

## PRESS RELEASE

*The Board of Directors of Digital Bros Group approves the following Draft Financial Statements as of June 30<sup>th</sup>, 2022*

### **FY2021-2022 FULL YEAR RESULTS:**

- **REVENUE AT EURO 132.2 MILLION**
  - **EBITDA AT EURO 54.1 MILLION, 40.9% OF GROSS REVENUE**
  - **EBIT AT EURO 36 MILLION (+17.7%), 27.2% OF GROSS REVENUE**
  - **NET PROFIT OF EURO 28.7 MILLION**
  - **POSITIVE NET FINANCIAL POSITION OF EURO 3.7 MILLION**
  - **DIVIDEND PROPOSAL OF EURO 0.18 PER SHARE**
  - **REVENUE EXPECTED TO INCREASE IN THE NEXT TWO FISCAL YEARS**
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- ✓ *Consolidated gross revenue of Euro 132.2 million, down by 12.3% compared to Euro 150.7 million on June 30<sup>th</sup>, 2021 and almost entirely made up of the sales of back catalogue products*
  - ✓ *EBITDA at Euro 54.1 million compared to Euro 57.8 million on June 30<sup>th</sup>, 2021, 40.9% of consolidated gross revenue*
  - ✓ *EBIT at Euro 36 million compared to Euro 30.6 million on June 30<sup>th</sup>, 2021 (+17.7% YoY), 27.2% of consolidated gross revenue, 25.4% net of non-recurring items*
  - ✓ *Profit before tax of Euro 40.2 million, compared to Euro 34.8 million on June 30<sup>th</sup>, 2021 (+15.4% YoY)*
  - ✓ *Net profit of Euro 28.7 million, compared to Euro 32 million on June 30<sup>th</sup>, 2021*
  - ✓ *Positive net financial position of Euro 3.7 million (Euro 9.7 million gross of the IFRS 16 effect)*
  - ✓ *Dividend proposal of Euro 0.18 per share*
  - ✓ *Revenue expected to increase in the next two fiscal years and operating margins expected in line with the outstanding results realized as of June 30<sup>th</sup>, 2022*

Milan, September 22<sup>nd</sup>, 2022 – The **Board of Directors of Digital Bros Group (DIB:MI)**, which is listed on the Euronext STAR segment of Borsa Italiana, is a member of Euronext Tech Leaders, and operates in the video games market, **today approved the Draft Financial Statements for the fiscal year 2021/2022** (July 1<sup>st</sup>, 2021 – June 30<sup>th</sup>, 2022).

<b>RESULTS FOR THE FISCAL YEAR 2021-2022</b>				
<i>Euro thousand</i>	<b>30.06.22</b>	<b>30.06.21</b>	<b>Change</b>	<b>Change %</b>
<b>Gross revenue</b>	132,238	150,703	(18,465)	-12.3%
<b>Gross operating margin (EBITDA)</b>	54,128	57,796	(3,668)	-6.3%
<b>Operating margin (EBIT)</b>	35,960	30,549	5,411	17.7%
<b>Profit / (loss) before tax</b>	40,161	34,814	5,347	15.4%
<b>Net profit / (loss)</b>	28,656	31,936	(3,280)	-10.3%

Digital Bros Group's key consolidated results for the fiscal year 2021-2022, together with prior year comparatives, are as follows:

- **Consolidated gross revenue** of Euro 132.2 million, compared to Euro 150.7 million on June 30<sup>th</sup>, 2021 (-12.3% YoY);
- **EBITDA** of Euro 54.1 million (40.9% of consolidated gross revenue), compared to Euro 57.8 million on June 30<sup>th</sup>, 2021 (-6.3% YoY);
- **EBIT** of Euro 36 million (27.2% of consolidated gross revenue), increased by 17.7% compared to Euro 30.6 million on June 30<sup>th</sup>, 2021;
- **Profit before tax** of Euro 40.2 million, increased by 15.4% compared to Euro 34.8 million on June 30<sup>th</sup>, 2021;
- **Net profit** increased to Euro 28.7 million, compared to Euro 31.9 million on June 30<sup>th</sup>, 2021.

### RESULTS BY OPERATING SEGMENT

Revenues for the fiscal year were almost exclusively made up of back catalogue products. The bestselling video game was the evergreen Assetto Corsa, intellectual property owned by the Group, which exceeded Euro 21 million revenue. On March 28<sup>th</sup>, 2022, the most recent version of the video game Death Stranding came to market, significantly contributing to the revenue of the fourth quarter.

Total gross revenue amounted to Euro 132,238 thousand, a decrease of 12.3% compared to the previous fiscal year, when the bestselling video game Death Stranding and the Steam version of the video game Control were initially launched.

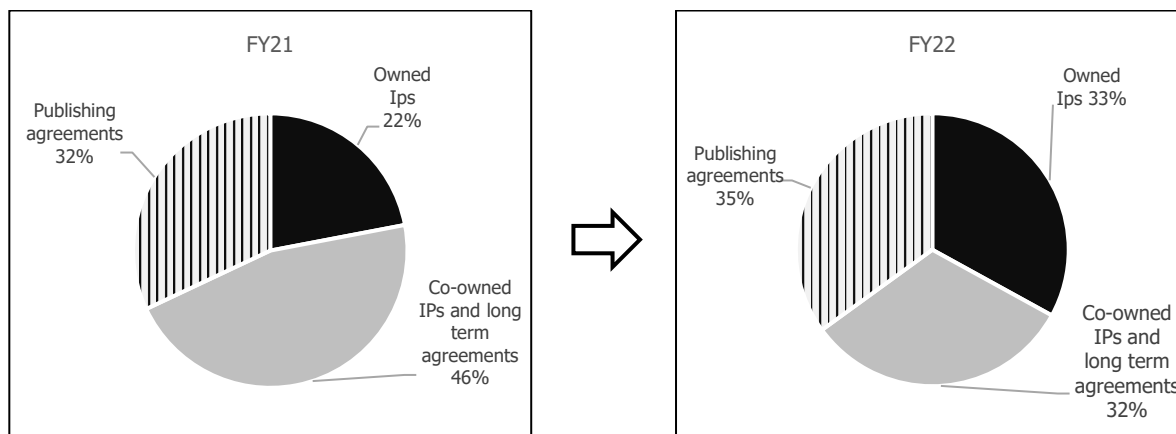
Revenues from international markets were 96% of the total revenues in the period and digital revenues in the period were 88% of the total.

