



UBISOFT ACCELERATES ITS TRANSFORMATION BY LAYING FOUNDATION FOR NEW OPERATING MODEL WITH THE CREATION OF A SUBSIDIARY AND INJECTION OF €1.16BN OF CASH FROM SELECTED INVESTOR TENCENT

PARIS – March 27, 2025 – Today, Ubisoft announced that it is accelerating its transformation by taking an important step in rapidly evolving its operating model with the creation of a dedicated subsidiary based on its Assassin's Creed®, Far Cry®, and Tom Clancy's Rainbow Six® brands. Following the formal and competitive selection process initiated by the Group earlier this year, Tencent's will invest €1.16bn for a minority stake in the new subsidiary. This new subsidiary will focus on building game ecosystems designed to become truly evergreen and multi-platform. Backed by greater investment and boosted creative capacities, it will drive further increases in quality of narrative solo experiences, expand multiplayer offerings with increased frequency of content release, introduce free-to-play touchpoints, and integrate more social features.

This transaction values the entity at a pre-money Enterprise Value of c.€4bn, implying a FY23-FY25E average sales multiple of around 4x. It highlights the strong value of Ubisoft's IPs, significantly reinforces its balance sheet, and enables the company to continue its efforts to become a more agile organization, unleash the full creative potential of its teams and better align its resources with the constantly evolving expectations of players.

The binding agreement with Tencent follows the formal and competitive process in exploring and assessing different strategic options announced earlier this year. Based on the careful consideration of several expressions of interest received from diverse parties, and its duty to act in the best interests of all Ubisoft stakeholders, the Board of Directors, upon recommendation from the *ad hoc* Committee, determined that this transaction crystalized the best value for Ubisoft's assets and unanimously approved the proposed transaction on March 27, 2025. The Board of Directors has, upon *ad hoc* Committee recommendation, appointed Finexsi acting as independent expert in view of the issuance of a fairness opinion.

In parallel to the creation of this new entity, Ubisoft will focus on nurturing the development of iconic franchises including Tom Clancy's Ghost Recon® and The Division®, accelerating the growth of top performing titles and leveraging disruptive technologies on selected new IPs, while continuing to deliver state-of-the-art production game engines and online services. More details on the Group's future operating model will be shared at a later stage.

"Today Ubisoft is opening a new chapter in its history," said, Yves Guillemot, Co-Founder and Chief Executive Officer. *"As we accelerate the company's transformation, this is a foundational step in changing Ubisoft's operating model that will enable us to be both agile and ambitious. We are focused on building strong game ecosystems designed to become evergreen, growing high-performing brands and creating new IPs powered by cutting-edge and emerging technologies."*

"With the creation of a dedicated subsidiary that will spearhead development for three of our largest franchises and the onboarding of Tencent as a minority investor, we are crystalizing the value of our assets, strengthening our balance sheet, and creating the best conditions for these franchises' long-term growth and success. With its dedicated and autonomous leadership team, it will focus on transforming these three brands into unique ecosystems."

Guillemot concluded, *"We are committed to building a sharper, more focused organization-one where talented teams will take our brands to the next level, accelerate the growth of emerging franchises, and lead innovation in next-generation technologies and services, all with the goal of delivering enriching, memorable games that exceed players' expectations, and create superior value for our shareholders and other stakeholders."*

Martin Lau, President of Tencent, said "We are excited to extend our longstanding partnership with Ubisoft through this investment, which reflects our continued confidence in Ubisoft's creative vision and exceptional talent to drive sustained success in the industry. We see the immense potential for these franchises to evolve into long-term evergreen game platforms and create engaging new experiences for gamers."

Relationship between the new subsidiary and Ubisoft Entertainment:

- The new subsidiary would include the teams developing the Tom Clancy's Rainbow Six, Assassin's Creed and Far Cry franchises based in Montréal, Quebec, Sherbrooke, Saguenay, Barcelona, and Sofia as well as the back-catalog and any new games currently under development or to be developed.
- The new subsidiary would be granted by Ubisoft a worldwide, exclusive, irrevocable, perpetual license in respect of the intellectual property and similar proprietary rights owned or licensable by Ubisoft in relation to Tom Clancy's Rainbow Six, Assassin's Creed and Far Cry in exchange for a royalty.

