



Digital Bros
digital entertainment

FY 2020/2021
FULL YEAR
RESULTS

WE DEVELOP AND PUBLISH MULTIPLATFORM VIDEOGAMES WORLDWIDE



325 talented employees worldwide to create the next big games

STUDIOS:



Creation and development of video games based on an original idea/successful brand or an owned IP

PUBLISHING:



IP scouting and selection, marketing & PR, sales and promotions, customer support, and worldwide digital distribution

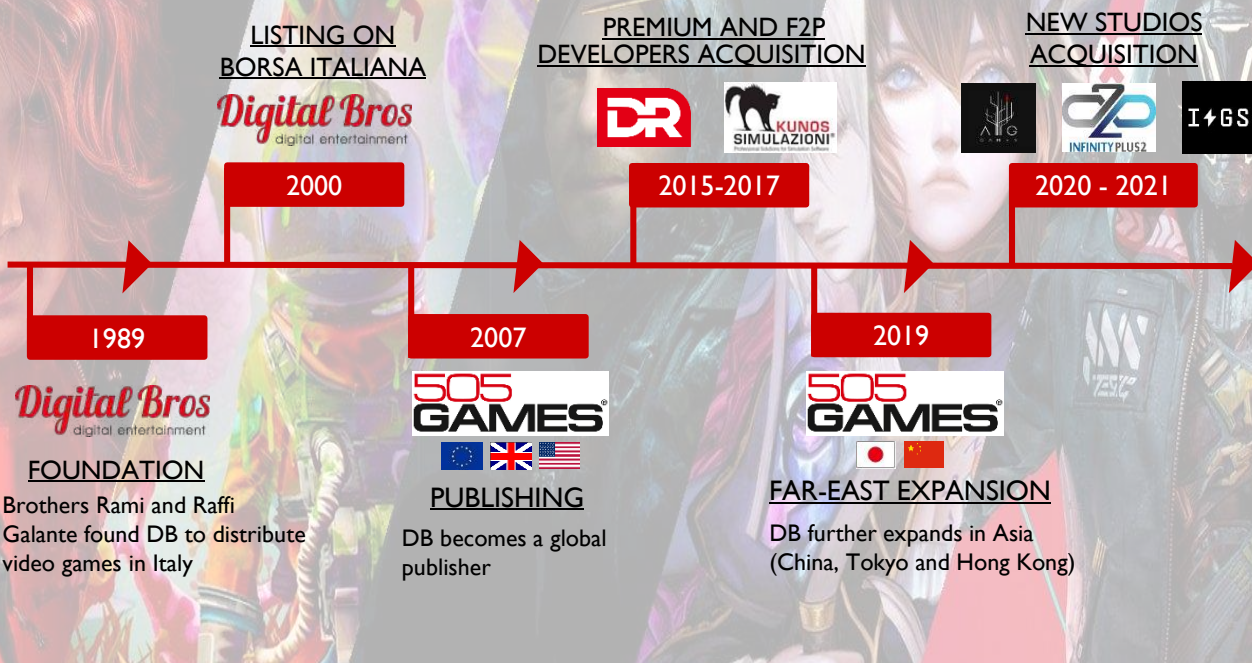
GAME ACADEMY:



Video games training and professional courses aimed at shaping young talents into the future professional of the industry

OUR MILESTONES

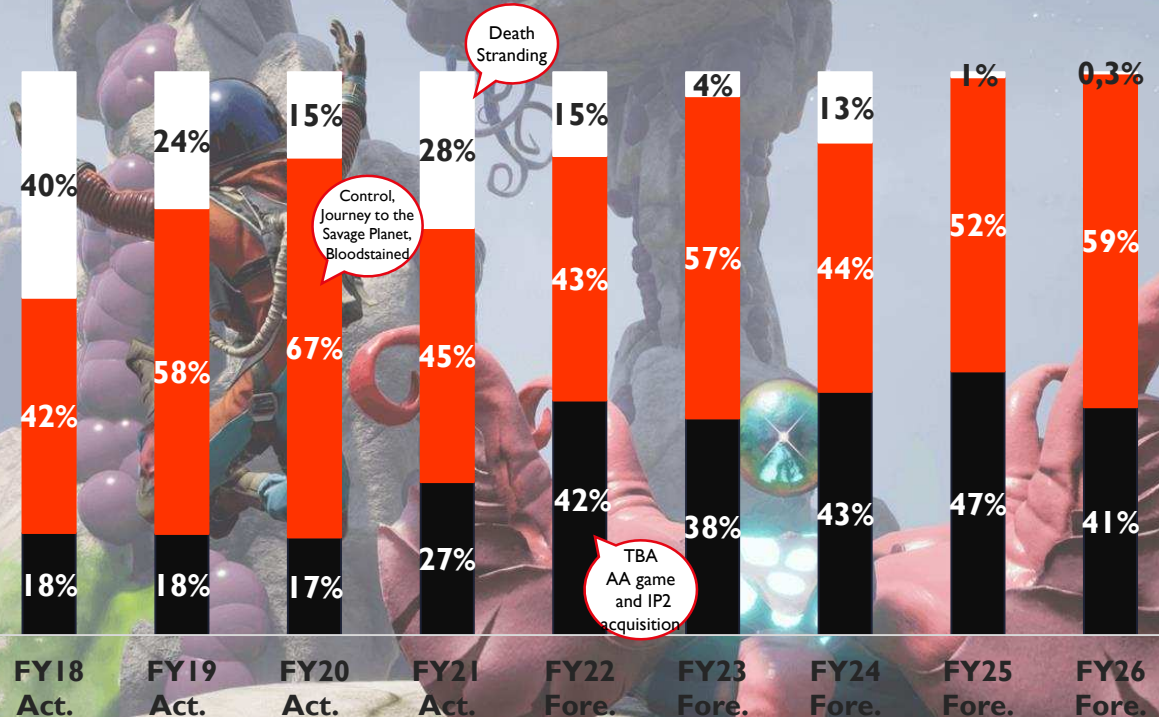
The video games market is continuously growing. In 2024, it is expected to reach \$218.7 billion (2019-2024 8.7% CAGR)*