A breakdown by operating segment for the period ended June 30<sup>th</sup>, 2022 compared to the period ended June 30<sup>th</sup>, 2021 is provided below:

<b>Euro thousand</b>	<b>Gross revenue</b>				<b>Net revenue</b>			
	<b>2022</b>	<b>2021</b>	<b>Change</b>		<b>2022</b>	<b>2021</b>	<b>Change</b>	
Premium Games	120,308	134,648	(14,340)	-10.7%	120,308	133,406	(13,098)	-9.8%
Free to Play	7,132	10,679	(3,547)	-33.2%	7,132	10,679	(3,547)	-33.2%
Italian Distribution	4,043	4,774	(731)	-15.3%	4,043	4,493	(450)	-10.0%
Other Activities	755	602	153	25.3%	755	602	153	25.3%
<b>Total gross revenue</b>	<b>132,238</b>	<b>150,703</b>	<b>(18,465)</b>	<b>-12.3%</b>	<b>132,238</b>	<b>149,180</b>	<b>(16,942)</b>	<b>-11.4%</b>

The **Premium Games** operating segment represented 91% of the consolidated gross revenue.

Video games developed by the internal studios and through intellectual properties (IPs) fully owned by the Group accounted for 33% of the total revenue from 22% as of June 30<sup>th</sup>, 2021. 32% of revenue came from the co-owned IPs and long-term agreements (more than ten years), compared to 46% as of June 30<sup>th</sup>, 2021. A breakdown of Premium Games revenue by the type of rights held by the Group as of June 30<sup>th</sup>, 2022 is provided below with comparative figures as of June 30<sup>th</sup>, 2021:



The **Free to Play** operating segment showed a 33.2% decrease from Euro 10,679 thousand as of June 30<sup>th</sup>, 2021 to Euro 7,132 thousand. Last fiscal year, a licensing agreement for the Chinese market rights of Gems of War resulted in Euro 1,895 thousand revenue.

The **Italian Distribution** operating sector revenue decreased by 15.3% (from Euro 4,774 thousand down to Euro 4,043 thousand), due to the continuous decline of retail distribution, and accelerated by the effects of the COVID-19 pandemic.

Digital Bros Group's revenue and earnings by operating segments for the 2021-2022 fiscal year were as follows:

Euro thousand	Premium Games	Free to Play	Italian Distribution	Other Activities	Holding	Total
Gross revenue	120,308	7,132	4,043	755	0	132,238
EBITDA	61,380	877	(498)	(235)	(7,396)	54,128
EBIT	43,959	1,293	(584)	(441)	(8,180)	36,047

**Total cost of sales** decreased by Euro 14,268 thousand (-23.9%) more than the revenue decrease and enabled only a small decrease in **gross profit** (-3%) from Euro 89,451 thousand to Euro 86,777 thousand, as the sale of back catalogue products generally has lower operating costs.

Gross operating margin / **EBITDA** for the period amounted to Euro 54,128 thousand, corresponding to 40.9% of the consolidated gross revenue, decreasing by Euro 3,668 thousand from the Euro 57,795 thousand realized in the previous year.

**Depreciation and amortization** decreased by Euro 5,570 thousand in line with the revenue trend.

**Impairment reversals** consisted almost exclusively of the adjustment of the debt for the earn-out to be paid in connection with the acquisition of the Australian companies.

**EBIT** amounted to Euro 35,960 thousand significantly increasing by Euro 5,411 thousand compared to Euro 30,549 thousand as of June 30<sup>th</sup>, 2021. The higher margins generated by the sale of fully owned intellectual properties, together with the higher profit generated by the sale of back catalogue products enabled the 17.7% EBIT increase. **The EBIT for the period was 27.2% of the consolidated gross revenue**, compared to 20.5% in the last fiscal year. Net of non-recurring items for Euro 2,367 thousand, EBIT represented 24.5% of the consolidated gross revenue.

**Net interest income** was positive for Euro 4,201 thousand, in line with Euro 4,265 thousand realized in the previous fiscal year.

**Profit before tax** for the period ended June 30<sup>th</sup>, 2022 amounted to Euro 40,161 thousand, an increase of Euro 5,347 thousand compared to profit before tax of Euro 34,814 thousand as of June 30<sup>th</sup>, 2021.

**Net profit** amounted to Euro 28,656 thousand compared to Euro 31,936 thousand as of June 30<sup>th</sup>, 2021.

**Net profit attributable to the shareholders of the Parent Company** was Euro 28,546 thousand. Net profit attributable to non-controlling interests was Euro 110 thousand.

**Basic earnings per share** and **diluted earnings per share** were Euro 2.00 and Euro 1.97 compared to Euro 2.25 and Euro 2.21 earnings per share as of June 30<sup>th</sup>, 2021.

## NET FINANCIAL POSITION

The net financial position amounted to Euro 3,707 thousand. As expected, it decreased from Euro 38,246 thousand as of June 30<sup>th</sup>, 2021, by Euro 34,539 thousand in sync with the significant investment plan implemented by the Group during the fiscal year. Post IFRS 16 adjustments, the net financial position amounted to positive Euro 9,727 thousand as of June 30<sup>th</sup>, 2022.

## PARENT COMPANY DIGITAL BROS S.P.A.

As of June 30<sup>th</sup>, 2022, **gross revenue** of the parent company Digital Bros S.p.A. amounted to Euro 9,235 thousand, down by 3.5% compared to Euro 9,569 thousand realized in the previous fiscal year. **Net profit** amounted to Euro 7,325 thousand compared to net profit of Euro 8,433 thousand as of June 30<sup>th</sup>, 2021.

