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THIS IS AN ANNOUNCEMENT FALLING UNDER RULE 2.4 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CODE") AND DOES NOT CONSTITUTE A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CODE. THERE CAN BE NO CERTAINTY THAT ANY FIRM OFFER WILL BE MADE.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.

For immediate release

18 May 2024

Keywords Studios plc
Response to Press Speculation

The Board of Keywords Studios plc ("Keywords Studios" or the "Company") notes the recent market speculation and confirms that it is in advanced discussions with a fund which is part of the EQT Group ("EQT"), a purpose-driven global investment organisation, regarding a possible cash offer of 2,550 pence per share to acquire the entire issued and to be issued share capital of the Company (the "Possible Offer"). Keywords Studios shareholders on the register on 24 May 2024 will also be entitled to receive the 2023 final dividend of 1.76 pence, as recommended on 13 March 2024, and payable on 28 June 2024 ("2023 Final Dividend").

The Possible Offer follows four previous unsolicited proposals from EQT in recent months, which the Board rejected, and represents a significant increase from the initial proposal. The Board remains confident in the Company's growth strategy of building the only truly global platform providing solutions to the video games and entertainment industries, both organically and through acquisitions, and EQT is supportive of this strategy.

The Board of Keywords Studios has carefully evaluated the Possible Offer with its financial advisers and concluded the Possible Offer is at a value that the Board would be minded to recommend to Keywords Studios shareholders, should a firm intention to make an offer pursuant to Rule 2.7 of the Code be announced on such financial terms, subject to the agreement of all other terms and conditions of an offer.

The Possible Offer is subject to satisfaction or waiver (by EQT) of customary pre-conditions, including completion of confirmatory due diligence by EQT. The Board will issue a further statement as and when appropriate. In the meantime, Keywords Studios shareholders are strongly advised to take no action.

Rule 2.6(a) of the Code requires that EQT, by no later than 5.00 p.m. on 15 June 2024, being the 28th day following the date of this announcement, either announces a firm intention to make an offer for Keywords Studios in accordance with Rule 2.7 of the Code or announces that it does not intend to make an offer, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. This deadline will only be extended with the consent of the Panel on Takeovers and Mergers, in accordance with Rule 2.6(c) of the Code.

In accordance with Rule 2.5(a) of the Code, EQT reserves the right to make an offer for Keywords Studios at a lower value or on less favourable terms than the Possible Offer: (i) with the agreement or recommendation of the Board of Keywords Studios; (ii) if a third party announces a firm intention to make an offer for Keywords Studios which, at that date, is of a value less than the value of the Possible Offer; or (iii) following the announcement by Keywords Studios of a Rule 9 waiver transaction pursuant to Appendix 1 of the Code or a reverse takeover (as defined in the Code). If Keywords Studios declares, makes or pays any further dividend or distribution or other return of value or payment to its shareholders, other than the 2023 Final Dividend, EQT reserves the right to make an equivalent reduction to the Possible Offer. In connection with the possibility of EQT making a cash offer for Keywords Studios (if it were so inclined), EQT reserves the right to vary the form and / or mix of the consideration it would offer.

This announcement is being made with the consent of EQT.

The person responsible for arranging the release of this announcement on behalf of Keywords Studios is Andrew Kennedy, General Counsel.

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Important Takeover Code notes

In accordance with Rule 2.4(c)(iii) of the Code, EQT also confirms that it is not aware of any dealings in Keywords Studios shares that would require it to offer a minimum level, or a particular form, of consideration under Rule 6 or Rule 11 of the Code. However, it has not been practicable for EQT to make enquiries of all persons acting in concert with it prior to the date of this announcement in order to confirm whether any details are required to be disclosed under Rule 2.4(c)(iii) of the Code. To the extent that any such details are identified following such enquiries, EQT shall make an announcement disclosing such details as soon as practicable, and in any event by no later than the time it is required to make its Opening Position Disclosure under Rule 8.1 of the Code.

Further information

Numis Securities Limited ("Deutsche Numis"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Keywords Studios and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than Keywords Studios for providing the protections afforded to clients of Deutsche Numis, nor for providing advice in relation to any matter referred to herein. Neither Deutsche Numis nor any of its affiliates (nor any of their respective directors, officers, employees or agents), owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Deutsche Numis in connection with this announcement, any statement contained herein or otherwise.

Robey Warshaw LLP ("Robey Warshaw"), which is authorised and regulated in the United Kingdom by the FCA, is acting as financial adviser exclusively for Keywords Studios and no one else in connection with the matters referred to in this announcement and will not regard any other person as its client in relation to the matters referred to in this announcement and will not be responsible to anyone other than Keywords Studios for providing the protections afforded to clients of Robey Warshaw, nor for providing advice in relation to the matters referred to in this announcement.

This announcement is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote in any jurisdiction.

The release, publication or distribution of this announcement in jurisdictions outside the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about, and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities law of any such jurisdiction.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Publication on Website

In accordance with Rule 26.1 of the Code, a copy of this announcement will be available at <https://www.keywordsstudios.com/en/investors/investors-home/potential-offer> promptly and in any event by no later than 12 noon on the business day following this announcement. The content of this website is not incorporated into and does not form part of this announcement.

Rule 2.9 disclosure

In accordance with Rule 2.9 of the Code, as at the close of business on 17 May 2024 (being the business day prior to the date of this announcement), Keywords Studios confirms that it had in issue 79,555,831 ordinary shares of 1 pence each admitted to trading on AIM under the ISIN code GB00BBQ38507. The Company would note there are 327,805 ordinary shares in the Company's Employee Benefit Trust ("EBT"), and the EBT has waived its right to exercise its voting rights and to receive dividends in respect of these ordinary shares.