

4 August 2020

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

Half year trading update and notice of results

***8% organic revenue growth driven by robust demand and resilient business model
Clear medium-term growth opportunities beyond certain short term resource constraints***

Keywords Studios, the international technical and creative services provider to the global video games industry, today provides a trading update for the six months ended 30 June 2020, ahead of half year results which will be announced on 17 September 2020.

Trading and COVID-19 update

As previously announced, the Group's revenue and profit performance started the year in line with management's expectations. However certain service lines have been held back due to disruption caused by COVID-19, particularly in our Testing and Audio businesses.

Despite this, the Board expects to report first half revenues of approximately €173.5m representing a c.13% increase on the prior year (H1 2019: €153.2m). On an organic¹ basis, Group revenues are expected to increase by approximately 8% (H1 2019: 17.3%, 2019: 15.5%).

Adjusted EBITDA² is expected to be approximately €30.8m, an increase of c.19% from €25.8m in the prior year. Adjusted Profit Before Tax³ is expected to be approximately €21.7m, representing an increase of c.18% from €18.4m in the prior year.

This robust performance has demonstrated the resilience of the Group's business model, the benefits of its diversified service platform, and the continued strong demand for most of its services. Our service lines have performed well given the operational and market disruption caused by COVID-19, including some rescheduling of the later stages of content production, which we expect to see unwind in the second half.

Since June, we have been able to reopen most of our Audio studios and from July we are starting to operate some activities from our Testing studios, albeit recently extended unemployment support measures are constraining our ability to recruit at the entry level, particularly in our testing operations in the Americas. We are prioritising in-studio recruitment and training activities to mitigate some of these constraints with the aim of meeting as much of the strong demand for our services as possible.

The Group's £100m placing in May was strongly supported by shareholders and new investors and ensures we can continue to execute on our M&A strategy while maintaining a strong balance sheet. Since the placing, Keywords has completed the acquisition of Unreal Engine development specialists, Coconut Lizard, and our acquisition pipeline is continuing to build as we selectively engage with a number of potential targets. At the 30 June 2020, the Group had net cash of €101m (31 December 2019: €17.9m of net debt) and €100m of undrawn committed revolving credit facility.

Notification of Full Year Results

The Group expects to announce its half year results for the six months ended 30 June 2020 on 17 September 2020. To register your interest, please contact Keywords@mhpc.com.

Andrew Day, Chief Executive of Keywords, commented:

“We are pleased to report a robust performance in the first half. I am proud that our resilient and flexible platform enabled our clients to pursue their production schedules, with Keywordians continuing to show their passion to create, adapt and support our clients’ great game content, despite the COVID-19 challenges. In-turn, our clients have increasingly looked to us for their outsourcing needs during this challenging time.

“Demand for video games content has accelerated during the pandemic which has positively expanded the addressable market for our clients. We expect to see continued strong demand for our services given the industry’s structural growth drivers, the continuing trend towards outsourcing, the launch of next generation games consoles later in 2020 and the further development of new streaming platforms.

“Our successful placing of £100m in May allows the Group to maintain a strong balance sheet whilst continuing to deliver against our well established and value accretive acquisition strategy. Through both this strategy and organic growth, the Group is well placed to take a leading share of the increasingly outsourced video games services market. We fully expect to complete further acquisitions from the strong and attractive pipeline of opportunities that we are currently reviewing, over the months ahead.”

¹ Organic revenue growth is calculated by adjusting the prior year revenues, adding pre-acquisition revenues for the corresponding period of ownership in the current year results, and applying the 2019 foreign exchange rates in both years.

² EBITDA comprises Operating profit, adjusted for amortisation of intangible assets, depreciation, while deducting the share of profit from associates and bank charges. Adjusted EBITDA is before share option expense, costs of acquisition and integration and non-controlling interest. In order to present the measure consistently year-on-year, the impact of COVID-19 government subsidies claimed is also excluded. Both EBITDA and Adjusted EBITDA include the impact of IFRS 16 in the current and prior year periods.

³ The Group reports Adjusted profit before tax comprises Profit before taxation, adjusted for costs including amortisation of intangible assets, share option expense, costs of acquisitions and integration, foreign exchange gains and losses, non-controlling interest and unwinding of discounted liabilities. In order to present the measure consistently year-on-year, the impact of COVID-19 related subsidies claimed is also excluded.

For further information, please contact:

Keywords Studios (www.keywordsstudios.com)

+353 190 22 730

Andrew Day, Chief Executive Officer

Jon Hauck, Chief Financial Officer

Joseph Quinn, Investor Relations

Numis Securities

020 7260 1000

Stuart Skinner/Kevin Cruickshank/Will Baunton

MHP Communications (Financial PR)

020 3128 8193

Katie Hunt/James Midmer/Charles Hirst

keywords@mhpc.com

About Keywords Studios (www.keywordsstudios.com)

Keywords Studios is an international technical services provider to the global video games industry. Established in 1998, and now with 60 facilities in 21 countries strategically located in Asia, the Americas and Europe, it provides integrated art creation, marketing services, software engineering,

testing, localization, audio and customer care services across more than 50 languages and 16 games platforms to a blue-chip client base of over 950 clients across the globe.

Keywords Studios has a strong market position, providing services to 23 of the top 25 most prominent games companies, including Activision Blizzard, Bandai Namco, Bethesda, Electronic Arts, Konami, Microsoft, Riot Games, Square Enix, Supercell, TakeTwo, Epic Games and Ubisoft. Recent titles worked on include Call of Duty: Black Ops 4, Mortal Combat X, Assassin's Creed Odyssey, Borderlands 3, League of Legends, Fortnite, Clash Royale and Rainbow Six Siege. Keywords Studios is listed on AIM, the London Stock Exchange regulated market (KWS.L).