Digital Bros S.p.A. expects to increase the net profit in the coming fiscal year.

## TREASURY SHARES

As of June 30<sup>th</sup>, 2022 Digital Bros S.p.A. did not hold any treasury shares, and no transactions have been performed in the period, in accordance with Art. 2428 paragraph 2.3 of the Italian Civil Code.

## DIVIDEND PAYMENT PROPOSAL

The Board of Directors proposes to the General Shareholders' Meeting to pay out a dividend of Euro 0.18 per share, amounting to a total consideration of Euro 2,568 thousand. Upon resolution of the Shareholders' Meeting, the dividend will have a payment date of December 7<sup>th</sup>, 2022, with the exclusion of treasury shares held, by clipping coupon no. 12 on December 5<sup>th</sup>, 2022, in accordance with the Borsa Italiana calendar, and a record date of December 6<sup>th</sup>, 2022. The Board of Directors proposes to keep the Euro 4,757 thousand remaining as retained earnings.

## NOTICE OF ANNUAL GENERAL MEETING

The Board of Directors resolved to call the annual Shareholders' Meeting on October 26<sup>th</sup>, 2022, at 9.00 a.m. (one call only).

The Shareholders' Meeting is convened to:

- approve the financial statements for the fiscal year 2021-2022, the Directors' Report, the Statutory Auditors Report, the Auditors' Report and the destination of the profit for the fiscal year 2021-2022;
- approve the Remuneration and fees paid report pursuant to art. 123-ter of the Legislative Decree no. 58/98 and art. 84-quater of the Issuers' Regulation, and express a non-binding vote on the second section;
- authorize the negotiation of treasury shares.

The documentation for the shareholders will be made available to the public within the legal stipulations in place.

## SIGNIFICANT EVENTS DURING THE PERIOD

The most significant events during the period were as follows:

- on October 27<sup>th</sup>, 2021, the Shareholders' Meeting of Digital Bros Group approved the Financial Statements for the fiscal year 2020-2021, a dividend pay-out of Euro 0.18 per share and appointed Ernst & Young S.p.A. as the new external auditor for the 2022-2030 period, until the approval of the Financial Statements on June 30<sup>th</sup>, 2030;
- on November 30<sup>th</sup>, 2021, the Group announced the agreement between 505 Games S.p.A. and MercurySteam Entertainment S.L. for the co-publishing and development on a new video game for multiplatform release. The intellectual property of the game is co-owned by Digital Bros and MercurySteam Entertainment through the joint-venture MSE & DB S.L. incorporated under the Spanish Law. The initial expected development investment amounts to Euro 27 million;
- on June 17<sup>th</sup>, 2022, the Group acquired 100% of D3 GO!, the American publisher of the video games "Puzzle Quest: The Legend Returns", spin-offs of the Puzzle Quest series, intellectual property owned by the Group following the acquisition of Infinity Plus two in January 2021. D3 GO! will be consolidated starting July 1<sup>st</sup>, 2022.

## SIGNIFICANT EVENTS OCCURRED AFTER JUNE 30<sup>TH</sup>, 2022

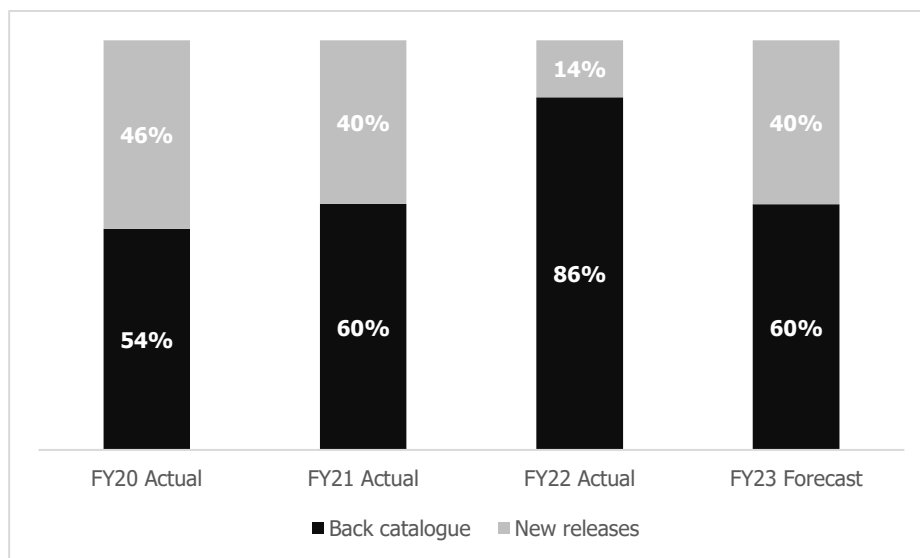
No significant event occurred after the end of the period.

## BUSINESS OUTLOOK

Most of the video games currently under development will come to market starting from the fiscal year 2023 onwards and will also benefit from the most recent acquisition of D3 GO!, now 505 GO!. The Group has planned to invest more than Euro 50 million in the next fiscal year as in the previous. As a result, the Group expects increasing revenue for the next two fiscal years.

The mix of products sold as of June 30<sup>th</sup>, 2022, made up by back catalogue products and by the record hitting Assetto Corsa, which propelled significant EBIT growth, is expected to change when the video games under development hit the market. The launch of new intellectual properties will initially reduce the margin percentages on sales due to the initial investments for a successful launch. No significant changes in the total EBIT are expected in FY2023.

A breakdown of back catalogue and new releases of Premium Games' revenue expected for the next full fiscal year is provided below with previous years comparisons:



In accordance with the significant investments made in the period which will continue into the next fiscal year, the net financial position, positive for Euro 3.7 million as of June 30<sup>th</sup>, 2022, is expected to further decrease in the first half of the fiscal year 2023. The net financial position is expected to increase back again during the second half of the fiscal year.

