

## **Play Magnus Group (PMG) - The Board unanimously recommends an offer from Chess.com to acquire all shares of Play Magnus Group**

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(Oslo, 24 August 2022) - The Board (the "Board") of Play Magnus AS ("Play Magnus Group" or "PMG") today announces an offer from Chess Growthco LLC (the "Offeror"), a wholly-owned subsidiary of [Chess.com](https://www.chess.com), LLC ("[Chess.com](https://www.chess.com)") to acquire 100 percent of the shares of Play Magnus Group at an offer price of NOK 13.00 per share.

[Chess.com](https://www.chess.com) and Play Magnus Group hereby announce that a wholly-owned subsidiary of [Chess.com](https://www.chess.com), Chess Growthco LLC, contemplates launching a voluntary cash offer (the "Offer") to acquire all outstanding shares of Play Magnus Group at a price of NOK 13.00 per share (the "Offer Price"). The Offer Price of NOK 13.00 per share of Play Magnus Group values the total share capital of the company at a market capitalization of NOK 798,885,386. The Offer Price is:

- 28.46% above the closing price of NOK 10.12 on 23 August 2022; and
- 44.42% above the 30-day volume weighted average price ("VWAP") of NOK 9.00 ending 23 August 2022; and
- 44.36% above the three-month VWAP of NOK 9.01 ending on 23 August 2022

The Offeror and PMG have entered into a transaction agreement (the "Transaction Agreement") regarding the Offer and the Board has unanimously undertaken to recommend the Offer. The Offeror has received irrevocable pre-acceptances to accept the Offer from the shareholders represented on the Board, totaling 37.38% of the issued share capital of Play Magnus Group.

### **Background and strategic rationale:**

"We have built fantastic products and services and established strong brands over the last 9 years. As we look ahead to Play Magnus' next phase and seek to balance growth and profitability, particularly in the context of the current market environment, we believe joining forces with [Chess.com](https://www.chess.com) as a strategic partner is the right path forward. It is the Board's clear opinion that the offer from [Chess.com](https://www.chess.com) is attractive for Play Magnus Group's shareholders and provides further opportunities for the company's employees and users. The offer represents a significant premium to the current market valuation of Play Magnus Group," said Chairman of Play Magnus Group, Anders Brandt.

"Play Magnus Group was created with the mission of enabling more people to play, watch, learn and earn a living from chess. We have developed great products, events and services which today are used by millions every month. I'm proud of our efforts in driving innovation in chess, which has led to Play Magnus Group experiencing significant growth these past years. With [Chess.com](https://www.chess.com)'s complementary offerings and sharing the same vision and mission, we are convinced that this combination will bring new opportunities for developing the future of chess," said CEO of Play Magnus Group Andreas Thome.

"It has been amazing to experience the growth of Play Magnus Group since 2013, and I would like to take the opportunity to thank the whole team for their efforts in developing the company and positively impacting the chess world. Now we are entering a new era, and the combination of these two companies creates opportunities for the game of chess that no-one has imagined before. I have great respect and admiration for [Chess.com](https://www.chess.com) and what they have achieved. I look forward to begin working with the [Chess.com](https://www.chess.com) team to create the best future for chess," said Magnus Carlsen, co-founder of Play Magnus Group and five-time world chess champion.

**About [Chess.com](https://www.chess.com):**

[Chess.com](#) is a leading provider of chess gaming and other chess-related services offering a vibrant forum and social network, a news feed, a chess academy, a coaching platform, tactics and puzzles, live tournaments, a separate website for kids ([Chesskid.com](#)), and ChessTV.

“I have been following Magnus, Chessable, chess24, and the entire Play Magnus Group for many years, and have admired the company’s focus on growing the game and serving the fans. The Champions Chess Tour is a great example of how PMG has spread the joy and thrills of the game more widely, while also developing chess as a viable business and career for players. Moving forward, we will continue to make significant investments in the long-term development of chess, and we believe Play Magnus Group’s complementary offerings, including its brands and products will play an instrumental role in the future of the game. We can’t wait to welcome the great team at Play Magnus Group to the [Chess.com](#) family,” said CEO of [Chess.com](#) Erik Allebest.

“The opportunities and choices for chess players, creators and fans have never been better in the history of the game of chess — and things will only be greater in the years ahead! Bringing the game’s most recognizable figure in Magnus Carlsen together with our chess community and incredible network of chess influencers and streamers can only mean more content and fun for chess enthusiasts worldwide. The most exciting years for chess players and fans are yet to come!” said Danny Rensch, Chief Chess Officer.

