian companies, as well as the depreciation of the Group's intellectual properties for the reporting period.

Asset impairment charges totaled Euro 6,866 thousand and related entirely to the cancellation of the video game Hawken: Reborn. Due to the complexity of the project and the substantial additional investment required to finalize the title ahead of launch, the Group decided to discontinue development. The decision was also driven by market-related considerations and the challenges in reliably estimating future demand.

The operating margin (EBIT) amounted to negative Euro 9,949 thousand compared to negative Euro 4,047 thousand as of June 30th, 2024.

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

	Euro thousand	June 30th, 2025	June 30th, 2024	Change	
	Non-current assets				
1	Property, plant and equipment	104	225	(121)	-53.6%
2	Investment properties	0	0	0	0.0%
3	Intangible assets	7,263	15,318	(8,055)	-52.6%
4	Equity investments	0	0	0	0.0%
5	Non-current receivables and other assets	27	831	(804)	-96.8%
6	Deferred tax assets	3,928	2,469	1,459	59.1%
7	Non-current financial activities	0	0	0	0.0%
	Total non-current assets	**11,322**	**18,843**	**(7,521)**	**-39.9%**
	Current assets				
8	Inventories	0	0	0	0.0%
9	Trade receivables	1,047	1,836	(789)	-43.0%
10	Tax receivables	504	295	209	71.1%
11	Other current assets	1,441	1,241	200	16.1%
12	Cash and cash equivalents	460	1,270	(810)	-63.7%
13	Other current financial assets	0	0	0	0.0%
	Total current assets	**3,452**	**4,642**	**(1,190)**	**-25.6%**
		14,774	**23,485**	**(8,711)**	**-37.1%**
	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	(96)	(1,657)	1,561	-94.2%
21	Non-current financial liabilities	0	(523)	523	n.m.
	Total non-current liabilities	**(96)**	**(2,180)**	**2,084**	**-95.6%**
	Current liabilities				
22	Trade payables	(2,611)	(1,771)	(840)	47.5%
23	Tax payables	(113)	(185)	72	-39.1%
24	Short term provisions	0	0	0	0.0%
25	Other current liabilities	(306)	(582)	276	-47.5%
26	Current financial liabilities	(518)	(2,659)	2,141	-80.5%
	Total current liabilities	**(3,548)**	**(5,197)**	**1,649**	**-31.7%**
	TOTAL LIABILITIES	**(3,644)**	**(7,377)**	**3,733**	**-50.6%**

Non-current assets amount to Euro 11,322 thousand, decreasing by Euro 7,521 thousand, primarily due to lower intangible assets for Euro 8,055 thousand. Such decrease results from Euro 1,168 thousand investments which are offset by Euro 2,357 thousand depreciation and amortization in the period and asset impairment for Euro 6,866 thousand.

Non-current assets account for over 77% of the total assets for this operating segment, in line with the previous fiscal year.

Other non-current payables and liabilities amount to Euro 96 thousand and relate solely to the remaining portion of the outstanding consideration for the acquisition of the subsidiary 505 Go Inc., payable beyond twelve months.

Italian Distribution

Reclassified P&L highlights

	Consolidated amounts in Euro thousand	Italian Distribution					
		June 30th, 2025		June 30th, 2024		Change	
1	Gross revenue	1,310	100.0%	1,725	101.7%	(415)	-24.1%
2	Revenue adjustments	0	0.0%	(29)	-1.7%	29	n.m.
3	**Net revenue**	**1,310**	**100.0%**	**1,696**	**100.0%**	**(386)**	**-22.7%**
4	Purchase of products for resale	(29)	-2.2%	(977)	-57.6%	948	-97.0%
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	(756)	-57.7%	(480)	-28.3%	(276)	57.6%
8	**Total cost of sales**	**(785)**	**-60.0%**	**(1,457)**	**-85.9%**	**672**	**-46.1%**
9	**Gross profit (3+8)**	**525**	**40.0%**	**239**	**14.1%**	**286**	**n.m.**
10	Other income	0	0.0%	0	0.0%	0	0.0%
11	Costs for services	(115)	-8.8%	(188)	-11.1%	73	-38.8%
12	Rent and leasing	(28)	-2.1%	(14)	-0.8%	(14)	75.0%
13	Payroll costs	(654)	-49.9%	(884)	-52.2%	230	-26.1%
14	Other operating costs	(53)	-4.0%	(45)	-2.7%	(8)	17.1%
15	**Total operating costs**	**(850)**	**-64.9%**	**(1,131)**	**-66.7%**	**281**	**-24.8%**
16	**Gross operating margin (EBITDA) (9+10+15)**	**(325)**	**-24.8%**	**(892)**	**-52.6%**	**567**	**-63.5%**
17	Depreciation and amortization	(148)	-11.3%	(140)	-8.3%	(8)	5.2%
18	Provisions	0	0.0%	0	0.0%	0	0.0%
19	Asset impairment charge	(78)	-5.9%	(78)	-4.6%	(0)	0.0%
20	Impairment reversal	0	0.0%	16	1.0%	(16)	0.0%
21	**Total depreciation, amortization and impairment adjustments**	**(226)**	**-17.3%**	**(202)**	**-11.9%**	**(24)**	**11.9%**
22	**Operating margin (EBIT) (16+21)**	**(551)**	**-42.0%**	**(1,094)**	**-64.5%**	**543**	**-49.7%**

The gross revenue from the Italian Distribution operating segment decreased by Euro 415 thousand, from Euro 1,725 thousand to Euro 1,310 thousand as of June 30th, 2025. Breakdown by revenue type is provided below:

Euro thousand	June 30th, 2025	June 30th, 2024	Change	
Distribution of console video games	637	1,036	(399)	-38.5%
Distribution of trading cards	673	689	(16)	-2.3%
Total Italian Distribution revenue	**1,310**	**1,725**	**(415)**	**-24.1**

During the reporting period, all distribution activities were limited to the sales of inventories, with purchase of products for resale almost nil. As of June 30th, 2025, inventories decreased by Euro 756 thousand.

The total operating costs amounted to Euro 850 thousand, decreasing by Euro 281 thousand year-on-year, mainly driven by lower payroll costs by Euro 230 thousand.

The gross operating margin (EBITDA) was negative at Euro 325 thousand, compared to negative EBITDA at Euro 892 thousand as of June 30th, 2024. The operating margin (EBIT) was negative at Euro 551 thousand compared to the negative EBIT at Euro 1,094 thousand realized in the last fiscal year.

Assets and liabilities assignable to the Italian Distribution operating sector are as follows:

Euro thousand		June 30th, 2025	June 30th, 2024	Change	
	Non-current assets				
1	Property, plant and equipment	1,939	2,029	(90)	-4.4%
2	Investment properties	0	0	0	0.0%
3	Intangible assets	0	0	0	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	213	260	(47)	-17.9%
7	Non-current financial activities	0	0	0	0.0%
	Total non-current assets	**2,158**	**2,295**	**(137)**	**-6.0%**
	Current assets				
8	Inventories	1,193	1,949	(756)	-38.8%
9	Trade receivables	331	531	(200)	-37.7%
10	Tax receivables	891	532	359	67.4%
11	Other current assets	30	52	(22)	-42.5%
12	Cash and cash equivalents	(0)	710	(710)	n.m.
13	Other current financial assets	0	0	0	0.0%
	Total current assets	**2,445**	**3,774**	**(1,329)**	**-35.2%**
		4,603	**6,069**	**(1,466)**	**-24.2%**
	TOTAL ASSETS				
	Non-current liabilities				
18	Employee benefits	(299)	(294)	(5)	1.6%
19	Non-current provisions	(59)	(81)	22	-27.3%
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	**(358)**	**(375)**	**17**	**-4.6%**
	Current liabilities				
22	Trade payables	(93)	(112)	19	-17.2%
23	Tax payables	(74)	(70)	(4)	5.1%
24	Short term provisions	0	0	0	0.0%
25	Other current liabilities	(319)	(307)	(12)	3.9%
26	Current financial liabilities	0	0	0	0.0%
	Total current liabilities	**(486)**	**(489)**	**3**	**-0.7%**
	TOTAL LIABILITIES	**(844)**	**(864)**	**20**	**-2.3%**

Inventories continue to decline, from Euro 1,949 thousand in the last fiscal year to Euro 1,193 thousand as of June 30th, 2025.

Other Activities

Reclassified P&L highlights

Consolidated amounts in Euro thousand		Other Activities					
		June 30th, 2025		June 30th, 2024		Change	
1	Gross revenue	833	100.0%	1,032	100.0%	(199)	-19.3%
2	Revenue adjustments	0	0.0%	0	0.0%	0	0.0%
3	**Net revenue**	**833**	**100.0%**	**1,032**	**100.0%**	**(199)**	**-19.3%**
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)**	**833**	**100.0%**	**1,032**	**100.0%**	**(199)**	**-19.3%**
10	Other income	0	0.0%	0	0.0%	0	0.0%
11	Costs for services	(123)	-14.8%	(270)	-26.2%	147	-54.5%
12	Rent and leasing	(6)	-0.7%	(1)	-0.1%	(5)	n.m.
13	Payroll costs	(547)	-65.7%	(710)	-68.8%	163	-22.9%
14	Other operating costs	(46)	-5.5%	(35)	-3.4%	(11)	31.2%
15	**Total operating costs**	**(722)**	**-86.7%**	**(1,016)**	**-98.5%**	**294**	**-29.0%**
16	**Gross operating margin (EBITDA) (9+10+15)**	**111**	**13.3%**	**16**	**1.6%**	**95**	**n.m.**
17	Depreciation and amortization	(228)	-27.4%	(368)	-35.7%	140	-38.0%
18	Provisions	0	0.0%	0	0.0%	0	0.0%
19	Asset impairment charge	(234)	-28.1%	0	0.0%	(234)	n.m.
20	Impairment reversal	0	0.0%	0	0.0%	0	0.0%
21	**Total depreciation, amortization and impairment adjustments**	**(462)**	**-55.4%**	**(368)**	**-35.7%**	**(94)**	**25.3%**
22	**Operating margin (EBIT) (16+21)**	**(351)**	**-42.1%**	**(352)**	**-34.1%**	**1**	**-0.4%**

Total revenue of the Other Activities operating segment decreased by Euro 199 thousand, while the operating costs decreased by Euro 294 thousand.

EBITDA amounted to Euro 111 thousand, increasing by Euro 95 thousand compared to Euro 16 thousand as of June 30th, 2024. The EBIT margin was negative at Euro 351 thousand, largely in line with the previous fiscal year and as a result of Euro 234 thousand impairment of software from the subsidiary Game Network S.r.l., for which the Group finalized its voluntary liquidation during the fiscal year.

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

Euro thousand		June 30th, 2025	June 30th, 2024	Change	
	Non-current assets				
1	Property, plant and equipment	29	52	(23)	-43.4%
2	Investment properties	0	0	0	0.0%
3	Intangible assets	53	484	(431)	-89.0%
4	Equity investments	0	0	0	0.0%
5	Non-current receivables and other assets	0	0	0	0.0%
6	Deferred tax assets	0	0	0	0.0%
7	Non-current financial activities	0	0	0	0.0%
	Total non-current assets	**82**	**536**	**(454)**	**-84.7%**
	Current assets				
8	Inventories	0	0	0	0.0%
9	Trade receivables	3	5	(2)	-35.7%
10	Tax receivables	0	2	(2)	-98.2%
11	Other current assets	70	34	36	n.m.
12	Cash and cash equivalents	101	127	(26)	-20.1%
13	Other current financial assets	0	0	0	0.0%
	Total current assets	**174**	**168**	**6**	**3.5%**
		256	**704**	**(448)**	**-63.6%**
	TOTAL ASSETS				
	Non-current liabilities				
18	Employee benefits	(33)	(28)	(5)	19.2%
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	0	0	0	0.0%
	Total non-current liabilities	**(33)**	**(28)**	**(5)**	**19.2%**
	Current liabilities				
22	Trade payables	(114)	(243)	129	-53.2%
23	Tax payables	(10)	(16)	6	-34.6%
24	Short term provisions	0	0	0	0.0%
25	Other current liabilities	(245)	(304)	59	-19.4%
26	Current financial liabilities	0	0	0	0.0%
	Total current liabilities	**(369)**	**(563)**	**194**	**-34.4%**
	TOTAL LIABILITIES	**(402)**	**(591)**	**189**	**-32.0%**

As of June 30th, 2025, intangible assets decrease by 431 thousand, as a result of depreciation and amortization for the reporting period, as well as the impairment of Euro 234 thousand on software owned by Game Network S.r.l., whose voluntary liquidation was completed during the fiscal year.

Holding

Reclassified P&L highlights

Consolidated amounts in Euro thousand		Holding					
		June 30th, 2025		June 30th, 2024		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	(2,146)	0.0%	(1,929)	0.0%	(217)	11.3%
12	Rent and leasing	(319)	0.0%	(230)	0.0%	(89)	39.1%
13	Payroll costs	(4,182)	0.0%	(4,174)	0.0%	(8)	0.2%
14	Other operating costs	(450)	0.0%	(402)	0.0%	(48)	12.0%
15	**Total operating costs**	**(7,097)**	**0.0%**	**(6,735)**	**0.0%**	**(362)**	**5.4%**
16	**Gross operating margin (EBITDA) (9+10+15)**	**(7,097)**	**0.0%**	**(6,735)**	**0.0%**	**(362)**	**5.4%**
17	Depreciation and amortization	(823)	0.0%	(882)	0.0%	59	-6.7%
18	Provisions	0	0.0%	0	0.0%	0	0.0%
19	Asset impairment charge	0	0.0%	(9)	0.0%	9	n.m.
20	Impairment reversal	0	0.0%	0	0.0%	0	0.0%
21	**Total depreciation. amortization and impairment adjustments**	**(823)**	**0.0%**	**(891)**	**0.0%**	**68**	**-7.6%**
22	**Operating margin (EBIT) (16+21)**	**(7,920)**	**0.0%**	**(7,626)**	**0.0%**	**(294)**	**3.9%**

Total operating costs amounted to Euro 7,097 thousand, increasing by 5.4% compared to June 30th, 2024, mainly driven by higher costs for services.

The operating margin (EBIT) was negative at Euro 7,920 thousand compared to negative Euro 7,626 thousand in the last fiscal year.

Assets and liabilities assignable to the Holding operating sector are as follows:

	Euro thousand	June 30th, 2025	June 30th, 2024	Change	
	Non-current assets				
1	Property, plant and equipment	1,801	2,505	(704)	-28.1%
2	Investment properties	0	0	0	0.0%
3	Intangible assets	194	193	1	0.3%
4	Equity investments	7,159	9,685	(2,526)	-26.1%
5	Non-current receivables and other assets	671	673	(2)	-0.2%
6	Deferred tax assets	4,559	3,956	603	15.2%
7	Non-current financial activities	0	0	0	0.0%
	Total non-current assets	**14,384**	**17,012**	**(2,628)**	**-15.4%**
	Current assets				
8	Inventories	0	0	0	0.0%
9	Trade receivables	0	0	0	0.0%
10	Tax receivables	6,316	2,412	3,904	n.m.
11	Other current assets	568	645	(77)	n.m.
12	Cash and cash equivalents	107	76	31	41.3%
13	Other current financial assets	0	41	(41)	n.m.
	Total current assets	**6,991**	**3,174**	**3,817**	**n.m.**
		21,375	**20,186**	**1,189**	**5.9%**
	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	(956)	(1,603)	647	-40.3%
	Total non-current liabilities	**(956)**	**(1,603)**	**647**	**-40.3%**
	Current liabilities				
22	Trade payables	(1,304)	(1,274)	(30)	2.4%
23	Tax payables	(64)	(61)	(3)	5.5%
24	Short term provisions	0	0	0	n.m.
25	Other current liabilities	(512)	(438)	(74)	16.9%
26	Current financial liabilities	(7,915)	(6,507)	(1,408)	21.6%
	Total current liabilities	**(9,795)**	**(8,280)**	**(1,515)**	**18.3%**
	TOTAL LIABILITIES	**(10,751)**	**(9,883)**	**(868)**	**8.8%**

Total non-current assets decrease by Euro 2,628 thousand during the fiscal year, mainly due to a reduction of Euro 2,526 thousand in equity investments. This includes a decrease of Euro 3,804 thousand from the equity-accounted valuation of Starbreeze shares as of June 30th, 2025, partially offset by an increase of Euro 1,300 thousand from the equity-accounted valuation of the investment in the joint venture MSE&DB S.L.

Property, plant, and equipment decrease by Euro 704 thousand, while deferred tax assets increase by Euro 603 thousand.

The increase in tax receivables relates to the transfer of tax credits and debts to Digital Bros S.p.A. within the framework of the national tax consolidation adopted by all the Italian companies of the Group.

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

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

Intercompany transactions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The effects of all intercompany transactions on the consolidated results and financial position as at June 30th, 2025 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..

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

Atypical transactions

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

12. TREASURY SHARES

As of June 30th, 2025, Digital Bros S.p.A. did not hold any treasury shares and did perform any transactions concerning its 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 8,389 thousand, decreasing from Euro 9,574 thousand as of June 30th, 2024. These included the development of:

- the new version of Assetto Corsa by the subsidiary Kunos Simulazioni S.r.l.;
- a new video game, currently in production, by the subsidiary Supernova Games Studio S.r.l..

14. OPERATIONAL RISKS, FINANCIAL RISKS AND FINANCIAL INSTRUMENTS

The Group implements a risk identification process involving the Board of Directors and first-level managers, facilitated through periodic coordination meetings held throughout the fiscal year. This process results in a risk matrix that is drafted and regularly updated by the Executive Director responsible for internal control and risk management system, who also takes part in the coordination meetings. For each identified risk, the risk matrix provides a description, a gross risk rating score based on a probability/impact matrix, the mitigating factors and/or internal processes implemented by the Group to reduce and monitor such risk and the resulting net risk rating. The Executive Director in charge of the internal control and risk management system submits the risk matrix for the analysis of the Control and Risk Committee and the approval by the Board of Directors.

The risk matrix also assesses the potential impact on the Group's operations and financial reporting in the event that the mitigation objectives are not met.

The CEOs and the Executive Director in charge of the internal control system assess the accuracy and completeness of the risk matrix and the net risk ratings assigned to each identified risk. The Board of Statutory Auditors oversees this process and the Board of Directors is responsible for approving the risk matrix.

The identified risks fall into two different categories: operational and financial risks.

Operational risks

The most significant operational risks for the Group are:

- management of development contacts;
- inability to publish products that match technological and quality expectations and standards;
- risks related to the ability to forecast product demand;
- publishers disintermediation and management of intellectual properties;
- dependence on third-party trademarks;
- reliance on key personnel;
- risks associated with Artificial Intelligence ("AI").

Management of development contracts

The Group develops video games both through its internal studios and through external developers, who contractually agree to deliver the products within predefined timeframes. Any inability to manage development schedules could lead to delays in the product launches. For titles that are related to specific events or licensing agreements, such delays could materially affect their sales potential and increase development costs. Delays may also result in lower-than-forecasted financial outcomes.

The Group's portfolio has only limited exposure to video games linked to specific events. The new publishing strategy increasingly focuses on titles developed by fully owned studios, which ensures greater control over production processes, and on sequels to successful games, where prior experience provides a stronger basis for managing timelines and expected results.

