



Third Quarter Presentation

30 November 2020

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I. Introduction

II. Q3 Business overview

III. Strategy

IV. Q3 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 shares



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 from University of Applied Sciences, Wildau
- **Holdings in MGI:** 500,000 phantom stock



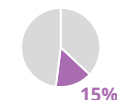
Shareholders

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. Remco Westermann indirectly holds more than 50% of the voting rights of Media and Games Invest plc.

Early investors



The Early Investors are long-term investors who have been largely invested into gamigo AG since Remco Westermann acquired the company from Axel Springer in 2012. In Q1 2020, these investors exchanged their gamigo shares into MGI shares with an agreement on a 25-month lock-up.

Free float shares



The Free float shares comprises retail and institutional investors who bought the shares in the secondary market, as well as institutional investors from the 8m share capital increase in July 2019 and the EUR 29m share issue carried out in September 2020 in conjunction with the First North Stockholm dual listing.

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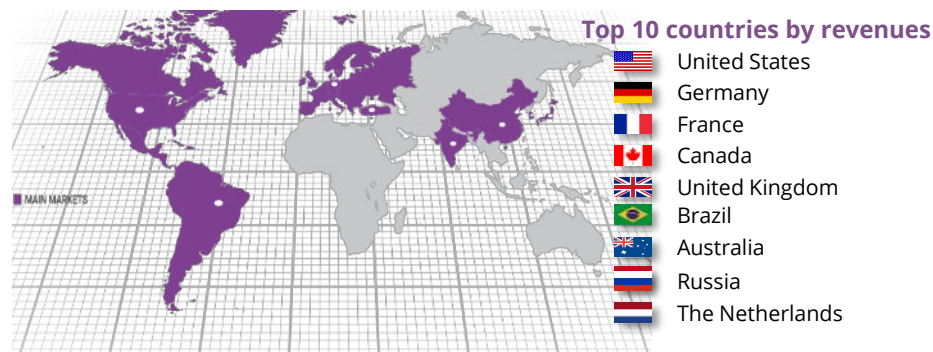
Introduction to Media and Games Invest

A leading European gaming and digital media powerhouse serving customers worldwide

Key facts

- 2018 MGI acquires gamigo**
- EUR ~170m Market cap**
- Listed** on Frankfurt Stock Exchange and First North Premier Stockholm
- +700 Employees**
- +25 MMOs¹**
+5,000 Casual games
- +5m Monthly active players**
- +5bn Monthly ads and video views**
+750m Subscribers across all channels
- +5,000 Advertisers**

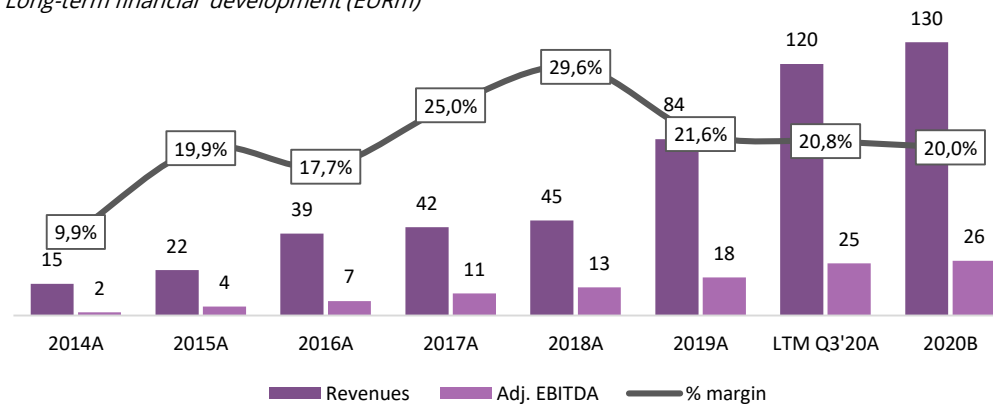
Geographic footprint key financial development



Top 3 countries account for 69% of the gaming revenues (YTD'20)

Key financial development

Long-term financial development (EURm)

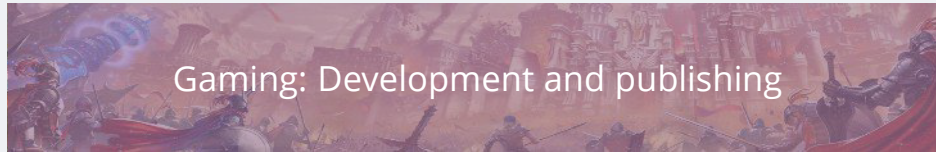


Source: Group information
Notes: 1) Massively Multiplayer Online games

MGI's two divisions

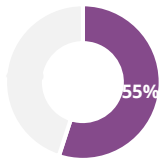
Two profitable segments which combined accelerate user acquisition and organic growth

Overview of the Group's segments¹

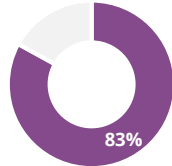


Gaming: Development and publishing

Share of revenues¹



Share of EBITDA¹



Revenue steams

- In-game purchases
- Game subscriptions
- Advertisement revenues



Brands



Key performance metrics

Gross margin +50%

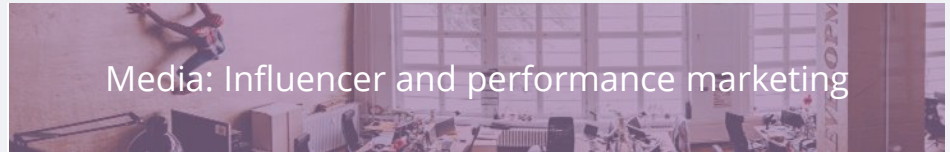
31%

Adj. EBITDA margin

Target Group revenue shares 60%-70%

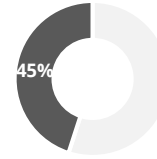
25%-30%

Target EBITDA margin

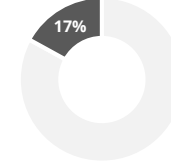


Media: Influencer and performance marketing

Share of revenues¹



Share of EBITDA¹



Revenue steams

- Agency fees
- SaaS fees
- Ad commission



Brands



Key performance metrics

Gross margin +30%

9%

Adj. EBITDA margin

Target Group revenue share 30%-40%

15%-20%

Target EBITDA margin

Source: Group information
Notes: 1) Q1-Q3 2020 YTD figures

Third quarter operational highlights

Strong operational performance in a seasonal low quarter

- ✓ **Great Q3 2020 performance;** continuing our proven buy & build growth track; showing further revenue, EBITDA and EBIT growth and preparing for a strong Q4
- ✓ **Strong performance of our games;** negative seasonality and paused covid lock-downs compensated by player intake from Q2 starting to monetize. Limited number of game launches and updates; **more activity geared to Q4 a.o. the beta-launch of Atlas Rogues**
- ✓ **Supporting media unit showing strong improvement;** strong organic growth by adding new customers as well as more supply. Further efficiency gains by more focus on synergies as well as technical integrations and cost optimizations.
- ✓ **M&A with well filled pipeline;** bit of delay by covid; acquisition of Platform161 (media) in Q3 and Freenet Digital (mobile games) on October 1. Further appealing M&A lined up.
- ✓ **Further focus on financial markets;** completion of dual listing at Nasdaq First North Premier and bond issue in November. Increasing IR activities in the Nordics.

Third quarter main gaming updates

TROVE PARTNERS WITH APROGEN GAMES FOR KOREAN LAUNCH



- Expanding Trove to Asia: Korean publisher Aprogen Games to release the cubic adventure on PC in South Korea
- Aprogen Games (founded in 2014), has an impressive track record of publishing games in the Asian markets.
- MGI has high upside potential and zero downside risk from game sublicense fees and advertising revenues.

TROVE LAUNCHES "DELVES" ON CONSOLES



- The launch of the extensive Trove update Delves for the PC version of Trove in Q2, was very successful.
- Now in Q3 this update was also successfully released for Microsoft Xbox and Sony PlayStation.
- The fully in-house developed Delves offers a new type of procedurally generated gameplay, allowing for endless variations of combat in Delves – an extensive underground complex –.

FIESTA ONLINE CELEBRATES ITS 14TH BIRTHDAY



- The Anime MMORPG Fiesta Online celebrated its 14th Anniversary in Q3 2020
- This was extensively celebrated with; a.o. an epic cupcake war, special anniversary quests and lots of prizes and rewards, while the game's enchanted worlds were filled with sparkling decorations.
- Overwhelming excitement of game's loyal community proved that the game shows no signs of slowing down.

GRAND FANTASIA ADDS A FLOATING CITY










- A substantial update was launched for the Grand Fantasia MMO; following the mythical Rainbow Road, players of Grand Fantasia would find the new Sprite Sanctuary, an antediluvian city floating high above the clouds.
- A new family of playful Sprites will aid the players and their companions in their quest, many treasures in the new dungeon, Taros, the new bosses and a further 67 new trivia quests were added.

AURA KINGDOM WITH DOUBLE PATCH



- The colourful online MMO Aura Kingdom received one of its largest content expansions ever: a DOUBLE patch.
- The patch includes new dungeons and novel pets for exploring thrilling Gaia Chronicle events. And a new Monster story dungeon, Nightmare dungeons and new Mirabelle quests for the fearless adventurers.
- Newly introduced semi-automatic cast skills, make it possible to concentrate even more on the gameplay.

Solid organic growth pipeline with great outlook

 <p>Atlas Rogues Early Access Q4 2020 Launch Q1 2021</p>	<ul style="list-style-type: none">• 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. Players will be able to prove their tactical skills in thrilling, turn-based single-player or co-op matches and participate in challenging missions.• This continuation of the Atlas saga, can already be purchased on Steam and Glyph now!
 <p>Twin Saga Level Cap Raise Launch Q4 2020</p>	<ul style="list-style-type: none">• The level cap of Twin Saga will be raised to 100; swift archers and cunning rogues can a.o. embark on fantastical adventures and in the mythical dungeon, Ancient God Altar, before participating in one of three entertaining in-game events.• Powerful new class talents for awakened players help foolhardy warriors stand up against fearsome monsters and collect plenty of loot. This and much more is coming in the latest patch!
 <p>ArcheAge Rise of Nehliya Launch Q4 2020</p>	<ul style="list-style-type: none">• The latest content update for ArcheAge and its Unchained version includes challenging quests, a new system and more.• Including nine new Main Story Quests, a traverse to the mysterious Mysthrane Gorge, as well as a brand-new Farmhand system. Mysthrane Gorge is located close to the western Hiram Mountains and can be explored by all players. Daring heroes who successfully conquer the Risopoda, can then try their hand at defeating Nehliya, Queen of Annihilation herself.
 <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 Launch 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.
 <p>Stealth Mode Mobile Game Launch 2021</p>	<ul style="list-style-type: none">• Development is being finalized and the game soon prepared for launch.• It's a strategy game with tactical elements and a cards management system. In this 1v1 Arena PvP game the goal is to either kill the enemy heroes or reach the opponent portal. To achieve this, you can customize a deck of cards, summon minions in game and modify your hero skills.
 <p>10+ Other projects in stealth mode Launches 2021/22</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 gaming IP's in negotiations• More to come...

