

18 December 2023

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

Acquisition of The Multiplayer Group Ltd ("MPG") from Improbable Worlds Limited ("Improbable")

Leading multiplayer focused studio enhances and scales Keywords' Create division

Keywords Studios, the international provider of creative and technology-enabled solutions to the global video games and entertainment industries, is delighted to announce that it has acquired The Multiplayer Group Ltd, a multiplayer focused game development studio headquartered in Nottingham, UK, for £76.5 million. The Group has acquired the business from Improbable, the metaverse company, which has owned MPG since 2019.

MPG is one of the largest and most respected developers of AAA multiplayer games and technology for some of the world's best-known studios and publishers including Activision Blizzard, Bethesda, Zenimax, Epic and 2K. MPG provides a range of services including both co-development and full game development to a global client base, and also has functions working on data science, new technology and AI. The business has grown rapidly since its foundation in 2018 and now employs over 360 staff globally.

MPG's leadership team comprising Andy Norman, Rocco Loscalzo, Vaughan O'Brien and Roger Cheung will continue to lead the business post-acquisition and will participate in a management incentive plan based on ambitious growth targets over the next two years.

The consideration was paid in cash and primarily funded from the Group's existing revolving credit facility. The business has a strong pipeline of work and is expected to deliver double-digit percentage revenue growth in 2024, with margins in line with those of Keywords' Create division. The transaction is expected to be EPS accretive in its first full year post acquisition and fall within the Group's targeted valuation range of five to seven times EBITDA.

Bertrand Bodson, CEO of Keywords Studios, commented: "We are thrilled to welcome the MPG team to Keywords. MPG is a business that we have long admired for its high-quality work, blue-chip client base, deep experience in developing AAA multiplayer games and its use of technology and data analytics. This is another important step in building out our platform and expanding our offering to encompass specialised multiplayer game development at scale, which is increasingly in demand for live services. We believe that MPG complements our existing high-quality UK and global Create studios and are excited to bring them into the Group. We look forward to working with Andy and the wider talented MPG team over the coming years to continue to drive growth in the business."

Herman Narula, Founder and CEO of Improbable, said: “We are delighted to see MPG embark on its next chapter with Keywords, who we’ve always seen as a like-minded business partner. Nurturing and fostering ventures is at the heart of our philosophy and allows us to realize lasting value, and we are confident that MPG will continue to grow within the Keywords’ environment.”

Andy Norman, CEO of MPG, commented: “MPG has found success in the multiplayer space through passion, expertise, and customer driven collaboration. We have seen strong growth over the past few years, working on some of the most complex and successful games in the market, supported by our dedication to a sustainable, people-first culture. With Keywords, we believe we can continue to lead and grow multiplayer innovation, bringing the MPG ethos to more customers and games. We look forward to working closely with Keywords and driving growth both in MPG and across the enlarged Keywords’ group”.

This Announcement contains inside information for the purposes of the market abuse regulation (EU No. 596/2014) as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MAR").

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About Keywords Studios (www.keywordsstudios.com)

Keywords Studios is an international provider of creative and technology-enabled solutions to the global video games and entertainment industries. Established in 1998, and now with over 70 facilities in 26 countries strategically located in Asia, Australia, the Americas, and Europe, it provides services across the entire content development life cycle through its Create, Globalize and Engage service lines to a large blue-chip client base across the globe.

Keywords Studios has a strong market position, providing services to 24 of the top 25 most prominent games companies and contributing to over 70% of the 2023 Game Awards winners. Across the games and entertainment industry, clients include Activision Blizzard, Bandai Namco, Bethesda, Electronic Arts, Epic Games, Konami, Microsoft, Netflix, Riot Games, Square Enix, Supercell, TakeTwo, Tencent and Ubisoft. Recent titles worked on include Starfield, Diablo IV, Hogwarts Legacy, Elden Ring, Fortnite, Valorant, League of Legends, Clash Royale and Doom Eternal. Keywords Studios is listed on AIM, the London Stock Exchange regulated market (KWS.L).

About The Multiplayer Group (www.themultiplayergroup.com)

At The Multiplayer Group (MPG), we specialise in creating the highest standard of mind-blowing multiplayer experiences for our partners, through Co-Dev and Full-Dev projects. Right now, we're involved in the biggest shooters, the highest profile AAAs, and the trickiest full physics-based multiplayer action ever produced. We are a team of 360 across 30 countries, including the UK, Canada and Spain. Our aims are to be instrumental in the best multiplayer developments around the globe, to help our partners succeed and to add value to these projects that only experience like ours can.