Media and Games
Invest Group

COMPANY DESCRIPTION

FOR THE PURPOSE OF THE LISTING OF MEDIA AND GAMES INVEST PLC.'S SHARES ON NASDAQ FIRST NORTH GROWTH MARKET

IMPORTANT INFORMATION

This company description (the "**Company Description**") has been prepared by the board of directors of Media and Games Invest plc., a company incorporated under the laws of Malta with company registration number C 52332 and having its registered office at 168, St Christopher Street, Valletta VLT 1467, Malta (in this Company Description, "**MGI**" or the "**Company**" shall mean Media and Games Invest plc. and together with its subsidiaries the "**Group**"), for the purposes of the contemplated listing of MGI's shares on Nasdaq First North Premier Growth Market. The Company Description has not been prepared in accordance with the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC or the Financial Instruments Trading Act (SFS 1991:980) (Sw. *Lag (1991:980) om handel med finansiella instrument*) and thereby the Company Description does not constitute a prospectus.

The Company Description has been prepared by the board of directors of Media and Games Invest plc. and reviewed by Nasdaq Stockholm AB. The board of directors of Media and Games Invest plc. is responsible for the content of this Company Description. The Company Description has not been approved or registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) in accordance with the Financial Instruments Trading Act. Any disputes regarding, or arising as a consequence of, the content of this Company Description, or legal circumstances related thereto shall be exclusively determined under the laws of Sweden and by a Swedish court of law whereupon the Stockholm District Court shall constitute the court of first instance.

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Presentation of financial information

Some of the figures contained in this Company Description have been rounded off. Consequently, certain tables may not appear to add up correctly. No information contained in the Company Description has been audited or reviewed by the Company's auditors other than as expressly stated.

Forward-looking statements

The Company Description contains certain forward-looking statements and opinions. Forward-looking statements are statements that do not relate to historical facts and events and such statements and opinions pertaining to the future that, by example, contain wording such as "believes", "estimates", "anticipates", "expects", "assumes", "forecasts", "intends", "could", "will", "should", "would", "according to estimates", "is of the opinion", "may", "plans", "potential", "predicts", "projects", "to the knowledge of" or similar expressions, which are intended to identify a statement as forward-looking. Forward-looking statements are based on current estimates and assumptions made according to the best of the Company's knowledge. Such forward-looking statements are subject to risks, uncertainties, and other factors that could cause the actual results, including the Company's cash flow, financial condition and results of operations, to differ materially from the results, or fail to meet expectations expressly or implicitly assumed or described in those statements or to turn out to be less favourable than the results expressly or implicitly assumed or described in those statements. The Company cannot give any assurance regarding the future accuracy of the opinions set forth herein or as to the actual occurrence of any predicted developments. In light of the risks, uncertainties and assumptions associated with forward-looking statements, it is possible that the future events mentioned in the Company Description may not occur. Moreover, the forward-looking estimates and forecasts derived from third-party studies referred to in the Company Description may prove to be inaccurate. Actual results, performance or events may differ materially from those in such statements due to, without limitation, other events or factors than those described in the section *Risk Factors*. After the date of the Company Description, the Company assumes no obligation, except as required by law or Nasdaq First North Premier Growth Market's Rule Book for Issuers, to update any forward-looking statements or to conform these forward-looking statements to actual events or developments.

Business and market data

The Company Description includes industry and market data pertaining to MGI's business and markets. Such information is based on the Company's, as applicable, analysis of multiple sources, stated in the Company Description. For example, as applicable, each of the Company have obtained certain market data from, for example, Newzoo. Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company have not independently verified and cannot give any assurances as to the accuracy of industry and market data contained in the Company Description that were extracted or derived from such industry publications or reports. Business and market data are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such data is based on market research, which itself is based on sampling and subjective judgements by both the researchers and the respondents, including judgements about what types of products and transactions should be included in the relevant market. The Company does not assume any responsibility for the correctness of any business or market data included in the Company Description. Information provided by third parties has been accurately reproduced and, as far as the Company is aware and have been able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Company Description is dated 30 September 2020.

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FINANCIAL CALENDAR

Half Year Report Q2 2020	12 August 2020
Interim Report Q3 2020	30 November 2020
Annual General Meeting 2021	15 July 2021 (preliminary)

OTHER

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RISK FACTORS

An investment in MGI's shares is associated with various risks. A number of factors impact, or may impact, MGI's operations directly and indirectly, both prior to and after the listing of MGI's shares on Nasdaq First North Premier Growth Market. The assessment of the materiality of the risk factors specified in the Company Description has determined on the basis of the probability of the risk materializing and not the impact of the risk. The Company ranked the most significant risks first. The risks are then presented without ranking. The risk factors and circumstances of major importance, which are considered as material to MGI's operations and future development are described below without any particular order of importance or claim to be exhaustive. The risks described below are not the only risks to which MGI and its shareholders may be exposed. There are other risks that are unknown to MGI as of the date of the Company Description, or which MGI, as of the date of the Company Description, does not consider to be material, but that may also adversely impact MGI's operations, financial position or earnings. If any of the risks described below, or another risk of which MGI is not aware, were actually to occur, MGI's business operations, financial position and earnings could be materially adversely impacted. Such risks may also cause a considerable decline in the price of MGI's shares and investors risk losing part or all of their investment. In addition to carefully considering this section, investors should also take into consideration other information contained in the Company Description and, prior to any investment decision regarding the shares, consult their own financial, legal and tax advisers to make a careful assessment of the risks attributable to an investment in the shares and consider such an investment decision on the basis of their personal circumstances.

The Company Description contains forward-looking statements that could be affected by future events, risks and uncertainties. The Company's actual results may differ materially from the results referred to in these forward-looking statements due to a number of factors, some of which are beyond the Company's control.

RISKS RELATED TO MGI'S BUSINESS AND TECHNOLOGY

Fraud software, hacking and/or other unfair activities

Customers of the Group or third parties could attempt to prevent or negatively influence the use of the online, console and mobile games and Media / Online Advertising services offered by the Group by using fraud software, hacking and/or other unfair activities such as distributed denial of service attacks (DDOS) and/or to provide participants with advantages over other users within the scope of the games. Furthermore, user data might be stolen and used without permission as a result of a hacking attack. Furthermore, service lines might fail and the corresponding services may no longer be made available or may be interrupted up to a loss of control over the Group's infrastructure.

Customers or third parties may try to lure users to other websites with fake offers. If more virtual goods are offered in the context of such transactions, this could lead to users no longer or to a lesser extent acquiring their virtual goods via the Group's platforms. This would have a negative impact on business activity. Furthermore, the Group is only in a limited position able to monitor the trading of virtual goods outside its own platforms. Users could also be harmed in such transactions and such intrusions could happen at payment or distribution partners of the Group, which might also harm the Group.

As a provider of online, console and mobile games and platform services, the Group is also exposed to the risk that games distributed on their respective platforms may be illegally copied and offered on other platforms. If games are played on platforms other than those operated by the Group or are played in counterfeit games, the Group cannot guarantee that this can be switched off or prevented with the result that income will be lost.

Substantial program bugs could negatively affect the game experience and therefore lead to a loss of (paying) users or to a loss of payments. Program bugs may also trigger negative game experiences by the users and lead to reputation damage. These risks apply to both external and internal game development and can have a negative influence on the net assets, financial position and results of operations of the Group.

The dissemination of counterfeit offers and the illegal copying of the Group's offerings may also result in the reputation of the Group's own platform as well as the games offered suffering and the interest of users in the Group's offers dwindling. As a result, the games offered could become less attractive to users and lose overall interest in the online, console and mobile games and platform services offered by the Group.

The Company assess the risk to be high.

Changing technologies and customer requirements

The markets for online, console and mobile games and the market for media and mobile advertising are rapidly changing business areas. They are characterized by rapidly changing technologies, new technologies (e.g. virtual reality, augmented reality, block chain and streaming), new hardware or network or software compatibility requirements, frequent introductions of improved or new online, console and mobile games and platform services as well as constantly changing and new customer requirements. The success of the Group therefore depends crucially on, in ample time, identifying new trends and developments, constantly improving existing mobile advertising services and online, console and mobile games as well as platform services, including new games and platform services in the product range, the ability to extend the lifetime of its existing games, adapting to rapidly changing customer requirements and, in particular, attracting and retaining large numbers of paying users, publishers and developers for the platform services. In particular, the Group must be in a position to recognize changing customer wishes and requirements in good time and adapt the games and platform services offered accordingly at short notice and constantly improve, expand and update them with new features in such a way that both paying and non-paying users as well as publishers and developers find it attractive. The Group also depends on the availability of development partners and software developers, their quality and their willingness to further optimize games and platform services in the long term. As the Group currently focuses on licensing new games to be launched and also a substantial part of the portfolio is licensed, the Group thus depends heavily on the availability and quality of external developer resources. As the Group also does the further development of games that already generate revenues in-house; it also depends on the availability of skilled developers.

If the Group is not able to successfully introduce new technologies and/or games and platform services to the market in time or to further optimize the technologies, games and/or platform services already offered and publish successful updates, the competitive position and growth opportunities of the Group would be adversely affected. Moreover, the Group might not sufficiently meet the demands and/or expectations of the Group's customers in the different markets in which the Group operates. The consideration of regional or target group specific characteristics including the different languages represents an additional challenge with regard to the identification and implementation of trends. This requires the use of technical, human and financial resources.

Any delay or prevention of the introduction of improved or new technologies, games and/or platform services into the product offering or their lack or delayed market acceptance as well as any incorrect introduction of technologies would have a negative impact on the Group's business, financial position and results of operations.

The Company assess the risk to be medium.

The Group might not scale up quickly enough

The Group must be able to continue to increase the capacity of its technology platform in order to support substantial increases in the number of advertisers and device users, to support an increasing variety of advertising formats and to maintain a stable service infrastructure and reliable service delivery for the Group's mobile advertising services. The Group also needs to grow significantly to develop the market reach and scale necessary to compete effectively with large competitors. Scalability of the Group's technology is of increasing importance, as advertisers will migrate to intermediaries with the largest inventory and inventory of the best quality and publishers will migrate to intermediaries with largest and best ad demand. Currently, the industry experiences important economies of scale effects as fixed cost in technology and organisation are spread over larger volumes of ad impressions. Larger users could utilise their cost advantage to drive down pricing (revenue share) and take share from smaller users, such as the Group. This may be the case for owned and operated users, but also for independent users that scale up quickly. Large owned and operated users could in general make use of their financial resource, relationships and capacities to outcompete smaller users, e.g. through pricing, bundled deals and a broader offering. The Group must gain scale quickly through organic growth and several acquisitions and to integrate acquired businesses successfully and reap synergies, and as such strengthen as well as maintain its competitive positions.

If the Group is unable to increase the scale of its mobile advertising platform to support and manage a substantial increase in the number of advertisers and mobile device users, while also maintaining a high level of performance, the quality of the Group's services may decline and its reputation and business could be seriously harmed. In addition, if the Group is not able to support emerging mobile advertising formats or services preferred by advertisers, it may be unable to obtain new advertising clients or may lose existing advertising clients, and in either case the Group revenue could decline. The Group expects to continue to invest in its platform in order to meet increasing demand. Such investment may negatively affect the Group's profitability and results of operations.

The Company assess the risk to be medium.

Risks relating to the integration of newly acquired companies or part of companies

The Company is, as part of its business strategy, constantly evaluating potential acquisition targets to supplement the Company's current offering. During the period covered by the historical financial information in the Company Description, the Group has acquired e.g. seven companies and assets. Following the acquisition of a company or part of a company, it may become apparent that the competence of the management of the acquired company has been misjudged or the integration into the Group is not successful and does not meet the expectations of the Group or that the Group has misjudged the market position, expected synergies, games quality, earnings potential, profitability, customer loyalty to the company, the growth opportunities of the company, time and costs for integration or other significant factors. Such misjudgements may also relate to the feasibility of the strategy underlying the respective acquisition. In such a case, not only would the achievement of the targets targeted by the Group with the acquisition be significantly jeopardized, but also the value of the investment as a whole. Furthermore, there is a risk that key persons of acquired companies will leave the acquired company as a result of the acquisition by the Group.

The Company assess the risk to be low.

The possibility of using domains could be adversely affected

The Group markets its products online, console and mobile games via its own domains. The marketing of the games via the Internet requires that the domains function smoothly and that their use is neither legally nor in fact adversely affected. Any disruption, interruption or significant impairment of the availability of the Group's domains would have a direct adverse effect on business activities and have a negative effect on the Group's cash flows and results of operations.

The Company assess the risk to be low.

Dependency on functioning settlement partners

The Group operates and markets online, console and mobile games in its game publishing division. The main source of income in this business area is the sale of virtual goods. With regard to the acquisition of these virtual goods, the Group depends on cost-effective and functioning billing partners (so-called payment providers). The costs and risks of settlement via these settlement partners are sometimes comparatively high. In addition, the Group offers payment services in the area of platform services in cooperation with payment providers. Payment providers are also at risk with regard to technical malfunctions, the temporary or structural failure of technical platforms, systems, data stocks and billing systems as well as the risk of the solvency of the billing partner. There are also risks with regard to liability due to e.g. system failures, fraud attempts and hacker attacks on the billing partner. Also on the media sector side, with SaaS, media, advertising partners that can be direct customers or intermediaries such as media agencies, could experience financial difficulties. Should the settlement partners the Group cooperates with not be able to offer its services as agreed or should such services be delayed or interrupted, it would adversely affect the processing of the services offered by the Group and thus the business activities until a new settlement partner is found or until such settlement partner is able to again offer its services as agreed, leading to that the Group cannot fulfil its services or could only fulfil them with considerable delays. Furthermore, the Group could be forced to accept less favourable conditions from another billing partner.

The Company assess the risk to be low.

Technology in the media sector may not be scalable enough

The Group's technology must scale to process all of the advertising impressions from the collection of all of the visitors of all of the websites and applications offered on the Group's platform combined. Within milliseconds of a user visiting a website or clicking on an application containing the Group's technology, this technology must effect a transaction for a publisher and conduct an auction, in which hundreds of advertisers and tens of thousands of advertiser brands can participate. The Group's technology must be able to send bid requests to all of the appropriate and available advertisers on its platform per ad impression shown. It must perform these transactions end-to-end at speeds often faster than the page or application loads for the user. The Group's technology must surmount the challenge of processing the combined volume of every website and application and all of the constantly evolving advertisers' bidding technologies, at speeds that are often faster than their capabilities. It is key for the Group's success that its platform achieves network effects. For this its technology platform must be able to handle significant increases in the numbers of advertisers and publishers active on the platform as well as to support additional ad formats without jeopardising the stability of the IT infrastructure and reliability of its service delivery.

If the Group fails to (cost-) effectively increase the scale of its platform, to support and manage a substantial increase in the number of transactions, as well as a substantial increase in the amount of data the Group processes, whilst also maintaining a high level of performance, the quality of its services could decline and its reputation and business could be seriously harmed. In addition, if the Group is not able to continue processing these transactions at fast enough speeds or if the Group is unable to support emerging advertising formats or services preferred by publishers and advertisers, the Group may be unable to obtain new advertisers or publishers, the Group may lose existing advertisers or publishers or it could lose revenue from its failure to process transactions in a timely manner, any of which could cause the Group's revenue to decline.

The Company assess the risk to be low.

Malfunctions and/or the failure of IT systems and/or networks

The core of the Group's daily operations is partly its IT systems. The Group uses complex IT systems and data centre services throughout its business operations and relies on functioning IT systems, hardware and networks to provide its services. The implementation of business activities via the internet and electronic data processing is essentially based on stable data availability, fast transmission of data and a technically stable Internet connection as well as well-functioning hardware and cloud infrastructure. The functionality of the servers used by the Group and the associated hardware, cloud and software infrastructure is of considerable importance for business activities and their attractiveness to customers. Errors and weaknesses of existing hardware, software and cloud infrastructure cannot be excluded. The business activities of the Group may also be significantly impaired by breakdowns or disruptions to IT systems and networks as a result of hardware destruction, system crashes, software problems, virus attacks, intrusion of unauthorized persons into the system, or comparable malfunctions. This can cause considerable costs. The Group may not be able to guarantee its services due to the lack of reliability, security and availability of its IT infrastructure. The materialization of each of these risks would adversely affect the net assets, financial position and results of operations of the Group.

The Group depends on the services of internet carriers, data centres and cloud providers. The possible of any disruption of these services could lead to the services offered by the Group no longer being available to the Group's customers. Even if the Group is not responsible for these failures, the result could be damage to the Group. This could negatively affect the net assets, financial position and results of operations of the Group.

The third-party software used by the Group could become incompatible with regard to new and necessary updates due to their no longer being supported by the developer in question or due to potential architectural issues that prevent the expansion of the software, for example. In addition, the third-party software in use may violate the licence or intellectual property rights of other entities. The Group's failure to discover existing security or data vulnerabilities at an early stage could lead to a lack of security for the shared resources that are offered. This means that one customer might be able to access data for another customer. These potential risks, if realised, could negatively affect the net assets, financial position and results of operations of the Group.

The Company assess the risk to be low.

RISKS RELATED TO THE GROUP´S BUSINESS IN THE GAMING SEGMENT

Dependency on successful marketing activities in the gaming segment

The success of the Group depends among others on the success of the online, console and mobile games offered. New users are attracted in particular by online marketing measures, but also by means of TV campaigns and social media channels, whose success thus plays a key role. For the financial year 2019, the Group's marketing expenditures for its B2C portfolio amounted to EUR 2 million.

The Company believes the marketing environment is difficult. There is increasing competition for advertising space. There are also more and more forms of advertising/platforms, increasing regulations and technical requirements, fraud by marketing partners and the associated quality reductions and cost increases. Business Intelligence systems are very important for optimization but are always challenged by the changes in the portfolio as well as technical changes. With its own media specialists adspree Media GmbH (”adspree”), Mediakraft Networks GmbH (”Mediakraft”), Applift GmbH (”Applift”), PubNative PubNative GmbH (”PubNative”) and Verve the Group has a big competitive advantage versus peers, but also these companies face the challenges of the market. If the online, TV or social media marketing measures do not have the desired success with the consequence that fewer users are won through such marketing channels or customer acquisition becomes more expensive or inefficient, this would have an adverse effect on the business activities and thus negatively affect the Group's net assets, financial position and results of operations.

The Company assess the risk to be medium.

Competition in the gaming segment

The publishing market online, console and mobile games in Europe and North America in which the Group operates, mainly via the gamigo Group (gamigo AG "**gamigo**" and, together with its subsidiaries, "**gamigo Group**"), is subject to intense competition and is characterized by constant change. The market is also highly fragmented. The Group's main market is North America, but also most other jurisdictions where the Group is active, includes a large number of small and medium-sized providers of online, console and mobile games. The Group competes with large companies but also with medium-sized and small companies that offer online, console and mobile games. In addition, internationally active providers of online, console and mobile games are increasingly trying to gain market shares in the Group's business segments.

Some existing competitors have had a comparatively longer period of business activity, and have a comparatively higher level of awareness, a broader customer base and/or significantly larger financial and technical resources. Competitors might be able to react faster to new or developing technologies or standards and to changes in customer requirements, or spend more resources on the development, marketing, acquisition of game licenses and distribution of online, console and mobile games, and/or offer competitive online, console and mobile games at a lower price or in other business models.

Other providers that have so far been active exclusively in other, possibly adjacent markets and in some cases have considerably higher technical and financial resources may decide to enter the market for online, console and mobile games.

Furthermore, new competitors may enter the market or new alliances may form between competitors that could gain significant market share in a short period of time. Increased competition could lead to price pressure, reduced margins and a loss of market share. In addition, consolidation of the market has accelerated in recent years as a result of takeovers of game providers of various sizes. If this process continues, the existing price and competitive, for example in the fields of acquisition of companies, assets, intellectual property rights as well as launches and user acquisition, pressure is likely to intensify further.

Should any of these risks materialize, it could have an adverse effect on net assets, financial position, market share, acquisition opportunities and results of operations of the Group.

The Company assess the risk to be medium.

Consumer behaviour in the gaming segment

The Company's subsidiary gamigo offers more than 5,000 casual games and over 25 massively multiplayer online games ("**MMOs**"), belonging to a variety of different genres. All of gamigo's games are free-to-play. The game selection includes first-person shooters, fantasy role playing games ("**RPGs**"), building-strategy games, mobile- and casual games. The sales of the Group's products depend upon the buying power, purchase patterns and user behaviour of its end consumers. Changes in customers' preference or purchasing patterns may adversely affect the Group's net sales. The willingness of consumers to purchase the Group's products and use its services may decrease due to external factors, such as a general downturn in the economy, which affect the consumers buying power or purchase patterns. If the willingness of end consumers to buy the Group's products decreases, it will have an adverse effect on the Group's sales, earnings and financial position. The Group's ability to maintain existing, and attract new, customers depends upon the Group's ability to identify and anticipate future market changes, changes in customer behaviour and trends early on and to rapidly react on existing and future market needs. If the Group fails to identify, anticipate and react to market changes or trends, this could have an adverse effect on the Group's business, earnings or financial position.

The Company assess the risk to be low.

Competition in portals specializing in casual games

The Group offers so-called casual games on specialized portals, which are generally and not exclusively licensed by game developers. The revenue model for casual games on specialized portals is based on the free-of-charge availability of such games for a limited period of time (usually for one hour), following which the users may continue using the full version of the game for a flat fee. As an alternative also subscription models are being used.

These or comparable portals or games that are offered via the portals may be offered on the market free of charge by other publishers, for example based on application of a revenue model based on the use of advertisements instead of flat fees or subscriptions. If this risk was to materialize, it could force the members of the Group to change their revenue model for such portals or to stop offering these portals to the market due to decreasing revenues or margins. Casual games offered on specialized portals might also become less attractive to users.

If any of these risks were to materialize, it could have an adverse effect on the net assets, financial position and/or results of operations of the Group.

The Company assess the risk to be low.

Dependency on certain games in the gaming segment

The success of the Group in the game publishing division depends crucially on the success of the major revenue generating Top 10 games Trove, ArcheAge, Desert Operations, Fiesta, Rift, Aura Kingdom, Grand Fantasia, Defiance, Shaiya and Last Chaos. The success of the Group therefore depends on the success of these games, so that the failure or absence of success or the non-renewal of the licenses or technical problems could lead to a loss of sales even for one of the aforementioned games and thus have a negative impact on the Group's earnings, financial position and cash flows.

The Company assess the risk to be low.

Dependency on the number of paying users

The online, console and mobile games offered by the Group are to a great extent free of charge. The Group only generates revenues from these games if the users purchase virtual goods that improve or embellish the playing possibilities for the users or the characters they play or accelerate the progress of the game using a previously purchased virtual currency. The Group's success therefore depends on a substantial proportion of users being prepared to purchase virtual currency and thus virtual goods with real money.

Should it not be possible to attract a sufficient number of users who are prepared to purchase virtual currency and thus virtual goods or should a lack of attractiveness of the virtual goods offered result in fewer users being prepared to purchase virtual currency and thus virtual goods, this would have an adverse effect on the Group's earnings, financial position and cash flows.

The Company assess the risk to be low.

Dependency on leading game platforms

The Group depends on the leading platforms in western markets, such as Steam, Sony PlayStation and Microsoft X-Box, as well as the Google Play Store and the Apple App Store for the sale of games.
The cost, quality and availability of using these platforms are not under the Group's control. Also, the approval process for these platforms can be negative or more protracted than expected, meaning that the business activity of the Group may be delayed or even hindered. Any changes to and related to the platforms mentioned therefore have the potential of a negative effect on the net assets, financial position and results of operations.

The Company assess the risk to be low.

Ability to maintain a successful games portfolio

The Group's diverse portfolio has been build-up through company acquisitions, purchasing of game licenses as well as worldwide publishing rights. The Group mainly licenses online, console and mobile games that were developed by third parties. The Group's availability to new games therefore depends on access to licenses to successful online, console and mobile games which are to a great extent produced by external development studios. If new licenses are not available on the market for the Group or these newly licensable games are not technically flawless or experience programming errors or similar malfunctions, this would have a negative effect on business activity. Furthermore, new games licensed by the Group could still be in development when licensed and game concepts might turn out to be not feasible or not marketable in early stages of the development or at all, which could lead to that new game projects are cancelled. The unavailability of licenses to successful online, console and mobile games, or delays in the start of a new game as well as increases of related cost can have a negative impact on business development.

The Company assess the risk to be low.

RISKS RELATED TO THE GROUP´S BUSINESS IN THE MEDIA SEGMENT

Risks related to international operations and expansion in the media segment

Due to its M&A activities the Group has offices in several countries and its products and services are available in multiple languages. The Group expects that its future success is predicated on its ability to continue to expand its existing international operations and on opening or acquiring companies with offices in new jurisdictions and expanding the offerings in new languages. However, the Group has limited operating history and the ability to manage its business and conduct the operations internationally requires considerable management attention and resources and is subject to the particular challenges of supporting a rapidly growing business in an environment of multiple languages, cultures, customs, legal and regulatory systems, alternative dispute systems and commercial markets. Further expansion of the Group's products and services may prove to be unsuccessful due to regional differences in consumer behaviour, business model, competitive landscape and regulation. For instance, in some countries app developers have strongly developed their own ad monetisation platforms, which may prevent the Group from successfully and profitably entering such markets. International expansion has required and will continue to require the Group to invest significant funds and other resources. Operating internationally subjects the Group to new risks and may increase risks that it currently faces, including risks associated with the following:

- not being able to monetize its products and services internationally as effectively as it has in the past as a result of competition, advertiser demand, differences in the digital advertising market and digital advertising conventions, as well as differences in the way that users in different countries access or utilise the Group's products and services;
- recruiting and retaining talented and capable employees in foreign countries and maintaining a consistent company culture across all of its offices;
- providing the products and services and operating across a significant distance, in different languages and among different cultures, including the potential need to modify the products, services, content and features to ensure that they are culturally relevant in different countries;
- the existence of a well-established competitor in an international market may adversely affect the Group's ability to increase its user base, attract advertisers and monetise its products in such market;
- differing and potentially lower levels, user engagement and ad engagement in new geographies;
- different levels of advertiser demand;
- compliance with applicable foreign laws and regulations, including laws and regulations with respect
- to privacy, consumer protection, spam and content, and the risk of penalties to the Group's users and individual members of management if its practices are deemed to be non-compliant;
- credit risk and higher levels of payment fraud;
- operating in jurisdictions that do not protect intellectual property rights to the same extent as existing markets;
- complying with anti-bribery laws including, without limitation, complying with the Foreign Corrupt Practices Act and the UK Bribery Act, including by the Group's business partners;
- currency exchange rate fluctuations;
- foreign exchange controls that might require significant lead times in setting up operations in certain geographic territories and might prevent the Group from repatriating cash earned in those jurisdictions;
- political and economic instability in some countries;
- double taxation of the international earnings and potentially adverse tax consequences due to changes in the tax laws of the jurisdictions in which the Group operates;
- higher costs of doing business internationally, including increased accounting, travel, infrastructure and legal compliance costs; and
- the Group's products and services may also be used differently abroad than in the markets the Group operates. In particular, in certain international markets where Internet access is not as rapid or reliable as in the established markets, users tend not to take advantage of certain features of the Group's products and services.

In addition, the user base may expand more rapidly in international regions where the Group is less successful in monetizing its products and services. As the Group's user base continues to expand internationally, it will need to increase revenue from the activity generated by the international users in order to grow its business. The Group's further growth is predicated on a more international footprint. The Group may never achieve this. The Group's inability to successfully expand internationally could adversely affect the business, financial condition and operating results.

The Company assess the risk to be medium.

Risk related to advertising fraud

The Group is of risk of being exposed to fraud, especially in the area of online advertising and affiliate marketing. Because of the high level of fraud in internet advertising, there is a substantial risk that the Company's operations are affected, especially as there is normally no possibility of access to customer data and systems in order to better detect fraud. Fraud can have a significant negative impact on the Groups customer acquisition as well as on adspree media's volume of business and therefore also negatively affect the business activities and the net assets, financial position and results of operations of the group.

The Company assess the risk to be high.

Overall demand for advertising in the media segment

The Group's business highly depends on the overall demand for advertising and on the economic success of the Group's current and potential publishers and advertisers. If advertisers reduce their spending on advertising, the Group's revenue and results of operations are affected. Many advertisers spend a higher amount of their advertising budgets in the fourth quarter of the calendar year due to increased holiday purchasing or for budget reasons. If advertisers reduce the amount of their advertising spending during the fourth quarter (or an earlier quarter), or if the amount of inventory available to advertisers during that period is reduced, this could have an adverse effect on the Group's revenue and operating results for that fiscal year. Economic downturns or instability in political or market conditions may cause advertisers to reduce their advertising budgets. Reductions in inventory would make the Group's solution less attractive to advertisers. Moreover, any changes in the treatment of advertising expenses and the deductibility of such expenses for tax purposes would likely cause a reduction in advertising demand. In addition, concerns over the sovereign debt situation in certain countries in the European Union, question marks over the speed of recovery of the US economy and concerns over China among others, as well as continued geopolitical turmoil in many parts of the world have and may continue to put pressure on global economic conditions, which could lead to reduced spending on advertising.

The Company assess the risk to be medium.

