



FOURTH QUARTER 2020 PRESENTATION

Year End Report 2020

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I. Introduction

II. Business overview

III. Strategy

IV. Financial performance



Today's presenters and ownership structure

Shares listed on Frankfurt Stock Exchange and Nasdaq First North Premier Stockholm

Remco Westermann

CEO & Chairman of the Board since 2012

- Manager, entrepreneur and investors with more than 25 years of experience from various leadership positions
- Founding, reorganising and growing various companies in the new technologies and media sector
- Remco holds a MSc in Business Economics, Erasmus University, Rotterdam
- **Holdings in MGI:** 43,179,501 shares¹



Paul Echt

CFO since 2018

- Finance manager with more than 10 years of experience from the tech and finance industry
- Previously positions at UniCredit Bank in Berlin, Munich and New York as well as Shopgate Inc. in San Francisco
- Paul holds a MSc in Business Management and Bachelor of Laws
- **Holdings in MGI:** 42,320 shares and 1,500,000 phantom stock



Shareholdings²

Remco Westermann



Remco Westermann holds his MGI shares via the German holding company Bodhivas GmbH. Bodhivas GmbH is based in Düsseldorf where Remco Westermann resides and holds the shares of Remco Westermann as well as voting rights of early gamigo Investors.



Oaktree Capital Management, LP is a USD 140bn diversified global asset manager. Oaktree has supported many European management teams growing their platform companies into recognized market leaders including the creation and development of multi-billion listed companies. Oaktree has been able to conclude the required share capital increase within a short period of time because of their high degree of familiarity with MGI and the European games & media sector.

Free float



The free float is composed of retail and institutional investors who bought the shares on the secondary market, as well as institutional investors from the EUR 8 million capital increase in July 2019 and the EUR 29 million share issue that took place in September 2020, including UBS, Skandia Fonder, Atlant Fonder and Knutsson Holdings.

Source: Group information

Note: 1) Bodhivas GmbH has obligations outstanding from a capital increase in 2019 towards investors which can buy shares in the amount of up to 1.8 million at 1.20 euro per share (2) To hire top key employees as well as retaining employees the board has decided to launch a ESOP program and to allow for the issuance of up to 15 million new MGI shares, earliest from May 2024 and latest till December 2030 via an option at a strike price of Euro 2.60 per share.

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Introduction to Media and Games Invest

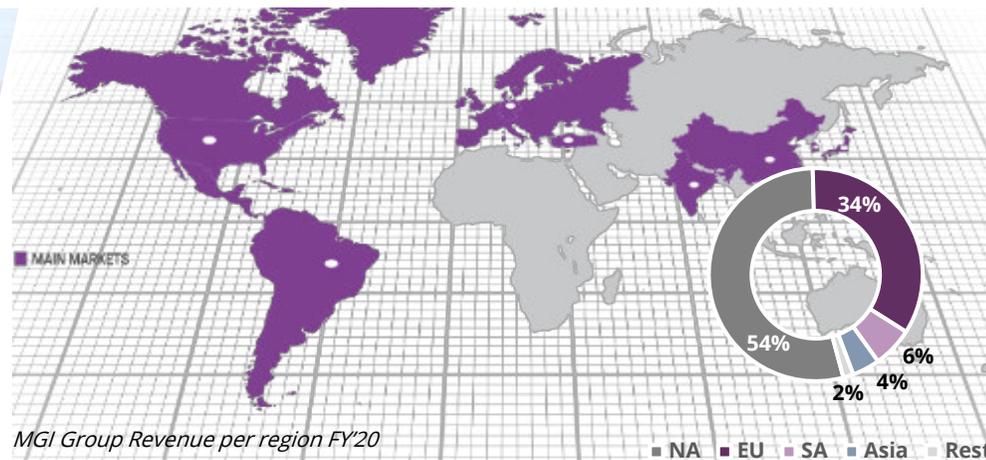
A leading European online games and digital media powerhouse serving customers worldwide

Key facts



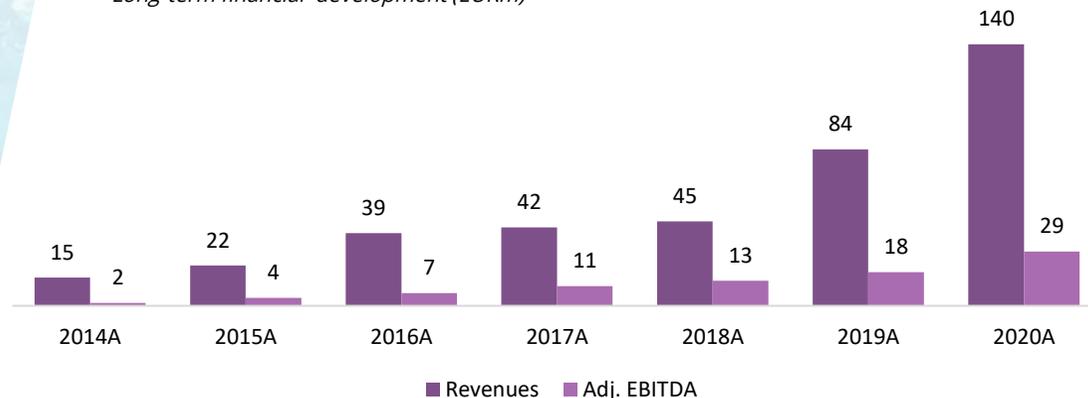
-  **+30 M&A transactions since 2012**
-  **EUR +500m Market cap**
-  **Listed** on Frankfurt Stock Exchange and Nasdaq First North Premier Stockholm
-  **+800 Employees**
-  **+10 Top MMOs¹**
+5,000 Casual games
-  **+100m registered gamers**
-  **+10bn Monthly ads delivered**
+1bn Video views
-  **+5,000 Advertisers**

Geographic footprint key financial development



Key financial development

Long-term financial development (EURm)

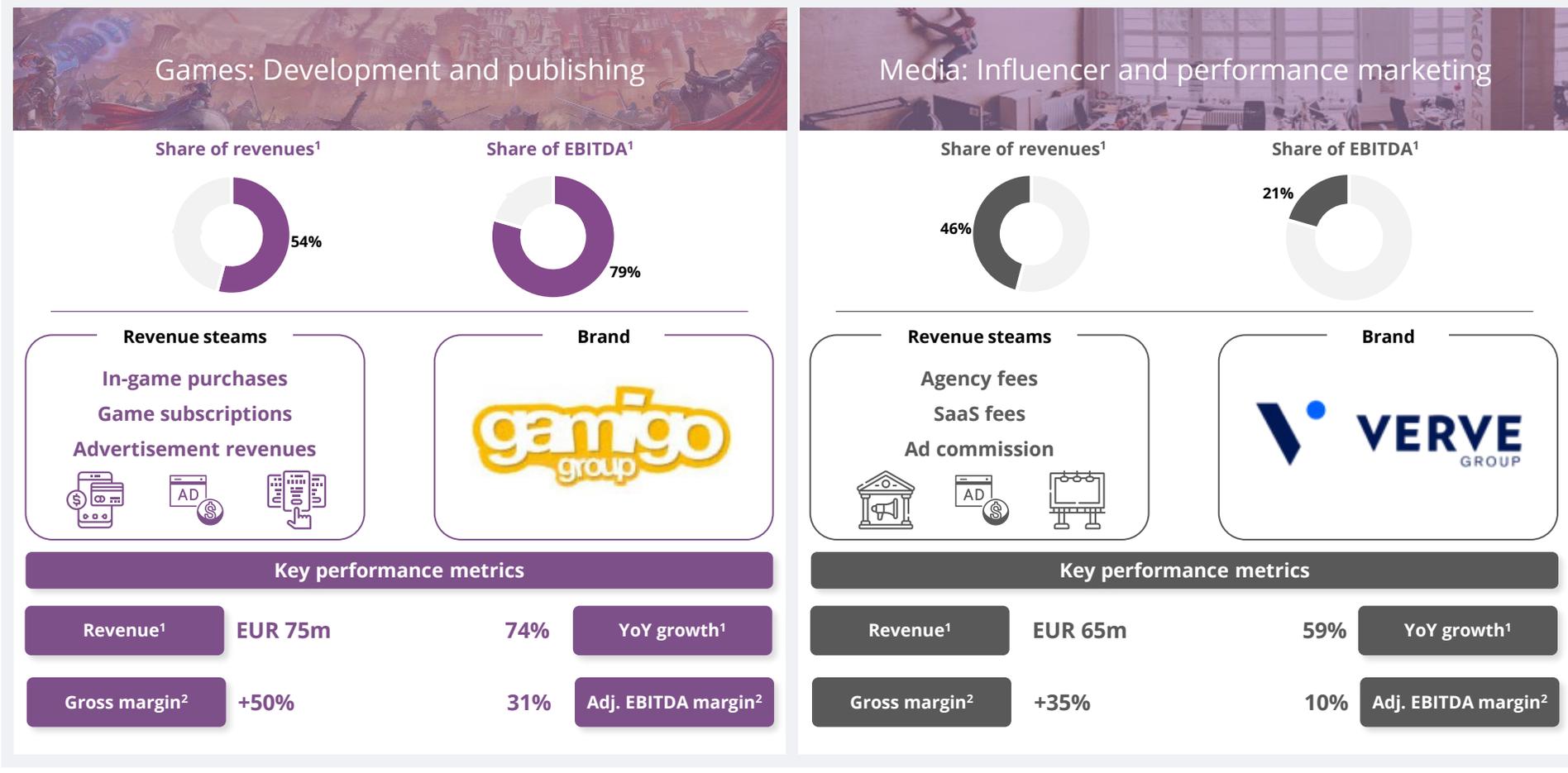


Source: Group information
Notes: 1) Massively Multiplayer Online games

MGI's two divisions

Two profitable segments which combined accelerate user acquisition and organic growth