### 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](http://www.digitalbros.com) and [www.1info.it](http://www.1info.it)*

### DIGITAL BROS GROUP

Listed on the Euronext STAR segment of Borsa Italiana, 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 distributes its contents on both retail and digital channels. Digital Bros Group is active around the world through its own direct operations in Italy, United States, UK, France, Spain, Germany, Czech Republic, China, Japan, Australia and Canada with approximately 379 employees.

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## FINANCIAL STATEMENTS

### DIGITAL BROS GROUP

#### Consolidated statement of financial position as of June 30<sup>th</sup>, 2022

	Euro thousand	June 30 <sup>th</sup> , 2022	June 30 <sup>th</sup> , 2021	Change	
	<b>Non-current assets</b>				
1	Property, plant and equipment	10,353	8,198	2,155	26.3%
2	Investment properties	0	0	0	0.0%
3	Intangible assets	104,089	66,776	37,313	55.9%
4	Equity investments	7,511	11,190	(3,679)	-32.9%
5	Non-current receivables and other assets	14,072	5,089	8,983	n.m.
6	Deferred tax assets	12,829	11,644	1,185	10.2%
7	Non-current financial activities	18,257	18,840	(583)	-3.1%
	<b>Total non-current assets</b>	<b>167,111</b>	<b>121,737</b>	<b>45,374</b>	<b>37.3%</b>
	<b>Current assets</b>				
8	Inventories	4,173	5,708	(1,535)	-26.9%
9	Trade receivables	27,781	18,283	9,498	52.0%
10	Tax credit	2,926	1,500	1,426	95.1%
11	Other current assets	13,030	19,279	(6,249)	-32.4%
12	Cash and cash equivalent	10,961	35,509	(24,548)	-69.1%
13	Other current financial assets	329	0	329	0.0%
	<b>Total current assets</b>	<b>59,200</b>	<b>80,279</b>	<b>(21,079)</b>	<b>-26.3%</b>
	<b>TOTAL ASSETS</b>	<b>226,311</b>	<b>202,016</b>	<b>24,295</b>	<b>12.0%</b>
	<b>Shareholders' equity</b>				
14	Share capital	(5,705)	(5,704)	(1)	0.0%
15	Reserves	(22,030)	(23,016)	986	-4.3%
16	Treasury shares	0	0	0	0.0%
17	Retained earnings	(108,160)	(82,181)	(25,979)	31.6%
	<b>Equity attributable to the shareholders of Parent Company</b>	<b>(135,895)</b>	<b>(110,901)</b>	<b>(24,994)</b>	<b>22.5%</b>
	<b>Equity attributable to non-controlling interests</b>	<b>(1,423)</b>	<b>(890)</b>	<b>(533)</b>	<b>59.9%</b>
	<b>Total net equity</b>	<b>(137,318)</b>	<b>(111,791)</b>	<b>(25,527)</b>	<b>22.8%</b>
	<b>Non-current liabilities</b>				
18	Employee benefits	(761)	(719)	(42)	5.8%
19	Non-current provisions	(81)	(81)	0	0.0%
20	Other non-current payables and liabilities	(1,954)	(5,415)	3,461	-63.9%
21	Non-current financial liabilities	(15,213)	(11,694)	(3,519)	30.1%
	<b>Total non-current liabilities</b>	<b>(18,009)</b>	<b>(17,909)</b>	<b>(100)</b>	<b>0.6%</b>
	<b>Current liabilities</b>				
22	Trade payables	(52,125)	(47,193)	(4,932)	10.5%
23	Taxes payables	(3,575)	(10,782)	7,207	-66.8%
24	Short term provisions	0	0	0	0.0%
25	Other current liabilities	(4,657)	(9,932)	5,275	-53.1%
26	Current financial liabilities	(10,627)	(4,409)	(6,218)	n.m.
	<b>Total current liabilities</b>	<b>(70,984)</b>	<b>(72,316)</b>	<b>1,332</b>	<b>-1.8%</b>
	<b>TOTAL LIABILITIES</b>	<b>(88,993)</b>	<b>(90,225)</b>	<b>1,232</b>	<b>-1.4%</b>
	<b>TOTAL NET EQUITY AND LIABILITIES</b>	<b>(226,311)</b>	<b>(202,016)</b>	<b>(24,295)</b>	<b>12.0%</b>

