



**Media and Games
Invest Group**

YEAR END REPORT 2020

MEDIA AND GAMES INVEST GROUP "MGI"

ALL FIGURES ARE PRELIMINARY CONSOLIDATED GROUP FIGURES 2020



YEAR END REPORT 2020

Media and Games Invest Group "MGI"

ANOTHER RECORD QUARTER SUPPORTED BY A WELL-BALANCED GAMES AND MEDIA MIX

"We ended 2020 with another record quarter supported by a well-balanced product mix and strong diversification through our games and media segment. In total, we reported 67 percent growth in net revenues together with an adjusted EBITDA growth of 61 percent. Also, our adj. EBIT grew substantially YoY by 67%. All in all, 2020 was a very successful year for MGI in which decisive milestones for further strong growth in the coming years could be laid. With the acquisition of KingsIsle and LKQD we kicked off the year 2021 with substantial tailwind." says Paul Echt, Chief Financial Officer of MGI Group.

HIGHLIGHTS Q4 2020

- **Net revenues** amounted to 48.7 mEUR (Q4'19: 28.2 mEUR), which is an increase of 73% compared to 2019.
- **Adjusted EBITDA** amounted to 10.1 mEUR (Q4'19: 5.8 mEUR), which is an increase of 74%.
- **Adjusted EBIT** amounted to 5.8 mEUR (Q4'19: 3.6 mEUR), which is an increase of 64%.

HIGHLIGHTS FULL YEAR 2020

- **Net revenues** amounted to 140.2 mEUR (FY'19: 83.9 mEUR), which is an increase of 67% compared to 2019
- **Adjusted EBITDA** amounted to 29.1 mEUR (FY'19: 18.1 mEUR), which is an increase of 61%.
- **Adjusted EBIT** amounted to 17.5 mEUR (FY'19: 10.5 mEUR), which is an increase of 67%.
- **Leverage ratio** amounted to 2.1 as per 31 December 2020 (1.9 as per 31 December 2019) and thus remained on the lower end of the target range of 2-3x leverage.
- **Cash and cash equivalents** amounted to 46.3 mEUR (December 31, 2019: 33.0 mEUR).

SELECTED KEY PERFORMANCE INDICATORS, MGI GROUP

In mEUR	Q4 2020	Q4 2019	FY 2020	FY 2019
Net Revenues	48.7	28.2	140.2	83.9
YoY Growth in revenues	73%	72%	67%	-
EBITDA	9.0	4.1	26.5	15.5
EBITDA margins	19%	14%	19%	19%
Adj. EBITDA	10.1	5.8	29.1	18.1
Adj. EBITDA margins	21%	21%	21%	22%
Adj. EBIT	5.8	3.6	17.5	10.5
Adj. EBIT margins	12%	13%	12%	13%
Net Result	2.0	0.3	2.7	1.3



SELECTED KEY PERFORMANCE INDICATORS, MGI SEGMENTS

MGI GAMES SEGMENT

In mEUR	Q4 2020	Q3 2020	Q2 2020	Q1 2020	FY 2020	FY 2019
Net Revenues	24.5	18.0	18.8	13.9	75.2	43.1
Group revenue share	50%	51%	63%	52%	54%	51%
EBITDA	6.9	4.8	5.3	4.5	21.4	12.6
EBITDA margins	28%	27%	28%	32%	29%	29%
Adj. EBITDA	7.7	5.0	5.5	5.0	23.2	14.5
Adj. EBITDA margins	31%	28%	29%	36%	31%	34%

MGI MEDIA SEGMENT

In mEUR	Q4 2020	Q3 2020	Q2 2020	Q1 2020	FY 2020	FY 2019
Net Revenues	24.2	17.0	11.2	12.6	65.0	40.8
Group revenue share	50%	49%	37%	48%	46%	49%
EBITDA	2.1	1.1	1.0	0.8	5.1	2.9
EBITDA margins	9%	7%	9%	6%	8%	7%
Adj. EBITDA	2.4	1.4	1.2	0.9	6.0	3.6
Adj. EBITDA margins	10%	8%	11%	7%	9%	9%



A WORD FROM REMCO WESTERMANN, CEO

"Dear shareholders,

In 2020 we outperformed our revenue and EBITDA targets for the year and performed a 45% average revenue-growth now for the sixth year in row. Overall MGI recorded a 67% revenue-growth and a 61% EBITDA-growth versus 2019. The pace of growth was supported by consequent continuation of our "buy, integrate, build and improve"-strategy with a well-balanced games portfolio strongly backed by our media unit. And we are keeping the pace: We ended 2020 with yet another record quarter Revenue- and EBITDA-wise. In total, we achieved in the fourth quarter 2020, EUR 49 million net revenues in Q4 2020, which represents 73 percent growth versus Q4 2019 and an adjusted EBITDA of EUR 10 million – a steep rise of 74%.

The Corona stay-at-home-policy was especially boosting our revenues and intakes of new players in the second quarter, leading to a higher base-level for our strong portfolio of massive multiplayer games (MMO's). With several updates of our key games, we are sustaining the momentum: ArcheAge, Fiesta Online and Trove had several updates and large DLCs, which also shows that the output of our internal game development is further increasing. With Atlas Rogues -which is currently in open Beta- our game development team is also showing that they can -based on the old IP and Software- develop an in-house sequel. We are furthermore continuing our strategy to grow our revenues by established games with an attractive risk-return-profile and an increasing cost-efficiency. As of now we are sticking to our philosophy of not developing new games from scratch as this is still too risky for a company of our size. We will stick to our focus as we are convinced that it needs a larger scale to pursue a portfolio strategy of developing several games in parallel. Selectively launching games of third party developers is further focus as well as acquiring further strong games with sustainable revenues via M&A.

15 days after the end of our reporting period we entered into an agreement to acquire KingsIsle, a leading game developer headquartered in Texas. This transaction is, based on the size of the deal, a transforming transaction for MGI, adding substantial revenues and EBITDA to our P&L. The combination of MGI's and KingsIsle's complementary product portfolios and audiences is an excellent strategic fit and significantly increases MGI's addressable market.

We are also well prepared for further growth in our gaming segment in 2021, having numerous organic growth projects in the pipeline. In addition to expansions and updates to the games of our current portfolio, also further internationalization, the expansion of our games to additional platforms (e.g. from PC to console and mobile), as well as an increased number of game launches are on the roadmap for 2021. A.o. we will also further increase our focus on the mobile games segment. We already announced the licensing of the two new mobile games Golf Champions and Heroes of Twilight.

Also our massive multiplayer game Trove, which is one of our top games is a good example of how we are planning to create further growth opportunities through internationalization into new markets and platform extensions. We recently announced the closed beta for the Korean version of Trove in cooperation with our Korean publishing partner Arogen Games, and we are in talks with additional partners for other Asian regions.

Furthermore, we are planning to release Trove, which is currently available on PC, Xbox and Playstation, on Nintendo Switch this year. As Trove is doing well on Xbox and Playstation, we expect also that it also will do well on Nintendo Switch, which was one of the best-selling consoles in 2019 and 2020 and is played significantly more than Playstation and Xbox by younger gamers, who are Trove's core target audience.

