

DIGITAL BROS INVESTS IN CHINA

The Group is opening a subsidiary in Shenzhen, People's Republic of China.

Chinese market entry is part of a global strategy focused on breaking into the main emerging markets.

Milan - July 17, 2015. Digital Bros, a leading player in the global digital entertainment market and listed on the Star segment of the Italian Stock Exchange, announced its entry in the Chinese market, with the forthcoming opening of a subsidiary company in Shenzhen, China covering the Greater China Area.

The choice to look at Asian markets stems from **the Group's strategic need to expand globally** and is part of a broader internationalization strategy to tap the opportunities of the main emerging markets, offering products in line with local consumer needs and expectations through the brands 505 Games and 505 Mobile. The new hub will focus on **Licensing-in** and **Licensing-out digital entertainment-associated intellectual property**.

The decision to invest in the Greater China Area is a result of market evolution. The video game industry in China generated revenues for 18 billion USD in 2014, accounting for 21.6% of the global market according to Newzoo. For Analysys International, China is the largest mobile game market in terms of users with 514 million mobile gamers and a forecasted growth of 20% between years 2015 and 2017. By 2016, according to a recent report issued by Global Mobile Game Confederation, China will become the world's largest market in terms of revenues with 7.7% billion dollars and a compound annual growth rate of 32% in the 2015-2017 period. The rapid expansion of the Chinese market for videogames is also driven by the opening of the market for production and sales of videogame consoles, occurred on January 6th 2014, which has opened great opportunities in this specific segment.

Raphael Galante, Chief Executive Officer of Digital Bros, stated: *Market entry in Asia represents for us a big opportunity that will enable us to drive and sustain our global growth, both in terms of international reach as well as in terms of digitalization and penetration of the mobile gaming market. The localization of Digital Bros in China will actually represent a significant opportunity to export to a booming market products which are developed and published in Italy, Europe and the US and at the same time take advantage of Chinese expertise in mobile gaming to distribute high-potential games through our worldwide network, taking into due account all necessary cultural and language adaptations.*

Shenzhen municipality, where Digital Bros China will be located, is known as the "Chinese Silicon Valley" for the high density of foreign and local multinational corporations in the High Tech industry and in ICT and for the number of innovative start-ups rising in the city.

The patents generated in Shenzhen in 2014 have been 11,646, ranking Shenzhen in first place for 11 consecutive years with a growth rate of 15.6% over 2013.

Moreover, Shenzhen is a key regional hub to reach other countries and regions in Greater China and beyond, including Hong Kong, Macau and Taiwan, 1st, 2nd tier and emerging Chinese cities.

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THE DIGITAL BROS GROUP

Listed on the STAR segment of the Italian Stock Exchange, the Digital Bros Group is a global company active since 1989 in game entertainment, developing, publishing and distributing worldwide entertainment content – videogames – through the different available channels: mobile and social, digital-web, retail.

The Digital Bros Group is today active worldwide, through its offices in Italy, the United States, Great Britain, France, Spain, and Germany, with roughly 250 employees.

The Headquarters of the Group is in Milan, from where all activities are coordinated. The structure works on the 3 main markets of development, publishing and distribution, through the brands 505 Games, 505 Mobile and Halifax.

For more information: <http://www.digitalbros.com>