

Digital Bros

digital entertainment

PRESS RELEASE

The Board of Directors of Digital Bros Group approved
the Interim Report as of September 30th, 2025

Q1 FY2025- 2026 RESULTS:

- REVENUE MORE THAN DOUBLED AT EURO 45.5 MILLION
- EBITDA AT EURO 21.9 MILLION (48.3% OF REVENUE)
- POSITIVE EBIT AT EURO 13.2 MILLION
- NET PROFIT AT EURO 4.7 MILLION
- NET FINANCIAL POSITION IMPROVED BY EURO 21.5 MILLION

REVENUE GROWTH AND POSITIVE EBIT ESTIMATES FOR THE FULL YEAR CONFIRMED

- ✓ Consolidated revenue at Euro 45.5 million, increased by Euro 24 million, also benefitting from the successful launch of the new video game Wuchang: Fallen Feathers in July 2025
- ✓ EBITDA at Euro 21.9 million, up Euro 16 million and more than tripling compared to the Euro 5.9 million EBITDA as of September 30th, 2024
- ✓ Positive EBIT at Euro 13.2 million (29.1% of revenue) compared to the negative EBIT at Euro 1.4 million of the first quarter in the last fiscal year
- ✓ Net profit at 4.7 million, compared to the Euro 2.3 million net loss as of September 30th, 2024, despite the Euro 4.9 million write off on the equity investment in Starbreeze AB in compliance with IAS28
- ✓ Net financial position positive at Euro 4.9 million (Euro 7.1 million net of the IFRS16 effect), improved by Euro 21.5 million in the quarter
- ✓ Expectations for FY2026 confirmed, with revenue growth driven by the Premium Games segment and positive EBIT

Milan, November 13th, 2025 - The **Board of Directors of Digital Bros Group (DIB:MI)**, a video games company listed on the Euronext STAR Milan (ISIN: IT0001469995) and part of the FTSE Italia Small Cap index, today approved the **Interim Report as of September 30th, 2025** (first quarter of the fiscal year from July 1st, 2025 to June 30th, 2026).

Digital Bros Group's key consolidated results for the first quarter of FY 2025-2026, together with the previous year comparatives, are as follows:

Results for Q1 FY 2025-2026 (from July 1st, 2025 to September 30th, 2025)

Euro thousand	September 30 th 2025	September 30 th , 2024	Change €	Change %
Gross revenue	45,457	21,478	23,979	> 100%
Gross operating margin (EBITDA)	21,952	5,911	16,041	> 100%
Operating margin (EBIT)	13,236	(1,433)	14,669	n.m.
Profit / (loss) before tax	8,275	(2,106)	10,381	n.m.
Net profit / (net loss)	4,682	(2,335)	7,017	n.m.

- **Consolidated gross revenue** at Euro 45.5 million, increasing by Euro 24 million;
- **EBITDA** at Euro 21.9 million, up Euro 16 million;
- **EBIT** was positive at Euro 13.2 million, improving by Euro 14.7 million;
- **Profit before tax** at Euro 8.3 million, compared to the loss before tax at Euro 2.1 million as of September 30th, 2024;
- **Net profit** at Euro 4.7 million, compared to Euro 2.3 million net loss of Q1 last fiscal year.

RESULTS BY OPERATING SEGMENT

Consolidated net revenue as of September 30th, 2025 amounted to Euro 45.5 million, more than doubling the Euro 21.5 million reported in the first quarter of the previous year.

The first quarter of FY2026 benefitted from the successful launch of Wuchang: Fallen Feathers, released during the month of June 2025, together with the revenue growth of the Assetto Corsa brand.