After the announcement of the acquisition of KingsIsle, we received a lot of positive feedback from players. Most of them would like to see new content, further internationalization and localization as well as a mobile version of their game. Wizard101 and Pirate101, the two strong game IPs that were acquired as part of the KingsIsle transaction have a lot of growth potential via additional content and internationalization. Also porting to consoles as well as selectively including advertising slots create additional potential, this will however take a bit longer and is expected to materialize from 2022 onwards.

With the two acquisitions KingsIsle and LKQD in January 2021 we started with a strong M&A performance in 2021, whereas these deals were of course prepared in 2020. Also, for the remaining year 2021 we expect further M&A in the gaming as well as in the media sector, as our pipeline of M&A targets is well filled. Overall, we see -especially for larger mobile targets- that purchase multiples are going up due to the fight



for larger targets. Even though we have increased the size of the targets we are acquiring, we still want to rather focus on targets with not too high multiples, to further build shareholder value while not increasing the risk profile too much.

After now well over 10 acquisitions in the media sector, MGI's Media Unit branded as ("Verve Group"), in which all media companies are being integrated, is now one of few players in the digital programmatic advertising market that can offer a fully integrated programmatic advertising platform from demand to supply. In 2020, all our media platforms were connected which results in substantial synergies on the cost side combined with strong revenue synergies. Also, many new demand and supply partners have been connected, also leading to additional growth. Within the media sector our focus and revenue split has clearly shifted away from more people savvy services like influencers and affiliate business towards programmatic software as a service media and gaming infrastructure services. Thus, in addition to providing a strong competitive advantage for MGI's Games Unit with respect to customer acquisition, the Verve Group is more and more becoming a significant player in the global media sector itself.

For all major advertising formats, Verve Group is facing global fast organic growth. Especially the mobile games vertical has shown substantial growth. Based on company data, Verve 's Open Exchange is now among the top 20 programmatic marketplaces worldwide. With the recent acquisition of the video platform "LKQD" from Nexstar in January 2021 we now also added excellent video capabilities as well as a strong supply position in the Connected TV and OTT segments. Based on the experience from our Games Unit, MGI is also integrating the media companies to build a strong single platform, where all acquired and further to be acquired media companies are integrated, resulting in streamlined processes, consolidated expertise, critical mass as well as cost advantages. MGI's clear focus on games is also reflected in the media unit's strong customer base consisting of several strong games companies such as e.g. Zynga and King. Next to the gaming unit the media unit acts in a very attractive growth market itself.

The strong media unit is also an important pillar for our mobile games strategy, as efficient user acquisition is one of the key factors for success in this highly competitive market. Therefore, further M&A in combination with signing new mobile games licenses are part of the further growth strategy.

All in all, 2020 was a very successful year for MGI in which decisive milestones for further strong growth in the coming years could be established. With the acquisition of KingsIsle Entertainment Inc. for a total of USD 126m early 2021, we have completed the largest transaction in the company's history to date and expect substantial additional revenues and returns from this acquisition of USD 32m revenues with an EBITDA of USD 21m. This transaction also represents a new "strike zone" in terms of M&A.

Also on the capital markets side 2020 was a very special year. The listing at Nasdaq First North Premier in October 2020 unleashed a lot of share price-potential due to finally being listed amongst peer games companies. Also, the capital increase that was attached to the listing in Sweden enabled us to get well respected cornerstone investors on board, strongly increasing the trading volume of our shares and thereby making MGI accessible even for large-scale-investors. But we are also welcoming and benefiting from a large and dynamically growing base of loyal private share-holders. With the KingsIsle acquisition we have further substantially strengthened our future cash-flows from operations. With also Oaktree Capital coming on board as a new cornerstone minority investor we also showed our capability to attract a buy and build investor. Also, the buy-back of the gamigo bond and the placement of a EUR 80 million bond with MGI as part of a total bond-framework of up to EUR 120m give us further flexibility for additional M&A and investments in growth activities moving forward.

Altogether we have further substantially strengthened the company in 2020 and are very well prepared for further profitable growth in 2021 and beyond.

I would like to use this opportunity to thank all our players, partners, investors and employees for their trust and support in the very special year 2020. Thanks for the commitment of each one of you! I am looking forward to an exciting year ahead.

Yours,"

Remco Westermann

CEO & Chairman of the Board of MGI Group



FINANCIAL PERFORMANCE

CONSOLIDATED NET REVENUES, EARNINGS AND EXPENSES

THE FOURTH QUARTER 2020

- **Net revenues** amounted to 48.7 mEUR (Q4'19: 28.2 mEUR), which is an increase of 73%. The fourth quarter of 2020 is thus the strongest quarter in the company's history. This is due to numerous updates and events in the games portfolio, which once again boosted games revenues in a traditionally strong fourth quarter supported by the freenet acquisition, as well as strong organic and inorganic growth in the media segment.
- **Adj. EBITDA** amounted to 10.1 mEUR (Q4'19: 5.8 mEUR), which is an increase of 74%.
- **Adj. EBITDA margins** remained stable during the fourth quarter with 21% (Q4'19: 21%).
- **EBITDA** amounted to 9.0 mEUR (Q4'19: 4.1 mEUR) which is an increase of 121%.
- **EBITDA margins** increased from 14% to 19% due to realized synergies within the acquisitions as well as organic growth of both segments and reduced one-time costs in relation to the total EBITDA.
- **Adjusted EBIT** increased to 5.8 mEUR (Q4'19: 3.6 mEUR), which is an increase of 64%. The adjusted EBIT margin remained stable at 12% (Q4'19: 13%).
- **EBIT** increased to 3.5 mEUR (Q4'19: 0.9 mEUR).
- **The net result** amounted to 2.0 mEUR (Q4'19: 0.3 mEUR), which is an increase of 534% as a result of the overall increased profitability of the group.

THE FULL YEAR 2020

- **Net revenues** amounted to 140.2 mEUR (FY'19: 83.9 mEUR), which is an increase of 67% compared to 2019.
- **Adjusted EBITDA** amounted to 29.1 mEUR (FY'19: 18.1 mEUR), which is an increase of 61%.
- **Adj. EBITDA margins** decreased slightly to 21% (FY'19: 22%) due to an increased media revenue share.
- **EBITDA amounted** to 26.5 mEUR (FY'19: 15.5 mEUR), which is an increase of 71%.
- **EBITDA margins** remained stable at 19%.
- **Adjusted EBIT** developed well and increased to 17.5 mEUR (FY'19: 10.5 mEUR), which is an increase of 67%.
- **EBIT** increased in 2020 to 11.0 mEUR (FY'19: 5.0 mEUR), which is an increase of 121%.
- **The net result** for 2020 amounted to 2.7 mEUR (FY'19: 1.3 mEUR) and increased as a result of the overall increased profitability of the group which was mitigated by increased financial expenses for future organic and M&A growth which provides a strong cash position on the balance sheet.