Leading global technology companies may undermine the Group's revenue model in the media segment

In many cases, the parties that control the development of mobile connected devices and operating systems include the Group's most significant competitors in the mobile advertising industry. For example, Apple controls two of the most popular mobile devices, the iPhone and the iPad, as well as the iOS operating system that runs on them. Apple controls the app store for downloading apps that run on Apple's mobile devices and Google controls the Android operating system and Google Play. The Group depends on the interoperability of its products and services with popular devices, desktop and mobile operating systems and web browsers that it does not control, such as Android, iOS, Chrome, Internet Explorer and Firefox. Any changes in such systems, devices or web browsers that degrade the functionality of the Group's products and services or give preferential treatment to competitive products or services could adversely affect usage of the Group's products and services. If the Group's mobile advertising platform were unable to work on these devices or operating systems, either because of technological constraints or because the maker of these devices or publisher of these operating systems wish to impair their competitors' ability to compete with them or such competitors' ability to fulfil advertising space, or inventory from developers whose apps are distributed through their control channels, the Group's ability to generate revenue could be significantly affected. This might have an impact on the Group's ad formats and/or revenue model (e.g., rewarded formats), as for example Apple and Google could bar certain apps or clients from their apps store which are important to the Group and could give preference to their own products and services. Consequently, leading global technology companies such as Apple and Google have the power to undermine the revenue model of the Group.

Further, if the number of platforms for which the Group develops its product expands, this can result in an increase in the Group's operating expenses. In order to deliver high-quality products and services, it is important that the Group's products and services work well with a range of operating systems, networks, devices, web browsers and standards that it does not control. In addition, because a majority of its users access the products and services through mobile devices, the Group depends on the interoperability of its products and services with mobile devices and operating systems. The Group may not be successful in developing relationships with key participants in the mobile industry or in developing products or services that operate effectively with these operating systems, networks, devices, web browsers and standards. In the event that it is difficult for the Group's users to access and use the products and services, particularly on their mobile devices, the user growth and engagement could be harmed, and the business and operating results could be adversely affected.

The Company assess the risk to be medium.

Lack of long-term agreements with advertisers and publishers in the media segment

The Group's contracts with advertisers and publishers generally do not provide for any minimum volumes or may be terminated on relatively short or no notice and without penalty. Advertisers' and publishers' needs and plans can change quickly, and advertisers or publishers may reduce volumes or terminate their arrangements with the Group for a variety of reasons, including financial issues or other changes in circumstances, new offerings by or strategic relationships with the Group's competitors, change in control, or declining general economic conditions. Technical issues could also cause a decline in spending. As a result, the Group has limited visibility as to its future advertising revenue streams. The Group cannot guarantee that its advertiser and publisher clients will continue to use its services or that the Group will be able to replace, in a timely or effective manner, departing clients with new clients that generate comparable revenue. In addition, the Group's agreements typically do not restrict the publishers from entering into agreements with other companies, including the Group's competitors. There is no guarantee that the partners with which the Group entered into an agreement will continue to obtain services of the Group on commercially acceptable terms, or at all, after the term of the current agreement expires, or that they will not terminate the existing services on short notice, which could lead to a slow down or a drop in revenue and harm the Group's reputation.

The Company assess the risk to be medium.

COVID-19

Due to the COVID-19 pandemic, many companies are facing major challenges in the coming months due to extensive political restrictions. Due to the crisis, economists are expecting a recession and this is currently supported by the decline in sales of products and services. However, the gamigo Group has the opportunity to emerge stronger from the crisis. Especially the online and mobile games market is currently growing. More users have registered in the games due to the initial restrictions imposed by governments. In the Media division, a slight decline in sales is expected in the medium term for customers in the travel and retail sector. However, this can be compensated by increased marketing budgets of gaming companies. In addition, the gamigo Group's short- and medium-term risk from the crisis is considered low.

The Company assess the risk to be medium.

Risks of managing an influencer network, i.e. especially in the production and dissemination of online video content and the provision of influencer marketing services

The online video and influencer business (production of video content for online platforms) is a quite young business segment, with high levels of dependence on the major platform operators (e.g. YouTube) and on artists who produce content in return for a share in revenue. Also there a not yet clear market standards in relation to performance and pricing. In this business segment, there is substantial competition, amongst others from major media houses (ProSieben, RTL Group). The platforms have a major influence on the business model and profitability (achievable advertising revenue, production requirements (costs) and algorithms for prioritising content) and a strong negotiating position.

Due to the strong interconnectedness of the influencers, the company is dependent on a good relationship with the influencers it works with. If a dispute were to arise with an influencer, this influencer could also prevent other influencers from working with the Company in future.

The risks from this competition lie mainly in the area of pricing and margin levels. Alongside the economic risks, there are other legal risks, e.g. violating the guidelines on misleading advertising on the Internet (product placement without identification) or new laws and any upload filters to be introduced. These risks can have a significant impact on the business volume of the B2B companies (especially ReachHero, Mediakraft and adspree) and therefore also negatively affect the business activities and the net assets, financial position and results of operations of the Group.

The Company assess the risk to be low.

Continued growth in usage of mobile connected devices

The Group's business depends on the continued proliferation of mobile connected devices, such as smartphones and tablets that can connect to the Internet over a cellular, wireless or other network as well as the increased consumption of content through those devices. Consumer usage of these mobile connected devices may be inhibited for a number of reasons, such as:

- inadequate network infrastructure to support advanced features beyond just mobile web access;
- users' concerns about the security of these devices;
- users' concerns about any negative health impact of these devices;
- inconsistent quality of cellular or wireless connection;
- changes in costs of smartphones; prices of smartphones may not reduce as they have done so previously;
- users' concerns regarding data protection and data usage
- unavailability of cost-effective, high-speed Internet service;
- changes in network carrier pricing plans e.g. charging device users for the amount of data consumed; and
- changes in users' behaviour.

For any of these reasons or similar, users of mobile connected devices may limit the amount of time they spend on these devices and the number of apps they download on these devices. If user adoption of mobile connected devices and consumer consumption of content on those devices do not continue to grow, the Group's total addressable market size may be significantly limited, which could compromise its ability to increase the Group's revenue and become profitable.

The Company assess the risk to be low.

Seasonality of advertising spending in the media segment

The Group's results of operations and cash flows vary from quarter to quarter due to the seasonal nature of advertising spending. In contrast to the higher amount of advertising budgets spent during the fourth quarter, the first quarter of the calendar year is typically the slowest in terms of advertising spend. This affects the Group's results of operations, cash flows and cash requirements. Seasonal fluctuations could become more pronounced in the future. In addition, digital advertising spend is volatile and unpredictable. As a result, in times of lower advertising spend than expected the Group's revenues may be materially adversely affected. Similarly, in times of higher and instantaneously increasing advertising spend and traffic, the Group's platform must be able to support substantial increases in the number of publishers and advertisers generating traffic, and to support the variety of advertising formats whilst maintaining a stable and effectively functioning infrastructure and reliable service to customers. This flexibility and stability requires significant investments in both organisation and technology, which increases the Group's cost base.

The Company assess the risk to be low.

Novelty of mobile advertising market in the media segment

The substantial majority of the Group's revenue in the media segment is derived from customers that purchase mobile advertising through the Group's platform either on a self-serve basis or via the Group executing campaigns for them. The Group expects that spend on mobile advertising will continue to be its main source of revenue for the foreseeable future in the media segment, and that the Group's revenue growth will depend on increasing mobile advertising spend through its platform. The market for mobile advertising is an emerging market and today advertisers generally devote a growing portion of their advertising budgets to digital advertising, while the spend for traditional advertising methods, such as TV, newspapers, radio and billboards is declining. The Group's current and potential customers may find mobile advertising to be less effective than other brand advertising methods, and they may reduce their spending on mobile advertising as a result. Emerging channels such as mobile and social media are still quite young and may not or not rapidly enough develop into viable channels.

The future growth of the Group's business could be constrained by both, the level of acceptance and expansion of digital and mobile advertising as a format and emerging digital and mobile advertising channels, as well as the continued use and growth of existing channels. Even if these new channels become widely adopted, advertisers may not increase their advertising spend through platforms such as the Group's.

If the market for mobile advertising deteriorates, develops more slowly than the Group expects or the shift from traditional advertising methods to digital advertising does not continue, or there is a reduction in demand for digital and mobile advertising caused by weakening economic conditions, decreases in corporate spending, perception that mobile advertising is less effective, less safe than other media or otherwise, it could reduce demand for the Group's offerings, which could decrease revenue or otherwise adversely affect its business.

The Group's current and potential customers may also suffer from increasing penetration of ad-blocking programs. Ad-blocking software has been in use on the web and in mobile browsers for some years and, whilst technically more difficult, is also coming to mobile apps. For instance, technology has been developed that sits in an operator's network and filters out any ad other than those on a whitelist. This could significantly impact advertisers' campaigns and as such the demand for mobile advertising and revenues as well as it could change the economics in the mobile ecosystem and decrease the share intermediaries can capture. If ad-blocking technology for mobile apps becomes more widespread, this could impact the Group's offerings and positioning, which could significantly decrease revenue and margin.

The Company assess the risk to be low.

Working for direct competitors

The Group markets computer games and other products and services from third parties, among other things, through its subsidiaries in the media segment. In this business segment, there are similar markets risks as in the game publishing sector, as well as risks concerning customer relationships. The size and therefore the importance of existing customers is growing. This business segment consists of campaign based revenues as well as revenue streams from revenue shares that have longer reliable sustainability. As the Group's media companies are also working for direct competitors of the Group, the separation of the business divisions (known as Chinese walls) are deemed to be adequate by the customers. Any doubts in customers' minds as to this Chinese-walls principle could have a significant impact on Group's media segment's volume of business and therefore also negatively affect the business activities and the net assets, financial position and results of operations of the whole Group.

The Company assess the risk to be low.

Lack of control over information technology systems over services are provided in the media segment

The Group's mobile platform and smartphone operating systems depend on the reliability of the network operators and carriers who maintain sophisticated and complex mobile networks, as well as the Group's ability to deliver ads on those networks at prices that enable the Group to realize a profit. Mobile networks have been subject to rapid growth and technological change, particularly in recent years. The Group does not control these networks.

Mobile networks could fail for a variety of reasons, including new technology incompatibility, degradation of network performance under the strain of too many mobile consumers using the network, general failure from natural disaster or political or regulatory shut-down. Individuals and groups who develop and deploy viruses, worms and other malicious software programmes could also attack mobile networks and the devices that run on those networks. Any actual or perceived security threat to mobile devices or any mobile network could lead existing and potential device users to reduce or refrain from mobile usage or reduce or refrain from responding to the services offered by the Group's advertising clients. If the network of a mobile operator should fail for any reason, the Group would not be able to effectively provide the Group's services to its clients through that mobile network. This in turn could hurt the Group's reputation and cause the Group to lose significant revenue.

Mobile carriers may also increase restrictions on the amounts or types of data that can be transmitted over their networks or change their pricing plans. The Group currently generates revenue from its advertiser clients based on the type of ads the Group delivers, such as display ads, rich media ads or video ads. In some cases, the Group is paid by advertisers on a cost-per-thousand, or CPM, basis depending on the number of ads shown. In other cases, the Group is paid on a cost-per-click, or CPC, cost per install, or CPI, or cost-per-action, or CPA, basis depending on the action taken by the mobile device user. Different types of ads consume differing amounts of bandwidth and network capacity. If a network carrier were to restrict amounts of data that can be delivered on that carrier's network or change pricing plans, block ads on their networks, or otherwise control the kind of content that may be downloaded to a device that operates on the network, it could negatively affect the Group's pricing practices and inhibit the Group's ability to deliver targeted advertising to that carrier's users, both of which could impair the Group's ability to generate revenue.

The Company assess the risk to be low.

Changes in market power among publishers, intermediaries and advertisers in the media segment

The Group's operating subsidiaries, Applift, Pubnative, Platform 161 and Verve provide technical solutions for app publishers to monetise ad advertise their apps and generate revenue by matching the app publishers' ad inventory with demand from advertising companies targeting specific types of app users in particular geographies.

Applift, Pubnative, Platform 161 and Verve receive a portion of the payment the advertisers are paying for placing ads into the apps of the publishers. Applift, Pubnative, Platform 161 and Verve therefore focus on maximising their revenues after inventory acquisition costs on an absolute basis. The Group believes this focus fortifies a number of its competitive strengths, including continuous improvement of the Group's scalable and adaptable technology platform. As part of this focus, the Group intends to continue to invest in building relationships directly with publishers, increasing access to leading advertising exchanges and enhancing the quality and liquidity of its advertising inventory supply. This includes purchasing advertising inventory that may have a lower margin on an individual impression basis and may be less effective in generating clicks. In addition, the Group experiences and expects to continue to experience, increased competition for advertising inventory purchased on a programmatic basis. Changes in the ad value chain, where programmatic buying results in intermediaries such as the Group might become less important or where other new models emerge, may result in increased margin pressure for the Group.

The Group's business will also suffer to the extent that the Group's publisher clients and advertiser clients purchase and sell mobile advertising directly from each other or through other companies that act as intermediaries between publishers and advertisers. For example large owned and operated companies such as Twitter, Facebook, Google and Yahoo, which have their own mobile advertising capabilities, may decide to sell third-party ad inventory which would have been sold by the Group's services otherwise. Therefore margin pressure for the Group also results from the concentration of publishers, advertisers and/or intermediaries along the value-chain as such shifting buying power across the industry. If publishers decide not to make advertising inventory available to the Group for any of these reasons, or decide to increase the price of inventory, then the Group's revenue could decline and the Group's cost of acquiring inventory could increase. If for any other reason there is a shift in the buying power among the app publishers, other intermediaries and the advertisers respectively, this may negatively impact the Group's margins or even significantly impact the Group's ability to generate revenue and increase its costs of sale.

The Company assess the risk to be low.

Sales efforts with advertisers and publishers may prove unsuccessful in the media segment

Attracting new advertiser and publisher clients requires substantial time and expense, and the Group may not be successful in establishing new relationships or in maintaining or advancing its current relationships as the Group operates in a fragmented landscape and it relies on intermediaries. For example, it may be difficult to identify, engage with and market to potential advertiser clients, directly or through intermediaries, who do not currently spend on mobile advertising or are unfamiliar with the Group's current services or platform.

The novelty of the Group's services and its business model often require the Group to spend substantial time and effort educating potential advertiser and publisher clients about the Group's offerings, including providing demonstrations and comparisons against other available services. This process can be costly and time-consuming. If the Group is not successful with advertisers and publishers, its ability to maintain and grow its effective sales, revenue and profits may be adversely affected.

The Company assess the risk to be low.

Reliance on large advertisers and publishers in the media segment

Certain large advertisers and publishers have accounted for and will continue to account for a large share of the Group's business. Whilst no advertiser or publisher had accounted for more than 10% of revenue and the top 10 advertisers or publishers were less than 50% in the last financial year, respectively, the retention of large advertisers and publishers is important to the Group's operating results as well as the robustness of its exchange. The number of large media advertisers in the market is finite, and it could be difficult for the Group to replace revenue loss from any advertisers or publishers whose relationships with the Group diminish or terminate. Just as growth in the Group's inventory strengthens advertisers' activity as a result of network effects, loss of inventory or advertisers could have the opposite effect. Loss of revenue from significant advertisers or failure to collect accounts receivable, whether as a result of advertiser payment default, contract termination, or other factors, or significant reductions in inventory, could have a significant negative impact on the Group's reputation, its results of operation and overall financial condition.

The Company assess the risk to be low.

Platform services

The Group partly already offers and further plans to roll out platform services, which are offered to game developers and game publishers as well as other companies and include media services such as lead generation and online-marketing. Should these "platform services" show defects or be of bad quality, game developers and game publishers or other customers using these services may be lost as customers of this platform, resulting in revenue losses.

The Group enters into standardized agreements with game developers, game publishers and other companies for using the "platform services". Under these agreements service terms are being agreed. Successfully asserted claims arising from breaches of the contractual relationship for the services of "platform services" could oblige the Group to pay substantial damages. Even the assertion by customers or third parties that the Group provides its platform services incorrectly could lead to economic damage. In addition, the reputation of the Group would suffer considerable damage if "platform services" were disrupted.

The Company assess the risk to be low.

RISK RELATED TO POLITICAL, SOCIAL AND LEGAL ASPECTS

Disputes and litigation

The Group is on a regular basis – mostly as a result of its continued M&A activities – involved in various legal disputes, proceedings and arbitration proceedings, in particular with partners, employees and former shareholders of acquired companies. The following are lawsuits that the Group deems substantial, all resulting from one M&A transactions with the same former ultimate beneficial owner:

- **Seller of looki publishing GmbH ("Looki") v. Samarion SE, Arbitration Proceeding.** In these arbitration proceedings, the seller of Looki (acquired by gamigo in 2015) challenged the duly agreed upon payment of a part of a call option executed by Samarion SE regarding gamigo AG shares. While a claim versus the seller exists, the seller claims that the payment could only be made in cash and not via offsetting receivables versus the seller. Therefore, the seller is disputing full payment and in line with that the valid share transfer to Samarion. The value in dispute amounts to approximately EUR 1.0 million, which reflects also the maximal financial burden for this case (next to legal costs), for which a provision exists.
- **gamigo AG v. former gamigo AG Executive Board Member, District Court of Hamburg.** In these proceedings, gamigo AG is pursuing claims against a former member of the executive board of gamigo AG. The claims relate to wilful deception (arglistige Täuschung) in connection with the purchase of the subsidiary high digit GmbH as well as wrong spending of marketing funds for the former executive board member's own benefit. No financial burden or depreciation is expected from this case except for legal costs, for which a provision exists.
- **gamigo Publishing GmbH and gamigo AG v. Seller of Looki, District Court Münster.** In these proceedings, the plaintiffs have requested the declaration by the court that the defendant is not entitled to a remuneration for services as claimed by the seller. The preliminary amount in dispute is a cumulative amount of EUR 1.1 million. A conservative provision for payables as well as legal costs has been made.

The possible negative outcomes of current and future disputes could have a negative effect on the Group's business, earnings or financial position. Defending claims or lawsuits can be expensive and time consuming, divert management resources, damage the Group's reputation and also cause regulatory inquiries. Further, the Group might also be involved in other disputes or subject to other litigation in the future. Any of these developments can have a material adverse effect on the Group's business, results of operations or financial condition.

The Company assess the risk to be medium.

Political risks and risks from various jurisdictions and legal systems

The Group currently has subsidiaries in the USA, Poland and Turkey and sells its games and services worldwide. Furthermore, a large proportion of the online, console and mobile games distributed by the Group are being developed in China, Korea, Russia, Taiwan and various other countries. As consequence hereof, risks arising at the branch, sales and production locations could also have a negative impact on the Group's operational development. The political, social, economic and/or legal framework conditions at the production sites and distribution countries could change to the detriment of the Group. For example, trade restrictions, limited protection of intellectual property, currency control regulations or changes in customs regulations or increases in customs duties may have a negative impact on the Group's business activities. These location and country risks may also result in foreign subsidiaries or production and sales sites being temporarily unable to perform their services or only be able to perform such services to a limited extent. Furthermore, the integration of foreign accounting systems can also involve considerable time and cost.

Similarly, adverse changes with regard to the other conditions important for procurement, distribution and production, such as economic stability, exchange rates, infrastructure and the availability and in particular the costs of skilled workers in these countries, could worsen.

In this way, social and political developments in the production countries lead to an increase in production costs due to an increase in non-wage labour costs. Furthermore, a shift in the economic environment in these countries towards high quality technologies can lead to workers moving to other industries. This can lead to a shortage of skilled workers and thus to a supply bottleneck and/or cost increases. Moreover, there is a risk that labour disputes would arise in the future at foreign production sites that could lead to delivery delays, delivery failures and/or cost increases.

The occurrence of one or more of these risks would have negative effects on the net assets, financial position and results of operations of the Group.

The Company assess the risk to be low.

Addictive behaviour relating to in-game purchases could trigger negative press or legislative actions

European regulators have been questioning whether video games featuring so-called "loot boxes" should be considered as gambling. Loot boxes are packages containing digital items for use "in-game" that can be earned by playing or by purchasing the loot boxes. The items inside each virtual box are randomized and the probability of encountering the items is set solely by the developer. Rare items are usually of particular interest for the purchaser, which, due to the rarity of the item, have a low probability to be included in a loot box. In some cases, the items inside a loot box can enhance the player's gameplay, creating an added incentive to spend real money to acquire a digital item faster. No loot box like functionalities are used in the B2B and casual segment. Only some MMO games are using this functionality to a limited extent. During the financial year 2019, income relatable to loot boxes and in-game purchases amounted to approximately 5% of the Groups revenue.

There is a risk that the use of loot boxes or similar in-game earning or purchase methods creates or supports an addictive behaviour with the players, entailing negative press for the Company or its industry. Furthermore, if such behaviour increase, it could lead to legislative actions or interventions by the regulator in order to prevent addictive behaviour relating to in-game purchases. In addition, there is a risk that the use of in-game earning or purchase methods may violate existing gambling laws in the jurisdiction the Company operates. For example, Belgium and the Netherlands have already declared that loot boxes violate their national gambling laws and have banned the practice. There is a risk that similar regulations in other countries may come into force, which could have adverse effects on gamigo's revenues, financial position and results.

The Company assess the risk to be medium.

Risk relating to the handling of personal data

In the respective markets, the Group is confronted with a multitude of frequently changing and constantly increasing legal conditions affecting the business activities of the Group. Numerous of such legal provisions concern the collection, processing and responsibility for the content and protection of data, in particular personal data. In view of the need for special protection of personal rights on the Internet, legal risks will arise, particularly in connection with the extensive possibilities of collecting and storing personal data and linking and evaluating it with other usage data to form comprehensive customer and user profiles. For the Group's operations on the European market, the handling of personal data is governed by the General Data Protection Regulation (the "**GDPR**"). The GDPR entered into force during 2018 and entailed strict sanctions for breach of the regulation, where fines may amount to the higher of EUR 20 million and four percent of the global turnover of the Group. For the Groups operations within the United States, the California Consumer Privacy Act ("**CCPA**") applies.

Since gamigo is active in several different jurisdictions globally, the Company must also adapt its operations and keep itself informed of potentially different interpretations of the GDPR by (or other applicable personal data legislation outside the EU) by the relevant competent data protection authority. As of 30 June 2020, the Company handled personal data of approximately 170 million customers. Since the Company handles a large amount of personal data, wrongful handling of personal data in violation of applicable data protection laws and regulations in the jurisdiction in which the Company operates could led to severe fines and in turn have a material adverse impact on the Company's operation and financial position and adversely affect the Group's reputation.

The Company assess the risk to be medium.

Risks relating to the public perception of, in particular, violent games

The Group operates in a market that is highly dependent on public perception. Violent crimes are regularly associated with the consumption of violent online, console and mobile games by the perpetrators of violent crimes by the press and in the context of social discussion. The more violent crimes associated with the use of online, console and mobile games, the greater the risk that the image of the games industry will change adversely. This can also be the result of public discourse on gambling addiction problems, for example with regard to sleep losses or the ingestion of performance-enhancing substances, in connection with online, console and mobile games. A negatively developing image of the games industry would mean that fewer and fewer customers are prepared to use the online, console and mobile games offered by the Group and to purchase virtual goods in the process. Therefore, a negatively developing image of the gaming industry would have a negative effect on the Group's business activities, its reputation and net assets and might even lead to laws preventing from certain game types or services which would have a negative effect on the Group's business activities.

The Company assess the risk to be low.

Infringement of intellectual property rights of third parties

There is a risk that the Group will infringe the property rights of third parties, that third parties may assert claims against the Group based on the infringement of property rights or that a Group company could be sued in connection with legal disputes. This may result in the Group's products and/or services being unable or delayed to be commercialized. Even the assertion by third parties that the Group infringes the industrial property rights of third parties could lead to economic damage due to the decisive role that industrial property rights play in the industry in which the Group operates. IP proceedings can involve complex factual and legal issues and often have an uncertain outcome. Such legal disputes will also involve time, personnel and cost expenditure and may dissuade the Company from its actual business activities. Third parties could assert claims arising from the infringement of their patents or other intellectual property rights due to actions by the Company or its employees and file lawsuits against the companies of the Group. The occurrence of one or more of these risks would have a negative impact on the net assets, financial position and results of operations of the Group.

The Group is the owner of certain trademarks and domains. There is a risk that a legal dispute may arise with competitors over the legality and use of the trademarks or that other third parties may take action against the Group's use of the trademarks, also as part of the domains, or may attempt to register a corresponding trademark themselves. If such an approach were successful, there is a risk that the Group would be prevented from continuing to use such trademark or other important brands for its business activities. Among other things, this could result in high costs for the Group in establishing an alternative brand in the market, which would have an adverse effect on the Issuer's net assets, financial position and results of operations.

The Company assess the risk to be low.

RISKS RELATED TO FINANCIAL ASPECTS

Risk of impairment losses recognized in income due to impairment tests

The Group has on its balance sheet various assets, intangible assets and goodwill, which for the 2019 financial year amounted to EUR 257 million. These assets, intangible assets and goodwill are generally subject to an impairment risk which must be tested as part of mandatory impairment tests. As of the date of the Company Description, the value in use of the assets and goodwill concerned exceeds the carrying amounts. Should the value in use of the assets or goodwill fall below the book values, the amount of the book values would have to be adjusted accordingly in the balance sheet in accordance with the applicable accounting standard. Future assets and goodwill, e.g. due to acquisitions of companies or parts of companies, would also have to be corrected with an effect on expenses. Impairment of assets and goodwill due to adjustments to the value in use of the assets would have a negative impact on the Group's financial position.

The Company assess the risk to be low.

Financing, liquidity and credit risks

The Group finances its business activities using both debt and equity capital. Debt capital funding is always associated with the risk that it may not be possible to borrow the volume required at economically acceptable conditions or that attempts at refinancing using debt capital may fail totally or partially. Internal factors (such as the credit rating assigned by the market on the basis of the group's earnings and financial situation or management's skill in dealing with existing and potential sources of debt funding) and external factors (such as the general interest rate levels on the market, the lending policies of banks and other sources of debt capital, or changes in the legal environment) both play a role. In addition, there is a risk that the refinancing interest level could move in an unfavourable direction and that the cost of financing could increase due to a rise in the interest rate. The Group is also subject to the general risk that extensions of existing liabilities, refinancing or acquisition financing may not be available to the desired extent or can only be obtained on economically unattractive terms, and that loan due dates may be brought forward, making it necessary to cash in securities under certain circumstances.

The future unavailability of equity or debt on the scale required could weaken or render impossible the financing and growth of the gamigo group.

The Company assess the risk to be low.

Acquisitions

The Group has historically grown both organically and through acquisitions and has made over 30 acquisitions since 2013, including games, media and technology companies as well as individual game assets. The media companies AppLift, PubNative, Platform 161, ReachHero, Verve, adspree and Mediakraft are part of the platform strategy and also provide B2B services to third parties.

Recent gaming acquisitions include, among others, acquired assets from Trion Worlds Inc. in October 2018 and the US based publisher WildTangent Inc. in April 2019 at an acquisition price of USD 9.25 million and USD 5 million, respectively. According to its current business plan as of the date of the Company Description, the Group is evaluating further targeted acquisitions of companies or parts of companies for purposes of expanding its offerings and business activities.

The acquisition of companies and shareholdings as well as the purchase of company assets involves certain risks. There is a risk that the risks associated with an acquisition or asset purchase will arise or materialize at a later date that were not identified or misjudged during the previous audit or that are not covered by guarantees given. In such a case, the corresponding warranty period may already have expired or recourse to the seller or may not be possible for other reasons.

The Company assess the risk to be medium.

Tax related risks

The Group conducts its business in accordance with its own interpretation of applicable tax regulations and applicable requirements and decisions. The Group is as of the date of the Company Description undergoing an audit by the tax authorities relating to Applift, PubNative GmbH, gamigo AG, gamigo Publishing GmbH and Aeria Interactive GmbH with a potential exposure in the amount of kEUR 1,000. There is a risk that the Group's or its advisers' interpretation and the Group's application of laws, provisions, judicial practice has not been, or will in the future not be, correct or that such laws, provisions and practice will be changed, potentially with retroactive effect. If such an event should occur, the Group's tax liabilities can increase, which would have a negative effect on the Group's results and financial position. Revisions to tax regulations could for example comprise denied interest deductions, additional taxes on the direct or indirect sale of property and/or tax losses carried forward being forfeited. There is also the risk of tax increases and the introduction of additional taxes which would affect the Group's results and financial position in the future. In the event of a change in the tax legislations or the interpretation of existing tax laws, the business activities of the Group may be adversely affected.

The Company assess the risk to be low.

RISKS RELATED TO THE COMPANY'S SHARES

Share Price Fluctuations

The trading volume and share price of the Company's shares may fluctuate significantly in the future. The Company's share price will be affected primarily by the supply and demand for its shares and could fluctuate significantly in response to numerous factors, many of which are beyond the Company's control. These factors include, among others, fluctuations in actual or projected results of operations, changes in projected earnings or failure to meet securities analysts' earnings expectations, the absence of analyst coverage on the Company's shares, changes in trading volumes in the Company's shares, changes in macroeconomic conditions, including fluctuations in foreign currencies, the activities of competitors and suppliers, changes in the market valuations of similar companies, changes in investor and analyst perception of the Company or its industry, changes in the statutory framework in which the Company operates and other factors. If the Company's share price or the trading volume in its shares declines as a result of the realization of any or all of these events, investors could lose part or all of their investment in the Company's shares.

Substantial Shares Sales

Sales of a substantial number of the Company's shares in the public market following the listing of the Company's shares, or the perception that such sales might occur, could depress the market price of the Company's shares and could impair the Company's ability to raise capital through the sale of additional equity securities. If this happens, or if one or more of the Company's shareholders effect a sale or sales of a substantial number of the Company's shares, or if the market believes that such sales might take place, this could have a material adverse effect on the share price of the Company's shares.

Future Securities Offerings

The Company may require further capital in the future to finance its business operations and planned growth or to fulfil regulatory requirements. Therefore, the Company may seek to raise capital through offerings of additional debt securities or equity securities. An issuance of additional equity securities or securities with a right to convert into equity, such as convertible bonds or warrant bonds, could adversely affect the market price of the Company's shares and would dilute the economic and voting interests of existing shareholders if made without granting subscription rights to existing shareholders. Even if existing shareholders were granted subscription rights, investors in certain jurisdictions (particularly in the U.S.) may not be able to acquire or exercise any subscription rights due to local laws.