Third quarter financial highlights

16% organic growth YTD in the gaming portfolio - adjusted EBIT grows by 150%

- ✓ **Net revenues**
amounted to 35.0 mEUR (Q3 2019: 27.1 mEUR), an increase of 29% compared to Q3 2019.
- ✓ **Adjusted EBITDA**
amounted to 6.4 mEUR (Q3 2019: 4.0 mEUR), which is an increase of 61%
- ✓ **Adjusted EBIT**
increased to 4.0 mEUR (Q3 2019: 1.6 mEUR), which is an increase of 150%
- ✓ **Leverage ratio**
decreased to 2.0 as per 30 September 2020 (3.2 as per 30 June 2020), number adjusted for the net proceeds from the capital increase
- ✓ **Raised forecast**
for the second time in 2020; now expect revenues of up to €135m and up to €26m EBITDA.

€110m+ new financing and €60m+ free cash for growth

Experienced Nordic gaming investors combined with a strong gaming cluster at Nasdaq Stockholm

Listing on NASDAQ First North Stockholm

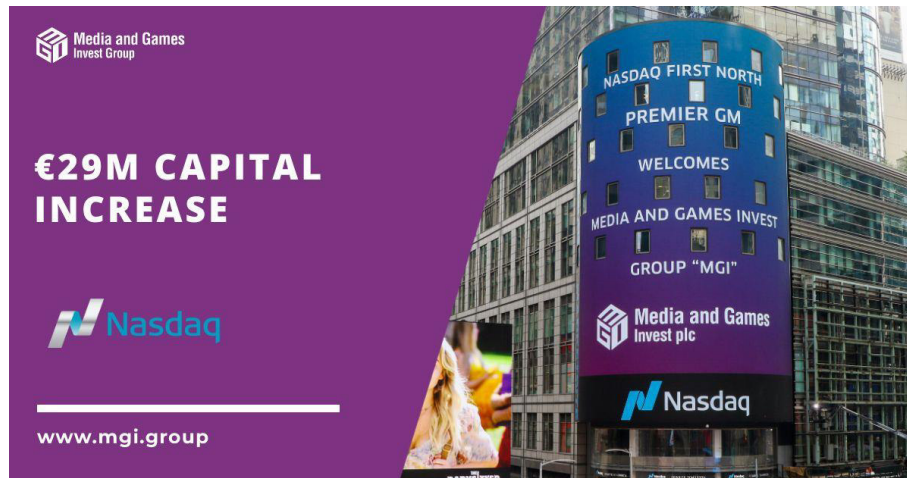
- MGI became part of the great Swedish gaming ecosystem!
- New investors on board include UBS, Acervo, Finlandia, Taleeri and SEB which led the recent capital increase
- Great valuations compared to Germany

	2021	2021	2021	2021
Pareto estimates	Sales	EBITDA	EBIT	Op EBIT
Media and Games Invest	1.4x	6.0x	11.6x	9.3x
Stillfront Group*	8.7x	14.0x	19.3x	15.6x
Discount	-84.4%	-57.3%	-40.0%	-40.1%

Senior Secured Bond Issue

- MGI reduces its majority of interest rate from 7.75% to 5.75% p.a.
- Further capital and reduced refinancing risk for gamigo bond
- Simplified and more cost efficient reporting structure on MGI level

	LTM Q3'20	2020B
Net debt / adj. EBITDA	1.9x	1.8x
Net LTV	22%	



Media and Games Invest Group

€29M CAPITAL INCREASE

Nasdaq

Media and Games Invest plc

Nasdaq

www.mgi.group



Media and Games Invest Group

€80M BOND ISSUE COMPLETED

Nasdaq

Deutsche Börse

www.mgi.group

 Division overview: Gaming

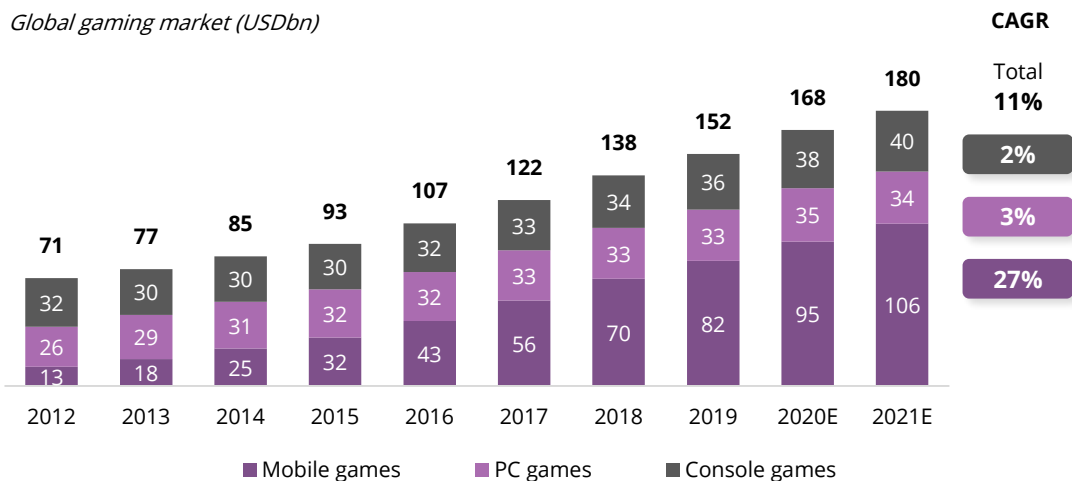


Gaming: a substantial growth market

The largest entertainment market in the world with attractive underlying megatrends

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

Global gaming market (USDbn)



- Due to the strong competitive landscape, the video games market is hit-oriented; many games on the market are discontinued after a short period of time
 - Only a few games have a long lifetime with a documented profitability
- The bulk of revenues within the gaming market is generated by selling in-games items and premium version of games
- With more than 2.5bn players globally, the gaming market has stepped into the spotlight as an important digital entertainment industry
- Market has grown at a CAGR of 13.5% between 2015-19, and is estimated to have grown into USD 180bn by 2021
- Mobile games are set to drive overall market growth, expecting to reach USD 106bn by 2021
 - Implying a CAGR of 27% between 2012-21E
- Certain games have become significant in size, attracting millions of players, hosting world championship events and creating a strong community amongst its players
 - In 2018, League of Legends world championship event attracted 100m viewers, to be compared with Super Bowl's 98m viewers the same year
- Whilst gaming activity has historically been dominated by individuals aged 6-24 years, the age group of 25-34 years has grown significantly in over the recent year
- Share of gamers is in general well-diversified between genders and age groups



Megatrend: more leisure time

- Favoured form of entertainment; interactive, rewarding, social
- Gaming 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 is attractively positioned in the gaming industry

Hybrid positioning combining attractive characteristics for publishers and developers

Gaming players are typically divided into publishers or developers

Key criteria	Media and Games Invest plc	Publishers	Developers	Commentary
 Own property	✓	✗	✓	MGI serves as publisher whilst owning part of its games, which are developed/improved in-house
 Low development risk	✓	✓	✗	MGI is a pure publisher with no new game development, focusing purely on enhancement of existing games
 Portfolio diversification	✓✓	✓	✗	A well-diversified games portfolio across users and geographies; no single game accounting for more than 15% of revenues
 Capex light	✓	✓✓	✗	Minimal maintenance capex requirements given no pre-invest development risk
 Platform independence	✓	✓	✗	Well-diversified across distribution channels ensures no platform dependency
 Technology edge	✓✓	✓	✗	A well-integrated technology platform with continuous improvements and upgrades
 M&A platform	✓✓	✗	✗	MGI has a proven track record of successful M&As and subsequent integration of acquired targets
 User acquisition	✓✓	✓	✓	MGI provides high customer acquisition capabilities compared to traditional publishers and developers owing to its in-house media- and advertising companies

Based on key sector criteria, MGI possesses all necessary characteristics to act as consolidator in the fragmented gaming market

Source: Group information

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

Extensive gaming portfolio with ample opportunities

Portfolio of 30 MMO's and 5,000 casual games implies limited dependency and diversified revenue streams

Global gaming brands unified under one umbrella

Well-balanced portfolio⁴

Category	Percentage
Other MMO	4%
Trove*	5%
Fiesta*	5%
ArchAge	6%
Grand Fantasia	8%
Shaiya*	17%
Casual	17%
Arche Age Unchained	18%
Aura Kingdom	11%
Desert Operations*	4%
Rift*	3%
Defiance*	2%

Well-diversified revenue distribution
No "one-hit-wonders" implies stable revenues

Solid organic pipeline

Realised launches¹:

+8 successful launches including DLCs, with more in the pipeline

Strong M&A pipeline

Acquired:

+30 companies and assets

Pipeline²:

M&A process status	# M&A candidates	Cumulative rev. (EURm)
Shortlist	>65	>900
Contacted	>25	>500
In talks	>10	>200

2019: 5x M&A events
2020: 3x M&A events

With more in the pipeline

- Gaming segment (B2C) includes a broad portfolio of online PC, console and mobile games, such as casual games, role-playing and strategy games
 - Most important markets are Europe and North America
- Free-to-play games allow the users to play for free whilst offering the possibility to purchase goods, subject to a charge, within the game
 - Business model requires continuous support of the games in close coordination with the users
 - Free-to-play MMOs³ account for the largest share of revenues
- In addition to in-game events and competitions, new items and expansions are regularly developed and made available
 - Increases the gameplay fun and enables swifter successes
- Continuous development of games creates a loyal user base, with gamers remaining active within the game for several years with regularly monetary investments
- For many of MGI's key games, more than 50% of revenues is generated by users who have been active in the game for more than 5 years
- MMO games typically gather several thousand players in a game or server environment, interacting with each other
- The Group also offers more than 5,000 casual games at its platforms, mostly sold via monthly subscriptions, which allow users to access all games on the respective portal as desired

Clear focus on risk diversification and high growth whilst following GDPR and protecting user data

Source: Group information

Notes: 1) Green = very positive, light green = positive, yellow = neutral, red = negative, 2) Targets overview of 12 months period between Aug'19-Aug'20, 3) MMO abbreviation for Massively Multiplayer Online Games, 4) * = IP/source code owned by gamigo

A loyal customer base with multi-year relationships

Gamers spend EUR 50-80 per month with games having a lifetime of more than 10 years

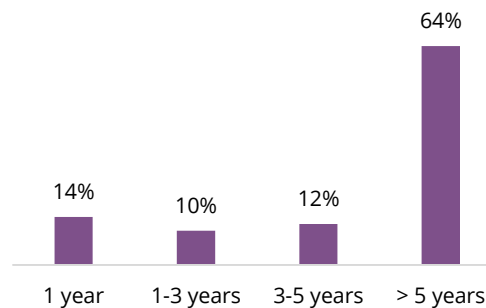
Example: Fiesta Online

A multiplayer role game



- An anime-themed role play, first launched 14 years ago
- Large number of players on the same servers (MMO)
- Community: Playing together is key aspect of the game
- Interactive: go further, become stronger

