



**CAPITAL MARKETS DAY**  
**August 2021**

# WELCOME TO MGI'S CAPITAL MARKETS DAY

## **Agenda:**

10.30 – Media and Games Invest Business Update

10.50 – Deep Dive Games Segment

11.25 – Coffee Break

11.40 – Deep Dive Media Segment

12.15 – Break

13.15 – Financials

13.35 – Outlook

13.50 – Q&A

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## I. Introduction

II. Business overview

III. Games Segment

IV. Media Segment

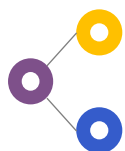
V. Financials

VI. Outlook





## Aim of our Capital Markets Day



Give an update of our latest developments in the segments



Share deeper insights into our strategy and actions



Provide an overview of financials; actuals and outlook



Get to know the team of MGI

 <b>Start</b>	2012 with the acquisition of gamigo AG, a distressed gaming company
 <b>Sectors</b>	Gaming: focus on sustainable revenue streams (MMO's & casual games) Media: focus on a vertically integrated omnichannel programmatic platform
 <b>Strategy</b>	<b>Step 1</b> Building critical mass; acquiring (distressed) gaming companies <b>Step 2</b> Focus on organic growth (investing in content, game launches) <b>Step 3</b> Strengthen Games by an own Media arm via buy & build <b>Step 4</b> Integrated Games & Media strategy with combined organic and M&A driven growth
 <b>Financials</b>	40+% y-o-y revenue growth since 2014 70+% y-o-y revenue growth since 2018 H1-2021: 109 mEUR revenues, 93% growth (37% organic) with 26% Adj. EBITDA margin
 <b>Listing</b>	Since 2018 (Germany) and 2020 (Sweden); Good access to capital markets
 <b>Team</b>	Well over 900 employees in 25+ locations
 <b>Goal</b>	Based on the MGI mid-term financial targets and Guidance for 2021: Grow MGI to revenues of 450 mEUR to 550 mEUR in the next 3 years Profiting from the synergies between organic and M&A opportunities within the segments





## Remco Westermann

### CEO & Chairman of the Board of MGI

Manager, entrepreneur and investor with + 25 years of experience from various leadership positions

- Founding, reorganising and growing various companies in the new technologies and media sector



## Tobias M. Weitzel

### Board Member (Independent<sup>1</sup>)

- Member of the Board and founder of CREDION AG, CEO and sole shareholder of Becker+Schreiner Kommunikation GmbH
- Diploma of Cologne Journalism School for Politics and Economics



## Elizabeth Para

### Board Member (Independent<sup>1</sup>)

- Co-Founder & Managing Partner of First Place Partners Ltd.
- M.A. Economics at University of Toronto. Technical background spanning public and private fixed income and equity markets since 1997.



## Antonius Reiner Fromme






### Board Member (Independent<sup>1</sup>)


- Chief Customer Experience Officer of freenet AG, Member of the Executive Board
- Diploma in industrial engineering at Technical University of Karlsruhe and extensive experience in mobile communication, online and offline marketing activities and digitalization

Notes: (1) Tobias Weitzel, Elizabeth Para and Antonius Fromme are Independent Board Members as per definition in the Swedish Corporate Governance Codex under point 4.4 and 4.5 (i.e. less than 10% shareholding)









**MGI Level**

 <b>Remco Westermann</b> Group CEO	 <b>Paul Echt</b> Group CFO	 <b>Jens Knauber</b> Group COO	 <b>Jens Christian Fritz</b> Group CIO
 <b>Maren Fischer</b> Director Legal	 <b>Sabrina Gründemann</b> Head of Business Support	 <b>Esther Hilsen</b> Head of ESG / IR Manager	 <b>Sören Barz</b> Head of Investor Relations



**gamigo group Top Management**

 <b>Jens Knauber</b> CEO gamigo	 <b>Andreas Weidenhaupt</b> COO gamigo	 <b>Miguel Oliveira</b> CEO Casual Games
 <b>Mervin Lee Kwai</b> CGO gamigo	 <b>Thomas Kothuis</b> CEO Media Elements	 <b>Ulrike Mundt</b> Head of HR <i>(starting in October)</i>



**VERVE GROUP Top Management**

 <b>Remco Westermann</b> CEO Verve	 <b>Sameer Sondhi</b> CRO Verve	 <b>Ionut Ciobotaru</b> CPO Verve
 <b>Stephanie Vandenberg-Smith</b> VP Sales	 <b>Malgorzata Adamczyk</b> Head of HR	



# Strong ownership structure


















Good access to equity capital markets

## Board and Management

Board and management with significant ownership in MGI and corresponding aligned interests with shareholders.

## Tier-1 Investors

MGI is backed by Tier-1 international and Nordic investors and thus has strong capital market access to finance its M&A strategy.

Shareholder	Holdings (%)	Shareholder	Holdings (%)
 Board and Management	28.6% <sup>1</sup> (32.3%) <sup>2</sup>	 Finlandia Rahastoyhtiö Oy	0.7%
 Oaktree Capital Management LP	9.1%	 Didner & Gerge Funds	0.6%
 Janus Henderson Investors	3.1%	 Stena	0.6%
 Avanza Pension	2.1%	 skandia Life Insurance Skandia	0.5%
 UBS Global Asset Management	1.7%	 Atlant Fonder AB	0.5%
 Nordnet Nordnet Pension Insurance	1.3%	 BlackRock BlackRock	0.5%
 FuturPension Futur Pension	0.8%	 Knutsson Holdings AB	0.4%
 skandia Skandia Funds	0.7%	 Fidelity International (FIL)	0.4%
		 InboxCapital Inbox Capital AB	0.2%

Notes: 1) Bodhivas GmbH, the investment vehicle of Remco Westermann, holds 38.4% of the voting rights in MGI. 2) Current shareholdings of Board and Executive management incl. Remco Westermann, Tobias Weitzel, Elizabeth Para, Paul Echt and Jens Knauber is 28.6% (fully diluted including ESOP shares 32.3%)

## Registered Office

Media and Games Invest SE  
St. Christopher Street 168  
Valletta VLT 1467, Malta

## Relocation in progress

- High priority
- Increase Investor Access
- Decrease investment barriers
- Euroclear blocked Luxembourg - New destination country is currently being evaluated

## German Bond

### Unsecured

- EUR 25m / EUR 25m
- Term until 11/2024
- Coupon 7.00% (floating rate of EURIBOR 3 months)
- ISIN: DE000A2R4KF3
- Refinancing planned October 2021

## Ordinary A-shares

- Authorized: 300,000,000
- Issued: 149,679,980
- Nominal Value per Share 1.00€
- Votes per Share: 10
- ISIN: MT0000580101
- Symbol: M8G

## Nordic Bond

### Senior Secured

- EUR 270m / EUR 350m
- Term until 11/2024
- Coupon 5.75% (floating rate of EURIBOR 3 months)
- ISIN: SE0015194527

## Ordinary B-shares

- Authorized: 200,000,000
- Issued: 0
- Nominal Value per Share 0.10€
- Votes per Share: 1
- ISIN: MT0000580119
- Symbol: n/a

## Research Coverage

- Berenberg (Buy)
- Jefferies (Buy)
- Kepler Cheuvreux (Buy)
- Pareto Securities (Buy)
- Redeye Equity Research (Buy)
- Warburg Research (Buy)
- Hauck & Aufhäuser (Buy)
- GBC AG (Buy)
- First Berlin (Buy)

## Market segment

- Frankfurt Stock Exchange (Xetra), Scale Segment (Shares)
- Nasdaq, First North Premier Growth Market (Shares)
- Nasdaq Stockholm, regulated Market (Bonds)
- Frankfurt Open Market (Bond)

## Index Inclusion

- MSCI Germany Small Cap Index
- MSCI Europe Small Cap Index
- MSCI World Small Cap Index



# Introducing today's presenters

## Our Speakers Today



### Remco Westermann

#### CEO & Chairman of the Board of MGI

- Manager, entrepreneur and investor with + 25 years of experience from various leadership positions
- Founding, reorganising and growing various companies in the new technologies and media sector

### Paul Echt

#### CFO of MGI

- Finance manager with + 10 years of experience from the tech and finance industry
- Previous positions at UniCredit Bank in Berlin, Munich and New York as well as Shopgate Inc. in San Francisco

### Jens Knauber

#### COO of MGI & CEO of gamigo group

- + 10 years of experience as manager in the games industry – over 300 published games
- Held a series of leadership positions at Hamburg publisher dtp

### Ionut Ciobotaru

#### CPO of Verve Group

- + 15 years of experience in the ad tech industry
- Founder of PubNative, founder of web development company Weebo and previous positions at Applift and EA

### Sameer Sondhi

#### CRO of Verve Group

- + 20 years of experience in the mobile industry working with operators and media companies
- Held executive positions at InMobi, Opera Media, GroundTruth, Infospace and LiveWire

## MGI Investor Relation

Our IR Team is also here with us in Stockholm and happily awaits your questions



### Sören Barz

Head of Investor Relations



### Esther Hilsen

Head of ESG / IR Manager



### Jenny Rosberg

IR Adviser (Today's moderator)

- I. Introduction
- II. Business overview



## I. **Business Update**

- II. Strategy
- III. ESG
- III. Games Segment
- IV. Media Segment
- V. Financials
- VI. Outlook



# Media and Games Invest in a Nutshell

A leading European gaming and digital media powerhouse serving customers worldwide

## Key facts

- +35 M&A** Transaction since 2012
- EUR ~800m** Market cap
- Listed** on Frankfurt Stock Exchange and Nasdaq First North Premier Stockholm
- +900 Employees<sup>3</sup>**

### Games segment with long term games revenues

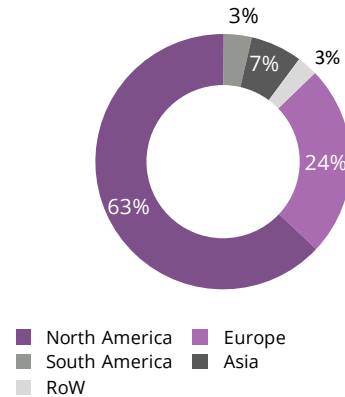
**+10** Top MMOs<sup>1</sup>      **+5,000** Casual games      **+100m** Registered gamers

### Media segment with SaaS revenues

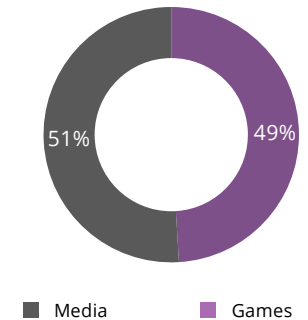
**+166bn** ads delivered yearly      **+5,000** Advertisers

## Key revenue splits

Revenues by region (Q2'21)

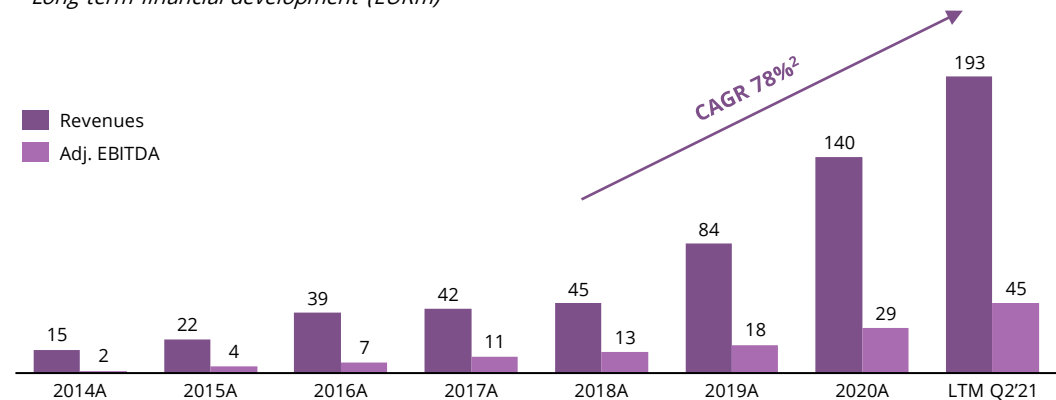


Revenues by segment (Q2'21)



## Key financial development

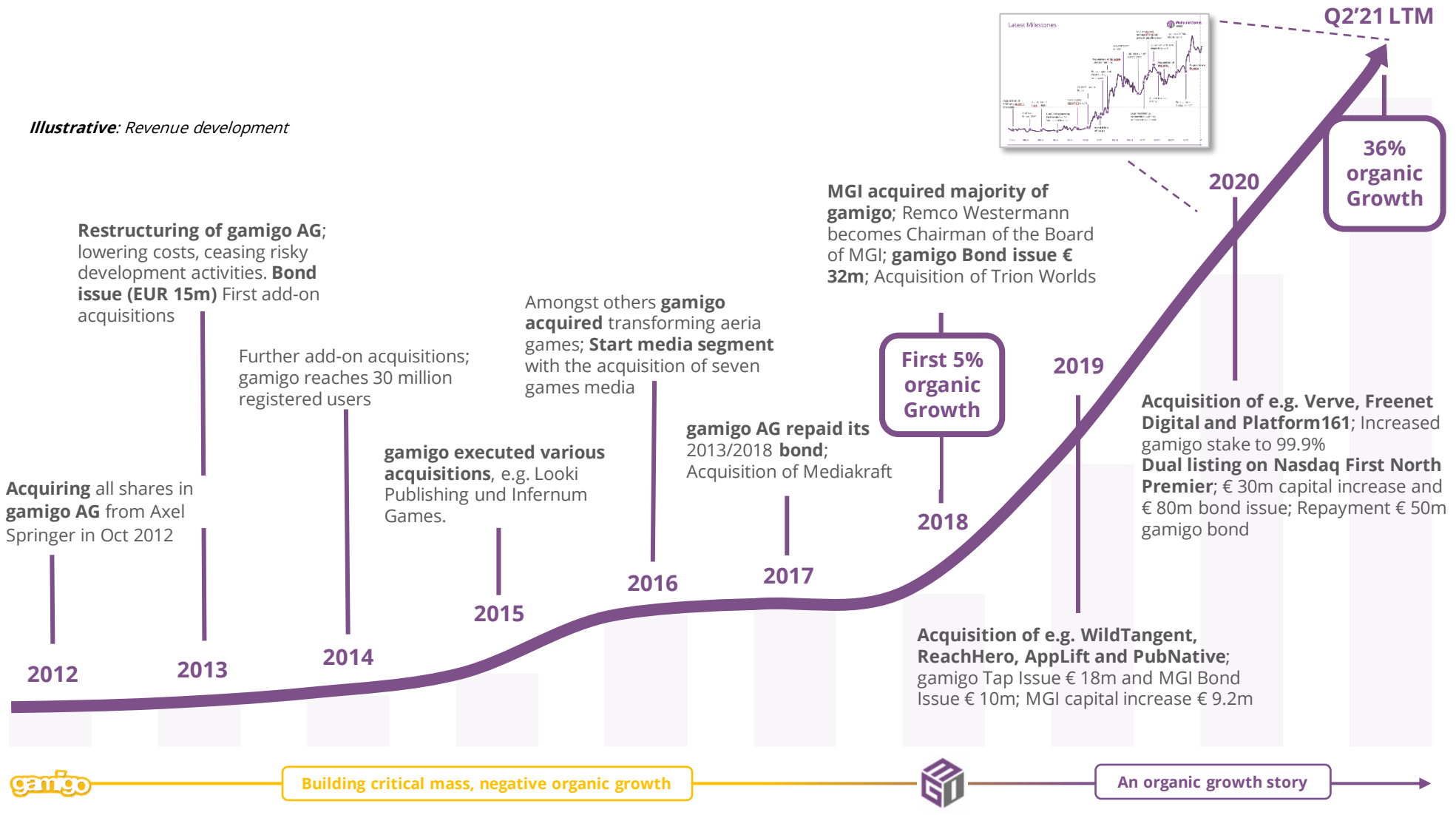
Long-term financial development (EURm)



Source: Group information  
Notes: 1) Massively Multiplayer Online games 2) CAGR 2018 - LTM Q2 2021 3) Including Smaato and contractors/freelancer

# An organic growth success story in games and media

*Illustrative: Revenue development*



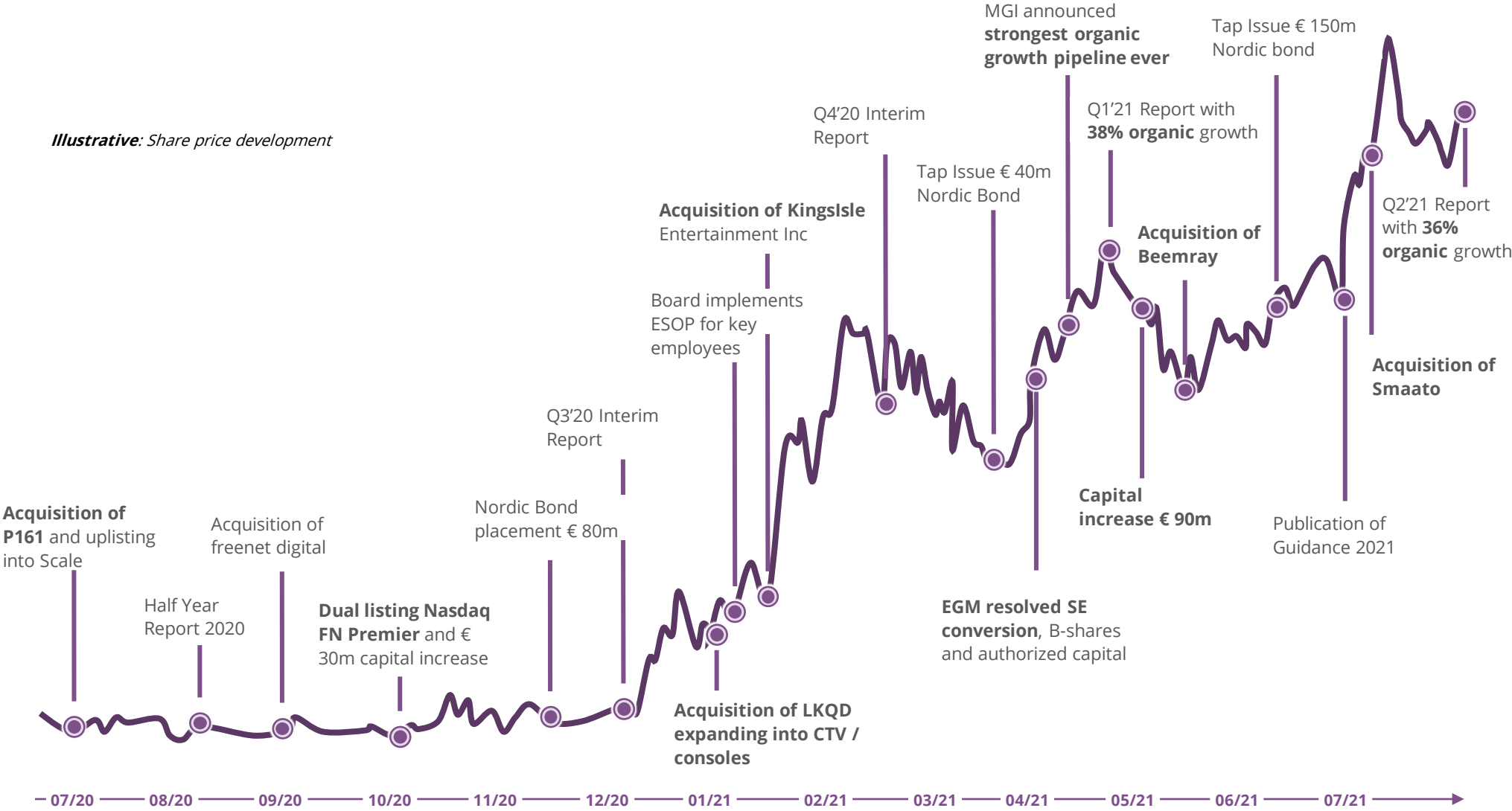
Building critical mass, negative organic growth



An organic growth story

# Latest Milestones last twelve months

*Illustrative: Share price development*





- I. Introduction
- II. Business overview
  - I. Business Update



## **II. Strategy**

- III. ESG
- III. Games Segment
- IV. Media Segment
- V. Financials
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# Our unique strategy delivers profitable, organic growth

The MGI Strategy builds on 2 pillars that culminate in profitable organic growth



Market consolidation through prudent M&A strategy



Integration and synergy realisation



Ramp-up of organic sales growth

Higher traffic volumes



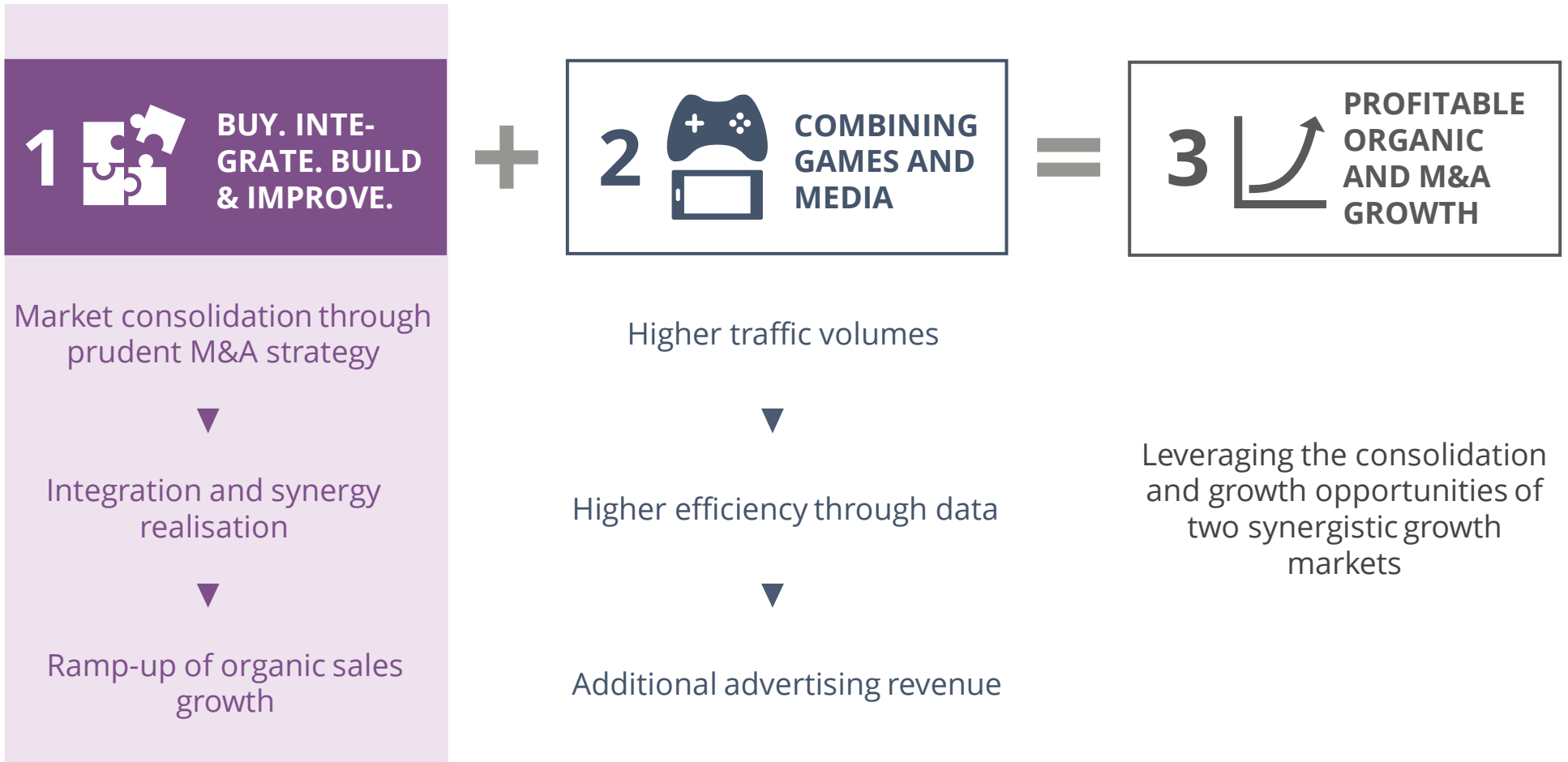
Higher efficiency through data



Additional advertising revenue

Leveraging the consolidation and growth opportunities of two synergistic growth markets