**DIGITAL BROS GROUP**
**Consolidated statement of profit and loss as of June 30<sup>th</sup>, 2022**

	<b>Euro thousand</b>	<b>June 30<sup>th</sup>, 2022</b>		<b>June 30<sup>th</sup>, 2021</b>		<b>Change</b>	
1	Gross revenue	132,238	100.0%	150,703	101.0%	(18,465)	-12.3%
2	Revenue adjustments	0	0.0%	(1,523)	-1.0%	1,523	n.m.
<b>3</b>	<b>Net revenue</b>	<b>132,238</b>	<b>100.0%</b>	<b>149,180</b>	<b>100.0%</b>	<b>(16,942)</b>	<b>-11.4%</b>
4	Purchase of products for resale	(4,607)	-3.5%	(5,598)	-3.8%	991	-17.7%
5	Purchase of services for resale	(6,733)	-5.1%	(10,528)	-7.1%	3,795	-36.1%
6	Royalties	(32,586)	-24.6%	(41,322)	-27.7%	8,736	-21.1%
7	Changes in inventories of finished products	(1,535)	-1.2%	(2,281)	-1.5%	746	-32.7%
<b>8</b>	<b>Total cost of sales</b>	<b>(45,461)</b>	<b>-34.4%</b>	<b>(59,729)</b>	<b>-40.0%</b>	<b>14,268</b>	<b>-23.9%</b>
<b>9</b>	<b>Gross profit (3+8)</b>	<b>86,777</b>	<b>65.6%</b>	<b>89,451</b>	<b>60.0%</b>	<b>(2,674)</b>	<b>-3.0%</b>
10	Other income	11,584	8.8%	4,060	2.7%	7,524	n.m.
11	Costs for services	(8,562)	-6.5%	(9,617)	-6.4%	1,055	-11.0%
12	Rent and leasing	(497)	-0.4%	(311)	-0.2%	(185)	59.6%
13	Payroll costs	(33,867)	-25.6%	(24,617)	-16.5%	(9,250)	37.6%
14	Other operating costs	(1,307)	-1.0%	(1,170)	-0.8%	(137)	11.7%
<b>15</b>	<b>Total operating costs</b>	<b>(44,233)</b>	<b>-33.4%</b>	<b>(35,715)</b>	<b>-23.9%</b>	<b>(8,519)</b>	<b>23.9%</b>
<b>16</b>	<b>Gross operating margin (EBITDA) (9+10+15)</b>	<b>54,128</b>	<b>40.9%</b>	<b>57,796</b>	<b>38.7%</b>	<b>(3,668)</b>	<b>-6.3%</b>
17	Depreciation and amortization	(19,030)	-14.4%	(24,600)	-16.5%	5,570	-22.6%
18	Provisions	0	0.0%	0	0.0%	0	0.0%
19	Asset impairment charge	(1,708)	-1.3%	(2,647)	-1.8%	939	-35.5%
20	Impairment reversal	2,570	1.9%	0	0.0%	2,570	n.m.
<b>21</b>	<b>Total depreciation, amortization and impairment</b>	<b>(18,168)</b>	<b>-13.7%</b>	<b>(27,247)</b>	<b>-18.3%</b>	<b>9,067</b>	<b>-33.3%</b>
<b>22</b>	<b>Operating margin (EBIT) (16+21)</b>	<b>35,960</b>	<b>27.2%</b>	<b>30,549</b>	<b>20.5%</b>	<b>5,411</b>	<b>17.7%</b>
23	Interest and financial income	8,349	6.3%	7,666	5.1%	683	8.9%
24	Interest and financial expenses	(4,148)	-3.1%	(3,401)	-2.3%	(747)	22.0%
<b>25</b>	<b>Net interest income/(expenses)</b>	<b>4,201</b>	<b>3.2%</b>	<b>4,265</b>	<b>2.9%</b>	<b>(64)</b>	<b>-1.5%</b>
<b>26</b>	<b>Profit/ (loss) before tax (22+25)</b>	<b>40,161</b>	<b>30.4%</b>	<b>34,814</b>	<b>23.3%</b>	<b>5,347</b>	<b>15.4%</b>
27	Current tax	(10,929)	-8.3%	(11,910)	-8.0%	981	-8.2%
28	Deferred tax	(576)	-0.4%	9,032	6.1%	(9,608)	n.m.
<b>29</b>	<b>Total taxes</b>	<b>(11,505)</b>	<b>-8.7%</b>	<b>(2,878)</b>	<b>-1.9%</b>	<b>(8,627)</b>	<b>n.m.</b>
<b>30</b>	<b>Net profit/loss</b>	<b>28,656</b>	<b>21.7%</b>	<b>31,936</b>	<b>21.4%</b>	<b>(3,280)</b>	<b>-10.3%</b>
	<b>attributable to the shareholders of the Parent Company</b>	<b>28,546</b>	<b>21.6%</b>	<b>32,025</b>	<b>21.5%</b>	<b>(3,479)</b>	<b>-10.9%</b>
	<b>attributable to non-controlling interests</b>	<b>110</b>	<b>0.1%</b>	<b>(89)</b>	<b>-0.1%</b>	<b>199</b>	<b>n.m.</b>
	<b>Earnings per share:</b>						
<b>33</b>	<b>Basic earnings per share (in Euro)</b>	<b>2.00</b>		<b>2.25</b>		<b>(0.25)</b>	<b>-11.1%</b>
<b>34</b>	<b>Diluted earnings per share (in Euro)</b>	<b>1.97</b>		<b>2.21</b>		<b>(0.24)</b>	<b>-10.9%</b>

**DIGITAL BROS GROUP****Consolidated statement of comprehensive income as of June 30<sup>th</sup>, 2022**

<b>Euro thousand</b>	<b>June 30<sup>th</sup>, 2022</b>	<b>June 30<sup>th</sup>, 2021</b>	<b>Change</b>
<b>Profit (Loss) for the period (A)</b>	<b>28,656</b>	<b>31,936</b>	<b>(3,280)</b>
Actuarial gain (loss)	39	1	38
Income tax relating to actuarial gain (loss)	(9)	0	(9)
Changes in the fair value	(3,390)	2,170	(5,560)
Tax effect regarding fair value measurement of financial assets	813	(521)	1,334
<b>Items that will not be subsequently reclassified through profit or loss (B)</b>	<b>(2,547)</b>	<b>1,650</b>	<b>(4,197)</b>
Exchange differences on translation of foreign operations	728	77	651
<b>Items that will subsequently be reclassified through profit or loss (C)</b>	<b>728</b>	<b>77</b>	<b>651</b>
<b>Total other comprehensive income D=(B)+(C)</b>	<b>(1,819)</b>	<b>1,727</b>	<b>(3,546)</b>
<b>Total comprehensive income (loss) (A)+(D)</b>	<b>26,924</b>	<b>33,663</b>	<b>(6,739)</b>
Attributable to:			
<b>Shareholders of the Parent Company</b>	<b>26,727</b>	<b>33,752</b>	<b>(7,025)</b>
<b>Non-controlling interests</b>	<b>110</b>	<b>(89)</b>	<b>199</b>