To mitigate this risk, the Group has implemented a strict contract acquisition procedure. For material projects, the Board of Directors reviews the developers' CV and performs an in-depth due diligence of their technical and organizational capabilities. The Group also applies implemented a structured project management process, which introduced ongoing monitoring performed by the Group's brand managers and producers.

Inability to publish products that match technological and quality expectations and standards

Rapid technological change and the emergence of new means of entertainment may hinder the Group's ability to publish products that meet consumers' quality expectations. Although investment decisions account for the introduction of new technologies, the video game may fail to match the quality of competitive titles, and/or if the Group detects such quality gaps, it may delay the video game launch. The Group's ability to forecast technological trends and competitors' performance is only limited, which challenges the strategic planning process and may negatively affect revenues and margins.

The growing adoption of Artificial Intelligence (AI) tools by the other publishers and developers could further disrupt the competitive landscape. If the Group delays the adoption of such tools, this could slow development, and its products may be perceived as less innovative or outdated. On top of this, the Group could have to bear higher production costs compared to those peers that chose to use AI instead. AI adoption is still challenged by social factors in Western markets, but this attitude may shift rapidly, particularly as acceptance grows in other regions. Failure to adapt could affect efficiency and innovation, increasing the competitive risks.

To mitigate this, the Group has redirected its publishing strategy towards sequels to successful franchises and titles based on fully owned intellectual properties (IPs), which provide greater control and long-term value creation. The Group also monitors projects quarterly, allowing adjustments according to forecasted demand trends and leverages the extensive experience of its management team. In addition, long and short-term strategic plans are reviewed on a quarterly basis, allowing the timely implementation of corrective measures.

Risk Related to Forecasting Product Demand

As with any other form of entertainment, the video game market is exposed to different risks outside the Group's control, especially those concerning how consumers react to new products. Following the pandemic, strong market growth encouraged significant increases in investment, resulting in a surge in the number of titles released. This has made it increasingly difficult for publishers to meet sales targets, as players have become more selective, especially with respect to new IPs. If the Group is unable to forecast consumer preferences and to quickly respond to shifts in the market, it could materially affect the Group's revenues and margins, failing to meet financial targets.

This risk is mitigated by extensive management's experience and by rigorous selection procedures with respect to licensing and development contracts. Each project is evaluated based on forecasted profit and loss statements and supported by ongoing market analyses conducted by industry specialists. The Group's new publishing strategy prioritizes higher-margin titles, particularly those based on fully owned IPs that can create value in the long term.

Long and short-term strategic plans are reviewed on a quarterly basis, allowing the timely implementation of corrective measures.

Disintermediation of the Publisher and management of Intellectual Property (IP)

The video game market has become increasingly digitalized, which shortened the value chain. If this trend continues, the role of publishers could be weakened, especially for those that do not own or contractually control the IPs. On top of this, AI is lowering entry barriers, enabling smaller teams to develop and produce video games quickly and at a lower cost. The growing consumer acceptance of AI, combined with the almost entirely digital distribution, may weaken the publisher’s power in the value chain.

To mitigate this, the Group has acquired majority and minority stakes in developing companies, in an effort to gain control over the video games’ IPs. It also enters primarily into development contracts that secure ownership and/or long-term control of IP rights. The Group continues to offer key publishing services, including IP protection, legal support, and privileged access to marketplaces, leveraging the long-standing expertise of its management team.

Dependence on Third-Party trademarks

As with other forms of entertainment, the video game industry often relies on distinctive third-party brands and trademarks coming from sports, films and books, or toy brands leveraging their existing visibility and consumer bases to enhance marketing effectiveness. However, licensing agreements are also risky: any point between signing the contract and the release of the game the brand may lose value, for example due to a celebrity scandal or a poorly performing film. If the brand’s appeal is weaker than expected, revenues and margins may suffer.

This risk is mitigated by the management’s longstanding experience and by the possibility to launch the game by using a different licensee or without any licensed brand. The Group’s strategy deliberately focuses on video games with limited reliance on third-party trademarks. Long and short-term strategic plans are reviewed on a quarterly basis, allowing the timely implementation of corrective measures.

Reliance on Key Personnel

The Group’s success depends on the performance of key professionals with significant experience in the industry. Executive Directors, i.e. the Chairman, CEOs and the CFO play a critical role in managing operations. Should the Group loose any of these individuals without planning an adequate succession, the Group’s results could be negatively affected. This would also hinder the Group’s ability to identify, assess, and monitor risks.

This risk is mitigated by the fact that both CEOs are also the main shareholders, while the CFO is one of the beneficiaries of a long-term incentive plan. The Group has also established a Nomination Committee entrusted with the preparation of a succession plan for executive directors.

Risks Associated with Artificial Intelligence (AI)

AI is one of the most significant technological developments of recent years, presenting both opportunities and risks across most industries. With regards to the entertainment sector, and video games in particular, AI brings innovation, efficiency, and productivity but also challenges the existing business models.

By streamlining production processes, AI exacerbates existing risks such as publisher disintermediation, the ability to deliver competitive products, the management of external development teams, the inability to adequately forecast customer demand patterns, and the risk of misuse of third-party IPs.

The Group's publishing strategy focuses on establishing a leadership position in niche markets through recognized brands. This could mitigate the risks related to AI adoption because the loyal player communities within such niches are more shielded against competitive pressure. In addition, developing new titles through internal studios or trusted long-term partners allows greater oversight of how AI is deployed.

Management of financial risks

The main financial instruments used by the Group are:

- Bank overdrafts;
- Sight and short-term bank deposits;
- Import financing;
- Export financing;
- Commercial credit lines (factoring of trade receivables and advances on notes);
- Finance leases;
- Medium-term product development financing.

The purpose of these instruments is to finance the Group's operating activities.

Credit facilities granted to the Group and used as of June 30th, 2025 are 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	16,600	3,661	12,839
Total	**25,700**	**12,354**	**13,346**

In addition to the above-mentioned short term credit facilities, the Group also entered medium-term loans, whose entire residual amount of Euro 11,232 thousand is due within the next twelve months, as detailed in paragraph 9 of the Notes.

The Parent Company, Digital Bros S.p.A. and the subsidiary 505 Games S.p.A. bear all the financial risks, except for other financial instruments not mentioned above, such as trade payables and receivables from operating activities, for which each subsidiary bears the individual financial risk.

The Group seeks to maintain a balance between short-term and medium/long-term financial instruments, in line with the expected results. Long-term investments are usually financed through medium/long-term credit lines, including leases, which are often investment specific.

Given the above, medium- and long-term financial payables have a well-distributed range of maturities.

The main risks deriving from the Group's financial instruments are:

- Foreign rate risk;
- Interest rate risk;
- Liquidity risk.

Foreign Exchange Risk

The Group is exposed to the US dollar due to the fact that sales are denominated in that currency. This is mitigated by the fact that a significant number of video game development contracts are also denominated in US dollars. Any negative changes in the EUR/USD exchange rate would therefore increase production costs and post-launch royalties, but at the same time increase revenues in US dollars, and vice versa.

The Group is also exposed to fluctuations in the Chinese Renminbi. Adverse movements in the EUR/CNY exchange rate would negatively affect revenues denominated in such currency.

The Group takes into account such risk when preparing its short- and long-term strategic plans, by using forward exchange rates based on reports from independent analysts. The risk is further mitigated by the fact that a significant portion of the payments in foreign currency are made in advance: the Groups recognized the actual costs for advances for video game production at the time of payment, therefore it is able to reflect potential additional charges from exchange rate fluctuations in its sales prices. In addition, selling prices can be adjusted to offset adverse exchange rate movements, and contracts are generally denominated in the same currency, thereby reducing exposure to currency fluctuations.

Interest Rate Risk

The Group is exposed to the risk of rising interest rates on short-term financial instruments, as any increase cannot be immediately passed through to sales prices.

Liquidity Risk

Liquidity risk is associated with limited access to credit markets. Following the pandemic, financial markets have generally seen a lower credit availability, due to macroeconomic uncertainty.

Video game development takes multiple years, which may require the Group to secure additional credit lines to cover the period between the investment and the recovery of the invested capital after the launch.

To mitigate liquidity risk, cash flows, financing needs, and liquidity are monitored by the Group's treasury with a centralized structure, to ensure efficient financial management and maintain adequate liquidity levels. The Group's strong capitalization and high EBITDA margin provide further flexibility to increase the use of financial leverage. Short-, medium-, and long-term strategic planning also enable the Group to forecast its cash requirements well in advance.

Based on current financial planning, the liquidity currently available, together with operating cash flows expected to be generated, is deemed sufficient to cover planned investment activities, working capital requirements, and scheduled debt maturities, while ensuring that future funding needs are identified and addressed on a timely basis.

CONTINGENT ASSETS AND LIABILITIES

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

After the launch of PAYDAY 3 in September 2023, differing interpretations of contractual definitions emerged between the Group and Starbreeze, especially after having received the initial earn-out calculation by the Swedish developer

During the reporting period, the Group has not recognized any earn-out from PAYDAY 3, in accordance with the calculation methods defined in the settlement agreement with Starbreeze and based on the game's performance. No earn-out recognition is expected in the short term. Further details are provided in the "Relations with Starbreeze" section of this Report.

As of June 30th, 2025, the Group has not recognized deferred tax assets on approximately Euro 4 million of tax losses incurred by some of its subsidiaries, as these losses were considered non-recoverable under the applicable local tax legislation and in light of the Group's five-year strategic plan.

15. SUBSEQUENT EVENTS

No significant subsequent events occurred after the fiscal year-end.

16. BUSINESS OUTLOOK

In response to market uncertainties, the Group has further reduced the number of video games currently in development, discontinuing some projects initiated in prior years. As a result, the fiscal year ending June 30th, 2026 will see fewer launches, but regarding videogames with better visibility and a more balanced risk profile.

With respect to the Premium Games segment, the first quarter of the current fiscal year marked the launch of the video game Wuchang: Fallen Feathers, which became available across most marketplaces in July. The title achieved significant sales volumes and more recent reviews on Steam now sit at over 80% positive, despite receiving negative reviews in the first few days immediately after launch. According to some Chinese media reports, Wuchang: Fallen Feathers may have been the best-selling Chinese premium video game in 2025 so far. In the second quarter, a new title developed by the subsidiary Supernova Games Studios will be released, followed by the highly anticipated indie game Nivalis, which can count on a significant number of wishlists on digital platforms, and finally, a new version of Blades of Fire. Meanwhile, Assetto Corsa EVO remains available in Early Access on Steam and will continue to be enhanced with new features and content.

In the Free-to-Play segment, while awaiting the benefits of the relaunch of the titles published by the subsidiary 505 Go Inc., development of the new game within the Puzzle Quest franchise will continue, with the release scheduled for the fiscal year ending June 30th, 2027.

Forecasts for the next fiscal year show growing consolidated revenues, driven by the expansion of the Premium Games segment, only partially offset by the expected decline in the Free-to-Play segment. The expected increase in revenues, together with the cost reductions program implemented by the Group since last year, is expected to support operating profitability to return positive that, combined with the reduction in investment, should have a positive effect on the net financial position, which is expected to continue improving throughout the fiscal year.

17. OTHER INFORMATION

EMPLOYEES

The following table details the number of employees as of June 30th, 2025 with comparative figures as at June 30th,2024:

Category	June 30th, 2025	June 30th, 2024	Change
Managers	13	14	(1)
Office workers	272	283	(11)
Blue-collar workers and apprentices	4	4	0
Total employees	**289**	**301**	**(12)**

The following table reports the number of employees of non-Italian companies as of June 30th, 2025, compared to the previous fiscal year

Category	June 30th, 2025	June 30th, 2023	Change
Managers	7	8	(1)
Office workers	171	183	(12)
Total employees outside Italy	**178**	**191**	**(13)**

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

Category	Average no. in 2023	Average no. in 2024	Change
Managers	14	14	0
Office workers	279	346	(67)
Blue-collar workers and apprentices	4	4	0
Total employees	**297**	**364**	**(67)**

The significant decline in the average number of employees between the two reporting periods reflects the reorganization announced in November 2023 and completed in the second half of the prior fiscal year, resulting in a global workforce reduction of over 30%. The majority of redundancies impacted the Group's development studios, while the Premium Games and Free-to-Play publishing divisions were less impacted.

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

Category	Average no. in 2025	Average no. in 2024	Change
Managers	8	8	0
Office workers	178	243	(65)
Total employees	**186**	**251**	**(65)**

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 video game industry has a negligible impact on the environment due to its primarily digital nature.

Most of the products are sold through digital marketplaces and the Group has progressively reduced sales through physical stores. Still, the Group actively monitors any solution that would contribute to further minimizing the effects of its activities on the environment.

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

18. SUSTAINABILITY REPORTING

As of June 30th, 2025 the Group is not subject to the reporting obligations set out by Legislative Decree No. 125 of September 6th, 2024. Given the growing importance of sustainability issues for its stakeholders, the Group decided to voluntarily prepare its first Sustainability Report in the previous fiscal year. The Sustainability Report as of June 30, 2023 is available on the Company's website in the Sustainability section.

The Sustainability Report for the fiscal year ended June 30th, 2024, still prepared on a voluntary basis, is currently being finalized and will be published on the corporate website.

19. CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE REPORT

The Group's Corporate governance report outlines its compliance with the Corporate Governance Code, providing detail information pursuant to Art. 123-bis of the L.D.58 of February 24th 1998, known as the Consolidate Law on Finance or 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.

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Draft consolidated financial statements

as of June 30, 2025

FINANCIAL STATEMENTS

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Consolidated balance sheet as of June 30th, 2025

	Euro thousand	June 30th, 2025	June 30th, 2024
	Non-current assets		
1	Property, plant and equipment	5,459	7,379
2	Investment properties	0	0
3	Intangible assets	111,234	129,614
4	Equity investments	7,159	9,685
5	Non-current receivables and other assets	2,601	7,945
6	Deferred tax assets	23,723	21,166
7	Non-current financial activities	2,821	0
	Total non-current assets	**152,997**	**175,789**
	Current assets		
8	Inventories	1,356	2,668
9	Trade receivables	14,185	16,887
10	Tax receivables	8,600	4,345
11	Other current assets	5,706	8,902
12	Cash and cash equivalents	6,718	11,981
13	Other current financial assets	0	10,238
	Total current assets	**36,565**	**55,021**
	TOTAL ASSETS	***189,562***	***230,810***
	Shareholders' equity		
14	Share capital	(5,706)	(5,706)
15	Reserves	(9,632)	(11,868)
16	Treasury shares	0	0
17	Retained earnings	(98,612)	(113,426)
	Equity attributable to the shareholders of the Parent Company	**(113,950)**	**(131,000)**
	Equity attributable to non-controlling interests	**(790)**	**3,314**
	Total net equity	**(114,740)**	**(127,686)**
	Non-current liabilities		
18	Employee benefits	(1,109)	(967)
19	Non-current provisions	(1,059)	(563)
20	Other non-current payables and liabilities	(4,947)	(1,657)
21	Non-current financial liabilities	(1,221)	(10,324)
	Total non-current liabilities	**(8,336)**	**(13,511)**
	Current liabilities		
22	Trade payables	(29,636)	(43,737)
23	Tax payables	(1,142)	(1,299)
24	Short term provisions	0	(1,241)
25	Other current liabilities	(10,838)	(6,657)
26	Current financial liabilities	(24,870)	(36,679)
	Total current liabilities	**(66,486)**	**(89,613)**
	TOTAL LIABILITIES	**(74,822)**	**(103,124)**
	TOTAL NET EQUITY AND LIABILITIES	***(189,562)***	***(230,810)***

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

	Euro thousand	June 30th, 2025	June 30th, 2024
1	Gross revenue	93,620	117,972
2	Revenue adjustments	0	(38)
3	**Net revenue**	**93,620**	**117,934**
4	Purchase of products for resale	(718)	(3,715)
5	Purchase of services for resale	(7,383)	(10,200)
6	Royalties	(19,329)	(23,567)
7	Changes in inventories of finished products	(1,312)	(687)
8	**Total cost of sales**	**(28,742)**	**(38,169)**
9	**Gross profit (3+8)**	**64,878**	**79,765**
10	Other income	9,784	9,921
11	Costs for services	(9,413)	(11,212)
12	Rent and leasing	(623)	(564)
13	Payroll costs	(29,951)	(34,363)
14	Other operating costs	(1,218)	(1,331)
15	**Total operating costs**	**(41,205)**	**(47,470)**
16	**Gross operating margin (EBITDA) (9+10+15)**	**33,457**	**42,216**
17	Depreciation and amortization	(26,742)	(35,173)
18	Provisions	1,241	(1,241)
19	Asset impairment charge	(20,405)	(8,164)
20	Impairment reversal	909	953
21	**Total depreciation, amortization and impairment adjustments**	**(44,997)**	**(43,625)**
22	**Operating margin (EBIT) (16+21)**	**(11,540)**	**(1,409)**
23	Interest and financial income	3,952	1,674
24	Interest and financial expenses	(7,066)	(5,465)
25	**Net interest income/(expenses)**	**(3,114)**	**(3,791)**
26	**Profit/ (loss) before tax (22+25)**	**(14,654)**	**(5,200)**
27	Current tax	858	(1,751)
28	Deferred tax	3,092	762
29	**Total taxes**	**3,950**	**(989)**
30	**Net profit/loss**	**(10,704)**	**(6,189)**
	attributable to the shareholders of the Parent Company	**(10,919)**	**(2,214)**
	attributable to non-controlling interests	**215**	**(3,975)**
	Earnings per share:		
33	**Basic earnings per share (in Euro)**	**(0.77)**	**(0.16)**
34	**Diluted earnings per share (in Euro)**	**(0.73)**	**(0.15)**

Consolidated comprehensive income statement as of June 30th, 2025

Euro thousand	June 30th, 2025	June 30th, 2024
Profit (loss) for the period (A)	**(10,704)**	**(6,189)**
Actuarial gain (loss)	8	9
Income tax relating to actuarial gain (loss)	(2)	(2)
Changes in the fair value	(2,222)	(13,189)
Tax effect regarding fair value measurement of financial assets	533	3,165
Items that will not be subsequently reclassified to profit or loss (B)	**(1,683)**	**(10,017)**
Exchange differences on translation of foreign operations	(1,023)	204
Items that will subsequently be reclassified to profit or loss (C)	**(1,023)**	**204**
Total other comprehensive income D= (B)+(C)	**(2,706)**	**(9,813)**
Total comprehensive income (loss) (A)+(D)	**(13,410)**	**(16,002)**
Attributable to:		
Shareholders of the Parent Company	**(13,625)**	**(12,027)**
Non-controlling interests	**215**	**(3,975)**

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

Consolidated cash flow statement as of June 30th, 2025

	Euro thousand	June 30th, 2025	June 30th, 2024
A.	**Opening net cash/debt**	**11,981**	**9,407**
B.	**Cash flows from operating activities**		
	Profit (loss) for the period	(10,704)	(6,189)
	Depreciation, amortization and non-monetary costs:		
	Provisions and impairment losses	20,619	8,164
	Amortization of intangible assets	24,495	32,543
	Depreciation of property, plant and equipment	2,247	2,630
	Net change in tax advance	(2,030)	(974)
	Net change in other provisions	(1,655)	482
	Net change in employee benefit provisions	142	56
	Other nonmonetary changes to the net equity	(572)	(10)
	Total cash flows from operating activities (B)	**32,543**	**36,702**
C.	**Change in net working capital**		
	Inventories	1,312	687
	Trade receivables	2,634	(2,875)
	Current tax assets	(4,255)	(368)
	Other current assets	3,836	14,888
	Trade payables	(7,531)	(3,100)
	Current tax liabilities	(157)	(1,483)
	Current provisions	0	1,241
	Other current liabilities	4,181	(1,978)
	Other non-current liabilities	(652)	(167)
	Increase/ (Decrease) in non-current receivables and other assets	918	144
	Total change in net working capital (C)	**287**	**6,990**
D.	**Cash flows from investing activities**		
	Net payments for intangible assets	(20,521)	(17,197)
	Net payments for property, plant and equipment	(327)	(396)
	Net payments for non-current financial assets	0	(11,232)
	Changes in financial assets	3,668	1,106
	Total cash flows from investing activities (D)	**(17,181)**	**(27,719)**
E.	**Cash flows from financing activities**		
	Capital increases	0	0
	Changes in financial liabilities	(20,912)	(13,398)
	Changes in financial assets	0	0
	Total cash flows from financing activities (E)	**(20,912)**	**(13,398)**
F.	**Changes in consolidated equity**		
	Dividends paid	0	0
	Changes in treasury shares held	0	0
	Increases (decreases) in other equity components	0	0
	Total changes in consolidated equity (F)	**0**	**0**
G.	**Cash flow for the period (B+C+D+E+F)**	**(5,263)**	**2,574**
H.	**Closing net cash/debt (A+G)**	**6,718**	**11,981**

Consolidated statement of changes in equity as of June 30th, 2025

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, 2023	**5,706**	18,528	1,141	1,367	(913)	1,244	**21,367**	**0**	105,587	9,683	**115,270**	**142,343**	**1,375**	**143,718**
Allocation of previous year result							**0**		9,683	(9,683)	**0**	**0**	**0**	**0**
Other changes						314	**314**		370		**370**	**684**	**(714)**	**(30)**
Comprehensive income (loss)					204	(10,017)	**(9,813)**			(2,214)	**(2,214)**	**(12,027)**	**(3,975)**	**(16,002)**
Total on June 30th, 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**
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**		(3,895)		**(3,895)**	**(3,425)**	**3,889**	**464**
Comprehensive income (loss)					(1,023)	(1,683)	**(2,706)**			(10,919)	**(10,919)**	**(13,625)**	**215**	**(13,410)**
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**

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Draft consolidated financial statements

as of June 30th, 2025

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, 2025 have been prepared in accordance with International Accounting Standards (IAS/IFRS) and the related interpretations (SIC/IFRIC) endorsed by the European Commission and in force at that date. The consolidated financial statements provide comparative information related to the previous fiscal period.