Overview of the Group's segments¹

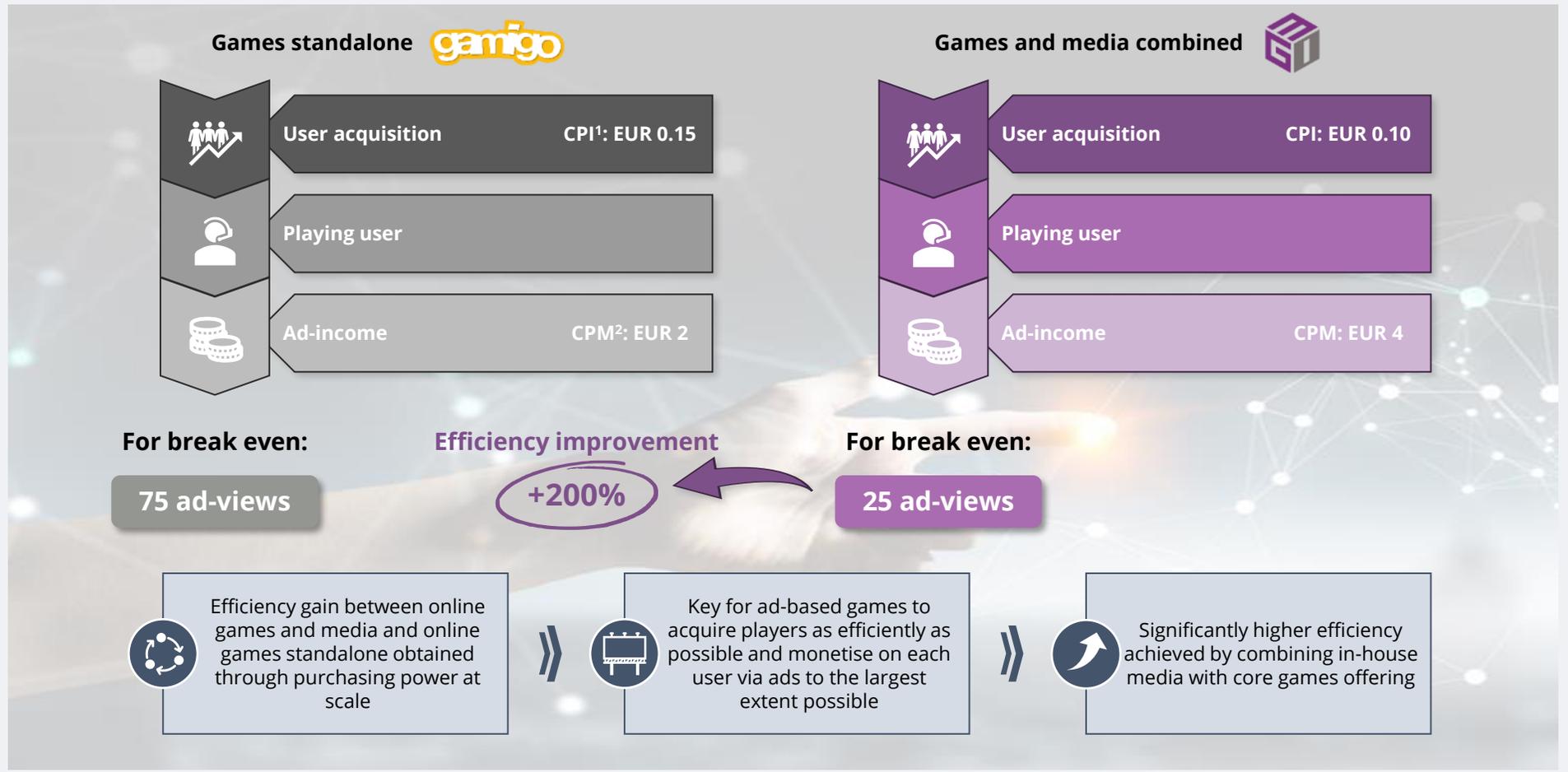


Source: Group information
 Notes: (1) FY20 figures. (2) Q4'20 figures

High cost advantages through synergies

Reduced user acquisition cost combined with higher ad-income

Games and media combined: optimising the value chain



Source: Group information

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

Another record quarter on the books



ATLAS ROGUES
EARLY ACCESS SUCCESSFUL
RELEASED

- In this newly to be launched innovative tactical game, players can look forward to a unique rogue-lite experience against the backdrop of the dynamic Atlas universe.



ARCHEAGE
INTRODUCES CHRONICLES AND
RISE OF NEHLIYA

- Two substantial content updates for both the free-to-play as well as buy-to-play versions



TROVE
HUBDATE NOW AVAILABLE
FOR CONSOLES

- The Hubdate provides players with a multitude of UI enhancements as well as exciting new content



QoQ: Plus 36% revenue growth¹



MOBILE GAMING
PARTNERSHIPS

- Verve Group has concluded further key partnerships in the games sector



NEW DSP PLATFORM P161

PLATFORM 161

- P161 is now part of the Verve Group and expands our demand offering into desktop and web



INTEGRATION OF
APPMONETS TECH STACK

- The SDK stack further strengthens our supply footprint and SaaS offering, while at the same time allowing us to focus even more on gaming publishers



QoQ: Plus 43% revenue growth¹

Fourth quarter financial highlights

Adjusted EBIT grows by 64%



Net revenues

amounted to 48.7 mEUR (Q4'19: 28.2 mEUR), which is an increase of 73%.



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%



Leverage ratio

amounted to 2.1 as per 31 December 2020 (1.9 as of December 31, 2019)



Actual vs. Initial Guidance FY2020

MGI outperformed its mean revenue-target by 17% and its EBITDA-target by 35%

Solid organic growth pipeline with great outlook

<p>Heroes of Twilight Launch 2021</p>	<ul style="list-style-type: none"> gamigo has also acquired the worldwide licensing rights for the mobile game "Heroes of Twilight" The competitive and turn-based role-play game is characterized by a dynamic day and night change, which means that the characters and the game environment can change unexpectedly at any time The free-to-play game is the sequel to the multiple award-winning Little Lords of Twilight and thus has a strong existing fanbase
<p>Golf Champions - Swing of Glory Launch 2021</p>	<ul style="list-style-type: none"> MGI's gaming segment (gamigo) has acquired the worldwide development and publishing rights of the triple-A mobile game "Golf Champions - Swing of Glory" from top Canadian developer Behavior Interactive. Golf Champions is a competitive, free-to-play mobile game in which players compete in leagues. Players unlock different golf characters and can improve their skills as they compete against each other
<p>Desert Operations Goes Mobile Launch TBA</p>	<ul style="list-style-type: none"> Our successful strategy wargame Desert Operations is currently only available to be played in the browser on PCs. Strategy games are a successful genre on mobile devices, also Desert Operations is very suitable which lead to this project. Desert Operations will be available on mobile in a complete new setting to reach a broad audience and increase playtime.
<p>Trove Nintendo Switch +South Korea Launch TBA</p>	<ul style="list-style-type: none"> The successful Voxel MMO Trove is currently available to be played on the platforms Windows PC, Sony Playstation 4 and Microsoft XBOX. As Switch has become very popular it was decided to test Trove as a first game to be ported to Switch. This technical port will make the game available on Nintendo Switch Consoles targeting yet another major audience. Together with Aprogen Games, gamigo is bringing the PC version of the action-packed MMO to South Korea
<p>Verve EDGE Privacy-First Audiences Launch 2021</p>	<ul style="list-style-type: none"> After a year of development we have a solution that enables us to generate audience data on the device without the use of PII Verve EDGE solves for the upcoming industry challenge deprecating mobile IDs on iOS14. Patent for Verve Edge is pending Verve Edge is now being rolled out, while leveraging on and further extending our SDK base
<p>Enterprise Solutions Full Stack SaaS Launch 2021</p>	<ul style="list-style-type: none"> Work on integrating the Full Stack continues after the acquisition of Nexstar Digital which expanded our offering into CTV. Part of that work is leveraging our existing gaming data to improve advertising effectiveness and improve user acquisition The next product launch in our SaaS Enterprise offering is the HyBid Cloud which is an offering for game and app publisher monetization
<p>10+ Other projects in stealth mode Launches 2021-2023</p>	<ul style="list-style-type: none"> Sequels of existing games: various projects in the pipeline with total development cost volume of €5m+ In-Licensing deals for various MMO's and mobile games; for games ready to launch Outlicensing deals with Publishers in China and Japan for some of MGI's games IP's in negotiations More to come...