CASH FLOW AND FINANCIAL POSITION

- **Operating Cashflow** amounted to 10.6 mEUR (Q4'19: 7.1 mEUR), which is an increase of 49%. This leads to an operating cash flow of 25.2 mEUR in FY 2020 (FY'19: 16.2 mEUR), which is an increase of 56%. The increase in operating cashflow during 2020 was mitigated by a working capital effect during Q4 2020, related mainly to the media business.
- **The equity ratio** was 46% as of December 31, 2020 (December 31, 2019: 54%) and remained strong while the equity decreased due to the bond issues as well as further debt financing for the gamigo minority buy-out and an increased amount in total assets and liabilities as a result of the expanded operations of the group.
- **Cash and cash equivalents** amounted to 46.3 mEUR as of December 31, 2020 compared to 33.0 mEUR as of December 31, 2019. While a bond placement, further tap issues and a capital increase led to an overall increase, 3 M&A transaction and the repayment of the gamigo AG bond had a strongly diminishing effect.
- **Net interest-bearing debt** as of December 31, 2020 amounted to 61.6 mEUR.



- **Interest coverage ratio** was 4.1 compared to 3.1 in Q4'19 and therefore increased strongly as the operating profitability increased in line with the company growth.
- **The leverage ratio** amounted to 2.1 as per 31 December 2020 (1.9 as of December 31, 2019) and remained stable despite 3 M&A transactions and the gamigo minority buyouts during 2020 as the profitability of the company increased while also equity raised was in conjunction with the dual listing on Nasdaq First North Stockholm. Therefore, MGI ended up on the lower end of its net leverage target range of 2 - 3x.

INTANGIBLE ASSETS, INVESTMENTS AND DEPRECIATION

- **Capitalized own work** amounted in the fourth quarter 2020 to 4.2 mEUR (Q4'19: 3.4 mEUR) and included investments in the optimization and further development of the IT platforms in the gaming and media segment, as well as sequels and updates to existing games such as Trove, Grand Fantasia, Aura Kingdom and Atlas Rogues. As a percentage of net revenues, these investments amounted to 9% in Q4'20 compared to 12% in Q4'19 and therefore decreased in relation to net revenue as a result of strong organic growth.
- **Depreciation and amortization** amounted in the fourth quarter 2020 to 5.5 mEUR (Q4'19: 3.2 mEUR) and increased mainly due to additional PPA depreciation from the latest acquisitions. Accordingly, the groups intangible assets increased from 233.2 mEUR on December 31, 2019 to 272.8 mEUR on December 31, 2020. The Groups liabilities increased on December 31, 2020 to 209.0 mEUR compared to 143.9 mEUR on December 31, 2019 as a result of the increased operations, several bond issues as well as M&A activities of the Group.

SEGMENT REPORTING, Q4 2020

GAMES SEGMENT

In mEUR	Q4 2020	Q3 2020	Q2 2020	Q1 2020	FY 2020	FY 2019
Net Revenues	24.5	18.0	18.8	13.9	75.2	43.1
Group revenue share	50%	51%	63%	52%	54%	51%
EBITDA	6.9	4.8	5.3	4.5	21.4	12.6
EBITDA margins	28%	27%	28%	32%	29%	29%
Adj. EBITDA	7.7	5.0	5.5	5.0	23.2	14.5
Adj. EBITDA margins	31%	28%	29%	36%	31%	34%

- **Net revenues** in the fourth quarter amounted to 24.5 mEUR (Q3'20: 18.0 mEUR), which is a quarter-on-quarter increase of 36% due to seasonality and several content updates and sequels like Atlas Rogues. The fourth quarter is thus the strongest quarter of the year.
- **Net revenue share** of the gaming segment was 50% in the fourth quarter and 54% for the full year 2020.
- **Adj. EBITDA** amounted to 7.7 mEUR (Q3'20: 5.0 mEUR) which is a quarter-on-quarter increase of 55% due to increased revenues, constant fix costs on the existing gaming business as well as a stronger share of IP owned games revenues. The EBITDA adjustment was made for legal and advisory cost in relation to M&A.
- **Adj. EBITDA margin** increased quarter on quarter by 3% as a result of the above-mentioned items.
- **EBITDA** in the fourth quarter amounted to 6.9 mEUR (Q3'20: 4.8 mEUR), which is an increase of 44% compared to the third quarter. Also, at the EBITDA level, the fourth quarter was the strongest quarter of the year 2020.
- **EBITDA margin** increased slightly to 28% (Q3'20: 27%).

EVENTS IN THE GAMES SEGMENT

In MGI's games segment, the company offers more than 10 Top Massively Multiplayer Online Games (MMOs) and over 5.000 casual games. Genres range from role playing, to fantasy, strategy, and shooter MMOs, and include such diverse titles as ArcheAge Unchained, Aura Kingdom, Desert Operations, Grand Fantasia, Fiesta Online, Pirate101, Trove and Wizard101 which have been established on the market for many years, with strong and loyal communities. MGI Group strives to support these MMO games with regular fresh game content and targeted marketing to continuously add excitement and innovation, enabling lively communities and long-term user retention. This extends the games' lifespan and keeps players engaged and entertained. Below is an overview of some of our key events in the gaming segment in the last quarter:

GAMIGO RELEASES ATLAS ROGUES IN BETA PHASE

A unique rogue-lite experience set in the dynamic Atlas universe awaits the players in gamigo's novel turn-based tactical co-op game. Originating from a prototype that has been in the making since the beginnings of Atlas Reactor, this spin-off is the latest addition to the Atlas universe. It was finally realized when gamigo embarked on their journey to develop this story-driven experience from the original instalment. The game is available for purchase on gamigo's own distribution platform Glyph, as well as the leading digital distribution service Steam. With the release of this title, gamigo is further branching out from its established free-to-play business model to explore new ways to engage different audiences and ensure a high player retention through offering a diverse catalogue of games to choose from.



ARCHEAGE INTRODUCES CHRONICLES AND RISE OF NEHLIYA

gamigo launched two substantial content updates for both the free-to-play as well as buy-to-play versions of their popular MMORPG ArcheAge and its Unchained adaptation. Apart from a wide variety of new content, including dungeons, quests, powerful gear and valuable loot, the updates also further expand on the storyline of ArcheAge, adding to the lore of the world and involving the community. These most recent updates serve to engage not only seasoned players but also less experienced individuals who are just starting out in the game.

TROVE HUBDATE NOW AVAILABLE FOR CONSOLES

After delivering Delves, an extensive update to gamigo's MMO game Trove, to Microsoft Xbox and Sony PlayStation players earlier this year, October saw the highly anticipated release of the Hubdate patch to these consoles as well. It provides players with a multitude of UI enhancements as well as exciting new content. The Hub is the first thing to greet Trove players as they enter the game. Whereas before, the game's menu system provided players with a functional yet somewhat plain experience, now players can stroll right up to one of the many new interactive features and NPCs and directly access anything they need in Trove - from their Adventures menu to the Marketplace, it is all available in the Hub, making the Hubdate a joy to use for both seasoned players and new ones. The continuous new content and features added to Trove enable the game's ongoing success and future potential.

GRAND FANTASIA CELEBRATES 10 FANTASTICAL YEARS

Following the release of a series of updates this year, players of Grand Fantasia celebrated the anniversary of the game in November. The journey began in 2010 when Grand Fantasia opened its servers for the first time. Over the years, gamigo continued to add thrilling new content to the game to keep even the most veteran players engaged. During the month-long celebration of the anniversary, players were presented with ample rewards and events which delivered countless hours of entertainment for one of gamigo's most popular MMOs.

