

Digital Bros

digital entertainment

PRESS RELEASE

The Board of Directors of Digital Bros Group approved the Half year condensed financial statements as of December 31st, 2025 (H1 FY2025-2026)

H1 FY2025- 2026 RESULTS:

- NET REVENUE AT EURO 69 MILLION (+60.4%)
- EBITDA AT EURO 33.6 MILLION (48.6% OF REVENUE)
- EBIT POSITIVE AT EURO 14.9 MILLION
- NET PROFIT AT EURO 2 MILLION
- NET FINANCIAL POSITION POSITIVE AT EURO 4.3 MILLION

REVENUE GROWTH AND POSITIVE EBIT ESTIMATES FOR THE FULL YEAR REITERATED

- ✓ *Consolidated revenue of Euro 69 million, up 60.4%, supported by the contribution of the new games Wuchang: Fallen Feathers and the Early Access version of Assetto Corsa Rally*
- ✓ *EBITDA at Euro 33.6 million (48.6% of revenue), increased by Euro 20.5 million compared to Euro 13.1 million as of December 31st, 2024*
- ✓ *EBIT at Euro 14.9 million, an improvement of Euro 15.3 million compared with the first half of the previous fiscal year*
- ✓ *Net profit of Euro 2 million, compared with a net loss of Euro 3.5 million as of December 31st, 2024*
- ✓ *Net financial position exceeded expectations, positive for Euro 4.3 million (Euro 6.3 million net of the IFRS16 effect) and improving by Euro 21 million compared to June 30th, 2025*
- ✓ *Current fiscal year outlook confirmed, with revenue growth driven by the Premium Games segment and return to positive EBIT*

Milan, March 9th, 2026 - The **Board of Directors of Digital Bros Group (DIB:MI)**, a video game company listed on the Euronext STAR Milan (ISIN: IT0001469995) and included in the FTSE Italia Small Cap index, today approved the **Half year condensed financial statements as of December 31st, 2025** (first half of the fiscal year from July 1st, 2025 to June 30th, 2026).

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

FY 2025-2026 half year results (from July 1st, 2025 to December 31st, 2025)

Euro thousand	December 31st, 2025	December 31st, 2024	Change €	Change %
Gross revenue	69,005	43,024	25,981	60.4%
Gross operating margin (EBITDA)	33,552	13,089	20,463	n.m.
Operating margin (EBIT)	14,922	(395)	15,317	n.m.
Profit / (loss) before tax	7,546	(2,931)	10,477	n.m.
Net profit / (net loss)	2,028	(3,529)	5,557	n.m.

- **Consolidated revenue** of Euro 69 million, increasing by Euro 26 million;
- **EBITDA** at Euro 33.6 million, up by Euro 20.5 million;
- **EBIT** positive at Euro 14.9 million, improving by Euro 15.3 million;
- **Profit before tax** of Euro 7.5 million, compared to a loss before tax of Euro 2.9 million as of December 31st, 2024
- **Net profit** of Euro 2 million, compared to a net loss of Euro 3.5 million in the first half of the previous fiscal year.

RESULTS BY OPERATING SEGMENT

Consolidated net revenue as of December 31st, 2025 amounted to Euro 69 million, up 60.4% compared to Euro 43 million reported in the first half of the previous fiscal year.

In line with the publishing plans, the first half of the fiscal year delivered strong results, supported by the performance of the new titles launched during the period. Following the successful release of the video game Wuchang: Fallen Feathers in the first quarter, the Group launched Assetto Corsa Rally in Early Access on Steam for PC in the second quarter. The release schedule for the second half is expected to be more limited and will include the indie title Nivalis and the release of Blades of Fire on the Steam platform. As a result, revenue in the second half is expected to be driven primarily by back catalogue titles and by targeted promotional initiatives.

The launch of Assetto Corsa Rally, which leverages the long-standing experience in managing the the Assetto Corsa franchise, reflects the Group's strategy to streamline its publishing portfolio by focusing on a smaller number of productions and prioritizing titles based on proprietary intellectual property, which offer greater visibility and recurring revenue potential over time. The Group believes this medium/long-term approach will strengthen its resilience in a video game market that continues to show significant volatility and uncertainty, as the industry has not yet fully absorbed the distortions created during the pandemic-driven expansion phase.