The consolidated financial statements are prepared based on historical cost, with the exception of specific items. Office buildings (classified under Property, Plant, and Equipment), derivative financial instruments, and financial assets, including equity and bonds investments, are recognized at fair value. Additionally, the book value of assets and liabilities subject to fair value hedging is adjusted to reflect changes in the fair value attributable to the hedged risks.

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, 2025, have been prepared on a going concern basis. The Group has assessed that the uncertainties and risks described in the Directors' Report do not question its ability to continue operating as a going concern. In particular, the Group has considered the following:

- the consolidated EBITDA was largely positive at Euro 33,457 thousand as of June 30, 2025. The negative components below the EBITDA margin primarily consist of non-cash items such as depreciation and impairment charges;
- the Group generated significant operating cash flow during the fiscal year, and has full access to available bank credit facilities;
- the Group's strategic plan includes an investment program that remains flexible, as the investments are not necessarily subject to binding agreements and development is often carried out by internal studios.

The financial statements and accompanying notes have been prepared in accordance with the supplementary disclosure requirements on formats and reporting prescribed by Consob Resolution No. 15519 of July 27, 2006, and Consob Communication No. 6064293 of July 28, 2006.

The financial statements include:

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

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

The balance sheet items have been allocated to the five categories below:

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

Non-current assets consist of all items that are long-term in nature and include property, plant, and equipment used for more than one year, equity investments, and receivables that will be collected in future years. They also include deferred tax assets, regardless of when they may be realized.

Current assets are short-term in nature and include inventories, trade receivables, cash and cash equivalents, and other current financial assets.

Net equity includes share capital, reserves, and retained earnings (which include profit for the fiscal year plus any prior fiscal year profits not allocated to specific reserves by the Shareholders' General Meeting). The portion attributable to non-controlling interests is disclosed separately.

Non-current liabilities consist of provisions that are not expected to be utilized within the next twelve months, as well as post-employment benefits, including employee termination indemnities for the Parent Company and its Italian subsidiaries, and payables due beyond June 30th, 2026.

Current liabilities include obligations due by June 30th, 2026 and mainly include trade payables, tax liabilities, and current financial liabilities.

The left-hand column of the consolidated profit and loss statement identifies the number of the related item. The same is valid for the left-hand column of 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. It details four intermediate profit levels:

- gross profit, the difference between net revenue and total cost of sales;
- gross operating margin (EBITDA), the difference between gross profit and total operating costs, plus other income;
- operating margin (EBIT), the difference between gross operating margin and total depreciation, amortization and impairment adjustments;
- profit before tax, the difference between the operating margin and the net financial income (expenses).

Basic earnings per share and diluted earnings per share are illustrated after the net profit / (loss) for the fiscal year i.e., the difference between profit before tax and total taxes.

The consolidated cash flow statement has been prepared using the indirect method. This approach consists of adjusting the net profit net of the effects of non-cash transactions, changes in net working capital, cash flows from financing and investing activities, and the changes in the consolidated net equity.

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 changes in net equity comply with IAS/IFRS and illustrate the changes occurred between July 1st, 2024 and June 30th, 2025. Non-controlling interests are disclosed separately.

2. ACCOUNTING POLICIES

The assessment criteria used for drafting the consolidated financial statements as of June 30th, 2025, are consistent with those used for the consolidated financial statements as of June 30th, 2024, except for the new accounting principles implemented from July 1st 2024 as highlighted below.

Property, plant and equipment

Property, plant, and equipment are recognized at purchase or production cost, net of depreciation and impairment. No assets have been reversed compared to prior years, and no borrowing costs have been capitalized.

Leasehold improvements and costs incurred after acquisition are capitalized only if they enhance the future economic benefits associated with the asset. All other costs are recognised in the profit and loss statement when incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets or the duration of the lease, as follows:

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

Land is not depreciated. However, impairment adjustments are performed if its recoverable amount, defined as the greater of fair value and value in use, falls below its recognized cost.

The book value of property, plant, and equipment is removed upon disposal (i.e., when control of the asset is transferred to the purchaser) or when no future economic benefit is anticipated from its use or disposal. The profit or loss from disposal, calculated as the difference between the net book value of the asset and the consideration received, is recognized in the profit and loss statement at the time of disposal.

The residual values, useful lives, and depreciation methods of property, plant, and equipment are reviewed and adjusted, if necessary, at each year-end.

Right of use for leased assets

The right-of-use asset for leased assets is recorded on the effective date of the lease agreement, or when the lessor makes the underlying asset available to the lessee. In some cases, where the lease agreement includes multiple components, the effective date may need to be determined for each individual lease component.

Initially, this asset is valued at cost, which includes the present value of the liability for leased assets, lease payments made before or on the effective date of the agreement, and any other initial direct costs. The value of the right-of-use asset can be subsequently adjusted to reflect any changes in the assets or liabilities related to the lease.

Assets acquired under finance lease agreements, when substantially all the risks and rewards of ownership are transferred to the Group, are recognized as assets at their fair value or, if lower, at the present value of the minimum lease payments over the lease term. The corresponding lease liability to the lessor is recognized under financial liabilities. The leased assets are depreciated on a straight-line basis over their estimated useful lives for each asset category.

The right-of-use asset is amortized over the shorter of the contractual lease term or the residual useful life of the underlying asset. Typically, Group leasing contracts do not transfer ownership of the underlying asset, so amortization is carried out over the contractual lease term, starting from the lease commencement date.

Should there be a loss in the asset value, according to the principle of onerous contracts, the asset is written down accordingly, regardless of the amortization already accounted for.

Intangible assets

Intangible assets, whether purchased or produced internally, are capitalized in accordance with IAS 38 - Intangible Assets, provided it is likely that their use will generate future economic benefits and their cost can be reliably measured.

Intangible assets acquired separately are initially recognized at cost. For intangible assets acquired in a business combination, the cost corresponds to the fair value at the acquisition date. After initial recognition, intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses. Amortization of intangible assets with finite useful lives is recognized in profit or loss in a manner consistent with the function of the asset.

Internally generated intangible assets, other than capitalized development costs, are not recognized as assets and the related costs are accounted for as incurred.

The useful life of intangible assets is classified as either finite or indefinite. The Group does not hold intangible assets with indefinite useful lives.

Intangible assets with finite useful lives are amortized systematically over their estimated useful lives, starting from the moment when the asset is available for use. The amortization method is determined individually for each asset, based on the expected trend identified at the time of the video game’s release. Residual values are reviewed as part of impairment testing, which is performed at least twice per fiscal year.

The amortization rates applied are as follows:

- Intellectual property, long-term user rights, and licenses: based on the useful lives of the related assets;
- licenses for management control systems and other long-term licenses/user rights: 20%;
- Brands and trademarks: 20%.

Intangible assets with finite useful lives are amortized over their estimated useful lives, with amortization starting when the assets are available for use. The carrying amount of these assets is tested for recoverability in accordance with IAS 36, as detailed in the "impairment of assets" section below.

An intangible asset is eliminated at the time of disposal (i.e., when control of the asset is transferred to the buyer) or when no future economic benefits are expected from its use or disposal. Any profit or loss resulting from the disposal, calculated as the difference between the net proceeds from disposal and the book value of the asset, is recognized in the profit and loss statement.

Business combinations

Business combinations are recognized using the acquisition method. The cost of acquisition is calculated as the fair value of the consideration transferred at the acquisition date plus any non-controlling interest in the acquiree. For each business combination, the Group decides whether to measure non-controlling interests in the acquiree at fair value or at their proportionate share of the acquiree’s net identifiable assets. Acquisition-related expenses are generally recognized in the profit and loss statement as administrative expenses.

Upon acquiring a company, the Group recognizes the financial assets and liabilities according to the specific contractual terms, economic conditions, and any other existing conditions at the acquisition date.

If a business combination involves multiple steps, any previously held equity interest in the acquiree (measured using the equity method) is restated to its fair value at the acquisition date, with any resulting profit or loss recognized in the profit and loss statement.

Any contingent consideration is recognized at its fair value at the acquisition date. Changes in the fair value of the contingent consideration recognized as an asset or liability are recorded either in the profit and loss statement or in the comprehensive income statement. If the contingent consideration is classified as equity, no remeasurement is required until the contingency is settled, with the subsequent transaction accounted for as a change in net equity.

Goodwill is initially valued at cost, calculated as the difference between the consideration transferred and the fair value of the net identifiable assets and liabilities acquired. If the consideration paid is less than the fair value of the acquired net assets, the difference is recognized in the profit and loss statement.

If only a preliminary determination of the fair value of the assets, liabilities, and contingent assets is available at the acquisition date, the business combination is recognized using these preliminary amounts. Any adjustments resulting from the final valuation process are recognized within twelve months of the acquisition date, with comparative measurements restated accordingly.

After initial recognition, goodwill is carried at cost, less any accumulated impairment losses. During impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash-generating units that are expected to benefit from the acquisition, from the acquisition date, regardless of the allocation of the acquired company's assets and liabilities to such units.

If goodwill is allocated to a cash-generating unit that subsequently disposes of some of its operations, the goodwill associated with those disposed operations is included in the carrying amount of the assets when calculating the profit/loss on disposal. The portion of goodwill attributable to the disposed operations is determined based on the value of the disposed activity relative to the retained portion of the cash-generating unit.

Business combinations are accounted for using the acquisition method in accordance with IFRS 3. At the acquisition date, the assets and liabilities involved in the transaction are recognized at their fair value, except for deferred tax assets and liabilities and those related to employee benefits, which are recognized in accordance with the relevant accounting standards. Acquisition-related expenses are recognized in the profit and loss statement.

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

- deferred tax assets and liabilities;
- assets or liabilities related to employee benefits;
- liabilities or equity instruments related to payments arrangements based on the acquiree' shares or share-based payment arrangements of the Group that are entered into to replace the acquiree' share-based arrangements;

- discontinued operations;
- discontinued assets and liabilities.

Investments in associates and other entities

An associate is a company over which the Group exercises significant influence. Significant influence relates to the power to participate in the financial and operating policy decisions of the investee, without being in full or joint control.

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

The considerations applied to determine significant influence or joint control are similar to those used to assess 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 reported in the profit and loss statement outside of the operating profit and represents the profit or loss net of taxes 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 recognized 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 income statement reflects the Group’s share of the operating results of the associates or joint ventures. Any changes in other comprehensive income (OCI) of such investees are presented as part of the Group’s OCI. Furthermore, when changes are recognized directly in the equity of an associate or joint venture, the Group recognizes its share of such changes, where applicable, in the statement of changes in the net equity. Unrealized gains and losses arising from transactions between the Group and its associate or joint venture are eliminated to the extent of the Group’s interest in the investee.

Financial statements of the associate or joint venture are prepared for the same reporting period as the Group. Adjustments are made, if necessary, to align the accounting policies with those of the Group.

Having applied the equity method, the Group assesses whether there is any indication of impairment of its investment in an associate or joint venture. At each reporting date, the Group evaluates whether there is objective evidence that the investment in the associate or joint venture is impaired. If such evidence exists, the Group measures the impairment loss as the difference between the recoverable amount of the associate or joint venture and its carrying amount and recognizes the loss under “Share of profit of associates and joint ventures” in the profit and loss statement.

In the event that significant influence over an associate or joint control over a joint venture is lost, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture at the date significant influence or joint control is lost and the fair value of the retained investment and proceeds from disposal is recognized in the income 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 in cases where fair value cannot be reliably determined. In such cases, the cost method is applied. Consistent with the irrevocable option exercised by the Company, changes in fair value are recognized 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 policy for financial assets, refer to the relevant note (“Financial Assets”) included in the Net Financial Position section.

Assets impairment

According to IAS 36, intangible assets, property, plant and equipment. investments in associates and other entities shall tested for impairment.

In accordance with IAS 36, the Group performs an impairment test on its assets at least once a year. Where indications of impairment exist, the Group determines the recoverable amount of the asset, or, if this is not possible, of the cash-generating unit (CGU) to which the asset belongs. The recoverable amount is defined as the higher of fair value less costs of disposal and value in use. Value in use is determined by discounting estimated post-tax future cash flows to their present value, using a discount rate that reflects both the time value of money and the specific risks associated with the asset.

An impairment loss is recognized when the carrying amount of an asset or CGU exceeds its recoverable amount. If the conditions that gave rise to the impairment no longer exist, the impairment loss is reversed to the extent of the revised recoverable amount, provided that the adjusted carrying amount does not exceed the carrying value that would have been determined had no impairment been recognized. Impairment losses on goodwill are not reversible. Reversals of impairment are recognized in the income statement.

Inventories

Inventories of finished goods are recognized at the lower of their cost or net realizable value. The cost of inventories includes purchase price and ancillary expenses and is determined using the specific cost method. If the net realizable value of the inventories falls below their purchase cost, an impairment loss is recognized, reducing the value of the affected inventory items to their realizable value.

Receivables and payables

Receivables are measured at amortized cost, reflecting their estimated realizable value. The nominal amount of receivables is adjusted to their estimated realizable value through a provision for doubtful accounts, based on the specific circumstances of each debtor. Receivables from customers undergoing insolvency proceedings are either fully written off or written down based on the expected recoverability as indicated by ongoing legal actions.

Payables are recognized at 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 fringe benefits arising from the employment relationship are recognized in the period in which the related service is performed.

Benefits payable to employees at the end of their employment, through defined benefit or defined contribution plans, are recognized over the period in which the employee provides service ("vesting period").

Defined benefit plans

Defined benefit plans are based on employees' working life and the remuneration earned over a specified period. The Group's obligation to fund these plans and the annual expense recognized in the profit and loss statement are determined using actuarial valuations based on the projected unit credit method. The net cumulative actuarial gains and losses are recognized entirely in other comprehensive income in the period in which they arise.

The liability for defined benefit plans recognized in the balance sheet reflects the present value of the defined benefit obligation.

Defined contribution plans

Payments related to defined contribution plans made by the Group companies are recognized in the profit and loss statement as costs, when incurred.

Employees of the Group's Italian companies participate in defined benefit plans. In particular, the Italian post-employment benefit known as Trattamento di Fine Rapporto (TFR) is a statutory severance indemnity under Article 2120 of the Italian Civil Code. The TFR is a form of deferred remuneration linked to the employee's service seniority and remuneration earned during the service period.

Until December 31, 2006, the TFR was considered a defined benefit plan. Legislative amendments introduced by Law No. 296 of December 27, 2006 ("Finance Act 2007") and subsequent regulations, effective in early 2007, introduced significant changes, including giving employees the option to allocate their accrued TFR either to complementary pension funds or to the Treasury Fund managed by INPS.

As a result, from January 1, 2007, TFR contributions are treated as a defined contribution plan, while previously accrued TFR balances retain their nature as defined benefit obligations under IAS 19.

Actuarial gains and losses in accordance with the IAS 19 amendment for defined benefit plans are recognized in other comprehensive income under items that will not be reclassified to profit or loss and are recorded in the net equity under Other Reserves.

Other long-term employee benefits

The valuation of other long-term employee benefits generally involves less uncertainty compared to post-employment benefits. Consequently, IAS 19 provides a simplified accounting method for these benefits. Unlike the accounting treatment for post-employment benefits, this simplified method does not include revaluations in the other components of the comprehensive income statement.

For other long-term employee benefits, the Group recognizes the net total of the retirement cost directly in profit or loss.

Share-based payments

Some of the Group's managers and employees are beneficiaries of share-based incentives, which provides for the remuneration for their services through equity instruments (equity-settled transactions) under a stock option plan. The Stock Options Plan provides for a final vesting date of 1 July 2025 and an exercise expiry of 30 June 2026.

The cost of equity-settled transactions is measured at fair value at the grant date using an appropriate valuation model.

This cost is recognized in personnel expenses in the profit and loss statement, together with a corresponding increase in the net equity (Other Capital Reserves), over the vesting period. The cost/credit recognized in the profit and loss statement at each given period reflects the change in the cumulative cost the beginning to the end of period.

Non-market service and performance conditions are not taken into account in determining the fair value of the incentive when it is granted; however, the probability of meeting such conditions is incorporated into the Group's best estimate of the number of equity instruments that will ultimately vest. Market-based performance conditions are reflected in the grant-date fair value. Any other award conditions not linked to a service requirement are treated as non-vesting conditions. Non-vesting conditions are reflected in the fair value of the incentive and result in immediate recognition unless service and/or performance conditions also exist.

The dilutive effect of outstanding options is considered in the calculation of diluted earnings per share as additional potential ordinary shares.

Current and non-current risks provisions

The Group establishes provisions for risks and charges when it has legal or constructive obligations to third parties, and where the exact amount and timing of the obligation are uncertain but it is probable such resources will be required to settle the obligation and the amount can be reliably estimated. These provisions are periodically adjusted to reflect any changes in the estimated liability amount.

Any changes in estimates are recognized in the profit and loss statement in the period in which they occur.

Financial assets and liabilities

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

Cash and cash equivalents include cash on hand, bank deposits, mutual fund units, and other highly liquid securities recognized as available-for-sale.