A breakdown of net revenue by operating segment as of September 30th, 2025 is provided below:

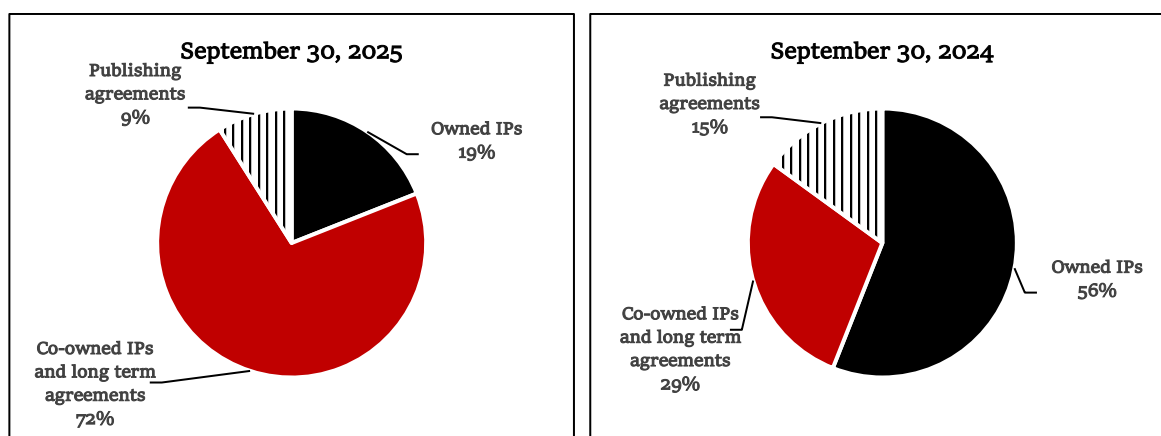
Net revenue

Euro thousand	September 30 th , 2025	September 30 th , 2024	Change €	Change %
Premium Games	43,220	16,989	26,231	n.m.
Free to Play	2,102	3,453	(1,351)	-39.1%
Italian Distribution	79	909	(830)	-91.3%
Other Activities	56	127	(71)	-56.0%
Total net revenue	45,457	21,478	23,979	n.m.

Premium Games revenue amounted to Euro 43.2 million, increasing from Euro 17 million realized in the first quarter of the last fiscal year and representing 95% of total revenue. The Assetto Corsa brand generated Euro 6.4 million during the reporting period, a 9% increase compared to Euro 5.8 million as of September 30th, 2024. The brand benefitted from the launch of the new version Assetto Corsa EVO, in development by the internal studio Kunos Simulazioni. The new title is available in Early Access on Steam ahead of the full game release.

The significant volumes generated by Wuchang: Fallen Feathers in the quarter drove the increase in the revenue share from co-owned IPs and long-term publishing agreements, which were 72% of the total Premium Games revenue.

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



Free to Play revenue amounted to Euro 2.1 million, down 39.1% compared to the first quarter in the previous fiscal year. The subsidiary 505 Go! experienced some technical issues during the month of August, which temporarily reduced its revenue streams. Such difficulties were resolved during the quarter.

Revenue was generated almost entirely in foreign markets. Digital sales accounted for 92% of total revenue, in line with the last fiscal years.

The **cost of sales** went from Euro 7,625 thousand (35.5% of revenue) to Euro 14,715 thousand (32.4% of revenue), reflecting the different product mix. The incidence of royalties on revenues increased from 22.2% to 27.3%, due to the lower contribution of revenues from owned IPs, which typically carry lower royalty rates. As a result, **gross profit** represented 64.5% of revenue, going from Euro 13,853 thousand to Euro 30,742 thousand.

Other revenue amounted to Euro 2,127 thousand, up 22.1% compared to Euro 1,742 thousand as of September 30th, 2024. The capitalization of internal studio video game development included the development of the video game Assetto Corsa EVO by the subsidiary Kunos Simulazioni S.r.l and the new video game Assetto Corsa Rally, in development by the subsidiary Supernova Games Studio S.r.l..

Total operating costs increased by 12.7% compared to Euro 9,684 thousand in the first quarter of the last fiscal year. The increase was mainly attributable to higher marketing and advertising costs supporting the launch of Wuchang: Fallen Feathers. Payroll costs remained largely unchanged compared to September 30th, 2024.

As of September 30th, 2025, the **EBITDA** margin was 48.3% of revenue and amounted to Euro 21,952 thousand, increasing by Euro 16,041 thousand.

Depreciation and amortization amounted to Euro 8,716 thousand, up by Euro 1,399 thousand from Euro 7,317 thousand as of September 30th, 2024.

