



MOBA
NETWORK

M.O.B.A. Network enters into an agreement to acquire the company Magic Find - a leading player within gaming streaming on YouTube and owner of a number of well-known gaming communities

Stockholm, 19 May 2021

INSIDER INFORMATION: M.O.B.A. Network AB ("M.O.B.A." or "the Company") acquires 100 percent of the shares (the "Acquisition") in the US company Magic Find Inc ("Magic Find"), which operates a leading Multi Channel Network ("MCN") for streaming within gaming on YouTube as well as a number of well-known gaming community brands. The acquisition is transformative and in line with the Company's strategy to broaden the revenue base, enter into the streaming vertical and to grow with communities in new games. In 2020, the YouTube network had over 20 billion views and the community brands had over 200 million visits. The purchase price is paid in cash and amounts to USD 12 million, of which USD 9 million will be paid upon closing and USD 3 million will be paid in December 2021 (the "Transaction").

M.O.B.A. has today entered into an agreement to acquire 100 percent of the shares in the American company Magic Find. The acquisition broadens M.O.B.A.'s offering with six new gaming communities within games such as Minecraft, World of Warcraft and Hearthstone with a total of approximately 200 million visits in 2020. In addition, Magic Find's MCN network Union For Gamers ("UFG") adds over 1,000 content creators to the group. In 2020, UFG content creators had over 20 billion views on YouTube. M.O.B.A. sees significant synergies between the companies mainly through improved joint advertising, increased direct sales, expansion of streamers via M.O.B.A.'s communities and network advantages through traffic and audience sharing. In 2020, Magic Find's revenues amounted to approximately SEK 296 million with an EBITDA of approximately SEK 24 million. Pro forma figures for the full year 2020 for M.O.B.A. Network including Magic Find shows that revenues amounted to approx. SEK 331 million with an EBITDA of approximately SEK 40 million.

Transaction rationale

- The acquisition is transformative and means that M.O.B.A. expands within the gaming value chain and takes a big step into streaming
- The number of impressions within communities increases from 400 million to 600 million, which strengthens M.O.B.A.'s bargaining power towards advertisers
- Streamed content increases by 20 billion views for which M.O.B.A. sees good opportunities to increase the share of direct sales
- The number of games covered by communities or streamers increases with over 50 new titles, including World of Warcraft, Minecraft, Roblox, GTA, Fortnite, The Sims,

Hearthstone, Magic the Gathering and Diablo

- M.O.B.A. strengthens its organization with 10 competent employees with long experience from Twitch and YouTube
- The number of quality streamers increases by over 1,000
- M.O.B.A's attractiveness for further potential acquisitions increases
- The transaction doubles M.O.B.A's sales and significantly increases EBITDA

UFG was started in 2012 and has today over 1,000 high quality content creators within game titles such as Minecraft, Roblox, GTA, Fortnite and The Sims. The six community brands [MMO-Champion.com](#) (World of Warcraft), [Hearthpwn.com](#) (Hearthstone), [Minecraftforum.net](#), [Overframe.gg](#) (Warframe), [MTGSalvation.com](#) (MTG) and [Diablofans.com](#) (Diablo) add about 50 new game titles to M.O.B.A.'s portfolio, increases the reach to millions of new gaming fans and further strengthen M.O.B.A.'s position as a leading player in the gaming community. Via UFG, Magic Find offers streamed material focused on long-lived game titles which is the genre that M.O.B.A. has identified as a focus area in its growth strategy.

"The acquisition of Magic Find is transformative and an important part of our strategy to grow through acquisitions and offer more attractive platforms for users within our communities. The acquisition is in line with our strategy to broaden our value chain with a strong offering within streaming. We also add a strong team to the M.O.B.A. family that wants to develop their business and add high competence and long experience from YouTube and Twitch ", says Björn Mannerqvist, CEO of M.O.B.A. Network.

"We look forward to joining M.O.B.A. Network and instantly expanding our combined reach in the gaming content creator space, and we see significant opportunities in further developing our business with M.O.B.A. Network's support. Being part of the company group builds on our potential to run high quality gaming communities, broaden our service offering to content creators, improve our ad-business, and add direct sales to the business", says David Ram, CEO of Magic Find

About the transaction

M.O.B.A. acquires 100 percent of the shares in Magic Find Inc. The purchase price is paid in cash and amounts to USD 12 million (on a cash and debt-free basis), of which USD 9 million will be paid upon closing and USD 3 million will be paid in December 2021. No additional purchase price will be paid. The acquisition of Magic Find is intended to be financed partly through existing cash and partly through proceeds from intended directed share issues. M.O.B.A. will announce that the conditions for an accelerated bookbuilding process (the "Directed Issues") will be evaluated immediately after the publication of this press release.