Division overview: Games

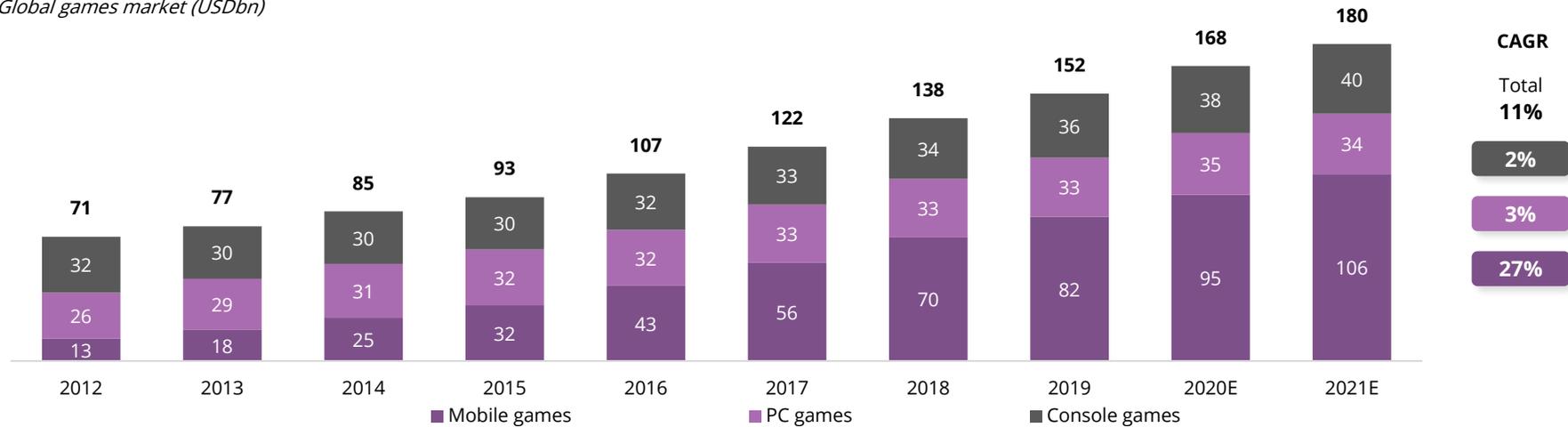


Online Games: a substantial growth market

The largest entertainment market in the world with attractive underlying megatrends

Steady growth in the global online games market, particularly driven by further expansion of mobile games

Global games market (USDbn)



Megatrend: more leisure time

- Favoured form of entertainment; interactive, rewarding, social
- Games market is larger than the market for books, music and films



Mass market

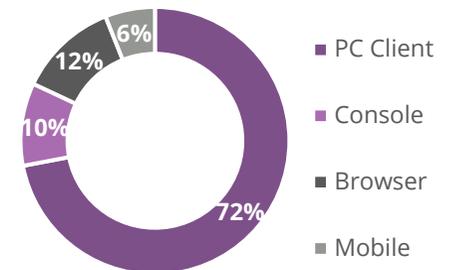
- Over 2.5 billion players worldwide
- 42% of all Germans are actively playing, of whom 41% are female and 29% over the age of 50



Growth opportunities

- Fragmented global market
- Driven by many "one-hit-wonders"
- High growth and high margins
- Market consolidation with numerous M&A candidates

MGI's games revenue by device¹

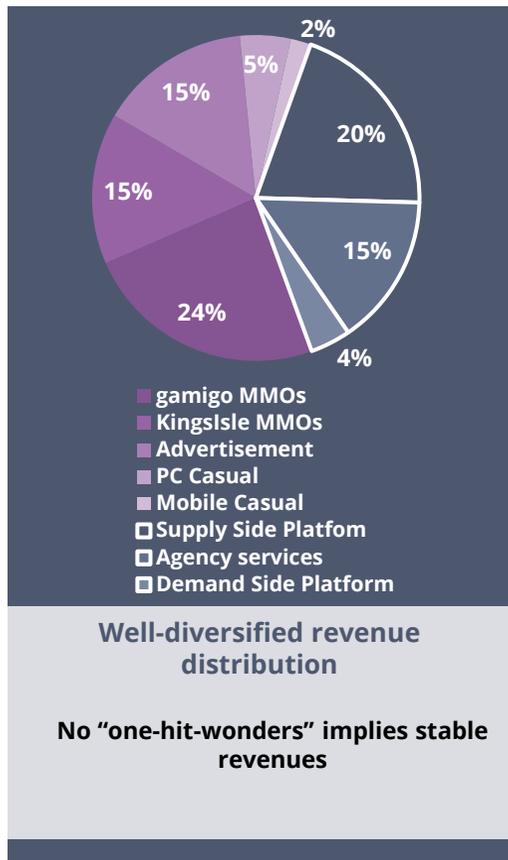


Source: Group information, Newzoo Global Games Market Report 2020
Note: 1) FY2020

Clear focus on risk diversification and high growth

Diversified revenues, solid organic and M&A growth

Diversified revenues¹



Solid organic pipelines

Games Unit

Announced launches in 2021

Successful Launches

Media Unit

Innovation platform in Ad-Tech

- Verve Edge
- Open garden DSP Products for Agencies and Marketers Voyager
- Header Bidding for CTV

Strong M&A growth

+30 companies and assets acquired

+65 companies and assets targeted

Strong M&A Track Record

- 2019: 5x M&A events
- 2020: 3x M&A events
- 2021: 2x M&A events

With more in the pipeline

Source: Group information
Notes: 1) FY2020 including KingsIsle on pro forma basis

Wizard101: *The Harry Potter Of Online Games*

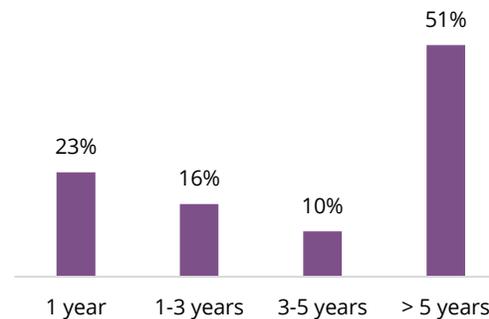
A dedicated customer base with multi-year relationships

Massively Multi-player 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 revenues¹



- Over 50% of revenues from players who playing over 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 +375m revenues

+50m gamers

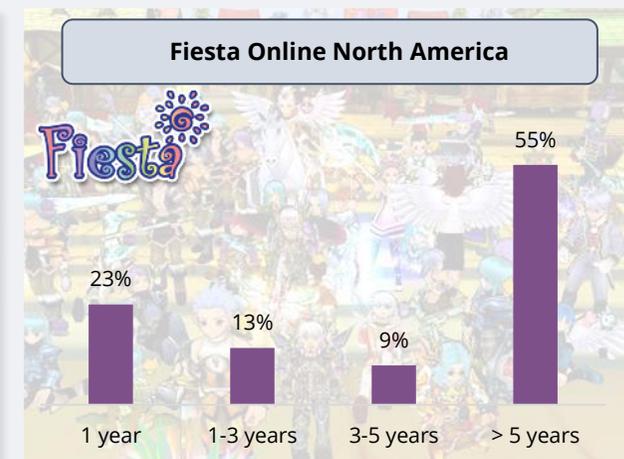
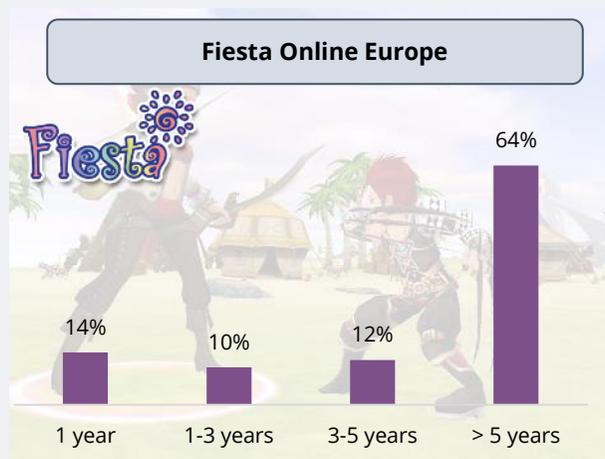
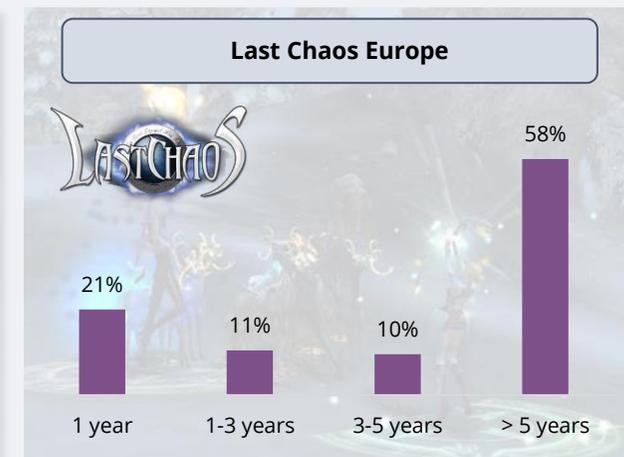
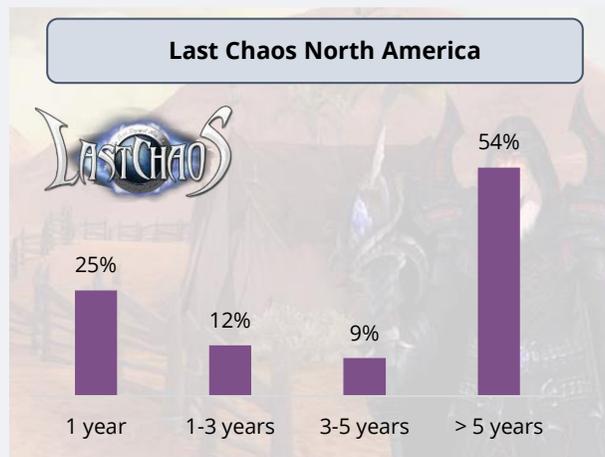
- Wizard101 has generated more than USD 375m in revenues since release 13 years ago
- +50 m user accounts created since launch
- Target Group: 20 -30 years old, male and female audience

Wizard101 is a life-brand title for core users who continuously engage and monetize 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 FY20



Division overview: Media

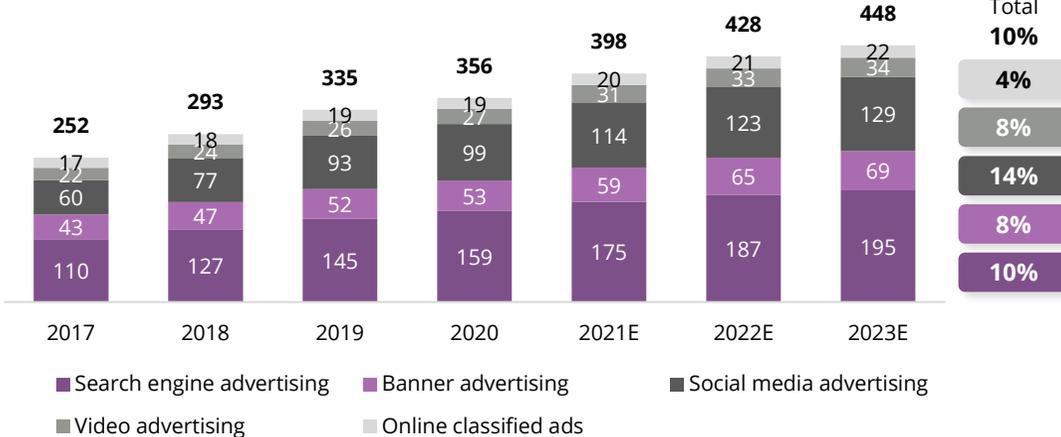


Digital media: a substantial growth market

A large, fragmented market, offering ample growth opportunities

Global advertising market pivoting towards digital media

Online advertising market (USDbn)