The **EBIT** margin was positive at Euro 13,236 thousand, significantly improved compared to the negative EBIT at Euro 1,433 of the first quarter of the previous fiscal year.

The **net interest expense** amounted to Euro 4,961 thousand, compared to Euro 673 thousand as of September 30th, 2024. Financial expenses include Euro 4.895 thousand relating to the write offs of the equity investment in Starbreeze AB in accordance with IAS 28, reflecting Digital Bros' share of the losses recognized by the associate in the quarter. Until May 15th, 2025, the equity investment had been valued at fair value with changes recognized in the consolidated statement of comprehensive income, as the Group did not consider having significant influence over the Swedish company prior to that date.

The **profit before tax** was at Euro 8,275 thousand, improved by Euro 10,381 thousand from the Euro 2,106 thousand loss before tax realized as of September 30th, 2024.

As of September 30th, 2025, the **consolidated net profit** amounted to Euro 4,682 thousand, compared to the net loss at Euro 2,335 thousand of the first quarter in the last fiscal year.

The **net profit attributable to the shareholders of the Parent Company** amounted to Euro 4,586 thousand, improved by Euro 6,888 thousand compared to the previous reporting period. The **net profit attributable to non-controlling interest** amounted to Euro 96 thousand, compared to the net loss at Euro 33 thousand as of September 30th, 2024.

The **basic earnings per share** were at Euro 0.32 and the **diluted earnings per share** amounted to Euro 0.31, compared to Euro 0.16 loss per share as of September 30th, 2024.

NET FINANCIAL POSITION

As of September 30th, 2025, the Group's restated net financial position was positive at Euro 4,934 thousand, improving by Euro 21,486 thousand compared to June 30th, 2025. The Group expects to be able to meet its current liabilities through the projected future cash flow. The restated net financial position, excluding the impact of IFRS 16, was positive at Euro 7,120 thousand.

The net financial position prepared in accordance with the “Guidelines on disclosure requirements under the Prospectus Regulation” issued by the European Securities and Markets Authority (ESMA), was positive at Euro 2,073 thousand, improving by Euro 21,446 thousand from June 30th, 2025.

TREASURY SHARES

As of September 30th, 2025, Digital Bros S.p.A. did not hold any treasury shares, and no transactions have been made in the period, in accordance with Art. 2428 paragraph 2, comma 3 of the Italian Civil Code.

SIGNIFICANT EVENTS DURING THE PERIOD

No significant events occurred during the reporting period.

SUBSEQUENT EVENTS

On October 27th, 2025, the Shareholders' Meeting of Digital Bros S.p.A. approved the Financial Statements for the fiscal year 2024-2025.

BUSINESS OUTLOOK

In the previous fiscal year, the Group reduced the number of video games under development in response to ongoing market uncertainties, discontinuing certain projects initiated in prior years. As a result, the current fiscal year is expected to see fewer new launches, characterized by more predictable demand and a better-balanced risk profile.

On November 13th, 2025, the new title *Assetto Corsa Rally*, developed by the subsidiary Supernova Games Studios, will be launched in Early Access for PC. In the second half of the fiscal year, the release schedule will see the highly anticipated indie title *Nivalis*, which has already gained a significant number of wishlists on the main digital platforms, and a new version of *Blades of Fire*. The video game *Assetto Corsa EVO* remains available in Early Access on Steam and will continue to be enhanced with new features and content according to the roadmap shared with the player community across the different platforms.

With regards to the Free to Play operating segment, the corrective measures implemented in response to the technical issues affecting the titles published by the subsidiary 505 Go Inc. have resulted in the internalization of live support activities. The beneficial effects on the cost structure from this decision are expected to become evident starting from the third quarter of the current fiscal year. Development activities will continue on the new title in the *Puzzle Quest* series, with a release window scheduled for the next fiscal year.

Consolidated revenues for the current fiscal year are therefore expected to grow, driven by the Premium Games segment, only partially offset by the anticipated contraction in the Free to Play operating segment.

The expected increase in revenues, combined with cost reductions resulting from the initiatives implemented by the Group in the previous fiscal year, will enable EBIT to be positive at fiscal year-end.