AN ONGOING COMPLETE TRANSFORMATION

Premium and F2P games revenues*

- **First group:** Premium & F2P videogames developed by internal studios or with IP ownership
- **Second group:** Premium & F2P videogames with IP co-ownership or > 10 years agreement
- **Third group:** worldwide publishing agreements



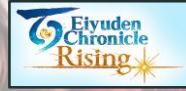
1 GROUP

2 GROUP

3 GROUP



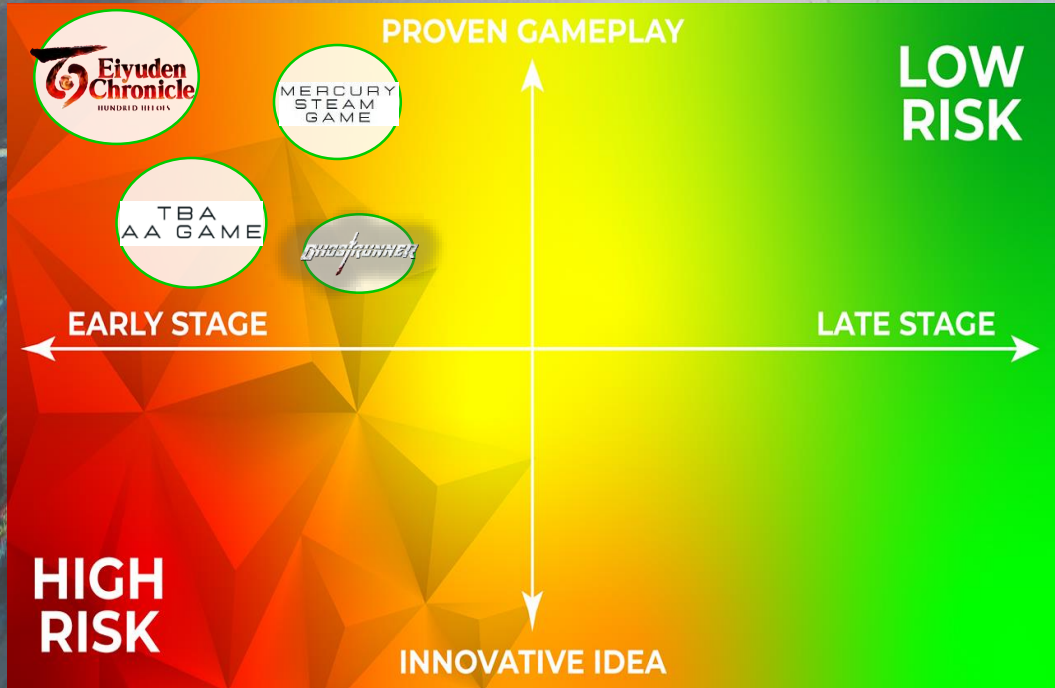
TBA
AA GAME



CONDOR

MERCURY
STEAM
GAME





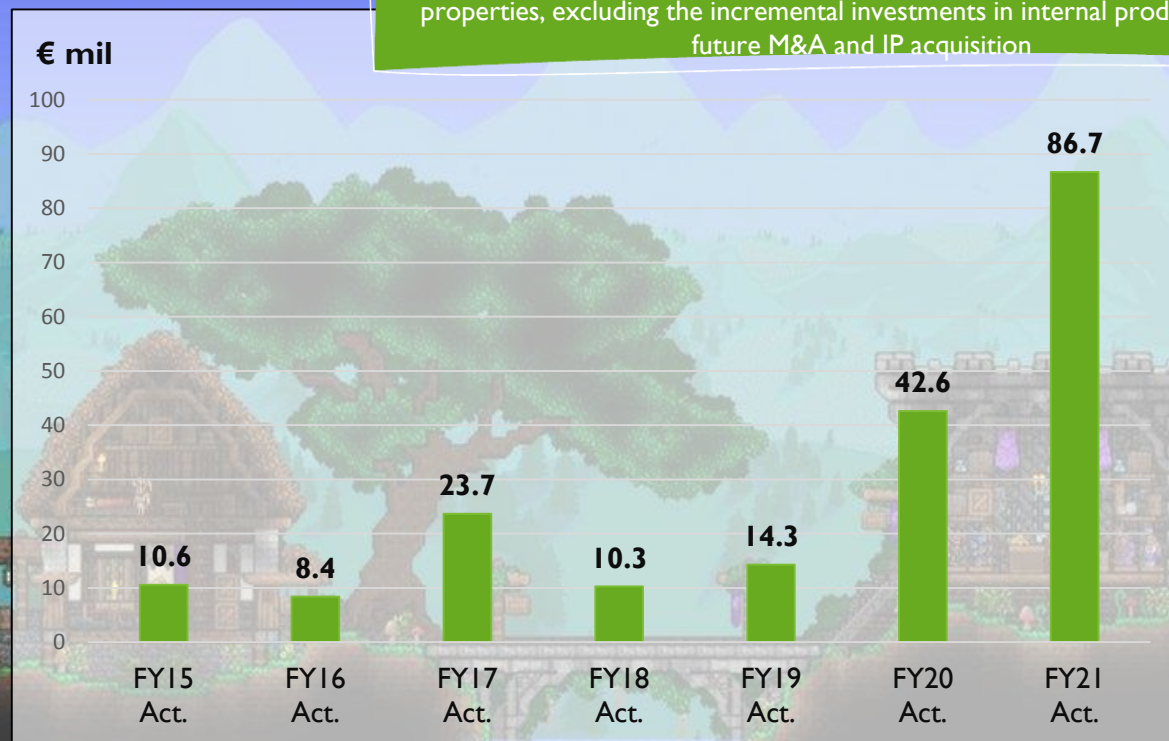
To reduce the risk of success of a game, we:

Work with financially independent developers

Obtain a contractual way-out at prototype

A STRONG INVESTMENT PLAN

At June 30th, 2021, the Group has over €76 million invested on 22 intellectual properties, excluding the incremental investments in internal productions, any future M&A and IP acquisition



FY22 RELEASE SCHEDULE

13 NEW PRODUCTS FOR A TOTAL OF 38 SKUS



Next-gen consoles



Mobile version



Worldwide
multiplatform launch



Next-gen consoles



Q1



Q2

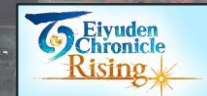


Q3



TBA
AA GAME

Q4



Worldwide multiplatform
launch

September 2021

"A games": brand new titles with a development budget of max €5 million

The logo for the movie 'Ghost Runner' is located in the top left corner. It features the word 'GHOSTRUNNER' in a stylized, italicized, white font with a black outline. A red lightning bolt strikes the letter 'O' in 'GHOST'. The background behind the text is a dark, industrial setting with red vertical bars and a white grid pattern.

GHOSTRUNNER

The central figure is a character from the movie 'Ghost Runner'. He is wearing a dark, hooded jacket with a red interior lining and a white 'W' logo on the chest. He has a futuristic, metallic helmet with glowing yellow eyes. He is holding a large, red, serrated blade in his right hand. The background is a dark, industrial setting with red vertical bars and a white grid pattern.

**FINANCIAL
HIGHLIGHTS**

September 2021

P&L - FY21 FULL YEAR ACTUAL

Euro million	30.06.21	30.06.20	Change	Change %
Gross revenue	150.7	139.0	11.7	8.4%
Gross operating margin (EBITDA)	57.8	34.7	23.1	66.7%
Operating margin (EBIT)	30.6	20.1	10.5	52.3%
Profit/(loss) before tax	34.8	20.7	14.1	68.3%
Net profit/(loss)	31.9	14.9	17.0	n.m.