CAGR
Total
10%

4%

8%

14%

8%

10%



Megatrend: programmatic ads

- Digital advertising has bypassed offline advertising in recent years
- Programmatic exchanges and bidding are more efficient and win-optimising



Fragmented market

- Fast-growing number of channels, apps and players
- From managed to self-serve; (Google, Tencent, Facebook)



Growth opportunities

- Fragmented global market
- Driven by technical change and optimisation; AI, programmatic and tracking
- High growth and solid margins
- Market consolidation

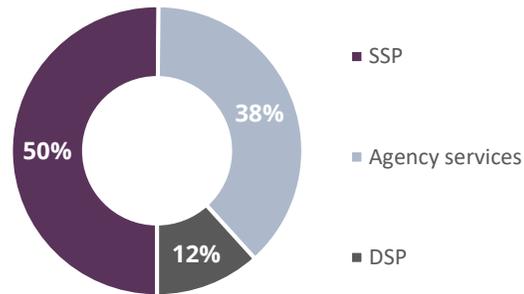
- Global digital advertising market is expected to remain at its strong growth trajectory going forward
- Global online advertising volume is projected to grow from USD 335bn in 2019 to USD 448bn in 2023E, corresponding to a CAGR of approx. 7.5%
- Social media advertising is expected to serve as the main growth driver, followed by search engines and videos
 - Expected to clearly outpace overall market growth
 - Following overall global trend of people becoming increasingly connected to the Internet in general, and to social media platforms in particular
 - Search engine advertising has traditionally constituted the largest advertising channel
- The programmatic ad-tech landscape has a similar fragmented structure as the games market, with a large number of apps being published and advertised on a daily basis through a large variety of channels and platforms
- The fast-growing mobile advertising technology market is highly competitive and penetrated by major global players including The Trade Desk and Google Ad Manager
 - Market is however still highly fragmented implying ample consolidation opportunities
- Ongoing megatrend clearly pivoting the market towards programmatic advertising
 - Programmatic exchanges and bidding are more efficient, allowing advertisers to reach a broader audience with each campaign

Strong user acquisition advertising platform

Seamlessly connecting brands, advertisers and publishers to users in real time

Full-stack advertising platform serving Fortune 500 advertisers

Diversified, attractive revenue streams¹



Key facts

- Brands:** Top Fortune 500 advertisers
- Performance:** Top 500 global digital brands
- Publishers:** Top 100 in relevant app stores
- Marketplace:** Active in 20 countries
- Platforms:** Full stack and self service

Verve Group: Serving Fortune 500 advertisers



Long-term premium advertiser and publisher partnerships with a blue-chip customer base

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

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

Source: Group information
Notes: 1) FY2020

In-house media for ArcheAge Unchained launch

MGI provides high customer acquisition capabilities compared to traditional publishers and developers

ArcheAge Unchained launch illustrates MGI's user acquisition capabilities

Objective



- Launch a Triple A game in the territories North America and EU
- Efficient user acquisition with long-user-lifetime
- Create cost efficient video assets via internal production resources



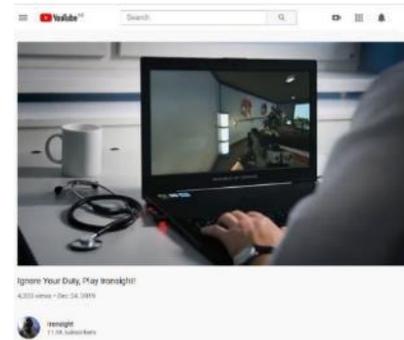
Strategy



- Setting the right target group using data from the media companies to acquire the right players
- Centralised booking of influencers across video and social media channels, increasing negotiation power
- Combined skillsets of gamigo's internal marketing graphics team and Verve's production capabilities with enriched data



Video spot created in-house



Influencer booked in-house



Approach



- Sharing gamigo and Verve resources, data, contacts and market insights
- Leading to an ever-growing revenue base and long-term active players



+65 influencer campaigns



2.4m views achieved



EUR +10m organic revenues





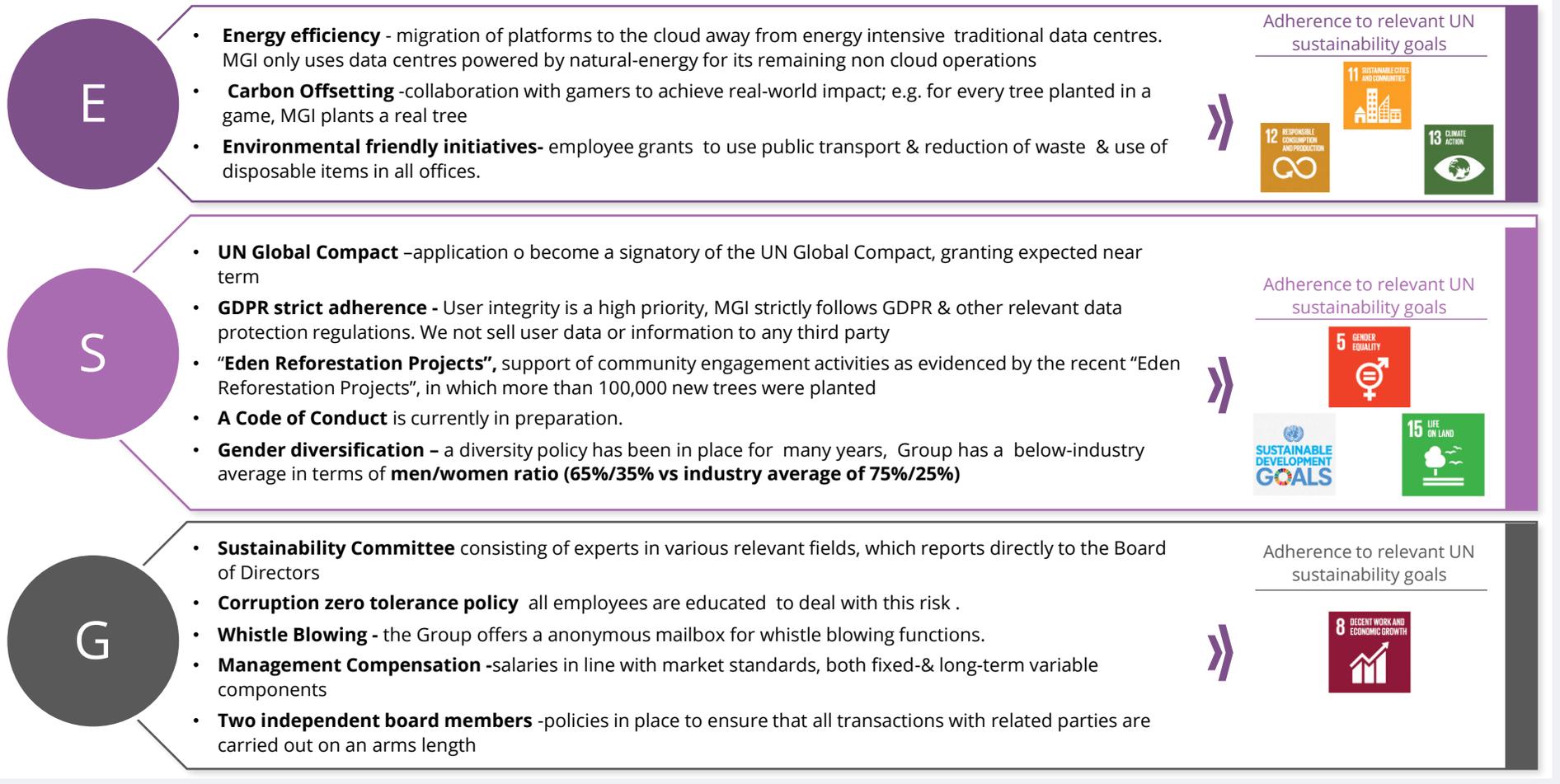
Division overview: ESG



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
Notes: 1) Refer to appendix for comprehensive ESG questionnaire

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"

Improvement targets

- Automated chat filters
- 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

I. Transaction overview

II. Business overview



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IV. Financial performance



Robust model enabling long-term value creation...

"Buy, integrate, build & improve" strategy consequently implemented since 7 years

Overview of MGI's strategy



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



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

...built on a prudent and tested M&A strategy...

M&A strategy yields high growth figures based on acquisitions and synergies with MGI's scalable model

Overview of MGI's M&A strategy

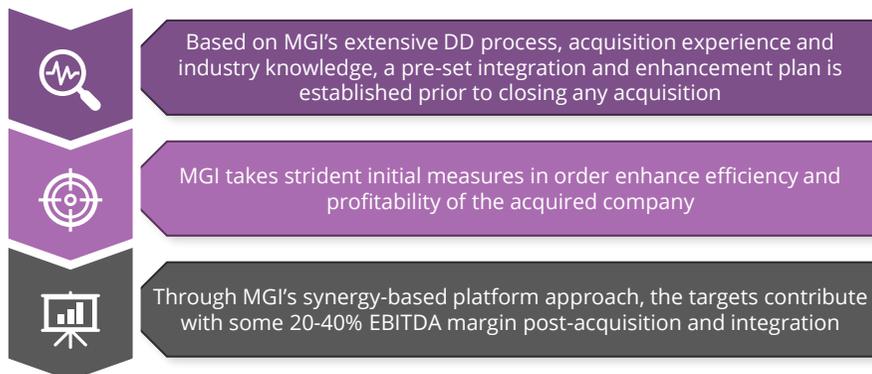
1 MGI has a strong M&A track record...