Current financial assets and securities are recognized according to their trading date.

<u>Initial measurement</u>

Upon initial recognition, financial assets are classified based on their subsequent valuation methods: at amortized cost, i.e. at fair value through the OCI, or at fair value through in the profit and loss statement. The classification depends on the characteristics of the financial asset's contractual cash flows and the Group's business model for managing these assets.

Generally, financial assets are initially recognized at their fair value plus any transaction costs, except for trade receivables that do not contain a significant financing component or for which the Group applies the practical expedient. In these cases, trade receivables for which there is no significant financing component or for which the Group applied the practical expedient are valued at their transaction price.

<u>Subsequent evaluation</u>

For the purposes of subsequent evaluation, financial assets are classified into four categories:

- Financial assets measured at amortized cost (debt instruments);
- Financial assets measured at fair value recognized in the comprehensive income statement ("OCI") with reclassification of accumulated profits and losses (debt instruments);
- Financial assets at fair value recognized in the comprehensive income statement ("OCI") without reversal of accumulated profits and losses at the time of elimination (equity instruments);
- Financial asset at fair value through profit or loss.

Financial assets measured at amortized cost (debt instruments)

Financial assets measured at amortized cost are subsequently valued using the effective interest rate method and are subject to impairment testing. Any profits or losses arising from the elimination, modification, or revaluation of these assets are recognized in the profit and loss statement.

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

For debt instruments measured at fair value through other comprehensive income (OCI), interest income, exchange rate differences, and both impairments and reversals are recognized in the profit and loss statement, following the same approach as for financial assets measured at amortized cost. The remaining changes in fair value are recorded in OCI. Upon derecognition, the cumulative fair value adjustments previously recorded in OCI are reclassified to the profit and loss statement.

Investments in equity instruments

Upon initial recognition, the Group may irrevocably elect to classify its equity investments as equity instruments measured at fair value through other comprehensive income (OCI), provided these investments meet the definition of equity instruments under IAS 32 “Financial Instruments: Presentation” and are not held for trading. This classification is made individually for each instrument.

Gains and losses on these equity investments are not recognized in the profit and loss statement. Instead, dividends received are recognized as other income in the profit and loss statement when the right to receive payment is established, unless the Group uses the income to offset part of the cost of the financial investment, in which case the income is recognized in OCI. Equity instruments measured at fair value through OCI are not subject to impairment testing.

Financial assets measured at fair value through profit and loss

Financial assets measured at fair value and recognized in the profit and loss statements are recognized in the balance sheet statement at fair value. Net changes in fair value are recognized in the profit and loss statement for the current fiscal year.

Cancellation

Investments in financial assets are cancelled only when the contractual rights to receive the cash flows from the assets have expired (e.g., upon the final repayment of subscribed bonds) or when the Group transfers the financial asset along with all associated risks and benefits.

Financial liabilities encompass financial payables and other financial obligations, including liabilities arising from the market value valuation of derivative instruments when their value is negative.

Initial assessment

At the time of initial assessment, financial liabilities are recognized as financial liabilities at fair value in the profit and loss statement or as amortized cost. All financial liabilities are initially recognized at fair value, which is adjusted for any direct transaction costs if they are subsequently measured at amortized cost.

Subsequent evaluation

For the purposes of subsequent evaluation, financial liabilities are classified into two categories:

- Financial liabilities at fair value in the profit and loss statement;
- Financial liabilities at amortized cost (financing and loans).

Financial liabilities measured at fair value in the profit and loss statement

Liabilities held for trading include those incurred with the intent of extinguishing or transferring them in the short term. This category encompasses derivative financial instruments subscribed by the Group that are not designated as hedging instruments under IFRS 9.

Gains and losses on these liabilities are recognized in the profit and loss statement for the fiscal year.

Financial liabilities at amortized cost (financing and loans)

After initial recognition, loans are measured at amortized cost using the effective interest rate method. Profits and losses are recognized in the profit and loss statement when the liability is extinguished and throughout the amortization process.

The amortized cost is determined by including any discount or premium on acquisition, as well as fees or costs integral to the effective interest rate. Amortization of the effective interest rate is recorded in the profit and loss statement as financial costs.

<u>Cancellation</u>

Financial liabilities are derecognized when the obligation underlying the liability is extinguished, canceled, or fulfilled. If an existing financial liability is replaced by a new liability from the same lender with substantially different terms, or if the terms of an existing liability are significantly modified, the exchange or modification is treated as the extinguishment of the original liability. A new liability is then recognized, and any differences between the book values of the old and new liabilities are recorded in the profit and loss statement for the fiscal year.

Fair value

Fair value consists of the price that would be received to sell an asset or paid to transfer a liability in an free transaction between informed and independent parties at the measurement date. For assets traded on regulated markets, fair value is determined based on the market price (bid price) at the end of trading on the closing date of the period.

When market prices are not available, fair value is determined using appropriate valuation techniques. These may include discounted cash flow analysis using market data available at the measurement date.

Transactions are recognized based on the trade date, which is the date when the Group commits to buy or sell the asset.

If fair value cannot be reliably measured, the financial asset is valued at cost. The explanatory notes should disclose the type of asset and the reasons for using the cost method.

Derivative financial instruments

Initial assessment and Subsequent evaluation

The Group uses derivative financial instruments, including interest rate swaps, to hedge its interest rate risks. These derivative financial instruments are initially recognized at fair value on the date of derivative contract subscription and are subsequently revalued at fair value. Derivatives are recognised as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

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

- Fair value hedging – against fluctuations in the fair value of a recognized asset or liability or an unrecorded irrevocable commitment.
- Cash flow hedging – hedge against exposure to variations in the cash flows of a recognised asset or liability or a forecast transaction that is highly probable and could affect profit and loss, or the foreign exchange risk on an unrecorded irrevocable commitment.
- hedge of the Group's net investment in a foreign operation

Transactions that meet all the qualifying criteria for hedge accounting are accounted with the following methods.

Fair value hedge

The change in fair value of hedging derivatives is recognised in the profit and loss statements as Other costs. The change in fair value of the hedged item attributable to the hedged risk is recognised as part of the carrying amount of the hedged item and is also recognised in profit and loss statement as Other expenses.

With regards to the fair value hedges referred to items under the amortised cost method, each adjustment to the book value amount is amortised in the profit and loss statement over the remaining period of the hedging, using the effective interest rate method (EIR). Such amortization may begin as soon as an adjustment exists, without exceeding 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, the unamortised fair value is recognised immediately in the profit and loss statement.

When an unrecognised commitment is designated as a hedged item, subsequent cumulative changes in its fair value attributable to the hedged risk are recognised as assets or liabilities and corresponding gains or losses recognised in the profit and loss statement.

Cash flow hedge

The portion of the gain or loss on the hedged instrument is recognised in the 'cash flow hedge reserve', while the ineffective portion is recognised directly in the profit and loss statement. The cash flow hedge reserve is adjusted to the lower value between the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

Amounts accumulated within other items of the consolidated profit and loss statement are recognised based on the nature of the underlying hedged transaction. If the hedged transaction results in the recognition of a non-financial component, the amount accumulated in equity is removed from the separate component of equity and included in the book value of the hedged asset or liability. This is not considered a reclassification of items recognized in OCI for the period. The same applies in the case of a planned transaction involving a non-financial asset or liability that subsequently becomes an irrevocable commitment subject to fair value hedging.

For any other cash flow hedging, the amount accrued in OCI is recognised in the profit and loss statement as a reclassification adjustment in the reporting period when the hedged cash flows impact the profit and loss statement.

If the cash flow hedge is no longer recognized in the profit and loss statement, the amount accrued in OCI should remain there if such future cash flows are expected to occur. Otherwise, the amount should be immediately reclassified as a reclassification adjustment in the profit and loss statement for the reporting period. After discontinuation, once the hedged cash flow occurs, any remaining amount accumulated in OCI must be accounted for based on the nature of the underlying transaction, as described above.

Hedging of a net investment in a foreign operation

Hedging of a net investment in a foreign operation, including hedging of a monetary item as part of a net investment, is recognized similarly to cash flow hedging. Gains or losses from the hedging instrument are recognized in the comprehensive income statement for the effective portion of the hedge, while for the ineffective portion, they are recorded in the profit and loss statement. Upon the disposal of the foreign operation, the sum of total gains or losses is transferred to the profit and loss statement.

If hedge accounting cannot be applied, the gains or losses from the fair value measurement of the derivative financial instrument are recognised immediately in the profit and loss statement as interest income/expense or as financial income/expense.

Leased assets liabilities

The Group recognizes lease liabilities on the effective date of the lease contract. These liabilities represent the present value of minimum lease payments that remain unpaid at the agreement date. This includes payments based on an index or rate (initially valued using the index/rate in effect at the lease commencement date), as well as any potential penalties if the lease term allows for early termination and such termination is expected. The present value is calculated using the implicit interest rate of the lease.

Subsequently, the lease liability is increased by accruing interest and decreased by lease payments made.

Revenue

The IFRS 15 standard – Revenue from Contracts with Customers establishes a new revenue recognition model, providing for:

- the identification of the contract with the customer;
- the identification of the performance obligations in the contract;
- the determination of the transaction price;
- the allocation of the transaction price to the performance obligations in the contract;
- the revenue recognition criteria when the entity satisfies each performance obligation.

Accordingly, revenues from the sale of goods/ the purchase costs are measured at the fair value of the amount received/due, taking into account of any returns, bonuses, trade discounts and volume-related rewards.

Revenues are recognized when the obligation to transfer goods to the customer is fulfilled and the revenue amount can be reliably measured. If discounts are expected and their amount can be reliably determined, they are accounted for at the time of revenue recognition.

The control of the goods is transferred to the customer when they can use and enjoy the benefits from the asset. For retail sales, control typically transfers upon delivery of the goods and payment by the consumer. For wholesale sales, control generally transfers when the goods are delivered to the customer's warehouse.

Revenue and associated costs for services are recognized based on the completion state of the service at the reporting date. This completion state is assessed based on the progress of the work performed. When services under a single contract span multiple reporting periods, the consideration is allocated to each period based on the fair value of the services provided.

Chargebacks for costs incurred on behalf of third parties are recorded as reductions to the related costs.

Costs

Costs and other operating expenses that do not produce future economic benefits, or that generate benefits not qualifying as assets, are recognized in the reporting period when they are incurred, pursuant to the accrual and matching principles. Advertising costs are recognized in the profit and loss statement upon service receipt.

Cost of sales

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

Changes in inventories reflect the adjustments to the gross carrying amount of inventories that occur during the reporting period.

Royalties paid for the use of international and Italian licenses are included as part of the cost of sales.

If royalty advances are fully recouped, the recoupment is calculated by multiplying the royalty rate per unit by the number of units sold during the reporting period. In cases of partial recoupment, the calculation is performed analytically for each agreement, based on the estimated future usage.

Dividends received

Dividends received from associates that are not subsidiaries are recognized only when the right to receive the payment is established and only if the dividends are generated from profits realized after the acquisition of control. If the dividends come from reserves accumulated before the acquisition, they are recognized as a reduction in the carrying amount of the equity investment.

Interest income/expenses and financial income/expenses

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

Current tax

Income tax encompasses all taxes calculated on the taxable income of the Group's companies. Generally, income tax is recognized in the profit and loss statement. However, if the tax pertains to items directly credited or debited to net equity, the tax effect is recorded directly as changes to net equity. Other taxes not related to income, such as property and capital taxes, are recognized as operating costs.

Deferred tax

Deferred tax is calculated using the allocation method for liabilities, based on temporary differences between the taxable values of assets and liabilities and their values recognized in the financial statements. There are two exceptions: non-deductible goodwill from transactions not involving business combinations (which do not affect profit or loss or fiscal results) and differences arising from investments in subsidiaries where reversal is not anticipated in the foreseeable future.

Deferred tax assets related to tax losses and unused tax credits are recognized only to the extent that it is probable that sufficient future taxable income will be available to recover them. Deferred tax assets and liabilities are computed using the expected tax rates applicable to the periods when the temporary differences are expected to be realized or reversed. These rates are specific to each jurisdiction where the Group operates.

Deferred tax assets and liabilities are reviewed quarterly. Unrecognized deferred taxes are reassessed and recognized if it becomes probable that sufficient future taxable income will be available for their recovery. Deferred taxes related to items not affecting the profit and loss statement are recognized in net equity or comprehensive income, according to the nature of the items. They are classified as non-current assets and liabilities, irrespective of when they are expected to be used.

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

Earnings per share

Basic earnings per share is calculated dividing the profit generated in the reporting period by the number of outstanding shares, without accounting for treasury shares. As the Group did not issue any convertible financial instruments, the diluted earnings per share correspond to the basic earnings per share during the reporting period.

Foreign currency transactions

Foreign currency transactions are recognized at the applicable exchange rate at the transaction date. Monetary assets and liabilities denominated in foreign currencies are subsequently retranslated at the exchange rate in effect on the reporting date. Any exchange rate gains or losses resulting from this retranslation are recognized in the profit and loss statement.

Share-based payments - Payment transactions settled with equity instruments

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

This cost, together with the corresponding increase in equity, is recognized under personnel expenses over the period in which the service and/or performance conditions are satisfied. The cumulative expense recognized in respect of such arrangements at each reporting date up to the vesting date is based on the vesting period elapsed and on the Group’s best estimate of the number of equity instruments that will ultimately vest. The expense or income recognized in the profit and loss statement for a period represents the change in the cumulative expense recognized between the beginning and the end of that period.

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

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

If the terms of a plan are modified, at a minimum the expense recognized is the grant-date fair value of the plan as if it had not been modified, provided the original vesting conditions are satisfied. In addition, any increase in the fair value of the plan, or any modification otherwise favorable to employees, is recognized as additional cost, measured at the date of the modification. When a plan is cancelled by the entity or by the counterparty, any remaining unrecognized fair value of the plan is expensed immediately in the profit and loss statement.

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

Accounting standards, amendments and IFRS interpretations in force from July 1st, 2024

With reference to Digital Bros' application of accounting standards, please refer to Digital Bros S.p.A. financial statements as of June 30th, 2024, 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, 2025

Pursuant to European regulations, the accounting standards used by the Group have not taken into account the rules and interpretations published by IASB and IFRIC as of June 30th, 2025, that have yet to be endorsed by the European Union. Outlined below are the accounting standards, amendments, and interpretations issued as of September 25, 2025, but not yet effective. The Group will adopt these standards, where applicable, from the date they come into force:

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

3. DISCRETIONARY ITEMS AND SIGNIFICANT ESTIMATES

Discretionary assessments

The preparation of the consolidated financial statements as of June 30th, 2025, and the accompanying explanatory notes required the application of discretionary assessments, estimates, and assumptions. These impacted the carrying values of assets and liabilities in the consolidated financial statements, as well as disclosures related to contingent assets and liabilities as of the reporting date. These assessments are based on short-, medium-, and long-term forecasts, which are continuously updated and subject to the review and approval by the Board of Directors prior to the approval of the financial reports.

Estimates are based on the best available information at the time and are reviewed periodically. Adjustments to such estimates are reflected in the profit and loss statement, when necessary. Actual results may differ significantly from these estimates due to changes in the underlying assumptions or circumstances. Estimates are used for recognizing provisions for doubtful accounts and inventories, depreciation and amortization, equity investments, asset impairments, employee benefits, deferred taxes, and other provisions and allowances.

The key areas of uncertainty in making these estimates include determining the recoverable amounts of intangible assets, assessing credit losses, inventory impairments, employee benefits, provisions, and deferred tax estimation.

Consistently with the last fiscal year, the Group has deemed the estimates for royalty advances and the valuation of inventories no longer significant, given the residual amounts and the limited complexity in their measurement.

Recoverable amount of intangible assets

Intangible assets are subject to impairment adjustments when events or changes in circumstances suggest that their carrying amount may no longer be recoverable. Events that could trigger an impairment review include revisions to the strategic plans or changes in market conditions that result in lower-than-expected performance or reduced utilization of trademarks. The decision to recognize an impairment loss, as well as its magnitude, depends on management’s evaluation of highly uncertain factors, such as future price trends and global or regional consumer demand.

Employee benefits

Estimating employee severance obligations involves assessing potential future cash outflows due to both voluntary and involuntary departures, factoring in employee seniority and the revaluation rates mandated by Italian law. The TFR (employee termination severance) underwent significant changes for the fiscal year ending June 30th, 2006. A residual portion of the indemnities remains with Group companies, making the liability estimation complex. To ensure accuracy, the Group consults an actuary to evaluate the necessary parameters.

Following the approval of the "2016-2026 Stock Option Plan," an actuarial valuation, in line with IFRS 2 - Share-based Payments, is required. An independent actuary has been appointed to perform this evaluation.

Regarding the liabilities from the new medium- to long-term incentive plan (LTI) approved by the Shareholders' Meeting on June 15th, 2021, the estimation process is relatively straightforward. The actuarial component, or the possibility of beneficiaries losing the incentive due to "bad leaver" conditions, is considered insignificant. As a result, the calculation of this liability did not require independent actuarial assistance.

Deferred tax assets and liabilities

The assessment of deferred tax assets and liabilities involves two key areas of uncertainty. The first concerns the recoverability of deferred tax assets. To mitigate this, the Group compares the recognized deferred tax assets for each entity with their respective business plans to ensure alignment. The second uncertainty relates to the applicable tax rate. It is assumed that the tax rate will remain stable over time and correspond to the current rates in force in the countries where the Group operates. Adjustments are made if any changes to tax rates come into effect.

4. CONSOLIDATION CRITERIA

Subsidiaries

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

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

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

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

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

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

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

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

Conversion of foreign currency financial statements

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

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

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

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

Transactions that are eliminated in the consolidation process

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

Scope of consolidation

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

Line-by-line consolidation method:

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

*Not active in the reporting period

**Liquidated in the reporting period

Equity consolidation method:

Company name	Operational headquarters	Country	Currency	Capita	% held directly or indirectly
MSE&DB SL	Tudela	Spain	Euro	10,000	50%
Starbreeze AB	Stockholm	Sweden	SEK	32,488,765	19.11%

5. INVESTMENTS IN JOINT-VENTURES AND ASSOCIATED COMPANIES

As of June 30th, 2025, the Group holds a 50% interest in the Spanish joint venture MSE&DB SL recognized at a carrying amount of Euro 1,305 thousand, which increased by Euro 1,300 thousand compared to June 30th, 2024, as a result of the equity-accounted share of the profit of the Spanish company in the fiscal year.

Relations with Starbreeze

Over the past fiscal years, Digital Bros Group and Starbreeze group ("Starbreeze") have entered multiple different transactions, summarized below.

In May 2016, the Group sold back the PAYDAY2 co-publishing rights to Starbreeze against a payment of USD 30 million and an earn-out of USD 40 million as 33% of the net revenues from the future video game PAYDAY3, which was launched in September 2023.

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

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

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

During the last months of the previous fiscal year, different interpretations emerged between the Group and Starbreeze AB about the calculation of the earn out from the transfer of PAYDAY 2 rights to the Swedish developer and the repayment of receivables related to other contracts between the two groups. The receivable from Starbreeze as of June 30th, 2024 amounted to Euro 4,425 thousand.

On February 27th, 2025, the Group reached a settlement agreement with the Swedish developer, resolving all outstanding matters. Consequently, the Provision for Starbreeze arbitration costs accrued as of June 30, 2024 was released, as no arbitration proceeding is required. The agreement had a neutral impact on the Group's half-year-consolidated financial statements.