The Group expects to return to a net financial debt position in the next quarter and until the end of the fiscal year, but at levels significantly lower than those reported as of June 30th, 2025.

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

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

This press release is available on the websites www.digitalbros.com and www.iinfo.it.

DIGITAL BROS GROUP

Listed on the Euronext STAR Milan, Digital Bros Group is a global company that has been operating since 1989 as a developer, publisher and distributor of video games through its brand 505 Games. The Group markets its contents on both retail and digital channels. Digital Bros Group is active around the world through its own direct operations in Italy, United States, UK, Czech Republic, China, Japan, Australia and Canada with 287 employees.

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DIGITAL BROS GROUP- FINANCIAL STATEMENTS

 Consolidated statement of financial position as of September 30th, 2025

Euro thousand		September 30 th , 2025	June 30 th , 2025
	Non-current assets		
1	Property, plant and equipment	5,019	5,459
2	Investment properties	0	0
3	Intangible assets	105,980	111,234
4	Equity investments	2,381	7,159
5	Non-current receivables and other assets	2,254	2,601
6	Deferred tax assets	23,995	23,723
7	Non-current financial activities	2,861	2,821
	Total non-current assets	142,490	152,997
	Current assets		
8	Inventories	1,272	1,356
9	Trade receivables	8,069	14,185
10	Tax receivables	5,424	8,600
11	Other current assets	4,730	5,706
12	Cash and cash equivalents	16,290	6,718
13	Other current financial assets	0	0
	Total current assets	35,785	36,565
	TOTAL ASSETS	178,275	189,562
	Shareholders' equity		
14	Share capital	(5,706)	(5,706)
15	Reserves	(9,378)	(9,632)
16	Treasury shares	0	0
17	Retained earnings	(103,198)	(98,612)
	Equity attributable to the shareholders of the Parent Company	(118,282)	(113,950)
	Equity attributable to non-controlling interests	(886)	(790)
	Total net equity	(119,168)	(114,740)
	Non-current liabilities		
18	Employee benefits	(1,154)	(1,109)
19	Non-current provisions	(1,059)	(1,059)
20	Other non-current payables and liabilities	(4,947)	(4,947)
21	Non-current financial liabilities	(946)	(1,221)
	Total non-current liabilities	(8,106)	(8,336)
	Current liabilities		
22	Trade payables	(32,753)	(29,636)
23	Tax payables	(1,240)	(1,142)
24	Short term provisions	0	0
25	Other current liabilities	(3,737)	(10,838)
26	Current financial liabilities	(13,271)	(24,870)
	Total current liabilities	(51,001)	(66,486)
	TOTAL LIABILITIES	(59,107)	(74,822)
	TOTAL NET EQUITY AND LIABILITIES	(178,275)	(189,562)

Consolidated Profit and Loss statement as of September 30th, 2025

	Euro thousand	September 30 th , 2025	September 30 th , 2024
1	Gross revenue	45,457	21,478
2	Revenue adjustments	0	0
3	Net revenue	45,457	21,478
4	Purchase of products for resale	(704)	(173)
5	Purchase of services for resale	(1,506)	(1,774)
6	Royalties	(12,421)	(4,765)
7	Changes in inventories of finished products	(84)	(913)
8	Total cost of sales	(14,715)	(7,625)
9	Gross profit (3+8)	30,742	13,853
10	Other income	2,127	1,742
11	Costs for services	(3,163)	(2,058)
12	Rent and leasing	(128)	(94)
13	Payroll costs	(7,321)	(7,272)
14	Other operating costs	(305)	(260)
15	Total operating costs	(10,917)	(9,684)
16	Gross operating margin (EBITDA) (9+10+15)	21,952	5,911
17	Depreciation and amortization	(8,716)	(7,317)
18	Provisions	0	0
19	Asset impairment charge	0	(27)
20	Impairment reversal	0	0
21	Total depreciation, amortization and impairment adjustments	(8,716)	(7,344)
22	Operating margin (EBIT) (16+21)	13,236	(1,433)
23	Interest and financial income	756	456
24	Interest and financial expenses	(5,717)	(1,129)
25	Net interest income/(expenses)	(4,961)	(673)
26	Profit/ (loss) before tax (22+25)	8,275	(2,106)
27	Current tax	(3,902)	(68)
28	Deferred tax	309	(161)
29	Total taxes	(3,593)	(229)
30	Net profit/loss	4,682	(2,335)
	attributable to the shareholders of the Parent Company	4,586	(2,302)
	attributable to non-controlling interests	96	(33)
	Earnings per share:		
33	Basic earnings per share (in Euro)	0.32	(0.16)
34	Diluted earnings per share (in Euro)	0.31	(0.16)