Because the timing and nature of any future offering would depend on market conditions, it is not possible to predict or estimate the amount, timing or nature of future offerings. In addition, the acquisition of other companies or investments in companies in exchange for newly issued shares of the Company, as well as the exercise of stock options by the Company's employees in the context of future stock option programs or the issuance of shares to employees in the context of such programs, could lead to a dilution of the economic and voting interests of existing shareholders. Furthermore, a proposal to the general shareholders' meeting to take any of the above mentioned measures, with dilutive effects on the existing shareholdings, or any other announcement thereof, could adversely affect the market price of the Company's shares.

Dividends

The Company's decisions relating to the payment of future dividends will be based on the particular situation of the Company at the time. The Company's ability to pay dividends depends upon, among other things, its results of operations, financing and investment requirements, as well as the availability of distributable profits. Certain reserves must be established by law and must be deducted when calculating the availability of distributable profits. In addition, the Company's future debt financing arrangements may contain covenants which impose restrictions on the Company's business and future debt financing arrangements may also contain covenants which limit the Company's ability to pay dividends under certain circumstances. Any of these factors, individually or in combination, could restrict the Company's ability to pay dividends. Given that the Company's shares are, and any dividends to be paid in respect of them will be, denominated in Euro, an investment in the Company's shares by an investor whose principal currency is not the Euro in addition exposes the investor to foreign currency exchange rate risk.

BACKGROUND AND REASONS

Media and Games Invest plc is a Malta registered company with operational presence in EMEA and North America. The Company is active in the media and gaming sectors and follows a ”Buy, Integrate, Build and Improve” strategy through organic growth and acquisitions. Technology is actively used to create efficiency improvements and competitive advantages within the Company. Synergy and integration potentials are important criteria for the expansion of the Company. The most important investments include gamigo, a fast-growing gaming and media company, ReachHero GmbH, a leading influencer software-as-a-service (”**SaaS**”) platform, Applift, a leading media company specializing in mobile advertising, Pubnative, a supply side platform (”**SSP**”) for mobile advertising, Platform 161 a supply side platform and Verve, a location-based mobile marketing platform. The Company's shares are currently listed on several stock exchanges including the Scale segment of the Frankfurt Stock Exchange (since 2011). Furthermore, the Company has a listed bond on the Frankfurt Stock Exchange and the Company's subsidiary gamigo AG also has a bond listed on Nasdaq Stockholm (since 2018).

Financially, MGI has developed well in recent years. Net revenue growth in the first six months of 2020 was 98 % compared with the same period in 2019 and compounded annual sales growth (CAGR) of 44 % between 2014 and Q2 LTM 2020. During the same period the adjusted EBITDA has grown from EUR 1.5 million to EUR 22.4 million and the adjusted EBIT from EUR 2.0 million to EUR 9.6 million.

The Board of Directors believes MGI has established a strong platform for capitalizing on its scalable business model by accelerating its growth strategy and sees the dual listing on Nasdaq First North Premier Growth Market, as the logical next step to further support its strategy and development of its business. The Board of Directors believes that the listing of MGI's shares on Nasdaq First North Premier Growth Market, among other things, will:

- enhance the ability for MGI to use its shares to finance future acquisitions,
- increase the awareness of MGI with investors in the Nordic markets to benefit the liquidity in the Company's shares and diversify and strengthen the shareholder base of the Company; and
- strengthen MGI's recognition and brand with customers and the sector in general.

In addition, to fulfil the distribution requirement on Nasdaq First North Premier Growth Market as well as improve MGI's financial position, the Company announced on 29 September 2020 that it had successfully completed a book build for the equity issue announced on that same day (the ”**Private Placement**”). The Private Placement will result in the issuance of 25,000,000 new shares equivalent to gross proceeds of approximately SEK 300 million, before transaction costs.

The net proceeds from the Private Placement will primarily be used for:

- to finance further new acquisitions of franchises, game publishers and development studios or other assets which complement the operations; and
- to enable a further increase of investments in the organic development of the Company.

We declare that, to the best of our knowledge, the information provided in the Company Description is accurate and that, to the best of our knowledge, the Company Description is not subject to any omissions that may serve to distort the picture the Company Description is to provide, and that all relevant information in the minutes of Board meetings, auditors' records and other internal documents is included in the Company Description.

Malta 30 September 2020

The Board of directors of Media and Games Invest plc.

MESSAGE FROM THE CEO

The global Corona crisis dominated the first half year of 2020. However, unlike many others, we are fortunate to be active in the gaming industry, a sector that has proven to be relatively resistant to economic crises and now again during Corona. As a result, we were able to substantially increase our gaming revenues organically in the past quarter. The player activity increased heavily in the first half of 2020, not only based on the 'stay-at-home' policies but also on the successful releases of various updates and events in our games. In addition to the strong performance of our games segment, our media segment also continued to show its synergies towards the gaming segment. The media segment overall remained relatively stable due to its orientation on gaming and e-commerce, compensating for losses within more traditional travel and media advertisers. Overall, we were able to grow our revenues substantially. Revenues in the first half of 2020 grew from EUR 28.6 million last year to EUR 56.6 million and EBITDA growing from EUR 7.5 million last year to EUR 11.6 million.

To generate additional revenues of our owned game licenses, MGI is also pursuing out licensing. In the second quarter we were able to enter into a partnership for Trove, one of MGI's Top 10 games, with a Korean games publisher who will localize the game for the Asian region and publish it in this region. Another highlight was the 20th anniversary of our gaming subsidiary gamigo in the second quarter of 2020. In addition to the established Massively Multiplayer Online Games (MMO's) Fiesta Online, and Last Chaos, which are now 13 and 15 years old and still continue to generate considerable revenues, we have also successfully launched triple A games - such as "ArcheAge: Unchained" in 2019. To celebrate the 20th anniversary, there were numerous gifts and events for loyal players within the broad gamigo games portfolio.

Also, to underpin our focus on sustainability, a cooperation with "Eden Reforestation Projects" was started, to help reforest forests together with the players - a great success with over 100,000 trees planted. An important part of MGI's success in gaming is the active use of state-of-the-art technologies. In the past, we have continuously invested in the further development of technology. By developing and constantly improving our own technologies in the area of platform as well as cloud applications, we have been able to reduce gamigo's technology costs from over 40% to below 10% of revenues over the past six years, while at the same time significantly increasing the variabilization of costs as well as the quality of service. At the same time, it enables us to integrate newly acquired gaming companies quickly and efficiently on the technology side and thus making them more profitable much faster.

Another major event in the first half year was the acquisition of the Verve Assets in January 2020. On the media side we are now, via integrating all media companies, working on establishing a core integrated media unit. This is similar to what we did on the games side, where all gaming companies were integrated into gamigo and where each later acquisition can be fast end efficiently be integrated into the previously established core unit. With now over 10 acquisitions of media companies, including that of Platform 161, at the beginning of the third quarter, we have acquired a very synergetic group of media companies that after further integration will further increase its profitability. With our stand-alone profitable media segment, we now have extensive, worldwide and cost-effective access to traffic with a clear focus on mobile traffic. This now enables us to generate efficient and high-quality traffic for our own games in-house. Here we see further potential to use this mobile media power for our gaming segment and to expand MGI's portfolio with various mobile IPs in the future. At the same time, we have the possibility to convert existing games to mobile devices and release them for new markets. We expect that the media group will create a clear competitive advantage regarding user acquisition for our games, while, based on know-how, data and critical mass also generating substantial revenues and returns from external customers.

All in all, I am proud of what we have achieved in the first half of the year, especially in view of the circumstances that have meant and still mean a major change for all of us. Working from home has worked well for the team, while e.g. M&A processes has been delayed due to travel restrictions. On the finance side we did an uplisting into the Scale segment on the Frankfurt stock exchange committing to higher transparency standards including quarterly reports. As a step towards increased emphasis on investor relations, including a stronger focus on Scandinavian and Anglo-Saxon investors, particularly with a video gaming sector focus, we are now conducting a dual listing in Sweden. For the second half as well as for the upcoming next years, we expect to further continue our fast and profitable growth via a combination of organic and M&A based growth. I am looking forward to the second half of 2020 and wish all our employees, partners, investors and all their families good health and all the best.

Remco Westermann

Chairman of the Board of Directors and CEO of Media and Games Invest Group

MARKET OVERVIEW

The following market overview describes the Company's market in terms of size, development and prospects for future growth. The information in the section below originates from the Company, unless expressly stated otherwise.

This Company Description contains forward-looking statements which reflect the Board of Director's current view of future events and the Company's operational and financial performance. Although the Board of Directors believes that the expectations reflected in such forward-looking statements are reasonable, there can be no guarantees that these expectations will prove to be correct. Forward-looking statements only express the Board of Directors' assessment and assumptions at the time of the publication of the Company Description. The Board of Directors makes no commitment to publish updates or revisions of forward-looking statements as a result of new information, future events or similar circumstances other than as required under applicable securities laws or regulations or applicable stock exchange rules. Prospective investors are encouraged to study the overall information contained in this Company Description and take in consideration that the Company's future results, performance or success may differ materially from the Board of Directors' expectations. The Section "Risk factors" contains a description, which should not be regarded as exhaustive, of factors that may cause actual results or presentations to differ materially from forward-looking statements.

This Company Description contains historical market data and industry forecasts relating to the market in which the Company operates. The Company has obtained this information from several sources, including industry publications and market surveys from third parties as well as publicly available information. Although the industry publications state that they are based on information obtained from several different sources and using various methods that may be deemed reliable, there can be no guarantee that the information is correct and complete. Industry forecasts are by their nature subject to considerable uncertainty, and there can be no guarantee that such forecasts will prove to be correct. Information from third parties has been correctly reproduced and, as far as the Board of Directors is aware and is able to warrant through comparisons with other information published by the third part concerned, no information has been omitted in a way that would make the reproduced information incorrect or misleading.

INTRODUCTION

MGI operates within the two markets, game publishing (business segment Gaming) and digital advertising (business segment Media). The Gaming segment focuses on the publishing, support and operation of online and mobile games and is operated by gamigo Group. It currently has a portfolio consisting of over 25 massively multiplayer online games and more than 5,000 casual games. The Media division at MGI offers services covering the entire value chain of digital advertising with a focus of customer acquisition optimization in the gaming industry. The two markets are described in this market overview, starting with the global video games market.

THE GLOBAL VIDEO GAMES MARKET

On the gaming side, MGI's most relevant markets are the markets for PC client games, console games, browser games and mobile games, of which MMOs is a focus sub-market for MGI. MGI has a broad portfolio of online games, especially role-playing, shooter and strategy games. The Company is also characterized by their portfolio of casual games, which is marketed worldwide, with an emphasis on Europe and North America. In the video games market, MGI concentrates mainly on free-to-play titles, where the players can play free of charge but spend money in order to progress more quickly or to acquire exclusive or special virtual items.

The video games market is characterized by a large diversity of products. The most common genres include action games, simulations and arcade games, followed by puzzles, adventures, casual games and strategy games. 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 have a long lifetime and generate profit. In MGI's experience, games with a proven reputation can stay relevant in the market for 10 years or more. This is shown not only by MGI's titles, such as Fiesta Online (2006) or Grand Fantasia (2009), but also by competing products such as Eve Online (2003) or World of Warcraft (2004). Globally, video game companies generate revenue and profit via various business models, including the sale of games or game apps, the sale of in-game items, the sale of game subscriptions and the placement of advertisements in the games. The bulk of revenue within the video games market is generated by selling in-game items. The game portfolio of MGI consists mainly of games based on this business model, known as the "free-to-play" model.

With more than 2.5 billion gamers worldwide, the video games market has stepped into the spotlight as an important digital entertainment industry.[1] Emerging as a subculture back in the 80's and 90's, the global video games market has grown to be one of the largest digital entertainment industries with a CAGR of 13.4% between 2015 and 2019, and estimated sales of USD 159.3 billion in 2020.[2] By 2023, the market is expected to have grown to USD 200.8 billion. Some games have become significant in size, attracting millions of users, hosting world championship events and creating a strong community among their users. The leading MMOGs Fortnite and League of Legends generated revenues of USD 1.8 billion and USD 1.5 billion respectively in 2019.[3] In 2019, League of Legends held their World Championship in front of over 100 million viewers, to be compared with Super Bowls which had approximately 99.9 million viewers in 2019.[4]

The global gaming activity is, and has historically been, dominated by individuals in the age group between 6-24 years old.[5] In recent years, the age group between 25-34 years has grown significantly and represents the strongest growing age group with an 8% Year-on-Year ("**YoY**") growth in 2018, making it the strongest growing cohort of users. Overall, the share of gamers is well-diversified between gender and age group.

Market by geographic regions

Asia is by far the largest continent in terms of games revenue. Asia's market share is estimated to make up approximately 47% of the world's total games revenue in 2019, as compared to 23% and 26% for EMEA and North America respectively. Latin America is estimated to represent the remaining 4% of global revenue. MGI's operations are mainly conducted in the European and North American markets, accounting for over 90% of MGI's gaming revenue in 2019.

EMEA

The YoY growth in EMEA is estimated to 11.5% in 2019, making

1) Newzoo: Global Games Market Report 2019, 2020.
2) Newzoo: Global Games Market Report 2019, 2020.
3) Online Esports: LOL Revenue Reaches $1.5 Billion in 2019.
4) Business Insider: More than 100 million people watched the 'League of Legends' World Championship, cementing its place as the most popular esport; Los Angeles Times: Super Bowl scores 99.9 million TV viewers with Chiefs comeback.
5) Newzoo: Global Games Market Report 2019.

the region's video games market worth USD 34.7 billion. The EMEA market is mainly driven by the development at the European market, which most of EMEA revenue stems from. Of the USD 34.7 billion revenue in EMEA, roughly 29.9 billion is derived from Europe, which has approximately 370 million active players. The western part of Europe is significantly larger in terms of sales than the eastern part and account for approximately 86% of the European sales. MGI's focus markets in Europe are Germany, The UK and France, which are the top three largest markets in all of EMEA, with estimated market value in 2019 of USD 4-6 billion in each market respectively.[6]

North America

The North American video games market is relatively mature and is expected to grow moderately in terms of users and average user spending until 2023. Revenue generated directly from games sales is estimated to USD 19.9 billion in 2019 and will grow to 21.5 billion by 2023, corresponding to a CAGR of 2%. Although the direct spending growth is moderate, revenue and market value from sources such as games competitions, events, streaming and other non-direct game sales is expected to continue growing aggressively.[7]

In 2019, USA is expected to surpass China as the world's largest total video games market by country with estimated revenue of USD 36.9 billion, as compared to USD 36.5 billion for China. Combined, the two markets will stand for as much as 48% of the entire video games market.[8]

Asia-Pacific

The Asian-Pacific market is the largest video games market in the world, with more than 1.3 billion gamers and an expected market value of USD 72.2 billion in 2019. Notably for the Asian-Pacific region is that mobile games hold a relatively large share of the market and is expected to grow further. Moreover, it is the Company's view that hard core MMO games have a stronghold in the Asian-Pacific area with many devoted fans and players.

While Europe and North America will remain the strategic core markets in the gaming segment, MGI plans to further expand activities and increase revenues of the gaming segment in the Asian region. In addition to the regulatory and partly political framework conditions, the high localization effort required to adapt the games to the players in the Asian region also creates relatively high barriers to entry into these markets. In order to circumvent these barriers and to enter the Asian markets at the lowest possible risk MGI enters into partnerships with Asian game publishers, which localize MGI's own IPs for the Asian region and subsequently publish the game in the Asian region. In return, MGI receives a significant share of the revenues. At the same time, MGI's media segment, which is already strongly represented in the Asian region, has the opportunity to take over part of the game's marketing in cooperation with the respective local publishers. This way, further revenue streams can be generated in the Asian region, both for the gaming segment and the media segment, at a lower risk and costs compared to publishing the game in Asia itself.

Market by segment

The global video games market can be divided into the following segments: PC client games (i.e. downloadable PC games), console games, mobile games and browser games markets. Between 2012 and 2022, the total video games market is expected to have grown with a CAGR of 10.8%, with mobile games being a clear driver across most regions.

PC client games

According to the 2019 Newzoo Global Games Market report, the PC client games market was expected to amount to USD 32.2 billion in 2019.[9] This corresponds to a 6.6% YoY growth and indicates that a state of relatively stable growth has been reached in this market segment. The PC client market will continue to be highly important for most market participants, as it is the main segment for many of the large MMOs and hosts most of the engaged and lucrative hard core gamers.

Console games

The console games market is dominated by Sony's PlayStation, Nintendo's Switch (portable)and Microsoft's Xbox as core gaming platforms. The console market is estimated to be valued at USD 47.9 billion in 2019, making it the second largest segment after mobile games. The YoY growth in 2019 is estimated to 13.4%.[10]

The growth in the console segment is expected to continue showing strength, especially in 2020, as both Sony and Microsoft will release new version of their respective gaming platforms. With the new models for PlayStation and Xbox, alternative gaming methods, such as augmented reality and virtual reality are expected to grow larger and offer increased involvement to the player in the game, which is aimed to improve the gaming experience.

Browser games

The browser games segment has shown weakness is recent years and is the only video games segment in decline. In 2019, the market for browser games is expected to be worth USD 3.5 billion corresponding to a decline by 15.1% in comparison to 2018.[11] Most browser games are considered casual games, meaning that they are not as complex or require many hours of game time from the player to be successful in the game.

From a developer's standpoint, casual games, which most browser games are, requires a smaller budget and does not suffer from long time-to-market periods, which is beneficial in the ever-changing environment at the video games market. This also allows publishers and developers to build up a large portfolio of games, which diversifies their revenue streams and ensures that they do not solely rely on specific game titles.

The reason behind the recent decline among browser games is associated with the better access to downloadable games, which generally are more engaging and attractive from a player's point of view. Moreover, many MMOG's and other hard core games that usually are client games have seen large success by utilizing the free-to-play revenue model, which significantly lowers barrier of entry for players and makes them a more direct competitor to browser games.

Mobile games

The mobile games market includes games at all mobile devices, such as smartphones, tablets and similar. The smartphone market is significantly larger than other mobile platforms, accounting for

6) ISFE: Key Facts – 2018 trends and data, 2019.
7) Statista.
8) Newzoo: Global games market report, 2019.
9) Newzoo: Global games market report, 2019.
10) Newzoo: Global games market report, 2019.
11) Newzoo: Global games market report, 2019.

80% of global market value for mobile devices and 36% of the overall global video games market.[12]

The mobile games market has by far outgrown the other video games segments, coming from a market share of 14% of the overall video games market in 2012 and is expected to reach a market share of 49% by 2022.[13] The background to the strong growth in this market segment is threefold;

1. New games are constantly released while the quality of games has risen substantially, making players more engaged in the games.
2. Internet connectivity and access to smartphones and tablets have improved significantly. This is especially apparent in Asian countries, which has been an important driver.
3. Monetization of players has improved by utilizing innovative revenue models. A useful example to illustrate this shift is that most apps historically were fully accessed by customers through a single point purchase, which nowadays has transitioned towards subscriptions and in-game monetization through either ads or in-game purchases.

Despite strong growth in the mobile segment, the market faces a significant structural challenge. Game developers are forced to pay high distribution fees, typically 30% of the revenue, to gatekeepers such as Apple's App Store or Google Play. The market is also highly competitive with many new game launches every week. Moreover, the customer acquisition costs ("**CAC**") in relation to the customer lifetime value ("**LTV**") are relatively high, which makes profitability challenging for most developers and publishers in the mobile segment.

COVID-19 impact

Video game user engagement has skyrocketed during the COVID-19 pandemic as an effect of lockdowns imposed by governments to reduce the spread of the virus. According to a survey with 1,200 participants, people in the US increased the time spent playing video games by 45% during March (first month of lockdown).[14] The respective figures for its European counterparts France, UK and Germany were 38%, 29% and 20% respectively. The development of the numbers of players world-wide increased almost in line with the various phases of social distancing, meaning the less physical social contact, the more virtual social contact and gamers. The desire for at least digital proximity during COVID-19 was particularly pronounced. So-called multiplayer online games, in which several players play together from their own devices, were particularly demanded. The trend was equally pronounced in Europe and the USA. This is the result of a comprehensive data collection on the development of gaming behaviour in different phases of the COVID-19 crisis, which was conducted by MGI:

1. **New registrations increase against the usual seasonal trend:** In April 2020 - at a time when far-reaching lockdown measures were implemented worldwide - the number of new registrations of players was 43 percent higher than the average for January and February. The interest of new players in massively multiplayer online games (MMOs) was particularly pronounced, with the increase in new players in March reaching 35 percent and in April even 75 percent compared to January/February. Normally, a decline of 8-12 percent is also recorded in the spring due to good weather during the same period. The digital exchange at multi-player online games has for obvious reasons partly replaced direct contact between people during the hard lockdown. But, not only did the number of new registrations increase, but the number of players actually played strongly rose as well. The number of gamers active in the games in April 2020 was 31 percent above the average for the seasonally normally much stronger months of January/February.
2. **Players pay despite COVID-19:** The many millions of gamers, of whom MGI has collected data, have the choice in all games whether they want to play completely free of charge or spend money in the games for faster game progress or additional items. The average monthly in-game expenditure for MMOs is usually in the double-digit Euro range. In April 2020, MGI counted a turnover for the most attractive multiplayer games that was 56 percent above the average value for the months of January/February. For "casual games", which are usually only played by one player, an increase in sales was also noticeable, but at 20 percent, which was significantly lower than that for MMOs.

Competition

MGI's Gaming segment (gamigo) is mainly competing at the European and North American markets for PC client, browser and console games, although, they are also present at other geographical markets as well as the mobile games market. The competitive environment at gamigo's main markets is scattered and subject to consolidation.

Competition in the gaming sector is high due to the relatively fragmented market, which has grown strongly in the past. This is currently particularly evident in the mobile sector. For example, 2.7 million games were published on Apple's App Store and Google Play in 2018 and one third of global downloads were games.[15] The return on investment is high if you develop a successful game, but the success rate is low.

There are few very large and many smaller market participants. The major developers have large portfolios with strong games and clear economies of scale in the development and marketing of games. The smaller studios typically only have a few games on which their survival depends. gamigo is now one of the bigger publishers in the European and North American markets with a well-diversified portfolio of games, with a lower risk profile compared to peers that rely on the success of certain game titles.

There are only a few billion-dollar companies operating as publishers of online games in the European and American markets. These include, but are not limited to, Electronic Arts, Ubisoft, Activision Blizzard, Nexon, NetEase, Nintendo, Netmarble, Bandai Namco, Mail.Ru Games and Tencent. These companies mainly publish AAA games with very high development budgets of partly far beyond EUR 50 million. Even if gamigo does not compete directly with these companies from a budget point of view, some gamigo game titles compete with some of these AAA games for the users' playing time and spending budget.

gamigo's direct competitors in the online games publishing sector include companies that are slightly smaller than the largest AAA games developers and publishers but, like gamigo, has a significant market share. In this environment, companies such as Bigpoint, Gameforge, Travian, Stillfront, Embracer, Wooga, Daybreak Game Studios, Innogames, IDC Games and Wargaming are among the larger companies in terms of sales.

12) Newzoo: Global games market report, 2019.
13) Newzoo: Global games market report, 2013 & 2019.
14) Statista, Increase in time spent playing video games during the coronavirus (COVID-19) pandemic worldwide as of March 2020, by country.
15) App Annie, "State of Mobile: 2019 and beyond".

Competition in the PC and console games market

The effort to develop new games for the PC and the console has risen strongly in recent years. In addition to high development costs, there are also high marketing budgets to attract the attention of users. As a result, the barriers to entry into this segment have grown considerably in the past and the competition is mainly associated with existing publishers.

Since gamigo does not develop new games, the Company is dependent on acquiring game licenses and IPs from developer studios like XL Games, Wiple Games and X Legend, which are in need of a publisher that has the necessary local experience and a strong user base to successfully publish their games. gamigo competes for these licenses and IPs with other publishers.

The multi-billion-dollar companies like EA, or Ubisoft develop their own games and do not appear as direct competitors of gamigo in this context. The other group of gamigo's competitors, including Big Point, Gameforge, Stillfront and Embracer, however, also partly rely on the acquisition of licenses in addition to their own game development. Due to gamigo's extensive experience, its network and the large number of users, gamigo is often one of the first companies to contact when it comes to granting or acquiring licenses and IP-rights.

In this regard gamigo has a leading position, as it has a lot of experience of further development and management of video games, as well as good connections among developers. In addition, gamigo now has a very large user base on its platforms, which makes it highly attractive for licensors to cooperate with gamigo. gamigo's media and platform assets are another benefit to attain licensing rights from IP rights owners.

In addition to the competition for licenses, gamigo also competes for players. For players, it is the game itself that matters and not the company behind the game. With regard to the individual game, users generally show a high level of loyalty, especially within MMOGs. Once users have been won, they generally remain loyal to the games for several years. Since players accumulate in-game value and are connected to other players within the games (so-called guilds or clans), the barrier to abandon the game in order to play another is relatively high.

Competition in the browser games market

Browser games have in the past developed from simple casual games to more complex mid to hardcore games. Accordingly, entry barriers have risen, but the market segment is in fierce competition with the mobile sector. Goodgame Studios, Bigpoint, Gameforge and Innogames are among the biggest competitors in the browser games market.

Competition in the mobile games market

In the mobile games market, casual games dominate and offers both low player participation and lower game depth. Midcore games with more sophisticated game mechanics and longer sessions have become more popular and successful within the last years, as the technology to support these games has evolved in the same way as the customers have. The market for mobile games has been booming for some years now and continues to be the strongest growth market in terms of sales, which means that the number of developers focusing on mobile games is constantly increasing and the number of games published is correspondingly high. It can be assumed that even more game developers will continue to join the market and a wider range of games will be launched as the industry develops. The barriers to market entry for mobile games are lower in terms of development costs than for medium and high-quality console and PC games. However, low entry barriers, direct distribution channels and increasing competition mean that tens of thousands of games a year are competing for players' attention. Marketing has become the most important differentiator and the biggest cost to support growth. Competition in the mobile gaming industry is intense and includes game giants such as Supercell, Nintendo and Tencent as well as specialized developers of mobile casual games such as King, Playrix and Niantic. However, since the barriers to market entry for development are low, competition can also come from individuals or small companies.

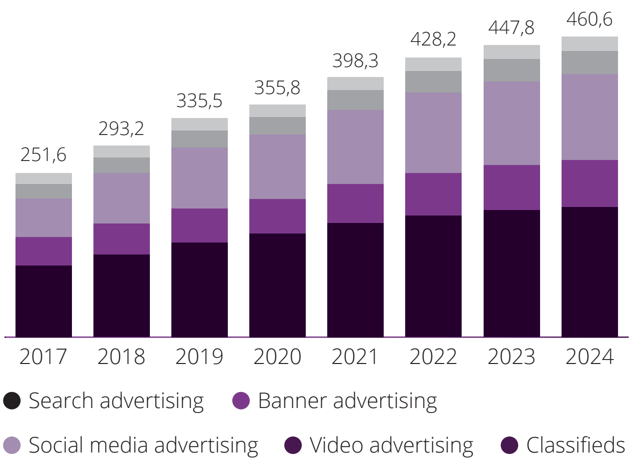
MGI has laid the foundation for the expansion of the mobile games business in the recent months. Through various acquisitions in the media segment MGI has worldwide and cost-effective access to mobile traffic. This enables MGI to use the extensive media reach for efficient user acquisition and grow mobile games revenues in a cost-efficient way. Furthermore, the large portfolio and user base of gamigo's existing online and console games enables MGI to convert existing games to mobile and release them to new markets. Despite a very competitive landscape in the mobile gaming business, current market observations are displaying great potential for acquiring mobile game licenses and mobile games studios.

Overall MGI is confident to establish an additional revenue stream by combining the strong media market position with its wide games portfolio and M&A opportunities to build an extensive mobile games portfolio that will contribute significantly to MGI's business result.

THE GLOBAL DIGITAL MEDIA MARKET

The global digital media and advertising market is expected to remain a strong growth market going forward towards 2024 and beyond. According to the Statista Digital Advertising report 2020, the total global volume is expected to grow from USD 336bn in 2019 to USD 461bn in 2024 which represents a CAGR of 6.5%.[16] Social media advertising is expected to post the most attractive growth with a CAGR of 7.3% from 2019 to 2024, followed by Banner advertising and Search advertising with a CAGR of 6.6% respectively. Video advertising and Classifieds are also expected to have a positive growth, however, with a growth rate slower than the market with 5.8% and 3.2% respectively. Advertising costs are following this trend accordingly, mobile ad spend is expected to grow with a CAGR of 14% from 2019 to 2023, while desktop is expected to slightly decrease (CAGR of -2.2%).[17] Hence, the gap between mobile and desktop ad spending is expected to continue to increase. The programmatic ad-tech landscape has a similar structure to the gaming market. It is technology driven and fragmented with many different apps being published and advertised every day via different channels and platforms.

Ad spending worldwide (USDbn)



Market by geographic region

The global digital ad spend has seen strong growth rates in previous years and this trend is expected continue further on. The majority of the total media ad spend worldwide is expected to be represented by digital advertising by 2020. This is already established in the United States, whose digital ad spend surpassed the traditional media spending in 2019. The digital ad spending is projected to amount to two-thirds of the total media spending by 2023.[18] With a projected market volume of USD 137bn in 2020, most ad spending is generated in the United States. This represents a market share of 38.4%. The United States are followed by China, the United Kingdom, Japan, and Germany with market shares of 22.0%, 6.3%, 4.4%, and 2.8% respectively.[19] The products and services in the media sector are offered worldwide to meet the needs of globally active brands. For this reason, MGI has sales offices in North America, Europe, South America, Asia and Australia. In Q2 2020, MGI generated 62% of its media revenues in North America, followed by Europe (26%), Asia (7%), South America (4%) and the rest of the world (1%).