#### **About the Offer:**

- The Offer Price of NOK 13.00 will be settled in cash and/or share consideration as described below
- Shareholders owning one percent or more of Play Magnus Group’s share capital as of 24 August 2022 can decide between settlement in shares of Chess Holdings, LLC, ultimate parent of [Chess.com](#) and/or in cash while the remaining shareholders will receive settlement in cash
- The Offeror is expected to launch the Offer no later than 7 September 2022
- The completion of the Offer will be subject to satisfaction of certain customary conditions, which can be waived by the Offeror in its sole discretion, including, but not limited to,
  - that the Offeror obtains a minimum acceptance level of 90% of the share capital of Play Magnus Group (on a fully diluted basis);
  - that the Play Magnus Group Board of Directors shall not have amended, modified or withdrawn its recommendation of the Offer;
  - regulatory approvals, if any are applicable, having been obtained;
  - the agreement entered into between the Offeror and Magnus Carlsen relating to his role in the group following completion of the Offer shall remain valid and in full force; and
  - that no material adverse change and no material breach of the Transaction Agreement by Play Magnus Group have occurred.

The Offer will not be conditional on financing or further due diligence.

The Board shall not amend, modify or withdraw its recommendation of the Offer unless it receives a bona fide, binding, unsolicited superior competing offer that satisfies certain criteria. If the Offer is not completed due to a breach by PMG that entitles the Offeror to terminate the Transaction Agreement, or the Board withdraws or amends its recommendation of the Offer, PMG will be required to compensate the Offeror for its incurred costs up to a maximum amount of NOK 20 million.

The complete details of the Offer will be set out in an offer document to be sent to the shareholders of PMG. The offer period is expected to commence no later than 7 September 2022.

The above-mentioned pre-acceptances of certain shareholders will remain binding and cannot be terminated unless (i) the offer period is not commenced on or prior to 7 September 2022, or (ii) the Offeror has not, on or prior to 16:30 CET on 24 November 2022 (subject to extension by the Bidder in its sole discretion by up to three months if any approvals or reviews by applicable regulatory authorities in connection with the Offer are pending at such date), publicly announced that the conditions for closing of the Offer have been satisfied or waived by the Offeror, unless PMG and the Offeror have agreed to extend such date to a later date (in which event such later date will apply), or (iii) in the event that a competing offer is made by a third party, such competing offer is considered by the Board to be more favorable to the shareholders than the Offer, is not matched by the Offeror within the deadline agreed in the Transaction Agreement for such matching offer, and the Board on the basis of such competing offer has withdrawn its recommendation of the Offer.

This notification does not in itself constitute an offer. The Offer will only be made on the basis of the Offer Document and can only be accepted pursuant to the terms of the Offer Document. The Offer will not be made in any jurisdiction in which the making of the Offer would not be in compliance with the laws of such jurisdiction.

The Offeror intends to make a compulsory acquisition of the remaining shares in Play Magnus Group upon acquiring more than 90% of the shares in Play Magnus Group under the Offer. Further, subject to the outcome of the Offer, the Offeror

intends to propose to the general meeting of Play Magnus Group that an application is filed with the Oslo Stock Exchange to de-list shares of Play Magnus Group from Euronext Growth Oslo.

#### **Advisors:**

Skandinaviska Enskilda Banken AB (publ) Oslo Branch is acting as receiving agent to [Chess.com](https://www.chess.com) in connection with the Offer. Paul, Weiss, Rifkind, Wharton & Garrison LLP and Wikborg Rein Advokatfirma AS are acting as legal advisors to the [Chess.com](https://www.chess.com).

ABG Sundal Collier ASA and Houlihan Lokey are acting as financial advisors and Advokatfirmaet Thommessen AS as legal advisor to Play Magnus Group. Corporate Communications AS is acting as communications and IR advisor to Play Magnus Group.

#### **For further information, please contact:**

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#### **Important notice:**

This information is considered to be inside information pursuant to the EU Market Abuse Regulation and is subject to the disclosure requirements according to section 5-12 of the Norwegian Securities Trading Act. The information was submitted for publication by Arkus Fredriksson, Chief Strategy Officer, on behalf of PMG on 24 August 2022 at 16:30 CEST.

The Offer and the distribution of this announcement and other information in connection with the Offer may be restricted by law in certain jurisdictions. The Offeror and Play Magnus Group assume no responsibility in the event there is a violation by any person of such restrictions. Persons into whose possession this announcement or such other information should come are required to inform themselves about and to observe any such restrictions.

This release contains certain forward-looking statements within the meaning of the securities laws and regulations of various international, federal, and state jurisdictions. All statements, other than statements of historical fact, included herein, including without limitation, statements regarding the Offer, future plans and objectives of Play Magnus Group or the Offeror are forward-looking statements that involve risk and uncertainties. There can be no assurances that such statements will prove to be accurate and actual results could differ materially from those anticipated in such statements.

#### **About Play Magnus Group:**

Play Magnus Group is focused on providing premier chess experiences for millions of chess players and students. The company offers elearning and entertainment services via its brands: chess24, Chessable, iChess, New In Chess, Everyman Chess, Magnus Academy, Aimchess, the Play Magnus App Suite, and the Meltwater Champions Chess Tour. The Group's mission is to grow chess to make the world a smarter place by encouraging more people to play, watch, study, and earn a living from chess.

#### **Contacts**

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#### **Attachments**

- [Download announcement as PDF.pdf](#)