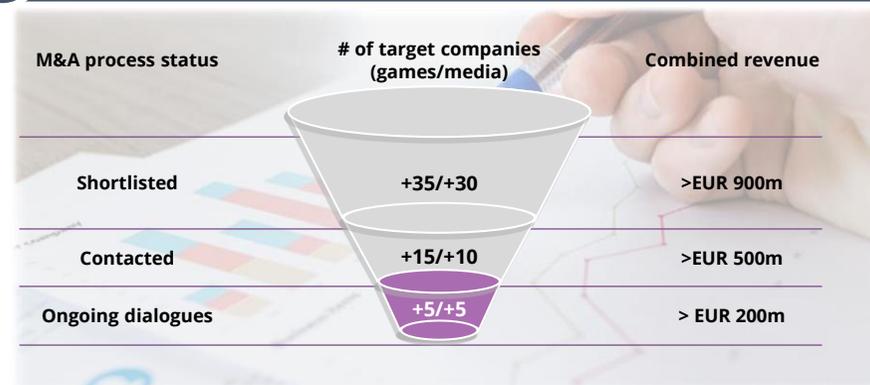
2 ...built on a disciplined approach...



3 ...which facilitates integration...



4 ...and scope to continuously evaluate new targets



Source: Group information

Notes: 1) Average payback period across all acquisitions since 2013 (excluding Aeria Games which was a large rule changing acquisition paid in shares), 2) Typical size of targets taking into account revenues that are discontinued, 3) Targets overview as of February 2021

...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

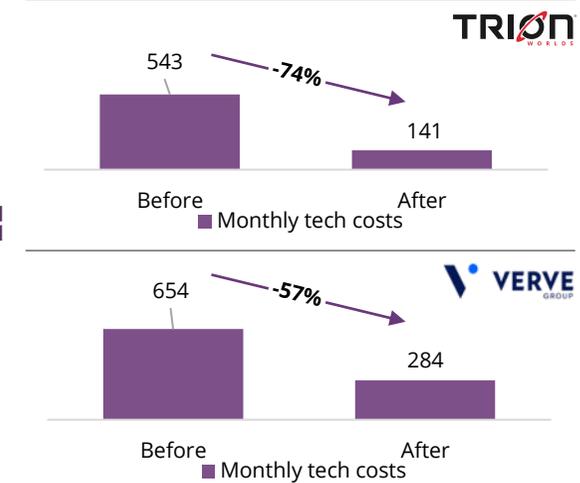


Cloud technology

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



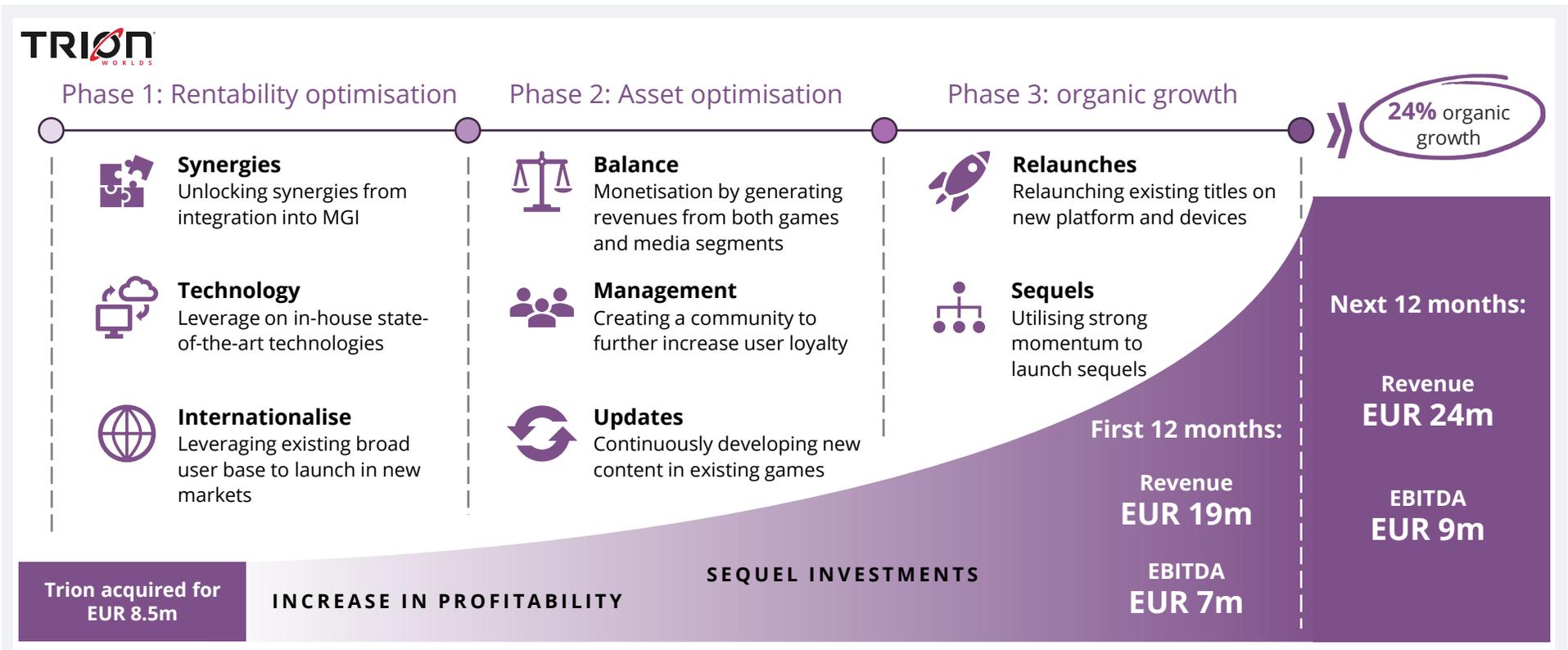
Outcome (EURk)



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

Developing and optimising games following successful integration

Overview of “build and improve” process



Source: Group information

MGI acquires Kingsisle

Leading North American game developer and publishing platform with +50 million of registered gamers

- Transforming and **highly accretive** acquisition increasing EBITDA¹ by app. 60%
- Strengthens the **quality of earnings** in MGI's games segment
- Purchase price **USD 126 million** plus highly conditional **USD 84 million** earn out depending on revenue achievements
- Directed share issue to Oaktree Capital Management, LP ("**Oaktree**") of **EUR 25 million**
- Oaktree will hold app. **9 percent of the MGI shares** on a fully diluted basis



"Wizard101, The Harry Potter Of Online Games"
Forbes

A multiple award-winning studio



Note 1) Based on Pro Forma Financials Jan-Sep 2020 (unaudited). Carve out of mobile business not related to Wizard and Pirate 101 and adjusted to pre Covid MMO revenue growth rates from 2019 applied for Jan - Sep 2020 while full operating expenses from the MMO business of 2020 have been included.

...with a strong M&A pipeline with EUR +150m revenues

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



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 months¹:



Online MMO publisher & developer
Own IP, RPG-focus, 60-80m revenues, profitable



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



Demands side platform
Own IP, strong customer base, 30-40m revenues, profitable



Mobile & online MMO publisher & developer
Own IP, RTS-focus, 10-20m revenues, profitable



Mobile MMO publisher & developer
Own IP, RTS-focus, 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

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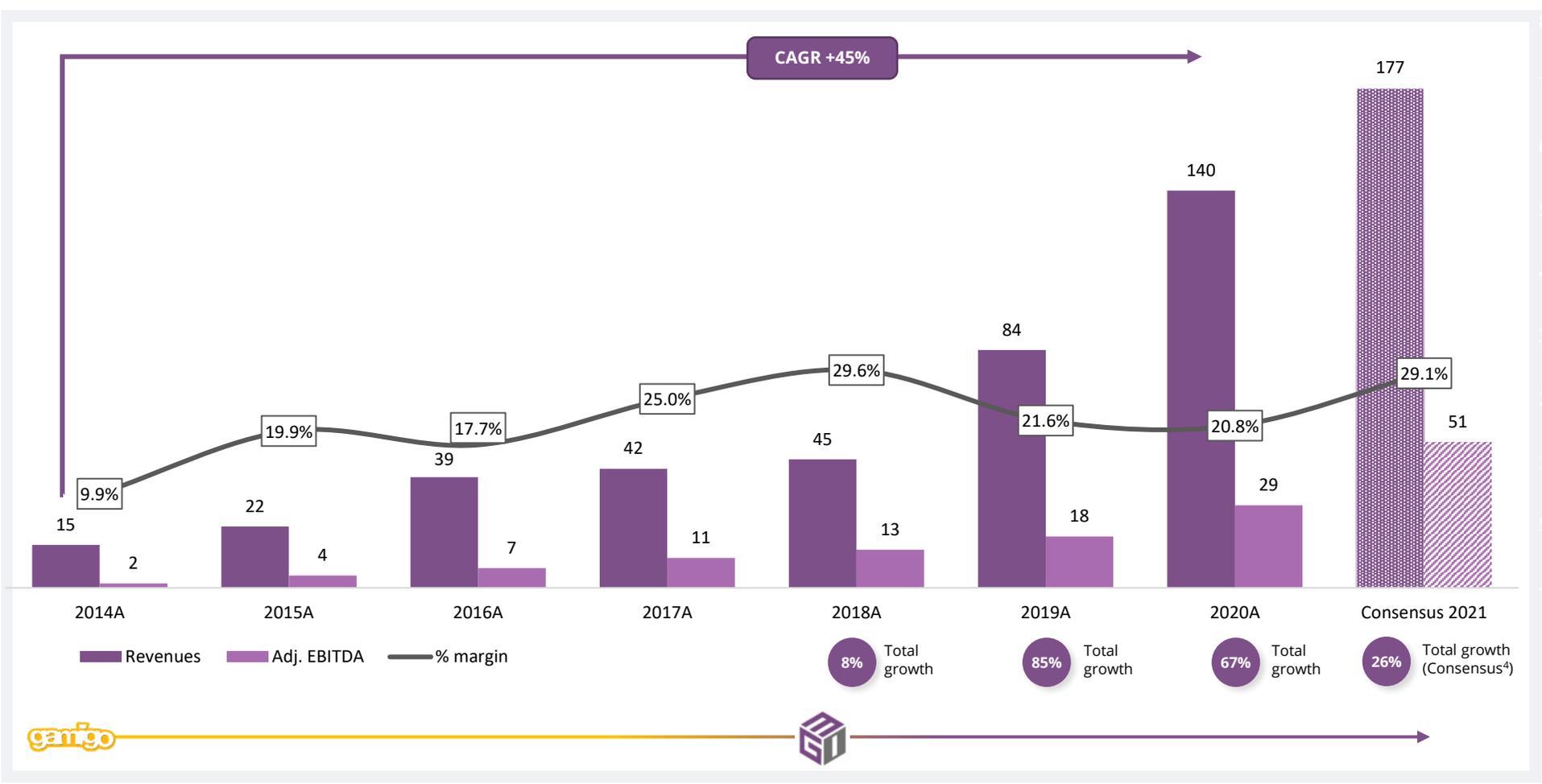
IV. Financial performance