Recurring revenues¹



- Over 64% of revenues from players who have been active in the same game for over 5 years; suggesting high stickiness
- Free2Play MMO; around 7-10% are converted into paying customers
- Gamers spend some EUR 50-80 per month on different premium features offered in the game

Substantial revenues

EUR +50m revenues

6.8m gamers

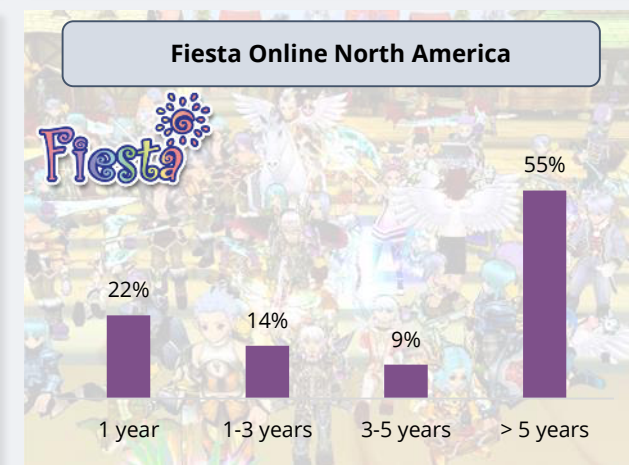
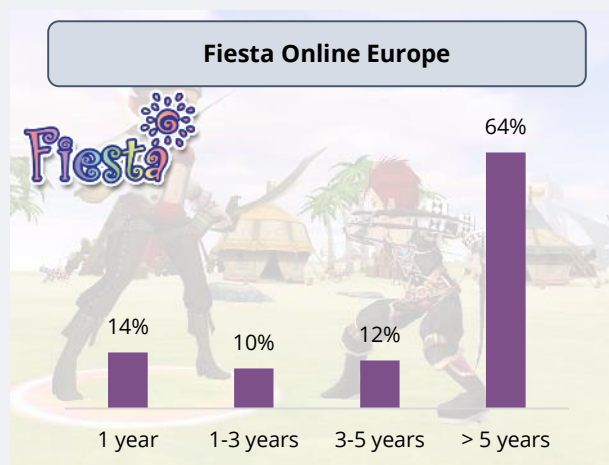
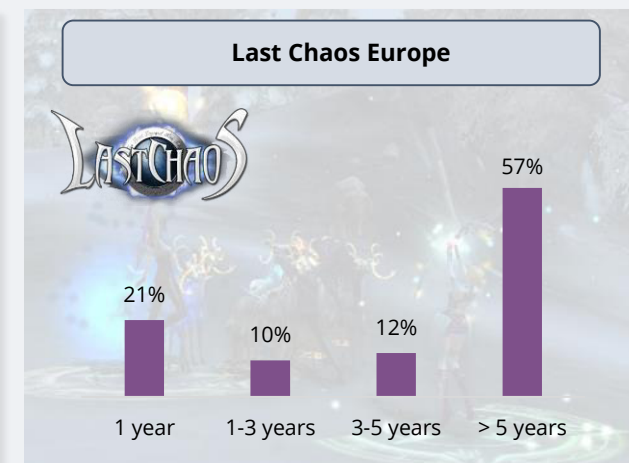
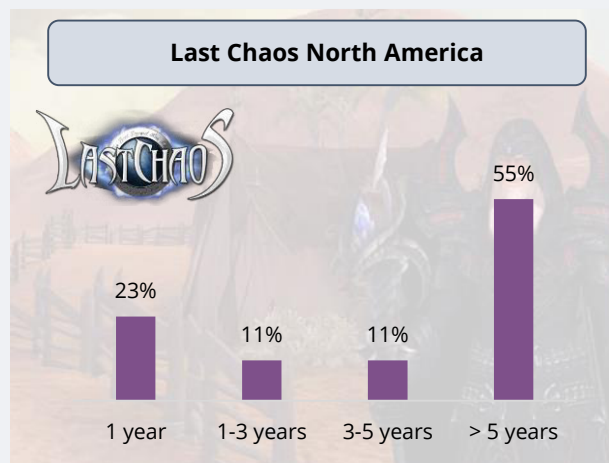
- Fiesta Online has generated approximately EUR 50m in revenues since the launch 13 years back
- EUR 2.8m in revenues in 2019
- 6.8m user accounts created since launch
- Approximately 44k users playing each month (actuals)

Players remain active in the game over a long period of time, implying considerable recurring revenues and high visibility

