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WINKING STUDIOS LIMITED

(Company Registration No. 159882)
(Incorporated in the Cayman Islands)

31 October 2024

INTENTION TO FLOAT

Winking Studios Limited (SGX:WKS), the AAA Art Outsourcing and Game Development business listed on the Catalist board of the Singapore Exchange Securities Trading Limited, is pleased to announce its intention to seek admission to trading on the AIM Market of London Stock Exchange plc ("Admission") in November 2024 (the "Dual Listing") to support, amongst other efforts, its expansion into Western markets.

Founded in 2004 and headquartered in Singapore with nine offices across Asia, Winking Studios is led by its founder Johnny Jan and is ranked third in Asia and fourth in the world in terms of global revenue in the global game Art Outsourcing market*.

Working across a range of platforms including console, PC and mobile, Winking Studios has collaborated with 22 of the world's top 25 game development companies, including Ubisoft, EA, Activision and Tencent, on high profile titles such as FIFA, Call of Duty and Assassins Creed.

Through its Art Outsourcing Services segment, the Group develops art, animation and visual effects including characters, environments, props and effects. Through its Game Development segment, the Group delivers development services from concept to programming and script writing to post-release support and maintenance.

Strand Hanson Limited is acting as Financial and Nominated Adviser with S.P. Angel Corporate Finance LLP acting as Broker in relation to the Dual Listing.

Highlights

- **Proven capabilities in art outsourcing and game development with a blue-chip customer base:** Partnerships with three major game publishing platforms: Sony, Microsoft and Nintendo;

- **High-growth market:** The video gaming sector, in particular the mobile and online gaming segments, is expected to continue to demonstrate strong growth;
- **Compelling cost advantage of outsourcing:** Outsourcing represents an increasing proportion of game development budgets, and this trend is expected to continue going forward;
- **Limited product risk:** Given its “work-for-hire” business model, the Group is not exposed as principal to the risks associated with ownership and development of these games;
- **Fragmented market:** The global game art outsourcing industry remains fragmented, with most service providers being relatively small independent studios. The Group completed its first two acquisitions in H1 2024, is currently evaluating several targets and has a pipeline of potential acquisitions under consideration;
- **Strong growth:** Significant organic growth over past four years, doubling headcount to 800+, increasing revenue to US\$29.3m and growing Adjusted EBITDA to US\$5.3m (FY23);
- **Forward earnings visibility from growing follow-on revenues:** Focusing on successful multi-year, high growth mobile / online titles provides the Group with repeat revenue opportunities and enhanced earnings visibility with 18+ months indicative bookings; and
- **Backed by the Acer group**:** Supportive shareholder (an aggregate direct and indirect shareholding interest of 62.56%) with Acer Gaming’s extensive network of relationships in the game development and art outsourcing industries as well as an in-depth understanding of the global gaming industry. Further, Acer intends to participate in the Dual Listing as a cornerstone investor.

Placing, Use of Proceeds and Rationale

The funds to be raised will supplement the Group’s existing available cash resources in excess of US\$30m*** and will be allocated to:

- **Actively pursuing strategic acquisitions, alliances and joint ventures in Asia and Europe** to grow the Group’s market share and increase operational capacity;
- **Establishing a stronger presence and broadening the Group's customer base in the North American and European markets**, including by (i) increasing the Group's marketing and business development efforts; (ii) establishing a UK-based regional hub; and (iii) pursuing acquisitions of smaller studios in this region;
- **Enhancing the Group's current operational capabilities**, which includes continuous development and improvement of the Group's AI capabilities; and
- In addition to supporting strategic acquisitions and its growth strategy, the Dual Listing will provide access to a larger pool of knowledgeable tech investors, in order to diversify the Company’s shareholder base.

Johnny Jan, Founder and Chief Executive Officer of Winking Studios, commented:

“We believe Winking Studios has a significant opportunity to expand its presence globally, and dual listing on AIM will further support our global ambitions and position us to accelerate growth. London feels like the obvious choice, as it gives us a foothold in a market known for its deep understanding of the global gaming industry and support for ambitious international firms like Winking Studios. Operating in a fast-growing industry, with a proven track record of delivery and relationships with the majority of the world’s biggest game developers, we plan to build on our success to date and capitalise on the fragmented nature of the industry landscape to drive future growth.”

* Source: Independent Market Report by China Insights Industry Consultancy Limited, October 2024

**Refers to Acer Gaming Inc and Acer SoftCapital Inc (both subsidiaries of Acer Inc)

***Comprising cash and cash equivalents, bond investments and proceeds raised in Company’s placement exercise in July 2024

BY ORDER OF THE BOARD

Winking Studios Limited

MR. JOHNNY JAN

Executive Chairman and Chief Executive Officer

31 October 2024

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