

30 March 2023

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

Acquisition of Digital Media Management, Inc. ("DMM", the "Company")

Adds significant US expertise and scale to Keywords' digital and social media marketing

Keywords Studios, the international technical and creative services provider to the global video games and entertainment industries, is pleased to announce that it has acquired Digital Media Management, Inc, a leading US-based full-service social media agency.

DMM is an award-winning social media marketing agency founded in 2010 by Luigi Picarazzi. Headquartered in Los Angeles with a staff of over 200 employees, the agency provides integrated social media strategy, management, creative and influencer solutions, mainly to the US entertainment and video games sectors. The Company's client base includes Hollywood movie studios, streaming platforms, video games publishers, entertainment brands and public figures, which DMM helps build and connect with their target audiences across all social media platforms, with a focus on driving audience acquisition, engagement, growth, conversion and retention.

The Company recently completed construction on an 11,000 square-foot production studio that will allow it to create original social media content and experiential activations that support their clients' marketing efforts. It also comes with its proprietary software Creator Lab that allows it to partner influencers with brands that have expressed affinity for a particular game or entertainment property.

There is increasing convergence between the video games and media and entertainment sectors, with more cross over of content and brands between the two as well as greater commonality across the fandom and influencer space. DMM is well positioned to benefit from this by deeply connecting with players and fans across all social media platforms, bringing key skills and expertise in an area where Keywords has identified strong demand from its clients. In addition to its social media expertise, DMM brings experience in social and short format video assets, complementing Keywords' longer, trailer format content expertise, as well as award winning community management, YouTube management, and content creator partnership services.

DMM will join Keywords' Engage service line which brings together experts from its Marketing, Player Support, and Player Research units, and will be a key building block in accelerating Keywords' vision of offering clients a holistic marketing solution.

DMM, which is currently majority founder-owned, has grown rapidly in recent years and in 2022, delivered revenues of approximately \$34m and EBITDA of approximately \$8.5m. The terms of the transaction allow for initial consideration of \$67.5m, comprising \$57.4m in cash and \$10.1m in shares on completion. There is also a maximum deferred contingent consideration of \$32.5m payable in a mix of cash and new ordinary shares dependant on

the future performance of the Company over the two years from completion. The cash component of the initial consideration will be funded by drawing down on part of Keywords' existing €150m revolving credit facility. The new ordinary shares to be issued will be subject to one-year lock in periods and orderly market provisions for a further year. Post-acquisition, Luigi Picarazzi will continue to lead the business supported by his COO, Adam Reynolds.

Bertrand Bodson, CEO of Keywords Studios, commented:

"The acquisition of DMM brings Keywords a top tier social marketing agency, world-class production location and capability, as well as a technology platform that can help scale its influencer offering. It extends our capabilities in an increasingly critical area of the marketing landscape, accelerating our progress towards being able to offer a truly holistic solution to our clients' engagement needs. With the ever-increasing convergence of entertainment and video gaming, we believe that delivering DMM's social media marketing expertise to our clients will enable them to enhance their engagement with their player base. We are looking forward to working with Luigi, Adam and the broader DMM team as we continue to deliver against our growth objectives."

Luigi Picarazzi of DMM, commented:

"We are excited by the opportunity to join Keywords, which will extend our reach and support us in the next stage of our growth and development, building on our successes to date. The combination of DMM's market-leading digital and social media capabilities and Keywords' existing offering will provide a compelling proposition across the combined, broader client base in both the entertainment and video gaming sectors, which continue to converge. We are excited to continue our journey together."

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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").

About Keywords Studios (www.keywordsstudios.com)

Keywords Studios is an international technical and creative services provider 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. 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 Elden Ring, Star Wars Jedi: Fallen Order, Valorant, League of Legends, Fortnite, Clash Royale and Doom Eternal. Keywords Studios is listed on AIM, the London Stock Exchange regulated market (KWS.L).

About DMM (<https://digitalmediamanagement.com>)

Founded in 2010 by CEO Luigi Picarazzi, Digital Media Management (DMM) is a leading full service social media agency specializing in social-first, "always-entertaining" marketing. DMM works with movie studios, television networks, video games companies, streaming services and consumer brands to create ground-breaking social media campaigns via fan activations, innovative content creation, results-driven paid media planning, and strategic influencer-brand partnerships.