



**Media and Games
Invest SE**

YEAR END REPORT 2021

MEDIA AND GAME INVEST GROUP "MGI"



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All figures are preliminary consolidated group figures

TRANSFORMATION FROM A GAMES TO A SOFTWARE COMPANY WITH FIRST PARTY CONTENT

"2021 has been an important part of our exciting journey, transforming MGI from a pure games company in 2012 into an advertising software platform with a strong access to first party games content. In the last two years, via focus on integrating and linking the two successful elements media and gaming, a unique company has emerged that combines the advantages of the fast-growing digital media and games markets. The advantage of a fully integrated ad software company with own content is obvious and the market is realizing this. Microsoft's recent purchase of Activision Blizzard as well as the ad tech platform Xandr is a signal and with companies like AppLovin, Zynga and Skillz more successful companies have combined or started to combine media and games during the past years.

This happens at a time when it is becoming more and more difficult for advertisers and media companies to acquire targeted users based on reliable data. First-party data from the game's portfolio is a strong competitive advantage for the media arm, and a strong media arm is an enormous competitive advantage for the efficient user acquisition for as well as the monetization of the company's own games. This synergetic interdependence has created a flywheel that has led to 38% YoY organic growth for MGI in 2021. Overall we were able to grow the net revenues organically and through M&A by 80% to 252mEUR in 2021. This was paired with a solid adj. EBITDA margin of 28%.

Our business continued to generate strong free cash flows despite record investments in our ad-software platform combined with more than 350 casual game launches which resulted in ad revenues from own games at a record level. In parallel, we grew our ad-software platform's customer base to 418 Software Clients with more than 100kUSD revenues per year. This is based on adding 316 additional software clients with over 100kUSD revenues per year, which altogether lead to a 410% growth rate in Software Clients. We look forward to continue on this path - by further combining our advertising-software platform with own games - and see a great potential for the coming years," says Remco Westermann, CEO of MGI.

HIGHLIGHTS Q4 2021

- **Net revenues** amounted to 80.2 mEUR (Q4'20: 48.7 mEUR), which is an increase of 65%, whereof 36% have been contributed by Organic Revenue Growth.
- **Adj. EBITDA** amounted to 23.3 mEUR (Q4'20: 10.1 mEUR), which is an increase of 131%.
- **Adj. EBIT** amounted to 19.4 mEUR (Q4'20: 5.8 mEUR), which is an increase of 232%.
- **Earnings per share (EPS)** undiluted/diluted amounted to EUR 0.05 (Q4'20: undiluted / diluted EUR 0.02). EPS undiluted/diluted adjusted for PPA-amortization amounted to EUR 0.07 (Q4'20: undiluted / diluted EUR 0.03).

HIGHLIGHTS FULL YEAR 2021

- **Net revenues** amounted to 252.2 mEUR (FY'20: 140.2 mEUR), which is an increase of 80% compared to FY'20 whereof 38% have been contributed by Organic Revenue Growth.
- **Adj. EBITDA** amounted to 71.1 mEUR (FY'20: 29.1 mEUR), which is an increase of 144%.
- **Adj. EBIT** amounted to 54.8 mEUR (FY'20: 17.5 mEUR), which is an increase of 213%.
- **Net interest-bearing debt** as of December 31, 2021 amounted to 198.6 mEUR (December 31, 2020: 61.6 mEUR).
- **Leverage ratio** amounted to 2.8 as per December 31, 2021 (2.1 as per December 31, 2020).
- **Cash and cash equivalents** amounted to 180.2 mEUR (December 31, 2020: 46.3 mEUR) due to the capital increase as well as a bond raise in FY'21.
- **Earnings per share (EPS)** undiluted/diluted amounted to EUR 0.11 (FY'20: undiluted: EUR 0.04 / diluted: EUR 0.03). EPS undiluted/diluted adjusted for PPA-amortization amounted to EUR 0.20 (FY'20: undiluted: EUR 0.04 / diluted: EUR 0.03).



SELECTED KEY PERFORMANCE INDICATORS, MGI GROUP

In mEUR	Q4 2021	Q4 2020	FY 2021	FY 2020
Net Revenues	80.2	48.7	252.2	140.2
YoY Growth in revenues	65%	73%	80%	67%
EBITDA	20.9	9.0	65.0	26.5
EBITDA margins	26%	19%	26%	19%
Adj. EBITDA	23.3	10.1	71.1	29.1
Adj. EBITDA margins	29%	21%	28%	21%
Adj. EBIT	19.4	5.8	54.8	17.5
Adj. EBIT margins	24%	12%	22%	12%
Net Result	7.4	2.0	16.1	2.7

SELECTED KEY PERFORMANCE INDICATORS, MGI SEGMENTS

MGI MEDIA SEGMENT

In mEUR	Q4 2021	Q4 2020	FY 2021	FY 2020
Net Revenues	51.2	24.2	139.6	65.0
YoY Growth in revenues	111%	-	115%	59%
EBITDA	11.7	2.1	25.8	5.1
EBITDA margins	23%	9%	19%	8%
Adj. EBITDA	12.3	2.4	28.0	6.0
Adj. EBITDA margins	24%	10%	20%	9%

MGI GAMES SEGMENT

In mEUR	Q4 2021	Q4 2020	FY 2021	FY 2020
Net Revenues	29.0	24.5	112.6	75.2
YoY Growth in revenues	19%	-	50%	74%
EBITDA	9.2	6.9	39.2	21.4
EBITDA margins	32%	28%	35%	29%
Adj. EBITDA	11.0	7.7	43.1	23.2
Adj. EBITDA margins	38%	31%	38%	31%



A WORD FROM REMCO WESTERMANN, CEO

The fourth quarter of 2021 was another record quarter for MGI with net revenues amounting to 80.2 mEUR which translates into a growth rate of 65% YoY. Based on these strong results of the last quarter of 2021 as well as the previous quarters, we are proud to announce that MGI has been able to achieve an annual YoY revenue growth exceeding 70% for three years in a row. This strong growth in our topline is underscored by an even higher boost in profitability with the Group's adj. EBITDA growing by 131% YoY corresponding to an average growth in EBITDA of 75% over the past three years. Those numbers signify the importance of economies of scale and synergies in our business model and underscore the success of our "BUY. INTEGRATE. BUILD & IMPROVE" strategy.

