

PRESS RELEASE

**NORTHERN PACIFIC GROUP HAS EXERCISED THE BUY OPTION ON THE REMAINING 87,5% OF PIPEWORKS INC.**

*Following the sale agreement signed on December 21<sup>st</sup> 2017 Northern Pacific Group anticipated the exercise of the buy option as of today by paying 5 Mln US Dollars.*

*The overall contribution is confirmed at 20 Mln US Dollars and the expected net capital gain for Digital Bros is confirmed at 12 Mln Euro.*

**Milan, February 23<sup>rd</sup>, 2018** – The Digital Bros Group, a digital entertainment company listed on the Star segment of the Milan Stock Exchange, has announced today that Northern Pacific Group, a US private equity firm, has anticipated as of today the exercise of the buy option on the remaining 87,5% of the US subsidiary Pipeworks Inc. by paying 5 Mln US Dollars.

On December 21<sup>st</sup> 2017 the buyer purchased a 12,5% stake for an initial cash contribution of 2.5 Million US Dollars. The exercise of the buy option today completed the transaction. The overall contribution for the sale of 100% of Pipeworks Inc was agreed in total 20 Mln US Dollars and the balance of 12.5 Mln US Dollars remaining after the two payments already received will be paid in three future installments, as follows:

2.5 million at June 30<sup>th</sup> 2018  
5 million before March 31<sup>st</sup> 2021  
5 million before March 31<sup>st</sup> 2022

The sale of Pipeworks Inc. will generate for Digital Bros a net capital gain of approximately 12 EUR Million at net profit level for the fiscal year ending at 30<sup>th</sup> June 2018.

Pipeworks Inc. is a third-party games developer, and was acquired in 2014 to enable a more efficient process of porting videogames on to different gaming platforms. Over the past three years, the company's activity has been focused on creating videogame software applications on behalf of industrial and/or commercial companies. On the 30 of June, 2017 Pipeworks Inc. realized gross revenues of 12.8 USD million and a net profit of 1.6 USD million.

The net proceed will be used to buy intellectual properties either through game development contracts and the acquisition of videogames developers at the moment not yet identified.

*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 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 videogames 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, the United States, the UK, France, Spain, Germany and China, with approximately 250 employees.

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