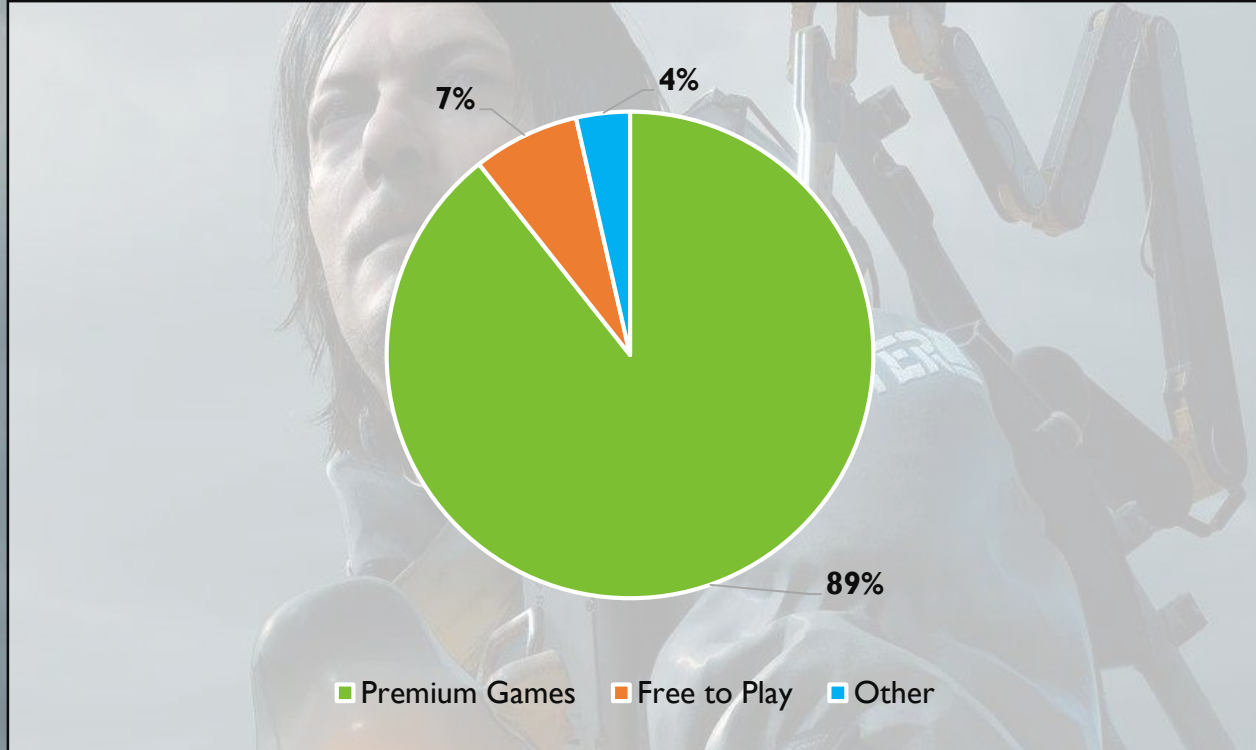
FISCAL YEAR ENDED JUNE 30th, 2021

SOURCE: DIGITAL BROS

- **96%** OF REVENUES REALIZED ON INTERNATIONAL MARKETS AND **88%** ON DIGITAL MARKETPLACES
- **EBIT** INCREASED AT €30.6 MILLION, **20.5%** OF CONSOLIDATED NET REVENUES
- **EBITDA** INCREASED AT €57.8 MILLION, **38.7%** OF CONSOLIDATED NET REVENUES

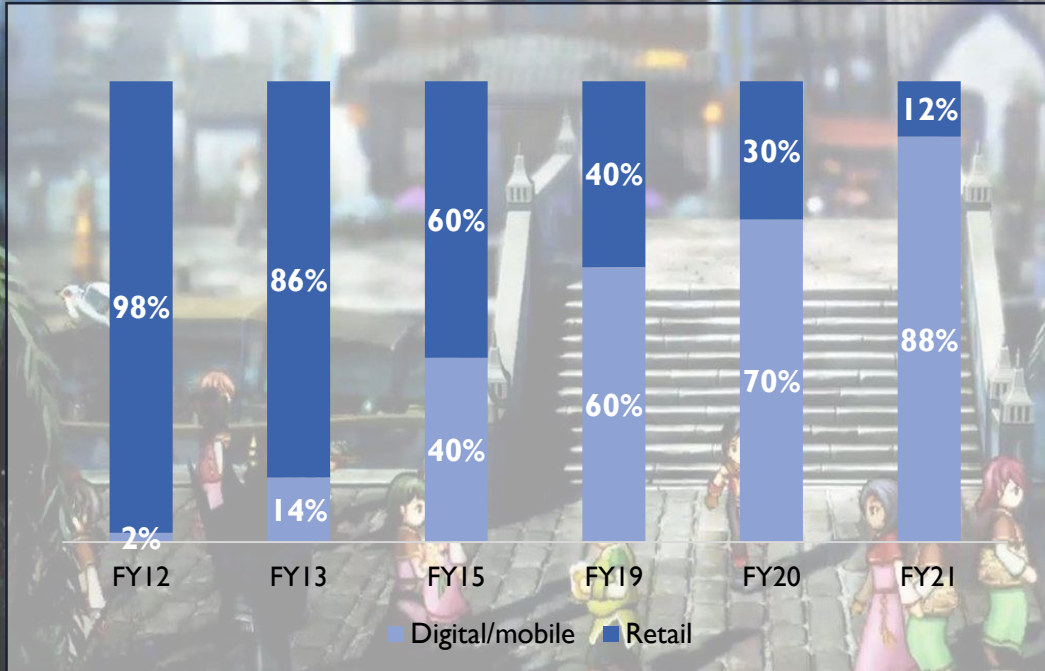
REVENUE BREAKDOWN

FY21 ACTUAL - REVENUE BY SEGMENT

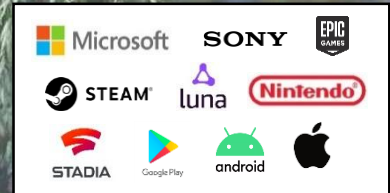


REVENUE BREAKDOWN

FY21 ACTUAL - DIGITAL VS RETAIL



OUR DIGITAL PARTNERS:



PREMIUM GAMES

FY21 ACTUAL

Euro million	30.06.21	30.06.20	Change	Change %
Gross revenue	134.7	122.3	12.4	10.1%
Net revenue	133.4	116.5	16.9	14.5%
Gross operating margin (EBITDA)	60.0	44.3	15.7	35.4%
Operating margin (EBIT)	34.8	31.7	3.1	10.0%