AURA KINGDOM REVEALS ITS STAR CALLER CLASS

gamigo's colourful MMORPG Aura Kingdom received a new class and much more in Q4. Players can now choose the Star Caller class in their adventures through the magical lands of Azuria. This unique class addition provides ample opportunity for the community to experience the title from a completely fresh angle and delve into newly added dungeons, fulfil quests or engage with their friends in-game.

OTHER

Many of gamigo's diverse range of titles have received smaller and larger game updates in Q4. Following the overwhelming success of their previous cooperation in April, gamigo and Eden Reforestation Projects invited players to support the reforestation of heavily cleared forests once again in December. During the cooperation, its many gaming communities have been able to purchase specially created in-game packages on the gamigo charity website. So far, enough funds have been raised to plant over 100,000 trees. A continuous stream of exciting content for gamigo's games provides their communities with new challenges, gear and adventures. Game launches and substantial content updates are in the pipeline for 2021, with a strong focus on the release of several new IPs.



MEDIA SEGMENT

In mEUR	Q4 2020	Q3 2020	Q2 2020	Q1 2020	FY 2020	FY 2019
Net Revenues	24.2	17.0	11.2	12.6	65.0	40.8
Group revenue share	50%	49%	37%	48%	46%	49%
EBITDA	2.1	1.1	1.0	0.8	5.1	2.9
EBITDA margins	9%	7%	9%	6%	8%	7%
Adj. EBITDA	2.4	1.4	1.2	0.9	6.0	3.6
Adj. EBITDA margins	10%	8%	11%	7%	9%	9%

- **Net revenues** amounted to 24.2 mEUR (Q3'20: 17.0 mEUR), which is a quarter on quarter increase of 43%, driven by strong organic growth from the mobile gaming advertising partnerships. According to company data the media segments open ad exchange is now within the top 20 programmatic marketplaces worldwide.
- **Net revenue share** of the media segment was 50% in the fourth quarter of 2020 and 46% for the full year 2020 and increased during the fourth quarter based on strong organic growth.
- **Adj. EBITDA** increased by 73% to 2.4 mEUR (Q3'20: 1.4mEUR), as a result of increased revenues.
- **Adj. EBITDA margins** increased from 8% to 10% due to advanced integration of the Platform 161 acquisition as well the strong organic growth with constant fix costs. The EBITDA adjustments were for one-time M&A related personal costs.
- **EBITDA** amounted to 2.1 mEUR (Q3 2020: 1.1 mEUR) which is an increase of 89% as a result of the increased revenues and economy of scale.
- **EBITDA margin** increased by 2% due to strong organic growth with constant fix costs as well as the Platform 161 integration.

EVENTS IN THE MEDIA SEGMENT

The media segment offers a wide range of services, from a global omnichannel digital advertising platform to influencer and social media marketing, which all have great synergies with the gaming sector. Gaming essential practices such as user acquisition can be more efficient through this full stack service within the MGI group. This way, the media sector and the gaming sector together contribute to the group's organic growth. The following are some of the events in the media segment in the last quarter of 2020.

AD TECH THOUGHT LEADERSHIP

We continued our strong online presence within the advertising community. Contributing and participating in various outlets such as AW360, Mobile Marketing Magazine, MMA, Streetfightmag as well as various Medium posts, we continue to share and spread our views on various current subjects in the industry. Especially when it comes to top of mind topics such as Privacy & Identity - particularly on Apple's iOS or other platform specific changes to privacy, our objective is to show thought leadership on these essential issues, while in parallel developing reliable solutions for them.

INNOVATION

Innovation continues to be a strong pillar in our sector as the industry moves at an accelerated pace and new products are necessary to ensure future growth. We are currently developing a product and we patented a series of technologies, which aims to solve the soon emerging privacy challenges related to the increasing scarceness of online identifiers. Our solution, which is privacy centered and future oriented, is entering the testing phases with some well-known publishers and advertisers and is planned to be released for more clients in the quarters to come. Especially for games relying on advertising revenue, it is essential to monetise their traffic in an efficient way. Our product will solve many game-changing issues not only for external partners but for our gaming portfolio within MGI as well.



GROWTH OF MOBILE GAMING PARTNERSHIPS AND REVENUE

In the media sector we continued the high growth of the last quarter and accelerated it further. In Q4 we grew with 43% QoQ and reached a new all-time high peak in both growth and revenue driven not only by seasonality but strong sales results. This brought us key partnerships in the gaming sector and was supported by expanding our advertising offering with formats such as the full-screen video, which is one of the main formats in gaming. In Q4 our video advertising revenue grew with 77% and is expected to continue to rise.

ORGANIC GROWTH THROUGH STRATEGIC ACQUISITIONS

In Q4 the media sector extended its offering through several acquisitions. The DSP platform P161 is now part of the Verve Group and expands our demand offering into desktop and web. On the other hand, the acquisition of Appmonets tech stack strengthens our supply footprint and SaaS offering further, while at the same time allowing us to focus even more on gaming publishers, which is one of the core publisher groups within AppMonet.

Our product portfolio now includes the full stack, ranging from an SSP, a DMP, an exchange and to a DSP, which gives us more potential for growth by leveraging development synergies as we scale our collaborations across platforms and genres.

MGI ad-tech value chain



Advertiser

Attractive advertising platform owing to MGI's extensive user base, attracting advertisers seeking to optimise its campaign revenues

Demand side platform

Software used by advertisers to buy mobile, search and video ads from a marketplace on which publishers list advertising inventory

Data management platform

Information on game users is stored upon user's consent, implying an extensive data library which enables high-precision advertising

Supply side platform

Technology platform enabling web publishers and digital media owners to manage their advertising inventory, fill it with ads and optimise revenues

Publishers (Consumers)

Publishers are at the end of the value chain as owners of a medium on which game-, internet and social media consumers are exposed to targeted ads

CASE STUDY - GAMES

Last quarter we continued to expand our games publisher partnerships with substantial new clients such as King, which has over 240M monthly active users across their worldwide renowned games portfolio.

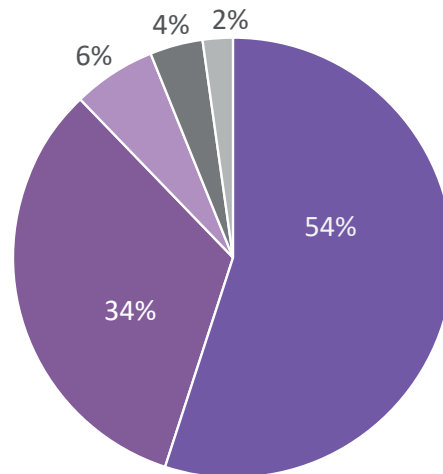
At the end of Q4 we grew our revenues from games with over 94% from Q3. Increases in screen time due to holidays as well as the surging popularity of mobile games benefited our publishers and as we enter 2021, we continue to increase our gaming footprint.