Revenues are typically recurring over +5 years

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

Revenue split by user tenure for selected games



Source: Group information
Notes: 1) Figures Q1-Q3 2020



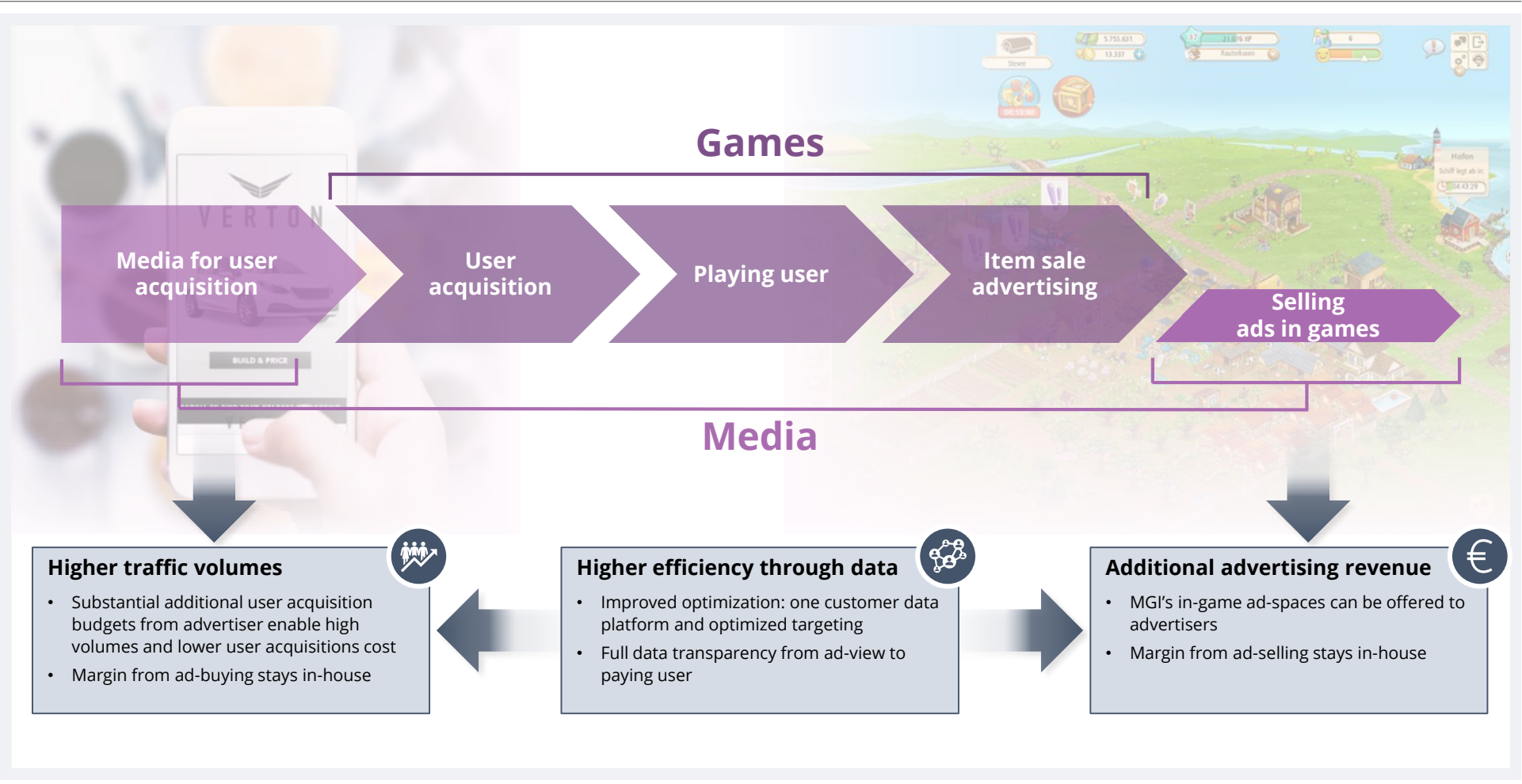
Division overview: Media



Media is a logical extension of the Gaming value chain

Online media serves as a strong organic growth accelerator for games

Illustration of value chain extension

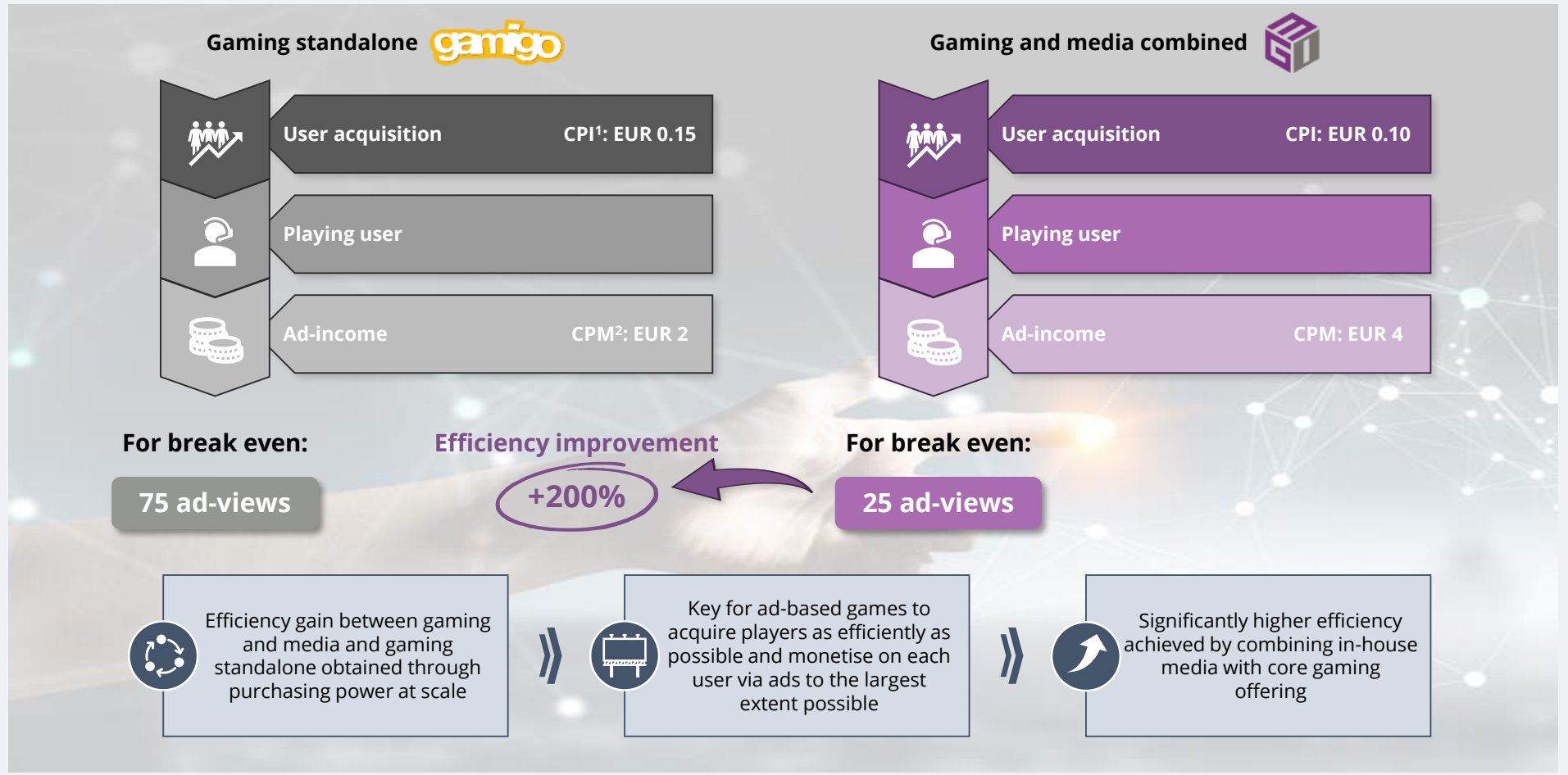


Source: Group information

...as evidenced by significantly lower breakeven ad-views

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

Games and media combined: optimising the value chain



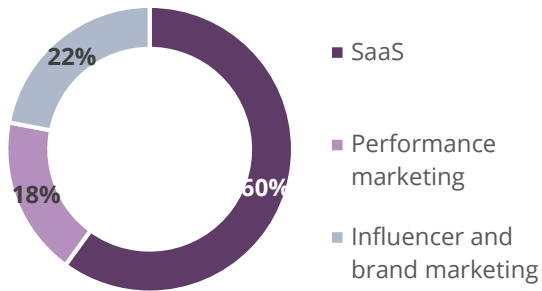
Source: Group information
Notes: 1) CPI = Cost Per Install, 2) CPM = Cost Per Thousand Impression

High-performance, real-time ad platform

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

Full-stack advertising platform serving Fortune 500 advertisers

Diversified, attractive revenue streams



Key facts

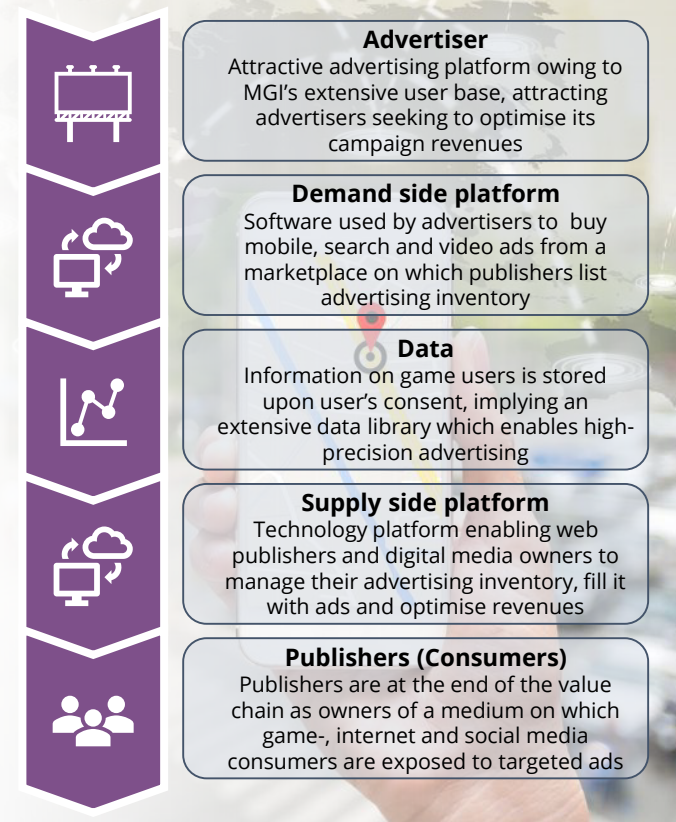
- Brands:** Top Fortune 500 advertisers
- Performance:** Top 500 global digital brands
- Publishers:** Top 100 in relevant app stores
- Marketplace:** Active in 20 countries
- Platforms:** Full stack and self service

Verve Group: Serving Fortune 500 advertisers

Offline brands		Online brands	
WPP	PUBLICIS GROUPE	gango	BANK OF AMERICA
SPARK FORTUNE	Ford	Tencent 腾讯	citibank
havas media	CHEVROLET	UBISOFT	J.P.Morgan
Zenith The KriAgency	DANONE	EA GAMES	zynga
MINDSHARE	Adobe	GAMELOFT	TD
MEDIACOM	Nestle	InnoGames	HSBC
	Johnson & Johnson		Uber
			UBER EATS
			ifood
			99 TAXIS

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

MGI ad-tech value chain



Source: Group information
Notes: 1) YTD

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



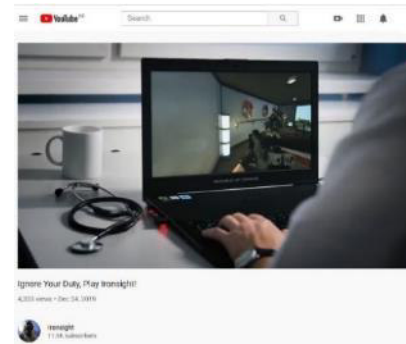
Strategy



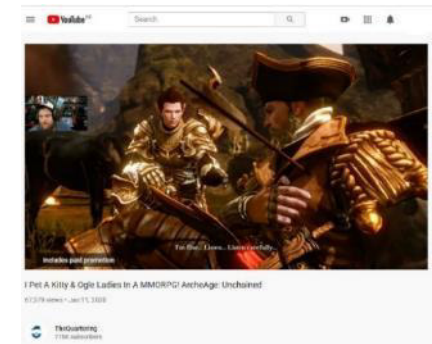
- Setting the right target group using data from the media companies to acquire the right players
- Centralised booking of influencers across video and social media channels, increasing negotiation power
- Combined skillsets of gamigo's internal marketing graphics team and Verve's production capabilities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





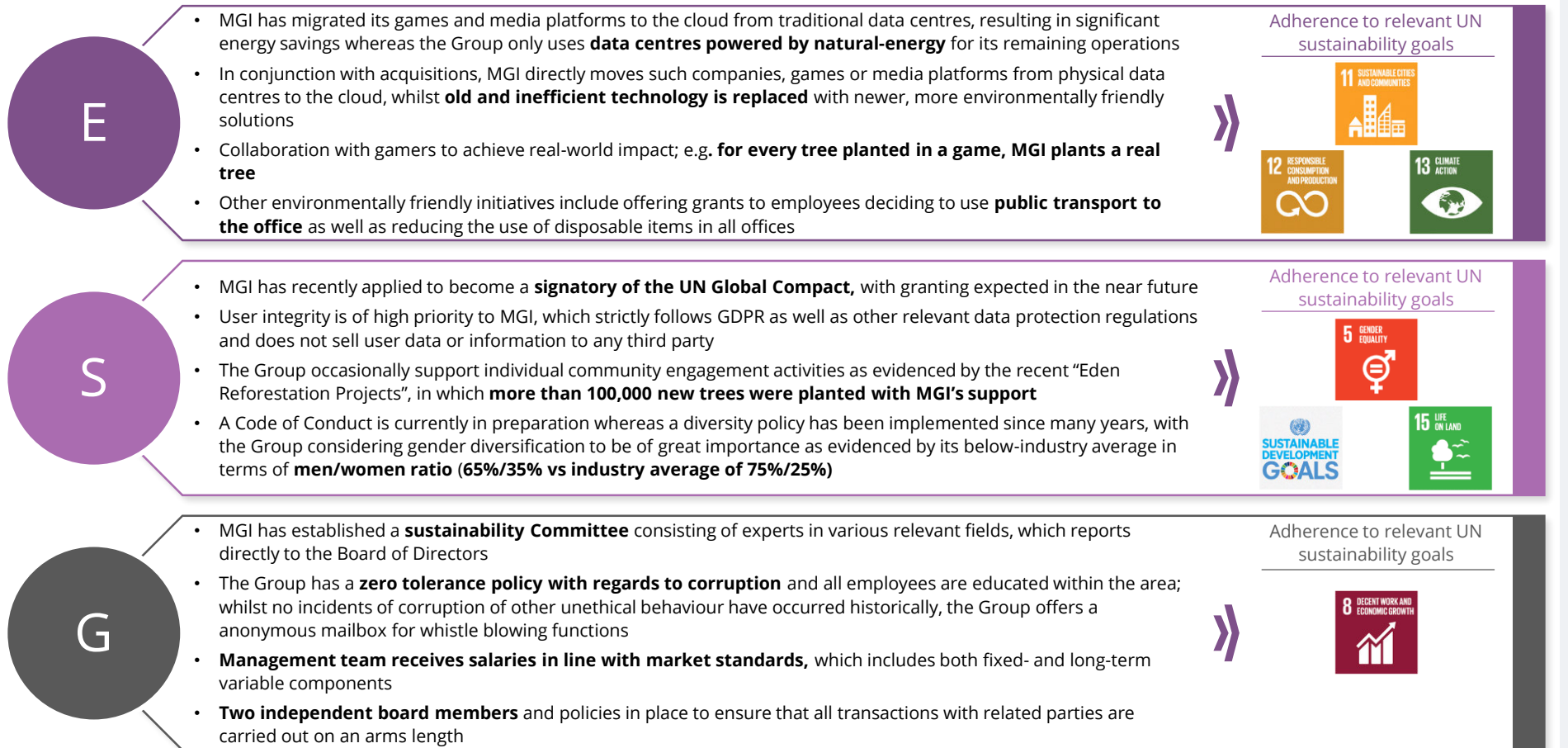
Division overview: ESG



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

Particular focus on youth and children protection

MGI targets to provide a safe environment for all its users

Summary of the Group's protective measures

Preventive measures

- Building up a **decent game portfolio**, making sure that none of its games contains any of the following items:
 - Propaganda directed against free democratic order, characteristics of unconstitutional organisations, incitement to hatred against sections of the population, references to xenophobia, sexism etc.
- MGI has **community rules** which describe **how to behave** in general, but also how to behave in different situations
- **Code of conduct** for each game
- **USK** (Entertainment Software Self-Regulation), Pegi (Pan European Game Information) certification (voluntary) and **ERSB** (Entertainment Software Rating Board) for core games
- **External protection officer** monitoring the Group and provides quarterly reports on youth protection developments
- **No offer of gambling**
- Special review of gamigo group purchase offers under competition law in order to protect especially young buyers from rash purchases

Control and sanctions

- Trained **community management team actively scans the games and communities** for insults, sexual comments, racist or hateful language, threats, bullying etc.
- Players who are conspicuous by their misconduct are warned and banned in case of repetition
- **Volunteers whose task is to moderate chats**, guide people to positive issues, defuse conflicts and generally create an inclusive environment
- The players themselves have the opportunity to report misconduct to the Community Management
- **Legal intervention against "private servers"** which illegally offer MGI's games to young people; consequences that young people are also protected from losing their money
- Action against so-called "Gold Sellers" - providers in the game who illegally sell game currencies to other players in-game - another way we **protect young customers from losing their money**

Improvement targets

- **Automated chat filters** that scan games and communities for keywords that violate the Group's guidelines
- Introduction of an automated tool to ensure that young players only receive advertising that is appropriate for their age group
- Introduction of an **automated reporting tool** that allows players to easily report harassment or other violations of their privacy rights
- Supplementing the legal texts (general terms and conditions and privacy statement) with a short age-appropriate summary at the end to make them even easier for young players to understand




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 gaming; MGI is also to become a signatory of the UN Global Compact

- I. Transaction overview
- II. Q3 Business overview
-  **III. Strategy**
- IV. Q3 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 distressed and 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

One platform and one 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...