Market by segment

The Company has divided their media operation into four different categories, namely Branded Marketing, Performance Marketing, Programmatic self-serve SaaS platforms, and Influencer Marketing.

Branded Marketing

Brand marketing promotes your products or services in a way that highlights the overall brand. The goal of brand marketing is to link the brand's identity, values, and personality with communications to its audience. Essentially, the brand is the bridge between the product and the customer. It is about building brand awareness, brand recognition, brand loyalty and brand sympathy. Payment is done on a pay per view or pay per click bases. Branded marketing is an important growth factor for brands. Therefore, in 2019, for example, the mobile (video) branded marketing revenue for the U.S. market alone was $12.6 billion, which shows only part of the total market.[20]

Performance Marketing

Today, performance marketing campaigns give you the ability to measure everything from brand reach to conversion rate down to a single ad. This new age of data-driven marketing has given advertisers valuable insight into their performance, which has helped them optimize their campaigns according to the best cost per acquisition. As advertising becomes more transparent, advertisers are looking beyond branding to build marketing strategies with proven ROI. Performance marketing was born from a need to decrease cost per acquisition and increase ROI. With performance marketing campaigns, advertisers pay when a specific action is completed, rather than for impressions or clicks., e.g. for App installs. App install ad spend is the amount of money invested in direct response advertising campaigns that are aimed at driving users to the app stores to download an app. It is a subset of overall mobile ad spend, which comprises mainly of and includes mainly search, brand and video display budgets aimed at driving non-organic app installs. In 2019 Global App Install Ad Spend amounted to USD 57.8bn. Until 2022 it is expected to grow to USD 118bn, a CAGR of 27%.[21]

Programmatic self-serve SaaS platforms

Self-serve SaaS platforms is the solution preferred by several large customers as well as large agencies, giving them access to programmatic platforms and the ability to run and optimize their or their customers media campaigns themselves. The self-serve SaaS platforms are also beneficial for smaller brands, making it easier for smaller brands to compete with companies with larger budgets. Programmatic advertise technologies for small and medium sized businesses open a whole new dimension that has previously been largely inaccessible for smaller companies.[22] By charging a subscription fee for usage and a variable fee based on traffic for a programmatic buying and or selling platform as well as data management platforms, cost-efficient buying and scale spending efficiencies emerge. A SaaS-based model makes

16) Statista Digital Advertising Report, 2020.
17) eMarketer: emarketer.com.
18) eMarketer.
19) Statista Digital Advertising Report, 2020.
20) https://www.thedrum.com/news/2019/01/24/global-mobile-ad-spend-set-tip-tv-2019-thanks-programmatic-boom-and-5g-boost.
21) Appsflyer - Global App Install Ad Spend To Double By 2022 to Hit $118 Billion.
22) Match2One, What is Programmatic Advertising? The Ultimate 2020 Guide.

sense for the advertiser, the programmatic partner (DSP) and the publisher. For the technology partners in the expanding programmatic ecosystem, a subscription model promises both growth and more predictable revenue. This has been proven out many times over as subscription businesses grew revenue almost 8 times faster than S&P 500 company revenues and about 5 times faster than U.S retail sales in a five year period. A SaaS model generates a predictable revenue stream and leads to less customer churn[23] which expands the ability to reinvest in the platform. While there are some barriers to entry with a SaaS-based model, such as billing and business structure, a subscription model will benefit everyone in the programmatic ecosystem, except those wanting to embrace an inefficient and costly percent of spend approach. It's time to adopt this rather new business model for the media sector and focus on creating a more cost-effective and transparent programmatic media supply chain. Global programmatic advertising had a market value of USD 106bn in 2019. Projections indicate that the global programmatic ad spend will reach USD 127bn in 2020 and further grow to USD 147bn in 2021. Programmatic advertising is expected to continue to gain small market shares in relation to non-programmatic advertising.[24]

Influencer Marketing

Influencer marketing is a form of social media marketing involving endorsements and product placement from influencers, people and organizations who have a purported expert level of knowledge or social influence in their field. Influencer content may be framed as testimonial advertising; influencers play the role of a potential buyer, or may be involved as third parties. These third parties can be seen in the supply chain (such as retailers or manufacturers) or as value-added influencers, such as journalists, academics, industry analysts, and professional advisers. Typical influencer marketing happens as product placements within existing formats and streams or also as special productions (e.g. branded channels).

Influencer marketing is a rapidly growing segment. It is expected to grow from USD 6.5bn in 2019 to USD 9.7bn in 2020, indicating an YoY growth rate of 49.2%. The market was estimated to be worth approximately USD 1.7bn in 2016, representing a CAGR of 54.6% between 2016 and 2019. As influencer marketing becomes a more mature vertical within the digital media market, the number of new platforms and agencies increase accordingly. Over 380 new platforms and agencies with a focus on influencer marketing have emerged during 2019, which totals to 1,120 active platforms and agencies with a focus on influencer marketing in 2019. The 1,120 active platforms and agencies are almost six times as many as there was in 2015 when 190 platforms and agencies were active.[25]

COVID-19 impact

As an effect of the lockdowns during the Spring and Summer of 2020, the online gaming activity and spend have grown as people use online gaming to cope with social distancing. As a result, the marketing expenditures of gaming companies have increased, resulting in increased expenditures for media. A similar effect was visible for e-commerce companies, while on the other hand there were also companies, e.g. travel companies, that significantly reduced or paused their media spend.

While the MGI media segment reported revenues in the second quarter 2020 remained almost stable with EUR 11.2 million, being a slight revenue decrease of 11% (Q1 2020: EUR 12.6 million) it performed very well in comparison to the overall media market which showed a decline of more than 30%*. Thereof MGI proofs that it is well positioned within crisis proof industries like gaming. While the revenues decreased the EBITDA increased by 26% to EUR 1.0 million (Q1 2020: EUR 0.8million) due to realized cost synergies within the Group companies. Furthermore, the media segment had a very strong start into Q3'20 and operates already at higher revenue levels than before COVID-19 and thereof is expected to also further increase revenues and margins in the coming periods organically. Through increased cooperation between the Group companies in combination with the expansion of MGI's sales capacities and international sales, the Company expects strong revenue growth in Q3 and beyond.

23) Churn refers to the number of customers leaving the platform.

24) Statista Digital Advertising Report, 2020.

25) Influencer Marketing 2020: Benchmark Report as of 2020.

BUSINESS DESCRIPTION

INTRODUCTION TO MGI

Media and Games Invest plc (MGI) is a Malta registered company with main operational presence in EMEA and North America. The Company is active in the sectors media and gaming sectors and follows a "Buy, Integrate, Build and Improve" strategy through organic growth and acquisitions. Technology is actively used to create efficiency improvements and competitive advantages within the Company. Synergy and integration potentials are important criteria for the expansion of the Company. The most important investments include gamigo, a fast-growing gaming and media company, ReachHero GmbH, a leading influencer SaaS platform, Applift, a leading media company specializing in mobile advertising, Pubnative, a SSP for mobile advertising, Platform 161, a demand side platform ("**DSP**") for mobile advertising and Verve Group, a location-based mobile marketing platform. The Company's shares are currently listed on the Scale segment of the Frankfurt Stock Exchange. The Company's subsidiary gamigo also has a bond listed on Nasdaq Stockholm.

gamigo, an online games publisher and the Company's current main asset, was taken over by Remco Westermann, the Company's Chief Executive Officer, from Axel Springer end of 2012. In the following years, Mr. Westermann changed the business model of the games company. The strategy of capital-intensive and risky game development of new games was discontinued. Instead, the Company concentrated on licensing existing and successful games and intellectual property rights as well as on the acquisition, restructuring and integration of -mostly distressed games and in the last few years also media companies. With more than 25 acquisitions, Mr. Westermann and his experienced management team turned gamigo into a fast-growing game publisher in Europe and North America with an average annual revenue growth of 31% and an EBITDA growth of 61% between 2014 and 2019.
The MGI Media segment has been growing rapidly over the past couple of years as a result of a handful recent acquisitions in Europe and North America. Since January 2020, the MGI Media segment is being consolidated and integrated under Verve Group. The consistent integration brings efficiency gains in the operative area and at the same time saves a considerable amount of costs for the server infrastructure. During the second quarter, the media segment e.g. saved substantial cloud technology costs due to synergy benefits such as shared cloud services and colocation of its marketplaces. These synergies not only result in cost savings, but also create organic growth opportunities by enabling our global sales team to distribute our unified product and service offering.

Business overview

Game development and publishing	
Revenue streams	In-game purchases Game subscriptions Advertisement revenues
Brands	aeria games, TRION worlds, Intenium, WildTangent, Gogii Publishing, Deutschland Spielt, GAMESPREE, Infernum

Influencer and performance marketing	
Revenue streams	Agency fees SaaS fees Ad commission
Brands	adspree, Mediakraft, reachhero, APPLIFT, VERVE, POGED, PubNative

Key performance metrics – Game development and publishing

Daily users	+600k	+5m	Monthly users
Revenue	43.1m	107%	Revenue growth
Gross margin	+50%	29%	EBITDA margin

Key performance metrics – Influencer and performance marketing

Monthly direct active users	+200m	+5bn	Monthly ads delivered
Revenue	+40.8m	247%	Revenue growth
Gross margin	+30%	7%	EBITDA margin

Data in the graph above refer to revenue growth between 2018 and 2019. Revenue, Gross margin, EBITDA margin refers to full-year 2019 numbers. Monthly and daily data is latest available.

MGI'S HISTORY

In 2012, Remco Westermann acquired 100% of the shares in the online game publisher gamigo AG from Alex Springer and stopped the risky games development in favour of an M&A "Buy and Build" business model. After more than 25 acquisitions, Remco and his experienced management team turned gamigo AG into one of the fastest growing game publishers in Europe and North America with a compounded annual average revenue growth of 31% and an EBITDA growth of 61% since 2014.

One of the important milestones for gamigo was the acquisition of Aeria Games GmbH from ProSiebenSat.1 Media SE in 2016. In addition to a portfolio of games, the performance marketing agency adspree was also included in the assets acquired. This expanded gamigo's product portfolio by adding the online media advertising segment.

In May 2018, the Company acquired more than 53% of the voting rights in gamigo AG and Remco Westermann became a major shareholder in the Company. With the business combination, the team decided to further extend the successful "Buy, Integrate, Build and Improve" strategy used in the business to consumer ("**B2C**") gaming sector into the business to business ("**B2B**") media/ online advertising sector.

Before the acquisition of the majority stake in the Company (formerly Solidare real estate holding plc, Malta, in short, "**Solidare**") by Remco Westermann (via the investment vehicle Bodhivas GmbH), the focus of Solidare was on investments in the real estate sector. After the takeover and the subsequent divestment of the real estate business and the acquisition of the gamigo shares, the Company was strategically realigned and due to the additional financial possibilities offered by the stock exchange listing, has taken over and integrated 10 further companies and assets in the media and gaming sectors since May 2018 and further continued the development started with Mr. Westermann acquiring gamigo in 2012.

The key events in the history of the Company are listed chronologically below:

2020	In January 2020 gamigo acquired essentially all assets of Verve Wireless Inc. and in February 2020 MGI buys out the minority shareholders of gamigo and increased its stake to 99.9 percent. MGI acquires all shares in programmatic advertising specialist Platform 161 in July as well as the remaining minority stake in ReachHero. MGI acquires all shares in the mobile gaming company freenet digital GmbH, thus strengthening the mobile gaming business.
2019	Various acquisitions by MGI and gamigo including WildTangent Assets, ReachHero GmbH, AppLift GmbH and PubNative GmbH. gamigo issued a further EUR 18 million in Bonds with a premium. MGI executed a Bond Issue of more than EUR 10 million and a capital increase of 9.2 million.
2018	MGI acquired the majority of gamigo AG and Remco Westermann becomes major shareholder and Chairman of the Board of MGI. gamigo issued EUR 32 million in bonds which are listed on Nasdaq Stockholm and FSE. Acquisition of the major assets of US-publisher and game developer Trion Worlds Inc. Closing of Arche-Age License agreement with the developer XL-Games.
2017 (gamigo)	gamigo AG repaid its 2013/2018 bond issued in 2013 via a term-loan from UniCredit Bank AG and acquired the video and social media specialist Mediakraft to strengthen user acquisition possibilities.
2016 (gamigo)	gamigo acquired aeria games and seven games media from ProSiebenSat1 Media SE, which becomes a shareholder of gamigo and starts the B2B Media business with the brand adspree.
2015 (gamigo)	gamigo executed various acquisitions, e.g. Looki Publishing GmbH, an independent publisher.
2013-2014 (gamigo)	Restructuring of gamigo AG - lowering costs, ceasing risky development activities. gamigo reaches 30 million registered users.
2010-2012 (gamigo)	gamigo purchased a stake in the German developer Reakktor Media in 2010. In 2012 Axel Springer AG sells its entire stake in gamigo AG to the strategic investor Samarion SE – Remco Westermann announced CEO of gamigo AG.
2008-2009 (gamigo)	gamingo expands in Europe with own risk developed games and becomes a 100% subsidiary of Axel Springer in 2009.
2000-2007 (gamigo)	Foundation of gamigo as an online PC and gaming magazine and later development towards publishing online role-playing games.

STRATEGY AND VISION

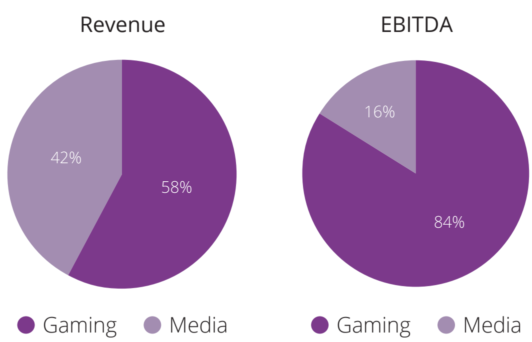
The Company follows a "buy, integrate, build and improve" strategy in both the media and the gaming segments. The consolidation opportunities of the market are used by way of M&A. The focus is mostly on companies that have come under pressure due to too small scale and efficiency problems as well as high overhead costs, mainly in the area of personnel, distribution and IT infrastructure. After the companies have been taken over, they are restructured and integrated with a focus on the realization of cost synergies in personnel, IT, and marketing/ distribution. In this way considerable overhead costs can be cut. After successful integration, the Company continues to invest in organic growth of the acquired companies and assets also using the synergies between the acquired companies and assets. For example, improvement of user acquisition for games by media companies, use of in-game advertising spaces for media companies, further development of games in the gaming and software in the media sector, launch of new games or internationalisation of existing games or expansion of sales in the media sector.

The vision behind MGI's growth strategy is that scale matters, especially in the gaming and media segments. By growing via acquisitions and integrating them into a more efficient and larger gaming respectively media unit and putting organic growth on top, using the synergies within and between the units, MGI has found a very efficient way to grow fast and profitable. The vision is to become one of the leading gaming companies worldwide.

BUSINESS SEGMENTS

The Company has divided its operations into two segments; Gaming and Media. The Gaming division focuses on the publishing, support and operations of online and mobile games and is operated under gamigo Group. It currently has a portfolio consisting of over 25 massively multiplayer online games and more than 5,000 casual games. The Media division is organizationally operated under the Verve Group and offers services covering the entire value chain of social and digital advertising including a strong focus of customer acquisition optimization in the gaming industry. The two segments realize synergy opportunities mainly through efficient user acquisition with gamigo's existing Gaming business. The graph below shows the share of both segments in terms of revenue and EBITDA for the Group for H1 2020.

Revenue and EBITDA share by segment H1 2020



Gaming segment (B2C)

In the Gaming segment, online and mobile games for end customers are provided, supported, operated and, in some cases, further developed in-house. This segment is consolidated under the subsidiary gamigo. Overall, the Company has a broad portfolio of online and console games, including casual games, role-playing games and strategy games. It markets its products and services primarily to gamers in Europe and North America. The games are usually owned or exclusively licensed worldwide or for certain regional territories.

The so-called free-to-play massively multiplayer online (MMO) games account for the largest share of revenues. Free-to-Play means that users can basically play for free but can purchase goods (so-called "items") that are subject to a charge. This business model requires ongoing support of the games, in close coordination with the users ("gaming as a service"). In addition to regular events and competitions, new items (e.g. new costumes) and expansions (e.g. new functions, levels and opponents) are provided on a regular basis to increase the fun of the game and/ or enable faster success. Based on the active support of the games, users often remain loyal to the game for many years and become loyal paying players that invest money in the game over long periods. For many games, over 50% of the Company's revenues are generated by users who have been active in the game for more than 5 years. MMO means that several thousand users often meet, interact and are often connected to each other through fixed player communities (so-called "guilds" or "clans") on a playing field or server environment, which also creates a strong bond between the users and the game.

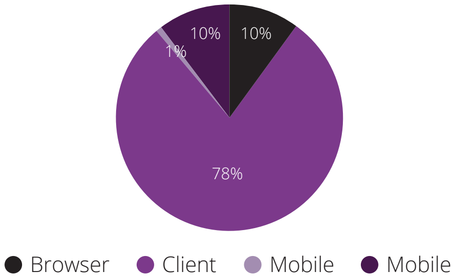
There is a technical difference in MMOs between browser games (games are played online in the browser), client games (games are downloaded first and the client is stored on the PC; however, when playing, users must be online to communicate with the server) and console games (games are played online on consoles such as Xbox and PlayStation). MMOs such as Fiesta Online and Desert Operations have already been on the market for more than ten years. In such cases, if the games are well attended and marketed, revenues generally have only a slight churn and can even be stabilised or brought back to growth with optimised marketing and improved game content by incorporating user feedback.

In addition, over 5,000 casual games (mostly single player games) are now offered on the deutschland-spielt.de and WildTangent. platforms. These games are often offered through the so-called subscription model, where users purchase a monthly subscription, for example, and then have access to all or a selection of the games on the respective portal. The portfolio also includes games that can be played on Facebook and/or mobile devices (iOS and Android). In the case of casual, browser and mobile games, a portion of the revenues is also often generated by advertising inserts and promotional videos.

Overview of gaming operations

In the Gaming (B2C) segment, online and mobile games are supplied, supported, operated and sometimes even developed further within the entity for end customers. In H1 2020, MGI earned about 58 % of its revenue in this business segment. The segment focuses on a wide portfolio of games, of which the most significant are free-to-play MMOs. Apart from MMOs, MGI also offers casual games. MMOs typically attracts more loyal and recurring customers, as the games have been developed over a long period, has a significantly larger budget than casual games and features new items and content continuously while operating the games. Casual games are simpler in nature and monetizes on advertising revenue or subscriptions.

gamigo's games portfolio includes PC client games, console games, browser games and mobile games. In Q2 2020, PC client games accounted for 78% of revenue, while console games, browser games and mobile games stood for 11%, 10% and 1% respectively. The Group's PC client and browser games are mainly offered directly to gamers through gamigo's more than 10 game portals, while console games are offered through Xbox and PlayStation and mobile games through Google's and Apple's app stores. As per 30 June 2020 gamigo had more than 600,000 daily active users ("DAU") and more than 5,000,000 monthly active users ("MAU"), illustrating gamigo's significant active customer base. In H1 2020, MGI's overall revenue in the Gaming segment amounted to EUR 32.7 million (44% growth YoY) and delivered an EBITDA of EUR 9.8 million (26% growth YoY).

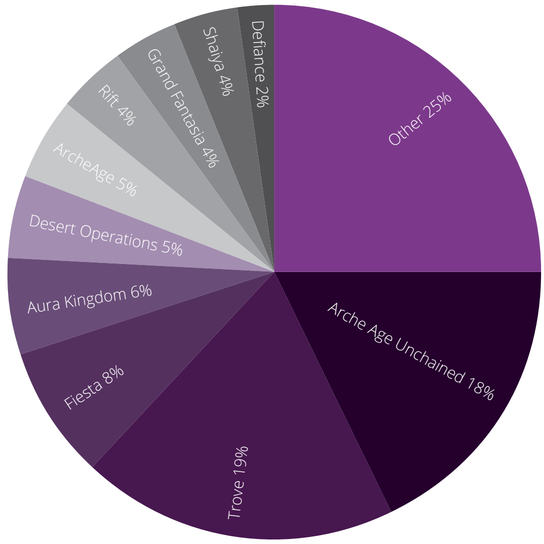


Launching new games on the market generally poses a major risk, since on the one hand there are already many games with long-term loyal users, and on the other hand a large number of new games are still launched every month. In order to reduce the risk of lacking acceptance of the games offered on the market, the Company prefers to acquire game licenses by taking over companies that offer games already established on the market and have a solid customer and sales base. In addition, the Company also acquires new game licenses. For licencing new games there is a strict selection process, also the principle of only paying a low up-front investment. Additionally for newly launched licences an increase in the marketing budget only happens after certain minimum criteria, such as user numbers and revenues, have been met. The gaming subsidiary gamigo, is due to its strong growth in recent years, as well as its large registered customer base and good reputation, able to get better licenses then in earlier days when the company was smaller. Games which have been launched or acquired and do not meet expectations are being discontinued or phased out. Since 2016, gamigo has also invested in intellectual property and development rights and has acquired the worldwide intellectual property and development rights for six of its ten best-selling games. The development of these games is now being driven forward in-house. For risk-avoidance gamigo does not develop MMO's from scratch, as this would require large investments, a long development cycle and a substantial financial risk in comparison to current company size.

Game portfolio

MGI's gaming segment has a large game portfolio of more than 5,000 casual games and over 25 MMOGs. Of the MMOGs, MGI is both territory-exclusively licensing publishing rights as well as owning IP and development rights. MGI has started to acquire more IP rights in recent years, as they provide MGI with the possibility to further develop games and tailor them better to customers' needs and as such sustain MGI's preferred revenue model. Moreover, MGI is able to attain higher gross margins on their owned games as further in-house development for games with substance is cheaper than paying royalties and also leads to more focused development. MGI's subsidiary gamigo has since 2016 been able to acquire exclusive worldwide IP rights for six of their ten best-selling games and the average gross margin from games with owned IP rights is approximately 75%, as opposed to 50% for licensed games.

Revenue by game H1 2020



gamigo's four most popular games are Trove, Arche Age Unchained, Fiesta and Aura Kingdom which accounts for 20%, 18%, 8% and 6% of MGI's total Gaming revenue respectively[1]. gamigo's largest game in terms of revenue is Trove, which was acquired as part of the Trion Worlds acquisition in October 2018. Overall, gamigo's top ten games accounts for approximately 77% of MGI's Gaming segment revenue in H1 2020, while other games represent approximately 23%.

For the licensed games that are successful, licenses are normally renewed and extended, as customers are tightly tied to gamigo and their platform, and the switching costs for developers would be large. Moreover, as a majority of gamigo's top 10 selling titles have their IP rights owned by gamigo, risks associated with loss of license rights is low.

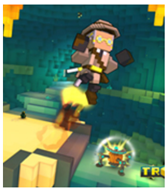
IP strategy

gamigo's games are either licensed from third party developers or owned directly by gamigo, in which case gamigo has acquired the IP rights for fully or partially developed games. Games from third parties are typically licensed exclusively to gamigo for an initial period of three years and specific regional territories (typically in Europe and North America), while the license is mostly extended when the game has proven successful. gamigo acquires game IP rights by either acquiring publishers or developers that possess such assets, or only buying the -territory exclusive- IP right assets from such companies. In acquisitions, gamigo generally acquires game licenses by taking over entities or significant assets from third parties that already offer games that are established in the market and thus already have a customer and sales base. In addition, gamigo launches new game licenses, in most cases exclusively for Europe and/or the US. In such case, a limited financial risk is assured through (1) a strict selection process, (2) minimum upfront license investments and (3) a low initial marketing budget, which only is increased if certain minimum criteria such as user base and revenue target have been met.

Since 2016, gamigo has been able to acquire worldwide IP and development rights for six of its ten best-selling games. The development of these games is now being continued in-house and substantially increases gamigo's influence over the game development process and allows gamigo to optimize monetization and cost efficiency in order to attain attractive margins.

1) Based on H1 2020.

Through the combination of licensed and owned IP rights, gamigo has built up a broad games portfolio that continuously is being expanded. With gamigo's 10+ gaming portals, 25+ MMOs and 5,000+ casual games, gamigo has built a wide and loyal customer base that generates recurring revenue from millions of active users.

Key acquired IP rights	TROVE	DESERT OPERATIONS	Fiesta
			
Revenue (EURm)	87	50	54
Gross margin (%)	60%	76%	78%
ARPPU (EUR)	31	106	70

Acquisition process

Growth through acquisitions is an important and integrated part of MGI's business model. Deploying a systematic acquisition process and an efficient integration of the acquired assets has since 2013 historically been, and will continue to be, a key part of MGI's growth strategy. MGI has implemented four pillars of success in their acquisition process, divided into (a) target identification, (b) negotiation and headline due diligence, (c) confirmative due diligence and contract and (d) transaction and integration.

a. **Target Identification:** The sourcing and identification process of new acquisition targets is either accomplished through market screening or contact made by the acquisition target. In most of the Company's acquisitions, MGI is contacted by the target company itself or an advisor of the target company. The interest in doing business with MGI is related to the fact that MGI has become an increasingly reputable market consolidator in Europe and USA that can execute quickly.

b. **Negotiation and headline Due Diligence:** Once MGI has identified and initiated discussions with a target, MGI devotes a small, dedicated team of employees from IT, finance and commercial to conduct the headline due diligence and commence negotiations. This process consists of thorough scrutiny of the target's financials, game KPI's, commercial potential, potential synergies, legal risks and other relevant areas. Also, during this phase the purchase price and conditions - subject to confirmative due diligence and contract - are being negotiated. The process often spans between two weeks and six months depending on the outcome of the due diligence and negotiations.

c. **Confirmative due diligence and contract:** Once the initial headline due diligence and negotiations have been carried out, confirmative due diligence and contract formulation are next. In this phase also an integration roadmap is established including a calculation of estimated attached costs and the financial synergies. This process generally involves a larger team for the more detailed confirmative due diligence as well as lawyers to draft and negotiate the contract and typically takes two weeks up to two months.

d. **Transaction and integration:** The finalizing transaction and integration process is core to MGI's M&A success and involves establishing new reporting lines, team restructurings, finance and technology integration and revenue synergies through cross-selling and related activities.

MGI always develops a clear integration plan, with implementation to be directly commenced after the acquisition. In many cases MGI decides to take strict and structural initial measures in order to restructure the acquisition effectively and avoid having to take complementary measures later on.

Identification of target	Negotiation & headline due diligence	Confirmative due diligence & contract	Acquisition & integration
Either by screening or contact from the target company	Small dedicated team with skilled employees from Finance, IT, Commercial	Larger dedicated team with skilled employees from Finance, IT, Commercial + external lawyers for the contract	New reporting lines, immediate team restructuring (if needed), start of tech integration. Start working on revenue synergies

Selection criteria

MGI's Gaming segment (gamigo) typically targets companies with annual revenues in the range of EUR 5-30 million, sometimes also larger. For distressed companies gamigo has historically managed to acquire companies at an EV/Sales multiple between 0.4x-0.7x, depending on the quality of the underlying assets. Acquired companies qualifying as distressed companies typically have a full pay back on the investment within 24 months.

For EBITDA positive targets, gamigo looks to acquire companies at an EV/EBITDA below 6 times, including identified synergies from the acquisitions, generally leading to a full pay-back of the acquisition within 6-7 years.

The most important selection criterion is the kind of company; gamigo focuses on games with long lifetimes, basically MMOs with long customer lifetimes and good monetization as well as casual game platform with substantial recurring customer bases and revenues based on subscriptions or advertising. An acquired company or asset should at least include one single sustainable gaming asset with over EUR 1 million annual revenues. Synergy potential with the existing business is also an important selection criterion as well as the possibility to acquire 100% of the company or all major assets.

Integration and further development

The initial step after the acquisition is to increase the profitability, as this is the most time critical issue. Identifying the synergies for the gamigo Group has already been carried out before the acquisition but in the first phase focuses on reducing personnel, IT and admin costs. By using the resources of the gamigo Group it is crucial to move the targets IT infrastructure to the gamigo cloud infrastructure. This drastically increases the uptime, the potential for worldwide scalability and significantly reduces the infrastructure costs. As further measures, an internationalization to EU and Asia as well as cross-selling among gamigo's current customer base is carried out.

Critical for successful and sustainable publishing of acquired distressed assets is asset care. To achieve a healthy in-game economy, high discounts are removed and the in-game economics are evaluated closely to balance the game away from pay-to-win in order to decrease churn and keep players engaged in the game. A special role in this transition is taken by the Community Management by running Q&A rounds with players establishing transparency towards the players and fully answering customer questions on point. A roadmap for upcoming content update is worked out by the product team in the early stage and development of new content in own studios starts right away to increase monetization and engagement.

The next stage is producing sequels and re-launches for the acquired assets. This includes porting the assets to platforms where they have not been published yet, such as Xbox, PlayStation or Nintendo Switch.

Case study

The acquisition of the major assets of Trion Worlds in October 2018 poses a useful case study of how gamigo applies their business model when it comes to M&A transactions.

Company overview and products

Trion Worlds was an American developer and publisher founded in the US in 2006 with approximately 300 employees and three self-developed great MMOs at the time of acquisition. Additionally, the company had console contracts and a significant customer base with a high reach in the US Market. Trion owned the following three well-known MMOs:

- Rift: Launched in 2011, Rift is an award-winning MMO reaching over 1 million players in the first four months and maintaining a continuously strong user base thereafter.
- Defiance: Released in 2013, Defiance went free-to-play in 2014. The game recorded 1 million players within the first 72 hours of launch and was able to keep a strong user base since then.
- Trove: Released in 2015, the voxel online game is consistently ranked in the top 10 F2P games on Steam. The player count is high with a peak of 2 million monthly active users.