KEY MARKETS AND LOCATIONS

MGI`s main markets are North America and Europe, constituting 88% of total group revenues in 2020. Our goal is to further acquire games and media companies in these markets and to internationalize further our existing gaming and media portfolio, eg. throughout sublicensing deals for some of our biggest gaming IP`s to Asia where our local partner Aprogen Games published our game Trove in Closed-Beta.

GAMING REVENUE PER REGION (Q1 - Q4;20)



■ North America
 ■ Europe
 ■ South America
 ■ Asia
 ■ RoW

The MGI Group has various offices in Europe, North America, South America and Asia.

UNITED STATES

- Austin (Texas)
- Bellevue (Washington)
- Chicago (Illinois)
- New York City (New York)
- Redwood City (California)
- Carlsbad (California)

BRAZIL

- Sao Paulo

SWEDEN

- Stockholm

SPAIN

- Madrid

NETHERLANDS

- Amsterdam

GERMANY

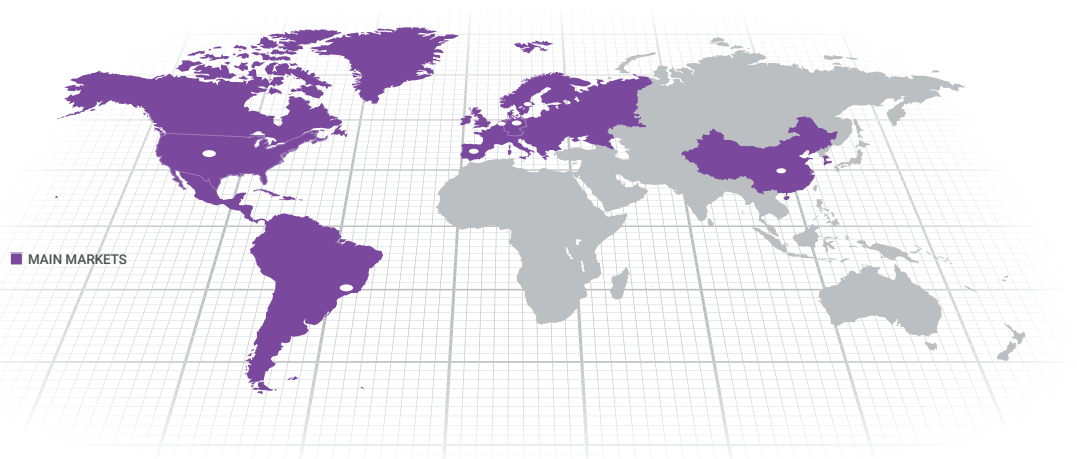
- Hamburg
- Berlin
- Köln
- Darmstadt

CHINA

- Shanghai
- Beijing

SOUTH KOREA

- Seoul





OUR VIEW ON THE GLOBAL GAMES AND DIGITAL ADVERTISING MARKET

COVID-19 BOOSTED REVENUES BY USD 15.6bn - FURTHER STRONG GROWTH FOR THE COMING YEARS EXPECTED

In the last quarterly update of the Global Games Market Report, the analysts at Newzoo increased their forecast for 2020 by USD 15.6bn to USD 174.9bn due to Covid-19. The strongest increase driven by Covid-19 was seen in the mobile games market, due to the lowest entry barriers for new players. Since the mobile sector also has the lowest exit barriers, retaining new players following the pandemic will be a major challenge here. In the PC and console segments, the entry barriers are significantly higher, and the covid effect is correspondingly weaker in these segments. Since the exit barriers are also significantly higher here, it can be assumed that a larger proportion of new players will stay with the games and for a longer period than in the mobile games world. In addition to raising its 2020 projection, Newzoo has also confirmed its growth forecast for the coming years. In 2023, the market is expected to grow to over USD 217 billion, representing a CAGR (2018 - 2023) of over 9%. According to Newzoo, the strong growth in 2020 driven by Covid-19 will not have a fundamental impact on the gaming market and player behaviour. What can be seen, however, is that it has accelerated some trends. For example, the high increase in user activity during the lock-down shows the growing importance of games as a social platform. According to Newzoo, this will be one of the most significant trends in the gaming sector in the coming years. Games are significantly more interactive compared to normal social platforms and the feedback loop of games are often more immediate, satisfying and in many ways more social. With a portfolio of over 10 Top massively multiplayer online games where players create and bring to life their own social world and over 20 years of experience in supporting communities in these games, MGI is well equipped to capitalize on this trend.

Source: 1) Newzoo - Global Games Market Report 2020, 2) Global Games Market Report 2020 - November Update

THE DIGITAL ADVERTISING MARKET HAS GROWN EVEN DURING THE COVID-19 CRISIS AND EXPECTS FURTHER STRONG GROWTH IN THE COMING YEARS

The Covid 19 pandemic has had a significant negative impact on global ad spend in 2020. Industry analyst eMarketer has revised its forecast for 2020 from 7% growth to 4.9% decline. In the context of the pandemic and the lock-down measures, many companies have slashed their advertising budgets. However, it is mainly the offline sector that has been affected. Digital advertising spend has continued to grow in the year of the pandemic, albeit at a lower level than originally expected. eMarketer expects digital advertising spend to grow by 2.4% in 2020 and continues to expect strong growth in the coming years. Regardless of the pandemic in 2020, eMarketer still expects total digital ad spend to grow to USD 526bn in 2024, representing a CAGR of over 12%. Due to its sole focus on digital advertising formats, MGI is well positioned to take advantage of the growth opportunities in the strong digital advertising market.

Source: 2) eMarketer: Global Digital Ad Spending Update Q2 2020, Jul 6, 2020





EVENTS AFTER THE 31 DECEMBER 2020

KINGSISLE ACQUISITION

MGI acquired via gamigo AG the KingsIsle Entertainment Inc. (“KingsIsle”), a leading game developer and publisher, based in Austin, Texas, including the fully owned Massive-Multiplayer-Games Wizard101 and Pirate101. The parties have agreed to a fixed purchase price of USD 126 million on a cash-and-debt-free basis (the “Consideration”), plus up to USD 84 million that may be paid to the sellers as earn-out payments (the “Earn-out Payment”), depending on the 2021 revenues.

As part of the Transaction, MGI has resolved on a directed share issue of 11,676,241 new ordinary MGI shares at a price of EUR 2.14 and proceeds of EUR 25 million. The share issue was signed by funds advised by Oaktree Capital Management who now holds app. 9% of MGI’s shares and pursues an investment horizon of 3-5 years.

LKQD ACQUISITION

MGI acquired via a US subsidiary Nexstar Inc.’s digital video advertising technology platform, formerly known as LKQD. The digital video platform reaches over 200 million unique monthly users in the US across desktop, mobile, in-app, and connected TV devices and provides MGI’ media segment with sophisticated video advertising capabilities as it continues to scale its business following other acquisitions last years, including Applift, PubNative and Platform161.

The digital video platform connects hundreds of premium publishers, such as Samsung, Newsy, and Viacom, with top advertisers and demand-side platforms globally, including The Trade Desk, Adobe, and Amobee. The acquisition broadens Verve Group’s already robust portfolio of advertising services, while also giving it unique access to CTV and OTT inventory — an area of rapid growth within the digital advertising ecosystem.