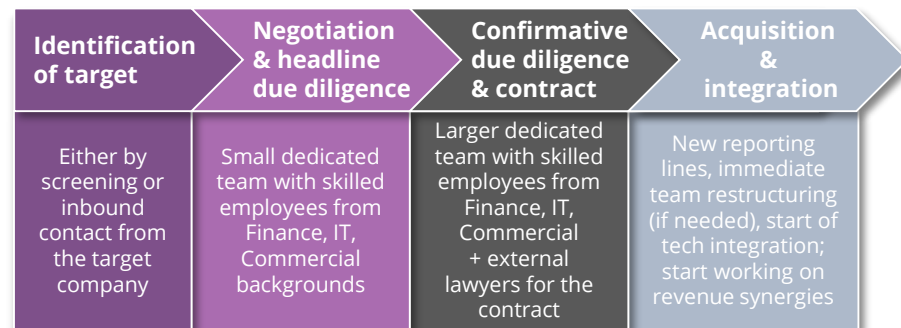
M&A strategy yields high growth figures based on acquisitions and synergies with MGI's scalable model

Overview of MGI's M&A strategy

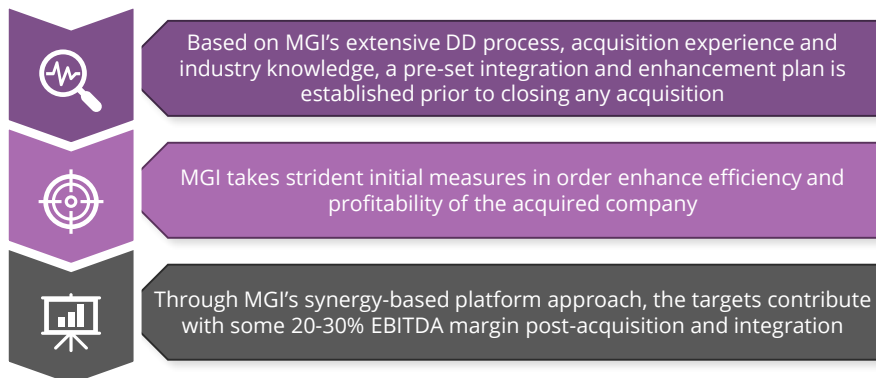
1 MGI has a strong M&A track record...



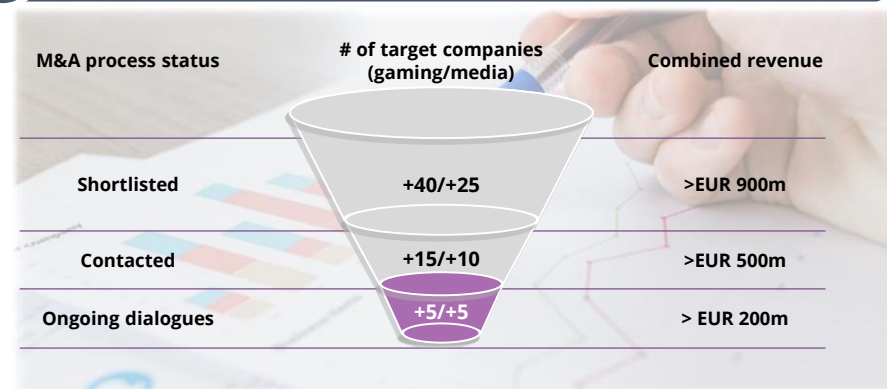
2 ...built on a disciplined approach...



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 of 12 months period Aug'19-Aug'20

Top 5 M&A Pipeline with combined €100m+ 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 distressed and 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, 20-40m revenues, profitable



Online MMO publisher & developer
Own IP, RTS-focus, 20-40m revenues, profitable



Demands side platform
Own IP, strong customer base, 2-5m revenues, ebitda negative



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

Strategic expansion of the mobile gaming business

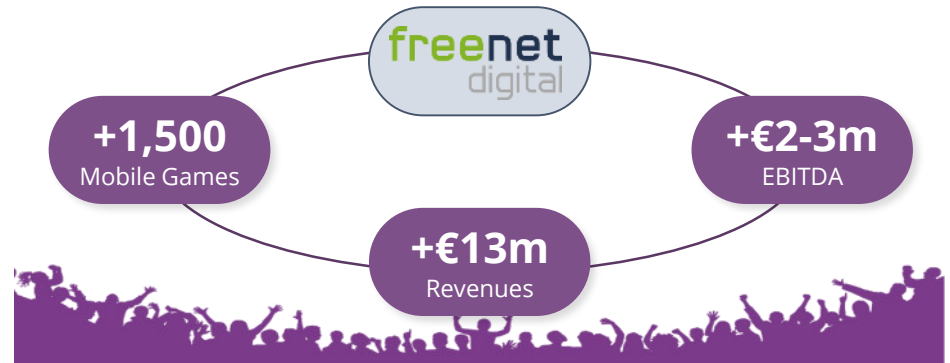
Mobile gaming segment is on a strong growth trajectory; also more M&A focus

Illustration of MGI's expansion phases

Building the mobile user acquisition base...



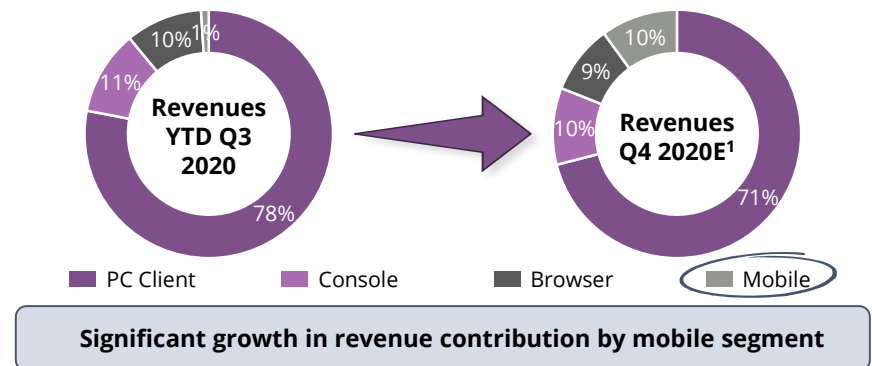
...with ample M&A opportunities in mobile gaming...



...leveraging a solid organic growth pipeline...