Transaction

In an assignment for the benefit of creditors process MGI acquired the major assets of Trion Worlds. The assets were acquired for USD 9.25 million in October 2018 as the company was distressed and the investors and banks were not willing to further finance the company. Trion Worlds found itself in a distressed situation, as they focused primarily on the development of new games with high capital requirements, which turned out to be unsuccessful.

As gamigo had already conducted due diligence processes previously and were in contact with the management on an ongoing basis, they were in a better position than other potential buyers to present a consistent offer in a very short timeframe. gamigo acquired the major assets – carving out loss making contracts and assets – and took over approximately 50 employees. This led to the acquisition being profitable in the hands of gamigo from day one with a substantial positive cash flow and a significant value increase for gamigo.

Integration and Profitability

Since the acquisition, gamigo further realized cost and sales synergies, including moving technology and storage to the cloud and reducing OPEX by moving offices and new facility management contracts. As technology vendor costs are one of the biggest savings next to personnel costs you find below the monthly technology costs pre and post-acquisition highlighting gamigo's unique integration approach through state-of-the-art cloud technology.

Asset Care and Organic Growth

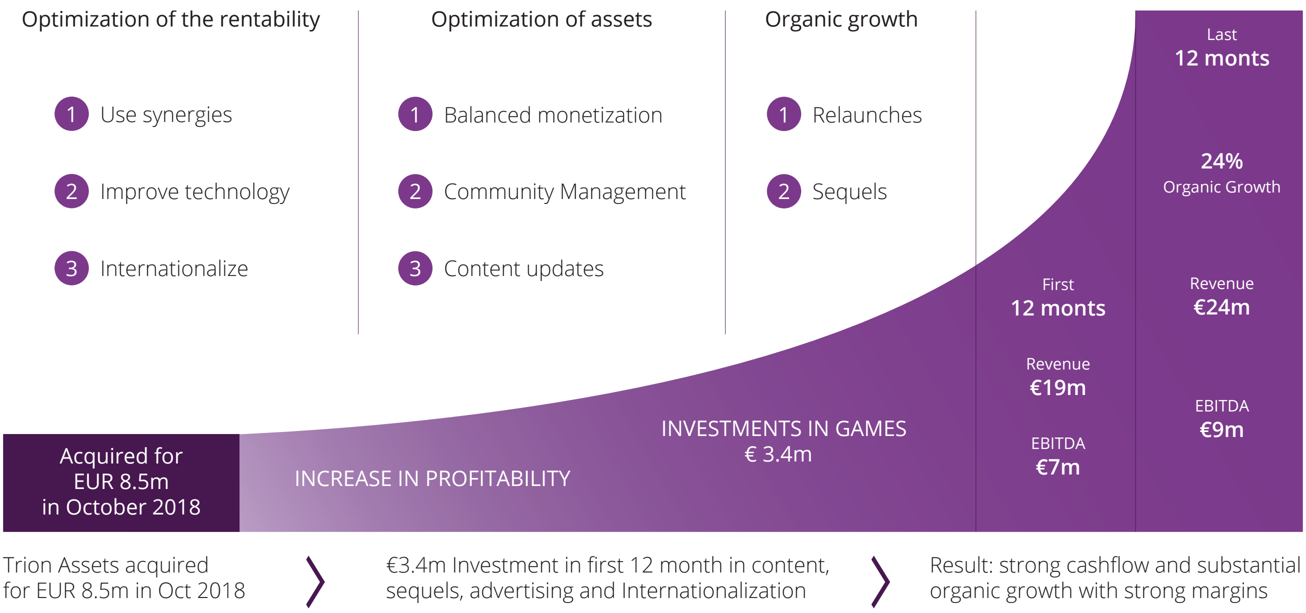
Next to realized synergies on the cost-side gamigo has invested since acquisition an amount of EUR 3.4 million in further game development and improving and growing the games including launching Trion Worlds games in new markets, leveraging gamigo's EU customer base, developing sequels and broadening the games to new self-owned distribution platforms, especially in the EU.

Overall financial contribution

In the first 12 month after the acquisition, sales of Trion Worlds MMOG's amounted to EUR 19 million with a positive EBITDA margin of 38%, contributing with EUR 7.2 million to MGI's overall performance. Trion Worlds had, prior to the acquisition a negative EBITDA of 6.6 million EUR in the first half year 2018. The payback time of the purchase price including restructuring and transaction costs was below 24 months.

This underlines the capability of gamigo to acquire companies for a very low multiple, turning them around in a very short period through a standardized process while integrating the companies fully to achieve high synergies within personnel and technology costs as well as OPEX.

How value is created: M&A case study: Trion Worlds



Marketing and distribution

Geographical distribution

Marketing and distribution are important considerations for MGI's Gaming segment and are key parameters to maximize customer inflow while limiting customer acquisition cost ("**CAC**"). MGI approaches this by being active at a large number of geographical markets and utilizing both internal and external marketing and distribution channels, which especially includes the advertising properties, know-how and skills of the Media companies. Gamigo has a small team of marketing specialists that works closely together with the Group's media unit Verve, as such generating substantial synergies.

gamigo markets its games to players in Europe, North America, South America, Asia and Australia, with strong focus on Europe and North America. 88% of MGI's revenue during H1 2020 was generated in Europe and North America, while South America and the rest of the world stood for the remaining 12%.

The games are owned or licensed exclusively to gamigo, either with worldwide rights or for certain regional territories. In Asia, MGI does not market its games directly to end-users, but rather works with sub-license partners. The reason that Asia is not one of gamigo's main target areas, despite its large population of players, is the regulatory and competitive landscape. Most Asian game markets have strict, often unclear, and limiting regulations for foreign companies as well as a significantly lower average revenue per user ("**ARPU**") and higher levels of competition. China has a particularly complex process for the allowance for game launches, leading to China, Korea and Japan each having a small concentration of very large and dominant game publishers.

Marketing and distribution channels

The gaming segment works with several marketing and distribution channels, such as MGI's own media companies, affiliate portals, CRM, social media channels, other digital channels and in-game marketing. The Gaming segment has a very effective customer acquisition process with an average CAC of EUR 1-1.50 per new player (including viral and organic traffic) and a payback period within 90-120 days per user. Moreover, MGI's conversion rate of registered users to paying users is between 7-10% in their MMOs. Marketing spend is kept at the most efficient level as scaling spend would quickly lead to much less efficient CACs and pay-backs. gamigo is, however, constantly in close cooperation with the media and advertising companies, aiming at increasing the number of efficient marketing channels as well as the spend in each channel.

Publishing and Affiliate Portals

MGI has 10+ game portals where MGI's games are either offered exclusively (e.g. gamigo.com, looki.com) or offered next to competition (e.g. browsergames.de, mmogames.com). MGI's largest exclusive portal in terms of user traffic is TrionWorlds.com, which mainly targets the US market. MGI's non-exclusive SEO and SEA portals are affiliate portals that are operated through adspree. The portals are an instrumental tool in MGI's marketing effort of existing games as well as new or acquired titles. Moreover, third party games are marketed at these portals at a cost based on lifetime value of the end-user, direct advertisement fees or other fee arrangements with their B2B customers. In Q2 2020 78% of the traffic to MGI's game portals was sourced from the Company's own affiliate portals.

Customer Relationship Management (CRM)

In general CRM measures are meant to strengthen player engagement and prolong customer lifetime which indirectly leads to an increase of the customer lifetime value. Next to such indirect effects CRM has a specific and targeted effect on revenues through the communication of attractive sales and events.

Since MGI's gaming companies have been publishing online games for several years, more than 8 million active customer e-mail addresses can be found in its email database and allowing its campaigns to have a wide reach. Especially targeted campaigns can be realized efficiently, since the target groups are large enough for significant effects. For Ironsight's closed beta launch for example the game launchers of all games of the gamigo platform have been advertising the launch. Next to the launchers Ironsight also appeared on MGI's portals and in newsletters send out to the global customer base for special occasions like Black Friday, Christmas, Easter etc. Next to such occasion-based CRM measures MGI is running automated e-mailing campaigns meant to scale up customer activity and to prolong the customer lifetime. Such campaigns partially contain incentives to increase efficiency like vouchers for items or premium currency.

Social media channels

MGI utilizes several social media channels in their effort to attract new gamers. The focus is mainly divided into viral marketing, advertisement on social media platforms and influencer marketing. Viral marketing constitutes marketing campaigns that aims to create popularity around gamigo's products. Examples of viral marketing campaigns are gamigo's regular Twitch streams. Each Friday one of gamigo's game teams gives "behind the scenes" insights in a live stream on Twitch. The latest stream covering ArcheAge Unchained engaged more than 10.000 people concurrently. Recordings of the streams are posted on YouTube to get additional visibility. This is a good example of an integrated strategy across various social media channels (Discord, Facebook, Forums, etc.).

Since the rise of Facebook Social Media are an extensively used communication channel to provide information regarding news, events and other updates. MGI's gaming unit utilizes several social media channels in its effort to inform players about latest news and at the same time motivate their friends and friends of their friends to take a look at its games. While the main focus lies on viral marketing, advertisement on social media platforms has become a valuable addition to standard affiliate advertisement.

WildTangents streaming activities are a good example for the interconnectedness of streaming and social media activities and stream announcements on social media platforms are supporting the streams as well as mentioning social media channels during streams strengthens the activity on the social media platforms.

The effect of such viral marketing measures create popularity around MGI's products and creates especially during launches the critical mass needed to kick-start a game.

With the visibility of a game also influencers are starting to jump in and promote the games either on their own expenses for their communities or after being hired to promote a certain game like e.g. done for ArcheAge Unchained with TheLazyPeon who created more than 200k views within a week.

The synergies between Social Media, Streaming and CRM are leading to an invaluable visibility that reaches beyond traditional marketing channels.

Moreover, influencer marketing has grown rapidly in recent years and is facilitated by influencers promoting sponsors' games and products. Example of influencer channels to utilize is streamers, YouTubers and other content creators with a large fan base. The know-how and network of the MGI Media subsidiary Mediakraft, that focuses on Influencers and social media, is a very strong asset of MGI.

Other digital channels

Other digital marketing channels are Search Engine Marketing, external affiliate portals and networks, TV advertisements, external gaming portals and media bookings.

External gaming portals are also important for MGIs games distribution, with Xbox and PlayStation for consoles and Steam for Online games, and Apple and Google for mobile game app, external portals account altogether for 22% of MGI's sales.

In-game marketing

Once new players have been attracted to MGI's games, MGI works actively with in-game and marketing efforts to start monetizing and limit the churn rate. These measures are tailored to make players more engaged in the game and get a sense of commitment to the game. Examples of MGI's campaigns are fan packages, starter packages, special deals and invite-a-friend bonuses but also third-party advertisements. The campaigns offer players in-game currency or items that either increase their performance or personalization.

Following a number of acquisitions of digital media companies over the past couple of years, MGI has established an extensive in-house Media segment that supports the Gaming segment with optimized user acquisition processes which will be described below.

Media segment (B2B)

In the media segment, MGI covers almost the entire value chain for social and digital advertising. In addition to the media companies, adspree and Mediakraft acquired in 2016 and 2017 respectively, the Company has acquired three further media companies in 2019: Applift, PubNative and ReachHero as well as major assets of TV smiles. In 2020 MGI acquired two further media companies, in January 2020 MGI acquired (via its, for this purpose, newly founded US subsidiary, Verve Group, Inc.) substantially all assets of Verve Wireless, Inc. and in July 2020 MGI acquired 100% of the shares of Platform161. The scope of the Media segment covers basically all five main positions in the value chain in the online advertising market: agencies and trading desks, demand side platforms (DSPs), advertising networks/exchanges, SSPs and publishers.

From an advertiser's perspective, the first stop in the online advertising industry is an agency or trade desk, depending on the degree of outsourcing required. An agency's services include the creation, planning and execution of advertising campaigns as a full-service package that allows the advertiser to completely outsource advertising-related activities. A so-called trade desk is still very similar to an agency in its radius of action, but it does not deal with the creation of advertising content. The focus is on the purchase process of advertising inventory, which is ideally enriched with information about the target company.

The next step in the value chain and a necessary function in programmatic advertising is a demand side platform (DSP). It bundles the demand of advertising customers and enriches it with specific data in order to match the advertising content with the advertising inventory as efficiently as possible.

The counterpart to a DSP is on the publisher side an SSP. It bundles the advertising space offered by publishers and has specific information on the properties of the available advertising inventory.

An ad exchange sits between the two sides of the DSPs and SSPs and acts as a marketplace for supply and demand of ad space. This is often done through automated processes via Real Time Bidding ("**RTB**").

At the end of the value chain is a publisher who owns a medium or media platform and wants to sell his advertising inventory. Here SDK's play an important role to get prime access to the publisher's traffic.

Overview of media operations

In the Media (B2B) segment, the Company owns subsidiaries which each cover various parts of digital marketing that support the MGI gaming segment as well as generating revenues from external clients. The MGI Media segment offers strong direct supply and own inventory and has over 5 billion monthly video and ad views per month. In H1 2020, MGI earned about 38% of its revenue in this business segment. The segment focuses on a wide range of media services that offer solutions that optimize user acquisition through powerful combined media purchasing power at large scale as well as optimal monetization of ad spaces for publishers including own advertising spaces of the Games Unit of the Group. MGI's media portfolio includes branded-, performance-, influencer-, social media- and mobile app marketing as well as software services solutions. In H1 2020, SaaS solutions accounted for 36% of Media segment revenue, while branded marketing, performance marketing and influencer marketing made up 28%, 20% and 16% respectively. In H1 2020, MGI's overall revenue in the Media segment amounted to EUR 23.8 million (309% growth YoY) and delivered an EBITDA of EUR 0.5 million (240% growth YoY).

Social and Influencer Media

Social and influencer Media is a fast-growing segment with a very high media efficiency. Many companies are only spending small amounts in this segment yet, but budgets are constantly growing. The MGI Games Unit is an early adopter using especially Influencer media substantially. Three M&A transactions have been executed in this segment. The first acquisition was adspree in 2016. adspree is running gaming portals, social media campaign management as well as influencer campaigns. adspree is also a publisher, maximising the available advertising space of gamigo and third-party providers. adspree managed complete clients' advertising campaigns across all major channels: SEO, SEA, social media/impact marketing, influencer marketing, programmatic media buying, affiliate marketing and TV advertising.

The second acquisition was Mediakraft in 2017, with a specific focus on social, influencer and video marketing. The company not only produces content, but also manages YouTube channels and designs and produces entire influencer advertising campaigns. Its customers include advertisers as well as influencers and YouTube channels, especially in the gaming sector. The company actively manages YouTubers and Influencers and connects them with advertisers and its own user acquisition activities and produces suitable content to market them attractively.

The third acquisition was ReachHero, in which the Company originally acquired 67.4% of the shares in 2019, which it increased to 100% in august 2020. ReachHero provides agency services for social media influencers and creators to connect brands / products / advertisers with the appropriate influencer and channel. ReachHero also operates a SaaS platform where agencies and advertisers can manage their influencer campaigns and have access to more than 70k registered influencers.

After these acquisitions MGI has integrated these companies to a single unit which is offering an extensive portfolio of social and influencer media services for the MGI gaming segment as well as for external customers. By integrating the companies, substantial cost and revenue synergies and efficiencies have been generated. As a next step it is planned to integrate this group into the Verve group, after the integration of the ad-tech companies into Verve group have been concluded.

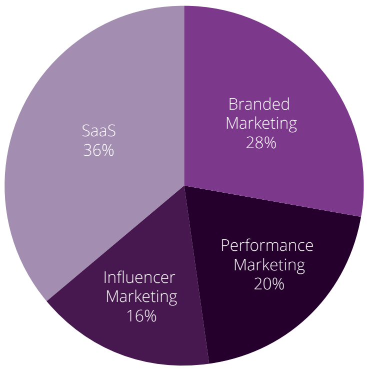
Ad-tech Media and Marketing.

Next to social and influencer marketing ad-tech is the second important media segment for advertising games or services. Ad-tech includes the -mostly automated- match of advertising-demand and advertising-supply. Formats include, banners, video, interstitials but also digital out of home as well as connected TV. Applift is an international mobile performance advertising agency, which helps advertisers, to acquire users for their apps. The company, which was acquired in July 2019, specializes in customer targeting and re-engagement measures and in the corresponding measures to work more efficiently. Applift has a global network of well over 10 offices worldwide. Also, in 2019 PubNative was acquired, an SSP for mobile programmatic in-app advertising, enabling app publishers to monetize and maximize their advertising inventory. PubNative enables publishers to connect directly via an API (Application Programming Interface) without having to worry about an SDK (Software Development Kit) that is normally required to integrate an app with a monetization advertising platform.

In 2020 the major assets of Verve were acquired. Verve powers via managed services as well as via its programmatic platforms mobile marketing, with an USP in Location Science, successfully connecting brands with their customers across smartphones, digital out-of-home, connected TV, and the many emerging screens of the modern consumer journey. Verve's proprietary location intelligence, patented technology, premium mobile inventory, and analytics capabilities empower marketers to reach consumers with compelling mobile advertising experiences that drive engagement and sales in both the digital and physical worlds.

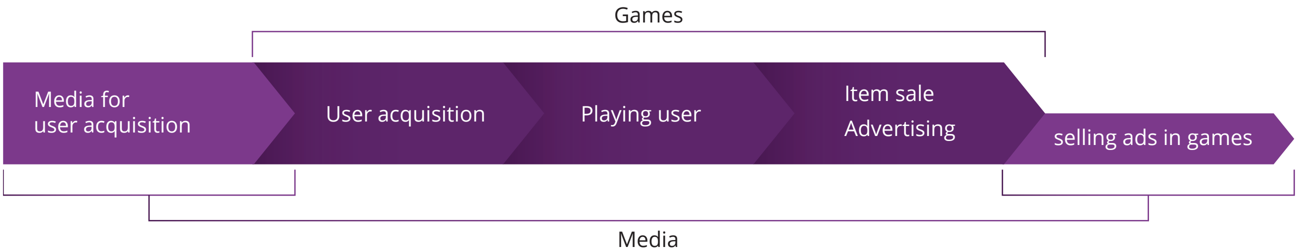
In 2020 also Platform 161 was acquired. Platform 161 was founded in 2008 and is a demand side platform (DSP) for programmatic advertising. Headquartered in Amsterdam, Netherlands, the company has offices in Barcelona, Hamburg, Istanbul, New York and Stockholm. Platform 161 provides customers with individualised advertising in real time - with data supported, automated and individualised buying and selling and the bidding for digital advertising space. By acquiring and now integrating these ad-tech companies as a group under the Verve brand MGI is building an integrated substantial media and advertising offering, including managed and self-serve of DSP, SSP and DMP (data management platform), for performance as well as brand advertising. Due to connecting the various tech-platforms, the combined unit is more cost efficient and able to offer better services. The unit is integrated with well over 35+ SSPs and exchanges, with access to more than 1.5 billion+ mobile users and works with a substantial part of the world's top 500 advertisers and media agencies. There are several other M&A targets that can add further USP's as well as extended customer bases.

Revenue by media segment



Value chain

MGI has strategically positioned itself as a leading online game publisher with growing presence in the digital marketing industry with gaming focus. Recent media acquisitions have been completed to optimize user acquisition in the Gaming sector, increase in-house media knowledge as well as data, and increase customer traffic to and from gaming marketing platforms. Further synergy advantages lie in the similarity of the two industries, both of which are very technology-driven and in both a strong consolidation is taking place. This means that MGI will be able to expand its "BUY. INTEGRATE. BUILD & IMPROVE." strategy, which it has successfully implemented in the gaming segment in the past, to the media sector relatively easily and with low risk due to massive experience of M&A transactions.



Value-Chain optimization: cheaper user acquisition

- Scale advantage with ad-buying
- Additional margin from ad-buying stays in-house
- Better data to optimize ad-buying
- Don't need huge in-house advertising team: know-how sharing

Value-Chain optimization: more ad-income

- Direct to advertiser sale: higher price per ad
- Additional margin from ad-selling stays in house
- Better fill-rate

Media business: profitable 3rd party business

- Clear USP by offering unique first party ads in games
- Substantial additional ad-purchase budget enables volume guarantees and monetization of remnant
- Improved optimization: joint customer data platform, optimized targeting

Gaming segment

Within the large and fast-growing gaming market, MGI focuses strongly on the customer side. Having access to gamers and serving loyal long-term gamers is key in the strategy. With an efficient publishing platform and a large portfolio of games serving a large number of gamers, MGI has a strong position as a publisher. The game development part of the value chain is only partly covered by the Company. MGI currently does not engage in the high risk of new game development for MMO's. Development of new MMOs typically requires multimillion Euro budgets, takes several years and has a less than 10% chance of success. With its current size MGI rates new game development as being too risky. For MMOs withwhich are in MGI's portfolio, have substance and long lifetimes however, it makes sense to do the improvements and further developments of the games in-house, as this brings financial advantages and enables the publisher to adopt the games better to the requirements of the users. As such, gamigo also focuses on acquiring the IP, worldwide development right and source codes of games that are already published by gamigo. With in-house development teams those games are then further developed.

Media segment

With its Media division, MGI also has brought another part of the value chain in-house; user acquisition, one of the key requirements for a successful gaming company. To make a game successful on the market, it is highly dependent on high-quality users. There is a high level of competition for these users. In 2019, 8,000 new games were published only on the online portal Steam. In order to stand out from this mass, an effective user acquisition via media is required. In the case of online gaming, especially via online media. The fact that MGI is also active in the media sector results in several synergies and therefore advantages for its gaming business. The higher media buying power leads to significantly lower user acquisition costs. The media companies have the technology to control and measure user acquisition campaigns and thus help to increase the efficiency of user acquisition campaigns. Furthermore, the advertising spaces on the gaming portals and in the games can be sold efficiently, which leads to higher advertising revenues in the gaming segment.

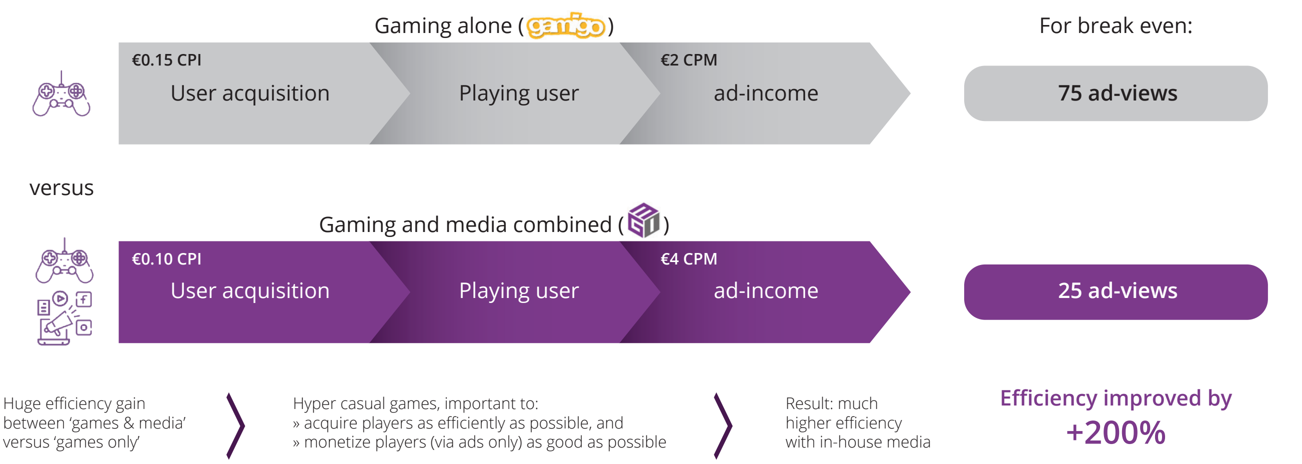
Synergies

In addition to the similarities between the two segments, media and gaming, such as the high degree of fragmentation and affinity to technology, there are further synergies between these two areas which are essential for the Group.

For online gaming, digital media are an important part of the value chain. To make a game successful on the highly competitive market (Steam, for instance, publishes 8,000 new games annually), effective user acquisition via media is necessary. The fact that MGI is also active in the media sector yields in several synergies. Higher media buying power leads to significantly reduced user acquisition costs. Additionally, media companies have the technology to control and measure user acquisition campaigns, and thus supports increased efficiencies in user acquisition campaigns. The Company's data possession allows advertising spaces on gaming portals to be sold efficiently, which leads to higher advertising revenues in the gaming sector.

Financially, a collaboration between the Company's two segments are highly attractive. The below illustration shows how the Gaming segment benefits from media buying via in-house media agencies.

Visualization of optimized user acquisition



Simultaneously, the media sector can also benefit from synergies with the gaming sector. Digital advertising refers to the provision of advertising content to users through various online and digital media. The advertising eco-system consists of two main units, the advertiser and the publisher. The advertiser's goal is to create and manage advertising campaigns by targeting the right audience and customers, track advertising spend and return, while finding ways to optimize the offering process and advertising spend. Publishers – the entities that own the websites or apps – are the digital equivalent of newspapers and magazines – i.e. the place where ads are placed. Publishers provide spaces for placing ads, manage ad inventory and collect campaign data. MGI's media business focuses on coordinating the processes between these two units efficiently. As MGI is also an advertiser and publisher through its gaming business, it is very familiar with the requirements of these two parties and can efficiently respond to the needs of its customers (publishers and advertisers), particularly customers in the gaming industry. Also, MGI's Gaming segment provides its Media segment with guaranteed media buying, which ensures stable revenue flows to the Media segment. Finally, in-game ads expose players to media and advertisement platforms with gaming focus, providing increased customer traffic and advertising revenues to the Media segment.

In order to be more attractive to advertisers, so that they allocate their budgets to an advertisement company, the publisher needs a platform with attractive content, i.e. advertising space that must be of high quality and thus prevent fraud and ensure a high quality of user information. Accordingly, it is the Company's assessment that more and more advertisers are looking for private marketplaces with high quality advertising space and exclusive partners instead of just relying on the Open Marketplace concept, where many platforms try to integrate with many publishers without having full control over data, formats, visibility and reporting. MGI reaches more than 600,000 daily active users and more than 5 million monthly active users with its existing games portfolio, and the Company has access to rich user data and can evaluate it appropriately. Accordingly, the gaming portals of the Group are exclusive USP for the media subsidiaries of the Company.

On the other hand, the gaming companies benefit considerably from the in-house advertising specialists and the existing expertise in the field of user acquisition. Thus, for example, MGI is able to license games and to cross-sell them to the existing user base, with support offered by the media segment's software tools to win new and monetize existing gaming users. Additionally, the gaming sector and especially mobile gaming will benefit from the know-how and software of the Company's mobile advertising companies.

Further synergy realization lies in the similarity of the two industries, both of which are highly technology-driven and rapidly consolidating. This presents increasing opportunities for MGI to expand its "Buy, Integrate, Build & Improve" strategy in not only its gaming segment, which it has successfully implemented in the past, but also to the media business.

Case studies of synergy realizations

Cross-selling synergy example

A recent example of a successfully executed cross-selling was in 2018, when gamigo launched an open beta version of the newly licensed shooter game Ironsight. Ahead of the launch, gamigo advertised the game among its players of other shooter games published by gamigo. The internal advertising efforts was made at minimal cost but resulted in more than 50,000 MAUs already within the first month of the open beta launch. Moreover, gamigo has identified several internal synergies between their media businesses adspree and Mediakraft by utilizing cross-selling, technical expertise and cost synergies.

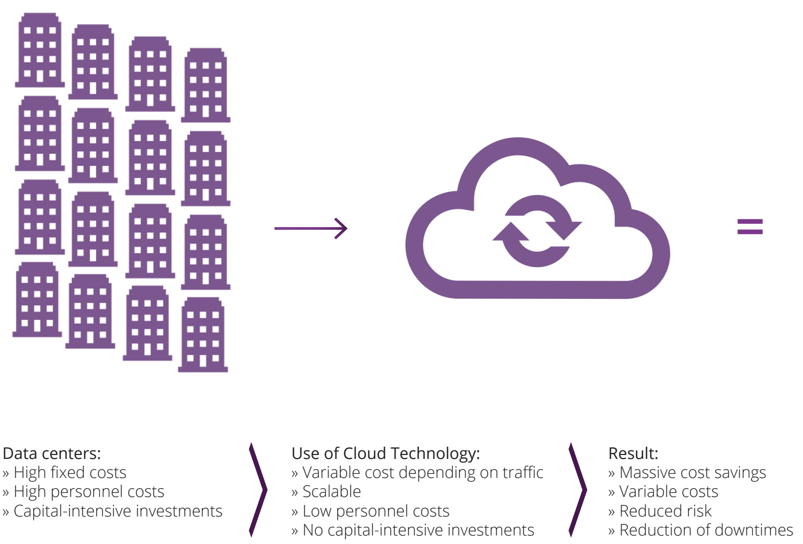
Advertising synergy example: Influencer case study for ArcheAge Unchained Launch

In 2019, the media and gaming segment collaborated in an influencer campaign for the ArcheAge Unchained game launch, of which the objectives were to reduce costs for user acquisition in media and influencer buying while creating cost-efficient video assets via internal production resources. In order to achieve the set-out objectives, influencer booking across video and social media channel platforms were centralized to increase negotiation power. The skillset of gamigo's internal marketing graphics team combined with Verve's production capabilities allowed Verve Group to reach 2.4 million views and 67 influencer campaigns. Sharing gamigo and Verve resources, contacts and market insights was the foundation of an exceptional triple A game launch on a global scale which still drives substantial revenues for the Company with ongoing marketing measures based on the initial launch.