Summary of financial performance

Profitable business model with an increasing share of organic growth

Long-term financial development (EURm)^{1,2,3}

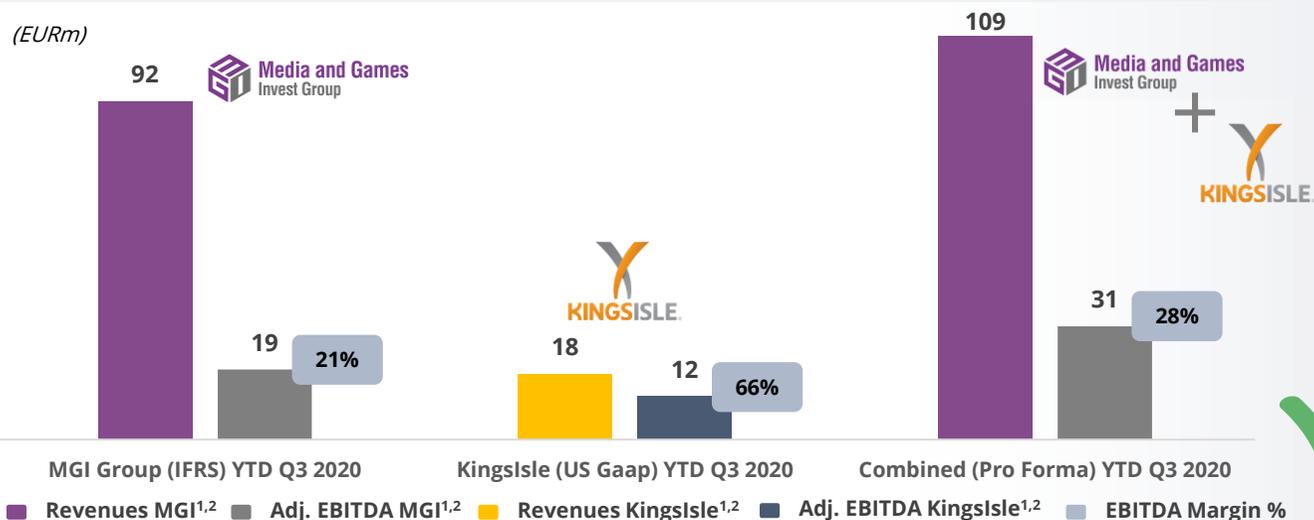


Source: Group information

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, (3) Consensus 2021: Consensus reported EBITDA plus EUR 3m adjustments for one time costs (4) Source: Analyst reports available on the companies website: <https://mgi.group/investor-relations/analyst-coverage/> which includes Kepler Cheuvreux, Warburg Research, Hauck & Aufhäuser, GBC AG, First Berlin

Pro Forma Financials Jan-Sep 2020 (unaudited)

KingsIsle is transformative for MGI adding about 60% Group EBITDA YTD



Comments

- The transaction is **transformative** for MGI as it will materially increase the size and profitability of MGI Group, **adding about 60% Group EBITDA** on a pro forma basis (YTD Q3 2020)
- The fully owned Massive-Multiplayer-Games Wizard101 and Pirate101 are having very loyal communities and as such also **very sustainable revenues**.
- The **66 percent EBITDA margin** of KingsIsle is achieved by combining the attractive size of the games with a highly efficient cost structure
- The combined adj. **EBITDA margin** increased from **21% to 28%**

**Revenues
+20%**

**Adj. EBITDA
+63%**

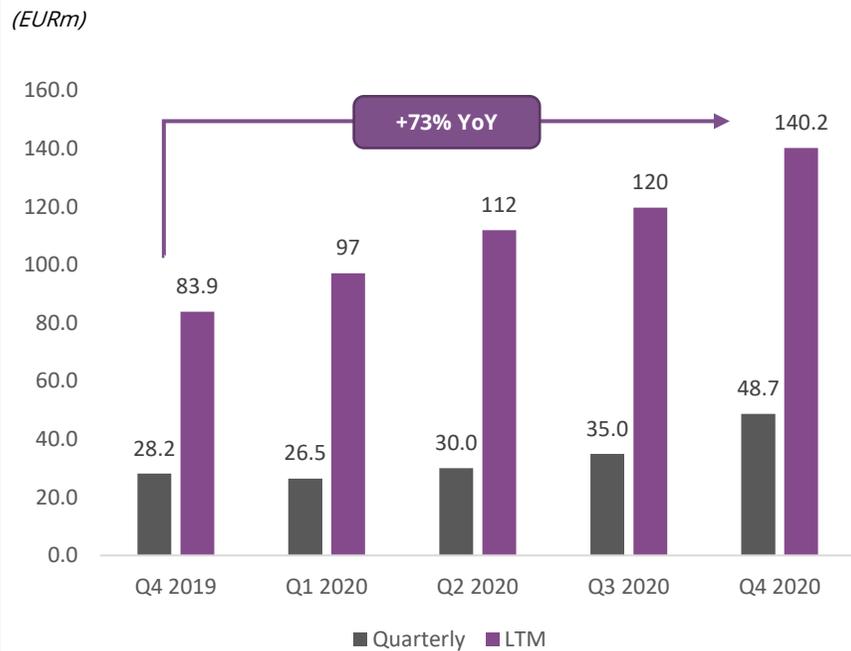
Note (1): Carve out of mobile business not related to the acquired IP's and adjusted to pre Covid MMO revenue growth rates from 2019 applied for Jan – Sep 2020 while full operating expenses from the MMOG business of 2020 have been included. Note (2) Numbers may not add up due to rounding