Main terms of the binding agreement with Tencent:

- Tencent would invest in the new subsidiary which is headquartered in France and 100% owned by Ubisoft immediately prior to the transaction. Specifically, at closing of the transaction, Tencent would invest a total amount of EUR1.16bn for an approximate 25% economic interest in the New subsidiary, that will be used to strengthen Ubisoft's balance sheet by significantly reducing its consolidated net debt position, accelerate the Group's transformation, and sustain growth of selected franchises. After closing of the transaction, the new subsidiary would remain exclusively controlled and consolidated by Ubisoft.
- Conditions precedent to the transaction:
 - Issuance of a fairness opinion from Finexsi acting as independent expert
 - Completion of the carve-out to create the new subsidiary
 - Obtention of the necessary regulatory clearances

Ubisoft can unilaterally waive the issuance of the fairness opinion as a condition precedent.

- Completion of the transaction is expected before the end of 2025.
- The new subsidiary would have a dedicated leadership team, supervised by a Board of Directors, focused on enhancing creative vision and streamlining operations, with the authority to make swift, high-impact decisions across development, marketing, and distribution, to ensure these brands continue to evolve, attract new audiences, and deliver groundbreaking gaming experiences for years to come.
- Tencent would benefit from customary minority protection veto rights as well as certain consent rights on the disposals of the important new subsidiary assets
- Other provisions in relation to Tencent's shareholding in the New subsidiary notably include:
 - A 5-year lock-up undertaking on New subsidiary shares held by Tencent, unless Ubisoft no longer owns a majority of New subsidiary voting rights and share capital
 - Ubisoft may not cease to hold a majority of New subsidiary voting rights and share capital for a 2-year period
 - Customary share transfer provisions, including, a right of first refusal to the benefit of Ubisoft, a right of first offer to the benefit of Tencent, tag-along right to the benefit of Tencent, and drag-along right to the benefit of Ubisoft (subject to certain conditions)
 - Call option to the benefit of Ubisoft and put option to the benefit of Tencent in the event of certain change of control of Ubisoft approved by its Board of Directors – [Exercise price will be the higher of (i) the fair market value of New subsidiary shares and (ii) the same EBIT multiple as that in the change of control transaction of Ubisoft; it being specified that for the call option there will be a specific minimum price protection during the first 4 years following closing of the transaction with Tencent.

Conference call

Ubisoft will hold a conference call today, Thursday March 27, 2025, at 6.45 Paris time/5.45pm London time/1.45pm New York time.

The conference call can be accessed live and via replay by clicking on the following link:

<https://edge.media-server.com/mmc/p/bqofn6dx/>

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Advisors

Crédit Agricole Corporate and Investment Bank SA and J.P. Morgan acted as lead financial advisors to Ubisoft and Commerzbank acted as joint advisor to Ubisoft. Bredin Prat, White & Case and Deloitte Société d'Avocats acted as legal advisors to Ubisoft.

Goldman Sachs (Asia) L.L.C. acted as exclusive financial advisor to Tencent. Davis Polk & Wardwell and Gide Loyrette Nouel acted as legal advisors to Tencent.

Disclaimer

This press release may contain estimated financial data, information on future projects and transactions and future financial results/performance. Such forward-looking data are provided for information purposes only. They are subject to market risks and uncertainties and may vary significantly compared with the actual results that will be published. The estimated financial data have been approved by the Board of Directors, and have not been audited by the Statutory Auditors. (Additional information is provided in the most recent Ubisoft Registration Document filed on June 20, 2024 with the French Financial Markets Authority (*l'Autorité des Marchés Financiers*)).

About Ubisoft

Ubisoft is a creator of worlds, committed to enriching players' lives with original and memorable entertainment experiences. Ubisoft's global teams create and develop a deep and diverse portfolio of games, featuring brands such as Assassin's Creed®, Brawlhalla®, For Honor®, Far Cry®, Tom Clancy's Ghost Recon®, Just Dance®, Rabbids®, Tom Clancy's Rainbow Six®, The Crew® and Tom Clancy's The Division®. Through Ubisoft Connect, players can enjoy an ecosystem of services to enhance their gaming experience, get rewards and connect with friends across platforms. With Ubisoft+, the subscription service, they can access a growing catalog of more than 100 Ubisoft games and DLC. For the 2023–24 fiscal year, Ubisoft generated net bookings of €2.32 billion. To learn more, please visit: www.Ubisoftgroup.com.

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About Tencent

Tencent creates innovative technologies that connect and create memorable experiences for people around the world. Founded in 1998, Tencent is driven by its mission to create "Value for Users" and use "Tech for Good".

Tencent is a global leader in communications, entertainment and enterprise services. It develops and publishes some of the world's most popular video games and other high-quality digital content, providing rich and immersive interactive entertainment experiences.

Tencent is a global technology company headquartered in Shenzhen. It has been listed on the Main Board of the Stock Exchange of Hong Kong since June 2004.