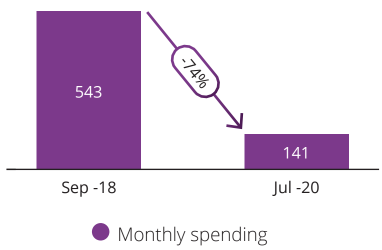
Acquisition synergies example

An example of synergies from M&A on the cost side is that acquired targets typically spend 30-40% of sales on IT and technology related costs. Following an acquisition, MGI has shown that this figure can be reduced to an average of approx. 10% of sales. The cost reduction is explained by MGI's advanced technology platform and cloud focus, which enables an integration of the acquired businesses' IT-infrastructure into MGI's platform. Apart from the scale economics for most acquisitions, a very important component of this operational improvement of acquired subsidiaries' IT costs is that MGI operates and stores their games and media platforms in the cloud, as opposed to more expensive and less scalable physical data centres. This lowers costs significantly and is one of MGI's important differentiators from competitors. Cost synergies can also be realized for both segments, as the following for Trion Worlds and the Verve Group shows.

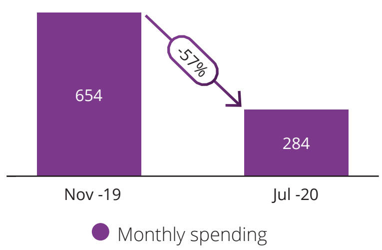
Competitive advantages through technology



Trion Worlds technology costs in kEUR



Verve technology costs in kEUR

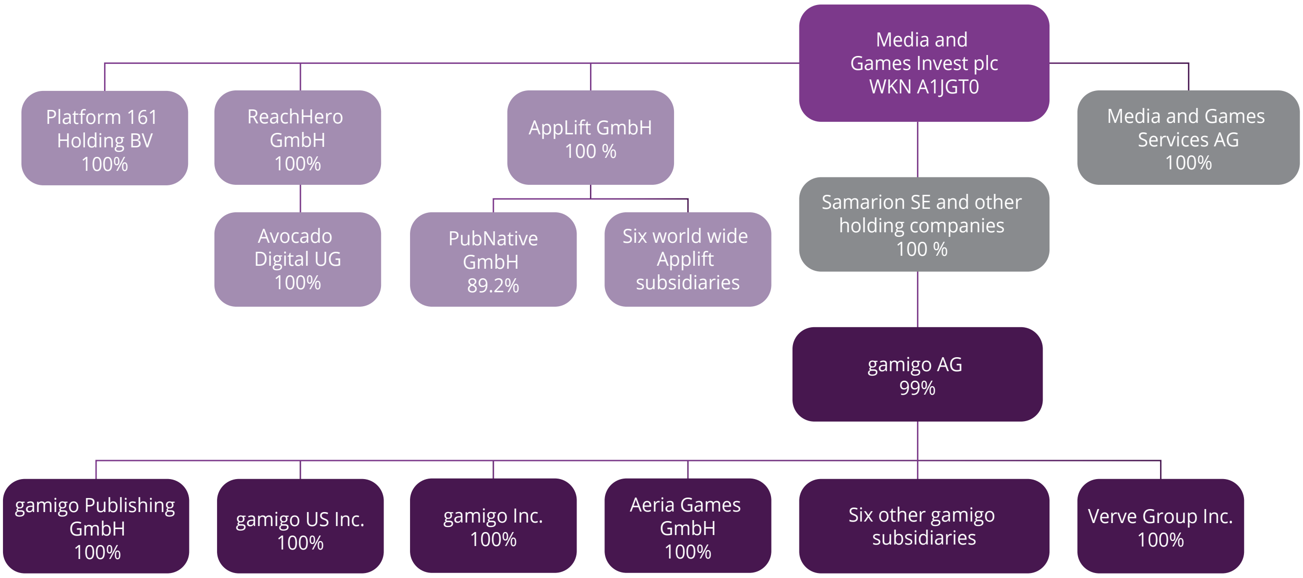


Intellectual property and contracts

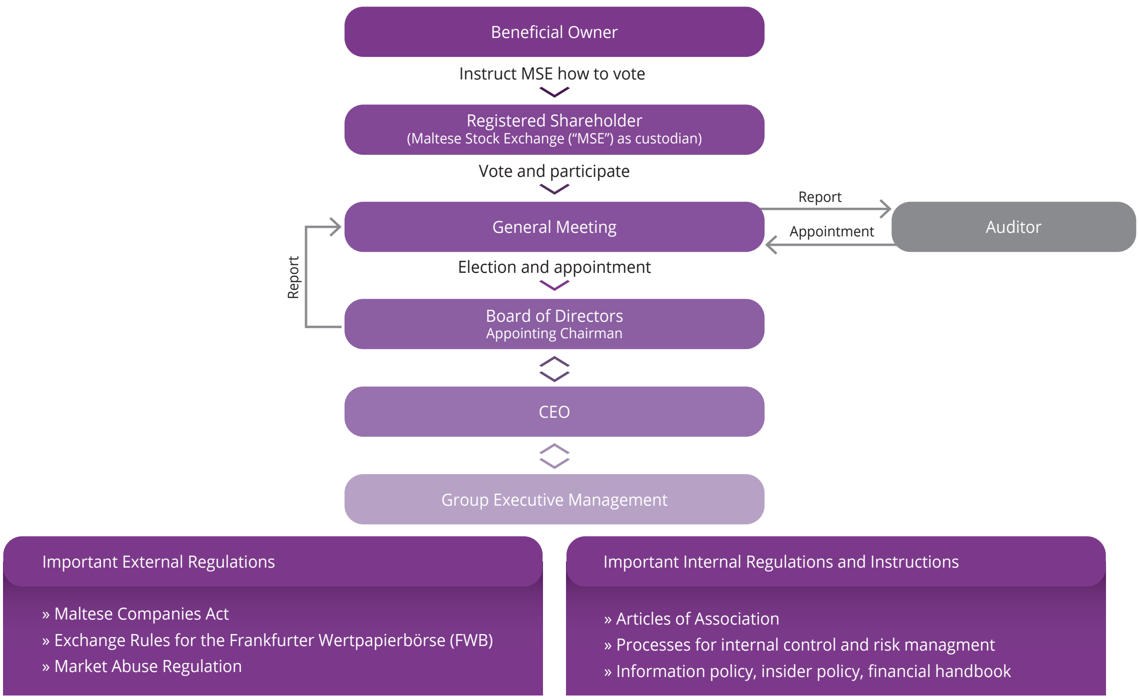
The Company's diverse product portfolio has been built up through company acquisitions, the purchase of gaming licenses, worldwide publishing rights as well as software and platform technologies in the gaming and media sectors. However, parts of the Company's product portfolio also consist of licensed games developed by third parties. If no new licenses are available on the market for the Company in the future, or if these newly licensed games are not technically flawless or contain programming errors or similar malfunctions, this could have a negative impact on the Company's business activities. Furthermore, the Company has also acquired patents, intellectual property rights and contracts as part of its M&A activities. However, the Company is not dependent on any specific licenses, patents, industrial, commercial or financing agreements or new manufacturing processes.

Organisational structure

The Company's corporate structure



Organisational chart



FINANCIAL INFORMATION

*The financial information below derives from MGI's consolidated financial reports as per and for the financial years ending on December 31 2018 and 2019, which have been prepared in accordance with both International Financial Reporting Standards ("**IFRS**") of the International Accounting Standards Board (IASB) and in consideration of the Interpretation of the IFRS Interpretations Committee (IFRIC) as adopted by the EU. The information regarding the periods January – June 2019 and January – June 2020 derives from MGI's interim report for the period January – June 2020 which has been prepared in accordance with IAS 34 Interim Financial Reporting Standard, but has not been audited. No other information with the exception for the financial reports for the financial years ending on December 31 2018 and 2019 in the Company Description has been reviewed or audited by the MGI's auditor. The information below should be read together with the sections "Comments to the financial development" and "Capitalisation and indebtedness".*

MGI'S INCOME STATEMENT

	Unaudited		*Audited*	
(kEUR)	**Jan-Jun 2020**	**Jan-Jun 2019**	**Jan-Dec 2019**	**Jan-Dec 2018**
Continuing operations				
Net revenue	56,569	28,575	83,893	32,621
Other own work capitalized	7,993	3,658	10,187	2,791
Other operating income	1,806	2,773	4,636	6,506
Total revenues	**66,367**	**35,006**	**98,716**	**41,918**
Operating expenses				
Services purchased & other operating expenses	-35,152	-17,014	-55,815	-22,834
Personnel expenses	-19,587	-10,451	-27,358	-10,438
Total operating expenses	**-54,739**	**-27,456**	**-83,174**	**-33,272**
EBITDA	**11,629**	**7,541**	**15,542**	**8,646**
Depreciation, amortization and write-downs	-6,583	-4,276	-10,543	-6,318
EBIT	**5,046**	**3,265**	**4,999**	**2,328**
Financial net	-3,457	-1,874	-5,758	-1,641
EBT	**1,589**	**1,391**	**-758**	**687**
Income taxes	-1,115	-511	2,012	895
Result from contributing operations, net of income tax	**474**	**880**	**1,253**	**1,582**
Discontinued operations				
Result from discontinued operations	-	-	-	3,673
Consolidated profit	**474**	**880**	**1,253**	**5,255**
of which attributable to non-controlling interest	-374	527	1,577	932
of which attributable to shareholders of the parent company	**848**	**353**	**-324**	**4,323**

MGI'S STATEMENT OF FINANCIAL POSITION

	Unaudited		Audited	
(kEUR)	Jun 30 2020	Jun 30 2019	Dec 31 2019	Dec 31 2018
Property, plant and equipment	3,111	4,991	3,521	4,189
Intangible assets	254,458	226,704	233,207	204,142
of which goodwill	152,015	143,469	147,339	133,756
Financial assets and other non-current assets	28,490	13,782	19,864	11,712
Non-current assets	**286,060**	**245,477**	**256,593**	**220,043**
Other receivables	23,344	23,511	22,872	11,803
Cash and cash equivalents	15,448	26,245	32,984	4,447
Current assets	**38,792**	**49,756**	**55,857**	**16,250**
Total assets	**324,852**	**295,232**	**312,449**	**236,293**
Equity attributable to shareholders of the company	149,683	69,358	96,344	67,220
Non-controlling interest	2,704	91,373	71,941	91,320
Shareholders' equity	**152,387**	**160,731**	**168,285**	**158,540**
Non-current liabilities	**118,864**	**78,079**	**89,347**	**53,395**
Current liabilities	**53,601**	**56,422**	**54,817**	**24,358**
Total shareholders' equity and liabilities	**324,852**	**295,232**	**312,449**	**236,293**

MGI'S STATEMENT OF CASH FLOWS

	Unaudited		Audited	
(kEUR)	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019	Jan-Dec 2018
Cash flows from operating activities	**10,844**	**5,831**	**16,199**	**6,942**
Cash flows from investing activities	**-17,684**	**-2,790**	**-13,070**	**-14,113**
Cash flows from financing activities	**-10,696**	**18,757**	**25,408**	**11,098**
Cash and cash equivalents at the beginning of the period	**32,984**	**4,447**	**4,447**	**406**
Net increase/(decrease) in cash and cash equivalents	-17,536	21,798	28,537	3,927
Changes to cash and cash equivalents due to currency translation	-	-	-	114
Cash and cash equivalents at the end of the period	**15,448**	**26,245**	**32,984**	**4,447**

COMMENTS TO THE FINANCIAL DEVELOPMENT

Comparison between the period January – December 2018 and January – December 2019

Earnings

The Group's earnings decreased by EUR 329 thousand, or 21 percent, from EUR 1,582 thousand in 2018 to EUR 1,253 thousand in 2019. The decrease in earnings was mainly attributable to increased financial expenses and a large positive result from discontinued operations in 2018.

Tax

The Group's tax revenue increased by EUR 1,117 thousand, or 125 percent, from EUR 895 thousand in 2018 to EUR 2,012 thousand in 2019. The increase in tax revenue was mainly attributable to negative earnings before taxes reported in 2019.

Earnings per share

The Group's earnings per share decreased by EUR 0.10, from EUR 0.09 in 2018 to EUR -0.01 in 2019. The decrease was mainly attributable to increased financial expenses and a large positive result from discontinued operations in 2018.

Cash flow, liquidity and financial position

The Group's cash flow increased by EUR 24,610 thousand, or 627 percent from EUR 3,927 thousand in 2018 to EUR 28,537 thousand in 2019. The decrease was mainly attributable to improved cash flows from operating and financing activities. Consequently, the Group's liquidity was significantly improved, from a cash and cash equivalent balance of EUR 4,447 thousand on December 31, 2018 to EUR 32,984 thousand on Dec 31, 2019. The Group's equity ratio decreased from 67.1 percent on December 31, 2018 to 53.9 percent on Dec 31, 2019.

Equity

The Group's equity increased by EUR 9,745 thousand, or 6 percent, from EUR 158,540 thousand in 2018 to EUR 168,285 thousand in 2019. Equity attributable to shareholders of the company increased by EUR 29,124 thousand, or 43 percent, from EUR 67,220 thousand on December 31, 2018 to EUR 96,344 thousand on December 31, 2019. This is an effect of minority interest buyouts during 2019.

Investments

The Group's cash outflow from investing activities increased by EUR 3,957 thousand, or 28 percent, from EUR -14,113 thousand in 2018 to EUR -18,757 thousand in 2019. The increase was mainly attributable to increased expansion capex related to acquisitions of subsidiaries and intangible assets.

Comparison between the period January – June 2019 and January – June 2020

Earnings

The Group's earnings decreased by EUR 406 thousand, or 46 percent, from EUR 880 thousand in H1 2019 to EUR 474 thousand in H1 2020. The decrease in earnings was mainly attributable to increased financial expenses and decreased tax revenue.

Tax

The Group's income tax expense increased by EUR 604 thousand, or 118 percent, from EUR -511 thousand in H1 2019 to EUR -1,115 thousand in H1 2020.

Earnings per share

The Group's earnings per share was unchanged, from EUR 0.01 in H1 2019 to EUR 0.01 in H1 2020. The unchanged earnings per share was mainly attributable to increased financial expenses and decreased tax revenue, which offset each other.

Cash flow, liquidity and financial position

The Group's cash flow decreased by EUR 39,334 thousand, or 180 percent from EUR 21,798 thousand in H1 2019 to EUR -17,536 thousand in H1 2020. The decrease was mainly attributable to negative cash flows from investing and financing activities. Consequently, the Group's liquidity was weakened, from a cash and cash equivalent balance of EUR 26,245 thousand on June 30, 2019 to EUR 15,448 thousand on June 30, 2020. The Group's equity ratio decreased from 54.4 percent on June 30, 2019 to 46.9 percent on June 30, 2020.

Equity

The Group's equity decreased by EUR 8,344 thousand, or 5 percent, from EUR 160,731 thousand on June 30, 2019 to EUR 152,387 thousand June 30, 2020. Equity attributable to shareholders of the company increased by EUR 80,010 thousand, or 115% percent, from EUR 69,358 thousand on June 30, 2019 to EUR 149,368 thousand on June 30, 2020. This is an effect of minority interest buyouts during 2020.

Investments

The Group's cash outflow from investing activities increased by EUR 14,894 thousand, or 534 percent, from EUR 2,790 thousand in H1 2019 to EUR 17,684 thousand in H1 2020. The increase was mainly attributable to increased expansion capex related to acquisitions of subsidiaries and intangible assets.

Capitalisation and indebtedness following the Private Placement

The tables below show MGI's capitalization and indebtedness on a stand-alone basis and following the completion of the Private Placement as announced on 29 September 2020. The information below shall be read together with the sections "*Financial information*" and "*Comments to the financial development*". See also section "*Share capital and ownership structure*" for more information about the share capital and shares.

Equity and indebtedness, kEUR	30 June 2020	30 June 2020 (Pro Forma)
Total current liabilities	**4 282**	**4 282**
Against guarantee	0	0
Against security	2 283	2 283
Unsecured credits	1 998	1 998
Total non-current liabilities	**91 016**	**91 016**
Against guarantee	0	0
Against security	57 250	57 250
Unsecured credits	33 766	33 766
Total equity	**152 387**	**179 381**
Share capital	70 020	95 020
Restricted reserves	77 577	79 571
Other reserves	4 790	4 790

Net indebtedness, KEUR	30 June 2020	30 June 2020 (Pro Forma)
A. Cash	15 448	42 442
B. Cash equivalents	0	0
C. Quickly realizable securities	0	0
D. Total liquidity (A+B+C)	**15 448**	**42 442**
E. Current financial receivables	0	0
F. Current bank debt	4 282	4 282
G. Current portion of non-current liabilities	2 500	2 500
H. Other current liabilities	0	0
I. Total current liabilities (F+G+H)	**6 782**	**6 782**
J. Net current indebtedness[1] (I-E-D)	**-8 666**	**-35 660**
K. Non-current bank loans	5 800	5 800
L. Issued bonds	73 259	73 259
M. Other non-current loans	9 457	9 457
N. Total non-current liabilities (K+L+M)	**88 516**	**88 516**
O. Net indebtedness (J+N)	**79 850**	**52 856**

1) Includes Interest Bearing Financial Indebtedness (bonds, bank credit lines, revolving credit facilities, shareholder loans etc.) and excluded account payables, accruals and other payables.

STATEMENT REGARDING WORKING CAPITAL

It is MGI's assessment that the working capital is sufficient to meet the Company's requirement during the coming 12 months period. Working capital means in this sense MGI´s ability to access cash to fulfill the payment obligations as they fall due for payment.

BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND AUDITOR

BOARD OF DIRECTORS

In accordance with the Memorandum and Articles of Association of the Company (the "**Articles of Association**"), the board of directors of the Company shall at all times consist of not less than two (2) and not more than ten (10) directors. MGI's board of directors currently consists of three (3) members, which were elected at the extraordinary general meeting in May 2020 and January 2020, including the chairman of the board, all of whom have been elected for an undefined period of time. A description of the current board members, their position, the year in which they were elected and proposed for election for the first time and whether they are regarded as independent in relation to the Company and senior executives and in relation to major shareholders is presented in the table below.

Name	Position	Board member since	The Company and management	Major shareholders (≥10%)
Remco Westermann	Chief Executive Officer and Chairman	2018	No	No
Tobias Weitzel	Non-Executive Director	2018	Yes	Yes
Elizabeth Para	Non-Executive Director	2020	Yes	Yes

MEMBERS OF THE BOARD OF DIRECTORS

Remco Westermann (1963)

Chief Executive Officer and Chairman of the board since 2018

Education/background: Remco Westermann has been the chief executive officer of gamigo since November 2012 and the chairman of the Company's Board of Directors since May 2018. Remco holds a master's degree in business economics and has over 25 years of professional experience, over 15 years of which he has worked in the mobile and online entertainment industry. In the course of his career, he founded the listed company Bob Mobile AG (later Cliqdigital AG). He also helped build the mobile media company Sonera Zed and managed its German subsidiary for several years as chief executive officer. Previously, Remco was a manager at leading companies such as Balance Point and a consultant at Rost & Co. In the dynamic, highly competitive and fast growing games market, Remco has built up a leading and fast-growing online games company through a successful M&A strategy following the acquisition and repositioning of gamigo. In 2018, Remco acquired a majority stake in the Company and aligned its business model to "buy, integrate, build and improve" in the gaming and media sectors.

Current positions: Managing Director of Jarimovas GmbH, Bodhivas GmbH, Bodhisattva GmbH and Garusadana GmbH. In Sarasvati KG, Remco Westermann is a shareholder with the right to represent the company solely.

Prior positions (past five years): None.

Holdings in the Company: Remco Westermann holds indirectly 43,179,501 shares in the company via its holding companies Bodhivas GmbH and Sarasvati KG. On May 9, 2018, the Company granted Bodhivas GmbH the option to acquire 20,000,000 shares of the company for a purchase price of 1.20 EUR per share. The option was extended on April 15, 2020 but waived in its entirety by Bodhivas GmbH on September 28, 2020.

Tobias Weitzel (1973)

Non-executive director and board member since 2018

Education/background: Tobias M. Weitzel has been a member of the Company's Board of Directors since May 2018. He is an investor (equity and debt), member of the board and founder of CREDION AG, a private debt provider and special alternative investment fund (since 2017); chief executive officer and sole shareholder of BSK Becker+Schreiner Kommunikation GmbH ("BSK"), a communications advisor specialized in investor relations, corporate communications and change communications. Since 2012 he has been a member of the board of Financial Experts Association e.V., one of the leading organizations for corporate governance and independent financial experts in supervisory boards in Germany. He holds a diploma of the Cologne Journalism School for Politics and Economics. In his career as a journalist he has worked for daily newspapers, magazines, radio stations and in media and public relations for various international corporates. He has been active as a specialist for complex transformation situations at BSK since its founding in 1998. As chief executive officer, Tobias M. Weitzel has headed BSK since 1999 and, since 2011, has been the sole partner of BSK, which advises national and international clients on public and investor relations. With CREDION AG he provides private debt solutions for German small and medium-sized enterprises - e.g., to foster growth-programmes, succession, M&A, turnaround and discharging debt since 2017.

Current positions: Member of the executive board of CREDION AG, CREDION Kapitalverwaltungsgesellschaft, CREDION Komplementärgesellschaft and AfricaConnect GmbH. CEO of BSK GmbH.

Prior positions (past five years): None.

Holdings in the Company: Tobias Weitzel holds 394,489 shares in the company, of which 333,000 shares are under a lock-up until March 2022.

Elizabeth Para - (1972)

Non-executive director and board member since 2020

Education/background: Elizabeth Para joined the Board of Directors of the Company in January 2020. Her career in financial markets began in 1997. She has a strong technical background spanning public and private fixed income and equity markets and has worked on both the investment and client facing sides of the investment management industry. Elizabeth has a master's degree in economics and holds the title Chartered Financial Analyst (CFA).

Current positions: None.

Prior positions (past five years): None.

Holdings in the Company: Elizabeth Para holds 584,088 shares in the Company of which 344,088 shares are under a lock-up until March 2022.

MANAGEMENT

Remco Westermann (1963)

Chief Executive Officer and Chairman of the board since 2018

See above under section "Member of the board of directors".

Paul Echt (1990)

CFO since 2018

Education/background: Finance Manager with more than 10 year's experience in the tech and finance industry. Previously held positions at UniCredit Bank in Berlin, Munich and New York as well as Shopgate Inc. in San Francisco. Paul Echt has a Master in Business Management/ Finance (M.A.) and a Bachelor of Laws (LL.B.).

Current positions: None.

Prior positions (past five years): None.

Holdings in the Company: Paul Echt holds no shares in the Company.

Jens Knauber (1980)

COO since 2017

Education/background: More than 10 years experience as manager in the gaming industry – over 300 published games. Jens Knauber has held a series of leadership positions at Hamburg publisher dtp entertainment AG. Strong background in games publishing with a wide global network in the gaming industry. He is responsible for the gamigo Group.

Current positions: Managing Director at elbdiamond software UG.

Prior positions (past five years): None.

Holdings in the Company: Jens Knauber holds no shares in the Company.

Gary Coffey (1984)

CTO since 2017

Education/background: IT Manager with more than 12 years experience ranging from e-commerce, fintech and engineering. Strong background in B2B and B2C organisations and digital transformations. Previously held leadership positions at Bombardier Transportation & BAE Applied Intelligence. Gary Coffey has a diploma in computer applications at Dublin City University.

Current positions: None.

Prior positions (past five years): Director of Technology Aeria Games GmbH, Technical Transformation Manager Bombardier Transportation.

Holdings in the Company: Gary Coffey holds no shares in the Company.

Stefan Rascher (1967)

CSO since 2018

Education/background: More than 20 years experience in marketing, e-commerce, and telecommunications. Stefan Rasher has held various positions held at E-Plus, Quam and own consulting firm. He is responsible for Media Elements group.

Current positions: Managing Director STRATOS International Consulting GmbH

Prior positions (past five years): -

Holdings in the Company: Stefan Rasher holds no shares in the Company.

OTHER INFORMATION ABOUT THE BOARD OF DIRECTORS AND MANAGEMENT

No board members or members of management have any family ties to other board members or members of management. There are no conflicts of interest or potential conflicts of interest between the undertakings of the board members and management in relation to MGI and their private interests and/or other undertakings (however, a number of board members and management have certain financial interests in MGI due to their direct or indirect shareholdings, warrants or phantom stock in the Company). Furthermore directors are duty bound by Article 145 of the Companies Act, Chapter 386 of the Laws of Malta (the "**Companies Act"**) to declare any interests in connection with any contracts entered or proposed to be entered into with the Company.

No director or senior executive has during the past five years, (i) been convicted in any case involving fraud; (ii) in addition to what is stated above, represented any company which has been placed into bankruptcy or liquidation; (iii) been the subject of sanctions or charged by a public authority organisation as representing a particular professional group and is subject to public law regulation; or (iv) has been the subject of a prohibition on trading.

AUDITORS

RSM Malta, Mdina Road, ZBG9015, Haz-Zebbug, Malta, is the Company's statutory auditor. RSM Malta's address is presented in the section "*Addresses*" at the end of the Company Description.

CORPORATE GOVERNANCE

Media and Games Invest plc is a public limited liability company incorporated under the laws of Malta on the 21 March 2011. The Company is registered with the Malta Business Registry in Malta, with company registration number C 52332 and with its registered office at 168 St. Christopher Street, Valletta, VLT1467, Malta. The Company's LEI is 391200UIIWMXRLGARB95. The Company is the parent holding company of Media and Games Services AG (Switzerland), blockescence DLT solutions GmbH (Germany), Samarion SE (Germany), Applift GmbH (Germany), Vajrapani Limited (Malta), Platform 161 Holding BV (Netherlands) and ReachHero GmbH (Germany). The Company's shares are listed in the scale segment of Frankfurt Stock Exchange. In October 2019, MGI listed a public bond in the open market segment of Frankfurt Stock Exchange. The Company's subsidiary, gamigo AG, has a public bond listed in the open market segment of Frankfurt Stock Exchange and in the regulated segment of the Nasdaq Stockholm in Sweden.

The Company's board of directors is responsible for managing the Company's business. Corporate governance in the Company is based on Maltese law, the Company's Articles of Association, the rules and regulations of the Frankfurt Stock Exchange and internal rules and instructions. Following the listing on Nasdaq First North Premier Growth Market, the Company will apply Nasdaq First North Growth Market's Rule Book and the Swedish Corporate Governance Code (the "**Code**"). Companies do not have to comply with all of the rules in the Code, instead these Companies have the possibility of choosing alternative solutions that they consider better suited to their particular circumstances, provided that any deviations are presented, that the alternative solution is described and that the reasons are explained in the corporate governance report (the "comply or explain principle"). Any deviations from the Code will be reported in the Company's corporate governance report, which the Company will prepare for the first time in connection with the annual report for the financial year 2020. At the present time, the Company has identified the following deviations from the Code.

Nomination committee

On this point, the Company deviates from the rules of the Code. Considering the Company's shareholding structure and size of the Company, the Company's largest shareholders were of the view that it is not necessary to establish a nomination committee and that a direct nomination of persons for appointment as board members is better suited in the Company's circumstances. As the Company grows and the shareholder base of the Company evolves, the Company may reconsider whether establishing a nomination committee would be beneficial.

Appointment of board members and chairman of the board

The board members of MGI have all been appointed for an unlimited time. They can, however, be dismissed by an ordinary resolution of the shareholders in general meeting (a simple majority of the nominal value of shares represented and entitled to vote at the meeting). The Company believes this to be a well-established and efficient practice for many years and therefore wishes to continue with the same.

The chairman of the board is appointed by the board itself, which procedure is set out in the Articles of Associations and is a well-established procedure.

Remuneration committee

At this point, the Company will not establish a remuneration committee. The board of directors of MGI consists of three individual directors and due to the size of the board the Company believes it to be more efficient not to establish such a committee.

MALTESE LAW AND ARTICLES OF ASSOCIATION

MGI's activities are governed by Maltese law, primarily by the Companies Act, and MGI's Memorandum and Articles of Association. The following is a summary of the rights of the shareholders of the Company based on current Maltese law, including the Companies Act, and MGI's Memorandum and Articles of Association.

This summary is not, and does not purport to be, a complete analysis of Maltese company law.

Corporate objects

Clause 2(1) of the Company's Memorandum of Association sets out the objects of the Company as follows:

a. To acquire and hold, buy and/or sell shares, stocks, bonds, debentures or securities of or in any other company or body of persons (whether such shares or other securities be fully paid up or not) and any other moveable or immovable property, and to invest the funds and assets of the Company in such manner as the Board may deem fit, where the so doing may seem desirable in the interest of the Company, and in such manner as may from time to time be determined, solely in the name of, for and on behalf of the Company and the carrying out of such other acts and entering into such agreements as may be necessary, desirable, connected or ancillary in respect of the above.

b. To lend and advance money, give credit (on such terms as it may deem appropriate), grant or provide guarantees, hypothecs, privileges, charges, security interests or other security exclusively to, or in favour of, companies or partnerships which form part of the same group of companies and partnerships as the Company (i.e. to companies and partnerships which have more than fifty per cent of their share capital owned directly or indirectly by the same parent or ultimate parent company or partnership as the Company).

c. To receive funds from any company or partnership which form part of the same group of companies and partnerships as the Company and to transfer funds to any company or partnership forming part of the same group of companies and partnerships as the Company.

d. To carry out such activities as may be ancillary to the above or as may be necessary or desirable to achieve the above objects.

Shares, share capital and share rights

Article 27 of the Articles of Association provide that the shares of MGI shall be dematerialized under the Financial Markets Act (Chapter 345 of the Laws of Malta).