As of June 30th, 2025, the receivable from Starbreeze amounts to Euro 2,821 thousand and primarily included the advances for a video game (classified under Other non-current financial assets) and other minor receivables from the Swedish group. The amount of such receivable is reported net of the Euro 915 thousand compensations made during the fiscal year, Euro 236 thousand adjustments and Euro 453 thousand write-offs.

The Group submitted an alternative list of candidates for the Board of Directors of the Swedish company, differing from the initial proposal presented by its Nomination Committee ahead of the Annual General Meeting (AGM) of Starbreeze AB, convened for May 15th, 2025. Following the AGM's approval of such list and with the election of Digital Bros Group's CFO to Starbreeze's Board of Directors, the Group considers that it has acquired significant influence over the Swedish company starting from that date. The assessment particularly focused the following criteria pursuant to IAS28:

- representation on the board of directors or equivalent governing body of the investee;
- participation in policy-making processes, including participation in decisions about dividends or other distributions.

As of June 30th, 2025, the Group holds no. 87 million Starbreeze A shares and no. 223.4 million Starbreeze B shares. This accounts for 19.11% of the share capital and 37.65% of voting rights.

Pursuant to IAS 28, the investment in Starbreeze has been accounted for using the equity method starting from the date when the Group acquired significant influence.

Up to that moment, the investment had been classified under Other investments and measured at fair value in accordance with IFRS 9, with changes recognized in Other Comprehensive Income. The change in fair value of the Starbreeze shares recorded in Other Comprehensive Income between July 1st, 2024 and May 15th, 2025 was negative at Euro 2,176 thousand.

Following the acquisition of significant influence and in compliance with IAS 28, the investment was reclassified as Equity investments and initially recognized at cost, corresponding to the fair value of the shares as of May 15th, 2025. The fair value of the shares as of May 15th, 2025 amounted to Euro 7,310 thousand.

As of June 30th, 2025, the carrying amount of the investment is adjusted to reflect the Group's share of the losses of the Swedish company accrued up to that date. This resulted in a reduction in the equity investment of Euro 210 thousand. On top of this, the Group recognized an impairment loss on the investment in Starbreeze, adjusting its carrying amount to the recoverable amount, identified as the fair value of Starbreeze shares as of June 30th, 2025. This adjustment better reflects the effective value of the investment, also considering the share price movement in recent months. The adjustment resulted in Euro 1,628 thousand write offs, which were accounted for as Financial expenses.

As of June 30th, 2025, the equity investment in Starbreeze amounts to Euro 5,638 thousand.

6. BUSINESS COMBINATIONS

During the reporting period, the Parent company acquired the remaining 40% of the subsidiary Rasplata B.V. for total consideration of Euro 261 thousand. The company was already fully consolidated as of June 30th, 2024.

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

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

Euro thousand	Profit (loss) at		Net Equity	
	June 30th, 2025	June 30th, 2024	June 30th, 2025	June 30th, 2024
Consolidated profit (loss) for the year and net equity	**144**	**4,080**	**53,700**	**54,751**
Profit for the year and equity of subsidiaries	(7,593)	(5,737)	119,278	127,388
Carrying amount of equity investments	0	0	(37,742)	(38,858)
Consolidation adjustments				
Impairment of financial receivables and equity investments	8,236	3,732	12,192	4,167
Elimination of intercompany profits	(576)	1,150	(14,753)	(3,060)
Dividends	(10,461)	(10,328)	(10,461)	(10,328)
Other adjustments	(454)	915	(7,474)	(6,374)
Total consolidation adjustments	**(3,255)**	**(4,531)**	**(20,496)**	**(15,595)**
Profit for the year and net equity of the Parent Company	**(10,704)**	**(6,189)**	**114,740**	**127,686**

Details for consolidation adjustments as of June 30th, 2025 compared with June 30th, 2024 are provided below:

Euro thousand	Profit (loss) at		Net Equity	
	June 30th, 2025	June 30th, 2024	June 30th, 2025	June 30th, 2024
Impairment of the equity investment in Game Network S.r.l.	160	0	0	51
Impairment of the equity investment in Digital Bros Game Academy S.r.l.	34	97	131	97
Impairment of the equity investment in Seekhana Ltd.	0	262	504	504
Impairment of the equity investment in Game Entertainment S.r.l.	0	0	142	142
Impairment of the financial receivable from and the equity investment in Rasplata B.V.	8,042	3,373	11,415	3,373
Total impairment of investments in subsidiaries	**8,236**	**3,732**	**12,192**	**4,167**
Elimination of unrealized profit in inventory	0	(7)	(32)	(32)
Elimination of margin on internal development contracts	(576)	1,157	(14,732)	(3,028)
Total elimination of intercompany profits	**(576)**	**1,150**	**(14,753)**	**(3,060)**
Dividends from Kunos Simulazioni S.r.l.	(10,000)	(10,000)	(10,000)	(10,000)
Dividends from 505 Games S.p.A.	0	(328)	0	(328)
Dividends from 505 Games Spain S.l.u.	(461)	0	(461)	0
Total dividends	**(10,461)**	**(10,328)**	**(10,461)**	**(10,328)**
Amortization/Allocation of acquisition price for Kunos S.r.l., net of tax effect	(61)	(62)	0	61
Amort. Allocation of acquisition price for Rasplata B.V., net of tax effect	(233)	(137)	805	777
Amort Allocation of acquisition for the Australian companies, net of tax effect	(1,338)	(1,338)	670	2,008
Application of IFRS 9	178	(4)	(120)	(298)
Deferred tax effect of the revaluation of the Assetto Corsa brand	1,248	1,248	(12,803)	(14,051)
Other items	(248)	1,208	3,974	5,129
Total other adjustments	**(454)**	**915**	**(7,474)**	**(6,374)**
Total consolidation adjustments	**(3,255)**	**(4,531)**	**(20,496)**	**(15,595)**

8. CONSOLIDATED BALANCE SHEET AS OF JUNE 30th, 2025

1. Property, plant and equipment

Property, plant and equipment decrease from Euro 7,379 thousand to Euro 5,459 thousand, as a result of increasing investments by Euro 371 thousand, offset by depreciation for Euro 2,247 thousand. The following tables detail movements in the current and previous reporting periods:

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**

Euro thousand	July 1st, 2023	Investments	Disposals	Translation differences	Deprec'n	Use of accum. dep'n	June 30th, 2024
Industrial buildings	6,921	235	0	0	(1,909)	0	**5,247**
Land	635	0	0	0	0	0	**635**
Indust. and comm. equipment	1,304	220	(224)	4	(481)	167	**990**
Other assets	753	9	(19)	0	(240)	4	**507**
Total	**9,613**	**463**	**(243)**	**4**	**(2,630)**	**171**	**7,379**

Industrial buildings increase by Euro 217 thousand as a result of the IFRS 16 application to the renewed rental contracts for the US-based subsidiaries.

Land includes the logistic facilities based in Trezzano sul Naviglio and amounts to Euro 635 thousand, unchanged from previous years.

Investments in Industrial and commercial equipment amounted to Euro 130 thousand, mainly related to office automation equipment.

Depreciation and amortization decrease from Euro 2,630 thousand to Euro 2,247 thousand, mainly due to lower property lease-related costs incurred by some of the Group companies.

Reporting period 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)**

Reporting period ended June 30th, 2024

Gross amount of property, plant and equipment

Euro thousand	July 1st, 2023	Investments	Disposals	Exchange currency translation	June 30th, 2024
Industrial buildings	14,401	235	0	0	14,636
Land	635	0	0	0	635
Plant and machinery	24	0	0		24
Industrial & commercial equipment	6,328	220	(224)	4	6,328
Other assets	3,366	9	(19)	0	3,356
Total	**24,755**	**463**	**(243)**	**4**	**24,979**

Accumulated depreciation

Euro thousand	July 1st, 2023	Depreciation	Disposals	June 30th, 2024
Industrial buildings	(7,480)	(1,909)	0	(9,389)
Land	0	0	0	0
Plant and machinery	(24)	0	0	(24)
Industrial & commercial equipment	(5,024)	(481)	167	(5,338)
Other assets	(2,613)	(240)	4	(2,849)
Total	**(15,142)**	**(2,630)**	**171**	**(17,600)**

2. Investment properties

As of June 30th, 2025, the Group has not recorded any investment properties, in line with previous years.

3. Intangible assets

Intangible assets decrease by Euro 18,380 thousand, as a result of Euro 43,752 thousand depreciation and asset impairment charges and Euro 25,485 thousand investments.

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

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

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**

Euro thousand	July 1st, 2022	Investm.	Disposals	Recl.	Impair-ment Adj.	Exch. currency transl.	Amort'n	June 30th, 2024
Concessions and licenses	68,303	3,804	0	14,302	(3,470)	6	(31,661)	51,284
Trademarks and sim. rights	821	0	0	5,000	0	0	(842)	4,979
Other assets	57	10	0	0	0	0	(40)	27
Assets in development	83,842	29,324	(15,947)	(19,302)	(4,594)	0	0	73,323
Total	**153,0233**	**33,138**	**(15,947)**	**0**	**(8,064)**	**6**	**(32,543)**	**129,6144**

Total investments amount to Euro 25,485 thousand and include Euro 16,211 thousand related to the advances paid to external developers and/or suppliers of localization, rating and Quality Assurance services, while the remaining Euro 9,274 thousand consisted of capitalization of own work.

Asset impairment charges amount to Euro 19,257 thousand, which included included Euro 8,067 thousand related to lower cash flow projections of some products resulting from the impairment testing, and Euro 10,956 thousand related to projects under development that the Group decided to discontinue prior to completion.

The impairment tests on concessions and licenses as of June 30th, 2025, are based on the projected cash flows and revenues of the 2026-2030 Business Plan, approved by the Board of Directors on July 22nd, 2025. The discount rate was calculated using the Weighted Average Cost of Capital (WACC), which considers the expected return on invested capital net of financing costs for a sample of companies within the same industry as well as companies generating revenue within the same geographic area. The rates used for the impairment test on Premium and Free to Play licenses were 10.92% and 10.75%, respectively, which are lower than the WACC used in the previous fiscal year. The WACC as of June 30th, 2025 has been analyzed by the Board of Directors, supported by an independent expert.

Investments in intangible assets as of June 30th, 2025 significantly decrease compared to the previous fiscal year, reflecting the corrective actions implemented by the Group, including the reduction of the number of projects under development, and the transition of certain video games from the development phase to live support. Details in the table below:

Euro thousand	**June 30th, 2025**	**June 30th, 2024**
Premium Games rights	1,095	3,558
Management systems	143	246
Increase in investment on concessions and licences (A)	**1,238**	**3,804**
Increase in investments on trademarks (B)	**0**	**10**
Dr Studios Ltd.	767	2,643
Chrysalide Jeux et Divertissement Inc.	(642)	3,285
Kunos Simulazioni S.r.l.	4,778	1,654
Supernova Games S.r.l.	2,965	2,683
Avantgarden S.r.l.	1,032	1,071
Infinity Plus Two Pty Ltd.	374	0
Increase in total assets in development by internal studios	**9,274**	**11,336**
Increase in total assets in development by third-parties	**14,973**	**17,988**
Total investments for assets in development (C)	**24,247**	**29,324**
Total investments in intangible assets (A+B+C)	**25,485**	**33,138**

The decrease in assets under development by the Canadian subsidiary Chrysalide Jeux et Divertissement Inc. reflects the collection of a grant from the Québec government in support of video game development initiatives, which was recognized as a reduction in the carrying amount of the related asset.

4. Equity investments

Total equity investments decrease by Euro 2,526 thousand, primarily due to the fair value adjustment of the equity investment in Starbreeze as of June 30th, 2025, partially offset by the revaluation of the investment in MSE&DB SL. Details are provided below:

Euro thousand	**June 30th, 2025**	**June 30th, 2024**	**Change**
MSE&DB Slu	1,305	5	1,300
Starbreeze AB	5,682	0	5,682
Total equity investments in associated companies (A)	**6,987**	**5**	**6,982**
Starbreeze AB - A shares	0	2,812	(2,812)
Starbreeze AB - B shares	0	6,674	(6,674)
Noobz from Poland S.A.	172	194	(22)
Total other equity investments (B)	**172**	**9,680**	**(9,508)**
Total equity equity investments (A+B)	**7,159**	**9,685**	**(2,526)**

The change in the equity investments in associated companies reflects the recognition of the Group's share of the profit generated by the Spanish joint venture MSE&DB SL as of June 30th, 2025, as well as the initial application of the equity method to the investment in Starbreeze AB, effective from May 15th, 2025, when the Group assessed it had acquired significant influence over the Swedish company.

Other equity investments decrease by Euro 9,508 thousand, due to Euro 9,486 thousand resulting from the reclassification of the investment in Starbreeze as an associated company and Euro 22 thousand relates to the investment in Noobz from Poland S.A. (listed on the New Connect segment of the Warsaw Stock Exchange). The decrease of the equity investment in the Polish company reflects the fair value measurement with recognition in equity reserves of the difference between the carrying amount and the market value as of June 30th, 2025, for no. 70,000 shares representing 4.5% of the share capital, classified as financial instruments measured at fair value through other comprehensive income (FVOCI).

5. Non-current receivables and other assets

Total non-current receivables and other assets amount to Euro 2,601 thousand, decreasing by Euro 5,344 thousand compared to June 30th, 2024:

Euro thousand	June 30th 2025	June 30th 2024	Changes
Receivable from Starbreeze AB	0	4,425	(4,425)
Royalties receivables	1,790	2,655	(865)
Guarantee deposits – office rental for Italian companies	635	635	0
Guarantee deposits – office rental for non-Italian companies	171	225	(54)
Guarantee deposits – other	5	5	0
Total non-current receivables and other assets	**2,601**	**7,945**	**(5,344)**

Following the settlement agreement with Starbreeze AB, the Group has recognized as Current assets for Euro 2,821 thousand related to the portion of the receivable for the advances paid for the development of the video game Overkill: The Walking Dead, while the residual portion was recognized as non-current financial assets, according to the agreed payment schedule.

Royalty receivables consist of the advance royalty payments that are expected to be collected beyond twelve months.

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

6. Deferred tax assets

Deferred tax assets are recognized on tax loss carryforwards and on temporary differences between the carrying amount and the tax base of assets and liabilities. They are measured on the basis of the tax rates expected to apply in the periods in which the assets are realized or the liabilities are settled. As of June 30th, 2025, the balance is at Euro 23,723 thousand, increasing by Euro 2,557 thousand compared to June 30th, 2024, as a result of:

Changes in deferred tax assets	Amount (€/000)
Consolidation adjustments	5,169
Deferred tax assets of the subsidiary 505 Games S.p.A.	(3,628)
Deferred tax assets of the subsidiary 505 Go Inc.	1,417
Deferred tax assets of the Australian subsidiaries	(684)
Fair value adjustment of the Starbreeze shares	522
Other changes	(239)
Increase in deferred tax assets	**2,557**

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

Euro thousand	June 30th, 2025	June 30th, 2024	Change
Italian companies	6,250	9,138	(2,888)
Non-Italian companies	5,143	4,867	276
Consolidation adjustments	12,330	7,161	5,169
Total deferred tax assets	**23,723**	**21,166**	**2,557**

The following table provides details on the temporary differences of the Italian companies as of June 30th, 2025 and June 30th, 2024:

Euro thousand	June 30th, 2025	June 30th, 2024	Change
Provision for doubtful accounts	917	811	106
Asset impairment charges	1,549	14,670	(13,121)
Actuarial differences	97	104	(7)
Costs not deducted in prior years	3,761	2,856	905
Taxes loss carryforwards	346	396	(50)
Reserve for IFRS securities valuation	18,390	16,195	2,195
Reserve for derivatives hedge accounting	0	243	(243)
Total differences	**25,060**	**35,275**	**(10,215)**
IRES tax rate	24%	24%	
Deferred tax assets for IRES	**6,014**	**8,466**	**(2,452)**
Deferred tax assets for IRAP	**236**	**672**	**(436)**
Total deferred tax assets of Italian companies	**6,250**	**9,138**	**(2,888)**

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

Euro thousand	June 30th, 2025	June 30th, 2024	Change
Deferred tax assets for losses	3,881	3,433	448
Deferred tax assets for temporary differences.	1,262	1,434	(172)
Total deferred tax assets of non-Italian subsidiaries	**5,143**	**4,867**	**276**

Deferred tax assets on prior-year tax losses of non-Italian subsidiaries are recognized where deemed recoverable under local tax regulations. This item increases by Euro 448 thousand, mainly reflecting current-year tax losses and the recognition of new deferred tax assets by 505 Go Inc., partially offset by a decrease in deferred tax assets for the Australian subsidiaries. Prior-year losses that are not considered recoverable amount to approximately Euro 4 million.

Deferred tax assets of non-Italian subsidiaries relating to temporary differences have been recognized in full, based on the approved strategic plan and forecasts. Each subsidiary is expected to generate sufficient future taxable income to allow the full recovery of these temporary differences. As of June 30th, 2025, deferred tax assets on temporary differences decrease by Euro 172 thousand.

Total deferred tax assets related to consolidation adjustments increase by Euro 5,169 thousand. As of June 30th, 2025, the balance relates for Euro 6,627 thousand to the revaluation of the Assetto Corsa brand, while the remaining amount primarily reflects differences in amortization of intangible assets between statutory tax rates and those applied for the preparation of the consolidated financial statements.

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, 2025	June 30th, 2024	Change
Italian Distribution inventories	1,193	1,948	(755)
Premium Games inventories	163	720	(557)
Total inventories	**1,356**	**2,668**	**(1,312)**

Total inventories decrease from Euro 2,668 thousand to Euro 1,356 thousand as of June 30th, 2025, in line with the decrease in retail revenues.

9. Trade receivables

Trade receivables were as follows:

Euro thousand	June 30th, 2025	June 30th, 2024	Change
Receivables from customers - Italy	1,489	1,608	(119)
Receivables from customers - EU	2,879	3,020	(141)
Receivables from customers - Rest of the world	11,041	13,394	(2,353)
Total receivables from customers	**15,409**	**18,022**	**(2,613)**
Provision for doubtful accounts	(1,224)	(1,135)	(89)
Total trade receivables	**14,185**	**16,887**	**(2,702)**

Total trade receivables amount to Euro 14,185 thousand as of June 30th, 2025, decreasing by Euro 2,702 thousand compared to June 30th, 2024.

Provisions for doubtful accounts increase by Euro 89 thousand, amounting to Euro 1,224 thousand. The provision for doubtful accounts is estimated based on both a detailed analysis of each single debtor and the application of IFRS 9.

The following table provides an analysis of trade receivables by due date as of June 30th, 2025, together with comparative figures as of June 30th, 2024:

Euro thousand	June 30th, 2025	% of total	June 30th, 2024	% of total
Current	13,838	98%	16,392	97%
0 > 30 days overdue	0	0%	149	1%
30 > 60 days overdue	0	0%	0	0%
60 > 90 days overdue	0	0%	2	0%
> 90 days overdue	347	2%	344	2%
Total trade receivables	**14,185**	**100%**	**16,887**	**100%**

10. Tax receivables

Total tax receivables are analysed as follows:

Euro thousand	June 30th, 2025	June 30th, 2024	Change
Receivables under domestic tax group consolidation	5,725	1,735	3,990
VAT receivable	1,402	1,099	303
Tax credit for foreign tax withholdings	51	129	(77)
Other tax receivables	1,422	1,382	40
Total tax receivables	**8,600**	**4,345**	**4,255**

Total tax receivables increase by Euro 4,225 thousand, from Euro 4,345 thousand at June 30th, 2024 to Euro 8,600 thousand as of June 30th, 2025 primarily due to the increase in the national tax consolidation receivables resulting from the negative taxable income recorded by the Italian companies participating in the national tax consolidation.

