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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.

For immediate release

28 June 2024

Keywords Studios plc ("Keywords Studios", "Group", "Company")

Updated Possible Offer, and current trading and outlook

Updated Possible Offer and PUSU extension

On 27 June 2024, following completion of diligence including the review of current trading and outlook as set out below, the Board of Keywords Studios (the "**Board**") received an updated possible cash offer from a fund which is part of the EQT Group ("**EQT**") of 2,450 pence per share to acquire the entire issued and to be issued share capital of the Company (the "**Updated Possible Offer**").

The Updated Possible Offer follows a revised possible cash offer of 2,430 pence per share from EQT on 26 June 2024.

The Board has carefully evaluated the Updated Possible Offer with its financial advisers and concluded that the Updated 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.

In an announcement on 14 June 2024, the Board stated that in accordance with Rule 2.6(c) of the Code, EQT was required, by no later than 5.00 pm on 28 June 2024 ("**PUSU Deadline**"), either to announce a firm intention to make an offer for Keywords Studios in accordance with Rule 2.7 of the Code or to announce that it does not intend to make an offer for Keywords Studios, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies.

To finalise transaction documentation, the Company has requested, and the Panel on Takeovers and Mergers (the "**Takeover Panel**") has consented to, a short extension of the PUSU Deadline. Consequently, in accordance with Rule 2.6(c) of the Code, EQT is now required, by no later than 5.00 pm on 3 July 2024, either to announce a firm intention to make an offer for Keywords Studios in accordance with Rule 2.7 of the Code or to announce that it does not intend to make an offer for Keywords Studios, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies.

Current trading and outlook

As set out in the Group's full year results, the Board is confident in delivering strong overall revenue and profit growth in 2024, with performance expected to be second half weighted as the sector emerges from the slower content creation trends that are currently dampening industry spend and therefore Group growth.

We have had a small number of larger game development projects being deferred into H2 or cancelled, creating capacity gaps in Create which were unable to be filled at short notice. This, together with ongoing softer demand in Globalize and the relatively slow ramp-up in content production in Hollywood, has meant that first half organic growth is now expected to be slightly negative during H1. Reported revenue is still expected to grow by around 7% in the first half.

The Group is, however, increasingly seeing positive signs across the industry with spend from larger clients continuing to grow strongly, and anticipates a stronger recovery from the US strikes, which reinforces its confidence in the second half performance. As a result, H2 organic growth is expected to be around 10%, in-line with our medium-term guidance. The Board continues to be confident in the Group's ability to outperform the market and deliver on its medium-term guidance.

The Group continues to closely manage costs, taking a broad range of cost actions, including the restructuring of the go-to-market approach in Globalize set out at the full year results, and expects full year margins to be around 15%. Due to the timing of the cost saving programmes and the reduction of volumes, H1 adjusted operating margins are expected to be lower, with H2 margins strong, as the impact of the cost savings programmes and pick-up in volumes flow through.

The Group continues to actively pursue M&A opportunities and has a strong pipeline. It has signed a number of letters of intent with high-quality businesses, and recently completed the acquisition of a small game development studio in Australia as we continue to build out our offering there. The Group is confident in its ability to deploy in excess of €100m on value accretive M&A this year.

Presentational currency

As also announced today, the Group has decided to change its presentational currency from euro to US Dollar with effect from 1 January 2024 to better reflect the currencies in which we operate. The Board believes that the change in presentational currency will provide investors and other stakeholders with greater transparency of the Group's performance and reduced foreign exchange volatility.

Final dividend

The Board confirms the payment on 28 June 2024 of the 2023 final dividend of 1.76 pence, as recommended on 13 March 2024.

Takeover Code Information

In accordance with Rule 2.6(c) of the Code, the revised deadline may be extended further at the request of the Board of Keywords Studios and with the consent of the Takeover Panel.

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 Updated 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 Updated 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 dividend or distribution or other return of value or payment to its shareholders, EQT reserves the right to make an equivalent reduction to the Updated 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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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.