# Our strategy: 1 – Buy, Integrate, Build & Improve



# “Buy, integrate, build & improve”

Robust model enabling long-term value creation since 8 years

## Overview of MGI's strategy



### Market consolidation through prudent M&A strategy



#### Overall M&A strategy

Focusing on synergetic targets



#### Products

Accretive technology, products and customer bases



#### Synergies

Targets to offer clear synergies

### Integration and synergy realisation



#### Cost efficiency

Unified management structure



#### Technical integration

Connected platforms and hybrid cloud



#### Cost savings

Cancellation and renegotiation of contracts

### Ramp-up of organic sales growth



#### Improvements

Of products and technology



#### User base

Initiatives to grow existing user base



#### Internationalisation

Of existing products and solutions to new markets

# Successful integration of acquired entities

Enhanced cost control and efficiency through the use of state-of-the-art technology

## Overview of integration process

### Data centres

- High fixed costs
- High personnel costs
- Intense capital requirements

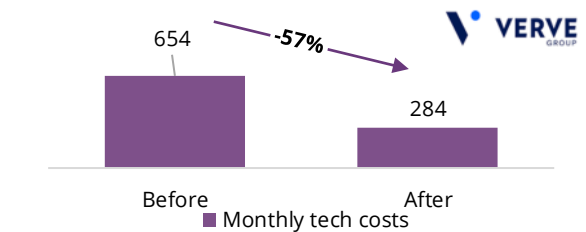
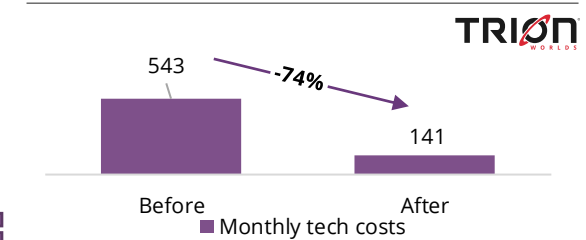


### Cloud technology

- Scalable cost base
- Largely constituting variable costs
- Low personnel expenses
- Limited capital investment requirements
- Reduced risk for downtimes



### Outcome (EURk)



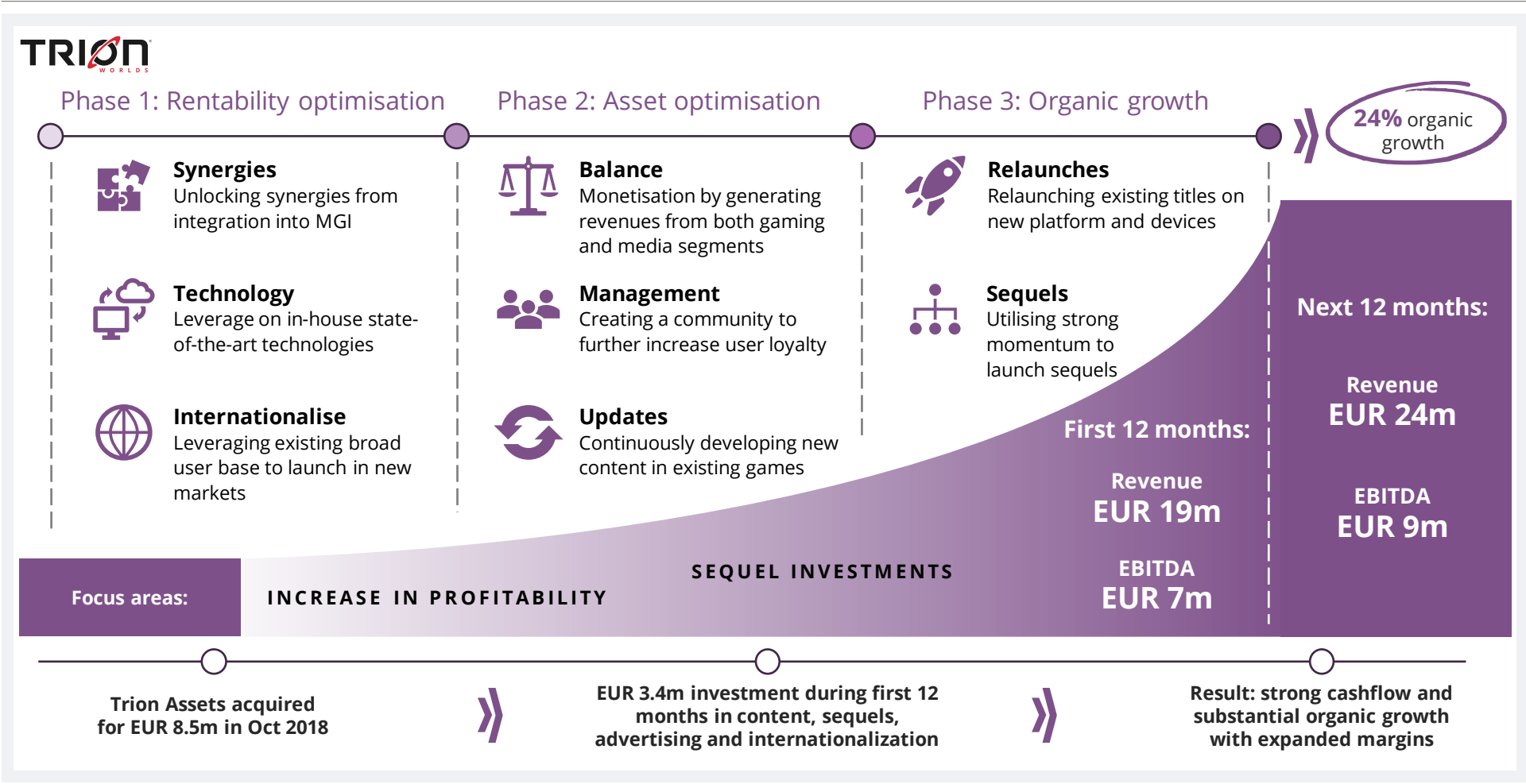
Source: Group information



# ...and strong ability to ramp up organic growth

Developing and optimising games following successful integration

## Overview of “build and improve” process



Source: Group information

Platform		PC	Console	Mobile
<b>Type of Engagement</b>	Core	✓	✓	■
	Mid Core	✓	■	■
	Casual	✓	■	✓
	Hyper Casual	✗	✗	■
	Virtual Reality	✗	✗	✗
<b>Monetization Strategy</b>	Free 2 Play	✓	✓	■
	Buy 2 Play	✓	✗	✗
	Advertisement-based	✓	n/a	✓
	Subscription-based	✓	n/a	✗
<b>Own IP vs. Licensed</b>	Own IP	✓	✓	✓
	Licensed	✓	✓	✓

**Legend:** ✓ Already part of gamigo / MGI value proposition   ■ Currently unticked box (looking for targets)   ✗ Not relevant for gamigo / MGI

Source: Company Information

Platform		In-App	Mobile Web / Web	CTV / OTT	DOOH
Vertical Integration	Creative	■	■	■	■
	Managed Brand	✓	✓	✓	✓
	Managed Performance	✓	✓	■	n/a
	DSP (Self Serve, Enterprise)	✓	✓	✓	✓
	DMP	✓	✓	■	■
	Open Exchange / Network	✓	✓	✓	■
	SSP + HB	✓	✓	✓	■
	PMP	✓	■	✓	■
	Analytics, Measurement & Attribution	■	■	■	■
Audiences OX	✓	✓	✓	■	
1st Party Data (own SKD)	✓	✓	■	■	
Atom (probabilistic)	Test	■	n/a	n/a	

**Legend:** ✓ Already part of Verve / MGI value proposition   ■ Currently unticked box (looking for targets)   ✗ Not relevant for Verve / MGI

Source: Company Information

# M&A Pipeline - Top 5 Targets

Several attractive targets in the pipeline, with some signings expected soon

## Bond proceeds will partly finance future acquisitions



Market consolidation through prudent M&A strategy



### Overall M&A strategy

Focusing on inefficient targets



### Products

Accretive technology, products and customer bases



### Synergies

Targets to offer clear synergies



Overview of cases with good potential to be signed within next 6 months<sup>1</sup>:



Mobile MMO publisher & developer  
Own and licensed IP's, €90-110m revenues, profitable



Demand side platform  
Own IP, strong customer base, €6-8m revenues, profitable



Supply side platform  
Own IP, strong customer base, €20-30m revenues, profitable



Mobile casual und mid core games publisher  
Own and licensed IP, casual games focus, €20-30m revenues, profitable

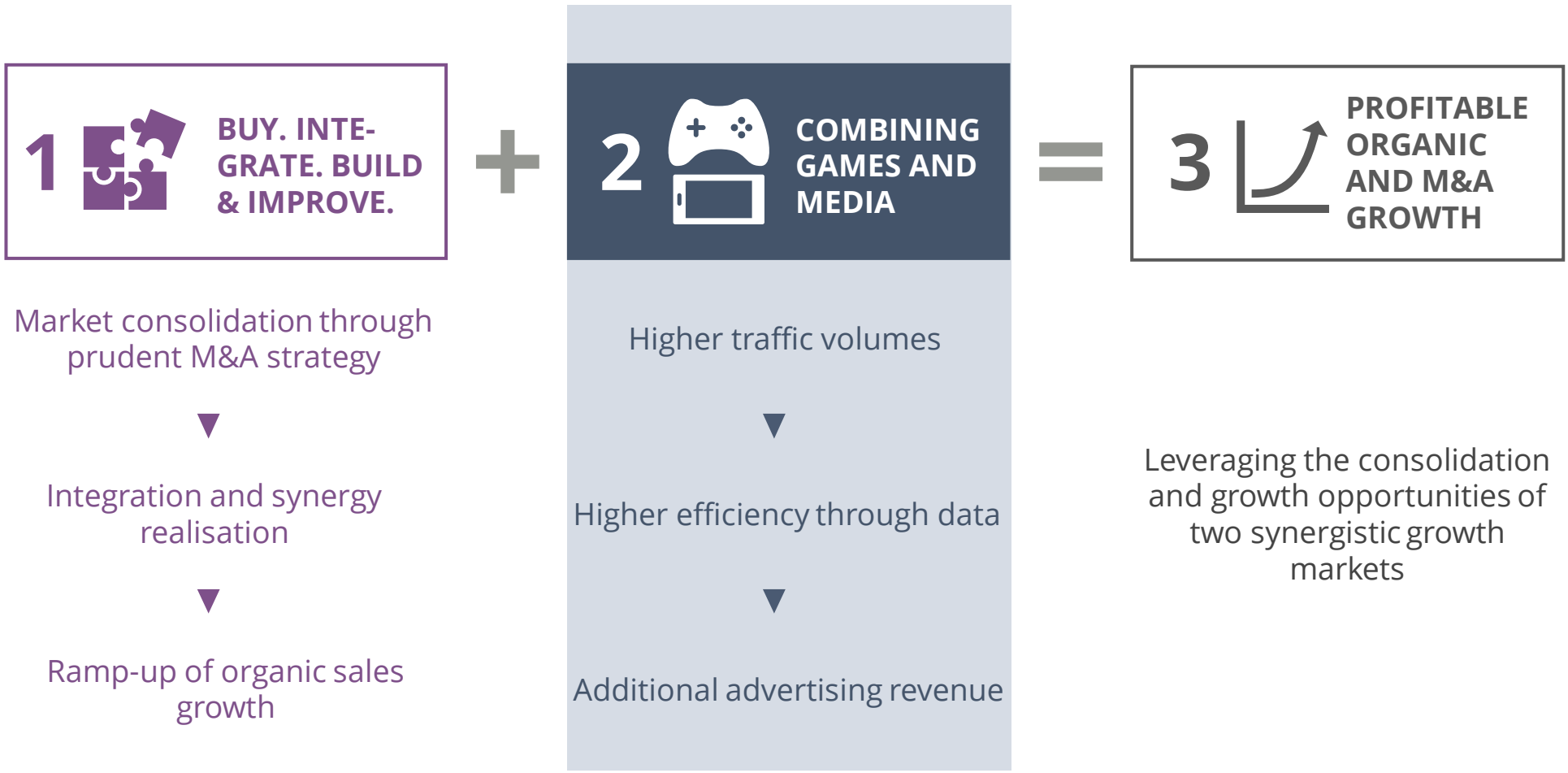


Mobile MMO publisher & developer  
Own IP, €5-10m revenues, profitable

Source: Group information

Note 1) Disclaimer; an M&A deal is only a signed and closed after signing and closing; before that any deal can fall apart and also new deals can appear

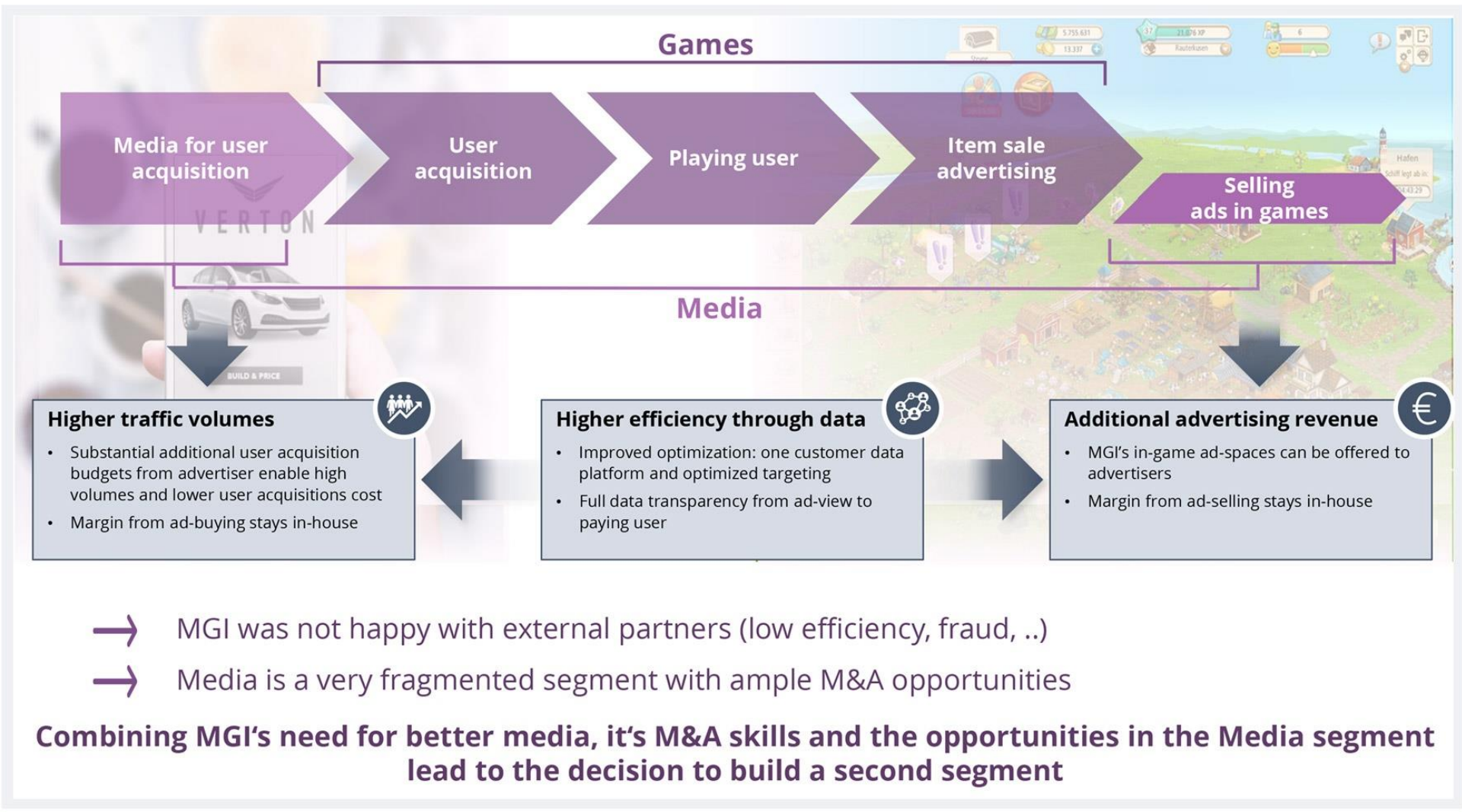
# Our strategy: 2 - Combining Games and Media





# Media and Games vertical integration

Online media serves as a strong organic growth accelerator for games

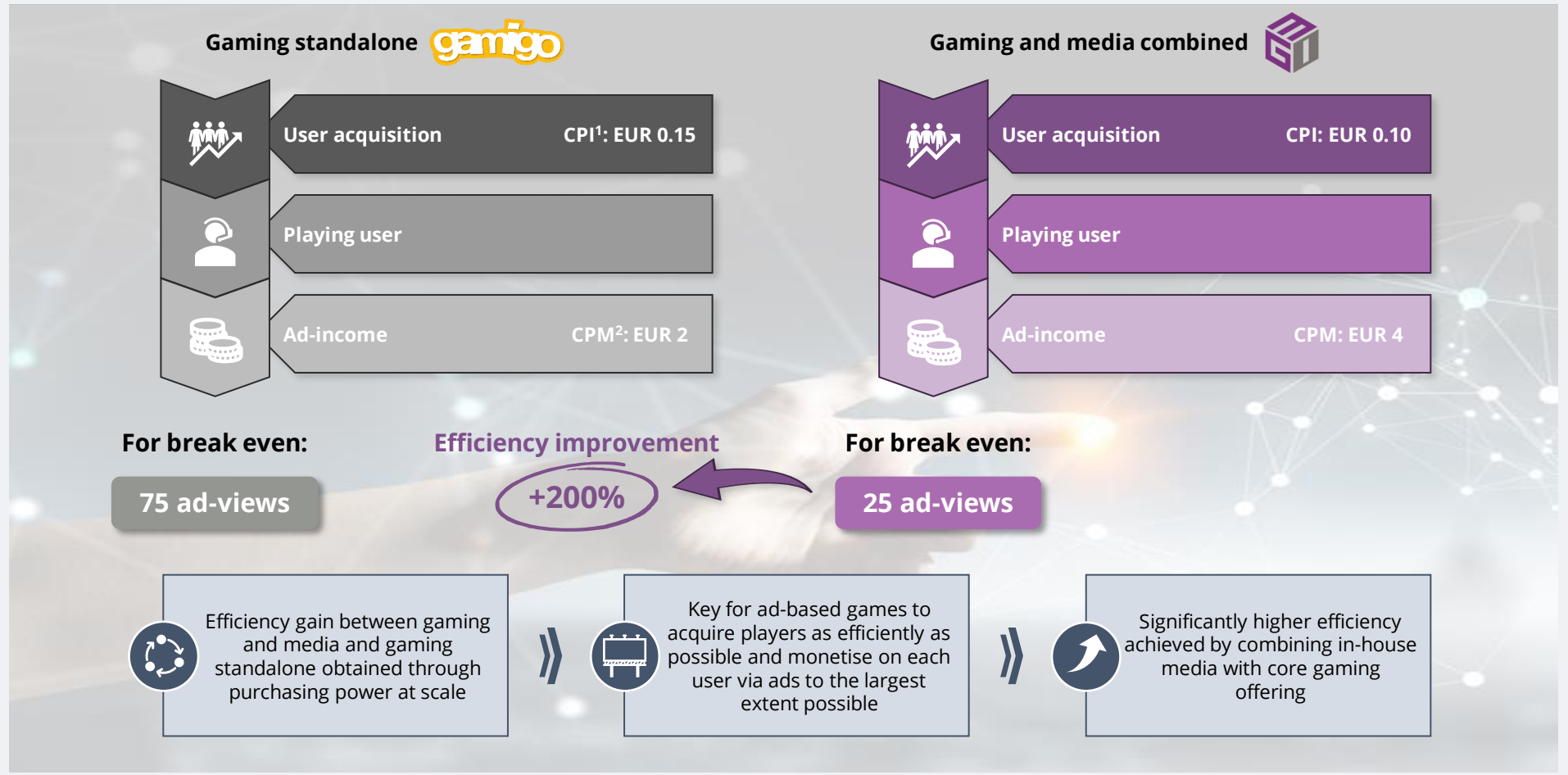


Source: Group information

# Why we combine Media and Games in a nutshell: #1

Combined Media and Games is much more efficient than stand-alone gaming: clear cost / revenue advantage

## Games and media combined: optimising the value chain, simplified example of the cost and revenue synergies

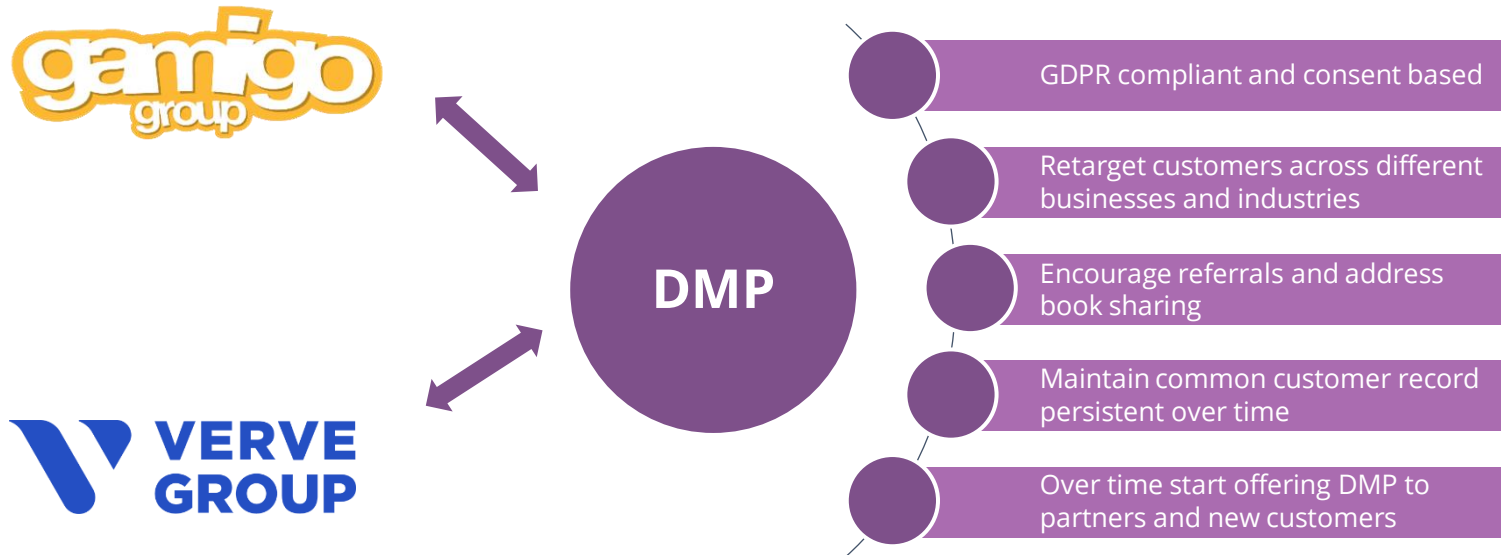


Source: Group information  
 Notes: 1) CPI = Cost Per Install, 2) CPM = Cost Per Thousand Impression

# Why we combine Media and Games in a nutshell: #2

Combining Media and Games: huge efficiency increase by transparency and data

## Example: data optimization



Targeting each person with the right ads is a challenge and decides about efficiency.