The sector is still undergoing a strategic reassessment. Increasing player selectivity together with the related problems of new games to reach the expected volumes have pushed developers and publishers to reassess their priorities and strategies. This has resulted in restructuring across the industry, including project cancellations, studio closures and workforce reductions worldwide. The market therefore continues to face significant uncertainties, also due to the use of artificial intelligence, whose impact on development models, production costs and competitive dynamics remains difficult to predict.

The breakdown of net revenue by operating segment as of December 31st, 2025, compared to the same period of the previous fiscal year is as follows:

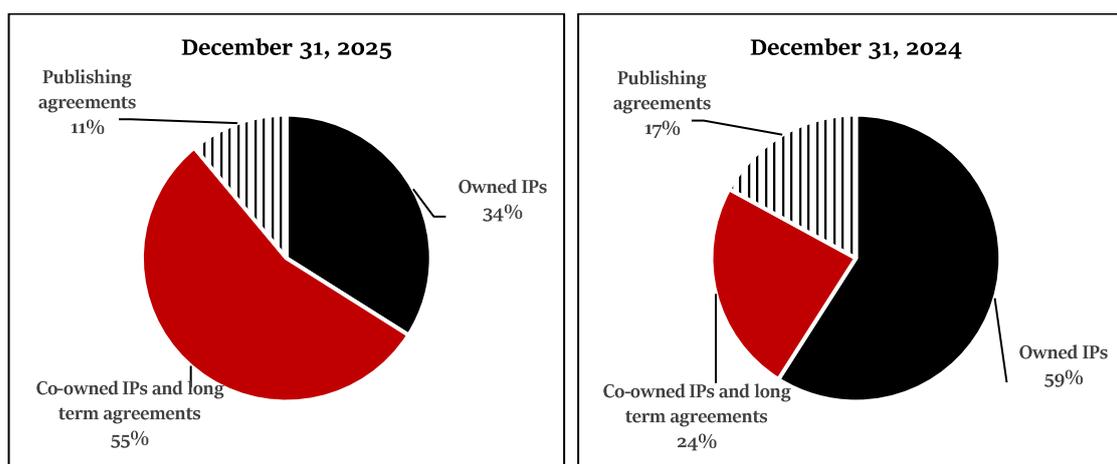
Net revenue

Euro thousand	December 31, 2025	December 31, 2024	Change €	Change %
Premium Games	63,868	34,409	29,459	85.6%
Free to Play	4,765	7,223	(2,458)	-34.0%
Other Activities	372	1,392	(1,020)	-73.3%
Total net revenue	69,005	43,024	25,982	60.4%

Following the downsizing of retail distribution activities, the revenue and costs previously reported under the Italian Distribution operating segment have been reclassified to the Other Activities operating segment from the current fiscal year.

As of December 31st, 2025, **Premium Games revenue** amounted to Euro 63.9 million, compared to Euro 34.4 million of the first half of the previous fiscal year and representing 93% of total revenue. During the reporting period, the Assetto Corsa brand generated revenue of Euro 18.3 million, representing an increase of 40% compared to Euro 13.1 million in the comparative period. This performance was supported by the contribution of the new version Assetto Corsa EVO, released in January 2025, as well as by the new title Assetto Corsa Rally, released on November 13th, 2025. Both titles are currently available in Early Access on Steam and will continue to receive updates until their full release, expected in the next fiscal year.

The different revenue mix between titles based on the Group's proprietary intellectual property and those developed under co-ownership or long-term agreements reflects the strong performance of Wuchang: Fallen Feathers during the period, which belongs to the second group. A breakdown of Premium Games revenue by the type of rights held by the Group as of December 31st, 2025 is provided below compared to the previous fiscal year:



Free to Play revenue amounted to Euro 4.8 million, representing a decrease of 34% compared to the first six months of the previous fiscal year. During August, the Group experienced certain technical issues affecting video games published by 505 Go!, which temporarily reduced revenues. These issues were resolved by the end of the first quarter and convinced the Group to internalize live support activities.