Fourth quarter revenue and EBITDA development

Growing 7x faster than the games market in 2020¹

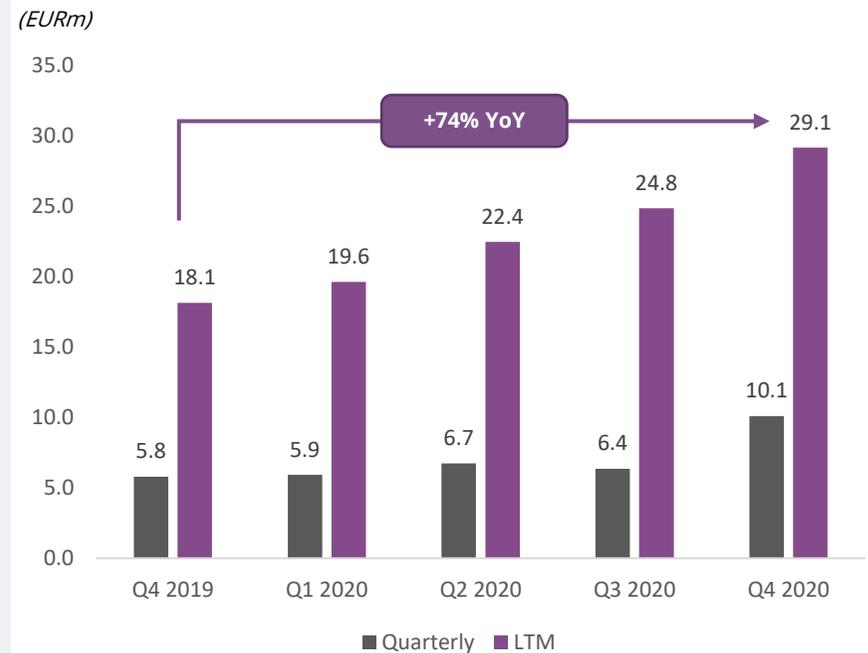
Revenue



Strong Revenue Growth

Q4'20 YoY: All time high in revenues

Adj. EBITDA



Strong EBITDA Growth

Q4'20 YoY : All time high in EBITDA

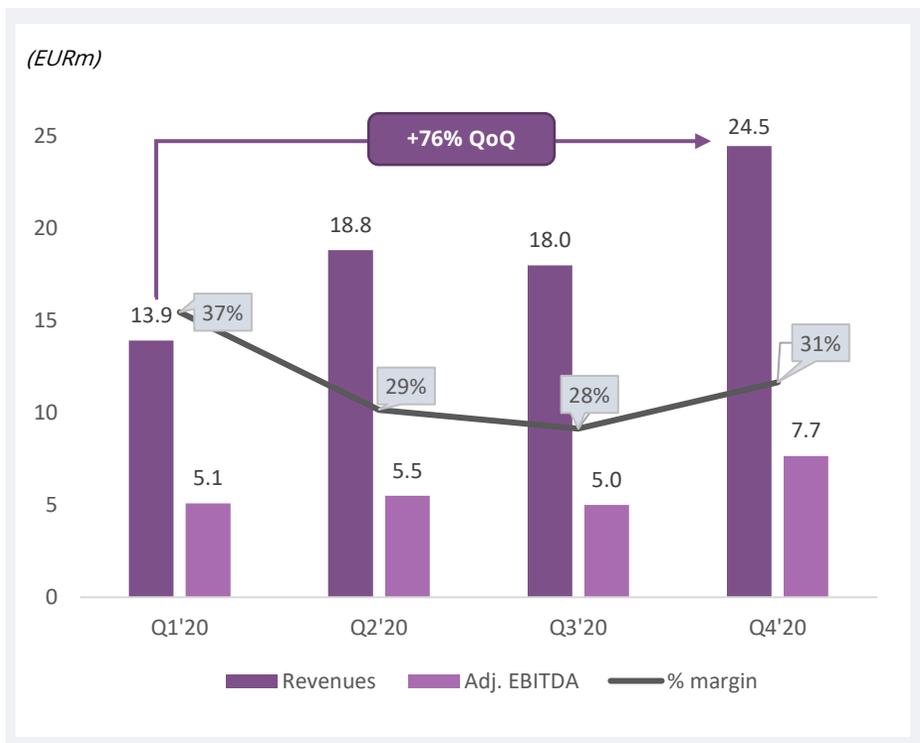
Source: Group information

Notes: 1) 67% vs. 9,4% reported by Newzoo for 2020E (Global Games Market Report)

Segment Performance

Strong organic growth of both segments combined with M&A

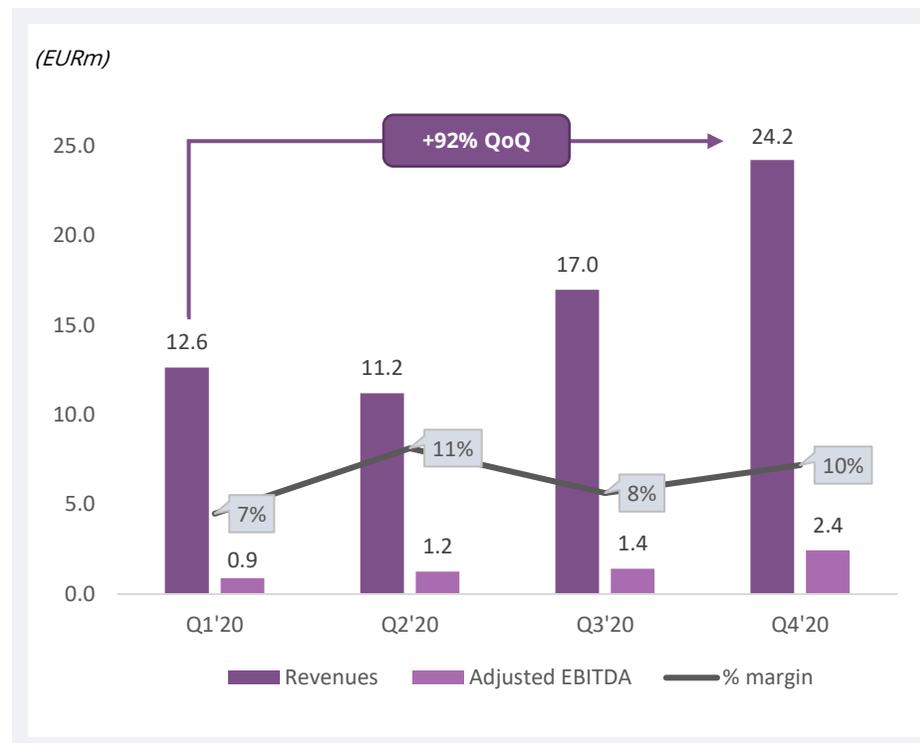
Games Segment



Strong growth due to new players

Closing 2020 with a record quarter through new players, several content updates and game launches

Media Segment



Focus on digital industries accelerate growth

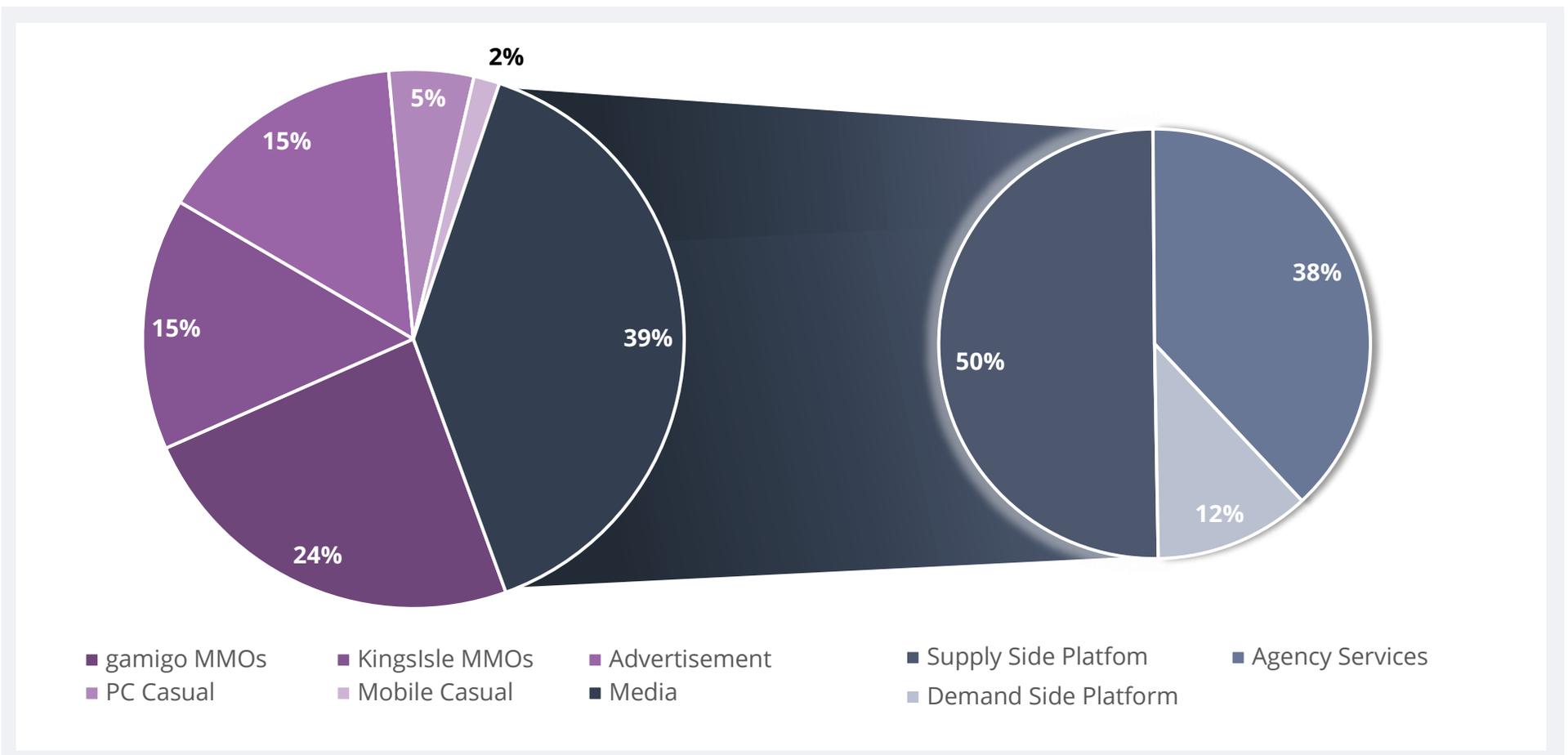
Outstanding revenue and EBITDA growth due to new advertisers and publishers from the games and e-commerce industry

Source: Group information

Business model ensures diversified revenue sources

Limited dependency on single game titles and media solutions

Overview of key revenue splits¹

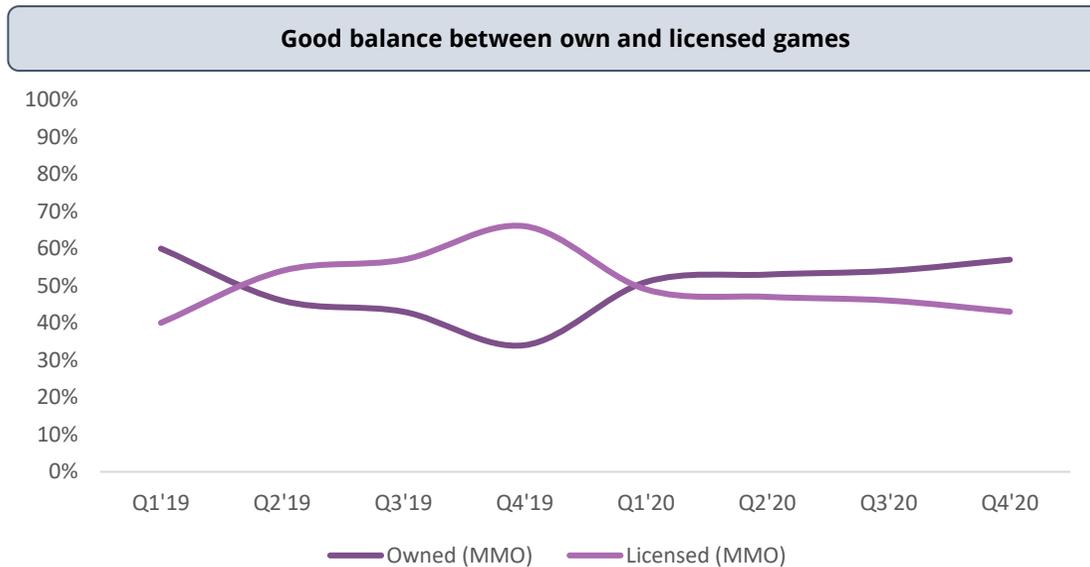


Source: Group information
Notes: 1) All figures as of FY2020, including KingsIsle on a pro forma basis.

