“Keywords Studios is becoming the ‘go to’ provider for external development services”
Housekeeping items

Welcome to the Nordelec
Opening remarks

9:30 - 12:30  Morning Session
  Opening remarks
  Tour of Keywords Montreal
  Montreal: A journey of growth
  Integration in action: mini case studies

12:30  Lunch on site

13:40 - 16:00  Afternoon Session
  Integration in action: in-depth case studies
  Panel: Keywordians on integration
  Closing remarks plus final Q&A

16:00  Food and drinks on site
Drivers of increasing content demand

- Growing video games market
- Higher definition and complexity
- Games as a service requires continuous content
- Proliferation of platforms (new consoles / VR / AR / streaming and subscription models)

Structural growth drivers

- Trend towards outsourcing
- Availability of a highly professional provider of scale

Potential drivers from adjacent markets

- Film and TV
- E-learning
- Enterprise
The Journey so far and plenty of road ahead

Strategy: Keywords Studios is becoming the ‘go to’ provider for external development services

Opportunity 2009

- Imbalanced landscape and industry
- Many small but good providers
- No provider of scale

Proving the model 2009 - IPO

- Started to expand internationally
- Established key client relationships
- Decreased client concentration

Building the platform 2013 - 2018

- Broadened service lines
- Expanded geographically
- Diversified our client base
- Strengthened management team

Scaling for growth 2019 - onwards

- Scaling the platform
- Continued investment
- Leveraging our position as the ‘go to’ provider for external game development services

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<tr>
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<tbody>
<tr>
<td>People</td>
<td>2</td>
<td>50</td>
<td>7500</td>
<td></td>
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<tr>
<td>Top 5 Clients</td>
<td>&gt;80%</td>
<td>25%</td>
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<tr>
<td>Countries</td>
<td>1</td>
<td>21</td>
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| Revenue       | €4m             | €317m*                      * 2019 revenue estimate based off analyst complied forecasts. Provision of these forecasts does not imply Keywords’ endorsement or concurrence with the analyst information

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Better balanced business; higher up the value chain

* 2019 revenue estimate based off analyst complied forecasts. Provision of these forecasts does not imply Keywords’ endorsement or concurrence with the analyst information.
An average of c. 7,500 people on the payroll at peak times working in over 50 languages, more than 50 studios, in 21 countries, on 4 continents.

International scale & flexibility across markets is key
Market leading position

We work with 23 of the top 25 games companies by revenue and 10 of the top 10 mobile games publishers by revenue.*

* Newzoo, Top 25 Games Companies by Revenue, Dec 2018 and Sensor Tower, Top Apps Games publishers, July 2019
The structural market opportunity

<table>
<thead>
<tr>
<th>Suppliers</th>
<th>Market Size</th>
<th>Percentage Outsourced</th>
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</thead>
<tbody>
<tr>
<td>50+ specialist</td>
<td>$3.0bn</td>
<td>20%</td>
</tr>
<tr>
<td>10+</td>
<td>$1.2bn</td>
<td>40%</td>
</tr>
<tr>
<td>Non specialist call centre operators</td>
<td>$800m</td>
<td>50%</td>
</tr>
<tr>
<td>100+</td>
<td>$1.0bn</td>
<td>50%</td>
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<tr>
<td>10+</td>
<td>$150m</td>
<td>70%</td>
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<tr>
<td>50+ including large MLVs</td>
<td>$200m</td>
<td>85%</td>
</tr>
<tr>
<td>50+</td>
<td>$150m</td>
<td>90%</td>
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*Based on management’s estimates
Addressing our clients’ needs with specialism and scale

Developer based model
Complex and costly tasks detracts from the core mission

Publisher based model
Central services function manages suppliers on a one to one basis regardless of scale or capabilities

Increasing specialism

Increasing scale benefits

Publisher based model
External development services on a global platform

Keywords
Art Services
Game Development
Audio Services
Functional Testing
Localization
Localization Testing
Player Support

Publisher A
Publisher B
Developer X
Developer Y
Developer Z

Developer A
Developer B
Developer C

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Themes for today

• Benefits of scale – tour of facility, Keywords Montreal growth story, Functional Testing case study

• Integration in action – case studies and tour

• Leveraging location for access to talent and growth – case studies

• Cross selling and cross delivery – case studies

“Keywords Studios is becoming the ‘go to’ provider for external development services”
Tour of Keywords Montreal

Please refer to your agenda badge

**Red Group** starts at 9:50
Tour leader: Nicolas Liorzou / Jon Hauck

**Blue Group** starts at 10:05
Tour leader: Michael Cartier / Andrew Day
Montreal: A journey of growth

Key message
Revenue, platform, growth

9:30 - 12:30 Morning Session
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16:00 Food and drinks on site
A journey of growth and consolidation

A history of growth in the Americas

Organic growth
Indicative revenue

Million Euros


Art Services
Game Development
Audio Services
Functional Testing
Localization
Localization Testing
Player Support

Acquired revenue for each acquisition in the Americas

Liquid Development
Alchemic Dream
Reverb

Enzyme
Volta

LOLA
VMC
GameSim
Xloc

Snowed In
Blindlight
Maximal

Descriptive Video Works
Sunny Side Up
Montreal in the Americas

Montreal’s regional centre of excellence:

- Central regional management for the Americas
- Regional finance services centre for the Americas
- Regional IT management for the Americas
- Regional HR management for Canada
- Sales support centre - global shared function
Montreal’s Journey of Growth

Montreal's Keywords Hub - Full time equivalent staff
2012 - 2019

Keywords Hub - Full time equivalent staff 2012 - 2019

Dec. 2010: Incorporation of Keywords International Corporation Inc. in Canada

Acquisition of Babel

Acquisition of Alchemic Dream, first Player Support services in Keywords

Opening of Player Research Canada

Acquisition of Volta

Acquisition of Enzyme

Creation of operational hub for the Americas

Acquisition of VMC

Acquisition of Snowed In

Acquisition of Sunny Side Up

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Integration in action

Mini case studies

Key message
Integration and synergies
Why Keywords is the ideal platform for Volta to optimize its potential
What is VOLTA?

VOLTA is a visual development studio dedicated to creating high-end 2D and 3D visuals, as well as cinematics for the video game, toy and film industries.

 Founded: 2006  
 Workforce: 150+ (in-house and external)  
 Location: Quebec City (Canada)

Philosophy:

Decentralized leadership but centralized support helping a strong focus on long term and vision. We can become the best of our niche without losing the “je-ne-sais-quoi” of the business.
Growing the bottom line with synergies

**Reduction of downtime**

Shared resources & projects during short downtimes

**Downtime reduction since acquisition**

69%

**Reduced churn**

Stability, improved work conditions, better projects

<table>
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<th>Before Keywords</th>
<th>After Keywords</th>
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<td>34%</td>
<td>4%</td>
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Growing the top line with synergies

- How VOLTA fits into Keywords’ Art Services
- Ability to sell in other services

Client point of entry

Pre-production

Concept art

Pre-production assets (benchmarks)

2D production assets

3D production assets

Production animation & integration

Marketing

Client point of entry

SSU

VOLTA creates concept art for AAA title in early stage development

VOLTA then transitions to the creation of benchmark assets, with the help of Liquid Development

Lakshya and China are tapped for production ramp-up

VOLTA collaborates with Liquid to execute the animation and asset production for cinematics

Agencies ask VOLTA for support on marketing art production

CLIENT

Agencies get support of VOLTA for key art and SPOV for creative direction

Client contacts agencies to create a pitch to get funding/greenlight

FWS

VOLTA and Liquid gave art direction support during production to ensure consistency
Growing the top line with synergies

Doubling revenues by 2019
Video games are an art form in themselves.

Developers want to avoid the burden of coordinating multiple vendors.

Through the synergies we create, we provide a range of specialist expertise at the highest level, with a single point of contact.
Boutique marketing agency working exclusively in video games

Founded: 2011
Location: Quebec City (Canada)

More than 50 games, 16 game developers and 2 billion views on Youtube alone.

Repeat work for Ubisoft, EA, Google, Activision and more.
Growth is a two way street

Sunny Side Up is uniquely positioned early in the development process

Marketing services: A focal point for cross service collaboration

- Audio
- Animation / Motion capture
- Modeling / Shading
- VFX
- 2D Art
- 3D Art
- Engineering
The Quebec Hub

- Sunny Side Up and Volta - A natural fit
- Sharing the same common space
- Cost effective
- Creative and business opportunities
Ancestors: 
the Humankind Odyssey

- Key art request: Collaboration with Volta
- Leveraging each others’ experience and strengths
- Result: 2 trailers + strong relationship with Private Division
Fire Without Smoke

Carsten Myhill
Managing Director
Fire Without Smoke

Roles:
• Business development
• Account management
• Creative
• Producer

But also…
• HR
• Finance
• Credit control
• IT
• and everything else!
Since joining

The Keywords family

Roles:

• 100% of time is now focused on my strengths
• Leveraging expertise and relationships across multiple disciplines
• Bringing Game Development and Marketing opportunities together

Recent examples of new business across service lines:

E-gaming
Keywords Functional Testing
Casting
Blindlight
Sound mixes
Liquid Violet
Music licensing/creation
Cord
Alpha build testing
Player Research
and….. localization of everything that Fire Without Smoke produces
Q&A for mini case studies and journey of growth

Nicolas Liorzou  Claude Bordeleau  Louis-Étienne Beaupré  Carsten Myhill
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Becoming the ‘go-to’ provider…

* Based on management’s estimates

**Market size and proportion of outsourcing**

- 20%: $800m
- 40%: $800m
- 50%: $1.2bn
- 50%: $1.0bn
- 70%: $150m
- 85%: $200m
- 90%: $150m

- $0.5bn
- $1.0bn
- $1.5bn
- $2.0bn
- $2.5bn
- $3.0bn

- Game Development
- Functional Testing
- Player Support
- Art Services
- Localization Testing
- Localization
- Audio Services

*Percentage outsourced*

*In-house*
How Keywords integrates

Preliminary stages during due diligence

• Understand the chemistry of the company

• Share our Integration Memorandum - a charter that governs our approach to integration