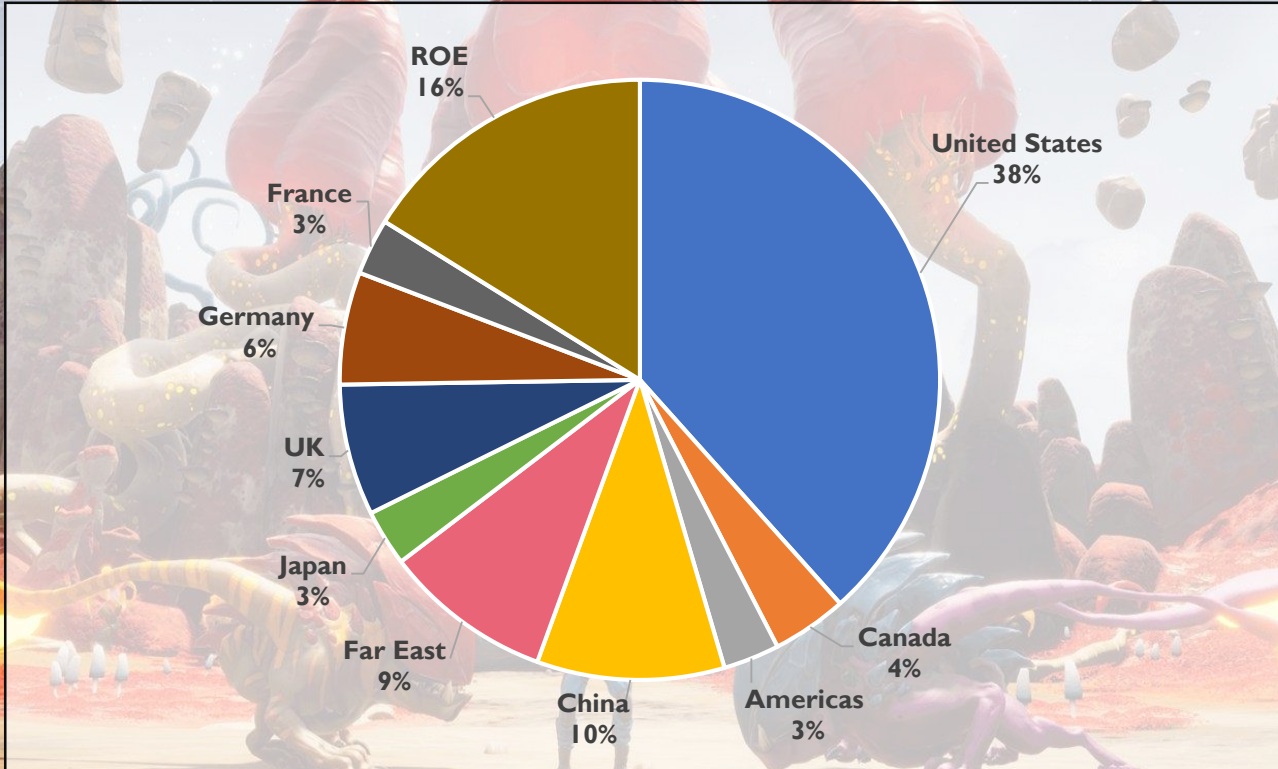
FISCAL YEAR ENDED JUNE 30th, 2021

SOURCE: DIGITAL BROS

- PREMIUM GAMES ACCOUNTED FOR 89% OF TOTAL REVENUE DRIVEN BY SALES OF DEATH STRANDING, GHOSTRUNNER, THE STEAM AND NEXT-GEN VERSIONS OF CONTROL AND THE LONG-LASTING PERFORMANCE OF ASSETTO CORSA
- STRONG PIPELINE EXPECTED IN THE SECOND HALF OF THE YEAR WITH THE LAUNCH OF THE TWO MOST ANTICIPATED PREMIUM TITLES

PREMIUM GAMES

FY21 ACTUAL - DIGITAL REVENUE BY COUNTRY



FREE TO PLAY

FY21 ACTUAL

Euro million	30.06.21	30.06.20	Change	Change %
Gross revenue	10.7	7.5	3.2	42.8%
Net revenue	10.7	7.5	3.2	42.8%
Gross operating margin (EBITDA)	5.7	2.1	3.6	n.m.
Operating margin (EBIT)	4.8	0.7	4.1	n.m.

FISCAL YEAR ENDED JUNE 30th, 2021

SOURCE: DIGITAL BROS

- F2P REVENUES GREW BY 42.8% THANKS TO THE STRONG PERFORMANCE OF GEMS OF WAR
- STRONG PIPELINE EXPECTED IN THE UPCOMING QUARTERS WITH THE WORLDWIDE MULTIPLATFORM LAUNCH OF PUZZLE QUEST 3 IN Q3 FY22 AND HAWKEN IN Q4 FY22

OUTLOOK

The significant investment plan implemented by the Group in the last few fiscal years will continue in the next few years: the Group has over €76 million outstanding investments on 22 intellectual properties already confirmed, excluding the incremental investments in internal productions as a result of the acquisition of the Australian developer Infinity Plus Two and the establishment of the development studios Chrysalide Jeux et Divertissement and Supernova Games Studios.

In FY22 the Group expects to reach the revenues levels realized this year even if most of the investments will hit the market starting FY23 onwards. Operating margins are expected to stand at the outstanding results achieved last fiscal year and in line with the revenues trend. As at June 30th, 2021, the EBIT amounted to 20.5% of net revenues.

As a result of the significant investments expected in the period, the net financial position (positive for over €38 million at the end of the year) is expected to decrease during the first three quarters. It is expected to increase in the last quarter following the launch of the two most anticipated Premium Games products. The worldwide multiplatform launch of the Free to Play videogames Puzzle Quest 3 and Portal Knights is also scheduled for the second half of the year.



DEATH
STRANDING

APPENDIX

September 2021

- Starbreeze AB (SB) is a Swedish videogame developer and publisher **owner of the famous PAYDAY IP** that successfully exited a reconstruction period on December 6th, 2019.
- In February 2020 Digital Bros acquired all Starbreeze assets held by Smilegate Holdings for €19.2 m. The **overall assets nominal value is €35.3m** including: a convertible bond of SEK 215m (at today exchange rate € 21.21m), credit of approx. €14.8m, as well as shares.
- Digital Bros today holds **11.96%** of Starbreeze AB's **share capital** and **28.88%** of the **voting rights**, an **earn out of USD 40m on PAYDAY3** (to be published by Koch Media), PAYDAY2 console publishing rights and USD 4.8m credit on the advance payments.