Consolidated statement of comprehensive income as of September 30th, 2025

Euro thousand	September 30 th , 2025	September 30 th , 2024
Profit (loss) for the period (A)	4,682	(2,335)
Changes in the fair value	114	(1,966)
Tax effect regarding fair value measurement of financial assets	(27)	473
Items that will not be subsequently reclassified to profit or loss (B)	87	(1,493)
Exchange differences on translation of foreign operations	(341)	(420)
Items that will subsequently be reclassified to profit or loss (C)	(341)	(420)
Total other comprehensive income D= (B)+(C)	(254)	(1,913)
Total comprehensive income (loss) (A)+(D)	4,428	(4,248)
Attributable to:		
Shareholders of the Parent Company	4,332	(4,215)
Non-controlling interests	96	(33)

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 September 30th, 2025

Euro thousand		September 30 th , 2025	September 30 th , 2024
A.	Opening net cash/debt	6,718	11,981
B.	Cash flows from operating activities		
	Profit (loss) for the period	4,682	(2,335)
	<i>Depreciation, amortization and non-monetary costs:</i>		
	Provisions and impairment losses	4,894	27
	Amortization of intangible assets	8,196	6,705
	Depreciation of property, plant and equipment	520	614
	Net change in tax advance	(272)	(155)
	Net change in other provisions	0	153
	Net change in employee benefit provisions	45	42
	Other nonmonetary changes	(370)	171
	Total cash flows from operating activities (B)	17,695	5,222
C.	Change in net working capital		
	Inventories	84	913
	Trade receivables	6,116	5,707
	Current tax assets	3,176	98
	Other current assets	976	2,134
	Trade payables	3,117	(12,812)
	Current tax liabilities	98	(348)
	Current provisions	0	0
	Other current liabilities	(7,101)	(2,563)
	Other non-current liabilities	0	(112)
	Increase/ (Decrease) in non-current receivables and other assets	347	405
	Total change in net working capital (C)	6,813	(6,578)
D.	Cash flows from investing activities		
	Net payments for intangible assets	(2,942)	(3,971)
	Net payments for property, plant and equipment	(80)	(14)
	Net payments for non-current financial assets	0	0
	Changes in financial assets	(40)	4,973
	Total cash flows from investing activities (D)	(3,062)	988
E.	Cash flows from financing activities		
	Capital increases	0	0
	Changes in financial liabilities	(11,874)	(8,246)
	Changes in financial assets	0	0
	Total cash flows from financing activities (E)	(11,874)	(8,246)
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)	9,572	(8,614)
H.	Closing net cash/debt (A+G)	16,290	3,367

Consolidated statement of profit and loss per operating segment as of September 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, 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						118	118		(3,889)		(3,889)	(3,771)	3,889	118
Comprehensive income (loss)					(420)	(1,493)	(1,913)			(2,302)	(2,302)	(4,215)	(33)	(4,248)
Total on September 30th, 2024	5,706	18,528	1,141	1,367	(1,129)	(9,834)	10,073	0	109,537	(2,302)	107,235	123,014	542	123,556
Total on July 1st, 2025	5,706	18,528	1,141	1,367	(1,732)	(9,672)	9,632	0	109,531	(10,919)	98,612	113,950	790	114,740
Allocation of previous year result							0		(10,919)	10,919	0	0	0	0
Other changes							0				0	0	0	0
Comprehensive income (loss)					(341)	87	(254)			4,586	4,586	4,332	96	4,428
Total on September 30th, 2025	5,706	18,528	1,141	1,367	(2,073)	(9,585)	9,378	0	98,612	4,586	103,198	118,282	886	119,168