CONDENSED CONSOLIDATED STATEMENT OF INCOME, MGI GROUP
(unaudited)

EUR 000's	Note	Q4 2020	Q4 2019	FY 2020	FY 2019
Revenues					
Net revenues	7	48,688	28,173	140,220	83,893
Own work capitalized		4,162	3,437	15,994	10,187
Other operating income		2,130	976	6,272	4,636
Total Income		54,981	32,586	162,486	98,716
Operating Expenses					
Services purchased & other operating expenses	8	-35,339	-19,896	-96,365	-55,815
Personnel expenses	9	-10,628	-8,610	-39,573	-27,358
Total operating expenses		-45,967	-28,506	-135,937	-83,174
EBITDA					
Depreciation, amortization and write-downs	10	-5,486	-3,224	-15,508	-10,543
EBIT					
Financial result		-1,818	-2,082	-7,139	-5,757
EBT					
Income Taxes		266	1,537	-1,194	2,012
Net Result					
of which attributable to non-controlling interest		-106	1,037	-352	1,577
of which attributable to shareholders of the parent company		2,082	-725	3,059	-324
Earnings per share					
Undiluted		0.04	-0.01	0.04	-0.01
Diluted		0.03	-0.01	0.03	-0.01
Average number of shares					
Undiluted		85,498	60,390	85,498	60,390
Diluted		95,638	66,754	95,638	66,754

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, MGI GROUP
(unaudited)

EUR 000's	Q4 2020	Q4 2019	FY 2020	FY 2019
Consolidated profit	1,976	311	2,707	1,253
<i>Items that will be reclassified subsequently to profit and loss under certain conditions:</i>				
Exchange differences on translating foreign operations	-2,173	-143	-3,739	457
Profit / Loss of hedging instruments	241	42	237	-237
Other comprehensive income, net of income tax	-1,932	-101	-3,502	220
Total comprehensive income	43	211	-795	1,473
<i>Attributable to:</i>				
Owners of the Company	78	-826	-515	-104
Non-controlling interests	-34	1,037	-280	1,577

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION, MGI GROUP
(unaudited)

EUR 000's	Note	31 Dec 2020	31 Dec 2019
Intangible assets	2, 3	272,829	233,207
Property, plant and equipment		1,742	3,521
Financial assets and other assets		18,896	19,864
Long-term assets		293,466	256,593
Trade and other receivables		46,121	22,872
Cash and cash equivalents		46,254	32,984
Short-term assets		92,375	55,857
Total assets		385,842	312,449
Equity attributable to shareholders of the parent company	6	176,785	98,068
Non-controlling interest		60	70,490
Total Equity		176,845	168,558
Long-term liabilities	4	130,792	89,347
Short-term liabilities	5	78,204	54,544
Total liabilities and equity		385,842	312,449

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, MGI GROUP (unaudited)

	Common stock		Share Premium	Capital reserves	Retained earnings incl. Profit of the year	Amounts recognised directly in equity	Shareholders' equity attributable to owners of the parent	Non-controlling interests	Total shareholders' equity
	Shares thousands	Amount kEUR	Amount kEUR	Amount kEUR	Amount kEUR	Amount kEUR	Amount kEUR	Amount kEUR	Amount kEUR
Balance at 1 January 2019	59,850	59,850		4,346	2,881	143	67,220	91,320	158,540
Consolidated profit					-324		-324	1,577	1,253
Other comprehensive income						220	220		220
Total comprehensive income					2,558	363	67,116	92,897	160,014
Capital increases	10,170	10,170	1,813	1,071			13,054		13,054
Addition of non-controlling interests due to acquisition of projects								2,304	2,304
Changes in scope of consolidation				17,898			17,898	-24,711	-6,813
Balance at 31 December 2019	70,020	70,020	1,813	23,314	2,558	363	98,068	70,490	168,558
Balance at 1 January 2020	70,020	70,020	1,813	23,314	2,558	363	98,068	70,490	168,558
Consolidated profit					3,060		3,060	-352	2,707
Other comprehensive income						-3,574	-3,574	72	-3,502
Total comprehensive income					5,617	-3,211	97,553	70,210	167,763
Capital increases	47,054	47,054	6,026	29,091			82,170	-67,294	14,876
Changes in scope of consolidation				-2,939			-2,939	-2,856	-5,795
Balance at 31 December 2020	117,074	117,074	7,839	49,466	5,617	-3,211	176,785	60	176,845

CONDENSED CONSOLIDATED CASH FLOW STATEMENT, MGI GROUP (unaudited)

EUR 000's	Note	Q4 2020	Q4 2019	FY 2020	FY 2019
Cash flow from operating activities		10,551	7,061	25,203	16,200
Cash flow from investing activities		-15,476	-2,960	-37,707	-13,069
Cash flow from financing activities		40,251	2,883	25,774	25,407
Cash flow for the period		35,327	6,983	13,269	28,537
Cash and cash equivalents at beginning of period		10,927	26,001	32,984	4,447
Cash and cash equivalents at end of period		46,254	32,985	46,254	32,984

SELECTED EXPLANATORY NOTES (UNAUDITED)

NOTE 1 BASIS OF PREPERATION

The financial information presented in this report has been prepared using accounting policies consistent with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and as set out in the Group's annual financial statements in respect of the year ended 31 December 2019 except as noted below. The financial information does not include all the information and disclosures required in the annual financial statements.

The Annual Report will be distributed to shareholders and made available on the Company's website <https://mgi.group/investor-relations/financial-reports/> in due course.

The consolidation scope of the unaudited condensed consolidated financial statements as of December 31, 2020 changed compared to the audited consolidated financial statements as of December 31, 2019, for the following transactions and entities:

- Q1 2020: Foundation of Verve Group, Inc and the subsequent acquisition of the Verve Wireless business (see in detail Note 2 Intangible assets and acquisitions) in Q1 2020.
- Q3 2020: Acquisition of 100% shares in Platform 161 and its businesses (see in detail Note 2 intangible assets and acquisitions) in Q3 2020.
- Q3 2020: Deconsolidation of the 95% subsidiary Mediakraft TV, Poland which were sold for EUR 1.00 to the Management. This is part of the reduction of complexity and consolidation within MGI Groups entities. Mediakraft Networks GmbH (Germany) remains to be 100% part of the MGI Group.
- Q4 2020: Acquisition of 100% shares in Freenet Digital and its businesses (see in detail Note 2 intangible assets and acquisitions) in Q4 2020.
- Q4 2020: Deconsolidation of the 100% subsidiary Aeria Interactive GmbH, Germany which were sold for EUR 1.00 to the acquirer. This is part of the reduction of complexity and consolidation within MGI Group entities. Mediakraft Networks GmbH (Germany) remains to be 100% part of the MGI Group.
- Q4 2020: Increasing shares of Verve Group Europe GmbH (former known as Pubnative GmbH) from 89.20 % up to 100% and reducing the non-controlling interest. Performance of Verve Group Europe was in H2 2020 over all expectations, while competitors struggling during the COVID pandemic. MGI decided to receive 100% profit within the group.