**Data are the 'fuel' of programmatic advertising:**

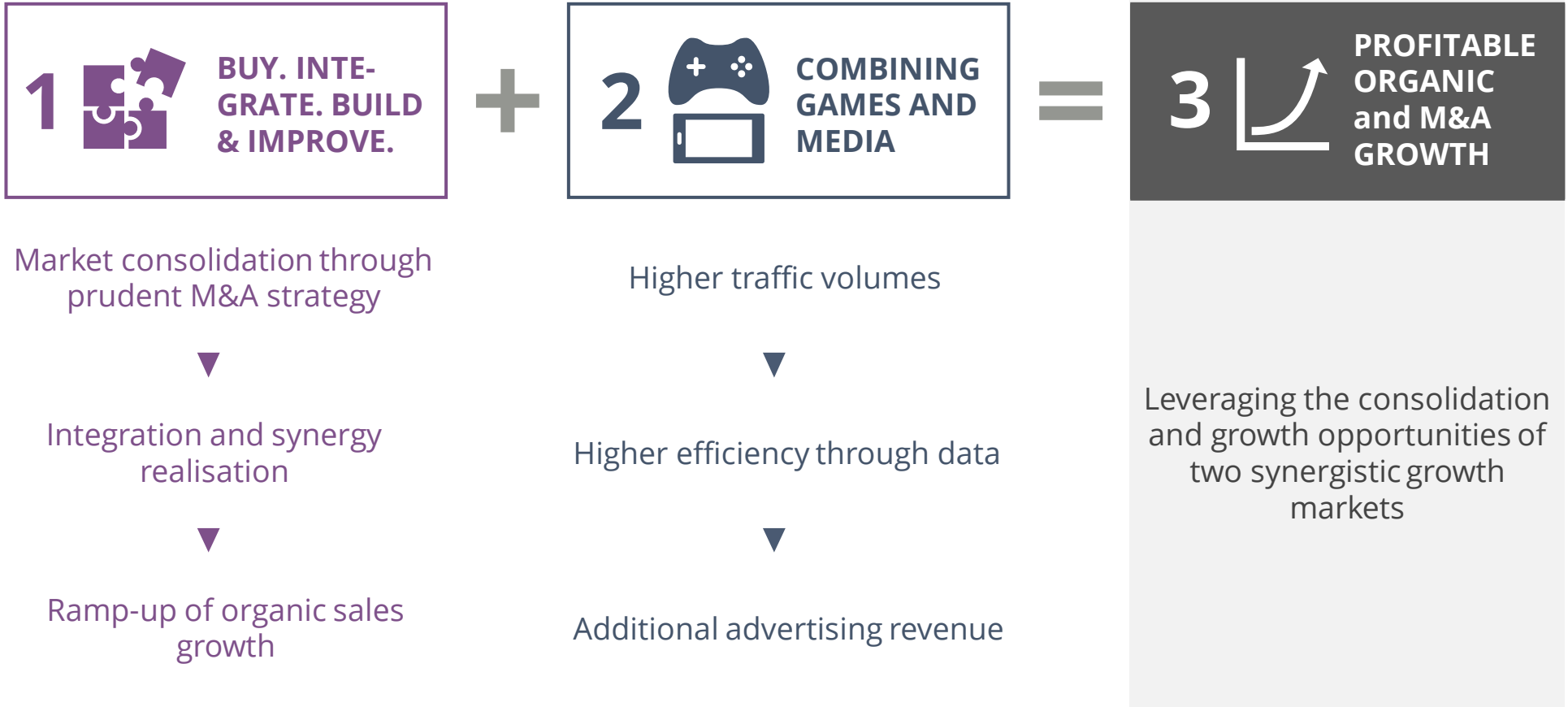
- to bid for the ads that reach the right target group
- to enrich basic data with additional info's
- to analyze and optimize efficiency



**Huge efficiency improvements are possible with:**

- more data volume
- and combining data from various in-house sources with external data
- and data science know-how and AI skills

# Our strategy: 3 – Profitable Organic and M&A Growth



# Complementary segments; own growth + synergies

Integrated into single unit/brand

M&A growth

Organic growth

Synergies

Games



Adding critical mass and players: more sustainable games PC + Console + Mobile

Current games: small game updates, DLC's, porting, internationalization, player acquisition, new game launches

Media



Completing the programmatic vertical omnichannel tech-stack and adding critical mass

Cross-selling via connecting platforms, product innovation and adding new customers

- ✓ Cheaper media
- ✓ Full transparency
- ✓ Better fill rate
- ✓ Data

&

- ✓ Unique ad-inventory
- ✓ Additional revenues

&

- ✓ Overhead synergies
- ✓ Know-how sharing

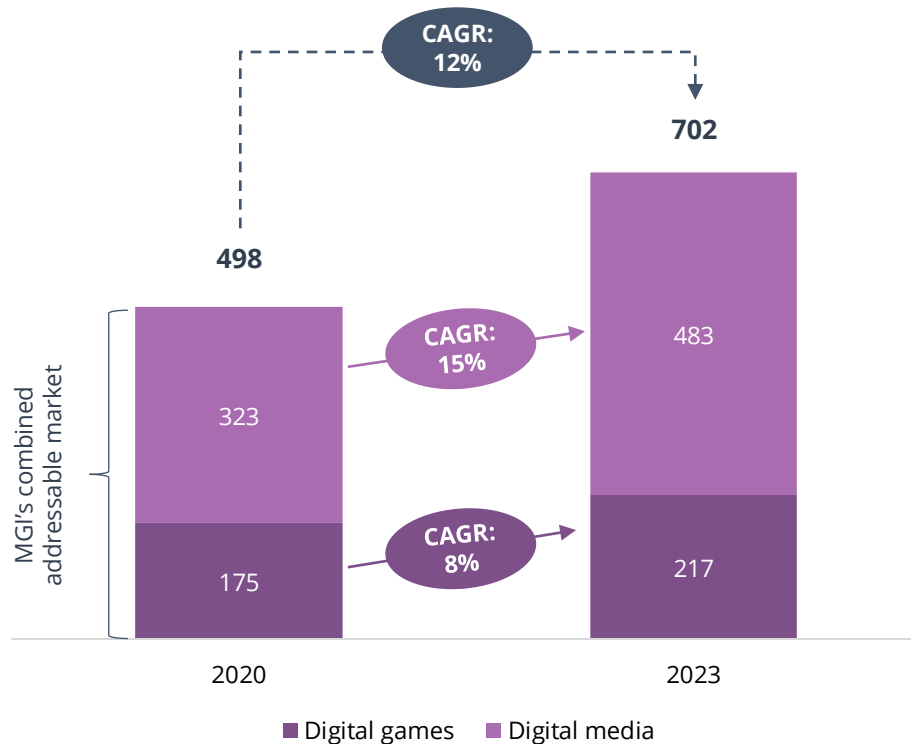


# Profitable organic growth

Combining “Media and Games” results in 3.0x higher organic growth than the overall market

## Illustration of value chain extension

MGI's addressable markets (USDbn)



The sum is greater than its parts



90% growth

of which

36% Organic growth<sup>1</sup>

Key performance drivers:

- ✓ Efficient user acquisition and placing ads in games
- ✓ Leveraging strong synergy potentials between markets
- ✓ Continuously improving internal operations efficiency

Source: Newzoo Global Games Market Report, Emarketer Global Digital Ad Spending Update Q2 2020  
Notes: 1) Q2 2021

- I. Introduction
- II. Business overview
  - I. Business Update
  - II. Strategy



### **III. ESG**

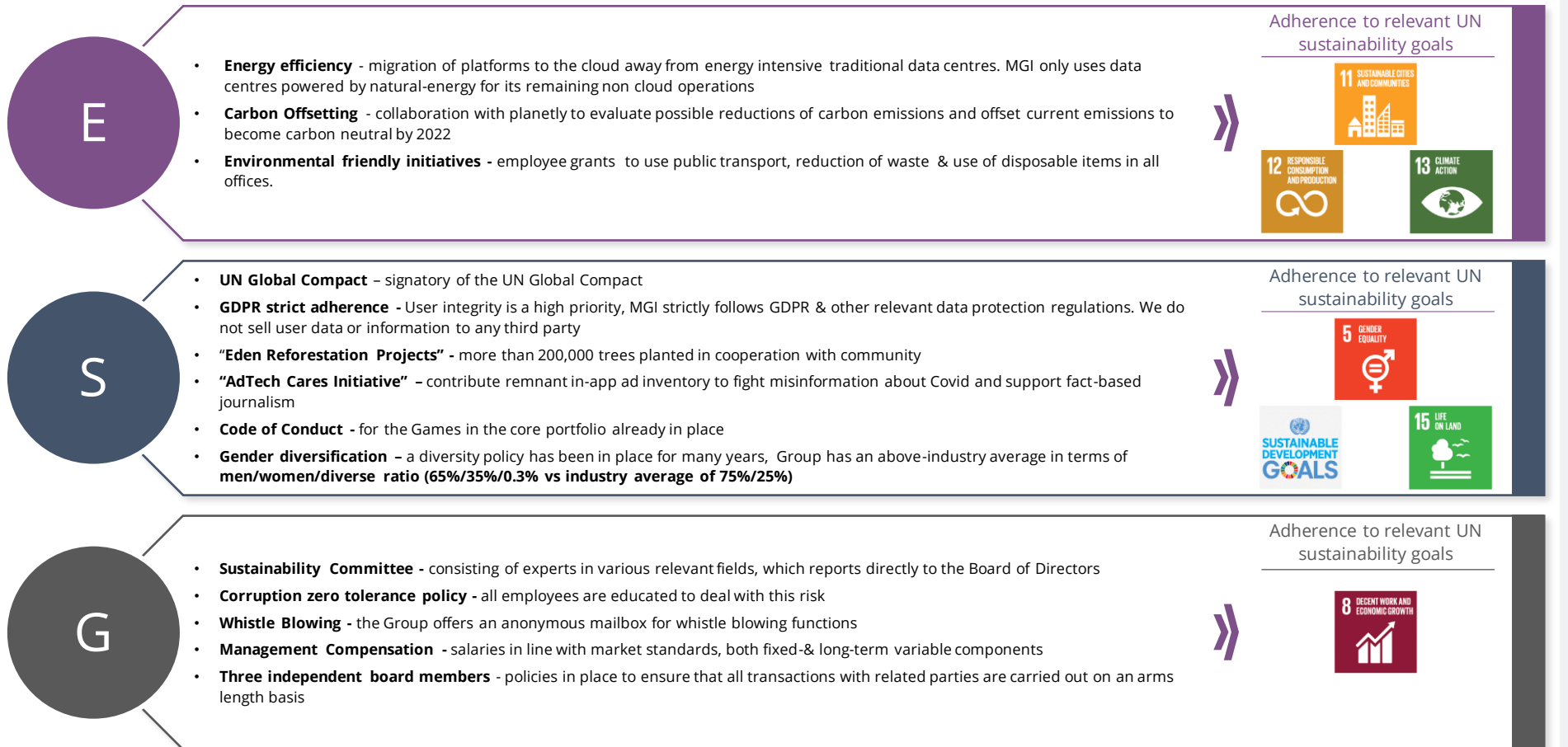
- III. Games Segment
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# ESG Policy of the Group

MGI's environmental, social and governance initiatives are well in line with established UN goals

## Summary of the Group's ESG commitment



Source: Group information, UN

# MGI aims to provide a safe environment for all its users

Particular focus on youth and child protection

## Preventive measures

- Community behavior rules
- Code of conduct for each game
- External protection officer
- No offer of gambling
- Protection from impulse purchases
- Protection of minors and age rating for core games

## Control and sanctions

- Trained community management team
- Monitored & moderated chats
- Reporting of bad behavior or misconduct
- Consequences for bad behavior
- Legal intervention against "rogue private servers"
- Zero tolerance for "Gold Sellers"
- Automated chat filters

## Improvement targets

- Age-appropriate advertising filters
- Upgraded reporting tools
- Clear & unambiguous terms & conditions.



MGI strives to create a safe environment in its games and portals, in which children and young people are protected



MGI opposes any kind of insults, sexual harassment, racist or hateful language, threats or bullying, implementing preventive measures and sanctions for misconduct




gamigo is a member of the game Verband Deutschland and actively supports its efforts for diversity within games. MGI is a signatory of the UN Global Compact

# Sustainability

MGI has put great emphasize on sustainability initiatives and will continue to do so in the future

## Achievements 2020




**ADTECH  
CARES**

MGI's media unit Verve Group became a partner of AdTechCares.



MGI's games segment launched a cooperation with Eden Reforestation Project resulting in a total of over 200,000 trees planted.



Within the new hires during 2020, equality was nearly achieved (43.81% Female / 56.19% Male / 0% Diverse).



**42 different nationalities at MGI**

MGI is a melting pot of cultures with offices in 18 locations and employees from 42 different nations.



MGI is collaborating with Planetly and aims to become carbon neutral until the end of 2022.



*Already achieved in 2020 via CO<sub>2</sub>-Offsetting*

**WE SUPPORT**







MGI has become a signatory of the UN Global Compact during 2020.

# Our long-term Sustainability Goals

First sustainability report published in June 2021

## Continuously pursuing and improving our efforts

 Environmental	 Social	 Governance
Carbon neutral by 2022 	Inclusive and inspiring products	Data Protection and security
Green energy and cloud solutions	Measures for a safe environment	No Insults or Harassment
Reuse IT equipment	Feedback culture	Zero tolerance for corruption
Community events with environmental impact	Health, diversity and gender equality	Board Composition <sup>1</sup>

Source: Group information

Notes: (1) Independent Board Member as per definition in the Swedish Corporate Governance Codex under point 4.4 and 4.5



# MGI Sustainability Grid

Concrete actions are in place and planned, further actions are developed by Sustainability Working Group

Working for a Greener Future	Providing Data Protection & Security	A Great Team & an Inspiring Workplace	Diversity & Fair Play in our Products & Services	Corporate Governance
<b>Player Engagement:</b> <ul style="list-style-type: none"> <li>✔ 200,000 trees planted</li> <li>✔ Permanent Coop. with Eden</li> <li>Ⓟ Water Project Charity</li> </ul>	<b>Responsibility:</b> <ul style="list-style-type: none"> <li>✔ Youth Protect. Officer</li> <li>✔ Data Protect. Officers</li> <li>Ⓟ In-House Data Protect. Coordinators</li> </ul>	<b>Diversity &amp; Gender Equality:</b> <ul style="list-style-type: none"> <li>✔ Workforce: 34.5% F / 65.18 % M / 0.31% D</li> <li>✔ New Hires: 43.81% F / 56.19% M</li> <li>Ⓟ Increase Diversity</li> </ul>	<b>Inclusive Game Portfolio:</b> <ul style="list-style-type: none"> <li>✔ Active Communities</li> <li>✔ Diff. games, platforms &amp; languages</li> <li>Ⓟ „Playing for the Planet“</li> </ul>	<b>Transparent Reporting &amp; Policies:</b> <ul style="list-style-type: none"> <li>Ⓟ Governance Report</li> <li>✔ Anti-Corruption Policy</li> <li>✔ Compliance Training</li> <li>✔ Whistle Blowing System updated</li> </ul>
<b>CO<sub>2</sub> Targets:</b> <ul style="list-style-type: none"> <li>✔ Tracking emissions</li> <li>✔ Offset 2020 emissions</li> <li>Ⓟ Carbon neutral 2022</li> <li>Ⓟ Reduce emissions</li> <li>Ⓟ Carbon Negative</li> </ul>	<b>Player Protection:</b> <ul style="list-style-type: none"> <li>✔ USK/ PEGI/ ERSB</li> <li>✔ Chatfilt. in core games</li> <li>Ⓟ Filter rollout</li> <li>Ⓟ Age appropriate advertising</li> <li>Ⓟ Suppl. Legal Texts</li> </ul>	<b>Training:</b> <ul style="list-style-type: none"> <li>✔ Digital Train. Course &amp; Expert Conference</li> <li>✔ „Handbook for Managers“ Train.</li> <li>Ⓟ New Train. Budget in H2 2021</li> </ul>	<b>Rules of the Game:</b> <ul style="list-style-type: none"> <li>✔ Statement against Harassment</li> <li>✔ Code of Conduct Games</li> <li>✔ Respons. Gaming Policy</li> <li>✔ Player Satisfaction Surveys</li> </ul>	<b>Sustainability Processes:</b> <ul style="list-style-type: none"> <li>✔ Sustainability Board</li> <li>✔ Sustainability Committee</li> <li>✔ Sustainability Working Group</li> </ul>
<b>IT equipment:</b> <ul style="list-style-type: none"> <li>✔ Cloud computing power</li> <li>✔ Reuse/recycle IT equipment</li> </ul>	<b>Data Protection &amp; Transparency</b> <ul style="list-style-type: none"> <li>✔ Data Protection Statement</li> <li>✔ Transparency in advertising (Prebid/IAB)</li> <li>Ⓟ Revised Complaint Procedure</li> </ul>	<b>Anti-Discrimination:</b> <ul style="list-style-type: none"> <li>✔ Inclusive Onboarding Process</li> <li>✔ Zero Tolerance: Discrimination &amp; Harassment</li> </ul>	<b>Media:</b> <ul style="list-style-type: none"> <li>✔ Content Guidelines for Partners</li> <li>✔ Ban prohibited Content</li> <li>✔ Transparency in Advertising</li> </ul>	<b>Board:</b> <ul style="list-style-type: none"> <li>✔ 1/4 Female, 3/4 Independent</li> <li>✔ Add. Independent Board Members added<sup>1</sup></li> </ul>

✔ In place/ Ongoing    Ⓟ Planned

Source: Group information

Notes: (1) Independent Board Member as per definition in the Swedish Corporate Governance Codex under point 4.4 and 4.5 (i.e. less than 10% shareholding)

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#### I. Segment Overview

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# Gamigo Group at a glance

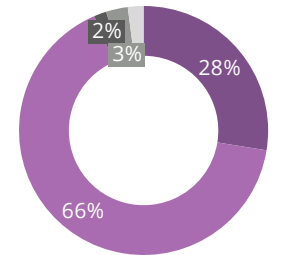
A leading MMO powerhouse

## Key facts

- Started in 2012
- HQ Hamburg
- +25 M&A Transaction since 2012
- ~500 Employees<sup>2</sup>
- +10 Top MMOs<sup>1</sup>  
+5,000 Casual games
- +100m Registered gamers

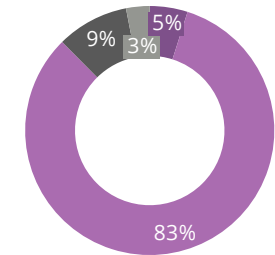
## Key revenue splits

Revenues by region (Q2'21)



■ EU ■ SA ■ Rest  
■ NA ■ Asia

Revenues by type (Q2'21)



■ Browser ■ Mobile  
■ Client ■ Console

## Major acquisitions

Source: Group information  
 Notes: 1) Massively Multiplayer Online games, 2) Including contractors/freelancer

# Monetization

## Monetization at a glance in the Games segment

### Monetization strategy



#### Free 2 Play

- Mostly free2play only MMOs
- Offering virtual goods
- Sales via virtual in-game currency



#### Buy 2 Play

- Upfront payment for game
- Possibility to combine Buy 2 Play with offering of virtual goods sale