Article 3 of the Articles of Association highlights that issues of new shares and securities which are convertible into shares or which carry the right to subscribe for shares shall be made by ordinary resolution of the Company in general meeting. The Board of Directors may be authorised by an ordinary resolution of the Company in general meeting to issue any shares and securities which are convertible into shares or which carry the right to subscribe for shares in the Company up to the limit of the authorised share capital of the Company. Such authorisation shall be valid for a maximum period of five (5) years from the date of the resolution and may be renewed for further periods of five (5) years each.

Furthermore Article 4 of the Articles of Association stipulates that, subject to the relevant provisions of the Companies Act and these Articles, allotments of new shares and securities which are convertible into shares or which carry the right to subscribe for shares in the Company for consideration in cash shall be offered on a pre-emptive basis to shareholders in the Company in proportion to the share capital held by them. No such new shares and securities which are convertible into shares or which carry the right to subscribe for shares shall be offered on a pre-emptive basis to the Company itself, notwithstanding any other provision of the Companies Act empowering the Company to hold its own shares. The Board of Directors may restrict or withdraw the right of pre-emption on any issue made by the Board of Directors in accordance with an authorisation granted under Article 3 of the Articles of Association.

General meeting

Subject to the provisions of the Companies Act the annual general meetings shall be held at such time and place as the Board of Directors may appoint, including outside Malta. The Board of Directors may, whenever they think fit, convene an extraordinary general meeting. Extraordinary general meetings may also be convened on requisition or, in default, by requisitionists, as provided in article 129 of the Companies Act.

A general meeting of the Company shall be called by giving at least fourteen (14) clear days' notice in writing to every shareholder of the Company. The notice shall specify the place, day and hour of the meeting and the general nature of the business. Provided that a meeting of the Company shall, notwithstanding that it is called by shorter notice be deemed to have been duly called if it is so agreed to by all shareholders entitled to attend and vote at that meeting.

The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting. No business shall be transacted at any general meeting other than that stated in the notice convening it and unless a quorum of members is present at the time the meeting proceeds to business.

A shareholder or shareholders holding at least seventy-five percent (75%) of the issued share capital carrying voting rights shall constitute a quorum. If within an hour from the time appointed for a meeting a quorum is not present the meeting shall be adjourned to the same day in the next week, at the same time and place, and if at the adjourned meeting a quorum is not present within an hour from the time appointed for the meeting, a shareholder or shareholders in person or by proxy holding at least twenty-five percent (25%) of the issued share capital carrying voting rights shall constitute a quorum.

The chairman of the Company shall preside as Chairman of the Meeting in every general meeting and, if there is no chairman of the Company or if the chairman of the Company is not present within fifteen (15) minutes after the appointed time, the Chairman of the Meeting shall be elected by the directors present.

Any decision of the general meeting for which an extraordinary resolution is not required by these regulations or by the Companies Act shall be validly taken if approved by an ordinary resolution. An ordinary resolution of the Company shall be validly passed if approved in a general meeting by a shareholder or shareholders having the right to attend and vote at that meeting and holding in the aggregate more than fifty per cent (50%) in nominal value of the shares represented and entitled to vote at the meeting.

An extraordinary resolution of the Company shall be validly passed if (a) it has been taken at a general meeting of which notice specifying the intention to propose that resolution as an extraordinary resolution and the principal purpose thereof has been duly given and (b) it has been passed by (i) a shareholder or shareholders having the right to attend and vote at the meeting holding in the aggregate not less than seventy-five per cent (75%) in nominal value of the shares represented and entitled to vote at the meeting as well as (ii) a shareholder or shareholders holding in the aggregate at least fifty-one per cent (51%) in nominal value of all the shares entitled to vote at the meeting.

Shareholders who wish to attend in a general meeting must be entered as shareholders in the share register maintained by the relevant Central Securities Depositary prior to the date indicated in the notice to the general meeting.

Certain rights associated with the shares

The Company's shares are of the same class, ordinary shares. The rights associated with shares issued by the Company, including those pursuant to the Articles of Association, may only be amended in accordance with the procedures stated in the Articles of Association and the Companies Act.

Voting rights

All ordinary shares outstanding in the Company entitle the holder: (i) to receive notice of and to attend all general meetings of the Company; ii) to one vote per share at general meetings of shareholders (with regards to ordinary and extraordinary resolutions). One share entitles the holder to one vote at general meetings and each shareholder will be entitled to vote for all of the ordinary shares held by the shareholder.

Preferential rights to new shares, etc.

If the Company issues new shares and securities which are convertible into shares or which carry the right to subscribe for shares in the Company for consideration in cash, shall be offered on a pre-emptive basis to shareholders in the Company in proportion to the number of shares held by the particular shareholder, prior to the issue.

Rights to dividends and liquidation proceeds

The Board of Directors may declare dividends and the Board of Directors may from time to time pay to the shareholders of the Company such interim dividends as may appear to the Board of Directors to be justified by the profits of the Company.

MGI declares dividends in EUR. Payment of dividends will therefore primarily be made in EUR, provided that EUR can be received on the shareholder's account; if not, payment of dividends will be made in SEK, after currency exchange by Euroclear Sweden or the Group. Shareholders with nominee-registered shareholdings should contact their nominees with respect to the dividend payment currency.

All shares carry equal rights to MGI's assets available for distribution to shareholders in the event of liquidation, dissolution or winding up of MGI.

Minority rights

The Companies Act confers a number of individual shareholder rights and qualified minority rights on shareholders against the oppression by the majority (even though it should be noted that these rights are generally available to all shareholders irrespective of the size of their shareholding), most notably:

1. the right to request the court to order the holding of a general meeting or board meeting in certain circumstances;
2. the right to request the court to dissolve MGI, which demand can be made on a number of grounds, the most important being that there exists sufficient gravity to warrant the dissolution and consequent winding up of MGI;
3. the right to request an extraordinary general meeting by shareholders holding in the aggregate at least 10 % of the paid up share capital of MGI;

4. the right, for shareholders holding in the aggregate at least 10 % of the paid up share capital of MGI, to apply for an investigation into the affairs of MGI;
5. the right to bring a derivative action in respect of a wrong done to MGI where the wrongdoers are in control and prevent MGI from suing (Fraud on the Minority);
6. the right to file an application to the court concerning the managing of the affairs of MGI, or conduct or acts or omissions, that is/are oppressive, unfairly prejudicial or unfairly discriminatory to a shareholder or shareholders;
7. the right to request the court to appoint a board member or an auditor if a vacancy in breach of the Memorandum of Association and Articles of Association occurs and the respective appointments have not taken place due to the unwillingness or inability of the majority shareholders and/or board members (as applicable); and
8. the rights to information and voting in respect of any division, amalgamation or conversion of MGI.

It should also be noted that there are no mandatory minority shareholder protection rules, with respect to the composition of the Board of Directors. However, shares may be divided into classes of shares and a class of shares may be provided the right to appoint a number of board members. This may allow minority shareholders some representation at board level. Minority shareholders also enjoy other rights according to the Companies Act.

Board of directors

The directors shall be appointed by an ordinary resolution of the Company during a general meeting. The Company may by ordinary resolution taken at the time of his appointment or at any later date determine the period for which a director shall hold office. Subject to the provisions of article 140 of the Companies Act, a director shall hold office, unless he dies or tenders his resignation at an earlier date, until the expiration of the period determined as aforesaid but shall thereafter be eligible for re-appointment.

The directors shall exercise their powers subject to these regulations, to the provisions of the Companies Act, and to the resolutions of the Company in general meetings; but no resolution taken by the Company in general meeting shall invalidate any prior act of the directors which would have been valid if that resolution had not been taken.

The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings, as they think fit. Meetings of the Board of Directors shall be convened by the Chairman or by the Company secretary at the request of any director.

A resolution in writing, signed by all the directors of the Company shall be as valid and effective as if it had been passed at a meeting of the Board of Directors duly convened and held.

The Board of Directors shall have power to appoint any person to be the attorney of the Company for such purpose and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Board of Directors under these regulations) as they may deem appropriate and may also authorise any such attorney to delegate all or any of the powers, authorities and discretion vested in him.

The Board of Directors may from time to time appoint a managing director or a director or directors holding any other executive office or offices from amongst themselves delegating to him or them any of the powers exercisable by them either collaterally with or to the exclusion of their own powers. Subject to the provisions of the next following clause, any such appointment shall be valid for such period and subject to such terms and conditions as the Board may impose. Any such appointment shall be automatically determined if the person so appointed ceases for any reason to be a director.

No remuneration shall be payable to the directors, including directors holding an executive office, unless and to the extent approved by the Company in general meeting.

Liability of the board of directors

The Board of Directors have a number of duties and responsibilities which may be broadly classified as:

- duties of a general nature such as duties of loyalty and duties of care and skill; and
- statutory duties such as duties concerning the maintenance of statutory registers and minute books, returns and filings and duties relating to the Board of Directors and general meetings.
- The personal liability of the board members for any breach of their duties is joint and several. However, provided that a particular duty has been entrusted to one or more of the board members, only such board member(s) shall be liable for a breach. Furthermore, a board member shall not be liable for the acts of the other board members if the member proves either:
- that the member did not know of the breach of duty before or at the time of its occurrence, and when becoming aware of it, the member expresses his dislike in writing to the other board members; or
- that, knowing that the other board members intended to commit a breach of duty, the member took all reasonable steps to prevent it.

Sanctions imposed upon board members personally for breach of duties and obligations may range from penalties imposed by the Registrar of Companies (e.g. in case of administrative duties) to damages.

Certain wrongdoings from the Board of Directors may also give rise to a criminal offence which may result in a fine and/or imprisonment. This responsibility could, for example, arise in the event of a breach of taxation laws or anti-money laundering legislation. Furthermore, certain tax legislation (such as the Social Security Act, the Income Tax Act, and the VAT Act) imposes a personal liability on Board members for certain debts which normally, would be payable by MGI.

The Companies Act provides that any stipulation that exonerate a board member for actions which are considered negligent or in breach of his/her duties always shall be void even though it may be contained in a private agreement or in the Memorandum and Articles of Association. Notwithstanding the general prohibition against such provisions, the Group may indemnify a board member against any liability incurred when defending any proceedings in which judgement is given to the board member's favour or when the board member is acquitted. Furthermore, the Group may purchase, maintain in force and pay the relative premium for insurance packages against any such liability for the benefit of its Board of Directors. An individual board member is also allowed to take out insurance in such regard.

Disclosure of interest

There is no requirement under the Companies Act for a person to notify MGI when becoming the holder of a certain percentage of the share capital of MGI since Nasdaq First North Premier is not a regulated market.

Distribution of assets and liquidation

A company may be liquidated voluntarily or by a court decision. Any member of the Board of Directors, creditor or shareholder may apply to a court that MGI shall be liquidated up in accordance with the conditions laid down in the Companies Act. When liquidating MGI, its assets and property shall be distributed in order to cover its liabilities and any excess shall be distributed to the shareholders pro rata.

CEO AND OTHER MEMBERS OF THE MANAGEMENT

The CEO and other members of management are presented above in greater detail in the section "*Board of directors, executive management and auditor*". The other senior executives are the people who, together with the CEO, constitute the group management.

REMUNERATION TO THE BOARD OF DIRECTOR AND MANAGEMENT

The members of the Company's board of directors do not receive any remuneration in their capacity as directors. Remuneration to the CEO and other senior executives consist of basic salary and other benefits. In the financial year ended 31 December 2019 the Company's executive board member and Chief Executive Officer Remco Westermann received a total amount of kEUR 255 as remuneration from gamigo AG, plus benefits in kind.

Remuneration during 2019

An overview of remuneration paid for the 2019 financial year to board members, the CEO and other members of management is presented in the table below.

Amounts in EUR	Basic salary/ board fee	Variable remuneration	Other benefits	Pension expenses	Incentive program*	Total
Board of directors						
Remco Westermann[1]	-	-	-	-	-	0
Tobias Weitzel	-	-	-	-	-	0
Elizabeth Para	-	-	-	-	-	0
Total board of directors	**0**	**0**	**0**	**0**	**0**	**0**
CEO and management						
Remco Westermann	250,000.00	-	4,845.41	-	-	254,845.41
Jens Knauber	192,000.00	-	170.64	-	-	192,170.64
Gary Coffey	163,333.34	-	624.00	-	-	163,957.34
Stefan Rascher	168,000.00	-		-	-	168,000.00
Paul Echt	141,899.75	20,000.00	8,575.64			170,475.39
Total CEO and management	**690,233.09**	**20,000.00**	**14,215.69**	**0**	**0**	**949,448.78**

1) In his position as board member, for remuneration as CEO please refer to the table of management remuneration.

Current employment contract for the CEO and agreements with other members of management

The Company has a management team consisting of five people, which in addition to the CEO is comprised of the Company's Chief Sales Officer, Chief Financial Officer, Chief Operating Officer and Chief Technical Officer.

Remuneration to the senior management consists of basic salary, bonus and other benefits. As of the date of the Company Description, the CEO receives a gross basic salary of EUR 255,000 per year. As of the date of the Company Description, other member of senior management receives an annual fixed salary ranging from EUR 162,000 to EUR 192,000. The employment agreement with the CEO is set on a fixed term until 30 June 2022 and does not set out a notice period. In the jurisdiction where the CEO is employed it's common practice to have fixed term employment agreements without a notice period for a company CEO. Three months prior to the end of each fixed term, the CEO is either re-appointed or the employment agreement is terminated. A re-appointment of a CEO can be made for a period of maximum five years for each fixed term. Other members of the senior management have a notice period of three to six months irrespective of which party gives notice. No severance pay has been agreed for the members of the senior management.

AUDIT

The auditor is to review the Company's annual accounts and financial statements. Following each financial year, the auditor is to submit an audit report and a consolidated audit report to the annual shareholders meeting. RSM Malta, Mdina Road, ZBG9015, Haz-Zebbug, Malta, is the Company's statutory auditor. The Company's auditor is presented in greater detail in the section "*Board of directors, executive management and auditor*".

SHARE CAPITAL AND OWNERSHIP STRUCTURE

GENERAL INFORMATION

On the date of the publication of the Company Description, the Company's authorised share capital is EUR 300,000,0000 made up of 300,000,0000 ordinary shares of EUR 1 each. The Company's issued share capital is EUR 92,073,507 distributed on 92,073,507 ordinary shares of EUR 1 each, fully paid up. The shares are denominated in EUR and the quota value of each share is EUR 1.

All shares in the Company have been issued pursuant to Maltese law and the Companies Act. All issued shares have been fully paid and are freely transferrable.

The shares are not subject to a mandatory offering, redemption rights or sell-out obligation. No public takeover offer has been made for the offered shares during the current or preceding financial year.

DIVIDEND POLICY

The Company has not adopted a dividend policy.

CENTRAL SECURITIES DEPOSITARY

MGI's shares are registered in CSD registers in accordance with the Swedish Central Securities Depositaries and Financial Instruments Accounts Act (Sw. *lag (1998:1479) om värdepappers-centraler och kontoföring av finansiella instrument*), §§ 5,6 Deutsches Depotgesetz and in compliance with Companies Act. The 'Issuer CSD' register is maintained by the Central Securities Depository operated by the Malta Stock Exchange, while the 'Investor CSD' registers are managed by Euroclear Sweden and Clearstream Banking S.A., respectively. The address of the Malta Stock Exchange is Garrison Chapel, Castille Place, Valletta VLT 1063, Malta The address of Euroclear Sweden is Box 7822, SE-103 97 Stockholm, Sweden. The address of Clearstream Banking S.A. is 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg.

SHARE CAPITAL DEVELOPMENT

The table below shows the historical trend for the Company's issued share capital since it was formed and the changes in the number of shares and the issued share capital made thereafter.

Registration date	Event	Change	Total	EUR	Change (EUR)	Total (EUR)
2011-02-25	Founded	-	50,000	1.00	-	50,000
2011-04-06	Capital increase in kind	11,074,710	11,124,710	1.00	11,074,710	11,124,710
2011-05-02	Capital increase in kind	4,762,584	15,887,294	1.00	4,762,584	15,887,294
2011-05-02	Capital increase in kind	3,870,468	19,757,762	1.00	3,870,468	19,757,762
2016-02-23	Destroy/Split	-16,218,986	3,538,776	-	-16,218,986	3,538,776
2015-05-04	Capital decrease in kind	-1,563,000	1,975,776	-	-1,563,000	1,975,776
2016-06-17	Capital increase in kind	38,000,000	39,975,776	1.00	38,000,000	39,975,776
2016-06-22	Capital increase in cash	824,224	40,800,000	1.00	824,224	40,800,000
2018-08-13	Capital increase in kind	16,000,000	56,800,000	1.00	16,000,000	56,800,000
2018-09-24	Capital increase in cash	2,550,000	59,350,000	1.35	2,550,000	59,350,000
2018-12-21	Capital increase in cash	500,000	59,850,000	1.35	500,000	59,850,000
2019-06-18	Capital increase in kind	2,170,000	62,020,000	1.10	2,170,000	62,020,000
2019-07-22	Capital increase in cash	5,000,000	67,020,000	1.15	5,000,000	67,020,000
2019-10-09	Capital increase in cash	3,000,000	70,020,000	1.15	3,000,000	70,020,000
2020-07-08	Capital increase in kind	3,967,582	73,987,582	1.13	3,967,582	73,987,582
2020-09-28[a]	Capital increase in kind	18,085,925	92,073,507	1.20	18,085,925	92,073,507
2020-10-30[b]	Capital increase in cash	25,000,000	117,073,507	1.14[c]	25,000,000	117,073,507

a) This is an indicative date only. The share issue relates to the acquisition of gamigo shares from the gamigo minority shareholders.
b) This is an indicative date only. The share issue relates to a private placement of the Company's shares offered to Swedish and international institutional investors.
c) The price of the Shares in the Private Placement was determined in a bookbuilding process to be SEK 12.00 (corresponding to approx. EUR 1.14. Based on the exchange rate of 10.55 EUR/SEK as per 29 September 2020.

OWNERSHIP STRUCTURE

The following table shows the shareholders in the Company, as known by the Company as of the date of the Company description. As the Company's shares are listed on Frankfurt Stock Exchange the Company's share register is currently held by Clearstream Banking S.A. Following the listing of the Company's shares on Nasdaq First North Premier Growth Market part of the Company's shares will also be registered with Euroclear Sweden.

Shareholder	Number of shares	% of the shares	% of the votes
Bodhivas GmbH	43,179,501	37	52.3[a]
Elizabeth Para (board member)	584,088	0.5	0.5
Tobias Weitzel (board member)	394,489	0.3	0.3
Shareholders included in the Private Placement[a]	25,000,000	21	21
Known shareholders (total)	**69,158,078**	**59**	**59**
Other shareholders	**47,915,429**	**41**	**41**
Total	**117,073,507**	**100**	**100**

a) Bodhivas GmbH, Germany, owns 37% of the shares and (due to voting agreements) 52.3% of the voting rights of the Company directly and thus controls the Company. Bodhivas is a 100% subsidiary of Sarasvati KG, which in turn is 90% owned by Remco Westermann, the Company's Chairman of the Board of Directors, who thus indirectly controls the Company.
b) This includes approximately 164 individual shareholders.

VOTING RIGHTS SHAREHOLDERS' AGREEMENT

Bodhisattva GmbH and Bodhivas GmbH have entered into an undisclosed partnership with the purpose of ensuring that the voting and petition rights, which the shareholders hold as a result of their MGI shares, are uniformly and unanimously exercised in general meetings of shareholders of MGI. Bodhisattva GmbH and Bodhivas GmbH jointly hold 37 percent of the shares and 52.3 percent of the voting rights in the Company. Sarasvati KG is the sole shareholder of Bodhivas GmbH and Remco Westermann holds 90 percent (90%) of the shares in Sarasvati KG, the remaining 10 percent of the shares are held by Jaap Westermann, Remco Westermann's brother. This agreement and the undisclosed partnership that it forms may not be terminated without good cause prior to 1 March 2022. After 1 March 2022, the agreement shall terminate without the need for any further declaration by the parties.

Besides what is stated above, to the best of the Board of Directors' knowledge, as of the date of this Company Description, there are no other shareholders' agreement or similar agreements that could result in a change in the control of the Company.

AUTHORIZATION TO ISSUE SHARES ETC.

The Board of Directors is currently authorised by the Company's shareholders to issue any shares up to the maximum volume of the authorized share capital, which authorisation is valid for a period of five years starting from 25 July 2019. The authorised share capital is EUR 300 million. As of the date of the Company Description the issued share capital amounts to 92,073,507.

CONVERTIBLES, WARRANTS AND INCENTIVE PROGRAMS

Share Options

As part of the consideration for 120,100 shares in Samarion SE, MGI granted the seller Bodhivas GmbH the right to acquire 20,000,000 shares in MGI at a purchase price of EUR 1.20 per share, with such option exercisable until 5 May 2020 (the "**Share Option**"). On 15 April 2020 the Board of Directors of MGI and Bodhivas GmbH agreed that the Share Option would be extended and the purchase price increased. Following the extension, Bodhivas GmbH was entitled to acquire 20,000,000 shares in MGI at a purchase price of EUR 1.30 per share. However, for purposes of optimizing the shareholder structure in connection with the dual listing on Nasdaq First North Premier Growth Market, Such option has been waived on September 28, 2020 by Bodhivas GmbH whereby the Company has assumed the obligation towards the employees to the underlying value in cash thereby avoiding further dilution for the Company's shareholders, see also below under *Incentive Program*. No further options on new MGI shares exist as of the date of the Company Description.

Incentive program

To support employee retention the Company has made phantom shares available to key employees under an incentive program under which the Company has committed up to 9,000,000 phantom stocks, of which currently 6.25 million have been assigned. Key employees for the program are selected by the Company and Bodhivas GmbH.

The general terms are that:
Allowance is added and calculated on 1 July each year (% of months), first per 1 July 2020. The incentive program consists of phantom stock in MGI and the strike price is 1.30. A first 'sale' of phantom stock is possible four years after start of the program (i.e. 1 April 2024). Phantom stock ‚earned' can earliest be exercised two years after it was received, though not before 1 April 2024. Sale of phantom stock can only be made in windows four weeks after formal financial (quarterly/half year) results and the sale intention is to be announced at the latest one week before results are published. However, as stated above in Share options, instead of issuing shares, the Company has elected to compensate the employees in cash. In case of a majority sale of MGI (> 70%) to a non-related party where Bodhivas GmbH ends up with no or only a limited number of shares (<15% of the total outstanding shares in MGI), all phantom stock that has been vested until such date shall be part of the sale.

Vesting/Allowance;Employment counts:
From date of start with the Group. For old gamigo employees max two years backward (1 May 2018). For employees as a result of acquisitions it shall be calculated from date of acquisition.

Vesting:
- 0-12 months after start date = 0% (= 0%)
- 24 months after start date = 20% (= 20%)
- 36 months after start date = + 25% (= 45%)
- 48 months after start date = + 25% (= 70%)
- 60 months after start date = + 30% (= 100%)

If leaving the Company (voluntarily or due to termination by employer for breach by employee) within two years after start of phantom stock program, all phantom stock is lost. If leaving after more than two years after start of phantom stock program loosing 50% of last two years allowance achieved. If, before or concurrently with the exit or sale, the employment relationship between the employee and the respective company in the Group is terminated or cancelled for cause that is attributable to the employee, all rights of the arising under phantom stock program or from the phantom stock shall lapse.

As per the date of this Company Description the following members of management and board members are included in the incentive program:

Tobias Weitzel holds 500,000 phantom stock in the Company. Elizabeth Para holds 500,000 phantom stock in the Company. Paul Echt holds 500,000 phantom stock in the Company. Gary Coffey holds 2,000,000 phantom stock in the Company. Jens Knauber holds 2,550,000 phantom stock in the Company. Stefan Rascher holds 200,000 phantom stock in the Company.

In addition to previous disclosure, Bodhivas GmbH has agreed to cap the incentive program for MGI at EUR 2,60 per share during the program period. Should the share price of the MGI shares rise above EUR 2,60 Bodhivas GmbH will compensate the Company for such excess payments made to employees under the incentive program.

The maximal exposure for the Company in the unlikely scenario that all employees remain employees in the Company for the entire vesting period and the shares trade above EUR 2.60, is therefore approximately MEUR 11.7. The current exposure is MEUR 0 as the share price as of the date of the Company Description is below EUR 1.30. Such amount under the incentive program is payable no earlier than 1 April 2024.

The program ends 31 July 2030 unless extended 1 year in advance.

LOCK-UP ARRANGEMENTS, ETC.

The Board of Directors, including the major shareholder and CEO Remco Westermann, the executive management and Bodhivas GmbH, will undertake against Pareto Securities, with certain exceptions, not to sell their respective holdings for a certain period after trading on Nasdaq First North Premier Growth Market has commenced (the "**Lock-up period**"). The Lock-up period will be 180 days. At the end of the Lock-up period, the shares may be offered for sale, which may affect the market price of the share. Pareto Securities may make exceptions from these undertakings. Exemptions from the lock-up undertakings will be determined from case to case, and may be of personal as well as business character.

CERTIFIED ADVISER

FNCA Sweden AB is the appointed certified adviser for the Company and monitors the compliance of the regulations on Nasdaq First North Premier Growth Market. FNCA Sweden AB does not own any shares in MGI.

ARTICLES OF ASSOCIATION

The current Articles of Association were adopted at the Annual General Meeting on 1 August 2019, a copy of which is set out below. The Company's registration number is C 52332.

Definitions

1. In these Articles, unless the context otherwise requires:
   a. "the Act" means the Companies Act, 1995;
   b. "the Register" means the register of members of the Company;
   c. "the Schedule" means the First Schedule to the Act;
   d. words or expressions contained in these Articles bear the same meaning as in the Act as in force at the date at which these Articles are registered.

Non-applicability of the First Schedule

2. The regulations contained in Part 1 of the Schedule shall not apply to the Company except as otherwise expressly provided in these Articles.

Share Capital and Share Rights

3. Issues of new shares and securities which are convertible into shares or which carry the right to subscribe for shares shall be made by ordinary resolution of the Company in general meeting. The Board of Directors may be authorised by an ordinary resolution of the Company in general meeting to issue any shares and securities which are convertible into shares or which carry the right to subscribe for shares in the Company up to the limit of the authorised share capital of the Company. Such authorisation shall be valid for a maximum period of five (5) years from the date of the resolution and may be renewed for further periods of five (5) years each.

4. Subject to the relevant provisions of the Act and these Articles, allotments of new shares and securities which are convertible into shares or which carry the right to subscribe for shares in the Company for consideration in cash shall be offered on a pre-emptive basis to shareholders in the Company in proportion to the share capital held by them. No such new shares and securities which are convertible into shares or which carry the right to subscribe for shares shall be offered on a pre-emptive basis to the Company itself, notwithstanding any other provision of the Act empowering the Company to hold its own shares. The Board of Directors may restrict or withdraw the right of pre-emption on any issue made by the Board of Directors in accordance with an authorisation granted under Article 3 hereof.

5. The Company is authorised to acquire other than by subscription any of its fully paid up shares, subject to all the relevant provisions of the Act.

6. Without prejudice to any special rights conferred on the holders of any existing shares or class of shares, any share in the Company may be issued with such preferred, deferred or other special rights or such restriction, whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time by extraordinary resolution determine.

7. Subject to the provisions of article 115 of the Act any preference shares may, with the sanction of an ordinary resolution of the Company or the Board of Directors, be issued on the terms that they are, or at the option of the Company are liable to be redeemed on such terms and in such manner as the Company or the Board of Directors before the issue of the shares may determine. The Board of Directors may fix the date on or by which, or dates between which, redeemable preference shares are to be or may be redeemed, provided that the date or dates are fixed before the shares are issued.

8. The rights attached to shares of a class may be varied and the shares of a class may be converted into another class only if the variation or the conversion:
   a. is made in accordance with the terms of issue of those shares; or
   b. is approved by an extraordinary resolution of the Company and by the consent in writing of the holders of three-fourths of the issued shares of that class and of the holders of three-fourths of the issued shares of any other class affected thereby.

9. The rights attached to different classes of shares shall be regulated by clause 5 of the Memorandum of Association of the Company.

10. The Company may exercise the power of paying commissions or of making discounts or allowances provided it complies with the requirements of article 113 of the Act. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other.

11. Where a shareholder is a minor, bankrupt, interdicted or incapacitated his rights as a shareholder in the Company shall vest in and be exercised by his tutor or curator or other legal representative.

12. Where a share is held jointly by several persons, the name of only one such person shall be entered in the register of members. Such person shall be elected by the joint holders or, unless and until such an election is made, be determined by the Board of Directors and shall for all intents and purposes be deemed, vis-à-vis the Company, to be the registered holder of the share so held.

13. Where a share is subject to usufruct the name of the usufructuary shall be entered in the register of members and the usufructuary shall, for all intents and purposes be deemed, vis-à-vis the Company, to be the registered holder of the share so held.

14. Regulations 6 to 11 of the Schedule relating to calls on shares shall apply to the Company.

Transfer of shares inter vivos

15. All shares in the company are freely transferable and transfers of shares may be effected by transfer in writing in any usual or common form or in any other form acceptable to the Directors.

16. The instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully paid up shares) by or on behalf of the transferee. The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register in respect of the relevant transfer. All instruments of transfer which are registered may be retained by the Company.

17. Where some only of the shares comprised in a share certificate are transferred, the old certificate shall be cancelled and a new certificate for the balance of such shares shall be issued.

18. The Board of Directors may decline to recognise any instrument of transfer unless:-
    a. the instrument of transfer is accompanied by the certificate, if any, of the shares to which it relates, and such other evidence as the Board of Directors may reasonably require to show the right of the transferor to make the transfer;
    b. the instrument of transfer is in respect of only one class of shares; and
    c. the transfer complies with the relevant requirements of Maltese law.

