

OverActive Media Executes Definitive Purchase Agreements with KOI and Movistar Riders

TORONTO, Jan. 23, 2024 /CNW/ - OverActive Media Corp. (TSXV: OAM) ("**OverActive**" or the "**Company**") today announced that it has entered into a definitive asset purchase agreement with Goatch Global, S.L. (operating as "**KOI**") and a definitive share purchase agreement with the shareholders of Team Randomk Esports S.L., (operating as "**Movistar Riders**"), each dated January 22, 2024, in respect of its previously announced acquisition of certain esports assets owned by KOI and of Movistar Riders (together, the "**Acquisitions**"). Additionally, Telefónica, a long-time partner of Movistar Riders, has signed a multi-year partnership extension. Upon completion of the Acquisitions, the agreement will represent the largest financial partnership in OverActive's history.

Telefónica has been a main sponsor of Movistar Riders since 2017. The extended partnership agreement between Movistar Riders and Telefónica includes naming rights, branding presence on uniforms and merchandise, and content creation and promotion. In 2022, Telefónica FILIALES became a minority owner of the club, buying 15 percent of Movistar Riders. Upon completion of the Acquisitions, it will become an OverActive shareholder.

MAD Lions KOI kicked off the League of Legends EMEA Championship (LEC) Winter Split on January 13, with their third match this season reaching 741,000 peak viewers, making it the most popular regular season LEC match in history¹. Ibai Llanos co-streamed the matches live, generating more than 6 million views on Twitch. This follows a January 4th kickoff event celebrating the pending acquisitions of KOI and Movistar Riders that reached nearly 120,000 concurrent viewers, the largest non-game day audience for OverActive. The announcement reached an audience of over 5 million across the Company's social media channels. Ibai will be joining OverActive as a shareholder and brand ambassador upon the closing of these transactions.

¹

(4) Esports Charts on X: "741.4K PEAK VIEWERS | With this insane @KarmineCorp vs @MADLionsKOI #LECWinter 2024 becomes the most popular @LEC since Summer 2021! See more stats: <https://l.co/2RvgCaITDC> <https://l.co/290FovvKO6> / X (twitter.com)"

Acquisition Transaction Details

Except as otherwise noted below, the definitive agreements are generally consistent with the terms of the non-binding letter of intent in respect of the Acquisitions as described in OverActive's press releases of January 4 and January 8.

The consideration payable by OverActive for each of the Acquisitions will consist of up to 30 million common shares of the Company ("**Common Shares**"), of which 22.5 million Common Shares will be issued at closing (the "**Initial Consideration Shares**") and up to 7.5 million Common Shares (the "**Earn Out Shares**") will be issued based on OAM's EMEA based business achieving certain adjusted EBITDA targets during the period from January 1, 2024 to December 31, 2028. Accordingly, the aggregate consideration payable by OverActive to complete both Acquisitions is up to 60 million common shares, consisting of 45 million Initial Consideration Shares and up to 15 million Earn Out Shares. As previously described, a portion of the Initial Consideration Shares will be subject to escrow and lock-up arrangements, which will be as previously disclosed in the case of the Movistar Riders acquisition. In the case of the KOI acquisition: (i) 7.1 million of the Initial Consideration Shares will be escrowed for five years, with 20% of the escrowed shares released on each anniversary of closing; (ii) 12.1 million of the Initial Consideration Shares will be subject to lock-up for seven years, with 1/7 of the locked-up shares released on each anniversary of closing and (iii) 3.3 million of the Initial Consideration Shares will be issued free of any escrow or lock-up restrictions. None of the escrow shares or lock-up shares will be subject to surrender or cancellation except, in the case of the escrow shares, to satisfy indemnity claims by OAM pursuant to the terms of the KOI asset purchase agreement.

Assuming the issuance of all of the Earn Out Shares, after giving effect to the completion of the Acquisitions, the Company will have approximately 140 million Common Shares outstanding, 30 million of which will be owned by the former owners of Movistar Riders and 30 million will be owned by Goatch Global, S.L (KOI). The transaction is an arm's length transaction and will not result in the creation of a new "Control Person" as defined in the policies of the TSXV.