#### Advertisement-based

- Especially relevant in casual games
- Lower percentage of paying players



#### Subscription-based

- Monthly subscriptions
- Access to games or special perks

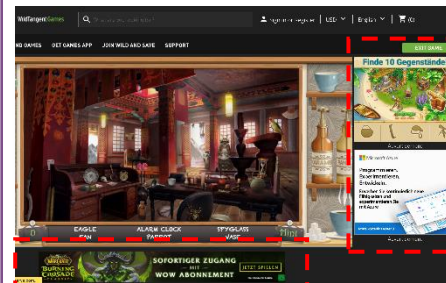
### Examples per monetization strategy



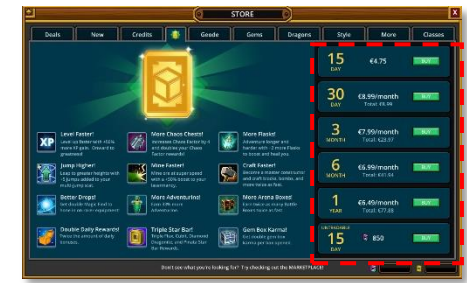
Items that can be purchased with in-game currency



Buy 2 Play titles (full games and DLCs)



Banner ads



Subscription models with different duration

# gamigo is attractively positioned in the games industry

Hybrid positioning combining attractive characteristics for publishers and developers

## Gaming players are typically divided into publishers or developers

Key criteria		Publishers	Developers	Commentary
 Own property	✓	✗	✓	gamigo serves as publisher whilst owning part of its games, which are developed/improved in-house
 Low development risk	✓	✓	✗	gamigo is a pure publisher with no new game development, focusing purely on enhancement of existing games
 Portfolio diversification	✓ ✓	✓	✗	A well-diversified games portfolio across users and geographies
 Capex light	✓	✓ ✓	✗	Minimal maintenance capex requirements given no pre-invest development risk
 Platform independence	✓	✓	✗	Well-diversified across distribution channels ensures no platform dependency
 Technology edge	✓ ✓	✓	✗	A well-integrated technology platform with continuous improvements and upgrades
 M&A platform	✓ ✓	✗	✗	The group has a proven track record of successful M&As and subsequent integration of acquired targets
 User acquisition	✓ ✓	✓	✓	Together with Verve gamigo provides high customer acquisition capabilities compared to traditional publishers and developers owing to its in-house media- and advertising companies. 89% of user acquisition is done in-house (via Verve)

**Based on key sector criteria, gamigo possesses all necessary characteristics to act as consolidator in the fragmented games market**

Source: Group Information

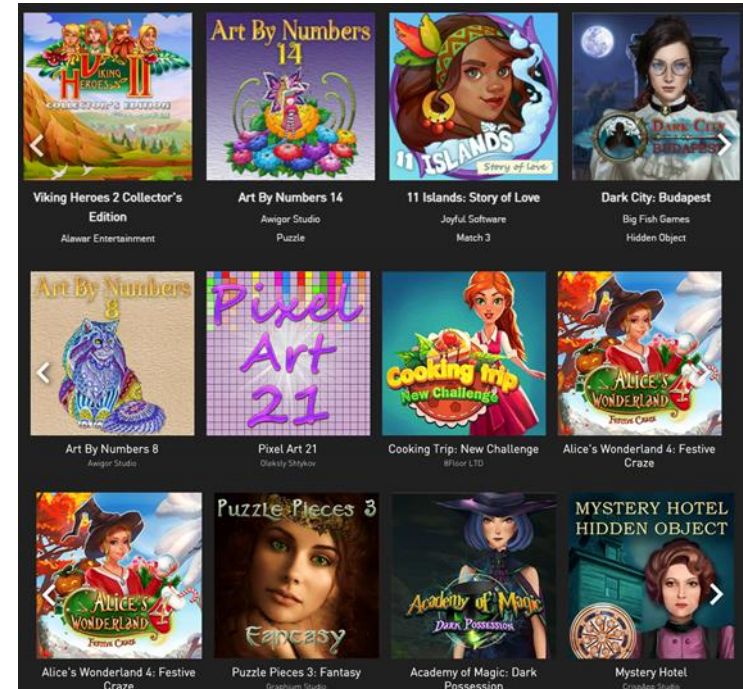
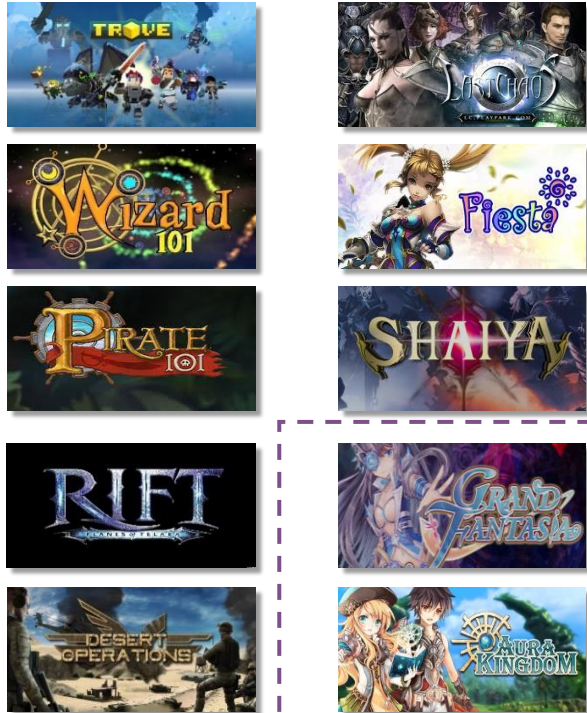
Notes: 1) Two check marks indicate stronger position in the given criteria

# Extensive catalogue of games

## +10 Top MMOs

## +5,000 Casual Games

### Own IP Games



80% of total Games revenue stemming from own IP<sup>1</sup>

Source: Group information  
Notes: 1) based on 2021 YTD numbers



# Wizard101: The Harry Potter Of Online Games

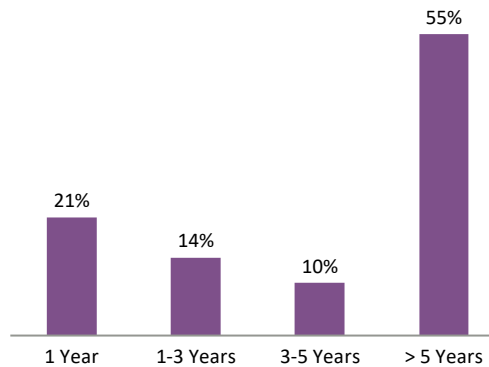
A dedicated customer base with multi-year relationships

## Massively Multiplayer Game



- A family-friendly MMORPG, first launched 2008
- Community: Players collaborate and build lasting relationships
- Interactive: Meaningful character evolution and exciting fully-voiced narrative
- Expansive World: Thousands of hours of diverse and engaging game content

## Recurring revenues<sup>1</sup>



- 55% of revenues from players who are playing for more than 5 years; suggesting high stickiness
- Free2Play MMO; around 15% of new players are converted to paying users
- Multiple diverse points of sale; subscription, in-game transactions, and retail packages

## Substantial revenues

**USD +430m revenues**

**+55m gamers**

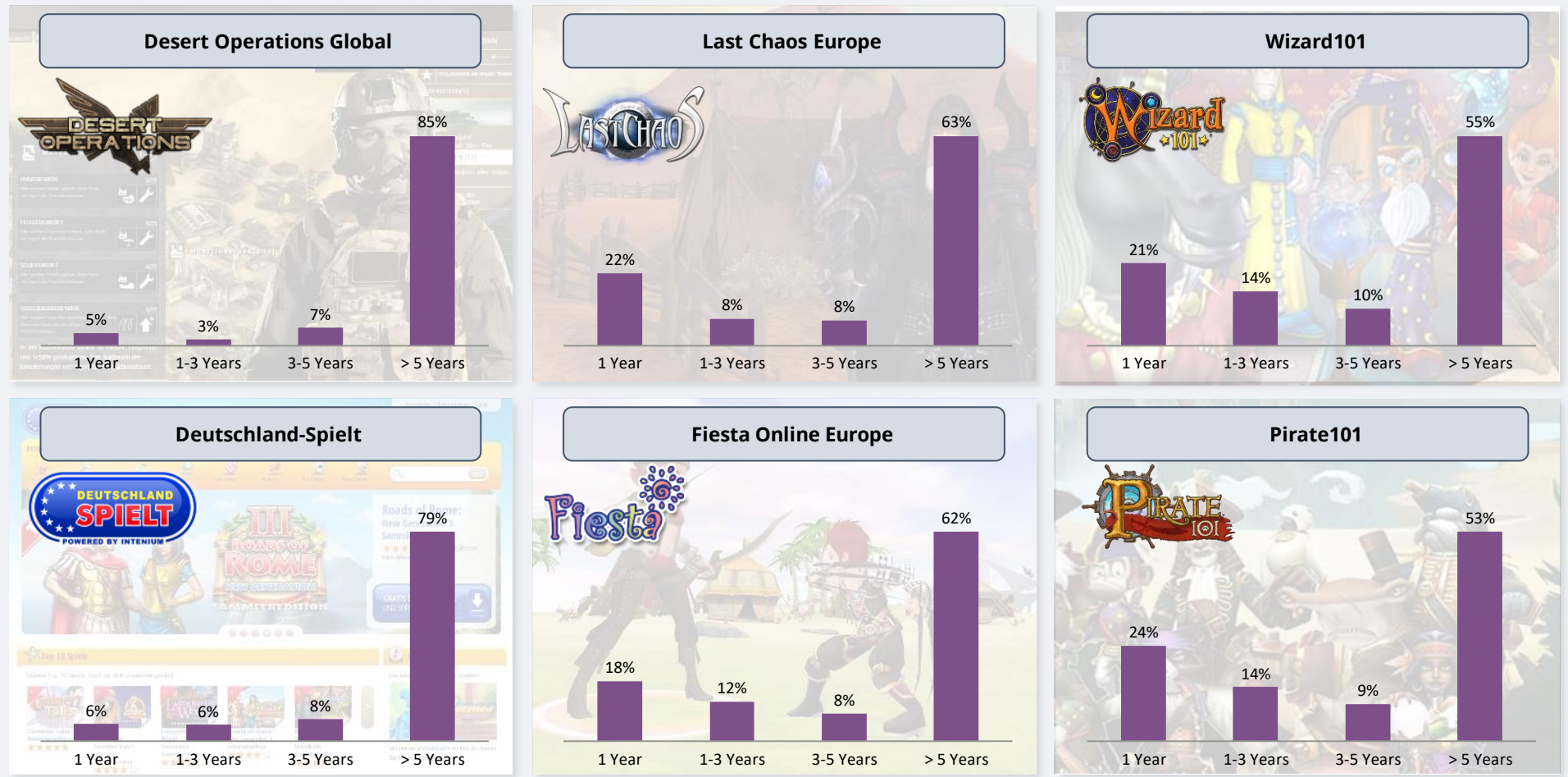
- Wizard101 has generated more than +430m in revenues since its release 13 years ago
- +55m user accounts created since launch
- Target Group: 20-30 years old, male and female audience

Wizard101 is a life-brand title for core users who continuously engage, and has been monetized over the last decade

# Revenues are typically recurring over +5 years

Loyal customer base ensures a high degree of recurring revenues and visibility

## Revenue split by user tenure for selected games



Source: Group information  
Notes: 1) Figures Q1'21

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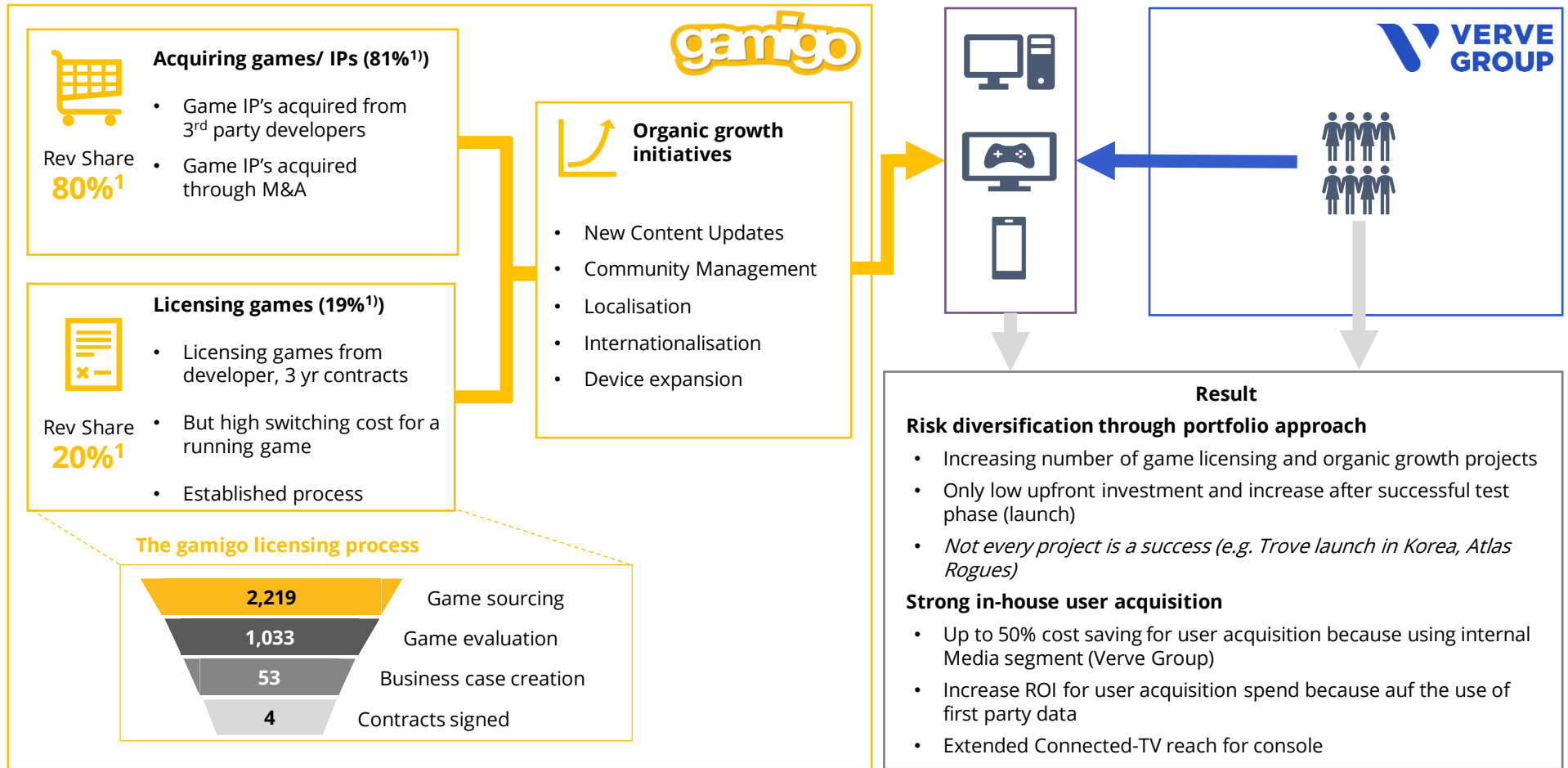
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# Games growth strategy

MGI follows a low risk portfolio approach



Note: 1) % of revenue stemming from own IP vs. licensed games in H1 2021

# Organic growth highlights

Games growth projects in the past twelve months



## H2 2020

TROVE LAUNCHES "DELVES" ON CONSOLES	ARCHEAGE UNCHAINED LAUNCHES GARDEN OF GODS EXPANSION: THE IPNYSH SANCTUARY
GRAND FANTASIA ADDS A FLOATING CITY	AURA KINGDOM WITH DOUBLE PATCH
GAMIGO CELEBRATES 20TH ANNIVERSARY	TROVE HUBDATE NOW AVAILABLE FOR CONSOLES
AURA KINGDOM REVEALS ITS STAR CALLER CLASS	FIESTA ONLINE CELEBRATES ITS 14TH BIRTHDAY
ARCHEAGE INTRODUCES CHRONICLES AND RISE OF NEHLIYA	GRAND FANTASIA CELEBRATES 10 FANTASTICAL YEARS



## H1 2021

MAJOR SPRING UPDATE FOR WIZARD 101	NEW MOBILE TURN-BASED STRATEGY GAME HEROES OF TWILIGHT
CASUAL GAMES MIGRATION TO BIGCOMMERCE	MASSIVE 3.0 UPDATE UNLEASHED IN ECHO OF SOUL
ARCHEAGE INTRODUCES THE GUNSLINGER SKILLSET AND A NEW DLC	GAMIGO IS HOSTING HUGE COSPLAY CONTEST FOR ANIME AND FANTASY GAMES FANS
TROVE COMING TO NINTENDO SWITCH	CHAMPIONS AND TOWERS - GAMIGO ANNOUNCES SKYDOME
LAST CHAOS RELEASES LEVEL 190	SHAIYA UPDATE BRINGS SEASONAL FUN

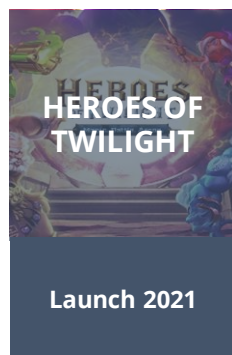
Source: Group information



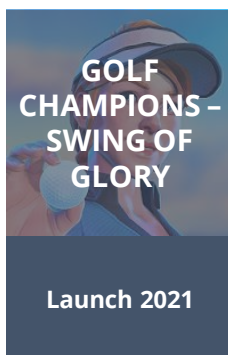
# Outlook 2021: Strongest organic growth pipeline in history

New games launches set to further increase growth and profitability

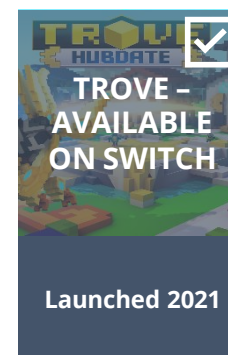
## Overview of the current announced organic pipeline



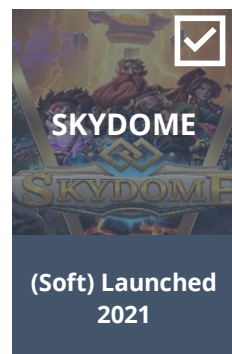
- The new free-to-play mobile title is headed to Android and iOS devices this summer
- A mix of genres that bring turn-based tactical combat into real-time PvP battles
- Developed by the top Canadian Games Studio BKOM



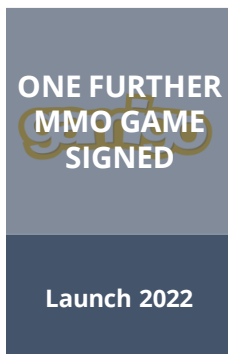
- Worldwide development rights of the triple A mobile game Golf Champions - Swing of Glory
- Competitive, Free2Play game allowing users to compete in different leagues
- Players improving skills by competing against each other



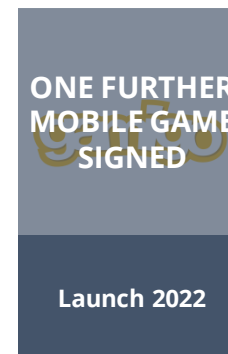
- Globally successful cubic online adventure game Trove now available on Nintendo Switch (available in the Nintendo eShop)
- The global fanbase can now enjoy their favorite game in new ways - even on the go



- The 4 vs 4 tower defense battle arena is developed by Kinship Entertainment and will be published by gamigo in Europe and North America.