19. The registration of transfers may be suspended at such times and for such periods as the Board of Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty (30) days in any year.

Forfeiture or surrender of shares

20. If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the directors may, at any time thereafter during such time as any part of the call or instalment remains unpaid, require payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued, by means of a notice which shall also name a further day (not earlier than the expiration of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment, at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

21. If the requirements specified in any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the directors to that effect, or otherwise be surrendered in favour of the Company by the member to whom the said notice is addressed, if the directors of the Company accept such surrender.

22. A forfeited or a surrendered share may be sold or otherwise disposed of on such terms and in such manner as the directors think fit, and the Company may receive the consideration, if any, given for the share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of, who shall thereupon be registered as the holder of the share. At any time before a sale or disposition the forfeiture or surrender may be cancelled on such terms as the directors think fit.

23. A person whose shares have been forfeited or who has surrendered his shares to the Company, shall cease to be a member in respect of the forfeited or surrendered shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of the forfeiture or surrender, were payable by him to the Company in respect of the shares; but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares.

Conversion of shares into stock

24. The Company may by ordinary resolution convert any paid-up shares into stock, and re-convert any stock into paid up shares of any denomination. Such of the regulations of the Company as are applicable to paid up shares shall apply to stock, and the words ”share” and ”shareholder” therein shall include ”stock” and ”stockholder”.

25. The holders of stock may transfer the same, or any part thereof, in the same manner and subject to the same regulations, as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances permit; and the directors may from time to time fix the minimum amount of stock transferable but so that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

26. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by any amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

Dematerialisation of securities

27. Notwithstanding any other clause of these articles, for as long as any of the securities issued by the Company shall be and remain dematerialised under the Financial Markets Act (Chapter 345 of the Laws of Malta):
    a. terms and conditions relating to such securities, including without prejudice to the generality of the foregoing, their issuance, transfer, exchange, redemption and/or cancellation, shall be governed in accordance with the applicable rules and procedures set out by the relevant central securities depository providing dematerialisation and any other provisions of these articles shall apply only to the extent that they are not inconsistent with such rules and procedures; and
    b. any amendment, variation or deletion of this Article shall be subject to the express written approval of the relevant central securities depository providing dematerialisation obtained prior to submission to the Company convened in extraordinary general meeting.

General meetings

28. Subject to the provisions of the Act the annual general meetings shall be held at such time and place as the Board of Directors may appoint, including outside Malta.

29. The Board of Directors may, whenever they think fit, convene an extraordinary general meeting. Extraordinary general meetings may also be convened on requisition or, in default, by requisitionists, as provided in article 129 of the Act.

30. A general meeting of the Company shall be called by giving at least fourteen (14) clear days' notice in writing to every member of the Company. The notice shall specify the place, day and hour of the meeting and the general nature of the business:

31. Provided that a meeting of the Company shall, notwithstanding that it is called by shorter notice be deemed to have been duly called if it is so agreed to by all the members entitled to attend and vote at that meeting.

32. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

33. No business shall be transacted at any general meeting other than that stated in the notice convening it and unless a quorum of members is present at the time the meeting proceeds to business.

34. Save as herein otherwise provided a member or members holding at least seventyfive percent (75%) of the issued share capital carrying voting rights shall constitute a quorum.

35. If within an hour from the time appointed for a meeting a quorum is not present the meeting shall be adjourned to the same day in the next week, at the same time and place, and if at the adjourned meeting a quorum is not present within an hour from the time appointed for the meeting, a member or members in person or by proxy holding at least twenty-five percent (25%) of the issued share capital carrying voting rights shall constitute a quorum.

36. The chairman of the Company shall preside as Chairman of the Meeting in every general meeting and, if there is no chairman of the Company or if the chairman of the Company is not present within fifteen (15) minutes after the appointed time, the Chairman of the Meeting shall be elected by the directors present.

37. Any decision of the general meeting for which an extraordinary resolution is not required by these regulations or by the Act shall be validly taken if approved by an ordinary resolution.

38. An ordinary resolution of the Company shall be validly passed if approved in a general meeting by a member or members having the right to attend and vote at that meeting and holding in the aggregate more than fifty per cent (50%) in nominal value of the shares represented and entitled to vote at the meeting.

An extraordinary resolution of the Company shall be validly passed if:

a. it has been taken at a general meeting of which notice specifying the intention to propose that resolution as an extraordinary resolution and the principal purpose thereof has been duly given; and
b. it has been passed by (i) a member or members having the right to attend and vote at the meeting holding in the aggregate not less than seventy-five per cent (75%) in nominal value of the shares represented and entitled to vote at the meeting, and (ii) a member or members holding in the aggregate at least fifty-one per cent (51%) in nominal value of all the shares entitled to vote at the meeting.

If one of the aforesaid majorities is not obtained, the provisions of Article 135 (1) will apply.

39. Any member entitled to attend and vote at a general meeting of the Company may appoint another person as his proxy to attend and vote in his stead and a proxy so appointed shall have the same right as that member to speak at the meeting and to demand a poll.

40. The appointment of a proxy shall be in writing and shall be registered at the Company's office before the time for holding the meeting.

Meetings of Classes of Shareholders

41. The regulations applicable to a general meeting of the Company shall apply mutatis mutandis to a separate general meeting of a class of shareholders.

Directors

42. The directors shall be appointed by an ordinary resolution of the Company in general meeting. The Company may by ordinary resolution taken at the time of his appointment or at any later date determine the period for which a director shall hold office. Subject to the provisions of article 140 of the Act, a director shall hold office, unless he dies or tenders his resignation at an earlier date, until the expiration of the period determined as aforesaid but shall thereafter be eligible for re-appointment.

43. The directors shall appoint from amongst their number the Chairman of the Board who shall also be the Chairman of the General Meeting. The directors shall exercise their powers subject to these regulations, to the provisions of the Act, and to the resolutions of the Company in general meetings; but no resolution taken by the Company in general meeting shall invalidate any prior act of the directors which would have been valid if that resolution had not been taken. Save as aforesaid, the Board of Directors shall have the power:-
   a. to borrow or raise money or secure the payment of money and in conjunction with and independently therefrom to charge or hypothecate the property of the Company or any part thereof for any debt, liability or obligation of the Company, and this without any limitation whatsoever;
   b. to do all such other matters on behalf of the Company as are not by these regulations or by the Act reserved to the general meeting.

44. The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. Each director shall have one vote and in case of equality of votes the Chairman shall have a second or casting vote. A director shall be deemed to be present at a meeting of the Board if he participates by telephone or other electronic means and all directors participating in the meeting are able to hear each other.

45. The quorum necessary for the transaction of the business of the Board of Directors shall be at least two directors. If a quorum is not present within half an hour from the appointed time the meeting shall be dissolved.

46. Meetings of the Board of Directors shall be convened by the Chairman or by the Company secretary at the request of any director.

47. Saving the provisions of the preceding clause in any meeting where the Chairman is not present the directors present shall appoint one of their number to be chairman.

48. of that meeting and the person so appointed shall with respect only to that meeting have the same functions. rights and obligations of the Chairman of the Board.

49. The continuing directors may act notwithstanding any vacancy in their body but if and so long as their number is reduced below the number fixed by or pursuant to the regulations of the Company as the necessary quorum of directors the continuing directors or director may act for the purpose of increasing the number of directors to that number or of summoning a general meeting of the Company, but for no other purpose.

50. A resolution in writing, signed by all the directors of the Company shall be as valid and effective as if it had been

passed at a meeting of the Board of Directors duly convened and held.

51. Subject to the provisions of articles 143, 144 and 145 of the Act, no director shall be disqualified by his position as a director from entering into any agreement with the Company, and a director may vote and be taken into account for the purpose of forming a quorum, in respect of any contract or arrangement in which he may be in any way interested and may retain for his own use and benefit all profits and advantages accruing therefrom.

52. The Board of Directors shall have power to appoint any person to be the attorney of the Company for such purpose and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Board of Directors under these regulations) as they may deem appropriate and may also authorise any such attorney to delegate all or any of the powers, authorities and discretion vested in him.

53. The Board of Directors may from time to time appoint a managing director or a director or directors holding any other executive office or offices from amongst themselves delegating to him or them any of the powers exercisable by them either collaterally with or to the exclusion of their own powers. Subject to the provisions of the next following clause, any such appointment shall be valid for such period and subject to such terms and conditions as the Board may impose. Any such appointment shall be automatically determined if the person so appointed ceases for any reason to be a director.

54. The provisions of the foregoing two clauses shall be subject to the provisions contained in the Memorandum of Association of the Company relating to legal and judicial representation of the Company.

55. No remuneration shall be payable to the directors, including directors holding an executive office, unless and to the extent approved by the Company in general meeting. The directors shall, however, be entitled to a reimbursement of all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Board of Directors or general meetings of the Company or in connection with the business of the Company.

Company Secretary

56. Without prejudice to the provisions of the Act regulating the appointment and functions of the Company secretary, the appointment or replacement of the Company secretary and the conditions of holding office shall be determined by the Board of Directors.

57. The Company secretary shall be responsible for keeping:-
    a. the minute book of general meetings of the Company;
    b. the minute book of meetings of the Board of Directors;
    c. the register of members;
    d. the register of debentures; and
    e. such other registers and records as the Company secretary may be requested to keep by the Board of Directors.

58. The Company Secretary shall, moreover:-
    a. ensure that proper notices are given of all meetings;
    b. ensure that all returns and other documents of the Company are prepared and delivered in accordance with the requirements of the Act.

Dividends

59. The Board of Directors may declare dividends.

60. The Board of Directors may from time to time pay to the members of the Company such interim dividends as may appear to the Board of Directors to be justified by the profits of the Company.

61. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but no amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

62. The Board of Directors may deduct from any dividend payable to any member all sums of money presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

63. No dividend shall bear interest against the Company.

Capitalisation of Profits

64. The provisions on capitalization of profits contained in regulation 80 in Part I of the Schedule shall apply to the Company.

Indemnity

65. Every director, managing director, agent, auditor or secretary and in general any officer for the time being of the Company shall be indemnified out of the assets of the Company against and/or exempted by the Company from all costs (including any costs payable in advance), charges, losses, expenses (including any expenses payable in advance) and liability incurred by him in the actual or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him in his capacity as aforesaid and in which judgement is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or which are withdrawn.

Authentication of Documents

66. Any document or proceeding requiring authentication by the Company may be signed by a director or by the Company secretary or by any person authorised by resolution of the directors from time to time.

Notice

67. A notice required to be given by the Company to any person in terms of these regulations or of the Act shall be deemed to have been validly given if it is delivered personally to that person or sent to him by post in an envelope addressed to the last known address of that person or sent by fax to the last known fax number of that person or sent by email to the last known email address of that person. Furthermore, such notice shall be deemed to have been validly given if it is published on its website and in at least two (2) daily newspapers with national circulation in Malta.

68. A notice sent by post shall be deemed to have been delivered three days after it is posted in the case of delivery to an address in Malta and ten days after it is posted in the case of delivery to an address outside Malta. A notice sent by fax shall be deemed to have been delivered upon a positive confirmation that the fax has been received. A notice sent by email shall be deemed to have been delivered three (3) days after it is transmitted unless a confirmation that the email has not been delivered has been received. A notice published on the Company's website and in at least two (2) daily newspapers with national circulation shall be deemed to have been delivered upon the publication of the notice.

69. Notice of every general meeting shall be given in the manner hereinbefore authorised to:

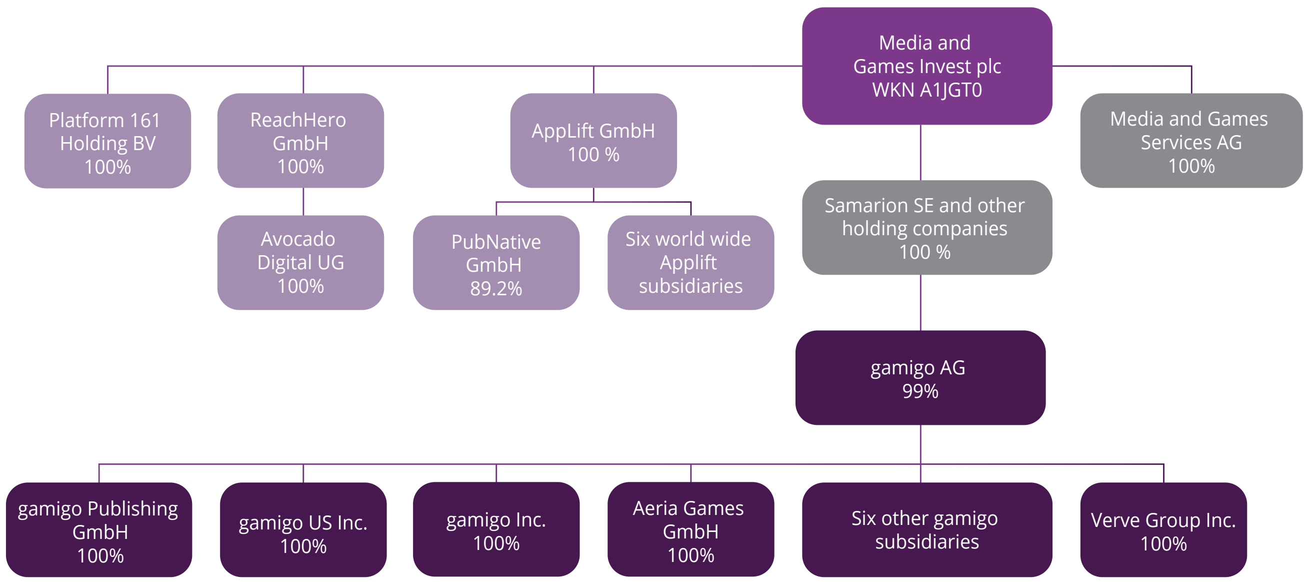
   a. every registered member; and

   b. the auditor for the time being of the Company.

LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION

COMPANY INFORMATION AND LEGAL STRUCTURE

A simplified legal group structure per the date of the publication of the Company Description is presented below.



The Company holds, through Samarion SE, Vajrapani Limited and Blockescence DLT solutions GmbH indirect control of 99% of the shares of gamigo AG which forms part of the Group. The following companies under gamigo were unconsolidated during the twelve months ended 31 December 2019: Aeria Games Inc., cloudgame4u Ltd., highdigit GmbH, Just Digital GmbH, gamigo CA Inc., Verve Group Inc. (which was formed in January 2020) as well as the Company´s direct subsidiary Platform 161 Holding BV. The Company, through gamigo, holds 49% of the shares of Gorillabox LLC, USA, an associate company, as well as 19% of the shares of Gorillabox GmbH, Germany.

MGI'S MATERIAL AGREEMENTS

Material agreements

Acqusitions

Growth through acquisitions is an important and integrated part of MGI's business model. Deploying a systematic acquisition process and an efficient integration of the acquired assets has been a key part of MGI's growth strategy. Below is an overview of recent acquisitions made by MGI.

i. *freenet digital GmbH*
On 28 August 2020 the Company agreed to acquire freenet digital GmbH, a subsidiary of freenet AG, as part of a strategic partnership with Freenet AG. The purchase price for freenet digital GmbH is in the upper single-digit million range. The purchase price will be paid in shares of Media and Games Invest and cash. The closing is planned for 30 September 2020.

ii. *AppLift SPA*
On 12 June 2019 MGI acquired 85.47 percent of the shares in AppLift GmbH (the remaining 14.53 percent are held by AppLift GmbH as treasury shares). AppLift is a mobile performance network concentrating on customer acquisition for mobile apps. The company was founded in 2012 and has its headquarter in Berlin. MGI also acquired all subsidiaries and participations of AppLift GmbH, including the majority stake in PubNative GmbH based in Berlin. PubNative operates a leading supply-side platform for mobile app developers, enabling mobile publishers to maximize their advertising revenues.

The purchase price was a combination of cash and shares in MGI (total of 3,967,582 shares), the purchase price has not been communicated to the public.

iii. *ReachHero SPA*
On 26 February 2019 MGI acquired 67.4 percent of the shares in ReachHero GmbH. ReachHero has a platform solution for influencers and advertisers in Europe. The purchase price payment is covered by a cash component and shares in MGI that were issued 18 June 2019.

The remaining minority stake in ReachHero was acquired 13 July 2020. The purchase price has not been disclosed to the public.

iv. *Verve Group Inc. APA*
On 22 January 2020 MGI, through its subsidiary gamigo AG, acquired substantially all assets of Verve Wireless Inc ("**Verve**") via its US-based subsidiary Verve Group Inc. The purchase was price dependent on various factors and amounted to a low double-digit million range.

Agreements with platform service providers for online games

The Company's subsidiary gamigo US Inc. has entered into agreements with Microsoft Corporation, Sony Interactive Entertainment Inc., Sony Interactive Entertainment America LLC and Sony Interactive Entertainment Europe Ltd. (collectively referred to as "**Sony**") and Valve Corporation as platform service providers for online games. According to the agreements, the platform service providers grant a license to use their materials to develop products compatible with their platforms and will subsequently, subject to their approval, make gamigo US Inc.'s games available on their platforms. One of the agreements runs for a term of three years and is automatically renewed for successive one-year terms unless terminated by either party. The second agreement is valid until terminated by either party with 30 days prior written notice. The third agreement was initially valid until 31 March 2019 and is automatically extended with one-year terms unless terminated by giving 30 days' notice.

Agreements with payment service providers

gamigo US Inc. has entered into a number of agreements with different payment service providers, including amongst other Paymentech, PayPal, HiPay and Amex, regarding collection of payments from customers. The agreements generally regulate, among other things, conditions for payment processes and certain requirements related to, inter alia, anti-fraud and anti-money laundering regulations. The agreements normally run for a term between one and five years and are automatically renewed for one-year periods unless terminated by either party.

Real Time bidding agreements

Real-time bidding (or RTB) is a subcategory of programmatic media buying. It refers to the practice of buying and selling realtime ads based on impressions in an instant auction. This is usually facilitated by a supply-side platform (SSP) or an ad exchange. PubNative GmbH is connected to a number of parties in relation to real time bidding services. Through these services, PubNative GmbH enables app publishers to monetize and maximize their advertising inventory.

PubNative GmbH has entered into agreements with the ad exchanges and DSPs Jampp Ltd, BIDSWITCH GmbH, OpenX GmbH and The Rubicon Project Inc. to sell media on their platforms. On these platforms, or real-time ad exchanges, SSPs may submit bid requests for media that they wish to sell and demand side platforms (DSPs) may submit bids for media they wish to buy. Through PubNative GmbH's agreements, DSPs connected to these exchanges that do not have a direct contractual relationship with PubNative GmbH may bid for the media made available by PubNative GmbH. PubNative GmbH receives payments for media sold through the platform minus a trading/seller service fee. PubNative GmbH's real time bidding agreements and the services provided under these are all a part of PubNative GmbH's business. However, none of the agreements are by itself material to the Group's operations.

Royalty agreement for ArcheAge and ArcheAge Unchainend

gamigo US Inc., has entered into an exclusive, non-transferable licence agreement related to the PC based multi-player online role-playing game ArcheAge and ArcheAge Unchainend. The agreement was entered in 26 December 2012 with Trion Worlds Inc., was transferred to Gamigo US Inc. in 2018 and is effective as of that day. In accordance with the licence agreement gamigo US Inc. licences certain rights related to "ArcheAge" in a total of 48 countries including amongst others Germany, France, the United States, the United Kingdom and Sweden. The consideration paid under the agreement consists of milestone payments, a monthly royalty and a success bonus. The milestone payments have been paid down in tranches during 2018 and 2019, while the monthly royalty fee is a mid-two digit percentage of net receipt in relation to the gross revenue. The success bonus is a fixed fee due at certain thresholds related to gross revenue. The agreement had an initial term of four years but have been extended until 31 December 2021.

License agreement for Aura Kingdom

Aeria Games & Entertainment Inc.[1] has entered into a license agreement related to the massive multiplayer online role-playing game Aura Kingdom. The agreement was entered into on 30 November 2012 with X-Legend Entertainment Co. Ltd. In accordance with the license agreement, X-Legend Entertainment Co. Ltd. grants an irrevocable and exclusive license for the publishing, distribution and sale of "Aura Kingdom" and certain trademarks, as well as any peripheral products, in North America, South America, Turkey and Europe. According to an amendment to the license agreement entered into between the parties on 30 November 2012, X-Legend Entertainment Co. Ltd. further grants an exclusive, worldwide, irrevocable, perpetual license to use the textual and pictorial matters pertaining to the game in one or more software games for mobile applications. The consideration paid under the agreement consists of a license fee, monthly royalty and bonus payments. The agreement was initially in force from the effective date and for a period of 48 months after the date of the latest commercial launch of the game in any language. In a second amendment to the agreement entered into on 1 November 2018, the parties extended the term by 36 months until 31 October, 2021. The agreement will then be extended from year to year on an annual basis unless terminated by either party with 30 days' notice.

License agreement for Grand Fantasia

Aeria Games & Entertainment Inc., currently Aeria Games GmbH, has entered into a license agreement related to the massive multi-player online role-playing game Grand Fantasia. The agreement was entered into on 30 June 2009 with X-Legend Entertainment Inc. (previously Easyfun Entertainment Inc). In accordance with the license agreement, X-Legend Entertainment Co. Ltd. grants an irrevocable and exclusive license for the publishing, distribution and sale of "Grant Fantasia" and certain trademarks, as well as any peripheral products, in North America and Europe. In accordance with the amendment of the agreement entered into between the parties on 30 November 2009, the licensed territory shall also include South America. The consideration paid under the agreement consists of a license fee and royalty. The agreement was initially in force from the effective date and for a period of 48 months after the date of the latest commercial launch of the game in any language. The agreement has since been extended twice, last in an amendment to the agreement entered into between the parties on 1 May 2017 where the term was extended until 30 April, 2021. The agreement will then be extended from year to year on an annual basis unless terminated by either party with 30 days' notice. The agreement may be partially terminated by either party in respect to each individual client language version with 30 calendar days' notice, if the monthly average of the daily maximum concurrent users of the respective language version is below 250.

Market Maker

Pareto Securities AB and the Company have on 30 September 2020 entered into an agreement in which Pareto Securities AB undertakes to act as market maker for shares issued by the Company and listed on Nasdaq First North Premier Growth Market. As market maker, Pareto Securities AB undertakes to set bid and ask prices for the shares continually and for its own account during

1) In an amendment the rights under this agreement was transferred to Aeria Games GmbH.

Nasdaq First North Premier Growth Market's normal trading hours, to promote the liquidity of the Company's shares and reduce the spread between the bid and ask prices for trading in the share. Pareto Securities AB will receive remuneration consisting of a fixed monthly fee and a variable component per share traded by Pareto Securities AB. The agreement is effective for an initial period of six months and thereafter until further notice, with a reciprocal right to terminate the agreement with a notice period of three months.

Financing

gamigo AG has a revolving facility agreement with Commerzbank AG regarding a revolving facility in a maximum aggregate principal amount of EUR 2,000,000. The revolving facility agreement was entered into 9 April 2019. The revolving facility agreement is governed by the laws of Germany.

PubNative GmbH has a revolving facility agreement with BillFront GmbH regarding a revolving facility in a maximum aggregate principal amount of EUR 3,000,000. The revolving facility agreement was entered into 26 October 2016, it has later been amended and restated and the latest amendment is dated 14 November 2019. The revolving facility agreement is governed by the laws of England and Wales.

Bonds

On 11 October 2018, the Group, through gamigo AG, issued a senior secured bond loan of EUR 32 million, within a total framework amount of EUR 50 million, primarily on the Swedish and continental European bond market. Investors subscribed further bonds and the group issued new bonds up to a total volume of EUR 50 million per June 2019. The bonds with ISIN SE0011614445 carry a floating interest rate of EURIBOR 3 months +7.75% per annum (EURIBOR floor at 0.00% applies) and matures on 11 October 2022. The bond is traded at the regulated market of Nasdaq Stockholm and at the open market (quotation board) in Frankfurt/Germany.

On 10 October 2019, the Group, through MGI (ISIN: MT000000580101; Ticker: M8G) issued an unsecured bond loan with a total framework of EUR 25 million in a well-chosen private placement, primarily on the continental European bond market. The bond has a total volume of up to EUR 25 million and had an outstanding balance of EUR 15.3 million on 31 December 2019. If further financing is required, such as M&A, it is planned to issue further tranches. The proceeds are intended to be used to optimize the investment structure, further M&A and general corporate purposes. The bearer bonds have a nominal amount of EUR 1,000. The interest coupon amounts to 7.00 percent p. a. with a quarterly interest payment, for the first time in January 2020. The bond has a term until 11 October 2024 at the latest.

An early repayment by the issuer is possible as a whole or in part for the first time in October 2021 at 103 percent of the nominal value. Other early repayment possibilities exist in October 2022 (102 percent) and in October 2023 (101 percent). The covenants of the bond provide for a minimum equity ratio of MGI of 25 percent. The bond is listed for trading in the open market of the Frankfurt Stock Exchange since 11 October 2019.

On 6 June 2020, MGI increased its MGI 2019/2024 bond by a further EUR 8.3 million, as part of a subsequent selective placement, to a total volume of EUR 23.9 million. The free funds from the placement are to be used amongst others for M&A. The bond has a total volume of up to EUR 25 million. The Company plans to place further tranches if M&A opportunities arise.

Intellectual Property Rights

The Group has more than 100 registered brands globally including the EU and the US. The most important brands are "PubNative", "gamigo", "Applift", "Verve", "Trove", "Fiesta", "Desert Operations", "Rift", "Wildtangent" and "Defiance". MGI, together with its subsidiaries, holds more than 100 domain names, of which some are generic top-level domain names, the most important ones being: "mgi.group", "gamigo.de", "mmorpg.de", "browsergames.de" and "glyph.net" with underlying websites.

Insurance

MGI has signed insurances that covers its operations against losses and/or potential liability in relation to claims from third parties and is also using other types of insurance such as Directors and Officers liability insurance and travel insurance.

Disputes and litigation

The Group is on a regular basis – mostly as a result of its continued M&A activities – involved in various legal disputes, proceedings and arbitration proceedings, in particular with partners, employees and former shareholders of acquired companies. The possible negative outcomes of current and future disputes could have a negative effect on the Group's business, earnings or financial position. Defending claims or lawsuits can be expensive and time consuming, divert management resources, damage the Group's reputation and also cause regulatory inquiries. Further, the Group might also be involved in other disputes or subject to other litigation in the future. Any of these developments can have a material adverse effect on the Group's business, results of operations or financial condition.

The following are lawsuits that the Group deems substantial, all resulting from one M&A transactions with the same former ultimate beneficial owner:

Seller of looki publishing GmbH ("Looki") v. Samarion SE, Arbitration Proceeding

In these arbitration proceedings, the seller of Looki (acquired by gamigo in 2015) challenged the duly agreed upon payment of a part of a call option executed by Samarion SE regarding gamigo AG shares. While a claim versus the seller exists, the seller claims that the payment could only be made in cash and not via offsetting receivables versus the seller. Therefore, the seller is disputing full payment and in line with that the valid share transfer to Samarion. The value in dispute amounts to approximately EUR 1.0 million, which reflects also the maximal financial burden for this case (next to legal costs), for which a provision exists.

gamigo AG v. former gamigo AG Executive Board Member, District Court of Hamburg

In these proceedings, gamigo AG is pursuing claims against a former member of the executive board of gamigo AG. The claims relate to wilful deception (*arglistige Täuschung*) in connection with the purchase of the subsidiary high digit GmbH as well as wrong spending of marketing funds for the former executive board member's own benefit. No financial burden or depreciation is expected from this case except for legal costs, for which a provision exists.

gamigo Publishing GmbH and gamigo AG v. Seller of Looki, District Court Münster

In these proceedings, the plaintiffs have requested the declaration by the court that the defendant is not entitled to a remuneration for services as claimed by the seller. The preliminary amount in dispute is a cumulative amount of EUR 1.1 million. A conservative provision for payables as well as legal costs has been made. Except as described above, the Company is not aware of any material legal disputes that may impact its assets and liabilities, financial position or profits and losses.

Related Party Transactions

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 Media and Games Invest plc 24 Half Year Report 2020 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 KG, which in turn holds 100% of the shares in Bodhivas GmbH, which in turn held 48% of the Company as at the balance sheet date and 57% of the voting rights. He is a member of the Board of Directors of the Company since 31 May 2018 and is the Managing Director of a.o. Bodhivas GmbH, Sarasvati KG and Jarimovas GmbH, Düsseldorf, additionally Jaap Westermann holds 10% of Sarasvati KG. Hendrika Westermann is the wife of Remco Westermann, Jaap Westermann is the brother of Remco Westermann, Henrika and Remco Westermann are directors of Jarimovas GmbH, Dusseldorf. In the consolidated balance sheet as at 30 June 2020, the Group has reported various current liabilities to Bodhivas GmbH, Düsseldorf, with a total value of kEUR 6,707 (December 2019: kEUR 2,162 thousand) under financial liabilities. In addition, the financial liabilities include current liabilities to Jarimovas GmbH, Düsseldorf, in the amount of kEUR 2,448 (December, 31 2019: kEUR 2,411). In the first half year 2020 Bodhivas GmbH received Media and Games Invest bonds from the Company. The nominal volume amounted to EUR 1,000,000.

René Mueller was a member of the Board of Directors of the Company until 25 February 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 Weitzel is a member of the Board of Directors of the Company, Malta since 31 May 2018. 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. In the reporting period, the Company purchased gamigo AG shares from Elizabeth Para. Mark von Lonkhuyzen is a person closely related to Elizabeth Para. In the reporting period, the Company purchased gamigo AG shares from Mark von Lonkhuyzen.

ADDRESSES

The Company

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Invest Group