About Magic Find

Magic Find offers players the news, tips, guides and tools needed to progress in the games and provides them the opportunity to share their expertise and knowledge on online-developed forums. The company's business is divided into two segments: Union For Gamers, which is a YouTube network, and six established gaming communities. Magic Find acquired its assets in 2019 and 2020 from Twitch (Amazon), where its 10 employees also come from. UFG is a so-called Multi Channel Network where the company guides, supports and provides tools for the user that facilitate licensing and copyright compliance. UFG also handles the relationship with YouTube and ensures that regulations are complied with. UFG pays the users and ensure that the correct tax is paid in each country where the users are located. UFG also identifies and signs agreements with high quality streamers. In 2020, UFG had 20 billion impressions with a high average viewing time, which contributes to high advertising revenues. UFG can also generate direct advertising sales for individual users, which today accounts for a relatively small share of revenue (less than 1 percent) but where M.O.B.A. sees opportunities to contribute. UFG's revenues are currently generated from YouTube's AdSense ad format. Normally, YouTube takes 45 percent of the revenues. Thereafter, UFG's revenues are shared between the user, who

receives about 90 percent of the revenues, and UFG, who retains about 10 percent. UFG was founded in 2012 and is one of the largest MCN networks in the world.

Magic Find's other business area is well-known gaming communities, a business identical to M.O.B.A's existing operations. The community brands broaden M.O.B.A.'s game title coverage to include MMO-Champion.com (World of Warcraft), Hearthpwn.com (Hearthstone), Minecraftforum.net, Overframe.gg (Warframe), MTGSalvation.com (MTG) and Diablofans.com (Diablo). The revenue model is based on an advertising business similar to M.O.B.A's and the advertising sales take place via a so-called advertising broker. The gross margin for the business area amounted to 80 percent in 2020, which is higher than M.O.B.A's gross margin. Direct sales within Magic Find today amount to approximately 1 percent, which can be compared with M.O.B.A's, which during the second quarter of 2021 amounted to 63 percent. M.O.B.A.s' direct sales have increased significantly as a result of the expansion of the organization and the new business area M.O.B.A. services.

About M.O.B.A. Network AB

M.O.B.A. Network AB operates twelve global online communities for computer games and e-sports fans. The company's websites include the world's largest strategic community for League of Legends, MOBAFire.com and Counterstats, Leaguespy, RuneterraFire, MMORPG.com and SMITEFire.com (SMITE).

M.O.B.A. Network divides its business into two business areas, M.O.B.A. Advertising Sales and M.O.B.A. Services. The content on M.O.B.A's websites is primarily user-generated and supplemented with journalistic content and statistics. M.O.B.A.'s revenues are primarily generated from programmatic advertising, direct sales, premium subscriptions, sponsorships and related services within the gaming / e-sports value chain.

The strategy is to grow both organically and through acquisitions within the value chain for gaming / e-sports service and within broadcasting / streaming. M.O.B.A. Network AB (publ) has been listed on the Nasdaq First North Growth Market since December 2019.

CONSOLIDATION

Magic Find is expected to be consolidated in the Group in connection with the closing of the acquisition, estimated to 1 June 2021. Completion of the acquisition requires that the final conditions for closing are fulfilled.

DUE DILIGENCE

Prior to the signing of the purchase agreement, M.O.B.A, together with its advisers, performed a limited so-called due diligence of certain business, financial and legal information regarding Magic Find Inc.

FINANCIAL AND LEGAL ADVISOR

ABG Sundal Collier and KPMG act as financial advisers to M.O.B.A. in relation to the Transaction and ABG Sundal Collier acts as Sole Bookrunner in the proposed Directed Issues. Delphi and Westerlund Law are legal advisers to M.O.B.A. in relation to the Transaction and the Directed Issues.

White & Case Advokat AB is the legal advisor to Magic Find in relation to the Transaction.

This disclosure contains information that M.O.B.A Network AB is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person, on 19-05-2021 17:31 CET.

Stockholm 2021-05-19

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