- Innovative open world sandbox MMORPG
- Already enjoys a constantly growing community
- Worldwide IP rights for PC, console (currently only for PC available)
- MGIs biggest licensing deal so far



- Casual town Management Simulation Mobile Game with a strong social network approach and focus on long user lifetime
- In-App products and In-Game Advertisement
- Already successful in Asia
- IP rights for Europe and North America

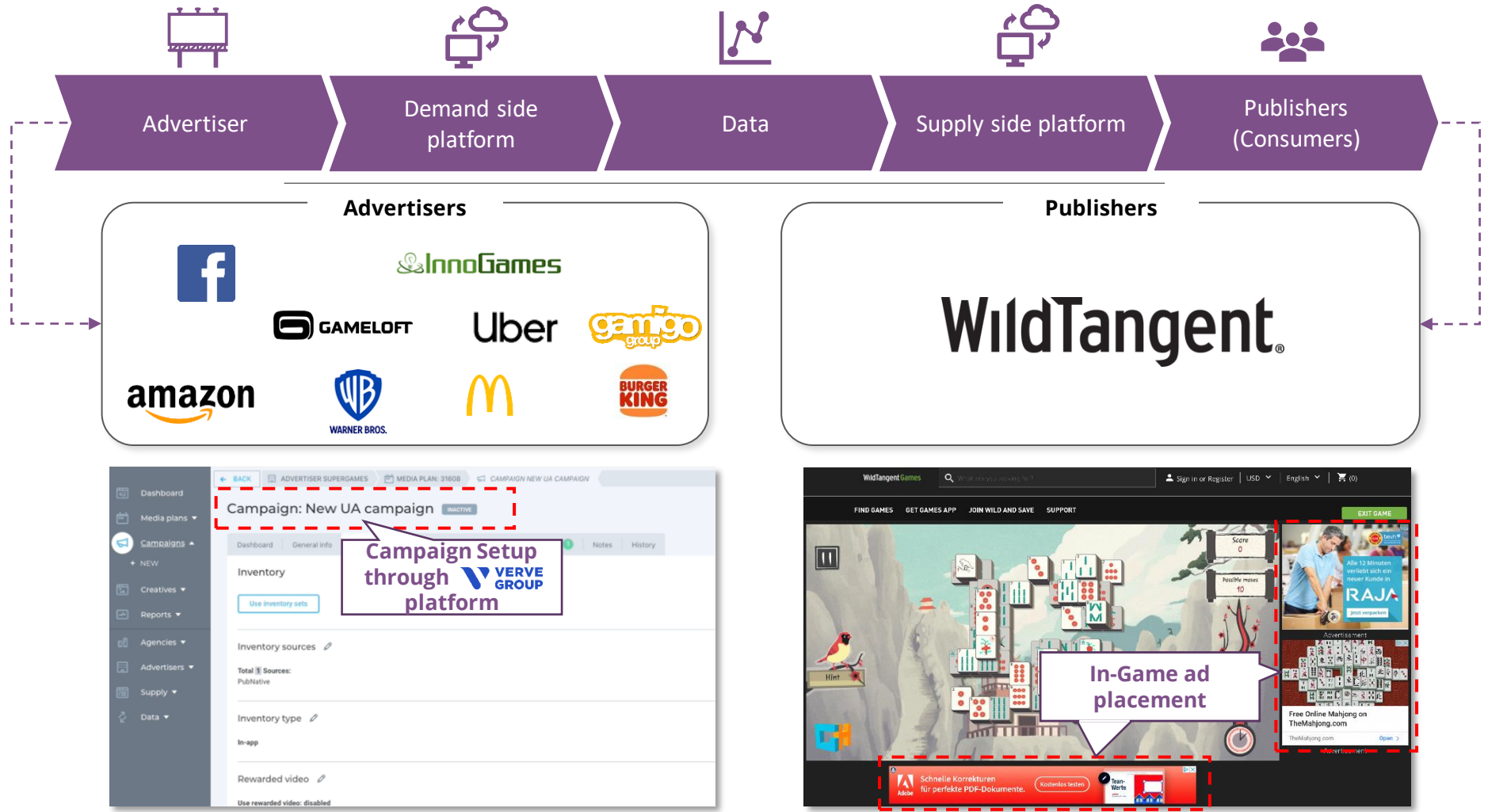


- Sequels and new platform launches of existing games; various projects in the pipeline with total development cost volume of EUR +10m
- In-licensing deals for various MMOs and mobile games, some of which are ready to launch
- Out-licensing deals with publishers in China and Southeast Asia for some of MGI's games IPs have been initiated
- Numerous other organic growth initiatives in the pipeline including both games and ad-tech solutions



# Synergies with Media segment (1/2)

Gamigo casual games platform powered by Verve campaign management



# Synergies with Media segment (2/2)

Efficient user acquisition via Verve's full stack solution



## Reaching new audiences across the Open Web

Utilizing our full stack solution and products ranging from a DSP to an Exchange and SSP, to reach new players for Gamigo's games

*"Next to creating attractive content for our games, efficient user acquisition is one of the main success factors for us. By having the expertise of both gaming and media in-house at MGI, we benefited significantly from the synergies, increasing our installs by 77% and active users by 120%, and allowing us to build stronger retention and playtime for our games."*

### Challenge:

Gamigo Titles have been trying to acquire new users outside of the walled gardens

### Solution:

With the help of our end to end user acquisition and monetization solution we've been able to target new audiences across the open web for 2 of our main titles: Trove and Fiesta

### Result:

- **10-15%** conversion rate
- **200k** users reached
- **100-200%** ROAS





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# KingsIsle at a glance

Leading North American game developer and publishing platform with +55 million of registered gamers

## Key facts

- ▶ KingsIsle, based in Austin, Texas, is a leading game developer and publisher founded in 2005
- ▶ Adding a strong team of +80 highly experienced employees bringing further expertise to the group
- ▶ Two MMORPG's with strong IP's and lifetime revenues of USD +400m
- ▶ +5 years player lifetime brings high stickiness and stable cash flows


## Integration update

### Leah Ruben

Director Games



### Experience:

- Works for KingsIsle since 2007 
- +20 years of experience developing and maintaining MMOs and Launching Wizard
- +5 years at Sony worked on the EverQuest MMO and various other positions
- BSc in Psychology, Cum Laude from University in Nevada Reno

### Leah on the KingsIsle integration

*"Since the acquisition, KingsIsle has enjoyed a very successful 2021! Our community rallied around the change in leadership and has been energized by MGI and gamigo's commitment to support our flagship product, Wizard101, and their willingness to investigate opportunities with our other properties. Wizard101 and Pirate101 continue to perform well above expectations.*

*There are some very exciting plans on the horizon, and together our future is looking bright!"*

## Integration update: quotes from our players

*"This is truly fantastic news! I'm excited to see where the Gamigo acquisition goes and what the future holds, especially for Pirate101. I know an update has been highly requested for years and I really do hope it comes to fruition in a near future."*

*"I can't wait to join such an amazing game and community, I'm also super grateful to see just how active the devs are with the game still to this date. Thank you."*

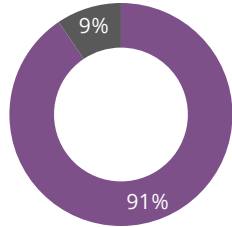
*"The game has changed for the better again. There is SOOOO much to do, and this will become part of my retirement entertainment. I've been logging time since 2008, and I see Wizards being around a long while because it caters to so many age groups, helps make connections and relationships"*



# KingsIsle acquisition well above plan

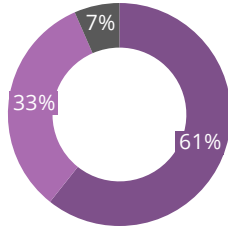
Currently trading at USD +35m revenues for 2021E

Revenues by Regions



- United States
- Rest of World

Revenues by Type



- In Game Revenues
- Subscription Revenues
- Other



"*Wizard101, The Harry Potter Of Online Games*"

Forbes

KingsIsle initial guidance

## A multiple award-winning studio



Revenue of  
USD +32m  
(e2021)

Adj. EBITDA of  
USD +21m  
(e2021)

EBITDA  
margin of  
66%

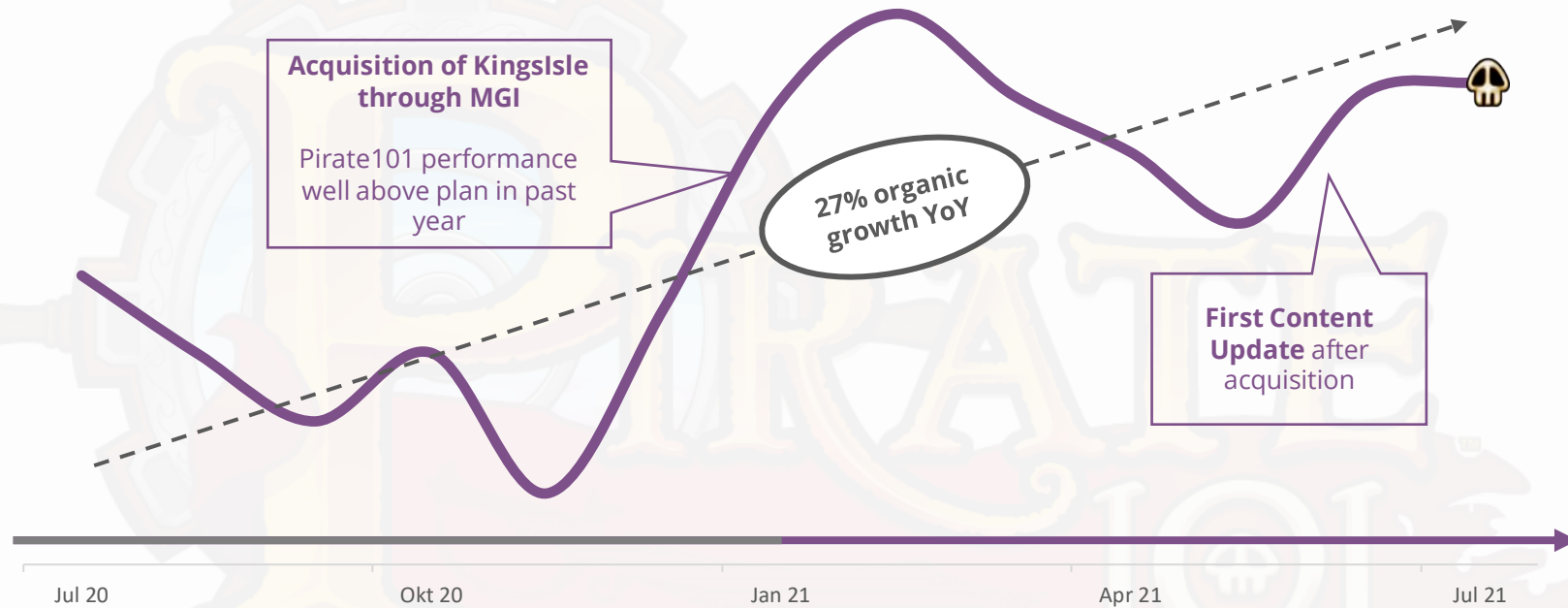
Purchase  
Price  
USD 126m

EV/EBITDA  
multiple of  
6.0x

Oaktree  
Capital  
EUR 25m

# Pirate101 shows strong organic growth

## Revenue development



KingsIsle with **large potential to grow the game and its player base** in the near future leveraging MGI's resources





# Games offer significant organic growth opportunities

Organic growth, geographic expansion, licensing deals, platform extensions

1

## Expansion through Internationalization

- Expand the game in new territories
- Extend language versions
- Increase geographic penetration beyond US

2

## Launch across new channels and platforms

- Expand IP to mobile for maximum reach
- Port to console to boost popularity amongst young audience

3

## Organic revenue growth

- Leverage MGI's media expertise
- Focus on regular content updates
- Expand local US management capacity



**Expand upon a winning formula to continue to grow user base, revenues and EBITDA**

# Kingsisle ticks multiple boxes

As a perfect fit, Kingsisle complements several open Positions

Platform		PC	Console	Mobile
Type of Engagement	Core			
	Mid Core			
	Casual			
	Hyper Casual			
	Virtual Reality			
Monetization Strategy	Free 2 Play			
	Buy 2 Play			
	Advertisement-based		<i>n/a</i>	
	Subscription-based		<i>n/a</i>	
Own IP vs. Licensed	Own IP			
	Licensed			

**Legend:** Already part of gamigo / MGI value proposition Currently unticked box (looking for targets) Not relevant for gamigo / MGI

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Please send your questions to [investors@mgi-se.com](mailto:investors@mgi-se.com) and we will answer them during the Q&A.

## **Agenda:**

10.30 – Media and Games Invest Business Update

10.50 – Deep Dive Games Segment

**11.25 – Coffee Break**

11.40 – Deep Dive Media Segment

12.15 – Break

13.15 – Financials

13.35 – Outlook

13.50 – Q&A



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# Verve Group at a glance

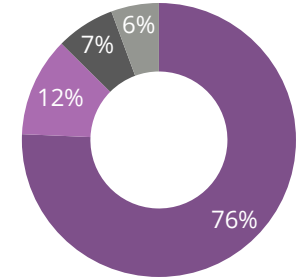
Connecting advertisers and publishers to people in real time

-  **Started in 2016**
-  **HQ Berlin**
-  **+10 M&A Transaction since 2016**
-  **~400 Employees<sup>1</sup>**
-  **+166bn ads delivered yearly**
-  **+5,000 Advertisers**
-  **Platforms: Full stack and self service**
-  **Marketplace: Active in 20 countries**

## Key revenue splits

+166bn

Impressions from SaaS advertising in LTM Q2'21







95%

Retention rate of > USD 100k SaaS accounts

21%

Increase in SaaS accounts in Q2 2021 YoY

-  Supply Side Platform
-  Demand Side Platform
-  Performance Platform
-  Influencer Platform

## Major Acquisitions













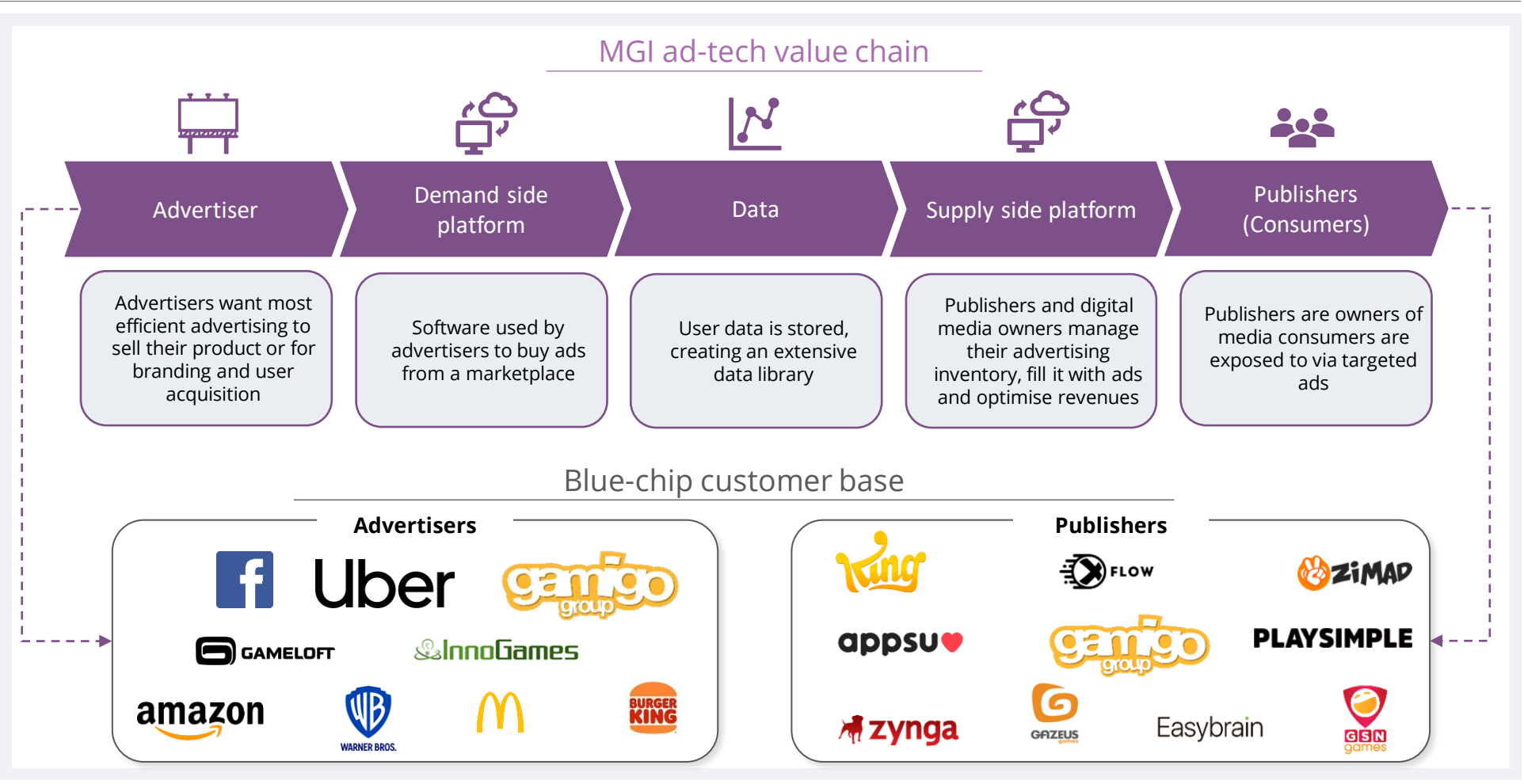


Source: Group information  
Notes: 1) Including Smaato and contractors/freelancer

# Full stack transparent advertising technology infrastructure




Programmatic advertising platform encompassing the entire ad-tech value chain and driving user acquisition

## Media segment highlights

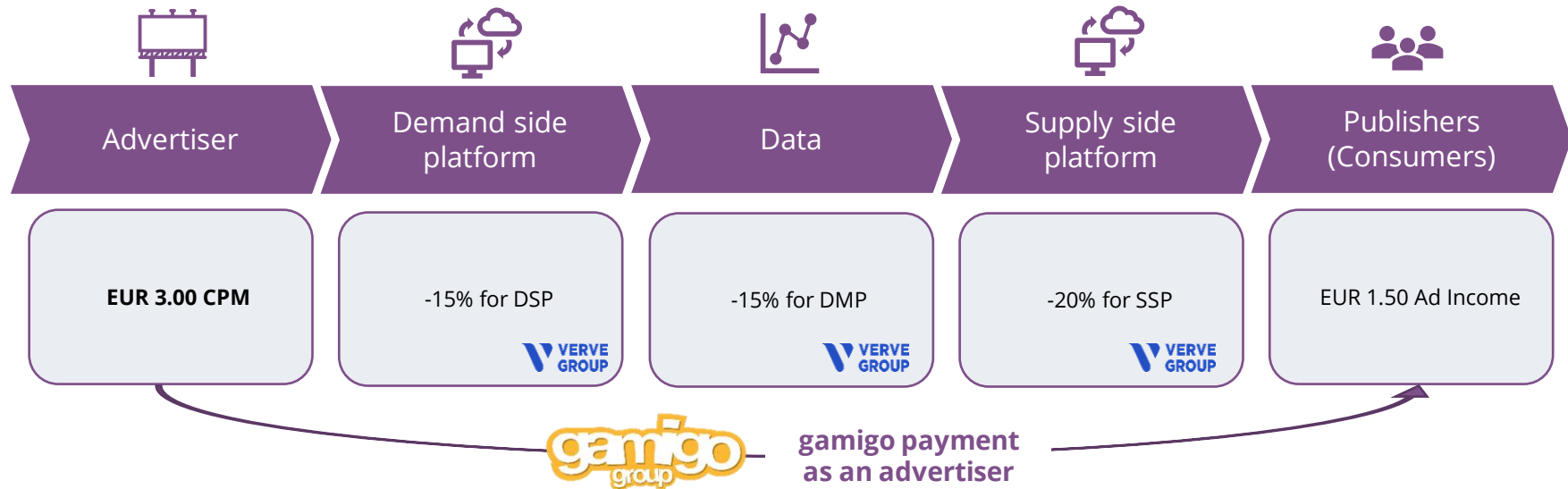


Source: Group information

## Monetization strategy

SaaS – based revenues		Non-SaaS - revenues
 <p><b>Subscription-Based</b></p> <p><b>Platform fees</b> 10% of revenue</p>	 <p><b>Rev Share</b></p> <p><b>Platform revenue share</b> 75% of revenue</p>	 <p><b>Flat CPM</b></p> <p><b>Individual bookings</b> 15% of revenue</p>

## Value chain



# Verve Group at a glance

Connecting advertisers and publishers to people in real time



Experienced  
Leadership

## Focus on technology, data, and customer service

- Experienced global executive team
- 150+ engineers/ 80+ sales employees
- Proud members of:
  - IAB
  - MMA
  - Prebid



Industry  
Excellence

## High-quality, data-focused, first-in-class technology

- Direct brand demand: top Fortune 500 advertisers
- Direct performance demand: top 500 global digital brands
- Proprietary algorithms and optimization
- Publishers: 5,000+ direct integrations
- Owned and operated gaming supply








Global Omnichannel  
Ad Platform

## Complete end-to-end demand-to-supply stack

- Managed service ad platform
- Mobile RTB ad exchange/SSP, custom self-serve/SaaS DSP
- Open-source SDK for publishers and in-app bidding solution
- In-app, mobile web, and desktop, CTV, OTT and DOOH support



# Differentiators vs. competitors

Topic	Description		Magnite				
<b>Transparency/ Open Standards</b>	Transparency in sourcing, pricing and operations, contrary to “walled gardens”	✓	✓	✓		✓	
<b>Open Source Projects</b>	Being open to the ecosystem and active participants in building open-source tech.	✓	✓	✓		✓	
<b>DSP</b> (Demand Side Platform)	Allows advertisers to programmatically manage multiple ad and data exchange accounts through a single interface.	✓		✓	✓		✓
<b>DMP</b> (Data Management Platform)	Platform where companies can identify audience segments, targeting, and ad campaigns.	✓					✓
<b>SSP</b> (Supply Side Platform)	Technology platform enabling web publishers & DOOH media owners to manage and offer advertising inventory	✓	✓		✓	✓	✓
<b>Full Stack</b>	Portfolio of products that are seamlessly integrated, driving end-end control and cost efficiencies to marketers.	✓			✓		✓
<b>Mobile</b>	Advertising on mobile devices such as smartphones or tablets	✓		✓	✓		✓
<b>Web</b>	Internet based advertising	✓	✓	✓		✓	
<b>CTV</b> (Connected TV) / <b>OTT</b> (Over-the-top)	Connected TV (Smart TVs and connected streaming devices) / Over-the-top (Distribution of video content via internet)	✓	✓	✓		✓	
<b>O&amp;O</b> Owned and Operated Ad Tech	Access to a valuable pool of first-party data from users in an ecosystem of owned and operated media (games)	✓			✓		✓