Licensed vs owned MMO games

Organic growth facilitated through new licensed and existing owned games

Revenues generate from licensed and owned games



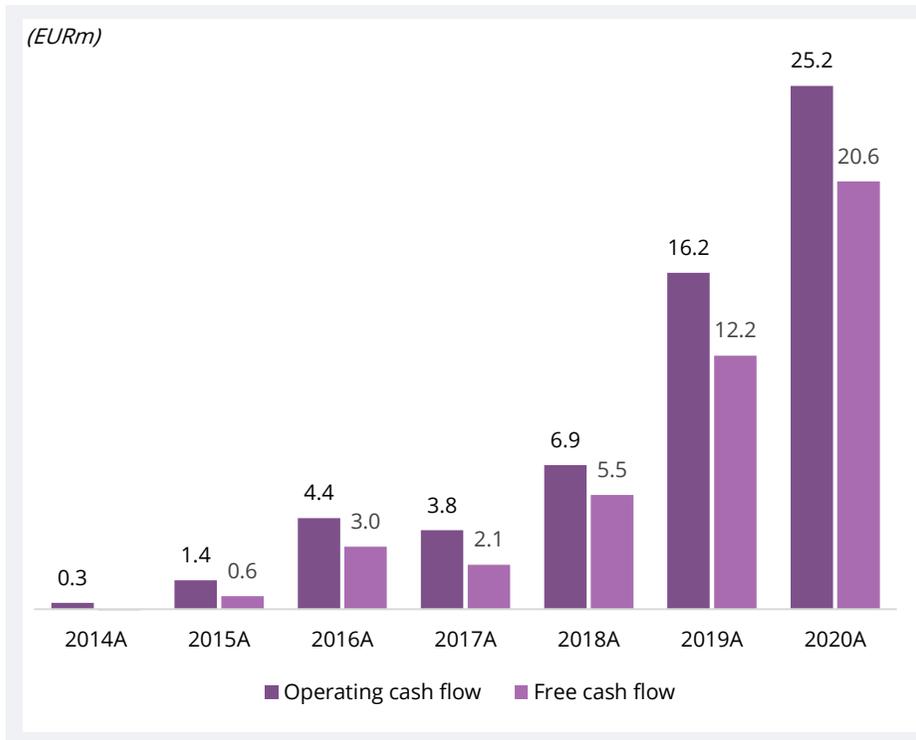
Organic growth with low risk profile 



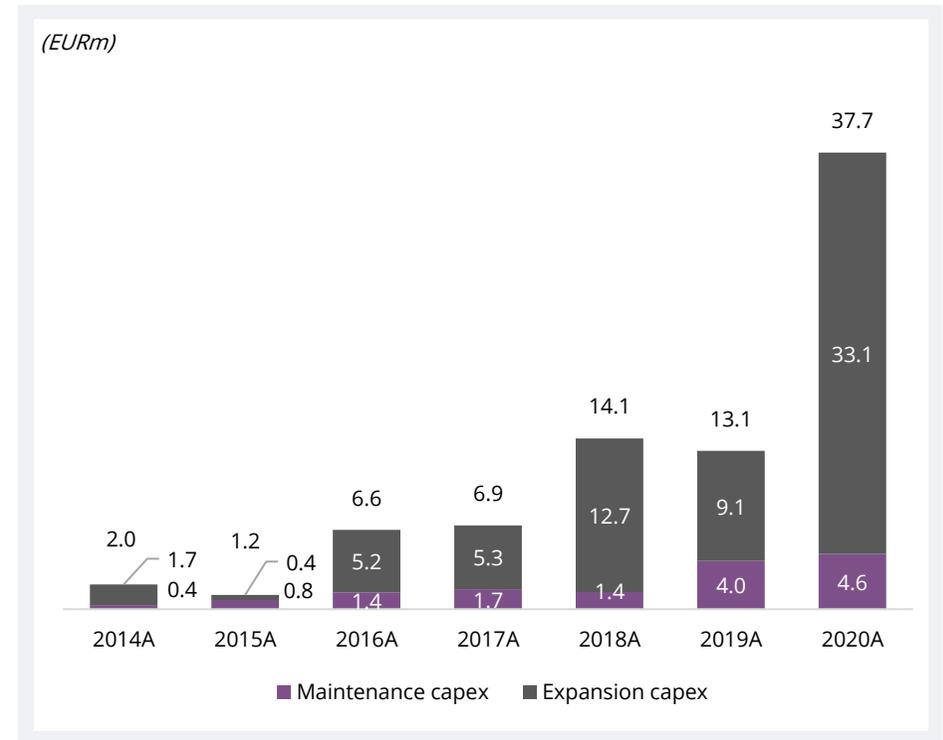
Source: Group information

Operating cash flow and capex development

Operating cash flow development^{1,2,3}



Capex development



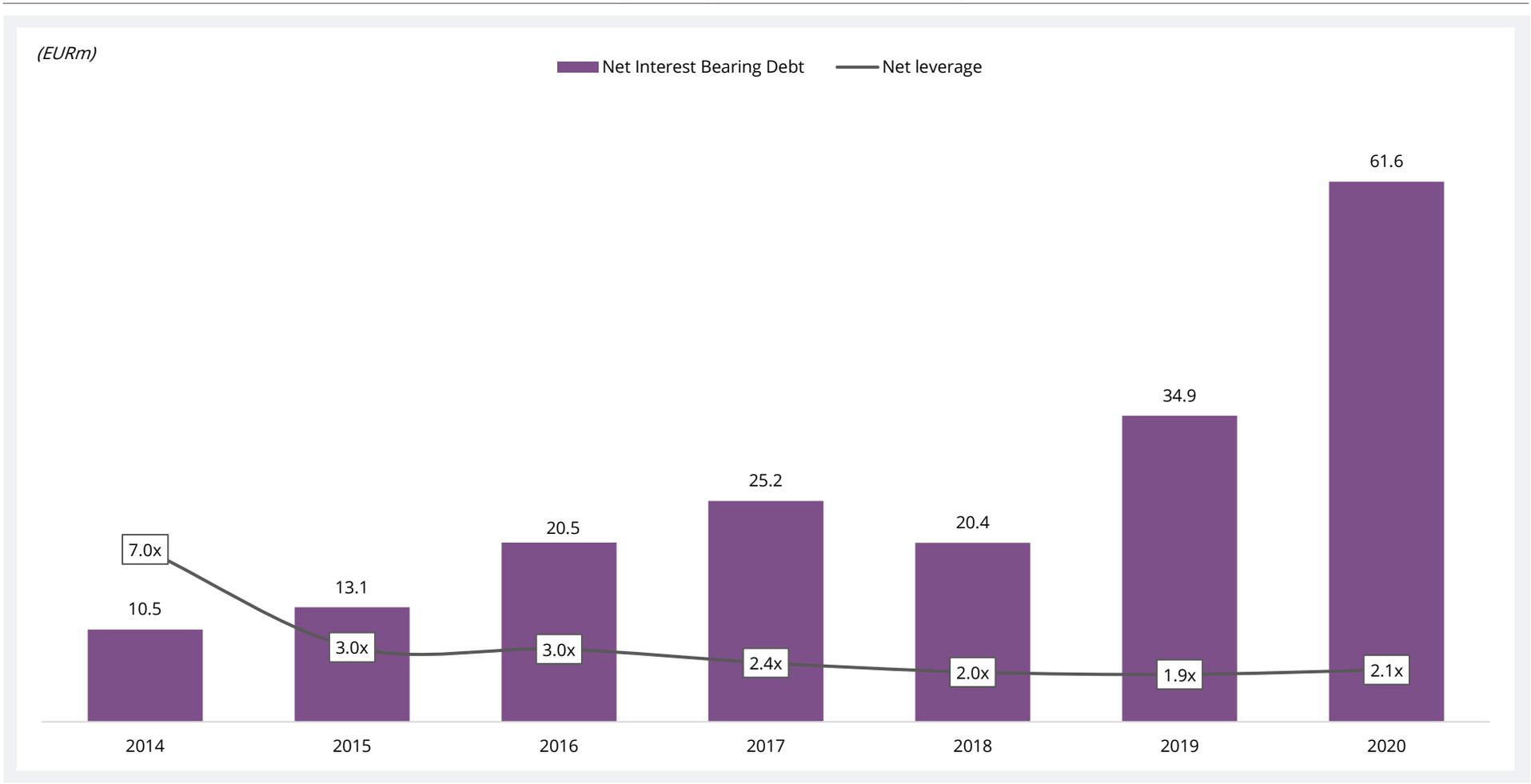
Source: Group information

Notes: (1) Operating cash flow as set out in the group's financial statements, (2) Free Cash Flow defined as Operating Cash flow – Maintenance Capex. (3) Until 2017 gamigo Group standalone

Long-term net leverage development

Conservatively levered credit with an net leverage of 2.1x

Net leverage to adj. EBITDA ratio development¹



Source: Group information,
Notes: 1) 2014 - 2017 gamigo group numbers. 2018 - 2020 MGI Group numbers.

Prudent mid-term financial targets 2021...

Revenue CAGR 

25-30%

EBITDA margin 

25-30%

EBIT margin 

15-20%

Net leverage 

2-3x



Source: Group information

...with a clear roadmap to completion

Strong revenue CAGR of 25-30% combined with 25-30% EBITDA margin



Low business risk focus

MMO games with steady sustainable cash streams



Strong organic growth

games as a service; updates, DLC's & game launches



Supported by the media unit

Efficient user acquisition; a clear cost & data USP



Synergetic M&A

Over 30 accretive transactions, well filled pipeline



Integrating acquired targets

Leads to substantial efficiency gains & economies of scale