NOTE 2 INTANGIBLE ASSETS INCLUDING ACQUISITIONS

The change in Goodwill is mainly related to the acquisitions of the Verve business on January 22, 2020, Platform 161 in Q3 2020 and Freenet Digital in Q4 2020. Other Intangible Assets includes acquired intangible assets from business combination, self-developed intangible assets (development expenses), IPs, Licenses and advanced payments on licenses and increased due to acquisitions and the in-house development of the games and AdTech platforms.

	December 31, 2020	December 31, 2019
	kEUR	kEUR
Goodwill	164,015	147,339
Other Intangible	108,814	85,868

Acquisition of the material assets of Verve Wireless

See Interim Report Q1 2020.

Acquisition of Platform 161

See Interim Report Q3 2020.

Acquisition of Freenet Digital

Freenet digital and its subsidiaries were acquired on September 30, 2020 and consolidated the first time on October 1, 2020. Freenet digital is a leading mobile games distributor via its own platform. Freenet was founded in 2000 in Berlin, Germany. With a distribution of over 1,500 mobile games, it will improve the mobile games strategy of the Gaming unit.

EY (Ernst & Young GmbH) was engaged and prepared an independent purchase price allocation report for identifying acquired tangible and intangibles and liabilities of freenet digital. The acquisition of the shares of freenet digital is a business combination within the meaning of IFRS 3 Business Combinations. They provide estimates of fair value for those assets, as defined below, as

of September 30, 2020. For the purchase price allocation (PPA), the management provided EY a business plan of freenet digital which was used by the management to derive the purchase price offer. The report differentiates between intangible assets and property, plant, and equipment. As intangible assets were identified: customer related intangible assets with a fair value of kEUR 733, technology-based intangible assets of Vene platform of kEUR 1,286 based on their historical development costs. The goodwill related to the acquisition of freenet digital amounts to kEUR 5,091 as of valuation date.

The amounts stated for the identifiable assets acquired and liabilities assumed are shown in the following table:

in kEUR	
Identifiable intangible assets	7,110
Property, plant and equipment	61
Current assets	2,353
Current liabilities and provisions	-5,381
Deferred tax liabilities	-199
	3,944
Total consideration	
Fulfilled by:	
Payment methods	8,194
Cash received	-4,249
Net Consideration transferred in cash	3,945

In accordance with IFRS 3 Business Combinations, an acquiring entity shall allocate the cost of the acquired assets and assumed liabilities based on their fair values of all assets and liabilities as of acquisition date. If the consideration of transferred is higher than the fair value of net assets acquired, this difference is accounted for as goodwill. Goodwill recognised from the acquisition of freenet digital amounted to kEUR 5,091. The trade receivables have a book value of kEUR 2,024 and received cash at kEUR 4,249. The Purchase price of Freenet Digital was kEUR 8,194.

Acquisition of the remaining non-controlling interest in Verve Group Europe GmbH (former known as Pubnative GmbH)

MGI agreed with the founders and minority shareholders of the supply-side platform (SSP) subsidiary Verve Group Europe to acquire their remaining block of shares and subsequently will hold 100% of the shares which reduces the non-controlling interest to kEUR 754 within the MGI balance sheet. Verve Group Europe's platform supports application publishers in selling their advertising space in their applications for the best price via bidding mechanisms.

NOTE 3 DISPOSALS

There were no material sales or disposals in financial year 2020.

NOTE 4 LONG-TERM LIABILITIES

As of December 31, 2020, the long-term liabilities of MGI increased by kEUR 41,445 to kEUR 130,792 (December 31, 2019: kEUR 89,347) largely based on the MGI new bond issues as of November 27, 2020. For purposes of investment, acquisitions and replacing the gamigo Bond, MGI issued a new Bond with a total volume of kEUR 80,000, with a framework of up to kEUR 120,000. The issued bond as of December has an interest rate of 5.75% (ISIN SE0015194527) compared to former gamigo Bond with an interest rate of 7.75%. Additionally, loan agreements with UniCredit Bank AG as described below. Parts of the net proceeds from the bond issues are still available as cash in the bank and are intended to be used for general corporate purposes, including investments and acquisitions.

MGI Bond issues

MGI Group has successfully increased its MGI 2019/2024 bond (ISIN DE000A2R4KF3), to a total volume of EUR 25.0 million during the financial year 2020.

MGI Group has successfully issued a new bond MGI 2020/2024 (ISIN SE0015194527) with an out-standing volume of EUR 80.0 million.

Term-loan with UniCredit Bank

The fully owned subsidiary blockscience DLT solutions GmbH withdrew in Q1 2020 an UniCredit term loan in the amount of EUR 10 million, with an interest rate of 5.5 % and a term of three years to finance part of the minority buyout of gamigo AG. EUR 2.5 million of the loan were repaid on June 30, 2020. The current outstanding volume per December 31, 2020 is EUR 7.5 million.

NOTE 5 SHORT-TERM LIABILITIES

The short-term liabilities of MGI increased by kEUR 23,661 on December 31, 2020 to kEUR 78,204 compared to kEUR 54,544 on December 31, 2019 effected by the acquisition of Verve, Platform 161 and freenet digital as well as an increased amount of trade payables which came also with a higher amount of trade receivables.

NOTE 6 SHAREHOLDERS' EQUITY

As of December 31, 2020, the total shareholders' equity increased to kEUR 176,845 (December 31, 2019: kEUR 168,558) mainly driven by a capital increase in conjunction with a secondary listing on the NASDAQ First North Premier Stockholm. The net amount of movement within shareholders' equity is kEUR 8,287 because of the transfer of ownership interest in gamigo AG. In the fourth quarter 2020 the subscribed capital of MGI has developed from kEUR 92,074 to kEUR 117,074 as a result of the capital increase in conjunction with the listing on Nasdaq First North. No dividends were paid in 2020.

NOTE 7 SALES REVENUE

MGI achieved in Q4 2020 a sales revenue of kEUR 48,688. The increase of kEUR 20,516 (Q4 2019: kEUR 28,173) was due to a strong organic growth of the gaming and media segment as well as the acquisition of freenet digital in Q4 2020. In FY 2020 MGI increased its revenue in the amount of kEUR 56,327 to kEUR 140,220 from kEUR 83,893 in FY 2019. The growth was achieved by an in-creased organic growth in combination with three acquisitions.

NOTE 8 SERVICES PURCHASED & OTHER OPERATING EX-PENSES

For 2020, MGI disclosed services purchased and other operating expenses of kEUR 96,365 (2019: kEUR 55,815). The increase of kEUR 40,549 is a result of the increased operations of the Group due to organic and M&A driven revenue growth.

NOTE 9 PERSONNEL EXPENSES

The personnel expenses increased in 2020 by kEUR 12,214 to kEUR 39,573 compared to 2019. This increase is mainly due to the acquired employees of Verve, Platform 161 and freenet digital. An additional effect is the ESOP agreement with key employees of the MGI Group, which is evaluated by BAV Ludwig GmbH, an external specialist for IFRS 2 valuation, with an amount of kEUR 2,209 but largely offset by received covid-19 subventions MGI received for personal expenses during 2020 and therefore not adjusted within the adjusted EBITDA.