Total consolidated revenue was generated almost entirely in foreign markets, while **digital sales** accounted for 93% of total revenue, consistent with the previous fiscal years.

The **total cost of sales** increased at a slower pace than revenue, reducing its weight from 34.6% to 27.1% of total revenues. This improvement mainly reflects the different product mix, driven by the higher sales achieved by the Assetto Corsa brand. As a result, **gross profit** increased by Euro 22,143 thousand, from Euro 28,150 thousand to Euro 50,294 thousand.

Other revenue amounted to Euro 4,299 thousand, increasing by 19.3% compared to Euro 3,603 thousand as of December 31st, 2024. The capitalization of internal studio video game development primarily related to the development of the video game Assetto Corsa EVO and the new video game Assetto Corsa Rally.

The **total operating costs** increased by 12.7%, also due to higher marketing and advertising costs supporting the launch of Wuchang: Fallen Feathers. Payroll costs amounted to Euro 15,239 thousand, increasing by Euro 1,352 thousand.

As of December 31st, 2025, the **EBITDA margin** was 48.6% of revenue and amounted to Euro 33,552 thousand, increasing by Euro 13,115 thousand.

Depreciation and amortization amounted to Euro 18,678 thousand, increasing by Euro 5,563 thousand from Euro 13,115 thousand as of December 31st, 2024.

The **EBIT margin** was positive at Euro 14,922 thousand, significantly improved compared to the negative EBIT at Euro 395 thousand recorded in the first half of the previous fiscal year.

The **net interest expense** amounted to Euro 7,376 thousand, compared to Euro 2,536 thousand as of December 31st, 2024. Financial expenses include Euro 5,682 thousand relating to the write-off of the equity investment in Starbreeze

AB pursuant to IAS 28. Until May 15th, 2025, the equity investment had been measured at fair value, with changes exclusively recognized in the consolidated statement of comprehensive income.

The **profit before tax** amounted to Euro 7,546 thousand, improved by Euro 10,477 thousand from the Euro 2,931 thousand loss before tax realized in the comparative period.

As of December 31st, 2025, the **consolidated net profit** amounted to Euro 2,028 thousand, compared to the net loss at Euro 3,490 thousand of the first half of the previous fiscal year.

The **net profit attributable to the shareholders of the Parent Company** amounted to Euro 1,974 thousand, representing an improvement of Euro 5,669 thousand compared to the first half of the previous fiscal year. Net profit attributable to non-controlling interests amounted to Euro 54 thousand, compared to Euro 205 thousand recorded as of December 31st, 2024.

Basic earnings per share amounted to Euro 0.14 and diluted earnings per share amounted to Euro 0.13, compared to a basic loss per share of Euro 0.26 and a diluted loss per share of Euro 0.25 as of December 31st, 2024.

NET FINANCIAL POSITION

As of December 31st, 2025, the **restated net financial position** remained positive at Euro 4,337 thousand, exceeding expectations that had anticipated a net debt position at that date, and improved by Euro 20,889 thousand compared with June 30th, 2025. Excluding the IFRS 16 effect, the restated net financial position was positive at Euro 6,285 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 1,436 thousand, improving by Euro 20,809 thousand from June 30th, 2025.

TREASURY SHARES

As of December 31st, 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

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

SUBSEQUENT EVENTS

No significant subsequent events occurred after the end of the reporting period.

BUSINESS OUTLOOK

On November 13th, 2025, the Group released the new video game Assetto Corsa Rally in Early Access for PC. The release schedule for the second half of the fiscal year includes the highly anticipated indie title Nivalis, which has already generated a significant number of wishlists across major digital platforms, as well as the launch of Blades of Fire on the Steam platform. The video game Assetto Corsa EVO remains available in Early Access on Steam and will continue to be updated with new features and content.

In the Free to Play operating segment, the internalization of live support activities finalized in the third quarter is expected to have a positive impact on the cost structure. Development activities will continue on the new title of the Puzzle Quest series, with a release window scheduled for the next fiscal year.

The outlook for consolidated revenue growth in the current fiscal year remains confirmed, supported by the Premium Games segment and partially offset by the expected contraction in the Free to Play operating segment.