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III. M&A

IV. Q&A

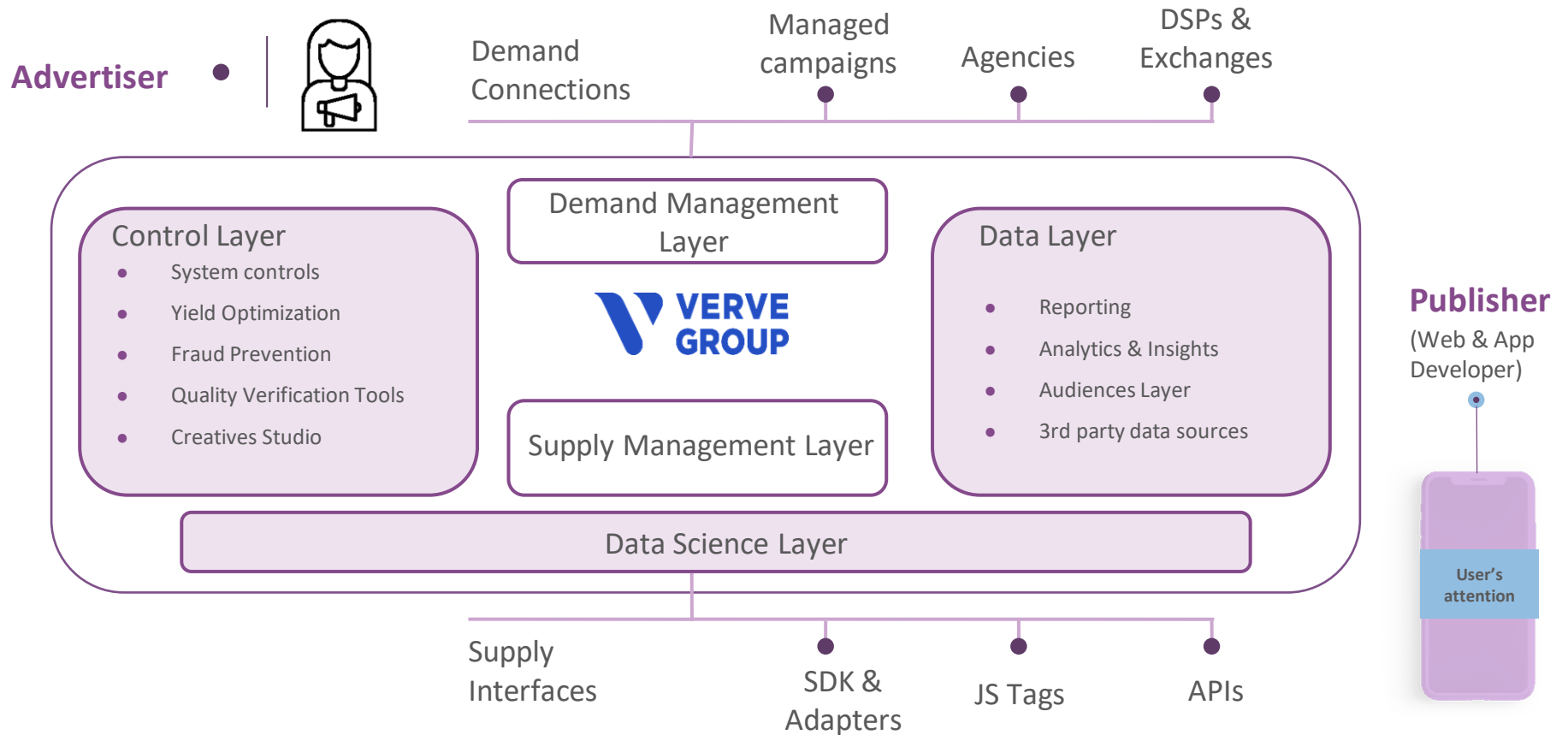
V. Financials

VI. Outlook



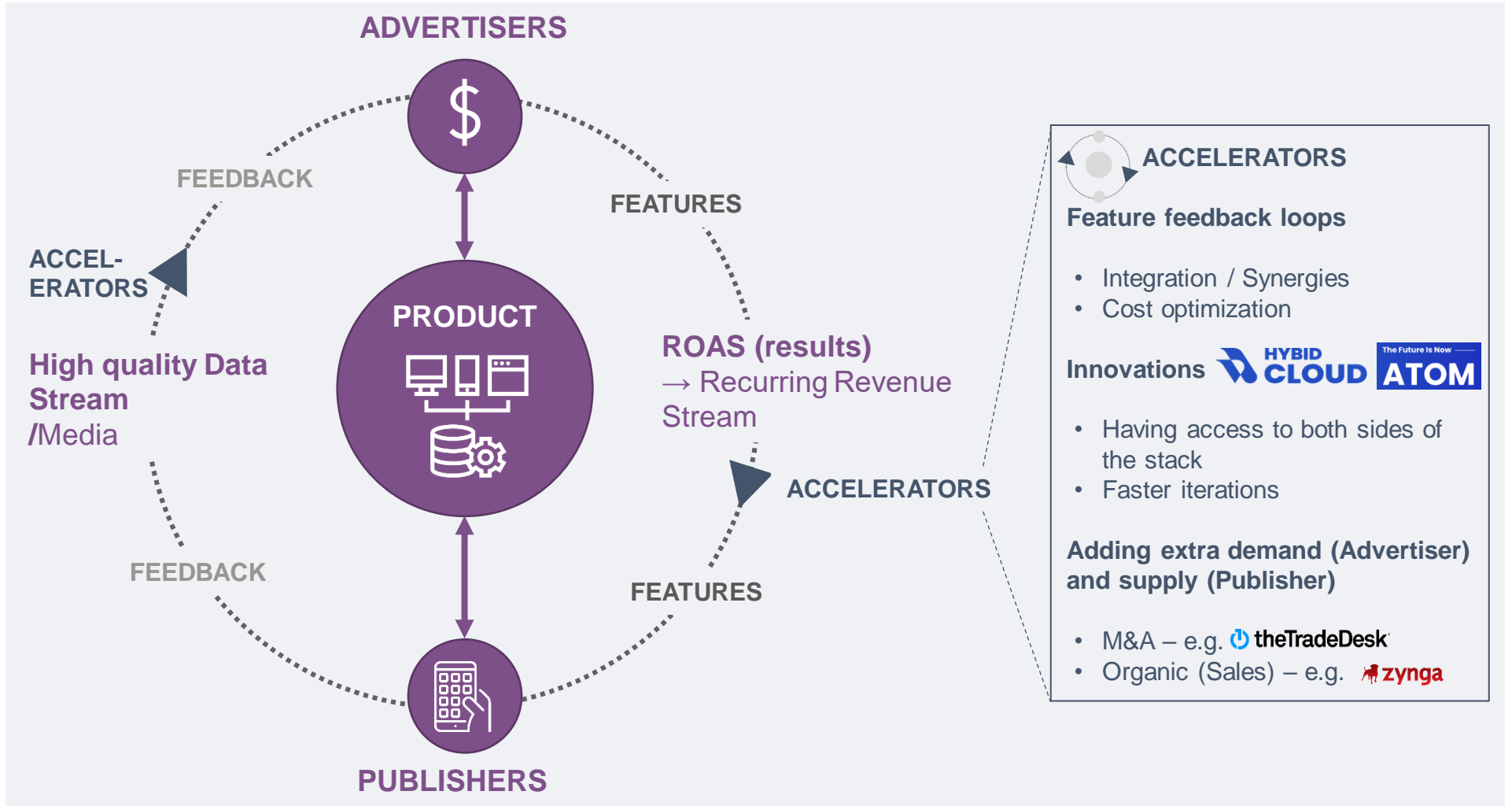
# Verve Group's open platform

An Open Garden Omnichannel Marketing Ecosystem Centered Around User Privacy



# Media Growth Engine - Flywheel

Organic growth through feedback loops, innovations and network effects from M&A





## SaaS Ad Monetization Toolkit for Publishers:

- In-house monetization stack built on top of publisher's own tech
- Open platform provides flexibility to connect to any DSP or exchange bidder of their choice
- Advanced reporting and debugging tools.

## Service and Demand:

- Self Service and own AM
- SaaS pricing
- PMP packages
- Direct billing (20+ demand partners)

## Tech:

- Open-source SDK
- S2S in-app bidding
- Hosted Prebid server

## Analytics:

- Real-time analytics
- Full bidstream reporting
- User level AdLTV

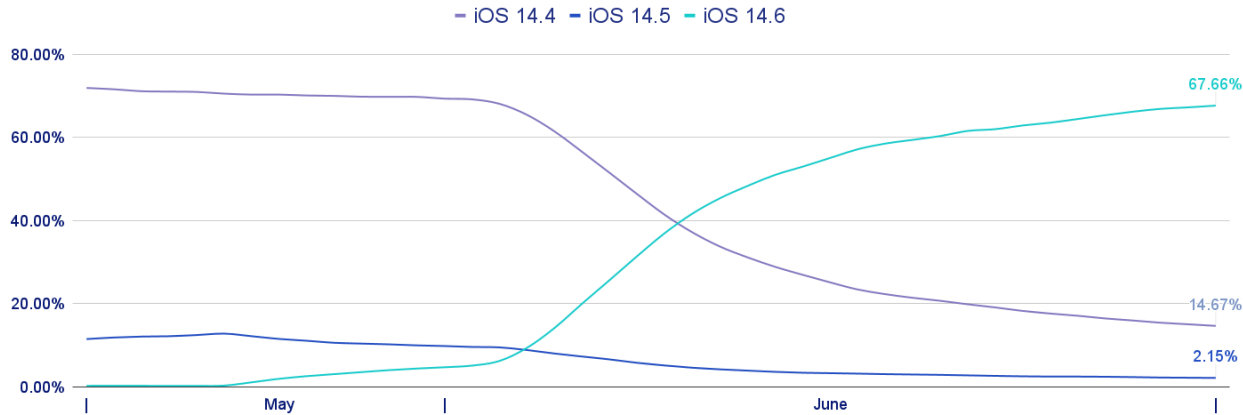
## Privacy and Tools:

- First-party audiences
- TCF 2.0 - CMP
- User level DMP
- Ad verification (GeoEdge)
- OMSDK - IAB

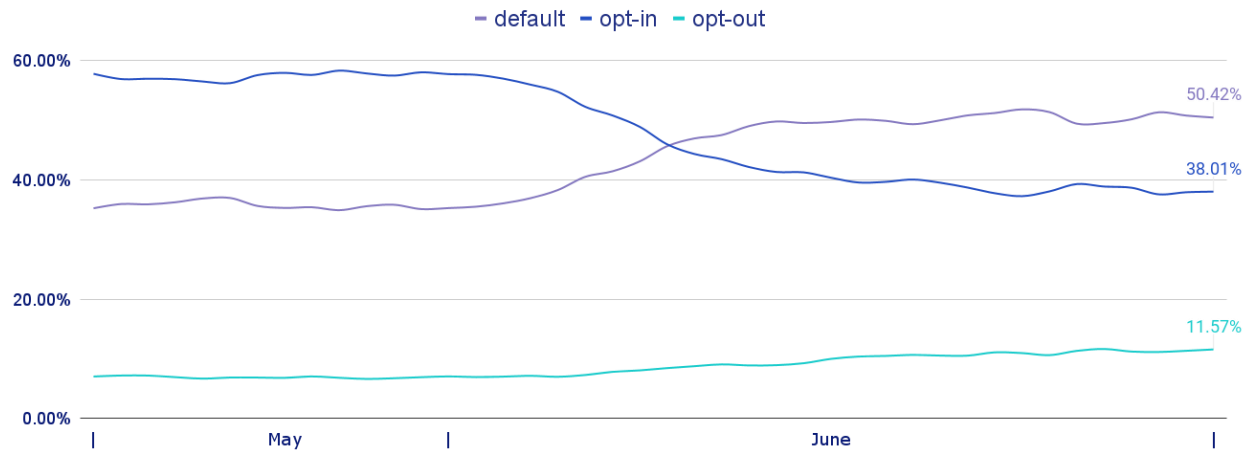


# The crumbling of identifiers

## Adoption Rates over Time



## Opt-In Rates over Time



eCPM<sup>1</sup> ~(-35%)

≥IOs 14.5 vs. ≤IOs 14.4

Source: Based on the Performance of all iOS versions on our Verve Group exchanges between May 16 and June 29

Note: 1) eCPM = Effective cost per mille

# Technical Innovation: Verve ATOM

On device audiences

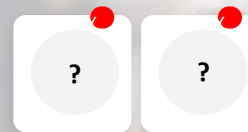
## ATOM = Anonymized Targeting on Mobile

- Proprietary solution to the targeting restrictions in Apple's iOS 14.5 update
- Building anonymized audiences on the user's device
- Data used:
  - Device data
  - App metadata
  - Advertisement interactions
- Behavioral Characteristics derived from data:
  - Age Group
  - Gender
  - Interest
- No need for a personal mobile device identifier

Turn your

**X%**

unknown,  
anonymized IDFA users



App Context



Device Signals

Ad Context

To

**100%**

known,  
addressable  
audiences

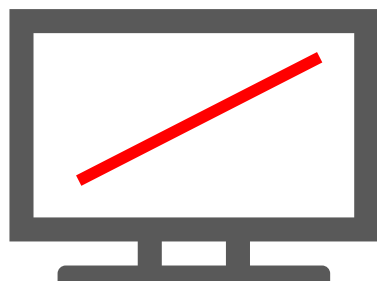


# Synergies with the Games segment

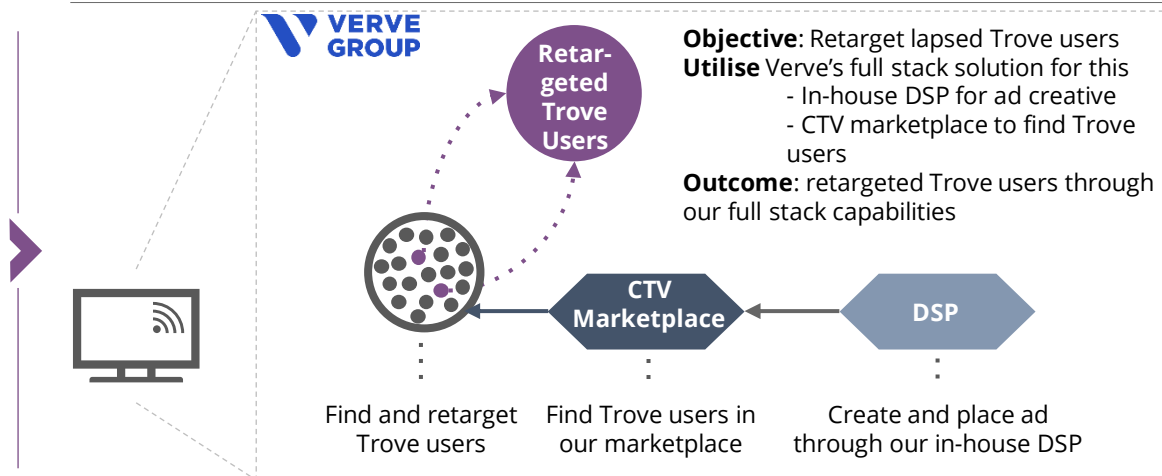
New possibilities of user acquisition / retargeting via CTV

## “Old world” – No Banner and Video Ads for Console Games

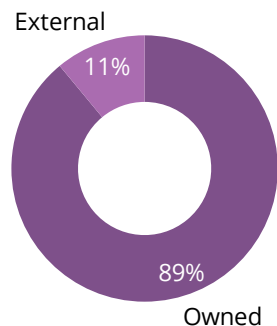
**Example:** No efficient targeting in the broadcasting world



## “New world” – user acquisition via Connected TV retargeting



## gamigo user acquisition by Source (2021 YTD)



### By combining Media and Games MGI has already as of today:

- Strong distribution channels through own media (via own landing pages) increases profitability
- Efficient new customer acquisition is a key challenge for industry but MGI with a competitive edge here to lead the market regarding CACs

### In-house customer acquisition will be even more efficient through:

- Unique access to potential players via
  - (re-)targeting via CTV
  - via programmatic advertising

- I. Introduction
- II. Business overview
- III. Games Segment

#### **IV. Media Segment**

- I. Segment Overview
- II. Organic Growth



#### **III. M&A**

- IV. Q&A
- V. Financials
- VI. Outlook



# Smaato as a perfect strategic fit to MGI's M&A strategy

Leading monetization ad-platform for games and other publishers

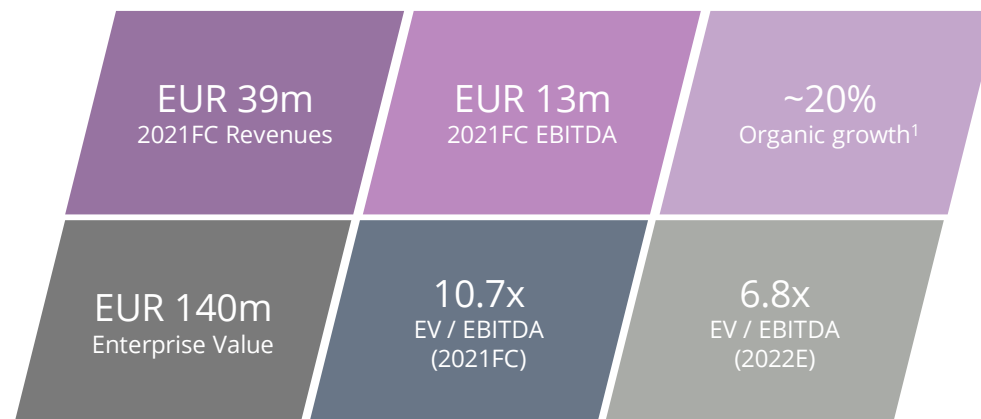
## Investment Rationale

- **Highly accretive acquisition** increasing MGI's Group EBITDA by 29%
- **Long term client relationships** with rising revenues strengthening the quality of earnings in MGI's Media segment
- Acquisition adds **critical mass to MGI's Media segment** via additional demand and supply
- **Substantial revenue synergies** for MGI's Games Portfolio by adding substantial reach
- **Strong SaaS-IP** with ample growth potential

## Top-notch Publishers in relevant Verticals

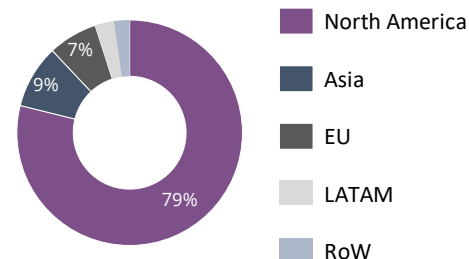
Games	Asphalt 8: Airborne	Disney Magic Kingdoms	My Talking Tom	Plants vs Zombies	Quizduell	UNO & Friends	Ketchapp
News & Media	Flipboard	Mail Online	CBS NEWS	BBC NEWS	Reuters News	Warner Brothers	Zattoo
Other	Ebay Kleinanzeigen	WeatherBug	Viber Messenger	IMMO SCOUT24	SoundHound	Whisper	MyFitnessPal

## Smaato Financials at a glance

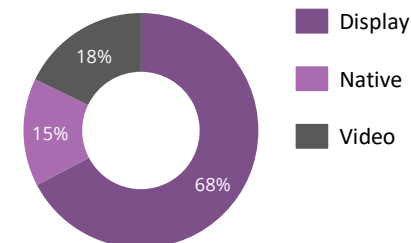


## Revenue distribution

Revenue - by Region (2020)



Revenue - by Ad Format (2020)



(1) FC2021 vs 2020A



# Future Growth Levers are available across 5 dimensions

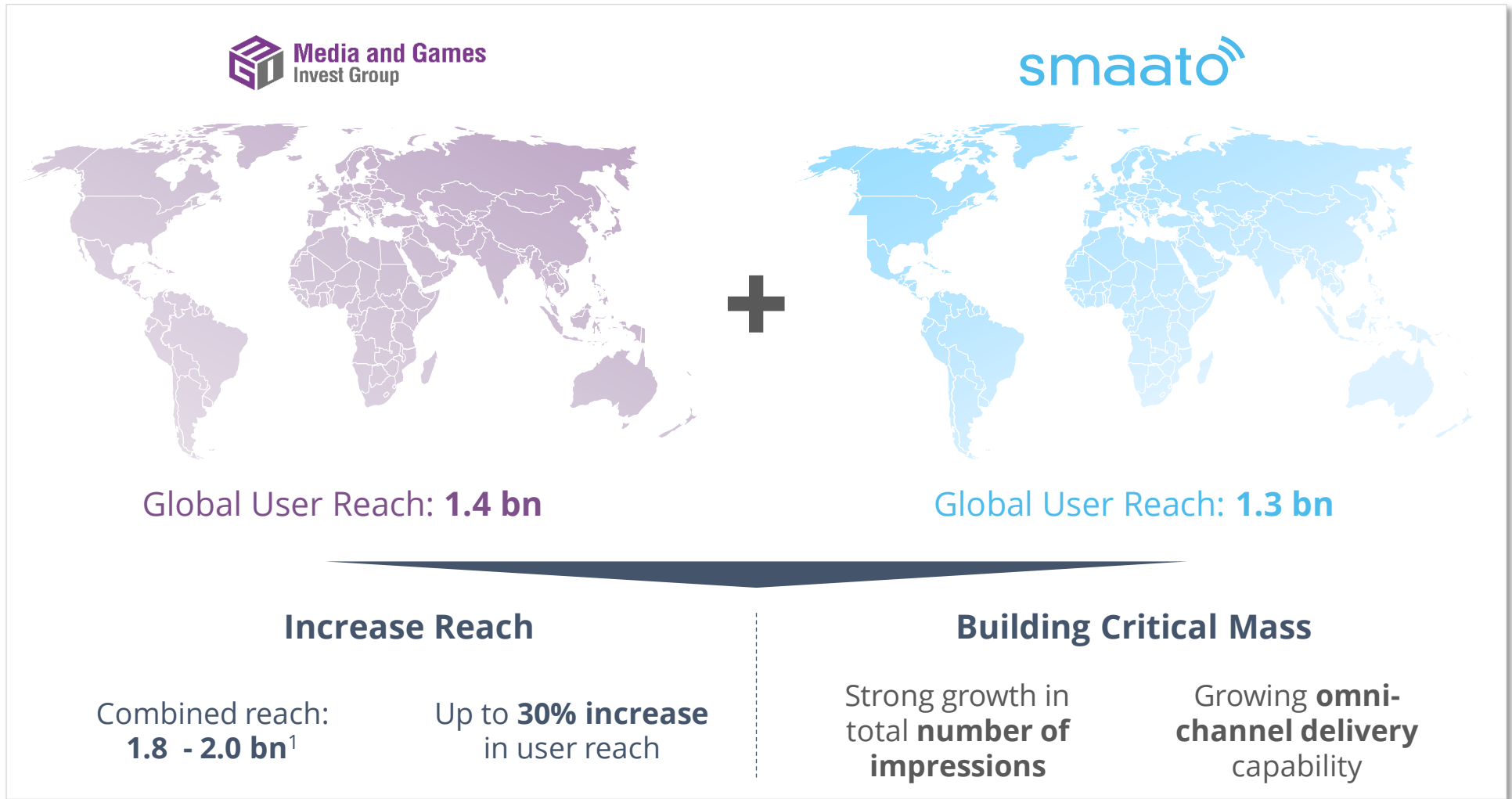
With multiple Growth Drivers, Smaato is well-positioned in an Ecosystem rapidly shifting towards ROI

Publishers	<ol style="list-style-type: none"><li>1 Get the controls to monetize their ad stack on one complete platform and free ad server</li><li>2 All major pubs are connected, now we grow upstream and across other properties with platform value</li><li>3 Build additional value by onboarding and scaling web and mobile web publishers</li></ol>
Advertisers	<ol style="list-style-type: none"><li>1 Extend global reach to deliver engaging experiences to users worldwide</li><li>2 Build preferred buying relationships via PMP and open market by direct and transparent access to supply</li><li>3 Continue building value on Limited Ad Tracking inventory by content, context, non PII data</li><li>4 Improve sales efficiency via global salesforce from <b>Verve Group</b></li></ol>
Video & CTV	<ol style="list-style-type: none"><li>1 Gain adoption of video ad-server built for on-demand and live video controls</li><li>2 Constantly Innovate on giving publishers controls to package video like TV commercials</li><li>3 Smaato's in house Server Side Ad Insertion solution will reduce cost and eliminate fraud</li><li>4 Drive live TV advertising with its dynamic ad podding</li></ol>
Product, Technology & Scale	<ol style="list-style-type: none"><li>1 Stay ahead of the market by investing in new tech and the people that build it</li><li>2 Incorporate cutting edge machine learning techniques to further boost prediction accuracy</li><li>3 Being prepared for Increased IDFA Less Traffic and leveraging <b>Verve Group's</b> ATOM</li></ol>
Efficiencies	<ol style="list-style-type: none"><li>1 Reduce operating expenses and continue to increase profitability by optimizing processes, tools and resources e.g. AWS</li><li>2 Invest in company synergies that grow current capabilities and foster innovation and value for customers</li></ol>