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



**DIGITAL BROS GROUP**
**Consolidated cash flow statement as of June 30<sup>th</sup>, 2022**

<i>Euro thousand</i>	<b>June 30<sup>th</sup>, 2022</b>	<b>June 30<sup>th</sup>, 2021</b>
<b>A. Opening net cash/debt</b>	<b>35,509</b>	<b>8,527</b>
<b>B. Cash flows from operating activities</b>		
Profit (loss) for the period	28,656	31,936
<i>Depreciation, amortization and non-monetary costs:</i>		
Provisions and impairment losses	1,694	2,600
Amortization of intangible assets	16,872	22,829
Depreciation of property, plant and equipment	2,158	1,771
Net change in tax advance	(1,185)	(8,162)
Net change in employee benefit provisions	42	60
Net change in other non-current liabilities	(651)	2,063
<b>SUBTOTAL B.</b>	<b>47,673</b>	<b>53,096</b>
<b>C. Change in net working capital</b>		
Inventories	1,535	2,281
Trade receivables	(9,562)	9,903
Current tax assets	(1,426)	1,600
Other current assets	5,719	12,775
Trade payables	4,932	6,053
Current tax liabilities	(7,207)	5,309
Current provisions	(0)	0
Other current liabilities	(5,275)	5,211
Other non-current liabilities	(3,461)	4,946
Non-current receivables and other assets	(8,983)	1,655
<b>SUBTOTAL C.</b>	<b>(23,728)</b>	<b>49,733</b>
<b>D. Cash flows from investing activities</b>		
Net payments for intangible assets	(55,284)	(58,212)
Net payments for property, plant and equipment	(4,313)	(1,132)
Net payments for non-current financial assets	3,679	(5,702)
<b>SUBTOTAL D.</b>	<b>(55,918)</b>	<b>(65,047)</b>
<b>E. Cash flows from financing activities</b>		
Capital increases	1	0
Changes in financial liabilities	9,737	(7,073)
Changes in financial assets	254	(1,589)
<b>SUBTOTAL E.</b>	<b>9,992</b>	<b>(8,662)</b>
<b>F. Changes in consolidated equity</b>		
Dividends pay-out	(2,567)	(2,139)
Changes in treasury shares held	0	0
Increases (decreases) in other equity components	0	0
<b>SUBTOTAL F.</b>	<b>(2,567)</b>	<b>(2,139)</b>
<b>G. Cash flow for the period (B+C+D+E+F)</b>	<b>(24,548)</b>	<b>26,982</b>
<b>H. Closing net cash/debt (A+G)</b>	<b>10,961</b>	<b>35,509</b>

## DIGITAL BROS GROUP

### Consolidated statement of profit and loss per operating segment as of June 30<sup>th</sup>, 2022

	Euro thousand	Premium Games	Free to Play	Italian Distribution	Other Activities	Holding	Total
1	Gross revenue	120,308	7,132	4,043	755	0	132,238
2	Revenue adjustments	0	0	0	0	0	0
<b>3</b>	<b>Net revenue</b>	<b>120,308</b>	<b>7,132</b>	<b>4,043</b>	<b>755</b>	<b>0</b>	<b>132,238</b>
4	Purchase of products for resale	(2,722)	0	(1,885)	0	0	(4,607)
5	Purchase of services for resale	(5,983)	(750)	0	0	0	(6,733)
6	Royalties	(32,410)	(176)	0	0	0	(32,586)
7	Changes in inventories of finished products	(653)	0	(882)	0	0	(1,535)
<b>8</b>	<b>Total cost of sales</b>	<b>(41,768)</b>	<b>(926)</b>	<b>(2,767)</b>	<b>0</b>	<b>0</b>	<b>(45,461)</b>
<b>9</b>	<b>Gross profit (3+8)</b>	<b>78,540</b>	<b>6,206</b>	<b>1,276</b>	<b>755</b>	<b>0</b>	<b>86,777</b>
10	Other income	7,998	3,569	0	0	17	11,584
11	Cost for services	(5,115)	(967)	(608)	(358)	(1,514)	(8,562)
12	Rent and leasing	(221)	(96)	(18)	(3)	(159)	(497)
13	Payroll costs	(19,258)	(7,654)	(1,056)	(591)	(5,308)	(33,867)
14	Other operating costs	(564)	(181)	(92)	(38)	(432)	(1,307)
<b>15</b>	<b>Total operating costs</b>	<b>(25,158)</b>	<b>(8,898)</b>	<b>(1,774)</b>	<b>(990)</b>	<b>(7,413)</b>	<b>(44,233)</b>
<b>16</b>	<b>Gross operating margin (EBITDA) (9+10+15)</b>	<b>61,380</b>	<b>877</b>	<b>(498)</b>	<b>(235)</b>	<b>(7,396)</b>	<b>54,128</b>
17	Depreciation and amortization	(15,842)	(1,951)	(143)	(206)	(888)	(19,030)
18	Provisions	0	0	0	0	0	0
19	Asset impairment charge	(1,629)	0	(65)	0	(14)	(1,708)
20	Impairment reversal	50	2,367	122	0	31	2,570
<b>21</b>	<b>Total depreciation, amortization and impairment</b>	<b>(17,421)</b>	<b>416</b>	<b>(86)</b>	<b>(206)</b>	<b>(871)</b>	<b>(18,168)</b>
<b>22</b>	<b>Operating margin (EBIT) (16+21)</b>	<b>43,959</b>	<b>1,293</b>	<b>(584)</b>	<b>(441)</b>	<b>(8,267)</b>	<b>35,960</b>