The expected increase in revenue, together with cost reductions resulting from the initiatives implemented in the previous fiscal years, should 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 significantly lower than what reported as of June 30th, 2025.

The Group continues to closely monitor developments in the geopolitical environment and international trade tensions, assessing their potential impact on its operations and market dynamics. As of the reporting date and in the absence of further escalation, no significant impact on the Group's activity is expected. Management regularly reviews projects under development in order to promptly take corrective actions should market conditions require it.

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

Pursuant to paragraph 2 of Article 154-bis of the T.U.F., the Chief Financial Officer of Digital Bros Group, Stefano Salbe, declares that the information contained in this press release corresponds to the underlying documents, books and accounting records of the Group.

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

DIGITAL BROS GROUP

Listed on the Euronext STAR Milan and part of Euronext Tech Leaders, Digital Bros Group 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 281 employees.

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DIGITAL BROS GROUP- FINANCIAL STATEMENTS
Consolidated statement of financial position as of December 31st, 2025

Euro thousand		December 31, 2025	June 30, 2025
	Non-current assets		
1	Property, plant and equipment	5,049	5,459
2	Investment properties	0	0
3	Intangible assets	95,710	111,234
4	Equity investments	226	7,159
5	Non-current receivables and other assets	1,910	2,601
6	Deferred tax assets	25,511	23,723
7	Non-current financial activities	1,439	2,821
	Total non-current assets	129,845	152,997
	Current assets		
8	Inventories	1,180	1,356
9	Trade receivables	12,669	14,185
10	Tax receivables	3,090	8,600
11	Other current assets	3,927	5,706
12	Cash and cash equivalents	13,513	6,718
13	Other current financial assets	1,462	0
	Total current assets	35,841	36,565
	TOTAL ASSETS	165,686	189,562
	Shareholders' equity		
14	Share capital	(5,706)	(5,706)
15	Reserves	(9,353)	(9,632)
16	Treasury shares	0	0
17	Retained earnings	(100,586)	(98,612)
	Equity attributable to the shareholders of the Parent Company	(115,645)	(113,950)
	Equity attributable to non-controlling interests	(844)	(790)
	Total net equity	(116,489)	(114,740)
	Non-current liabilities		
18	Employee benefits	(1,177)	(1,109)
19	Non-current provisions	(1,124)	(1,059)
20	Other non-current payables and liabilities	0	(4,947)
21	Non-current financial liabilities	(732)	(1,221)
	Total non-current liabilities	(3,033)	(8,336)
	Current liabilities		
22	Trade payables	(28,971)	(29,636)
23	Tax payables	(2,192)	(1,142)
24	Short term provisions	0	0
25	Other current liabilities	(3,656)	(10,838)
26	Current financial liabilities	(11,345)	(24,870)
	Total current liabilities	(46,164)	(66,486)
	TOTAL LIABILITIES	(49,197)	(74,822)
	TOTAL NET EQUITY AND LIABILITIES	(165,686)	(189,562)

Consolidated Profit and Loss statement as of December 31st, 2025

	Euro thousand	December 31, 2025	December 31, 2024
1	Gross revenue	69,005	43,024
2	Revenue adjustments	0	0
3	Net revenue	69,005	43,024
4	Purchase of products for resale	(851)	(343)
5	Purchase of services for resale	(2,800)	(3,381)
6	Royalties	(14,884)	(10,106)
7	Changes in inventories of finished products	(176)	(1,044)
8	Total cost of sales	(18,711)	(14,874)
9	Gross profit (3+8)	50,294	28,150
10	Other income	4,299	3,603
11	Costs for services	(4,906)	(3,976)
12	Rent and leasing	(291)	(237)
13	Payroll costs	(15,239)	(13,887)
14	Other operating costs	(605)	(564)
15	Total operating costs	(21,041)	(18,664)
16	Gross operating margin (EBITDA) (9+10+15)	33,552	13,089
17	Depreciation and amortization	(18,678)	(13,115)
18	Provisions	0	1,241
19	Asset impairment charge	(48)	(1,741)
20	Impairment reversal	96	131
21	Total depreciation, amortization and impairment adjustments	(18,630)	(13,484)
22	Operating margin (EBIT) (16+21)	14,922	(395)
23	Interest and financial income	892	843
24	Interest and financial expenses	(8,268)	(3,379)
25	Net interest income/(expenses)	(7,376)	(2,536)
26	Profit/ (loss) before tax (22+25)	7,546	(2,931)
27	Current tax	(7,336)	(1,639)
28	Deferred tax	1,818	1,080
29	Total taxes	(5,518)	(559)
30	Net profit/loss	2,028	(3,490)
	attributable to the shareholders of the Parent Company	1,974	(3,695)
	attributable to non-controlling interests	54	205
	Earnings per share:		
33	Basic earnings per share (in Euro)	0.14	(0.26)
34	Diluted earnings per share (in Euro)	0.13	(0.25)