1) QPS: Queries Per Second

# Increasing User Reach and building Critical Mass

Reach of individual Users can be increased by up to 30% adding significant to the Supply Side Value



<sup>1</sup>) Source: Company estimates; calculation based on supply-side / publisher comparison of Smaato and MGI

# The Sales Pipeline is full and strong

Smaato is in advanced discussions with a broadly diversified group of publishers

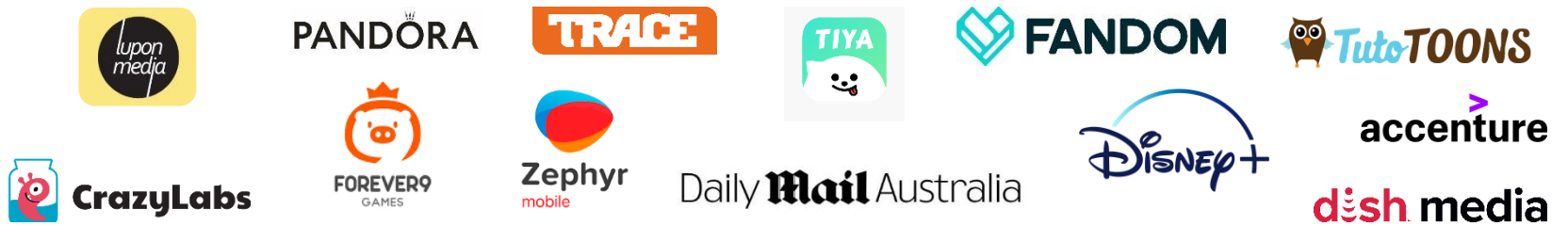
## Current Status

## Large Publishers

Negotiating



Qualifying



Prospective Clients



# Smaato ticks multiple boxes

As a perfect fit, Smaato complements several open positions

Platform		In-App	Mobile Web / Web	CTV / OTT	DOOH
Vertical Integration	Creative	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Managed Brand	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Managed Performance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	n/a
	DSP (Self Serve, Enterprise)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	DMP	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Open Exchange / Network	<input checked="" type="checkbox"/> smaato <sup>®</sup>	<input checked="" type="checkbox"/> smaato <sup>®</sup>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	SSP + HB	<input checked="" type="checkbox"/> smaato <sup>®</sup>	<input checked="" type="checkbox"/> smaato <sup>®</sup>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	PMP	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Analytics, Measurement & Attribution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Audiences OX	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
1st Party Data (own SKD)	<input checked="" type="checkbox"/> smaato <sup>®</sup>	<input checked="" type="checkbox"/> smaato <sup>®</sup>	<input type="checkbox"/>	<input type="checkbox"/>	
Atom (probabilistic)	Test	<input type="checkbox"/>	n/a	n/a	

**Legend:**  Already part of Verve / MGI value proposition     Currently unticked box (looking for targets)     Not relevant for Verve / MGI

Source: Company Information

- I. Introduction
- II. Business overview
- III. Games Segment

#### **IV. Media Segment**

- I. Segment Overview
- II. Organic Growth
- III. M&A



#### **IV. Q&A**

- V. Financials
- VI. Outlook





Please send your questions to [investors@mgi-se.com](mailto:investors@mgi-se.com) and we will answer them during the Q&A.

## **Agenda:**

10.30 – Media and Games Invest Business Update

10.50 – Deep Dive Games Segment

11.25 – Coffee Break

11.40 – Deep Dive Media Segment

**12.15 – Break**

13.15 – Financials

13.35 – Outlook

13.50 – Q&A

- I. Introduction
- II. Business overview
- III. Games Segment
- IV. Media Segment
- V. Financials**
- VI. Outlook



# Second quarter financial highlights

Revenues increased by 90% and adjusted EBITDA by 127%

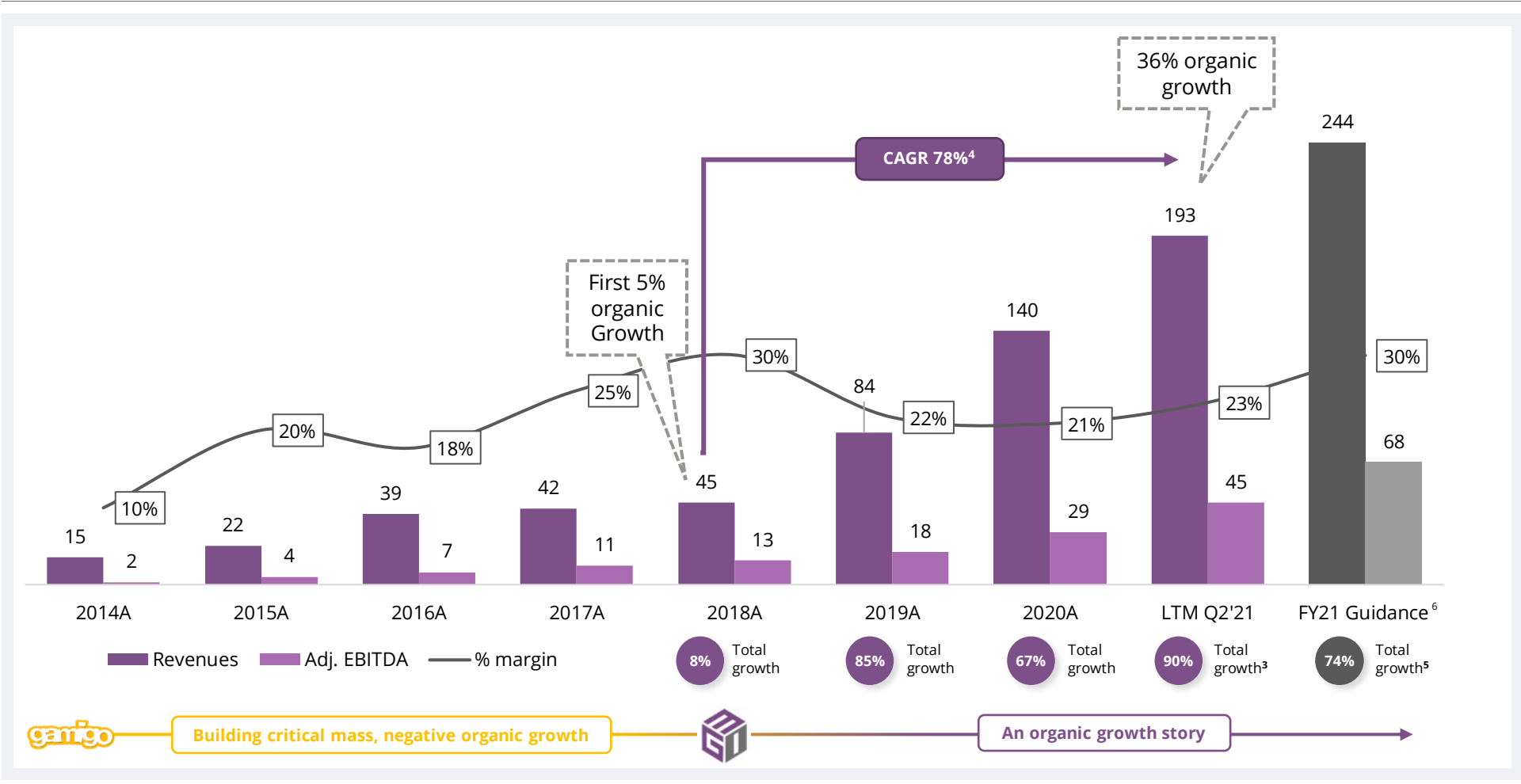
## Q2 2021 overview

Year on Year comparison				Comments
In EURm	Q2 2021	Q2 2020	YoY Growth	
Net Revenues	57.1	30.0	90%	<ul style="list-style-type: none"><li>• 90% revenue growth, thereof 36% organic</li><li>• Adj. EBITDA margin improving YoY by 5 percentage points</li><li>• Personnel expenses increased at lower rate compared to revenue driving margin improvements</li><li>• Same effect driving EBITDA development seen in strong growth of operating Cash flow before change in Working capital</li></ul>
Adjusted EBITDA	15.3	6.7	127%	
Adjusted EBIT	11.1	4.2	164%	
Operating Cashflow <i>(before change in WC)</i>	15.9	6.8	134%	

# Summary of financial performance

Profitable business model with an increasing share of organic growth

## Long-term financial development (EURm)<sup>1,2</sup>



Source: Group information

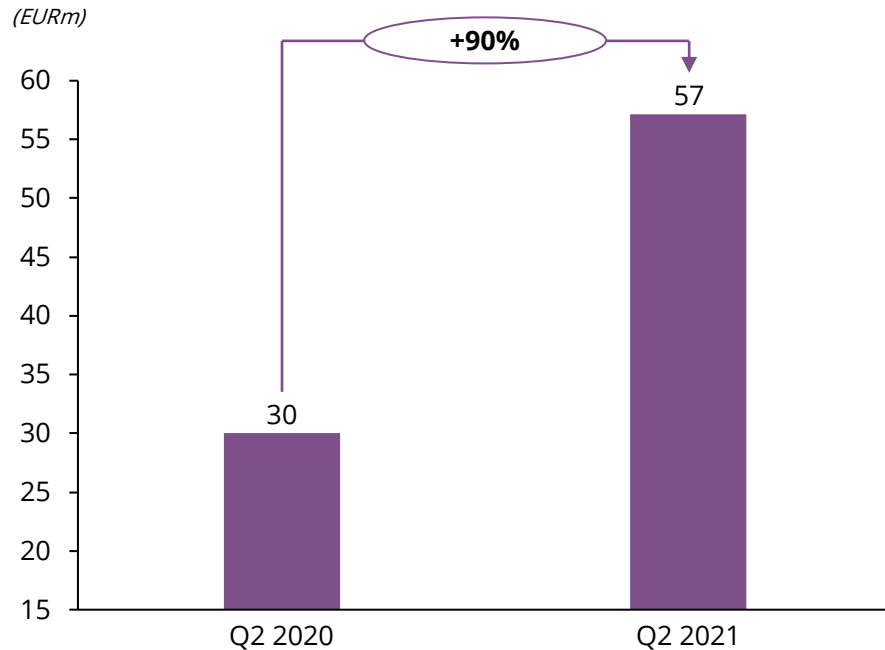
Notes: (1) gamigo standalone figures until 2018, EBITDA adjusted for one-time, M&A and financing costs, (2) gamigo was acquired by MGI in May 2018, First Berlin (3) Q2 year-over-year (4) growth rate CAGR 2018 - LTM Q2 2021 (5) FY21 Guidance vs. FY2020 (6) Average of Guidance range (including Smaato)



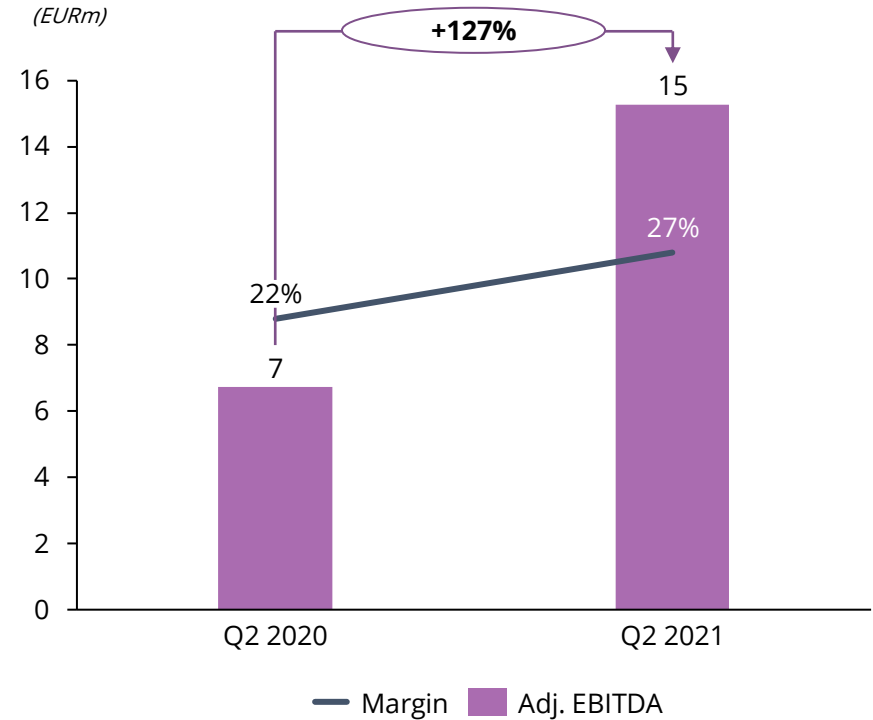
# Second quarter revenue and EBITDA development

Growing faster than the media and games market in 2020-2023E<sup>1</sup>

## Revenue



## Adj. EBITDA



**Strong organic revenue Growth due to high synergies and additional M&A**

Q2'21 YoY: Revenues grew by 90% driven by strong performance of games with additional tailwinds from the media products



**Strong EBITDA Growth due to Games and Media**

All time high in EBITDA with strong underlying margins from both segments

Source: Group information

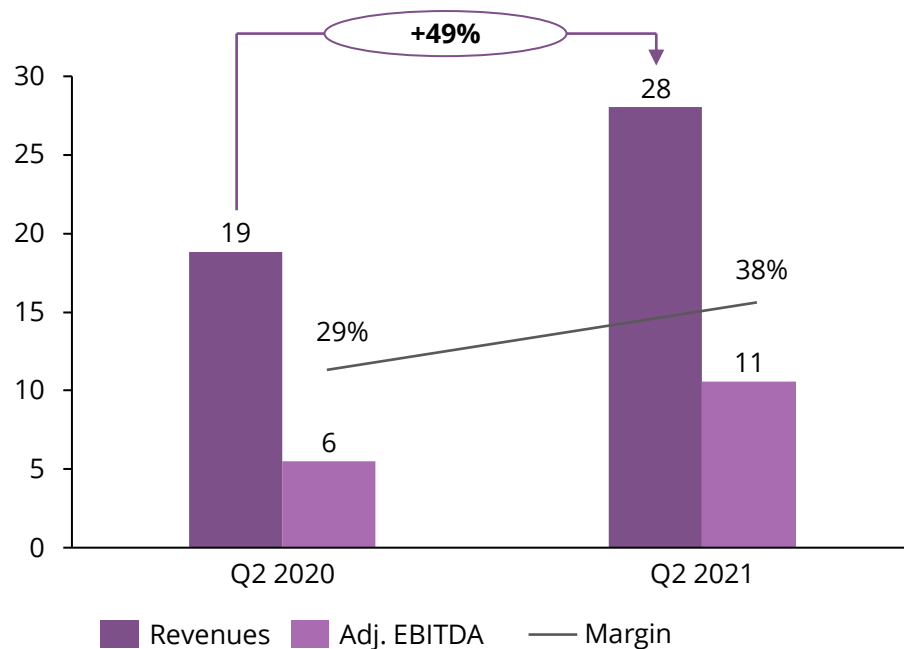
Notes: 1) 90% vs. 12% combined growth in digital Media and Games reported by Newzoo (Global Games Market Report) and Emarketer (Global Digital Ad Spending Update Q2 2020)

# Segment Performance

Strong organic growth combined with M&A in both segments

## Games segment

(EURm)

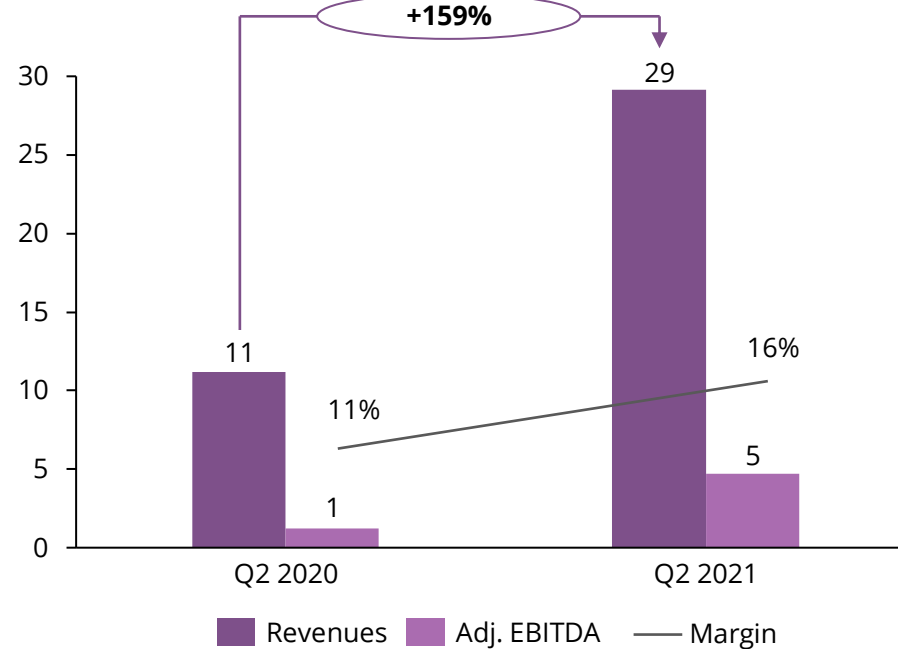


### High growth due to M&A, large updates and ad revenues

Strong YOY growth despite a strong previous year due to content updates, the KingsIsle acquisition as well as in-game ad revenues

## Media segment

(EURm)



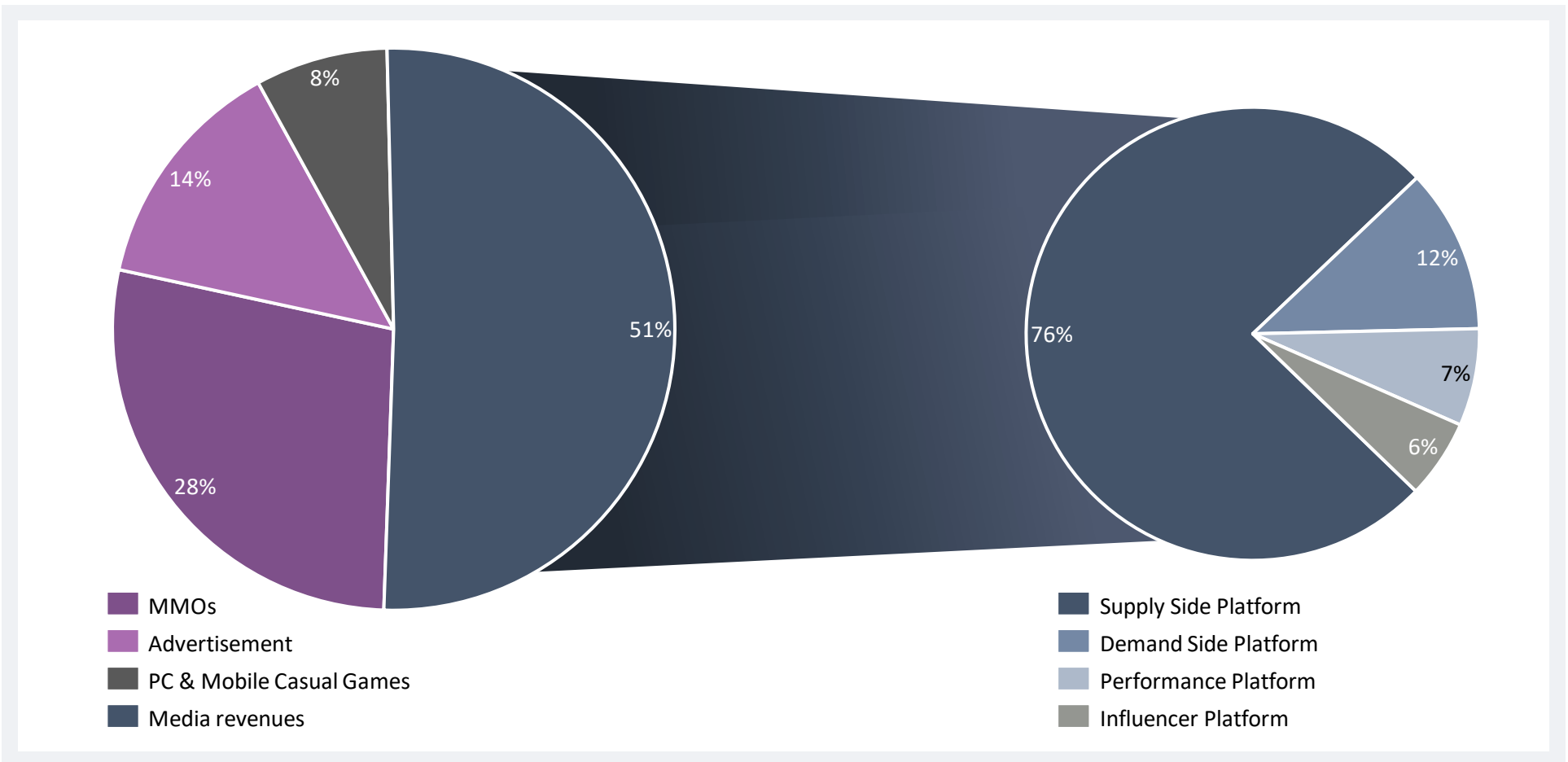
### Revenue growth leads to economy of scale and high margins

Increasing volumes from existing clients combined with 21% organic growth of new clients led to a 160% revenue growth