• Build an integration plan

• Management transition plans discussed

Post acquisition

• Share the Keywords vision and story

• Consolidate financial reporting

• Introduce and blend policies

• Showcase opportunities for growth for the company and the employees

• Integration within service lines, with business development and across regional lines
VMC Integration Case Study

VMC acquisition and integration — all about cost reduction, systems integration, facilities consolidation and making us the go to Functional Testing provider

Status and challenges

1,500 employees
$57m in revenues

• 4 Service lines
• 2 Studios: Seattle and Montreal
• Embedded Technical Services and Global Beta Test Network
• Strong client base but at risk
• Low staff morale

Goals & Milestones

• Quick integration (less than 1 year)
• No impact to production
• Stabilize client base
• Avoid key staff departures
• Improve margins to Keywords norms
VMC Integration Case Study

VMC Integration Plan

Deployment of all existing Keywords processes to VMC, complete assimilation into one single studio

Combine 4 facilities into 1 by moving Keywords staff into VMC premise

Limited disruption, addition to our portfolio of services

Integrated within existing Keywords management structure in Montreal

In Montreal

In Seattle

Embedded Technical Services and Global Beta Test Network

Management and support functions

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Functional Testing – Primary objectives

- Reinforce client communications
- Manage service rebranding
- Internal role alignment
- Integrate tools and best practices
- Common operating platform
Functional testing – Go to platform supporting accelerated growth

**Expertise**
- Compatibility testing
- Automation testing

**Platform**
- Montreal volume
- Embedded services
- Community testing

**Business Development**
- Increased scale
- Enhanced quality
- Greater flexibility
Snowed in Studios

Jean-Sylvain Sormany
Snowed in Studios

**Founded:** 2010  
**Location:** Ottawa (Canada)  
**Core Focus:** Engineering projects

**Worked on renowned games:**
- Deus Ex Human Revolution
- Shadow of Mordor
- The Sims
- The Elder Scrolls
- Fallout
- Dead By Daylight
Integration in the Keywords group

- Acquired by Keywords Studios in July 2018
- Grew staff from 29 at acquisition to 59 in 2019
- Significant revenue growth since acquisition

Snowed In Studios Headcount

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Joining Keywords:

Expansion of clients

Keywords’ platform enabled and accelerated our growth plans

Core support
IT, HR, finance

Access to experts
GDPR, security, tax

Existing clients

Global sales
Local to global

Internal studios
Strong collaboration

Access to new clients

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Joining Keywords:

Internal collaboration

• Working with Lakshya to provide art on a free to play card game
• Working in engineering partnership with GameSim on an EA engagement
• Provided strategic support in helping GameSim win an engagement
• Being part of multi-studio offering (Functional Testing/Localization Testing/Localization/Engineering) with Keywords Montreal working on a survival MMO game (Scavenger Studio).
• Supporting a Fire Without Smoke project for Ubisoft, by providing engineering efforts
• Being the catalyst to a collaboration between Bethesda and SperaSoft for backend development
Keywords and developing Ottawa

Leveraging a first existing territory to build a new multi-service hub:

• Localization Testing: Test bed started and expansion ahead
• Art Services: Exploring this expansion option with Volta
• Quickly became the largest game studio in Ottawa

Plans for 2020

• Expansion into new facilities
• Designated location for localization testing (5,000 square feet)
• Expansion on the engineering space
• Exploring opening second locations
Q&A for all presenters

Alexander Stokes  Michael Cartier  Nicolas Liorzou  Jean-Sylvain Sormany  Mathieu Lachance
Panel: Keywordians on integration

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Montreal Support Hub for the Americas

Building a platform:
• To provide back office support (HR, Finance and IT)
• To support the business across multiple locations
• To deploy common tools and processes
• To enable service lines to focus on growth
Keywordians panel on integration

Julie Morin  
HR

Viktoria Krasteva  
Finance

Karl Baker  
IT

Alexandre Major  
Security
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Building a global service delivery platform though M&A and organic investments

<table>
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<tr>
<th>Year</th>
<th>Acquired Revenue</th>
<th>Organic Revenue</th>
<th>2019*</th>
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<tr>
<td>2013</td>
<td>€16m</td>
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<tr>
<td>2019</td>
<td>€207m</td>
<td>€94m</td>
<td>€317m</td>
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Average organic growth +15%

43 targeted acquisitions across 18 geographies:

- Building out global service line platform
- Achieving scale (e.g. Functional Testing in North America)
- Geographic proximity to customer and labour pools

Disciplined and targeted investments - €207m of ‘acquired’ revenue at ~1.1x revenue multiple

Complemented by strong organic revenue growth through organic investments and benefits of service platform

* 2019 revenue estimate based off analyst complied forecasts. Provision of these forecasts does not imply Keywords’ endorsement or concurrence with the analyst information.
Closing Remarks

• Benefits of scale

• Integration in action

• Leveraging location for access to talent and growth

• Cross selling and cross delivery

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Q&A for all presenters

Andrew Day  Jon Hauck  Nicolas Liorzou  Mathieu Lachance
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