11. Other current assets

Total other current assets decrease from Euro 8,902 thousand as of June 30th, 2024 to Euro 5,706 thousand as of June 30th, 2025. They are analyzed as follows:

Euro thousand	June 30th, 2025	June 30th, 2024	Change
Receivables for video game user licensing rights	2,004	3,034	(1,030)
Advances for video game development operating costs	1,279	2,146	(867)
Advances to suppliers	2,203	3,565	(1,362)
Other receivables	220	157	63
Total other current assets	**5,706**	**8,902**	**(3,196)**

The receivables for video game user licenses rights consist of advances paid for licenses not yet exploited or completely exploited as at the reporting date. As of June 30th, 2025, they amount to Euro 2,004 thousand.

The advances for video game development expected to be collected in the short-term amount to Euro 1,279 thousand. They mainly consist of the advances paid for video game programming, quality assurance and other operating costs (i.e. rating and localization). Further details are provided below:

Euro thousand	June 30, 2025	June 30, 2024	Change
Programming	907	1,529	(622)
Quality assurance	313	504	(191)
Other operating costs	59	113	(54)
Total advances for video game development operating costs	**1,279**	**2,146**	**(867)**

Advances for video game development decrease by Euro 867 thousand due to their use during the fiscal year.

The increase in advances for video games development mainly relates to the agreement finalized in the last fiscal year with Remedy Entertainment for the reversion of all rights related to the Control franchise to the Finnish developer.

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, 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**

14. Share capital

The share capital as of June 30th, 2025 is unchanged with respect to the amount on June 30th, 2024 It is composed of no.14,265,037 ordinary shares with a par value of Euro 0.4 each, for a total of Euro 5,706,014.80. No other shares of any nature were issued. There are no rights. liens or restrictions associated with the ordinary shares.

15. Reserves

The change in Other reserves reflects a Euro 470 thousand increase related to the stock option reserve adjustment and Euro 1,683 thousand decrease resulting from:

- the Euro 1,667 thousand decrease in the fair value adjustment reserve related to the Group's stake in the Starbreeze AB;
- a decrease in the actuarial reserve for Euro 22 thousand;
- a Euro 6 thousand decrease of the actuarial reserve.

The decrease in the Allocation of previous year result for Euro 3,889 thousand relates to the portion of Rasplata B.V.'s net equity attributable to non-controlling interests at the time of the acquisition of the remaining 40% stake, finalized by the Group in August 2024.

Digital Bros S.p.A. implemented a Stock Option plan valid from 2016 to 2026, allocating a total of no. 800,000 options. On January 20th, 2017, and May 12, 2017, the Board of Directors of Digital Bros resolved to grant such options with a maturity date of June 30, 2026. No. 744,000 options were allocated to beneficiaries with an exercise price of Euro 10.61 and no. 56,000 options at an exercise price of Euro12.95. Following Digital Bros S.p.A.'s extraordinary capital increase on March 13th, 2017, the exercise price of the unexercised options granted on January 20th, 2017 was adjusted to Euro 10.50 per share.

As of June 30th, 2025, no. 720,800 options are available for exercise, following the resignations of some beneficiaries in previous years and the exercise of no. 4,200 options before the reporting period. Details below:

Number of options	**Stock Option Plan 2016 - 2026**
Assigned (2017)	800,000
Expired	0
Resignation	(75,000)
Exercised*	(4,200)
Number of options as of June 30th, 2025	**720,800**

*No resignation or exercise of options occurred in the reporting period (July 1, 2024 – June 30, 2025)

Digital Bros S.p.A. applies vesting conditions by adjusting the total number of outstanding options to reflect the estimated number expected to vest. As of June 30th, 2025, the options expected to vest amount to no.720,800, corresponding to a stock option reserve of Euro 4,378 thousand.

For further details regarding the 2016-2026 Stock Options Plan, please refer to the documentation available on the company's website under the "Governance/Remuneration" section

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, 2025, employee benefits increased by Euro 142 thousand compared to the previous fiscal year.

The IAS 19 actuarial measurement as of June 30th, 2025 was performed using a discount rate based on the Iboxx Corporate A 10y+ index, in line with the rate used at the previous reporting date. The use of a discount rate based on the Iboxx Corporate AA index would not create a significant difference.

The calculation method can be summarized as follows:

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

The estimate is based on the Italian companies' reporting date headcount of 111 employees.

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

- annual interest rate of 3.7%;
- 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, 2024 were as follows:

- annual interest rate of 3.61%;
- annual increase in remuneration rate of 3%;
- annual inflation rate of 2.30%.

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

Euro thousand	**June 30th, 2025**	**June 30th, 2024**
Provision for employee termination indemnities at July 1st, 2024	**967**	**911**
Utilization of provision for leavers	(31)	(121)
Allocated during period	393	413
Restatement for supplementary pension schemes	(212)	(232)
Restatement for actuarial measurement	(8)	(4)
Provision for employee termination indemnities as of June 30th, 2025	**1,109**	**967**

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

19. Non-current provisions

As of June 30th, 2025, non-current provisions amount to Euro 1,059 thousand, which include Euro 1,000 thousand related to the provision for tax incentives at the benefit of Supernova Games Studio, already used but which are still pending the certification by the authorized body. This portion of non-current provisions increased by Euro 518 during the fiscal year.

The remaining Euro 59 thousand consist of the sales representatives' termination indemnity provision, decreasing by Euro 22 thousand compared to June 30th, 2024.

20. Other non-current payables and liabilities

As of June 30th, 2025 other non-current payables and liabilities amount to Euro 4,947 thousand, which include Euro 4,851 thousand related to the variable compensation for the development of the video game Blades of Fire which is based on sales targets. The remaining Euro 96 thousand consist of the remaining portion of the debt for the acquisition of 505 Go Inc. with maturity exceeding twelve months.

CURRENT LIABILITIES

22. Trade payables

Total trade payables amount to Euro 29,636 thousand as of June 30th, 2025 and are primarily related to payables to developers for royalties. The Euro 14,101 thousand decrease reflects the significant sales volumes realized during the last quarter of the previous fiscal year.

Details by geographical area are provided below:

Euro thousand	June 30th, 2025	June 30th, 2024	Change
Trade payables – Italy	(4,885)	(3,827)	(1,058)
Trade payables – EU	(5,675)	(13,383)	7,708
Trade payables – Rest of world	(19,076)	(26,527)	7,451
Total trade payables	**(29,636)**	**(43,737)**	**14,101**

23. Tax payables

Total tax payables decrease by Euro 157 thousand, from Euro 1,299 thousand as of June 30th, 2024 to Euro 1,142 thousand as of June 30th, 2025. The balance is detailed as follows:

Euro thousand	June 30th, 2025	June 30th, 2024	Change
Income taxes payable	(532)	(322)	(210)
Other tax payables	(610)	(977)	367
Total tax payables	**(1,142)**	**(1,299)**	**157**

The increase in income tax payables is driven by Kunos Simulazioni S.r.l.'s IRAP payable, whereas the decrease in other tax payables mainly reflects lower withholding tax obligations for 505 Games S.p.A. on payments to foreign developers.

24. Current provisions

As of June 30th, 2024, current provisions solely consisted of the Provision for Starbreeze arbitration costs for Euro 1,241 thousand. This provision represented the estimated arbitration costs that the Group expected to incur to resolve differing interpretations with Starbreeze AB regarding the calculation of the earn-out from the transfer of PAYDAY 2 rights to the Swedish developer, as well as disagreements over the repayment of receivables related to other contracts between the two groups. On February 27th, 2025, the parties reached a settlement agreement, resulting in the full release of the provision.

25. Other current liabilities

Total other current liabilities amount to Euro 10,838 thousand, increasing by Euro 4,181 thousand compared to June 30th, 2024. Details are provided below:

Euro thousand	June 30th, 2025	June 30th, 2024	Change
Amounts due to social security institutions	(442)	(426)	(16)
Amounts due to employees	(2,032)	(1,871)	(161)
Amounts due to contractors	(36)	(37)	1
Other payables	(8,328)	(4,323)	(4,005)
Total other current liabilities	**(10,838)**	**(6,657)**	**(4,181)**

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

Other current liabilities amount to Euro 8,328 thousand and consist of advances related to video games scheduled to launch in the next fiscal year.

NET FINANCIAL POSITION

The net financial position as of June 30th, 2025 is detailed below, restated by the Group consistently with previous fiscal years:

	Euro thousand	June 30th, 2025	June 30th, 2024	Change
12	Cash and cash equivalents	6,718	11,981	(5,263)
13	Other current financial assets	0	10,238	(10,238)
26	Current financial liabilities	(24,870)	(36,679)	11,809
	Current net financial position	**(18,152)**	**(14,460)**	**(3,692)**
7	Non-current financial assets	2,821	0	2,821
21	Non-current financial liabilities	(1,221)	(10,324)	9,103
	Non-current net financial position	**1,600**	**(10,324)**	**11,924**
	Total net financial position	***(16,552)***	***(24,784)***	***8,232***

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

The Group's restated net financial debt amounted to Euro 16,552 thousand, decreasing by Euro 8,232 thousand compared to June 30th, 2024. The Group expects to be able to meet its current liabilities through projected future cash flows.

The restated net financial position, excluding the impact of IFRS 16, was negative at Euro 14,070 thousand.

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

Euro thousand	June 30th, 2025	June 30th, 2024	Change
Current financial liabilities	(1,268)	(1,477)	209
Non-current financial liabilities	(1,214)	(2,351)	1,137
Total financial liabilities according to IFRS 16	**(2,482)**	**(3,828)**	**1,346**

Current net financial position

12. Cash and cash equivalents

Cash and cash equivalents amount to Euro 6,718 thousand as of June 30th, 2025, decreasing by Euro 5,263 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, 2025, there are no other current financial assets, a Euro 10,238 decrease compared to the previous fiscal year, after having collected of the full amount of the receivable from Remedy Entertainment related to the reversion of the rights related to the Control franchise.

26. Current financial liabilities

Current financial liabilities consist of loans due within a year and other current financial liabilities, for a total amount of Euro 24,870 thousand. The breakdown of total current financial liabilities is provided below:

Euro thousand	June 30th, 2025	June 30th, 2024	Change
Financial loans due within a year	(11,232)	(19,469)	8,237
Other current financial liabilities	(13,638)	(17,210)	3,572
Total current financial liabilities	**(24,870)**	**(36,679)**	**11,809**

The breakdown of outstanding loans as of June 30th, 2025, is provided in the following table:

	Lending institution	Recipient	Issue date	Total amount	Residual value	Short term	Long term	Loan term	Grant date	Loan maturity	Euribor	Spread	Securing	Covenants
a.	MPS S.p.A.	505 Mobile S.r.l.	28/07/2022	5,000	417	417	0	36 months	31/12/2022	30/09/2025	6 months	2.00%	No	Yes
b.	Intesa SanPaolo S.p.A.	505 Games S.p.A.	31/05/2023	5,000	1,295	1,295	0	30 months	29/02/2024	30/11/2025	3 months	1.50%	No	Yes
c.	Intesa SanPaolo S.p.A.	505 Games S.p.A.	27/06/2024	5,000	2,566	2,566	0	24 months	31/03/2025	30/06/2026	3 months	3.00%	No	Yes
d.	Unicredit S.p.A.	505 Games S.p.A.	27/06/2024	5,000	2,568	2,568	0	24 months	31/03/2025	30/06/2026	3 months	3.00%	No	Yes
e.	Banco B.P.M.	505 Games S.p.A.	27/06/2024	5,000	2,568	2,568	0	24 months	31/03/2025	30/06/2026	3 months	3.00%	No	Yes
f.	Unicredit S.p.A.	505 Games S.p.A.	05/05/2025	900	900	900	0	12 months	30/11/2025	31/05/2026	6 months	3.25%	No	No
g.	Banco B.P.M.	Kunos Simulazioni S.r.l.	15/05/2025	1,000	918	918	0	12 months	31/05/2025	31/05/2026	3 months	1.75%	No	No
	Total			**37,275**	**11,232**	**11,232**	**0**							

During the fiscal year, the Group entered into two new loan agreements: on May 5, 2025, UniCredit S.p.A. granted a new loan for Euro 900 thousand with a maturity of 12 months, and on May 15, 2025, Banco B.P.M. S.p.A. granted a new loan for Euro 1 million, with a 12 month maturity.

The loans were granted primarily to support the development and production of video games and to strengthen existing credit facilities.

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

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

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

Lending institution	Recipient	Issue date	Total amount	Maturity date
Unicredit S.p.A.	505 Games S.p.A.	31/12/2021	15,000	30/09/2024
Intesa SanPaolo S.p.A.	505 Games S.p.A.	22/12/2022	5,000	22/12/2024
Unicredit S.p.A.	Digital Bros S.p.A.	28/01/2021	1,375	31/01/2025
Unicredit S.p.A.	505 Games S.p.A.	28/01/2021	4,000	31/01/2025
Banco B.P.M.	505 Games S.p.A.	19/05/2023	5,000	30/06/2025

Other current financial liabilities are detailed as follows:

Euro thousand	June 30th, 2025	June 30th, 2024	Change
Liabilities for bank accounts	(1,358)	(6)	(1,352)
Liabilities for bank loans relating to import	(7,335)	(5,761)	(1,574)
Liabilities for bank loans relating to invoice advances	(3,661)	(8,579)	4,918
Fair value of derivatives	0	(1,372)	1,372
Lease contracts liabilities – IFRS 16	(1,284)	(1,492)	208
Total current financial liabilities	**(13,638)**	**(17,210)**	**3,572**

The fair value of derivatives as of June 30th, 2025 is nil, because the contract with UniCredit S.p.A. to hedge the risks of the Yen exchange rates expired on May 1st, 2025.

Non-current net financial position

7. Non-current financial assets

As of June 30th, 2025, non-current financial assets exclusively consist of Euro 2,821 thousand related to the portion of the receivable from Starbreeze AB due beyond twelve months, as a result of the settlement agreement with the Swedish group.

21. Non-current financial liabilities

Total non-current financial liabilities include loans due after more than a year and other non-current financial liabilities for a total of Euro 1,221 thousand. Details are provided below:

Euro thousand	June 30th, 2025	June 30th, 2024	Change
Loans due after more than a year	0	(7,950)	7,950
Other non-current financial liabilities	(1,221)	(2,374)	1,153
Total non-current financial liabilities	**(1,221)**	**(10,324)**	**9,103**

Other non-current financial liabilities amount to Euro 1,221 thousand, which include Euro 1,214 thousand related to the application of IFRS 16 to the long-term portion of financial liabilities for lease contracts. The remaining Euro 7 thousand relate to lease repayments due beyond twelve months.

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

Euro thousand	June 30th, 2025	June 30th, 2024	Change
Within 1 year	1,284	1,492	(208)
1-5 years	1,221	2,374	(1,153)
More than 5 years	0	0	0
Total	**2,505**	**3,866**	**(1,361)**

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

	Euro thousand	Dec. 31, 2024	June 30th, 2024	Change	
A.	Cash	6,718	11,981	(5,263)	-43.9%
B.	Cash equivalents	0	0	0	0.0%
C.	Other current financial assets	0	0	0	0.0%
D.	**Liquidity (A + B + C)**	**6,718**	**11,981**	**(5,263)**	**-43.9%**
E.	Current financial debt[1]	0	0	0	0.0%
F.	Current portion of non-current financial debt	24,870	36,679	(11,809)	-32.2%
G.	**Net current financial indebtedness (E+F)**	**24,870**	**36,679**	**(11,809)**	**-32.2%**
H.	**Net current financial indebtedness (G-D)**	**18,152**	**24,698**	**(6,546)**	**-26.5%**
I.	Non-current financial debt[2]	1,221	10,324	(9,103)	-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)**	**1,221**	**10,324**	**(9,103)**	**-88.2%**
M.	***Total financial indebtedness (H+L)***	**19,373**	**35,022**	**(15,649)**	**-44.7%**

[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, 2025, the difference between the Group's total financial indebtedness as shown in the above table and the net financial position detailed in the previous section amounted to Euro 2,821 thousand, which reflect the Group's non-current financial receivables from Starbreeze.

CONTRACTUAL OBLIGATIONS AND RISKS

Contractual obligations decrease from Euro 13,912 thousand as of June 30th, 2024 to Euro 7,252 thousand as of June 30th, 2025, which 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, 2025. The Holding operating segment did not generate revenues:

	Euro thousand	Free to Play	Premium Games	Italian Distribution	Other Activities	Total
1	Gross revenue	12,688	78,789	1,310	833	93,620
2	Revenue adjustments	0	0	0	0	0
3	**Total net revenue**	**12,688**	**78,789**	**1,310**	**833**	**93,620**

The breakdown as of June 30th, 2024 was as follows:

	Euro thousand	Free to Play	Premium Games	Italian Distribution	Other Activities	Total
1	Gross revenue	17,766	97,449	1,725	1,032	117,972
2	Revenue adjustments	0	(9)	(29)	0	(38)
3	**Total net revenue**	**17,766**	**97,440**	**1,696**	**1,032**	**117,934**

The total net revenue is commented in the Directors' Report.

8. Cost of sales

The cost of sales is analysed as follows:

Euro thousand	June 30th, 2025	June 30th, 2024	Change	%
Purchase of products for resale	(718)	(3,715)	(761)	25.8%
Purchase of services for resale	(7,383)	(10,200)	(1,158)	12.8%
Royalties	(19,329)	(23,567)	(675)	2.9%
Changes in inventories of finished products	(1,312)	(687)	131	-16.0%
Total cost of sales	**(28,742)**	**(38,169)**	**(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 9,784 thousand, largely unchanged compared to the previous fiscal year. As of June 30th, 2025, the capitalization of internal work for the development of video games by internal studios included the development of:

- the video game Assetto Corsa EVO, developed by the subsidiary Kunos Simulazioni S.r.l;
- a new video game 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, 2025	June 30th, 2024	Change	%
Advertising, marketing, trade fairs and exhibitions	(5,041)	(6,442)	1,401	-21.8%
Transport and freight	(28)	(158)	130	-82.3%
Other sales related costs	0	(47)	47	n.m.
Subtotal: sales related services	**(5,069)**	**(6,647)**	**1,578**	**-23.7%**
Sundry insurance	(334)	(421)	87	-20.7%
Consulting fees	(2,654)	(2,870)	216	-7.5%
Postage and telegraph	(304)	(293)	(11)	3.9%
Travel and subsistence costs	(637)	(553)	(84)	15.1%
Utilities	(198)	(213)	15	-7.3%
Maintenance	(102)	(100)	(2)	2.4%
Statutory Auditors' fees	(115)	(115)	(0)	0.0%
Subtotal: general services	**(4,344)**	**(4,565)**	**221**	**-4.8%**
Total costs for services	**(9,413)**	**(11,212)**	**1,799**	**-16.0%**

Total costs for services decreased by Euro 1,799 thousand, mainly as a result of lower advertising costs due to the fewer launches in the fiscal year.