## DIGITAL BROS GROUP

### Consolidated statement of profit and loss per operating segment as of June 30<sup>th</sup>, 2022

Euro thousand	Share capital (A)	Share premium reserve	Legal reserve	IAS transition reserve	Currency translation	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
<b>Total on July 1<sup>st</sup>, 2020</b>	<b>5,704</b>	18,486	1,141	1,367	(1,416)	1,382	<b>20,960</b>	<b>0</b>	37,298	14,990	<b>52,288</b>	<b>78,952</b>	<b>979</b>	<b>79,931</b>
Allocation of previous year result							<b>0</b>		14,990	(14,990)	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Dividend pay-out									(2,139)		<b>(2,139)</b>	<b>(2,139)</b>		<b>(2,139)</b>
Other changes						329	<b>329</b>		7		<b>7</b>	<b>336</b>		<b>336</b>
Comprehensive income (loss)					77	1,650	<b>1,727</b>			32,025	<b>32,025</b>	<b>33,752</b>	<b>(89)</b>	<b>33,663</b>
<b>Total on June 30<sup>th</sup>, 2021</b>	<b>5,704</b>	18,486	1,141	1,367	(1,339)	3,361	<b>23,016</b>	<b>0</b>	50,156	32,025	<b>82,181</b>	<b>110,901</b>	<b>890</b>	<b>111,791</b>
<b>Total on July 1<sup>st</sup>, 2021</b>	<b>5,704</b>	18,486	1,141	1,367	(1,339)	3,361	<b>23,016</b>	<b>0</b>	50,156	32,025	<b>82,181</b>	<b>110,901</b>	<b>890</b>	<b>111,791</b>
Capital increases	1	21					<b>21</b>				<b>0</b>	<b>22</b>		<b>22</b>
Allocation of previous year result							<b>0</b>		32,025	(32,025)	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Dividend pay-out							<b>0</b>		(2,567)		<b>(2,567)</b>	<b>(2,567)</b>		<b>(2,567)</b>
Other changes						812	<b>812</b>				<b>0</b>	<b>812</b>	<b>423</b>	<b>1,235</b>
Comprehensive income (loss)					728	(2,547)	<b>(1,819)</b>			28,546	<b>28,546</b>	<b>26,727</b>	<b>110</b>	<b>26,837</b>
<b>Total on June 30<sup>th</sup>, 2022</b>	<b>5,705</b>	18,507	1,141	1,367	(611)	1,626	<b>22,030</b>	<b>0</b>	79,614	28,546	<b>108,160</b>	<b>135,895</b>	<b>1,423</b>	<b>137,318</b>

**DIGITAL BROS S.p.A.****Statement of financial position as of June 30<sup>th</sup>, 2022**

	<b>Euro thousand</b>	<b>June 30<sup>th</sup>, 2022</b>	<b>June 30<sup>th</sup>, 2021</b>	<b>Change</b>	
	<b>Non-current assets</b>				
1	Property, plant and equipment	5,802	6,576	(774)	-11.8%
2	Investment properties	0	0	0	0.0%
3	Intangible assets	166	163	3	2.0%
4	Equity investments	25,825	29,416	(3,591)	-12.2%
5	Non-current receivables and other assets	9,367	4,868	4,499	92.4%
6	Deferred tax assets	1,061	31	1,030	n.m.
7	Non-current financial activities	18,257	18,840	(583)	-3.1%
	<b>Total non-current assets</b>	<b>60,478</b>	<b>59,894</b>	<b>584</b>	<b>1.0%</b>
	<b>Current assets</b>				
8	Inventories	2,893	1,494	1,399	93.6%
9	Trade receivables	547	893	(346)	-38.7%
10	Receivables due from subsidiaries	32,206	27,094	5,112	18.9%
11	Tax credit	776	590	186	31.6%
12	Other current assets	506	524	(18)	-3.5%
13	Cash and cash equivalent	384	1,038	(654)	-63.0%
14	Other current financial assets	28	0	28	n.m.
	<b>Total current assets</b>	<b>37,340</b>	<b>31,633</b>	<b>5,707</b>	<b>18.0%</b>
	<b>TOTAL ASSETS</b>	<b>97,818</b>	<b>91,527</b>	<b>6,291</b>	<b>6.9%</b>
	<b>Shareholders' equity</b>				
15	Share capital	(5,705)	(5,704)	(1)	0.0%
16	Reserves	(20,968)	(22,865)	1,897	-8.3%
17	Treasury shares	0	0	0	0.0%
18	Retained earnings	(31,530)	(26,772)	(4,758)	17.8%
	<b>Total net equity</b>	<b>(58,203)</b>	<b>(55,341)</b>	<b>(2,862)</b>	<b>5.2%</b>
	<b>Non-current liabilities</b>				
19	Employee benefits	(346)	(391)	45	-11.4%
20	Non-current provisions	(81)	(81)	0	0.1%
21	Other non-current payables and liabilities	0	(505)	505	n.m.
22	Non-current financial liabilities	(4,795)	(7,549)	2,754	-36.5%
	<b>Total non-current liabilities</b>	<b>(5,222)</b>	<b>(8,526)</b>	<b>3,304</b>	<b>-38.8%</b>
	<b>Current liabilities</b>				
23	Trade payables	(1,955)	(1,444)	(511)	35.3%
24	Payables from subsidiaries	(28,105)	(16,437)	(11,668)	71.0%
25	Taxes payables	(295)	(5,421)	5,126	-94.6%
26	Short term provisions	0	0	0	0.0%
27	Other current liabilities	(1,280)	(957)	(323)	33.8%
28	Current financial liabilities	(2,758)	(3,401)	643	-18.9%
	<b>Total current liabilities</b>	<b>(34,393)</b>	<b>(27,660)</b>	<b>(6,733)</b>	<b>24.3%</b>
	<b>TOTAL LIABILITIES</b>	<b>(39,615)</b>	<b>(36,186)</b>	<b>(3,429)</b>	<b>9.5%</b>
	<b>TOTAL NET EQUITY AND LIABILITIES</b>	<b>(97,818)</b>	<b>(91,527)</b>	<b>(6,291)</b>	<b>6.9%</b>