Each Acquisition remains subject to a number of conditions, including the concurrent completion of the other Acquisition, the receipt of all necessary TSXV, board and third-party approvals (including, in the case of the KOI Acquisition, the approval of Riot Games), OverActive entering into new contracts with the KOI esports team players and coaches and other customary conditions that are set out in the definitive purchase agreement. For further details regarding the terms of the Acquisitions please refer to OverActive's press releases of [January 4](#) and [January 8](#), 2024 and to the copies of the definitive purchase agreements that will be filed under OverActive's SEDAR profile at www.sedarplus.com.

Cautionary Note Regarding Forward-Looking Information

This press release contains statements which constitute "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws (collectively, "forward-looking statements"), including statements regarding the plans, intentions, beliefs and current expectations of OverActive with respect to the Acquisitions. Forward-looking statements are often identified by the words "may", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" or similar expressions and include information regarding (a) the completion of the Acquisitions, (b) the benefits expected to result from the Acquisitions by the Company, (c) the future performance of Movistar Riders and KOI, including the achievement of certain earn-out targets and their continued expansion and growth, (d) the timing and anticipated receipt of stock exchange approvals, (e) ability of the parties to enter into definitive agreements with respect to the Acquisitions and to satisfy the conditions to the closing of the Acquisitions, and (f) other statements that are not historical facts.

Investors are cautioned that forward-looking statements are not based on historical facts but instead OverActive management's expectations, estimates or projections concerning future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although OverActive believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed thereon, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements of the OverActive. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking statements are the following: the risk that the parties may not enter into definitive agreements with respect to the Acquisitions and that the Acquisitions may not be completed on the terms described herein or at all; the possibility that one or more of the closing conditions to the Acquisitions may not be satisfied; risks associated with the integration of the Acquisitions and the performance of Movistar Riders and KOI following completion of the Acquisitions; changes in general economic, business and political conditions, including changes in the financial markets; changes in applicable laws and regulations both locally and in foreign jurisdictions; compliance with extensive government regulation; the risks and uncertainties associated with foreign markets; and risk factors set out in OverActive's annual information form for the year ended December 31, 2021. These forward-looking statements may be affected by risks and uncertainties in the business of OverActive and general market conditions, including COVID-19.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although OverActive has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be

others that cause results not to be as anticipated, estimated or intended and such changes could be material. OverActive does not intend, and does not assume any obligation, to update the forward-looking statements except as otherwise required by applicable law.

ABOUT OVERACTIVE MEDIA

OverActive Media Corp. (TSXV: OAM) is headquartered in Toronto, Ontario, with operations in Madrid, Spain and Berlin, Germany. OverActive's mandate is to build an integrated global company delivering sports, media and entertainment products for today's generation of fans with a focus on esports, videogames, content creation and distribution, culture, and live and online events. OverActive owns team franchises in professional esports leagues, including (i) the Call of Duty League, operating as the Toronto Ultra, and (ii) the League of Legends EMEA Championship, operating as the MAD Lions. OverActive also leads OAM Live, an events arm that produces both live and online events.

ABOUT KOI

KOI is the Barcelona headquartered Esports club founded by Kosmos and Ibai Llanos in December 2021. The club currently has three teams: League of Legends, which competes in the LVP Superliga; VALORANT, which, after a season competing in Spain, now competes in the VALORANT Champions Tour EMEA League; and EA FC.

ABOUT MOVISTAR RIDERS

Movistar Riders is one of the leading eSports clubs in Spain. Its professional players represent the Movistar Riders brand in multiple national and international tournaments, competing in the most popular games such as League of Legends, CS2, or VALORANT; in addition to having the Atlético de Madrid - Movistar team for EA FC.

The club is headquartered at the Movistar eSports Center, in Matadero Madrid, a high-performance center where both players and coaching staff have the most advanced means to develop their activity at the highest level.

For more information, visit the club's official website: <https://www.movistarriders.gg/>

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

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