12. Lease and rental costs

Lease and rental costs amounted to Euro 623 thousand as of June 30th, 2025 compared to the Euro 564 thousand as of June 30th, 2024. They included Euro 516 thousand for ancillary costs related to the rental of the offices of the Group's companies and Euro 107 thousand of 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 approved by the Shareholders' Meeting, amounts paid to temporary workers and contract staff and the cost of cars assigned to employees. As of June 30th, 2025, payroll costs amounted to Euro 29,951 thousand, decreasing by Euro 4,412 thousand compared to the previous fiscal year as a result of the reorganization plan implemented during the previous fiscal year, which reduced the Group's workforce of around 30%. They. Details below:

Euro thousand	June 30th, 2025	June 30th, 2024	Change	%
Wages and salaries	(19,294)	(24,614)	5,320	-21.6%
Social contributions	(4,744)	(5,319)	575	-10.8%
Employee termination indemnity	(398)	(407)	9	-2.2%
Stock option plan	(470)	(314)	(156)	49.7%
Directors' fees	(965)	(949)	(16)	1.7%
Temporary labour and contract staff	(4,020)	(2,676)	(1,344)	50.2%
Agents' commission	(3)	(2)	(1)	51.2%
Other payroll costs	(57)	(82)	25	-31.2%
Total payroll costs	**(29,951)**	**(34,363)**	**4,412**	**-12.8%**

Employees' payroll costs included wages and salaries, social contributions and the employee termination indemnity. They decreased by Euro 5,905 thousand compared with the previous fiscal year, while the average cost per employee remained largely unchanged.

Euro thousand	June 30th, 2025	June 30th, 2024	Change	%
Wages and salaries	(19,294)	(24,614)	5,320	-21.6%
Social contributions	(4,744)	(5,319)	575	-10.8%
Employee termination indemnity	(398)	(407)	10	-2.4%
Total payroll costs	**(24,436)**	**(30,341)**	**5,905**	**-19.5%**
Average number of employees	297	363	(66)	-18.2%
Average cost per employee	**(82.3)**	**(83.6)**	**1.3**	**-1.6%**

A breakdown of the Group's workforce by employee category as of June 30th, 2025 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, 2025	June 30th, 2024	Change	%
Sundry materials costs	(21)	(19)	(2)	8.3%
General and administrative costs	(901)	(923)	22	-2.4%
Entertainment expenses	(5)	(24)	19	-81.0%
Sundry bank charges	(291)	(365)	74	-20.3%
Total other operating costs	**(1,218)**	**(1,331)**	**113**	**-8.5%**

Total other operating costs amounted to Euro 1,218 thousand, decreasing compared to the previous year due to lower general and administrative costs.

21. Depreciation, amortization and impairment adjustments

Total depreciation, amortization and impairment adjustments included:

Euro thousand	June 30th, 2025	June 30th, 2024	Change	%
Depreciation and amortization	(26,742)	(35,173)	8,431	-24.0%
Provisions	1,241	(1,241)	2,482	n.m.
Asset impairment change	(20,405)	(8,164)	(12,241)	n.m.
Impairment reversal	909	953	(44)	-4.7%
Total depreciation, amortization and impairment adjustments	**(44,997)**	**(43,625)**	**(1,372)**	**3.1%**

Total depreciation, amortization and impairment adjustments was negative at Euro 44,997 thousand, increasing by Euro 1,372 thousand as a result of the following:

- depreciation and amortization amounted to Euro 26,742 thousand, decreased by Euro 8,431 thousand from Euro 35,173 thousand as of June 30th, 2024;

- provisions were positive at Euro 1,241 thousand, reflecting the reversal of the Provision for Starbreeze arbitration costs accrued as of June 30th, 2024, since no arbitration is needed following the agreement with the Swedish group;
- asset impairment charges amounted to Euro 20,405 thousand, mainly driven by video games write-offs. These included Euro 8,067 thousand related to lower cash flow projections of some products resulting from the impairment testing, and Euro 10,956 thousand related to projects under development that the Group decided to discontinue prior to completion. The remaining part mainly consisted of the Euro 966 thousand losses on Starbreeze receivables resulting from the settlement agreement;
- impairment reversal amounted to Euro 909 thousand related to the acquisition of the subsidiary 505 Go Inc..

25. Net financial income / (expenses)

The analysis is as follows:

	Euro thousand	June 30th, 2025	June 30th, 2024	Change €	Change %
23	Interest and financial income	3,952	1,674	2,278	n.m.
24	Interest and financial expense	(7,066)	(5,465)	(1,601)	29.3%
25	**Net financial income / (expenses)**	**(3,114)**	**(3,791)**	**677**	**-17.9%**

The net financial expenses amounted to 3,114 thousand compared to the net financial expenses at Euro 3,791 thousand of the previous fiscal year, as a result of higher interest and financial income by Euro 2,278 thousand, partially offset by higher interest and financial expenses by Euro 1,601 thousand

Interest and financial income may be analyzed as follows:

Euro thousand	June 30th, 2025	June 30th, 2024	Change €	Change %
Currency exchange gains	2,369	1,618	751	46.4%
Financial income	1,300	0	1,300	n.m.
Other	283	56	227	33.3%
Total interest and financial income	**3,952**	**1,674**	**2,278**	**n.m.**

As of June 30th, 2025, total interest and financial income increased by Euro 2,278 thousand as a result of higher currency exchange gains by Euro 751 thousand and higher financial income for Euro 1,300 thousand. The increase in financial income relates to the positive change in the net equity of the joint venture MSE&DB SL.

As of June 30th, 2025, total interest and financial expenses amounted to Euro 7,066 thousand, increasing by Euro 1,601 thousand compared to the previous fiscal year. They included Euro 1,628 thousand from the impairment of the equity investment in Starbreeze, which had instead been classified in the consolidated comprehensive income statement as changes in fair value up to May 15th, 2025. Interest expenses on current accounts and trade finance decreased by Euro 717 thousand.

Interest and financial expenses are detailed as follows:

Euro thousand	June 30th, 2025	June 30th, 2024	Change €	Change %
Interest expenses on current accounts and trade finance	(1,241)	(1,958)	717	-36.6%
Tax authorities interest expenses	0	(16)	16	n.m.
Interest expenses on derivative products	0	(205)	205	n.m.
Interest expenses on loans and leases	(1,652)	(1,362)	(290)	21.3%
Total interest expenses on sources of finance	**(2,893)**	**(3,541)**	**648**	**-18.3%**
Currency exchange losses	(2,309)	(1,924)	(385)	20.0%
Adjustment of receivables	(236)	0	(236)	n.m.
Adjustment of Starbreeze shares	(1,628)	0	(1,628)	n.m.
Total interest expenses	**(7,066)**	**(5,465)**	**(1,601)**	**29.3%**

29. Taxation

Total taxes as at June 30th, 2025 are detailed below:

Euro thousand	June 30th, 2025	June 30th, 2024	Change €	Change %
Current taxes	858	(1,751)	2,581	-59.6%
Deferred taxes	3,092	762	519	n.m.
Total taxes	**3,950**	**(989)**	**3,100**	**-75.8%**

Total taxes decreased as a result of a reduction in the tax base of Italian companies.

Current taxes are analyzed in more detail as follows:

Euro thousand	June 30th, 2025	June 30th, 2024	Change €	Change %
IRES	2,732	(1,168)	3,900	n.m.
IRAP	(1,134)	(737)	(397)	53.9%
Foreign companies taxes	(740)	154	(894)	n.m.
Total current taxes	**858**	**(1,751)**	**2,609**	**n.m.**

IRES for the year was determined as follows:

Euro thousand	June 30th, 2025	June 30th, 2024
Taxable income for IRES purposes (A)	(11,829)	7,642
IRES rate (B)	24,0%	24,0%
IRES for the period (A)*(B)	2,839	(1,834)
Taxes relating to prior period	(107)	666
IRES for the period	**2,732**	**(1,168)**

IRES for the period is reconciled with the result reported in the financial statements as follows:

Euro thousand	June 30th, 2025		June 30th, 2024	
Parent Company profit before tax	**(20)**		**3,509**	
IRES rate	**24.0%**		**24.0%**	
Theoretical taxation	**5**	**-24.0%**	**(842)**	**-24.0%**
Tax effect of non-deductible costs	170	-851%	1,331	38%
Net tax effect of reversal of deferred tax assets not included in the items above	(69)		(48)	
Parent Company total IRES	244		441	
Tax effect of share of profits of subsidiaries	2,595		(2,275)	
Prior fiscal year taxation	(107)		666	
Taxes on income for the year and effective tax rate	**2,732**	**n.m.**	**(1,168)**	**-33%**

IRAP for the period was as follows:

Euro thousand	June 30th, 2025	June 30th, 2024
Taxable income for IRAP purposes	23,793	18,847
IRAP rate	3.9%-5.57%	3.9%-5.57%
IRAP for the period	(1,141)	(903)
IRAP relating to prior fiscal year	7	166
IRAP for the period	**(1,134)**	**(737)**

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 may be reconciled with the result reported in the financial statements as follows:

Euro thousand	June 30th, 2025		June 30th, 2024	
Operating margin/EBIT of Parent Company	**1,501**		**1,383**	
IRAP rate	**5.57%**		**5,57%**	
Theoretical IRAP	**(84)**	**-5.57%**	**(77)**	**-5.57%**
Tax effect of non-deductible costs	97	6.5%	79	5,7%
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	(1,141)	-76.0%	(903)	-65.3%
Tax on income for the period and effective tax rate	**(1,141)**	**-76.0%**	**(903)**	**-65.3%**

32. Basic earnings per share

Basic earnings per share is determined based on the following:

Euro thousand	June 30th, 2025	June 30th, 2024
Total net result	(10,919)	(2,214)
Total average number of shares issued	14,265,037	14,265,037
Earnings per share in Euro	**(0.77)**	**(0.16)**

Basic earnings per share is calculated by dividing the net result of the fiscal year by the average number of issued shares (excluding treasury shares).

33. Diluted earnings per share

As a result of the vesting of no.213,900 and no.216,300 subscription rights for new shares on July 1, 2019, and July 1, 2022, respectively, under the Stock Options Plan 2016/2026 – available on the Company website – diluted earnings per share was calculated as follows:

Euro thousand	June 30th, 2025	June 30th, 2024
Total net result	(10,919)	(2,214)
Total average number of shares issued	14,980,837	14,697,337
Earnings per share in Euro	**(0.73)**	**(0.15)**

The impact of the final vesting period of the Stock Option Plan, amounting to no.285,600 options, does not affect the calculation of the weighted average number of shares outstanding, as these options vest from July 1, 2025.

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

The main financial instruments used by the Group are:

- Bank overdrafts
- Sight and short-term bank deposits
- Import financing
- Export financing
- Commercial credit lines (factoring)
- Finance leases
- Medium-term loans for product development.

The objective of such instruments is to support the financing the Group's operating activities.

The Parent Company Digital Bros S.p.A. and its subsidiary 505 Games S.p.A. manage all financial risks also on behalf of the other subsidiaries. This applies to all the above-mentioned risks, excluding trade payables and receivables from operating activities, for which each subsidiary individually bears the financial risk..

The Group aims to balance its short-term and medium/long-term financial instruments to align with anticipated trends. Typically, long-term investments are financed through medium/long-term credit lines.

As a result, medium- and long-term financial payables have a well-distributed maturity profile.

To comply with IFRS 7, additional disclosures for the current and previous fiscal years are provided in the following tables. These disclosures assess the impact of financial instruments on the Group's results and financial position.

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	-	5,706	-	5,706	11
Cash and cash equivalents	-	6,718	-	6,718	12
Current financial assets	-	-	-	-	13
Total	**-**	**32,031**	**7,159**	**39,190**	

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**	

Financial instruments: consolidated balance sheet as of June 30th, 2024

<u>Category of financial assets in terms of IFRS 9</u>

Financial instruments – Assets as of June 30th, 2024(Euro/000)	FVTPL	Assets at amortized cost	FVTOCI	Carrying amount as of June 30th, 2024	Notes
Shares	-	-	9,680	9,680	4
Non-current receivables and other assets	-	7,945	-	7,945	5
Non-current financial assets	-	-	-	-	7
Trade receivables	-	16,887	-	16,887	9
Other current assets	-	8,902	-	8,902	11
Cash and cash equivalents	-	11,981	-	11,981	12
Current financial assets	10,197	41	-	10,238	13
Total	**10,197**	**45,756**	**9,680**	**65,633**	

<u>Category of financial liabilities in terms of IFRS 9</u>

Financial instruments – Liabilities as of June 30th, 2024(Euro/000)	FVTPL	Assets at amortized cost	FVTOCI	Carrying amount as of June 30th, 2024	Notes
Non-current financial liabilities	-	10,324	-	10,324	21
Trade payables	-	43,736	-	43,736	22
Other current liabilities	-	6,657	-	6,657	25
Current financial liabilities	-	36,679	-	36,679	26
Total	**-**	**97,396**	**-**	**97,396**	

The main risks for the Group consist of:

- interest rate risk
- liquidity risk
- exchange rate risk
- risk of dependence on key customers and collection risk.

Interest Rate Risk

The Group is exposed to the risk of rising interest rates on short-term financial instruments, as any increase cannot be immediately passed through to sales prices.

Liquidity Risk

Liquidity risk is associated with limited access to credit markets. Following the pandemic, financial markets have generally seen a lower credit availability, due to macroeconomic uncertainty.

Video game development takes multiple years, which may require the Group to secure additional credit lines to cover the period between the investment and the recovery of the invested capital after the launch.

To mitigate liquidity risk, cash flows, financing needs, and liquidity are monitored by the Group’s treasury with a centralized structure, to ensure efficient financial management and maintain adequate liquidity levels.

The Group’s strong capitalization and high EBITDA margin provide further flexibility to increase the use of financial leverage. Short-, medium-, and long-term strategic planning also enable the Group to forecast its cash requirements well in advance.

Based on short and medium-term financial planning, the liquidity currently available, together with operating cash flows expected to be generated, is deemed sufficient to cover planned investment activities, working capital requirements, and scheduled debt maturities, while ensuring that future funding needs are identified and addressed on a timely basis.

The following table displays the Group's financial obligations by contractual maturity, in the worst-case scenario and using undiscounted amounts, considering the earliest date by which the Group could be asked for payment and providing the number of the relevant note.

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**	

Financial liabilities as of June 30th, 2024 (€/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	10,324		9,192	807	319	6		10,324	21
Current financial liabilities	36,679	36,679						36,679	26
Total	**47,003**	**36,679**	9,192	807	319	6		**47,003**	

The Group has sufficient financial resources to meet its obligations that are due within the fiscal year, relying on available liquidity, unused credit lines and facilities amounting to approximately Euro 13.3 million as of the reporting date, and on cash flows generated by its core operations.

Exchange rate risk

The Group is exposed to the US dollar due to the fact that sales are denominated in that currency. This is mitigated by the fact that a significant number of video game development contracts are also denominated in US dollars. Any negative changes in the EUR/USD exchange rate would therefore increase production costs and post-launch royalties, but at the same time increase revenues in US dollars, and vice versa.

The Group is also exposed to fluctuations in the Chinese Renminbi. Adverse movements in the EUR/CNY exchange rate would negatively affect revenues denominated in such currency.

The Group takes into account such risk when preparing its short- and long-term strategic plans, by using forward exchange rates based on reports from independent analysts. The risk is further mitigated by the fact that a significant portion of the payments in foreign currency are made in advance: the Groups recognized the actual costs for advances for video game production at the time of payment, therefore it is able to reflect potential additional charges from exchange rate fluctuations in its sales prices. In addition, selling prices can be adjusted to offset adverse exchange rate movements, and contracts are generally denominated in the same currency, thereby reducing exposure to currency fluctuations.

As a result of the investment in Starbreeze shares, the Group is exposed to fluctuations in the Euro/Swedish Krones exchange rate.

Risk of dependence on key customers and collection risk

During the reporting period, the top ten global customers accounted for around 92% of total revenue. The market digitalisation inevitably leads to higher receivables concentration, since sales are made on specific marketplaces operating on a global scale. The concentration of revenues on a smaller number of key customers makes the Group reliant on the decisions made by a handful of companies. Indeed, there is a risk that if a specific product is not selected by such marketplaces, it might not achieve enough visibility on digital platforms, leading to lower sales than forecasted. On the other hand, a product may benefit from additional sales potential if it gains particularly favourable positioning.

The concentration of sales on a small number of customers also increases the Group's credit risk.

Such risk is mitigated by the potential entry of new marketplaces in the video game market. Nevertheless, the key customers consist of digital marketplaces with high credit scores (i.e., Sony, Microsoft, Apple, etc).

The following table breakdowns receivables from customers by due date as of June 30th, 2025 and June 30th, 2024:

Euro thousand	**June 30th, 2025**	**% of total**	**June 30th, 2024**	**% of total**
Not overdue	13,838	98%	16,392	97%
0 -30 days overdue	0	0%	149	1%
30 - 60 days overdue	0	0%	0	0%
60 - 90 days overdue	0	0%	2	0%
> 90 days overdue	347	2%	344	2%
Total receivables from customers	**14,185**	**100%**	**16,887**	**100%**

Fair value of financial assets and liabilities and calculation models

The table below illustrates the fair value of assets and liabilities based on the calculation methods and models used when preparing the current financial statements. Financial assets for which the fair value cannot be determined are not included in the table.

The fair value of bank borrowing was calculated based on the interest rate curve at the reporting date, without any assumptions on the credit spread.

The fair value of the financial instruments listed on an active market is based on the prices on the market as at the reporting date. The market prices consist of bid/ask prices specific for the asset/liability held by the Group. The fair value of non-listed financial instruments and derivatives is determined using the valuation models and techniques most frequently used on the market, using observable inputs in the market.

Fair value was not calculated for trade receivables and trade payables, as their carrying amount is close to their fair value.

The Group assumed no significant difference between the fair value and the carrying amount of finance lease payables and payables to other lenders.

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)**	

Euro thousand	Carrying amount as of June 30th, 2024	*Mark to Market*	*Mark to Model*	Total *Fair value*	Notes
		Fair value	*Fair value*		
Non-current financial assets	-	-	-	-	7
Cash and cash equivalents	11,981	11,981	-	11,981	12
Other current financial assets	10,238	10,238	-	11,344	13
Non-current financial liabilities	(10,324)	(10,324)	-	(10,324)	21
Current financial liabilities	(36,679)	(36,679)	-	(36,679)	26
Total	**(24,784)**	**(24,784)**	**-**	**(24,784)**	

Exchange rate risk: sensitivity analysis

Pursuant to IFRS 7, the Group performed a sensitivity analysis on all financial instruments recognized in the current financial statements.

Such sensitivity analysis measures the expected impact of an exchange rate fluctuation of +/-10% compared to the rates in effect as of June 30th, 2025 for each class of financial instrument on the profit and loss statement and on the balance sheet, while all other variables are kept unchanged. The analysis is purely illustrative, given that such changes rarely take place in an isolated manner.

As of June 30th, 2025, the Group was not exposed to any other risks, like, for instance, a commodity 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 1.08 used for the budget:

Type of change	Effect on net financial position	Effect on profit before tax
+ 10% USD	(7,134)	(7,612)
- 10% USD	8,720	9,303

As a result of the investment in Starbreeze, the Group is exposed to fluctuations in the Euro/Swedish Krone exchange rate. A 10% increase/decrease in the exchange rate would have an impact on profit before taxes of approximately Euro 450 thousand.

