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FOR IMMEDIATE RELEASE

Adobe Acquires Allegorithmic, the Leader in 3D Editing and Authoring for Gaming and Entertainment

Industry Standard for 3D Textures and Materials Behind AAA Gaming Titles and Award-Winning Movies Coming to Creative Cloud

SAN JOSE — Jan. 23, 2019 — Adobe (Nasdaq:ADBE) today announced that it has acquired <u>Allegorithmic</u>, makers of Substance, the industry standard for 3D textures and material creation in game and video post-production. By combining Allegorithmic's Substance 3D design tools with Creative Cloud's industry-leading imaging, video and motion graphics tools, Adobe will empower video game creators, VFX artists working in film and television, designers and marketers to deliver the next generation of immersive experiences.

In the near future, we will live in a world where real and virtual creations blend. As brands look to compete and differentiate themselves, compelling, interactive experiences enabled by 3D content, VR and AR will become more critical to their future success. 3D content is already transforming traditional workflows into fully immersive and digital ones that save time, reduce cost and open new creative horizons. With the acquisition of Allegorithmic, Adobe takes a powerful step forward in adding expanded 3D and immersive workflows to Creative Cloud and provides Adobe's core customer base of designers a new set of tools for 3D projects.

"We are seeing an increasing appetite from customers to leverage 3D technology across media, entertainment, retail and marketing to design and deliver fully immersive experiences," said Scott Belsky, chief product officer and executive vice president, Creative Cloud, Adobe. "Creative Cloud is the creativity platform for all and Substance products are a natural complement to existing Creative Cloud apps that are used in the creation of immersive content, including Photoshop, Dimension, After Effects and Project Aero."

Allegorithmic is based in France and has a diverse customer base across gaming, film and television, ecommerce, retail, automotive, architecture, design and advertising industries, including leading creative brands like Electronic Arts, Ubisoft, BMW, Ikea, Louis Vuitton, Foster + Partners and more. Allegorithmic is the recognized leader in 3D material and texture authoring for most AAA¹ gaming franchises, including *Call of Duty, Assassin's Creed* and *Forza*, and the tools used in the making of award-winning movies, including *Blade Runner 2049, Pacific Rim Uprising* and *Tomb Raider*.

"Allegorithmic and Adobe share the same passion for bringing inspiring technologies to creators," said Sebastien Deguy, CEO and founder, Allegorithmic. "We are excited to join the team, bring together the strength of Allegorithmic's industry-leading tools with the Creative Cloud platform and transform the way businesses create powerful, interactive content and experiences."

Adobe's strong track record of successfully integrating acquisitions will help further accelerate Allegorithmic's product roadmap and go-to-market and extend its reach among enterprise, SMB and individual customers. Allegorithmic CEO and founder, Sebastien Deguy will take a leadership role in Adobe's broader 3D and immersive design efforts as vice president, 3D and Immersive, reporting into Scott Belsky.



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Allegorithmic tools are already offered as a subscription service to individuals and enterprise customers, and in the future Adobe will focus on expanding the availability of Allegorithmic tools via subscription. Later this year, Adobe will announce an update on new offerings that will bring the full power of Allegorithmic technology and Adobe Creative Cloud together.

Terms of the transaction were not disclosed. For additional information on Adobe's acquisition of Allegorithmic:

- <u>Blog Post</u> Adobe Acquires Allegorithmic, the Leader in 3D Editing and Authoring for Gaming and Entertainment
- Blog Post Gaming Technology is Changing How We Design & Visualize Products
- Behance Gallery

About Adobe

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Forward-Looking Statements Disclosure

This press release includes forward-looking statements within the meaning of applicable securities law. All statements, other than statements of historical fact, are statements that could be deemed forward-looking statements. Forward-looking statements relate to future events and future performance and reflect Adobe's expectations regarding its ability to add expanded 3D and immersive workflows to Creative Cloud and other anticipated benefits of the transaction. Forward-looking statements involve risks, including general risks associated with Adobe's and Allegorithmic's business, uncertainties and other factors that may cause actual results to differ materially from those referred to in the forward-looking statements. Factors that could cause or contribute to such differences include but are not limited to Adobe's ability to embed Allegorithmic's technology into Adobe Creative Cloud and any statements of assumptions underlying any of the foregoing. The reader is cautioned not to rely on these forward-looking statements. All forward-looking statements are based on information currently available to Adobe and are qualified in their entirety by this cautionary statement. For a discussion of these and other risks and uncertainties, individuals should refer to Adobe's SEC filings. Adobe does not assume any obligation to update any such forward-looking statements or other statements included in this press release.

¹ – AAA refers to video games produced and distributed by mid-sized or major publishers.

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