Consolidated statement of comprehensive income as of December 31st, 2025

Euro thousand	December 31 st , 2025	December 31 st , 2024
Profit (loss) for the period (A)	2,028	(3,490)
Actuarial profit (loss)	8	(29)
Tax effect regarding the actuarial profit (loss)	(2)	7
Changes in the fair value	49	(3,895)
Tax effect regarding fair value measurement of financial assets	(12)	935
Items that will not be subsequently reclassified to profit or loss (B)	43	(2,982)
Exchange differences on translation of foreign operations	(322)	807
Items that will subsequently be reclassified to profit or loss (C)	(322)	807
Total other comprehensive income D= (B)+(C)	(279)	(2,175)
Total comprehensive income (loss) (A)+(D)	1,749	(5,665)
Attributable to:		
Shareholders of the Parent Company	1,695	(5,870)
Non-controlling interests	54	205

Consolidated cash flow statement as of December 31st, 2025

Euro thousand	December 31 st , 2025	December 31 st , 2024
A. Opening net cash/debt	6,718	11,981
B. Cash flows from operating activities		
Profit (loss) for the period	2,028	(3,490)
<i>Depreciation, amortization and non-monetary costs:</i>		
Provisions and impairment losses	7,031	1,741
Amortization of intangible assets	17,646	11,924
Depreciation of property, plant and equipment	1,032	1,191
Net change in tax advance	(1,788)	(1,490)
Net change in other provisions	65	314
Net change in employee benefit provisions	68	69
Other nonmonetary changes to the net equity	(329)	(1,939)
Total Cash flows from operating activities (B)	25,753	8,320
C. Change in net working capital		
Inventories	176	1,044
Trade receivables	1,468	2,993
Current tax assets	5,510	425
Other current assets	1,779	1,775
Trade payables	(665)	(13,641)
Current tax liabilities	1,050	145
Current provisions	0	(1,241)
Other current liabilities	(7,182)	(2,766)
Other non-current liabilities	(4,947)	(886)
Non-current receivables and other assets	691	4,060
Total Change in net working capital (C)	(2,120)	(8,092)
D. Cash flows from investing activities		
Net payments for intangible assets	(2,122)	(8,761)
Net payments for property, plant and equipment	(622)	(290)
Net payments for non-current financial assets	0	3,897
Changes in financial assets	(80)	2,121
Total Cash flows from investing activities (D)	(2,824)	(3,033)
E. Cash flows from financing activities		
Capital increases	0	0
Changes in financial liabilities	(14,014)	(4,545)
Changes in financial assets	0	0
Total Cash flows from financing activities (E)	(14,014)	(4,545)
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)	6,795	(7,350)
H. Closing net cash/debt (A+G)	13,513	4,631

Consolidated statement of profit and loss per operating segment as of December 31st, 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 as of 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						236	236		(3,889)		(3,889)	(3,653)	3,889	236
Comprehensive income (loss)					807	(2,982)	(2,175)			(3,695)	(3,695)	(5,870)	205	(5,665)
Total as of December 31st, 2024	5,706	18,528	1,141	1,367	98	(11,205)	9,929	0	109,537	(3,695)	105,842	121,477	780	122,257
Total as of 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)					(322)	43	(279)			1,974	1,974	1,695	54	1,749
Total as of December 31st, 2025	5,706	18,528	1,141	1,367	(2,054)	(9,629)	9,353	0	98,612	1,974	100,586	115,645	844	116,489