**DIGITAL BROS S.P.A**
**Statement of profit and loss as of June 30<sup>th</sup>, 2022**

	<b>Euro thousand</b>	<b>June 30<sup>th</sup>, 2022</b>		<b>June 30<sup>th</sup>, 2021</b>		<b>Change</b>	
1	Gross revenue	9,235	100.0%	9,569	103.0%	(334)	-3.5%
2	Revenue adjustments	0	0.0%	(281)	-3.0%	281	-100.0%
<b>3</b>	<b>Net revenue</b>	<b>9,235</b>	<b>100.0%</b>	<b>9,288</b>	<b>100.0%</b>	<b>(53)</b>	<b>-0.6%</b>
4	Purchase of products for resale	(4,340)	-47.0%	(2,428)	-26.1%	(1,912)	78.7%
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	1,399	15.1%	(493)	-5.3%	1,892	n.m.
<b>8</b>	<b>Total cost of sales</b>	<b>(2,941)</b>	<b>-31.8%</b>	<b>(2,921)</b>	<b>-31.5%</b>	<b>(20)</b>	<b>0.7%</b>
<b>9</b>	<b>Gross profit (3+8)</b>	<b>6,294</b>	<b>68.2%</b>	<b>6,367</b>	<b>68.5%</b>	<b>(73)</b>	<b>-1.2%</b>
10	Other income	168	1.8%	174	1.9%	(6)	-3.3%
11	Cost for services	(2,170)	-23.5%	(2,362)	-25.4%	192	-8.1%
12	Rent and leasing	(155)	-1.7%	(134)	-1.4%	(21)	15.2%
13	Payroll costs	(5,763)	-62.4%	(5,459)	-58.8%	(304)	5.6%
14	Other operating costs	(500)	-5.4%	(570)	-6.1%	70	-12.3%
<b>15</b>	<b>Total operating costs</b>	<b>(8,588)</b>	<b>-93.0%</b>	<b>(8,525)</b>	<b>-91.8%</b>	<b>(63)</b>	<b>0.7%</b>
<b>16</b>	<b>Gross operating margin (EBITDA) (9+10+15)</b>	<b>(2,126)</b>	<b>-23.0%</b>	<b>(1,984)</b>	<b>-21.4%</b>	<b>(142)</b>	<b>7.2%</b>
17	Depreciation and amortization	(908)	-9.8%	(941)	-10.1%	33	-3.5%
18	Provisions	0	0.0%	0	0.0%	0	0.0%
19	Asset impairment charge	(615)	-6.7%	(79)	-0.8%	(536)	n.m.
20	Impairment reversal	87	0.9%	0	0.0%	87	n.m.
<b>21</b>	<b>Total depreciation, amortization and impairment</b>	<b>(1,436)</b>	<b>-15.6%</b>	<b>(1,020)</b>	<b>-11.0%</b>	<b>(416)</b>	<b>40.8%</b>
<b>22</b>	<b>Operating margin (EBIT) (16+21)</b>	<b>(3,562)</b>	<b>-38.6%</b>	<b>(3,004)</b>	<b>-32.3%</b>	<b>(558)</b>	<b>18.6%</b>
23	Interest and finance income	13,520	146.4%	13,719	147.7%	(199)	-1.5%
24	Interest and financial expenses	(1,984)	-21.5%	(1,575)	-17.0%	(409)	26.0%
<b>25</b>	<b>Net finance income / (expense)</b>	<b>11,536</b>	<b>124.9%</b>	<b>12,144</b>	<b>130.7%</b>	<b>(608)</b>	<b>-5.0%</b>
<b>26</b>	<b>Profit/(loss) before tax (22+25)</b>	<b>7,974</b>	<b>86.4%</b>	<b>9,140</b>	<b>98.4%</b>	<b>(1,166)</b>	<b>-12.8%</b>
27	Current tax	(818)	-8.9%	(644)	-6.9%	(174)	26.9%
28	Deferred tax	169	1.8%	(63)	-0.7%	232	n.m.
<b>29</b>	<b>Total taxes</b>	<b>(649)</b>	<b>-7.0%</b>	<b>(707)</b>	<b>-7.6%</b>	<b>58</b>	<b>n.m.</b>
<b>30</b>	<b>Profit/(loss) for the period (26+29)</b>	<b>7,325</b>	<b>79.3%</b>	<b>8,433</b>	<b>90.8%</b>	<b>(1,108)</b>	<b>-13.1%</b>

**DIGITAL BROS S.P.A.**
**Cash flows statement as of June 30<sup>th</sup>, 2022**

	<i>Euro thousand</i>	<b>June 30<sup>th</sup>, 2022</b>	<b>June 30<sup>th</sup>, 2021</b>
<b>A. Opening net cash/debt</b>		<b>1,038</b>	<b>858</b>
<b>B. Cash flows from operating activities</b>			
Profit (loss) for the period attributable to the Group		7,325	8,433
<i>Depreciation, amortization and non-monetary costs:</i>			
Provisions and impairment losses		602	79
Amortization of intangible assets		100	132
Depreciation of property, plant and equipment		808	809
Net change in tax advance		(1,030)	582
Net change in other provisions		0	0
Net change in employee benefit provisions		(45)	(38)
Net change in other non-current liabilities		(1,897)	1,979
<b>SUBTOTAL B.</b>		<b>5,863</b>	<b>11,976</b>
<b>C. Change in net working capital</b>			
Inventories		(1,399)	493
Trade receivables		281	973
Receivables due from subsidiaries		(5,112)	(12,639)
Current tax assets		(186)	1,631
Other current assets		18	4,777
Trade payables		511	(582)
Payables from subsidiaries		11,668	2,791
Current tax liabilities		(5,126)	5,262
Current provisions		116	0
Other current liabilities		323	(248)
Other non-current liabilities		(505)	36
Non-current receivables and other assets		(4,499)	1,611
<b>SUBTOTAL C.</b>		<b>(3,910)</b>	<b>4,105</b>
<b>D. Cash flows from investing activities</b>			
Net payments for intangible assets		(103)	(99)
Net payments for property, plant and equipment		(34)	(112)
Net payments for non-current financial assets		2,938	(5,797)
<b>SUBTOTAL D.</b>		<b>2,801</b>	<b>(6,008)</b>
<b>E. Cash flows from financing activities</b>			
Capital increases		1	0
Changes in financial liabilities		(3,397)	(6,165)
Changes in financial assets		555	(1,589)
<b>SUBTOTAL E.</b>		<b>(2,841)</b>	<b>(7,754)</b>
<b>F. Changes in consolidated equity</b>			
Dividends pay-out		(2,567)	(2,139)
Changes in treasury shares held		0	0
Increases (decreases) in other equity components		0	0
<b>SUBTOTAL F.</b>		<b>(2,567)</b>	<b>(2,139)</b>
<b>G. Cash flow for the period (B+C+D+E+F+G)</b>		<b>(654)</b>	<b>180</b>
<b>H. Closing net cash/debt (A+G)</b>		<b>384</b>	<b>1,038</b>