Continuously growing our IP portfolio

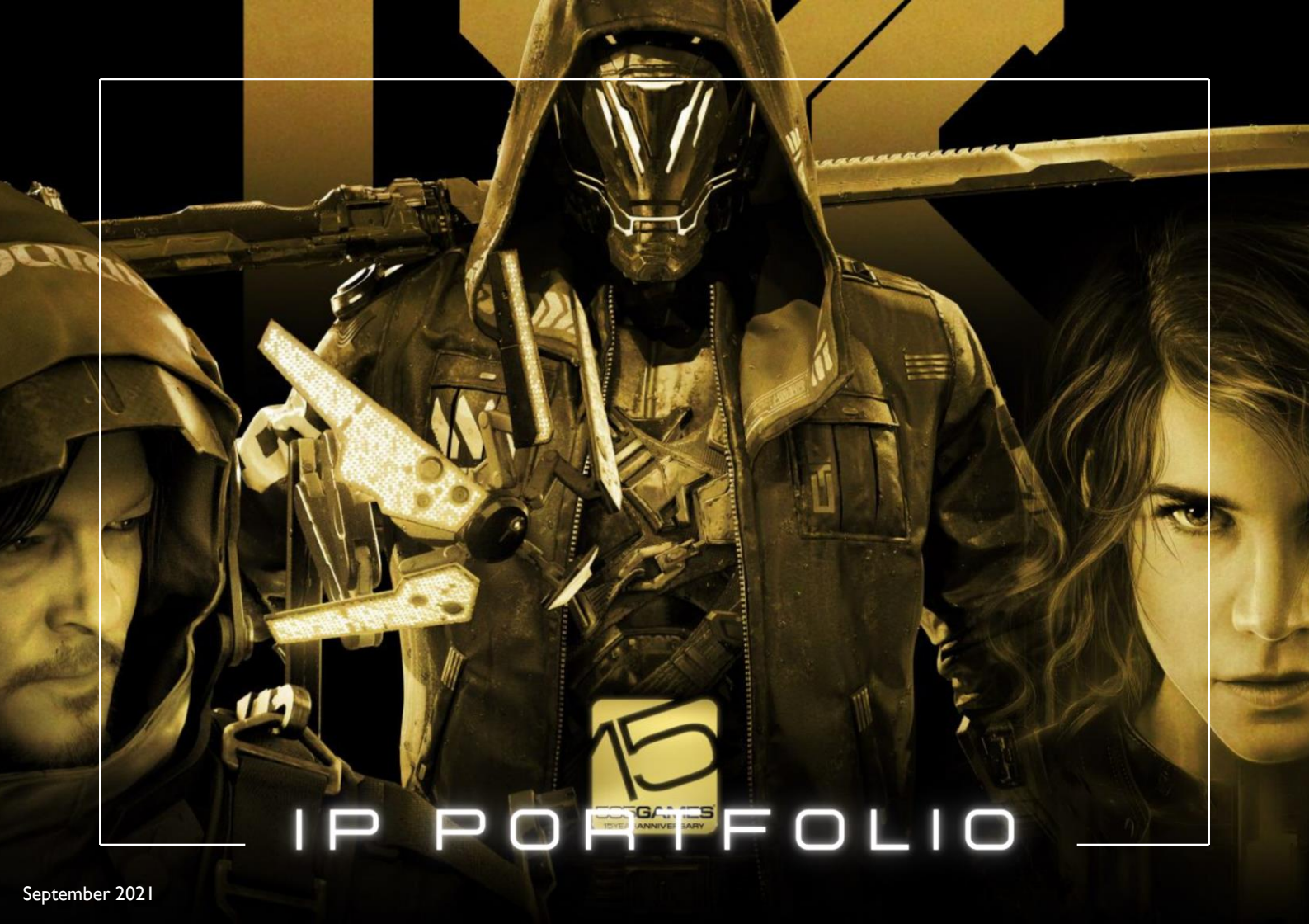
- **Infinite Interactive and Infinity Plus 2 (IP2)** are videogame development studios located in Melbourne, Australia and founded by industry veteran Steven Fawkner in 1989.
- Specialized in the creation of **original intellectual properties, puzzle and strategy games in the fantasy genre**, the team has produced over 30 titles, including the hit **Puzzle Quest** series and **Gems of War**.
- On January 7th, 2021, Digital Bros Group acquired 100% of the studios for a total amount of USD 4.5 million on a debt and cash free basis. In addition to the fixed consideration, an earn out scheme of USD 10 million has also been agreed.



Shaping the next generation of Game Developers

- Founded in 2014, **Digital Bros Game Academy (DBGA)** is a Milan-based academy dedicated to all young talents wishing to pursue a career in the gaming industry.
- With courses in **Game Design, Game programming, Concept Art** or **Game Art 3D**, the Academy fosters an innovative, hands-on approach to learning coupled with academic rigor, industry experience and extensive project work.
- DBGA boast a 74% placement rate in the industry: our students are either employed by Digital Bros Group, find jobs in Italian/international software houses or start their own studio.