Fair Value hierarchy

Pursuant to IFRS 7, all financial instruments recognised at fair value shall be recognized according to a hierarchical rationale that reflects the significance assigned to the inputs used to measure fair value. The levels are as follows:

- 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, 2025	Instrument	Level 1	Level 2	Level 3	Total	Notes
Equity investments	Listed shares	5,854	-	-	5,854	4
Non-current financial assets	Financial receivable	-	-	2,821	2,821	13

Carrying amount as of June 30th, 2024	Instrument	Level 1	Level 2	Level 3	Total	Notes
Equity investments	Listed shares	9,680	-	-	9,680	4
Other financial assets	Financial receivable			10,197	10,197	13
Other financial assets	Derivatives	-	41	-	41	13

10. NON-RECURRING ITEMS

Non-recurring income and expenses shall be presented separately in the profit and loss statement, pursuant to Consob Resolution 15519 of July 27th, 2006. 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 income statement prepared in accordance with Consob Resolution No. 15519 of July 27, 2006 is presented below:

	Euro thousand	93.620		0	
		0	0	(38)	0
1	Gross revenue	93,620	0	117,972	0
2	Revenue adjustments	0	0	(38)	0
3	**Net revenue**	**93,620**	**0**	**117,934**	**0**
4	Purchase of products for resale	(718)	0	(3,715)	0
5	Purchase of services for resale	(7,383)	0	(10,200)	0
6	Royalties	(19,329)	0	(23,567)	0
7	Changes in inventories of finished products	(1,312)	0	(687)	0
8	**Total cost of sales**	**(28,742)**	**0**	**(38,169)**	**0**
9	**Gross profit (3+8)**	**64,878**	**0**	**79,765**	**0**
10	Other income	9,784	0	9,921	0
11	Costs for services	(9,413)	0	(11,212)	0
12	Rent and leasing	(623)	0	(564)	0
13	Payroll costs	(29,951)	0	(34,363)	(1,364)
14	Other operating costs	(1,218)	0	(1,331)	0
15	**Total operating costs**	**(41,205)**	**0**	**(47,470)**	**(1,364)**
16	**Gross operating margin (EBITDA) (9+10+15)**	**33,457**	**0**	**42,216**	**(1,364)**
17	Depreciation and amortization	(26,742)	0	(35,173)	0
18	Provisions	1,241	1,241	(1,241)	0
19	Asset impairment charge	(20,405)	(966)	(8,164)	(1,241)
20	Impairment reversal	909	0	953	0
21	**Total depreciation, amortization and impairment adjustments**	**(44,997)**	**275**	**(43,625)**	**(1,241)**
22	**Operating margin (EBIT) (16+21)**	**(11,540)**	**275**	**(1,409)**	**(2,605)**
23	Interest and financial income	3,952	0	1,674	0
24	Interest and financial expenses	(7,066)	(236)	(5,465)	0
25	**Net interest income/(expenses)**	**(3,114)**	**(236)**	**(3,791)**	**0**
26	**Profit/ (loss) before tax (22+25)**	**(14,654)**	**39**	**(5,200)**	**(2,605)**
27	Current tax	858	0	(1,751)	0
28	Deferred tax	3,092	0	762	0
29	**Total taxes**	**3,950**	**0**	**(989)**	**0**
30	**Net profit/loss (26+29)**	**(10,704)**	**39**	**(6,189)**	**(2,605)**

During the fiscal year, the Group recognized a non-recurring income of Euro 1,241 thousand attributable to the release of the provision for Starbreeze arbitration cost. These were offset by non-recurring expenses, consisting of credit losses relating to the receivable from Starbreeze for Euro 966 thousand and financial charges of Euro 236 thousand arising from the adjustment of the amounts that will be collected from the Swedish developer by January 2027.

In the previous fiscal year, non-recurring expenses totaled Euro 2,605 thousand, of which Euro 1,364 thousand referred to the reorganization costs and Euro 1,241 thousand to the Provision for the Starbreeze arbitration cost, which has been released in the current year.

11. INFORMATION BY OPERATING SEGMENT

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

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

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

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

The table below details the results by operating segments as of June 30th, 2025, with comparative figures from the previous fiscal year:

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

	Euro thousand	Free to Play	Premium Games	Italian Distribution	Other Activities	Holding	Total
1	Revenue	12,688	78,789	1,310	833	0	93,620
2	Revenue adjustments	0	0	0	0	0	0
3	**Total revenue**	**12,688**	**78,789**	**1,310**	**833**	**0**	**93,620**
4	Purchase of products for resale	0	(689)	(29)	0	0	(718)
5	Purchase of services for resale	(3,512)	(3,871)	0	0	0	(7,383)
6	Royalties	(5,099)	(14,230)	0	0	0	(19,329)
7	Changes in inventories of finished products	0	(556)	(756)	0	0	(1,312)
8	**Total cost of sales**	**(8,611)**	**(19,346)**	**(785)**	**0**	**0**	**(28,742)**
9	**Gross profit (3+8)**	**4,077**	**59,443**	**525**	**833**	**0**	**64,878**
10	Other income	1,909	7,875	0	0	0	9,784
11	Costs for services	(1,888)	(5,128)	(115)	(123)	(2,146)	(9,400)
12	Lease and rental costs	(75)	(195)	(28)	(6)	(319)	(623)
13	Payroll costs	(5,556)	(19,012)	(654)	(547)	(4,182)	(29,951)
14	Other operating costs	(89)	(580)	(53)	(46)	(450)	(1,218)
15	**Total operating costs**	**(7,608)**	**(24,915)**	**(850)**	**(722)**	**(7,097)**	**(41,192)**
16	**Gross operating margin (EBITDA) (9+10+15)**	**(1,622)**	**42,403**	**(325)**	**111**	**(7,097)**	**33,470**
17	Depreciation and amortization	(2,357)	(23,186)	(148)	(228)	(823)	(26,742)
18	Allocations to provisions	0	1,241	0	0	0	1,241
19	Asset impairment change	(6,866)	(13,227)	(78)	(234)	0	(20,405)
20	Impairment reversal	909	0	0	0	0	909
21	**Total depreciation, amortization and impairment adjustments**	**(8,314)**	**(35,172)**	**(226)**	**(462)**	**(823)**	**(44,997)**
22	**Operating margin (EBIT) (16+21)**	**(9,936)**	**7,231**	**(551)**	**(351)**	**(7,920)**	**(11,527)**

Consolidated balance sheet as of June 30th, 2025

	Euro thousand	Free to Play	Premium Games	Italian Distribution	Other Activities	Holding	Total
	Non-current assets						
1	Property, plant and equipment	1,939	29	104	1,586	1,801	5,459
2	Investment properties	0	0	0	0	0	0
3	Intangible assets	0	53	7,263	103,724	194	111,234
4	Equity interests	0	0	0	0	7,159	7,159
5	Non-current receivables and other assets	6	0	27	1,897	671	2,601
6	Deferred tax assets	213	0	3,928	15,023	4,559	23,723
7	Non-current financial assets	0	0	0	2,821	0	2,821
	Total non-current assets	**2,158**	**82**	**11,322**	**125,051**	**14,384**	**152,997**
	Current assets						
8	Inventories	1,193	0	0	163	0	1,356
9	Trade receivables	331	3	1,047	12,804	0	14,185
10	Tax receivables	891	0	504	889	6,316	8,600
11	Other current assets	30	70	1,441	3,597	568	5,706
12	Cash and cash equivalents	(0)	101	460	6,050	107	6,718
13	Other current financial assets	0	0	0	0	0	0
	Total current assets	**2,445**	**174**	**3,452**	**23,503**	**6,991**	**36,565**
	TOTAL ASSETS	**4,603**	**256**	**14,774**	**148,554**	**21,375**	**189,562**
	Non-current liabilities						
18	Employee benefits	(299)	(33)	0	(777)	0	(1,109)
19	Non-current provisions	(59)	0	0	(1,000)	0	(1,059)
20	Other non-current payables and liabilities	0	0	(96)	(4,851)	0	(4,947)
21	Financial liabilities	0	0	0	(265)	(956)	(1,221)
	Total non-current liabilities	**(358)**	**(33)**	**(96)**	**(6,893)**	**(956)**	**(8,336)**
	Current liabilities						
22	Trade payables	(93)	(114)	(2,611)	(25,514)	(1,304)	(29,636)
23	Current tax liabilities	(74)	(10)	(113)	(881)	(64)	(1,142)
24	Current provisions	0	0	0	0	0	0
25	Other current liabilities	(319)	(245)	(306)	(9,456)	(512)	(10,838)
26	Financial liabilities	0	0	(518)	(16,437)	(7,915)	(24,870)
	Total current liabilities	**(486)**	**(369)**	**(3,548)**	**(52,288)**	**(9,795)**	**(66,486)**
	TOTAL LIABILITIES	**(844)**	**(402)**	**(3,644)**	**(59,181)**	**(10,751)**	**(74,822)**

Consolidated profit and loss statement by operating segment for the period ended June 30th, 2024

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

Consolidated balance sheet as of June 30th, 2024

	Euro thousand	Free to Play	Premium Games	Italian Distribution	Other Activities	Holding	Total
	Non-current assets						
1	Property, plant and equipment	2,029	52	225	2,568	2,505	7,379
2	Investment properties	0	0	0	0	0	0
3	Intangible assets	0	484	15,318	113,619	193	129,614
4	Equity interests	0	0	0	(0)	9,685	9,685
5	Non-current receivables and other assets	6	0	831	6,435	673	7,945
6	Deferred tax assets	260	0	2,469	14,481	3,956	21,166
7	Non-current financial assets	0	0	0	0	0	0
	Total non-current assets	**2,295**	**536**	**18,843**	**137,103**	**17,012**	**175,789**
	Current assets						
8	Inventories	1,949	0	0	719	0	2,668
9	Trade receivables	531	5	1,836	14,515	0	16,887
10	Tax receivables	532	2	295	1,104	2,412	4,345
11	Other current assets	52	34	1,241	6,930	645	8,902
12	Cash and cash equivalents	710	127	1,270	9,798	76	11,981
13	Other current financial assets	0	0	0	10,197	41	10,238
	Total current assets	**3,774**	**168**	**4,642**	**43,263**	**3,174**	**55,021**
	TOTAL ASSETS	**6,069**	**704**	**23,485**	**180,366**	**20,186**	**230,810**
	Non-current liabilities						
18	Employee benefits	(294)	(28)	0	(645)	0	(967)
19	Non-current provisions	(81)	0	0	(482)	0	(563)
20	Other non-current payables and liabilities	0	0	(1,657)	0	0	(1,657)
21	Financial liabilities	0	0	(523)	(8,198)	(1,603)	(10,324)
	Total non-current liabilities	**(375)**	**(28)**	**(2,180)**	**(9,325)**	**(1,603)**	**(13,511)**
	Current liabilities						
22	Trade payables	(112)	(243)	(1,771)	(40,337)	(1,274)	(43,737)
23	Current tax liabilities	(70)	(16)	(185)	(967)	(61)	(1,299)
24	Current provisions	0	0	0	(1,241)	0	(1,241)
25	Other current liabilities	(307)	(304)	(582)	(5,026)	(438)	(6,657)
26	Financial liabilities	0	0	(2,659)	(27,513)	(6,507)	(36,679)
	Total current liabilities	**(489)**	**(563)**	**(5,197)**	**(75,084)**	**(8,280)**	**(89,613)**
	TOTAL LIABILITIES	**(864)**	**(591)**	**(7,377)**	**(84,409)**	**(9,883)**	**(103,124)**

Information by geographical area

Gross revenue broken down by geographical area is detailed below:

Euro thousand	June 30th, 2025		June 30th, 2024		Change	
Europe	13,572	14%	12,705	11%	868	6.8%
Americas	68,309	73%	85,820	73%	(17,511)	-20.4%
Rest of the world	9,292	10%	16,235	14%	(6,943)	-42.8%
Total non-Italian revenue	**91,173**	**97%**	**114,760**	**97%**	**(23,586)**	**-20.6%**
Italy	2,447	3%	3,213	3%	(766)	-23.8%
Total consolidated gross revenue	**93,620**	**100%**	**117,973**	**100%**	**(24,352)**	**-20.6%**

Total foreign revenue represented 97% of consolidated gross revenue, in line with the previous fiscal year.

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

The most significant portion of foreign revenue is generated by the Premium Games operating segment, whose foreign revenue amounted to Euro 78,485 thousand, i.e. 86% of the total.

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

Euro thousand	June 30th, 2025		June 30th, 2024		Change	
Free to Play	12,688	14%	17,766	15%	(5,078)	-28.6%
Premium Games	78,485	86%	96,992	85%	(18,507)	-19.1%
Total gross non-Italian revenue	**91,173**	**100%**	**114,758**	**100%**	**(23,585)**	**-20.6%**

12. RELATED PARTY TRANSACTIONS

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

Intercompany transactions

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

Other related parties

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

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

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

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

The related parties transactions as of June 30th, 2024 were as follows:

Euro thousand	Receivables		Payables		Revenue	Costs
	Trade	Financial	Trade	Financial		
Matov Imm. S.r.l.	0	635	0	(2,087)	0	(812)
Matov LCC	0	139	0	(247)	0	(486)
Total	**0**	**774**	**0**	**(2,334)**	**0**	**(1,298)**

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

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

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

During the reporting period, Digital Bros S.p.A. paid Matov Imm S.r.l. a total rent of Euro 690 thousand for its Milan office premises.

In November 2013, the subsidiary 505 Games (US) Inc. entered a lease agreement with Matov LLC, a related party owned by the Galante family, then renewed in 2024. The transaction was governed by the Procedure for related party transactions adopted by Digital Bros S.p.A. pursuant to Consob Regulation 17221 of March 12th, 2010 and provides for an annual lease charge of USD 150 thousand. The lease charge was reduced by 20% from April 1st, 2024 and further reduced by 20% starting from November 1st, 2024, due to the reduction in the leased space.

Tax consolidation

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

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

	Euro thousand	**June 30th, 2025**		**June 30th, 2024**	
		Total	**Of which non correlated**	**Total**	**Of which non correlated**
1	Gross revenue	93,620	0	117,972	0
2	Revenue adjustments	0	0	(38)	0
3	**Net revenue**	**93,620**	**0**	**117,934**	**0**
4	Purchase of products for resale	(718)	0	(3,715)	0
5	Purchase of services for resale	(7,383)	0	(10,200)	0
6	Royalties	(19,329)	0	(23,567)	0
7	Changes in inventories of finished products	(1,312)	0	(687)	0
8	**Total cost of sales**	**(28,742)**	**0**	**(38,169)**	**0**
9	**Gross profit (3+8)**	**64,878**	**0**	**79,765**	**0**
10	Other income	9,784	0	9,921	0
11	Costs for services	(9,413)	0	(11,212)	0
12	Rent and leasing	(623)	(218)	(564)	(159)
13	Payroll costs	(29,951)	0	(34,363)	0
14	Other operating costs	(1,218)	0	(1,331)	0
15	**Total operating costs**	**(41,205)**	**(218)**	**(47,470)**	**(159)**
16	**Gross operating margin (EBITDA) (9+10+15)**	**33,457**	**(218)**	**42,216**	**(159)**
17	Depreciation and amortization	(26,742)	(823)	(35,173)	(1,085)
18	Provisions	1,241	0	(1,241)	0
19	Asset impairment charge	(20,405)	0	(8,164)	0
20	Impairment reversal		0	953	0
21	**Total depreciation, amortization and impairment adjustments**	**(44,997)**	**(823)**	**(43,625)**	**(1,085)**
22	**Operating margin (EBIT) (16+21)**	**(11,540)**	**(1,041)**	**(1,409)**	**(1,244)**
23	Interest and financial income	3,952	0	1,674	0
24	Interest and financial expenses	(7,066)	(37)	(5,465)	(54)
25	**Net interest income/(expenses)**	**(3,114)**	**(37)**	**(3,791)**	**(54)**
26	**Profit/ (loss) before tax (22+25)**	**(14,654)**	**(1,078)**	**(5,200)**	**(1,298)**
27	Current tax	858	0	(1,751)	0
28	Deferred tax	3,092	0	762	0
29	**Total taxes**	**3,950**	**0**	**(989)**	**0**
30	**Net profit/loss (26+29)**	**(10,704)**	**(1,078)**	**(6,189)**	**(1,298)**

	Euro thousand	June 30th, 2025		June 30th, 2024	
		Total	Of which with related parties	Total	Of which with related parties
	Non-current assets				
1	Property, plant and equipment	5,459	0	7,379	0
2	Investment properties	0	0	0	0
3	Intangible assets	111,234	0	129,614	0
4	Equity investments	7,159	0	9,685	0
5	Non-current receivables and other assets	2,601	726	7,945	774
6	Deferred tax assets	23,723	0	21,166	0
7	Non-current financial activities	2,821	0	0	0
	Total non-current assets	**152,997**	**726**	**175,789**	**774**
	Current assets				
8	Inventories	1,356	0	2,668	0
9	Trade receivables	14,185	0	16,887	0
10	Tax receivables	8,600	0	4,345	0
11	Other current assets	5,706	0	8,902	0
12	Cash and cash equivalents	6,718	0	11,981	0
13	Other current financial assets	0	0	10,238	0
	Total current assets	**36,565**	**0**	**55,021**	**0**
	TOTAL ASSETS	***189,562***	**726**	***230,810***	***774***
	Shareholders' equity				
14	Share capital	(5,706)	0	(5,706)	0
15	Reserves	(9,632)	0	(11,868)	0
16	Treasury shares	0	0	0	0
17	Retained earnings	(98,612)	0	(113,426)	0
	Equity attributable to the shareholders of the Parent Company	**(113,950)**	**0**	**(131,000)**	**0**
	Equity attributable to non-controlling interests	**(790)**	**0**	**3,314**	**0**
	Total net equity	**(114,740)**	**0**	**(127,686)**	**0**
	Non-current liabilities				
18	Employee benefits	(1,109)	0	(967)	0
19	Non-current provisions	(1,059)	0	(563)	0
20	Other non-current payables and liabilities	(4,947)	0	(1,657)	0
21	Non-current financial liabilities	(1,221)	(972)	(10,324)	(1,502)
	Total non-current liabilities	**(8,336)**	**(972)**	**(13,511)**	**(1,502)**
	Current liabilities				
22	Trade payables	(29,636)	0	(43,737)	0
23	Tax payables	(1,142)	0	(1,299)	0
24	Short term provisions	0	0	(1,241)	0
25	Other current liabilities	(10,838)	0	(6,657)	0
26	Current financial liabilities	(24,870)	(704)	(36,679)	(832)
	Total current liabilities	**(66,486)**	**(704)**	**(89,613)**	**(832)**
	TOTAL LIABILITIES	**(74,822)**	**(1,676)**	**(103,124)**	**(2,334)**
	TOTAL NET EQUITY AND LIABILITIES	***(189,562)***	**(1,676)**	***(230,810)***	***(2,334)***

13. ATYPICAL OR UNUSUAL TRANSACTIONS

During the reporting period, there were no atypical or unusual transactions, as defined by 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 performed, 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**			**Parent Company auditor network**	**Auditors not pertaining to the Parent Company's network**	**Total**
	to the Parent Company	**to other companies**	**total**	**to other companies**	**to other companies**	
Audit	120,699	133,436	254,135	0	54,164	**308,299**

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, 2024 – June 30th, 2025. No significant issues have arisen.

We also confirm that:

1. the consolidated financial statements of Digital Bros Group as of June 30th, 2025:
   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 25th, 2025

Signed

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