# Business model ensures diversified revenue sources

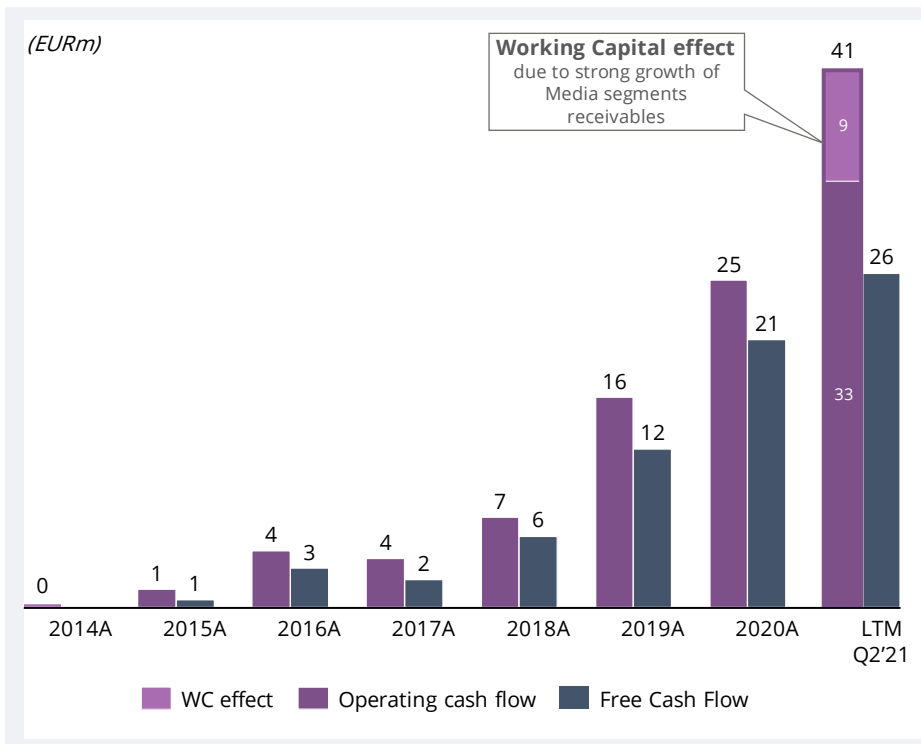
Limited dependency on single game titles and media solutions

## Overview of key revenue splits<sup>1</sup>



Source: Group Information  
Notes: 1) All figures as of Q1'2021

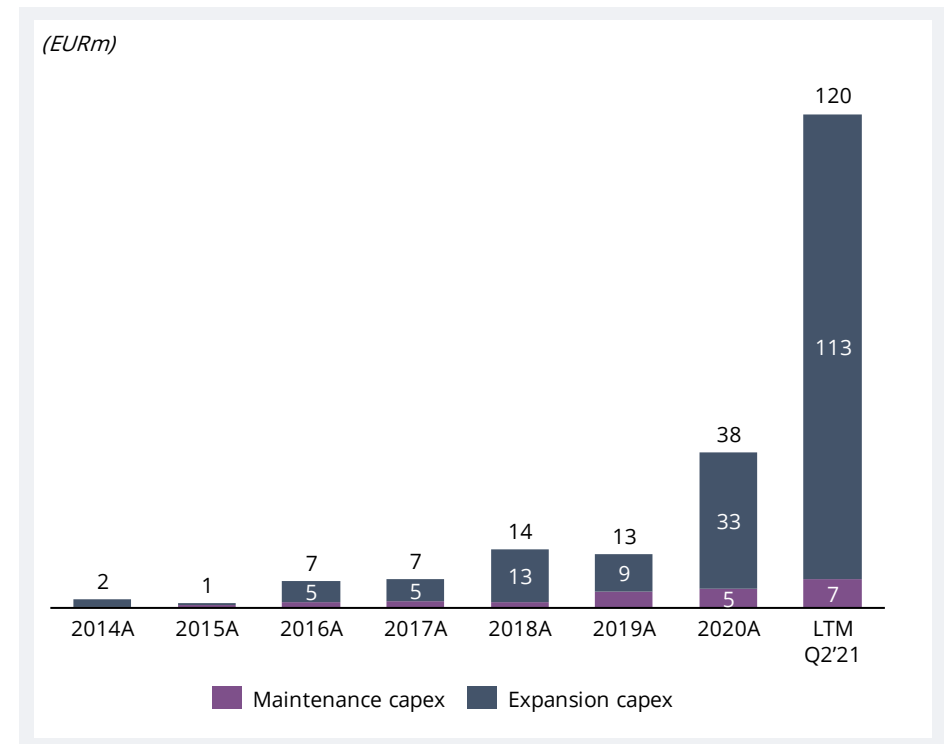
## Operating cash flow development<sup>1,2,3</sup>



### Highly cash generating business model

- Operating CF before for WC effect increased YoY in Q2'21 by 134%
- Strong underlying Free Cashflow due to limited maintenance capex

## Capex development



### Limited maintenance capex

- Maintenance capex for further investments in IP owned games
- Expansion capex increased largely due to M&A (KingsIsle) and new game IP's

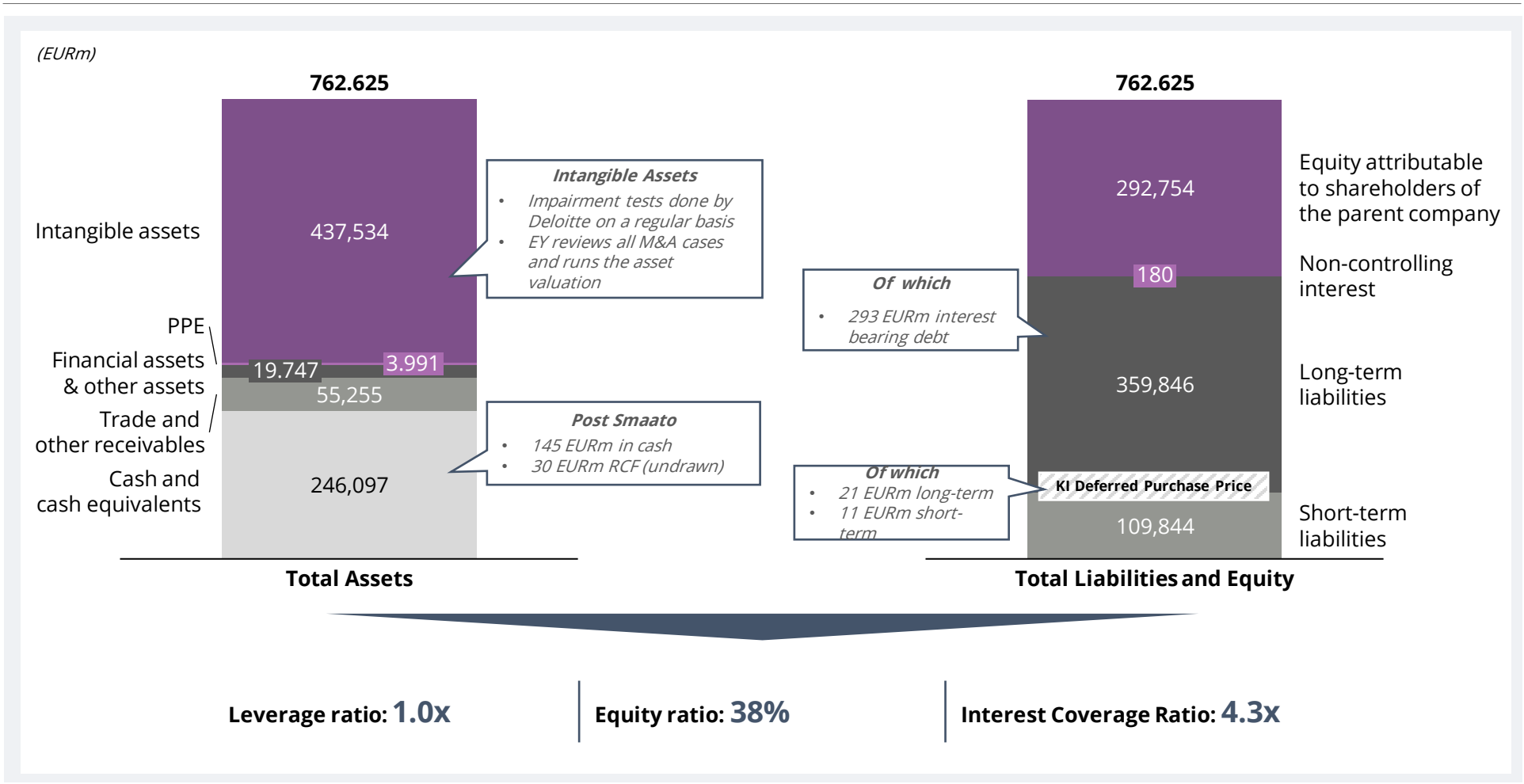
Source: Group information

Notes: (1) Operating cash flow defined as in the annual IFRS financial statements. (2) Free Cash Flow defined as Operating Cash flow - Maintenance Capex. (3) Until 2017 gamigo Group standalone

# The MGI Balance Sheet

Healthy Balance Sheet with dry powder for further acquisitions

## Balance Sheet as of June 30 2021



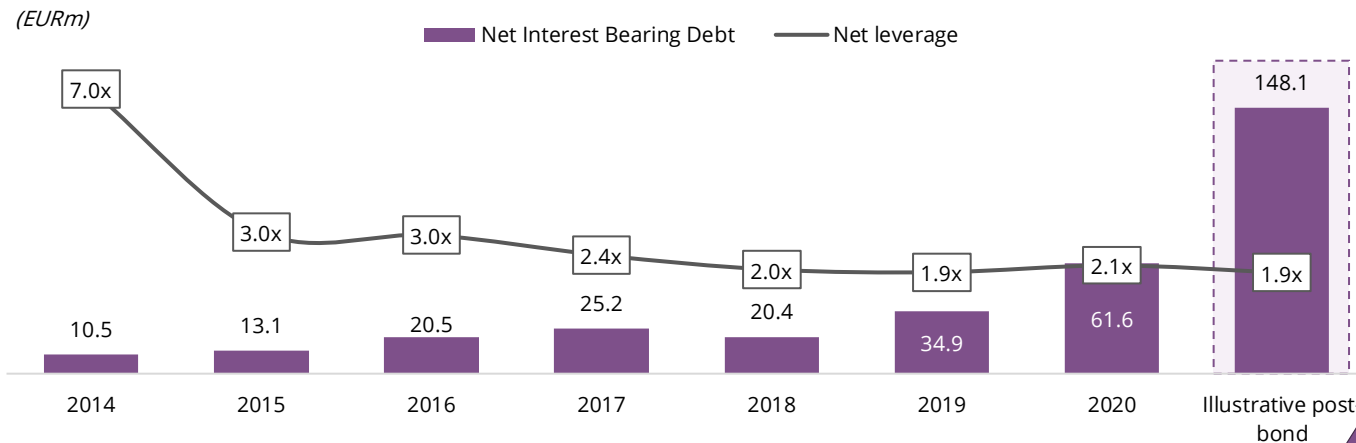
Source: Group Information,  
Notes: 1) 2014 – 2017 gamigo group numbers. 2018 – 2021 MGI Group numbers.



# Long-term net leverage development

Conservatively levered credit with an illustrative post-bond net leverage of 1.9x

## Net leverage to adj. EBITDA ratio development<sup>1</sup>



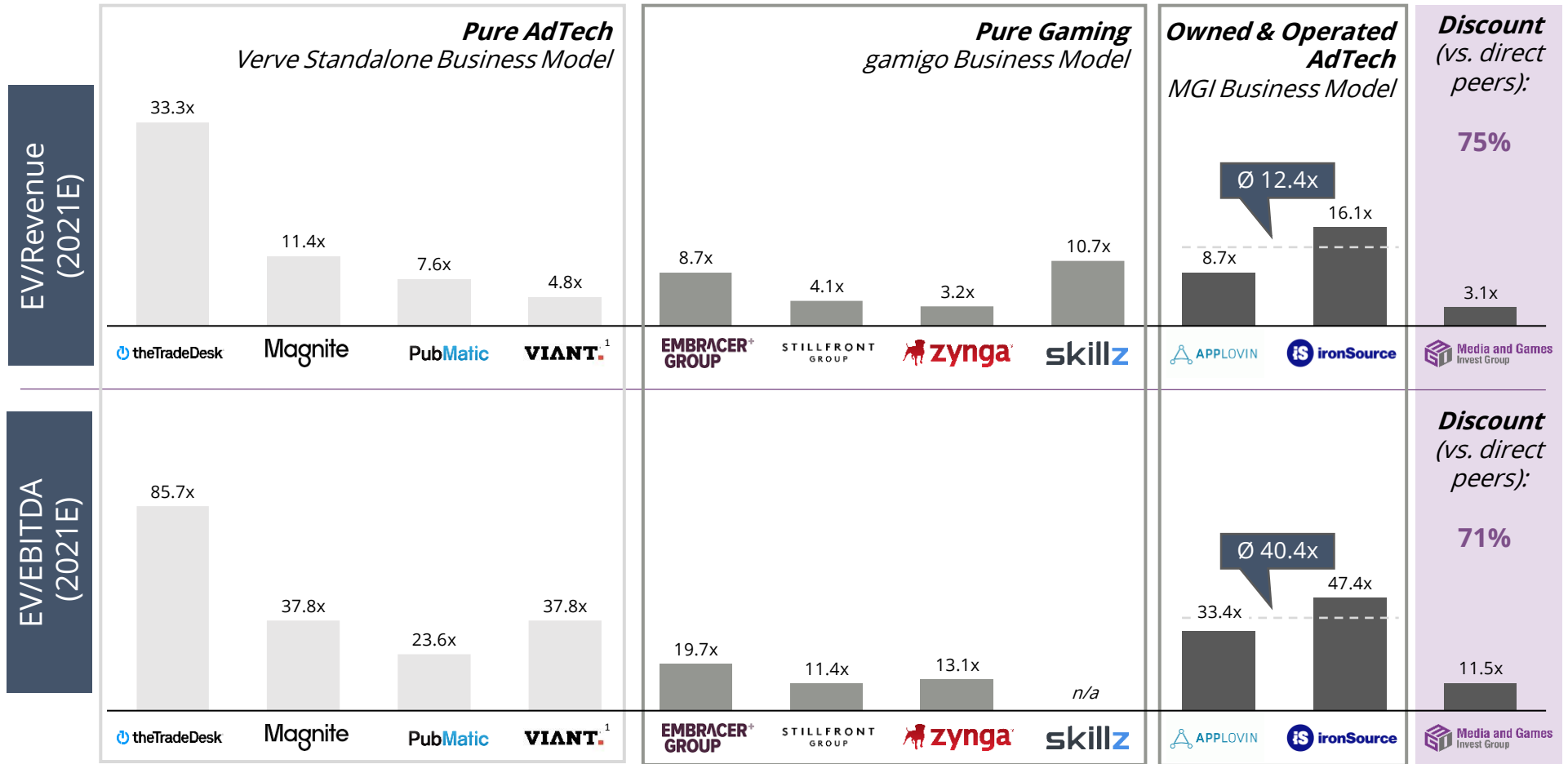
- Post-transaction, the senior secured bond will constitute the majority of MGI's interest-bearing debt
- In 2019, MGI issued a senior unsecured bond of EUR 5m, carrying a fixed coupon of 7.00%
  - Bond currently stands at its Framework of EUR ~25m<sup>2</sup>, which MGI envisages to refinance with proceeds from the new tap issue
- Bank and credit facilities amount to EUR 1.2m
  - Permitted debt in a maximum amount of 12.5% of Bonds and Parity Debt subject to annual clean down
  - Current and future facilities provided by UniCredit, Commerzbank
- Cash of EUR 145m following a net cash out effect of EUR 101m for the Smaato acquisition
  - Cash on balance as per Q2'21 stands at EUR 246m
- NIBD/adj. EBITDA following the transaction will stand at 1.9x<sup>3</sup>
- In the long-term, MGI targets a net debt / EBITDA ratio of 2-3x

Source: Group information

Notes: 1) Post-bond leverage based on Pro-forma LTM Q2 2021 adj EBITDA incl. KingsIsle and Smaato of EUR 77m; for incurrence test calculations, cash from the tap issue may not be included and net leverage will for such purpose be 2.9x, 2) Including IFRS effect, 3) Post-bond leverage presented on a pro-forma basis and may thus not be fully comparable to historical reported figure

# Comparable Companies Benchmarking

The MGI valuation is highly attractive especially when compared to publicly trading peers



Source: GBC AG / Capital-IQ with data as of 12.08.2021 1) Based on implicit Enterprise Value

# Outlook MGI Group 2021

Double-down on EBITDA

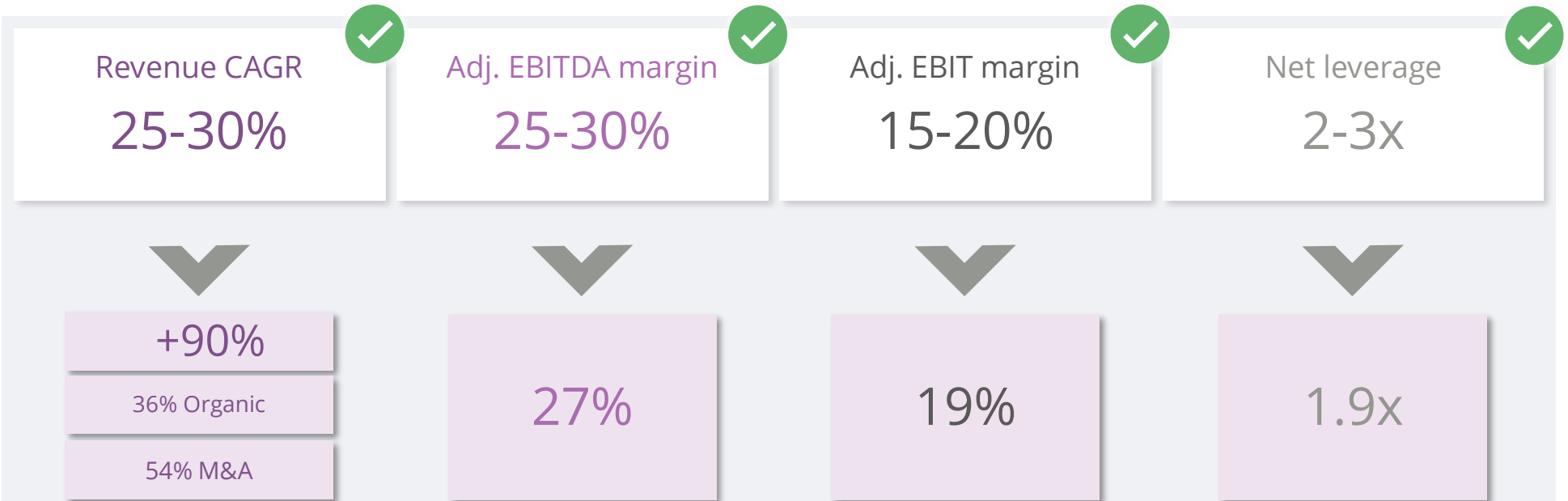
## Updated Financial Guidance 2021 incl. Smaato

	FY 2020	Mid-Term Financial Targets 2021 <sup>1</sup>	Initial Guidance 2021	Updated Guidance incl. Smaato 2021 <sup>2</sup>
<b>Revenue</b> (in €m)	<b>140</b>	<b>175 - 182</b>	<b>220 - 240</b>	<b>234 - 254</b>
<i>Growth</i>	<i>67%</i>	<i>25-30%</i>	<i>57-71%</i>	<i>67-81%</i>
<b>Adj. EBITDA</b> (in €m)	<b>29</b>	<b>48 - 50</b>	<b>60 - 65</b>	<b>65 - 70</b>
<i>Growth</i>	<i>61%</i>	<i>66-72%</i>	<i>106-123%</i>	<i>123-141%</i>

1) Based on mid-term financial targets 2) Smaato first time consolidation expected for 1 October 2021

# Prudent mid-term financial targets

Financial Targets well outperformed in Q2 2021



Source: Group information

- I. Introduction
- II. Business overview
- III. Games Segment
- IV. Media Segment



 **V. Outlook**





# Outlook 2021 & 2022



New games and ad-tech launches set to further increase growth and profitability

	Games 	Media 
<b>Organic</b>	<p><b>2021:</b> Targeting 3 DLCs per game / year for core portfolio Geo expansion of existing portfolio Increase efficient marketing (new users) 3 new launches expected</p> <p><b>2022:</b> increasing number of game launches further DLC's, geo &amp; platform expansion</p>	<p><b>2021:</b> Close Smaato &amp; connect / use synergy Further extend salesforce / sales Roll out of Ad-Cloud &amp; ATOM Implement pod structure/profess./ Optimize, innovate, further intl expansion</p> <p><b>2022:</b> Further increasing sales force roll-out of full white label SaaS solution</p>
<b>M&amp;A</b>	<p>Further <b>3 - 5 synergetic targets per year</b> Conservative multiples Further targeting sustainable games <b>New: also focus on mobile</b> Consequent integration / optimization</p>	<p>Further <b>3 - 5 synergetic targets per year</b> Conservative multiples Further targeting scale &amp; missing parts <b>New: also focus on Asia</b> Consequent integration / optimization</p>
<b>Synergy</b>	<p><b>Actively driving forward synergies</b> between media and games; <b>filling missing parts</b>, ensuring <b>strengthening of game launches</b>, further <b>improving the data optimization</b> part</p>	
<b>Corporate</b>	<p><b>Relocation</b> - Focus on <b>ESG and further professionalizing</b> the organization e.g., M&amp;A department, procedures - Active <b>capital markets activity</b>, refinancing of the German bond</p>	

Source: Group information

# Outlook 2021 & 2022



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Source: Group information

# Clear roadmap: an integrated Media & Games company

O&O AdTech company growing organically as well as via M&A

- ✓ **Low business risk focus**  
Recurring steady revenue streams: MMO games (O&O) and SaaS media revenues
- ✓ **Strong organic growth**  
In Games; new content and game launches  
In Media; scaling existing & adding new media accounts
- ✓ **Utilizing strong synergies between Games and Media**  
Most efficient gamer acquisition and unique know-how and advertising inventory
- ✓ **Synergetic M&A**  
Over 30 accretive transactions, well filled pipeline, for Games as well as Media
- ✓ **Integrating acquired targets within Gaming (gamigo) or Media (Verve)**  
Leads to substantial efficiency gains & economies of scale

## **Agenda:**

10.30 – Media and Games Invest Business Update

10.50 – Deep Dive Games Segment

11.25 – Coffee Break

11.40 – Deep Dive Media Segment

12.15 – Break

13.15 – Financials

13.35 – Outlook

**13.50 – Q&A**



To ask a question please dial in to one of the following phone numbers and wait for the operator:

**(NOTE: PIN code needed for participants)**

DE: +4969222239167

SE: +46850558354

UK: +443333009030

US: +1 6319131422

## Participants Pin Code

PIN: 21012820#

**Or** send your questions to [investors@mgi-se.com](mailto:investors@mgi-se.com) and we will answer them during the Q&A.