...resulting in strong growth of mobile revenues

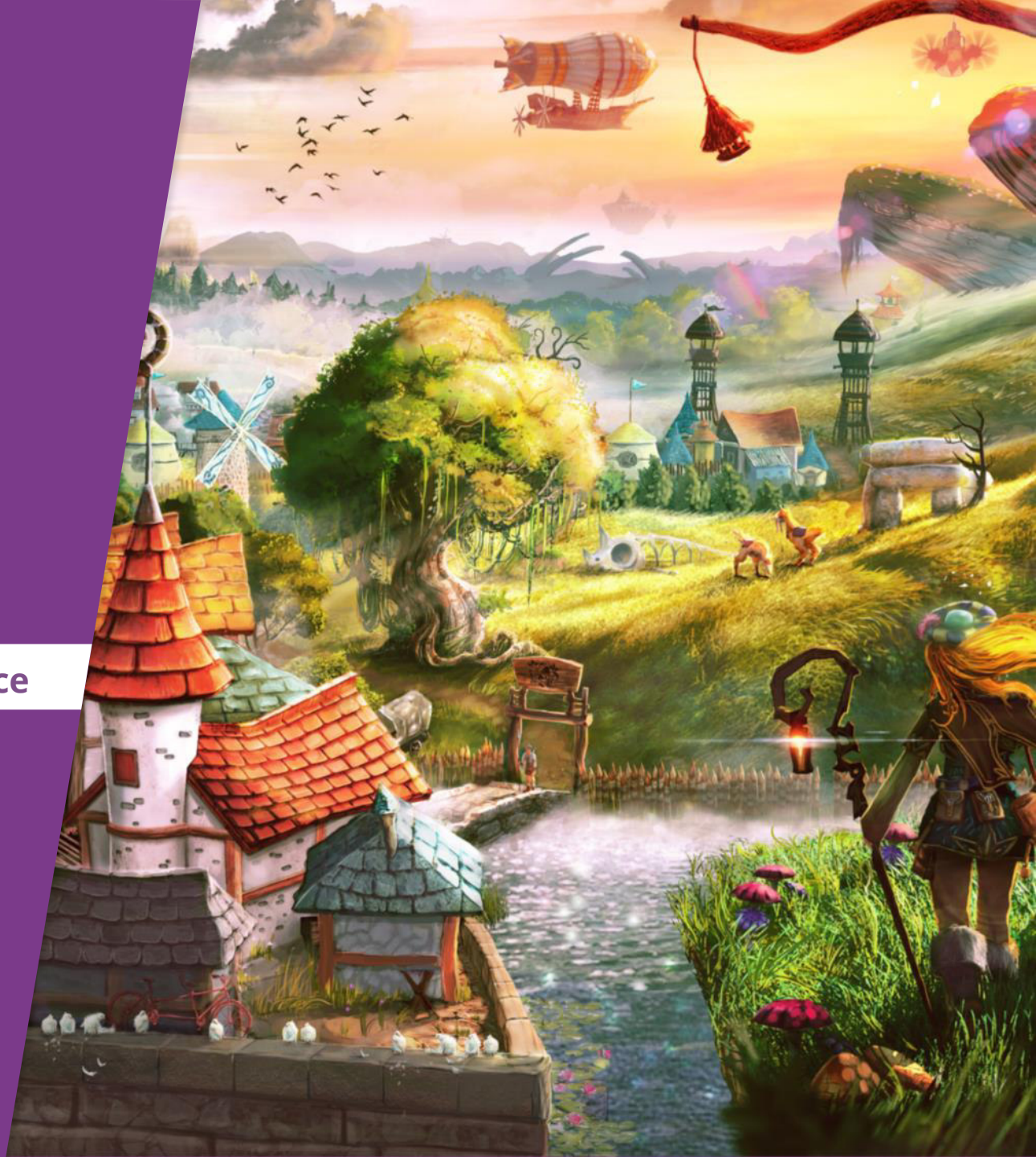


Source: Group information
Notes: 1) Based on management estimate

- I. Transaction overview
- II. Q3 Business overview
- III. Strategy



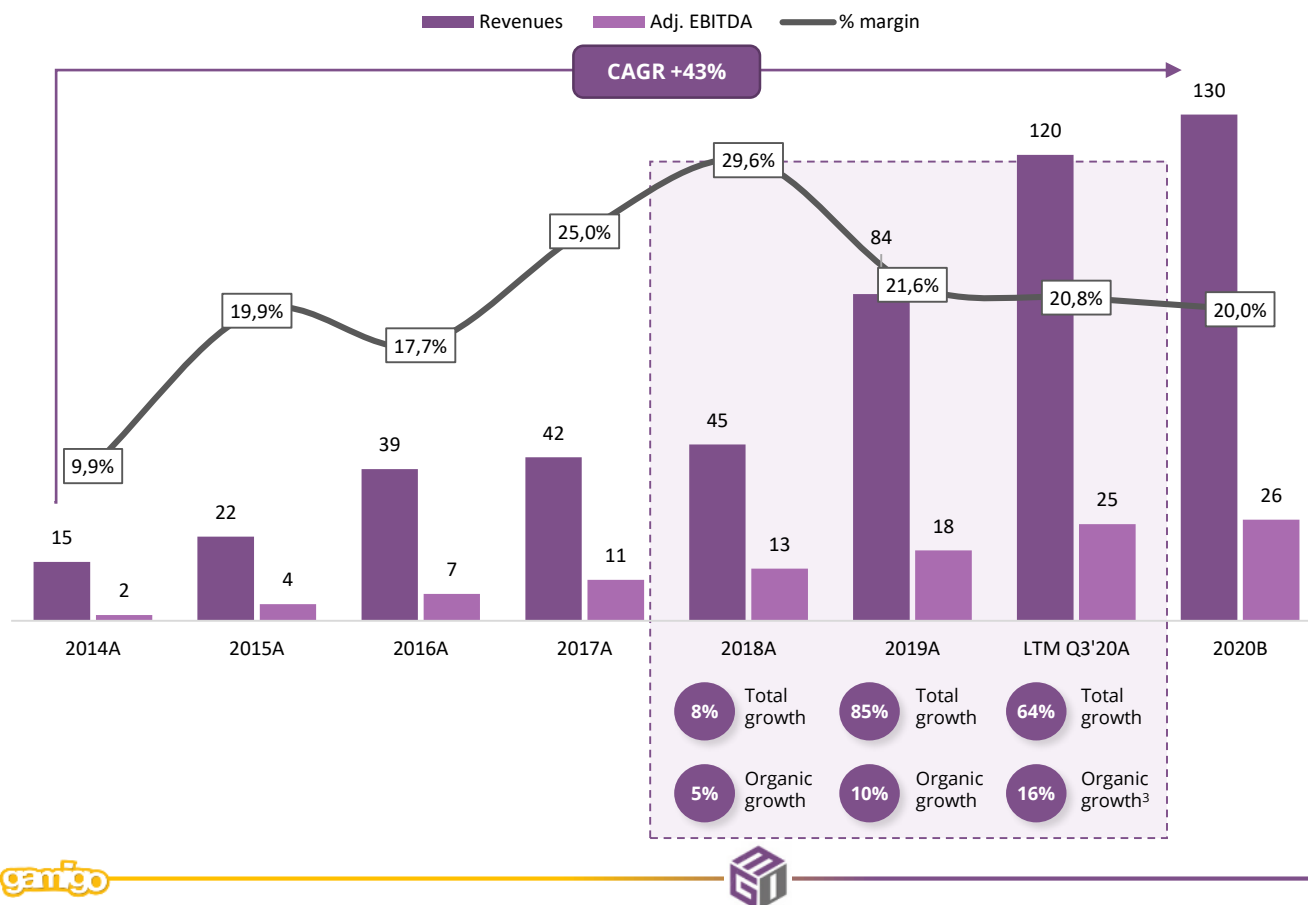
IV. Q3 Financial performance



Summary of financial performance

Profitable business model with an increasing share of organic growth

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



- Consistent growth over the past six years whilst preserving adj. EBITDA margins
 - Revenues have grown at a CAGR of 43% between 2014 and the 2020B
- MGI, and previously gamigo, has a strong track record of profitability and successfully integrating acquired companies into the platform-centric business model
- Owing to the Group's business model, growth has historically been driven by acquisitions
- Since 2018 however, MGI has increasingly turned focus towards organic growth initiatives
- In the LTM, organic growth constituted 16% of total growth in the gaming segment, as compared to just 5% in 2018
- Adj. EBITDA margins have historically fluctuated between approx. 20-30%
- Digital media and ad-tech solutions typically come with slightly lower EBITDA margins as compared to the gaming segment
 - Potential slight drop in margins should thus be representative for the new business mix

Source: Group information

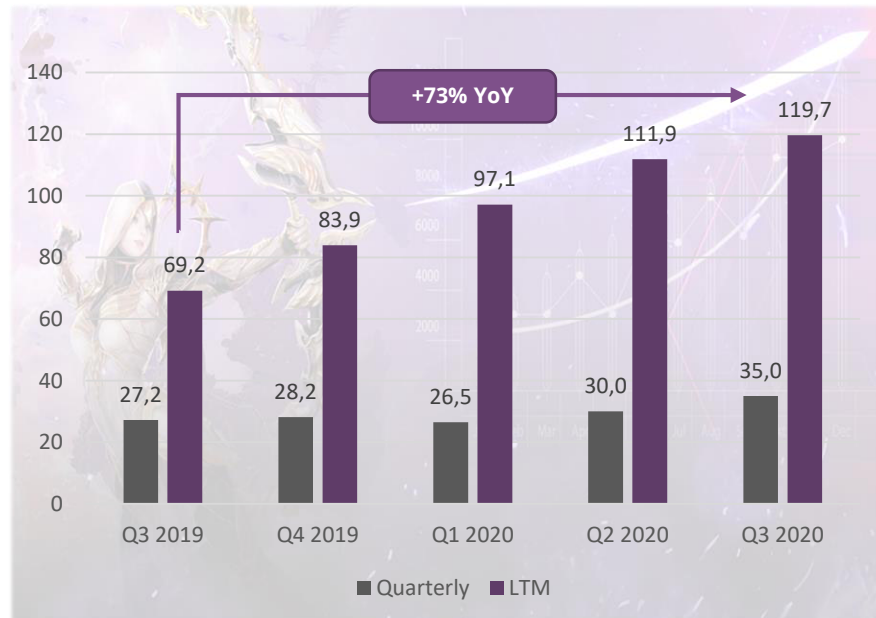
Notes: 1) gamigo standalone figures until 2018, EBITDA adjusted for one-time-, M&A and financing costs, 2) gamigo was acquired by MGI in May 2018, 3) organic growth in gaming portfolio YoY YTD Q3'20

Third quarter revenue and EBITDA development

Growing 8x faster than the gaming market in 2020²

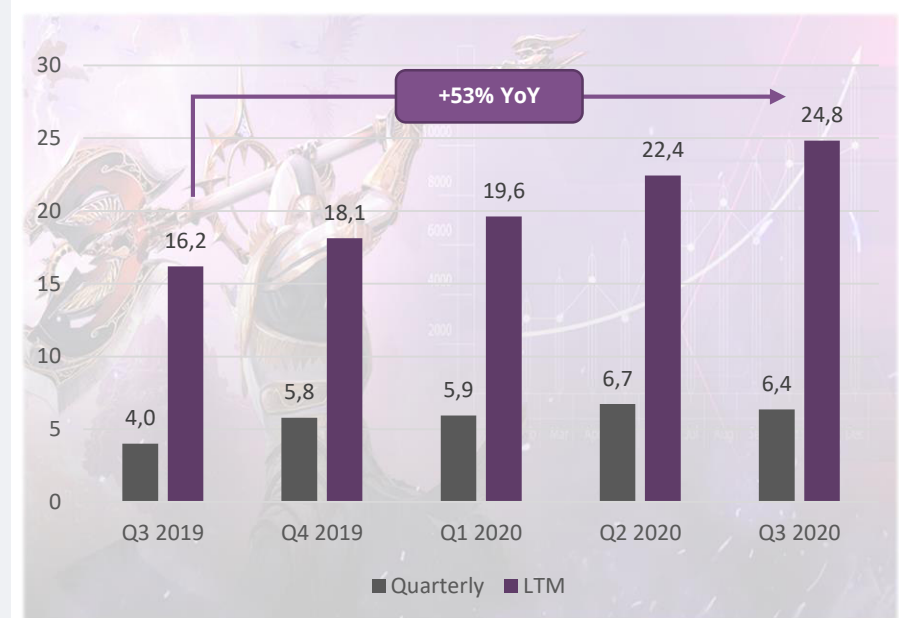
Revenue¹

(EURm)



Adj. EBITDA¹

(EURm)



Strong Revenue Growth

Q3'20 YoY: All time high in revenues despite a seasonal low quarter



Strong EBITDA Growth

Q3'20 YoY : Strong increase in profitability due to realized synergies

Source: Group information

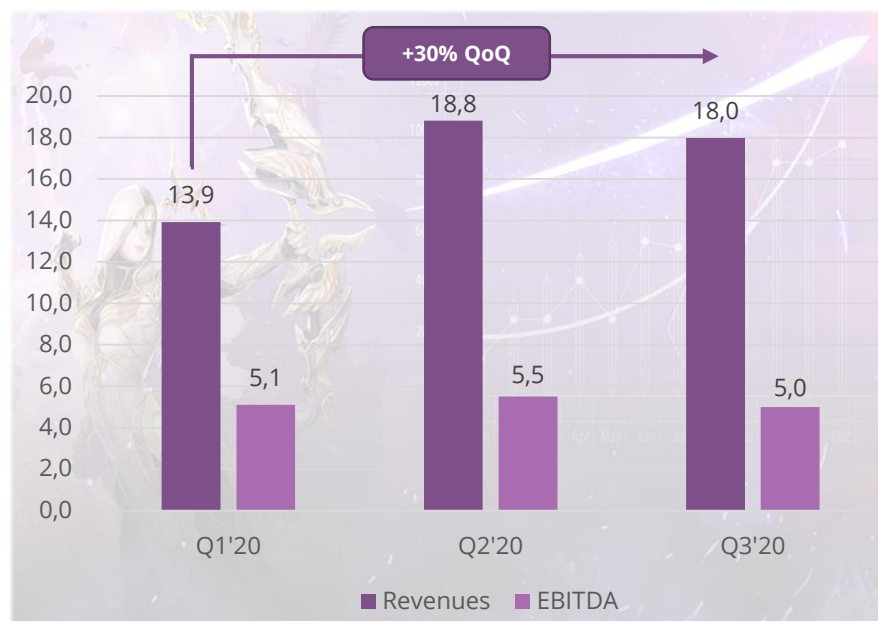
Notes: 1) Q4'18 gamigo numbers for LTM view, 2) 73% vs. 9,4% reported by Newzoo for 2020E (Global Games Market Report)