IP PORTFOLIO

September 2021



- **ASSETTO CORSA IS THE #1 RACING SIMULATOR WITH 14 MILLION COPIES SOLD**
- **NEW EPISODE ASSETTO CORSA COMPETIZIONE: OFFICIAL GAME OF THE BLANCPAIN GT SERIES**
- **FULLY LICENSED GT CARS FROM TOP MANUFACTURERS: FERRARI, LAMBORGHINI, MCLAREN**
- **UNIQUE SELLING POINTS OF THE GAME:**
 - Extraordinary level of simulation quality
 - Outstanding level of detail with circuit laser scan technology
 - Produced on Unreal Engine 4
- **SECOND VERSION IN DEVELOPMENT – EXPECTED RELEASE IN 2024**
- **MOBILE VERSION RELEASE IN Q1 FY22**



CONTROL

- CINEMATIC THIRD PERSON ACTION GAME BUILT ON REMEDY'S PROPRIETARY NORTHLIGHT® TECHNOLOGY
- DEVELOPED BY **REMEDY ENTERTAINMENT**, DEVELOPER OF AAA VIDEO GAMES
- WORLDWIDE PUBLISHING RIGHTS ON PC AND ALL CONSOLE FORMATS
- HIGH METACRITIC SCORE (AVG. 84)
- **MORE THAN 2 MILLION COPIES SOLD**
- **€25 MIL BUDGET SPIN OFF EPISODE "CONDOR" UNDER DEVELOPMENT**

September 2021



Bloodstained

- RITUAL OF THE NIGHT -

- **CREATION OF KOJI IGARASHI**, THE FORMER SERIES PRODUCER OF THE CASTELVANIA SERIES
- WORLDWIDE PUBLISHING RIGHTS ON PC AND ALL CONSOLE FORMATS
- HIGH METACRITIC SCORE (AVG. 81)
- **MORE THAN 1 MILLION COPIES SOLD**

September 2021



GHOST RUNNER

- FIRST PERSON CYBERPUNK ACTION VIDEOGAME SET IN A GRIM, DYSTOPIAN FUTURISTIC WORLD
- DLCs LAUNCH PROGRAM
(First DLC released in December 2020)
- **MORE THAN HALF A MILLION COPIES SOLD TO DATE**
- HIGH METACRITIC SCORE (AVG. 77)
- **SECOND VERSION IN DEVELOPMENT**
- **NEXT-GEN RELEASE IN Q1 FY22**

September 2021



DEATH STRANDING

- GROUNDBREAKING EXPERIENCE FROM LEGENDARY GAME CREATOR HIDEO KOJIMA
- CONSOLE VERSION PUBLISHED BY SONY INTERACTIVE ENTERTAINMENT IN NOVEMBER 2019
- WORLDWIDE PUBLISHING RIGHTS ON PC FOR DIGITAL BROS
- EXPECTED LIFETIME REVENUES IN EXCESS OF € 50 MILLION
- HIGH METACRITIC SCORE (86)
- **“PC GAME OF THE YEAR” AT THE GOLDEN JOYSTICK AWARDS 2020**
- **“MOST INNOVATIVE GAME PLAY ON PC” AT THE STEAM AWARDS 2020**

September 2021



Eiyuden Chronicle

HUNDRED HEROES

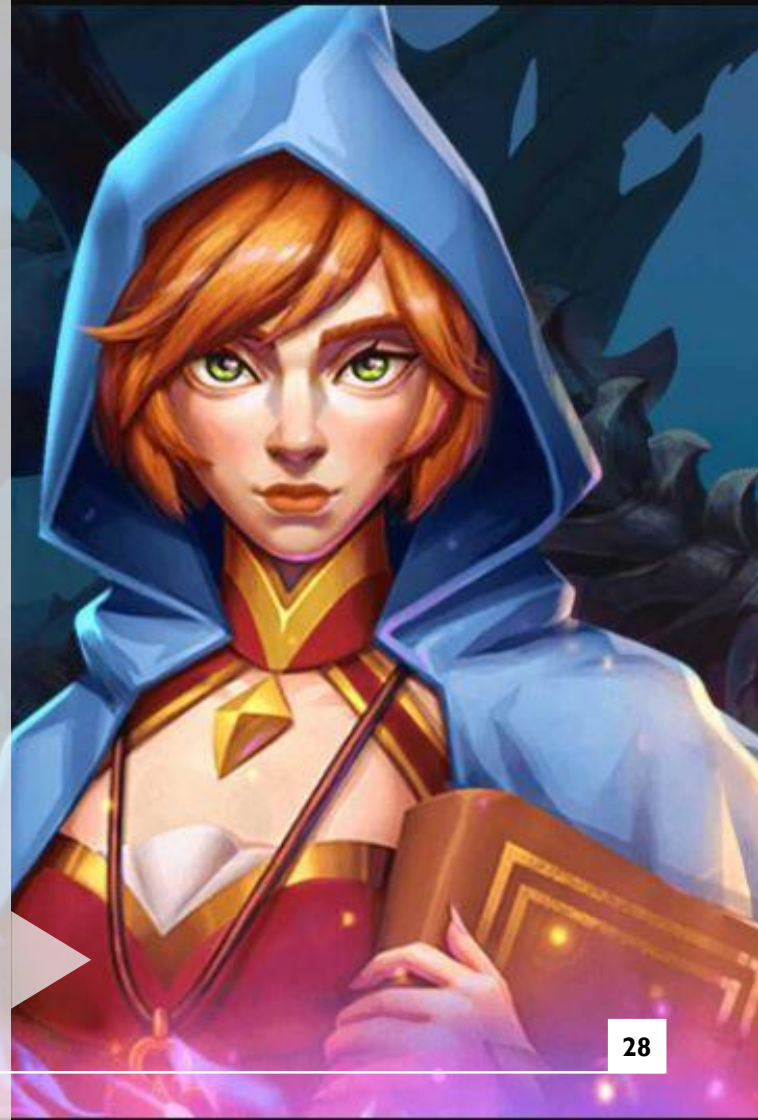
- RPG CREATION OF YOSHITAKA MURAYAMA AND JUNKO KAWANO, THE FORMER CREATORS OF SUIKODEN AND CASTLEVANIA
- WORDSWIDE PUBLISHING RIGHTS ON PC AND ALL CONSOLE FORMATS AND CO-OWNERSHIP OF THE IP
- PARTIALLY FUNDED BY THE **LARGEST VIDEOGAME KICKSTARTER OF 2020**, RAISING A TOTAL OF JPY 482 MILLION (**USD 4.6 MILLION**)
- **EXPECTED LIFETIME REVENUES OF MINIMUM € 30 MILLION**
- **SPIN OFF EPISODE “EIYUDEN CHRONICLE – RISING”** EXPECTED RELEASE IN 2022
- “HUNDRED HEROES” EXPECTED RELEASE IN FY23



