



DIGITAL BROS INCREASES ITS SHAREHOLDING IN STARBREEZE AB

Digital Bros buys n. 18,969,395 Starbreeze shares A held by Varvtre AB for a total consideration of SEK 25.8 million at a unit price of SEK 1.36 per share plus a potential earnout

The shares correspond to the 5.76% of Starbreeze share capital and 23.52% of the voting rights

Milan – 15 January 2020 – Digital Bros Group (DIB:MI), which is listed on the STAR-segment of Borsa Italiana and operates in the videogame market, today announced the acquisition of n. 18,969,395 Starbreeze AB shares A (*listed on the Nasdaq Stockholm under the ticker STAR A*) held by Varvtre AB for a total consideration of SEK 25.8 million (SEK 1.36 per share) plus a potential earnout.

Starbreeze AB is a Swedish Company listed on Nasdaq Stockholm and publisher of the famous videogame PAYDAY. The Company successfully completed a reconstruction process on December 6th, 2019 with a composition proposal to creditors approved by the Stockholm District Court.

Varvtre AB is a Swedish Company owned by Bo Andersson Klint, former CEO of Starbreeze AB.

The shares bought today correspond to 5.76% of Starbreeze AB share capital and 23.52% of the voting rights. Following the acquisition, Digital Bros owns 7.00% of Starbreeze AB share capital and 28.60% of the total voting rights, becoming the largest Starbreeze AB shareholder in terms of voting rights. The Group will consider the effects of the acquisition on its consolidation area and its impact on profitability margins in the near future.

The price paid per share could increase if Digital Bros were to realize a capital gain on a potential sale of such shares in the next 60 months. No earn out will be paid after the 60 months period.

“We partnered with Starbreeze AB for several years in many projects. We strongly believe in the potential of PAYDAY” commented Raffaele (Raffi) Galante, CEO of Digital Bros. “The share acquisition makes sense from an industry perspective in order to increase the PAYDAY 2 support especially from the console version where we are the publisher. Our intention is to continue our support as a partner, and not to exceed the 30% mandatory bidding threshold. Due to our recent agreement with Smilegate Holdings we will continuously monitor and manage our holdings accordingly.

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 game entertainment content – video games - in a global market through various channels: retail and digital – web, social, mobile. Digital Bros Group is active around the world through its own direct operations in Italy, the United States, the UK, France, Spain, Germany China and Hong Kong, with approximately 200 employees. The Group's head office is located in Milan, from where all activities are coordinated. Digital Bros operates in three markets, namely, development, publishing and distribution, under its own brands 505 Games and Halifax.

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