NOTE 10 DEPRECIATION, AMORTIZATION AND WRITE-DOWNS

Depreciation, amortization and write-downs amounted in 2020 to kEUR 15,508 (2019: kEUR 10,543). The increase is mainly due to additional PPA depreciation and amortization of the acquired companies and assets. In 2020, no impairment charges were made on goodwill.

NOTE 11 RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated during consolidation and are not explained in these notes. Details of transactions between the Group and other related parties are given below.

In addition to the Management Board, family members close to the Board and, in principle, investments and the shareholders can all be considered relationships to associated companies and persons under IAS 24 Related Party Disclosures.

Remco Westermann is part of the three-member Board of Directors of the Company and personally holds 90% of the shares in Sarasvati GmbH, which in turn holds 100% of the shares in Bodhivas GmbH, which in turn held 36,88% of the Company and 50.69% of the voting rights.

Remco Westermann is a member of the Board of Directors of the Company since 31 May 2018 and is the Managing Director of Bodhivas GmbH, Sarasvati GmbH, Garusadana GmbH, Bodhisattva GmbH and Jarimovas GmbH, Düsseldorf, additionally Jaap Westermann holds 10% of Sarasvati GmbH and Jarimovas GmbH. Hendrika Westermann is the wife of Remco Westermann,

Jaap Westermann is the brother of Remco Westermann, Hendrika, Jaap and Remco Westermann are directors of Jarimovas GmbH, Düsseldorf. In the unaudited consolidated balance sheet as of December 31, 2020, the Group has reported various current liabilities to Bodhivas GmbH, Düsseldorf, with a total value of kEUR 0 (December 2019: kEUR 2,162) under financial liabilities. In addition, the financial liabilities include current liabilities to Jarimovas GmbH, Düsseldorf, in the amount of kEUR 2,500 (December 31, 2019: kEUR 2,411).

René Mueller was a member of the Board of Directors of the Company until 25.02.2020. René Mueller is a member of the Administrative Board of GSC General Service Center AG, Zug.

Jaap Westermann is the brother of Remco Westermann and 100% shareholder and director of Rheingold Immobilien GmbH, Düsseldorf. In the reporting period, the company purchased gamigo AG shares from Jaap Westermann.

Tobias M. Weitzel is a member of the Board of Directors of the Company, Malta since 31 May 2018. He holds 500,000 phantom stock in the company. In the reporting period, the company purchased gamigo AG shares from Tobias Weitzel.

Elizabeth Para is a member of the Board of Directors of the Company, Malta since 31 January 2020. She holds 500,000 phantom stock in the company. In the reporting period, the company purchased gamigo AG shares from Elizabeth Para.

Mark van Lonkhuyzen is a person closely related to Elizabeth Para. In the reporting period, the company purchased gamigo AG shares from Mark von Lonkhuyzen.

NOTE 12 OTHER DISCLOSURES

There are no new significant litigations or claims in Q4 2020.

NOTE 13 SHAREHOLDERS^{1,2}

Bodhivas GmbH (Remco Wester-	36.9%
UBS	3.9%
Nordnet Pension	2.0%
Skandia Fonder	1.4%
Avanza Pension	1.3%
Atlant Fonder	1.0%
Knutsson Holdings AB	0.9%
Finlandia	0.7%
Dragfast AB	0.5%
Elizabeth Para (Board Member)	0.5%
Eyass Shakrah	0.4%
Tobias M. Weitzel (Board Member)	0.3%
SEB AB	0.3%
Taaleri	0.3%
Öhman Bank S.A.	0.2%
Credit Suisse AG	0.2%
Sveriges Aktiesparares Riksförbund	0.2%
Nordea AB	0.2%
Merrill Lynch	0.2%
Swedbank AB	0.1%
JP Morgan Bank	0.1%
Other	48.7%

Note (1) Compiled and processed data from various sources, including Euroclear, as per 31.12.2020. Number of shares as of 31.12.2021 amounts to 117,073,507 shares. (2) Following the capital increase in January 2021, the number of shares has increased to 128,749,748 shares and Oaktree Capital holds a stake of approximately 9%.

DEFINITIONS OF KEY PERFORMANCE INDICATORS

EBIT	Earnings before interest and taxes
Adjusted EBIT	EBIT as a percentage of net revenues
Adjusted EBIT	EBIT excluding one-time costs and PPA depreciation
Adjusted EBIT margin	Adjusted EBIT as a percentage of net revenues
EBITDA	Earnings before interest, taxes, depreciation and amortization
EBITDA margin	EBITDA as a percentage of net revenues
Adjusted EBITDA	EBITDA excluding one-time costs
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of net revenues
Equity ratio	Equity as a percentage of total assets
Growth in revenues	Net sales for the current period divided by net sales for the corresponding period of the previous year
Leverage Ratio	Net Interest Bearing Debt divided by adj. EBITDA for the past 12 months excluding shareholder and related party loans
Interest Coverage Ratio	Adj. EBITDA divided by net financial items for the relevant period

PARENT COMPANY

MGI with its headquarters in Valetta, Malta, is the parent company of the group.

AUDITOR REVIEW

- Shown on the following two pages -

INDEPENDENT AUDITORS' REPORT ON THE REVIEW OF THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Media and Games Invest plc

We have reviewed the unaudited condensed consolidated financial statements of Media and Games Invest plc ("the Company") and its subsidiaries (together, "the Group") as at 31 December 2020 which comprise the unaudited condensed consolidated statement of financial position as at 31 December 2020, and the unaudited condensed consolidated statement of income, the unaudited condensed consolidated statement of comprehensive income, the unaudited condensed consolidated statement of changes in equity, and the unaudited condensed consolidated statement of cash flows for the year then ended, and selected explanatory notes.

Responsibilities of the Directors for the Unaudited Condensed Consolidated Financial Statements

The directors are responsible for the preparation of the unaudited condensed consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), and for such internal control as the directors determine is necessary to enable the preparation of the unaudited condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Scope of Review

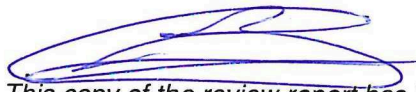
Our responsibility is to express a conclusion on the unaudited condensed consolidated financial statements based on our review. We conducted our review in accordance with ISRE 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

INDEPENDENT AUDITORS' REPORT ON THE REVIEW OF THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – continued

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the unaudited condensed consolidated financial statements do not give a true and fair view of the financial position of the Group as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with IFRS as adopted by the EU.



This copy of the review report has been signed by
Conrad Borg (Principal)
For and on behalf of

RSM Malta
Certified Public Accountants

25 February 2021

INVESTOR CONTACT

The latest information on the company is published on its website www.mgi.group. The company can be contacted by email info@mgi.group or soeren.barz@mgi.group.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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BOARD DECLARATION

In all conscience, we assure, as representative for the Board of Directors of the Company, that the unaudited condensed consolidated financial statements for the year ended 31 December 2020 are in compliance with IFRS, as adopted by the EU, and give a true and fair view of the Group's Net Assets, Financial Position and Results of Operations.

Malta, February 25, 2021

Board of Directors



Media and Games Invest Group

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