PUZZLE QUEST 3

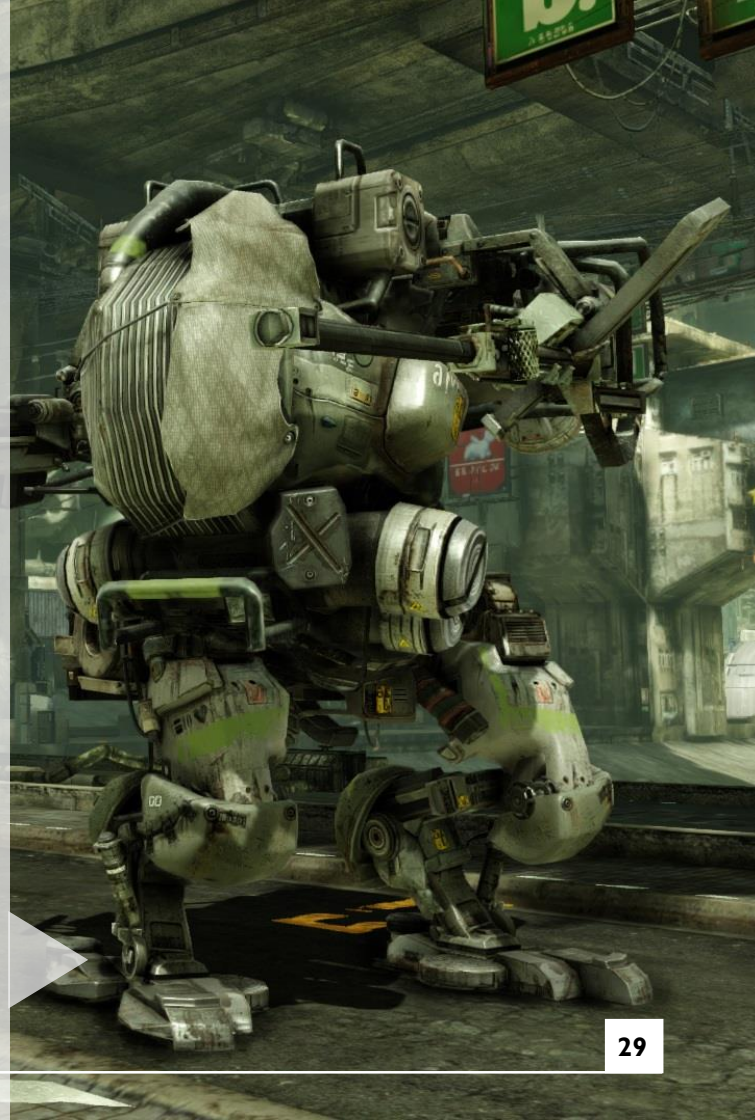
- DEVELOPED BY THE NEWLY ACQUIRED STUDIO INFINITY PLUS 2
- **F2P** PUZZLE HYBRID THAT FEATURES HERO CLASSES WITH DEEP RPG MECHANICS AND 1vs1 BATTLES IN A FULLY 3D GAME WORLD
- A NEW INSTALLMENT TO ORIGINAL SERIES FIRST RELEASED IN 2007, AND WITH SPIN-OFFS IN PARTENERSHIP WITH MARVEL AND CARTOON NETWORK
- THE FRANCHISE HAS GENERATED **LIFETIME REVENUES FOR OVER USD 200 MILLION** AND CREATED A **COMMUNITY OF 32 MILLION GAMERS WORLDWIDE**
- THE GAME WILL BE AVAILABLE ON MOBILE AND PC
- **WORLDWIDE MULTIPLATFORM RELEASE IN Q3 FY22**

September 2021



HAWKEN

- MECH GENRE: COLLECT, BUILD AND CUSTOMIZE YOUR MECH
- STRONG F2P SYSTEM WITH PVE ELEMENTS
- **WORLDWIDE MULTIPLATFORM RELEASE IN Q4 FY22**
- THE ACTUAL PRODUCTION IS NOT EVEN A SEQUEL:
 - New game design
 - Objective-based PVE to maximize revenues without being “pay-to-win” & to create sustainable long-term product growth
 - Enhanced mech customization system for deeper monetization streams
 - Mech differentiation to enhance KPIs





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digital entertainment

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