Segment Performance

Strong organic growth of both segments since Q1 2020 combined with M&A

Gaming Segment¹

(EURm)

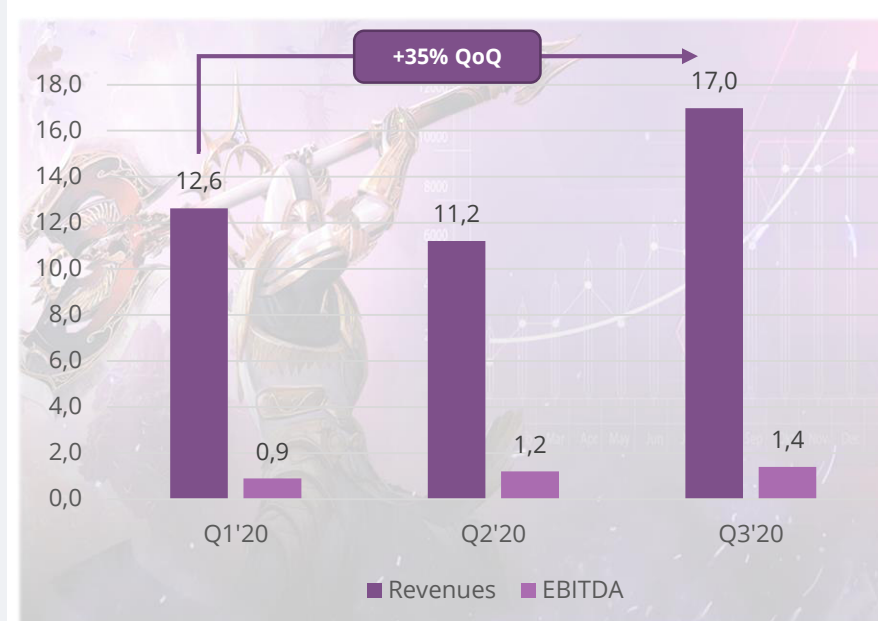


New players leads to organic growth

Overall high gaming revenues compared to Q1'20 underscoring the positive long-term-covid-effect within the games

Media Segment¹

(EURm)



New gaming clients like Zynga accelerate growth

Increasing revenues and EBITDA due to new SaaS clients from the gaming industry

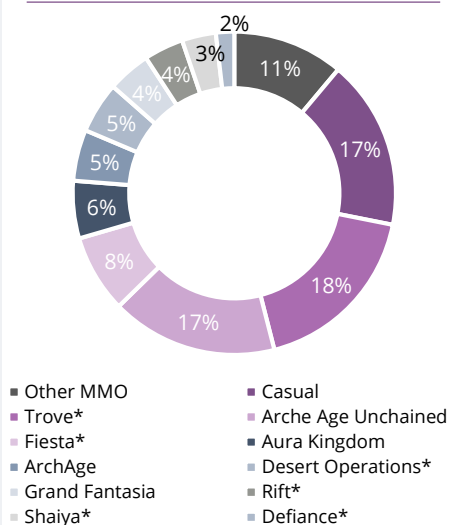
Source: Group information
Notes: 1) Adj. EBITDA

Business model ensures diversified revenue sources

Limited dependency on single game titles and media solutions

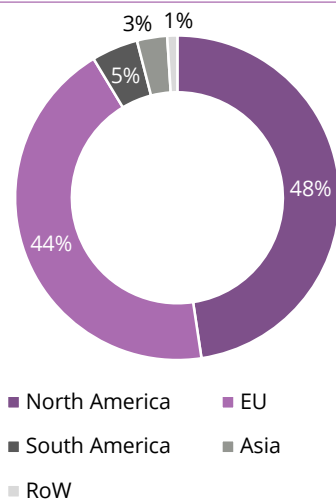
Overview of key revenue splits¹

Gaming revenue split²



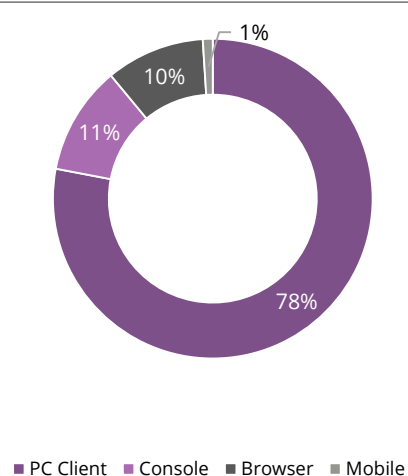
- Well-diversified product portfolio with no "one-hit-wonders" ensures stable revenue generation
- Casual games account for 17% of total revenues whereas Trove is the largest single game title, contributing with 18% of revenues
- Focus on organic growth pipeline and continuous new launches will ensure maintained diversification

Gaming revenue by geography



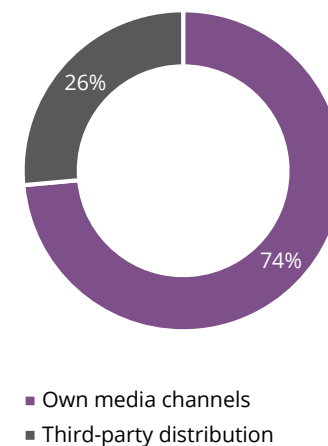
- Revenues are primarily generated in Europe and North America, constituting approx. 90% of total revenues
- The U.S., Germany and France are the Group's top three individual markets
- Top 3 countries account for approx. 69% of total gaming revenues
- Mid-term financial targets include investing in further internationalisation

Gaming revenue by device



- PC users constitute the largest vertical with a high degree of recurring revenues owing to social communities in MMO games
- Some 90% of the paying customers are recurring customers with a user lifetime of over one year
- Mobile vertical expected to grow significantly, reaching 10% of revenues by Q4 2020

Customer acquisition by channel



- Strong distribution channels through own media increases profitability
- As MMO registrations lead to approx. 10% conversion to paying users, revenue growth can be steered by increasing intake
- Efficient new customer acquisition is a key challenge for MGI to remain a market leader

Source: Group information

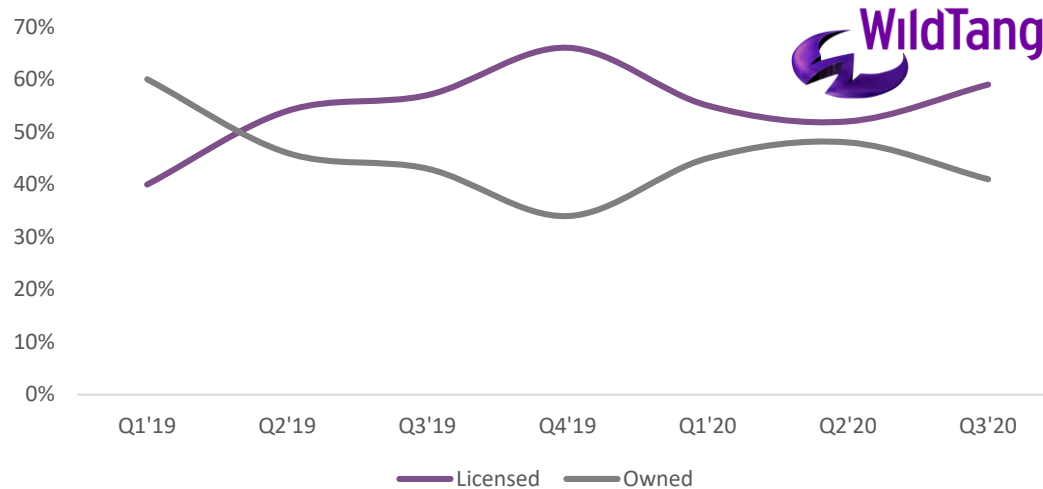
Notes: 1) All figures as of YTD Q3 2020, 2) * = IP/source code owned by gamigo

Licensed vs owned games

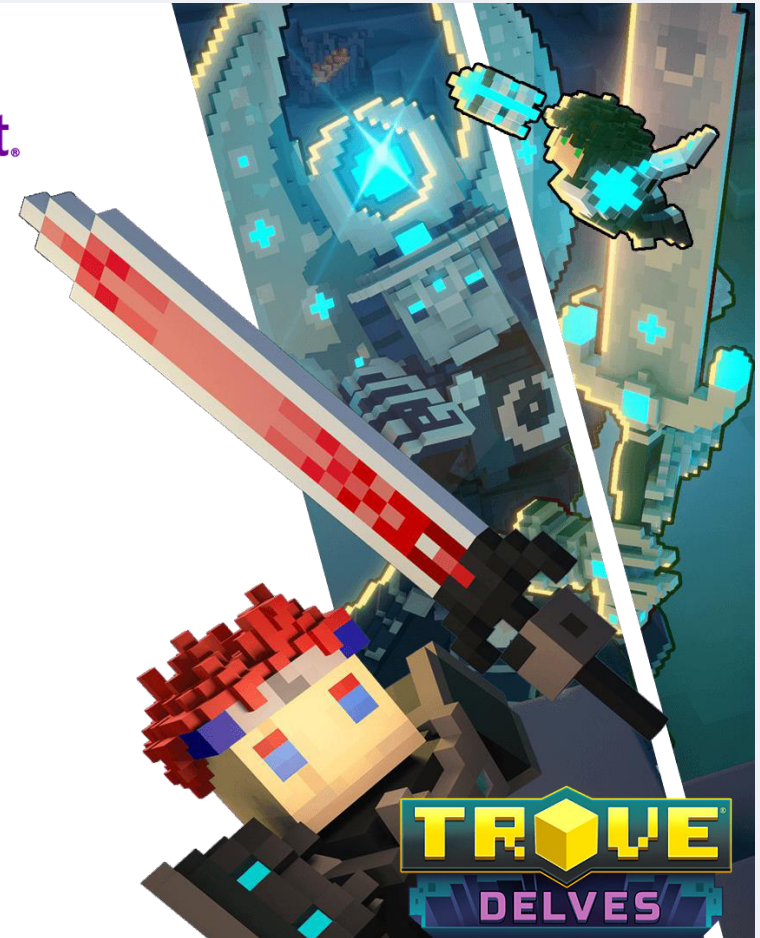
Organic growth facilitated through new licensed and existing owned games

Revenues generate from licensed and owned games Q1'19-Q3'20

Good balance between own and licensed games



- Strong organic growth in licensed gaming revenues in 2019, driven by new launches
- Content updates in owned games serves as main driver for organic growth in Q2 2020
- During Q3'20 licensed share of revenues increased from 52% to 59%, as WildTangent showed outstanding results due to new user acquisition done in-house via the media segment

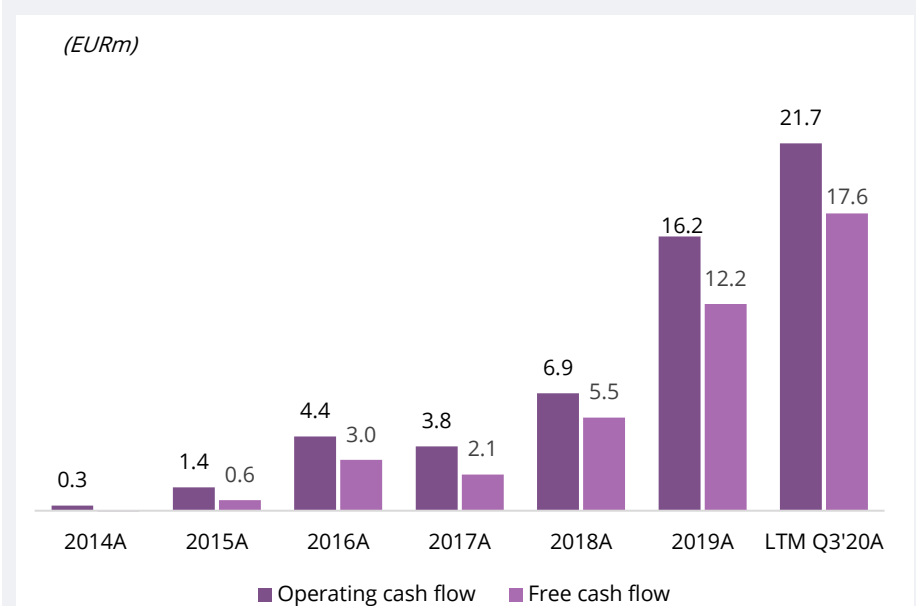


Source: Group information

Operating cash flow and capex development

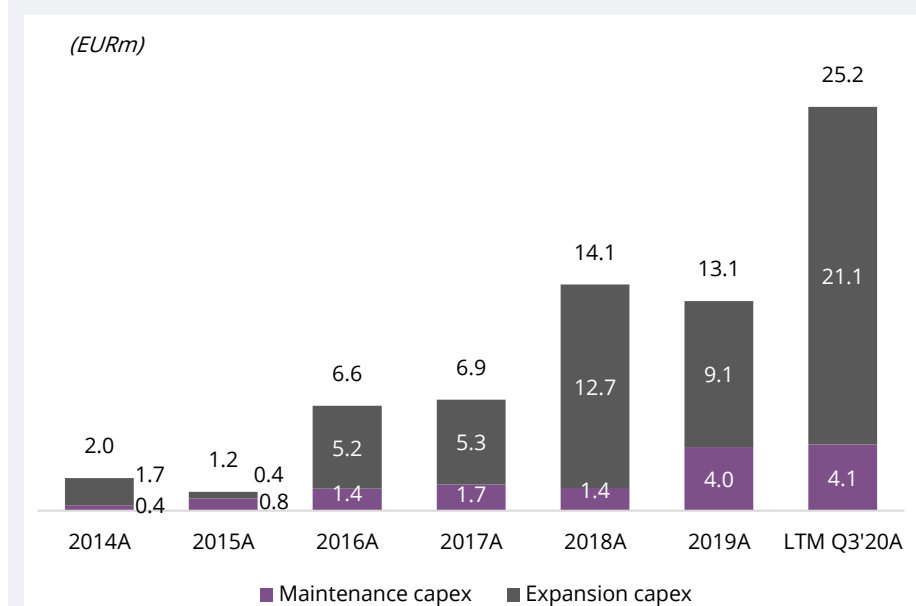
Highly cash generative business owing to limited maintenance capex needs

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



- Since 2014, MGI has grown with a a CAGR of 111% in terms of Operating Cashflow which underscores the high profitability of MGI's business model
- EUR 17.6m Free Cashflow in LTM Q3 reflects the limited maintenance capex needs with strong cash conversion

Capex development



- The uptick in expansion capex in the LTM Q3'20 primarily relates to the Verve acquisition as well as investments into IP-rights for game launches
- MGI's asset-light business model entails modest maintenance capex needs, as evidenced by the historical 3.5% of revenues p.a.

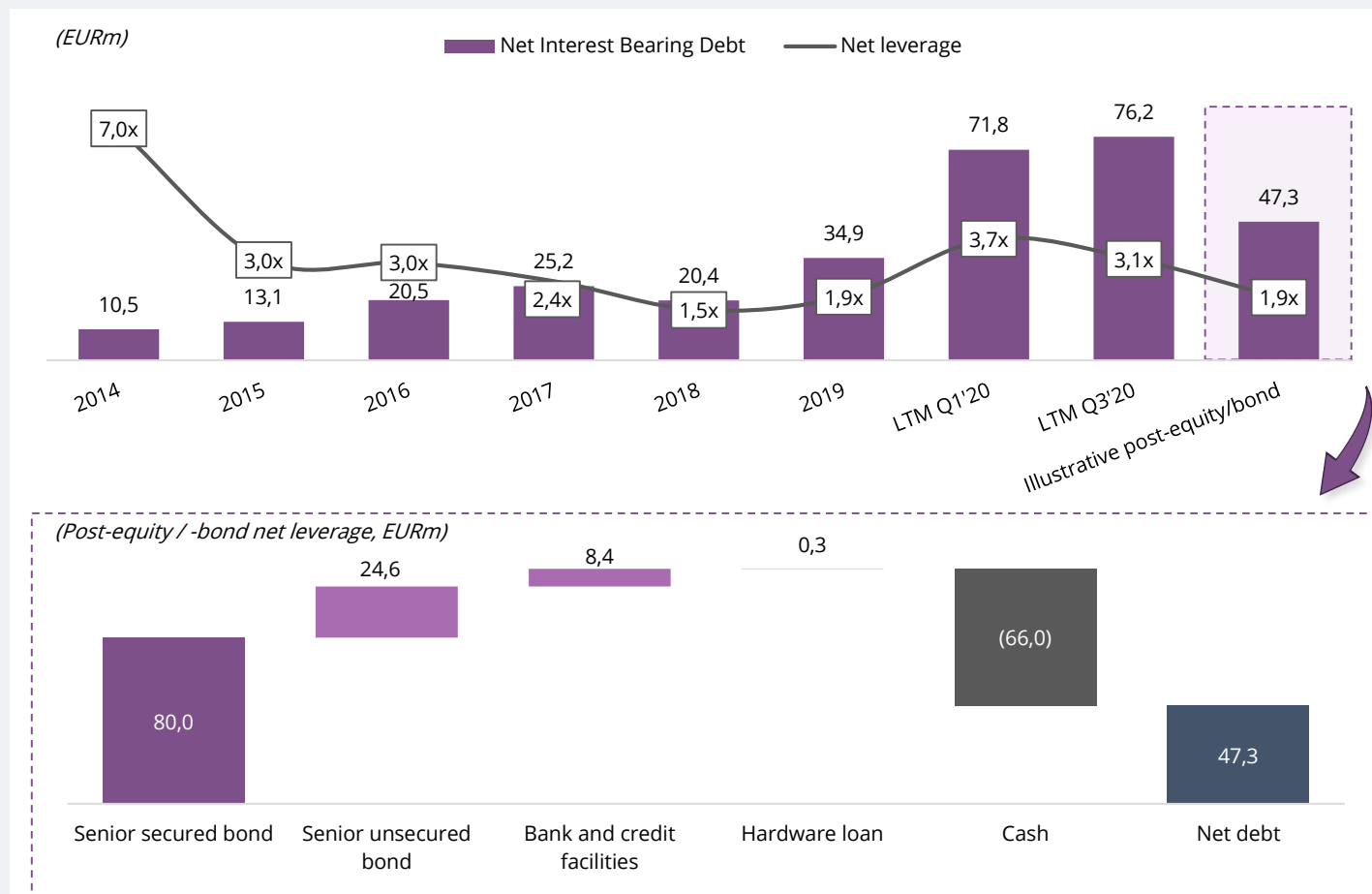
Source: Group information

Notes: 1) Operating cash flow as set out in the groups 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 illustrative post-equity/bond net leverage of 1.9x

Net leverage to adj. EBITDA ratio development¹



- Post-transaction, the senior secured bond will constitute the majority of MGI's interest-bearing debt
- In 2019, MGI issued a senior unsecured bond of EUR 5m, carrying a fixed coupon of 7.00%
 - Bond currently stands at its Framework of EUR 25m²
- Bank and credit facilities amount to EUR 8.4m
 - Permitted in bond terms subject to annual clean down
 - Permitted debt in a maximum amount of 12.5% of Bonds and Parity Debt
 - Current and future facilities provided by UniCredit, Commerzbank and Billfront
- NIBD/adj. EBITDA following the transaction will stand at 1.9x
- In the long-term, MGI targets a net debt / EBITDA ratio of 2-3x

Source: Group information

Notes: 1) Post-bond leverage based on LTM Q3 2020 adj EBITDA of EUR 24.8m, 2) Including IFRS effect

Prudent mid-term financial targets...

Revenue CAGR

25-30%

- Invest in organic growth projects, e.g. sequels, re-launches & re-skinning and internationalization
- Investments in new game licenses, game assets and new game launches
- Further acquisition of accreditive and synergetic M&A targets with focus at gaming
- Further acquisition of intellectual property of games ready or close to ready for launch

EBITDA margin

25-30%

- Reducing OPEX and costs based on economies of scale
- Using marketing, purchasing and cost benefits based on size
- Expanding margins in the media segment set to drive overall Group EBITDA margin back to 25-30%, as achieved in FY 2018

EBIT margin

15-20%

- Using cost synergies within the group and with newly acquired targets
- Reducing PPA depreciation in the coming years

Net leverage

2-3x

- Measured on a Net Interest Bearing Debt to EBITDA ratio
- Could go above targeted interval for a period of time in connection with acquisitions
- Acquisitions to be finance by a mix of debt, equity and internal cash flows



Source: Group information

...with a clear roadmap to completion

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



Low business risk focus

MMO games with steady sustainable cash streams



Strong organic growth

gaming 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

Outlook Q4 2020

Q4:

MMO's: strong Q4 seasonality
+ lock-down covid effects

Q4:

Many updates & large patches.
Beta launch of Atlas Rogue

Q4:

Media; further organic growth and
more user acquisition for gaming

Q4:

Well filled pipeline; potentially 1 or
2 signings already in Q4

Q4:

Further growth & cost efficiencies
expected also in Q4

Financial Outlook 2020

Outstanding revenue growth with high profitability



Revenues €125-135m

which is a YoY-growth of 49%-61%



EBITDA €23-26m

which is a YoY-growth of 48%-68%