With our highly synergetic combination of media and games activities, we have built a very strong company that is well positioned for further fast and profitable growth. MGI's growth is leveraged by the 'media and games fly-wheel', whereby the games part profits from better user acquisition for its games and better monetization of its ads and the media part benefits from access to first party data as well as unique advertising inventory in the games part. This strongly synergetic 'owned-and-operated ad-tech' combination is increasingly appreciated by media as well as games companies, such as e.g., Applovin, Ironsource and Zynga. MGI is an early adopter of this 'owned-and-operated ad-tech' strategy, using the past years to build this position.

In 2022 we want to further focus on strengthening, growing and expanding our company based on our 'integrated owned and operated ad-tech' strategy. This means that we will continue to focus on organic growth of both the media and the games part as well as the synergies between the two. This also means that we will continue to perform synergetic acquisitions, either smaller ones which we can leverage, or larger transforming ones that ad scale. But it also means some shifts of our investment focus: as mobile is the largest and a fast-growing market for both, media and games, mobile ad-tech infrastructure, mobile games content will become the main area of focus. And last but not least, we see ourselves as an innovator and will put further resources into innovation, based on the fact that growth is where innovation is. Innovation will include topics such as new channels for games and ads, new ad-formats, AI, big data, privacy first and transparency.

The strong mutual synergies between media and games will empower MGI's fast further growth for 2022 and beyond. The media segment Verve Group has a strong USP based on its first party data due to the games assets as well as one of the world's largest app-integration bases, which allow better targeting. The games segment gamigo group profits strongly from the better media efficiency and has, due to that, a clear USP, which is especially expected to have a positive effect on the increasing number of game launches. As an integrated owned and operated ad tech company we will continue to focus on organic and on M&A growth in both segment as well as on synergies between them. We expect further strong growth of MGI in 2022 and beyond. As we do not want to overpromise, but rather over deliver, we hold on to our mid term targets of 25-30% revenue growth, with an EBITDA in the 25-30% and an EBIT in the 15-20% of revenues range, and a net leverage of up to max. 3 times EBITDA.

A winning team

Our fast growth is enabled by our strong team. In 2021 we had several new joiners, via hiring as well as due to M&A and we could see that MGI has become a very attractive employer with better access to top-notch talents. This was achieved based on outperforming the market with great products which enabled strong organic growth, which makes our employees feel that they are part of a winning team. At the same time, we unfortunately also had to let a part of the media team go by closing the affiliate and influencer activities to focus on the highly scalable and profitable programmatic advertising business. Despite that we have grown to an overall team of over 800 employees in over 20 offices worldwide and have an even better skilled and more motivated team than a year ago.



Growing up

The year 2021 was also the year where we executed two transforming acquisitions, with Kingsisle and Smaato, and got many new long-only investors like Oaktree, Didner & Gerge and Janus Henderson on board. While having grown revenues from 45 million in 2018 to now over 250 million in 2021, it was also time to further improve our internal control and governance structures to be in line with the underlying size of the business. Therefore during 2021, we have already prepared the relocation from Malta to Sweden and worked on preparing the implementation of Nomination, Remuneration and Audit Committees for 2022. The relocation to Sweden and optimization of the governance structures will provide us with better access to the capital markets reduces complexity for us and our investors and is expected to be finalized in January 2023.

I would like to thank our customers, our investors, our team and all our other stakeholders and partners for their support and commitment during 2021.

Remco Westermann

CEO & Chairman of the Board of MGI Group



FINANCIAL PERFORMANCE

CONSOLIDATED NET REVENUES, EARNINGS AND EXPENSES

THE FOURTH QUARTER 2021

- **Net revenues** amounted to 80.2 mEUR (Q4'20: 48.7 mEUR), which is an increase of 65% whereof 36% were contributed by Organic Revenue Growth. By including the revenue declines from divestments and closures of whole businesses like the influencer and performance business in Q4 2021 the organic growth would be 15% for Q4 2021; this, however, would not reflect a fair view of the organic growth of MGI's core business and therefore is irrelevant for future expectations. The strong growth is based on the strong organic growth activities within MGI's media and games segment and by the acquisitions of e.g. Kingslsle, LKQD, Smaato and Match2One carried out in 2021.
- **Adj. EBITDA** amounted to 23.3 mEUR (Q4'20: 10.1 mEUR), which is an increase of 131%. The adj. EBITDA shows again an even stronger increase than the revenues driven by increased scale as well as further synergies in combination with cost savings, which altogether lead to economies of scale and a higher efficiency. Also, the more substantial size and profitability of the acquisitions immediately add to profitability.
- **EBITDA adjustments** amounted to 2.4 mEUR and were made largely for one-time costs due to M&A related costs as well as the ESOP program.
- **Adj. EBITDA margins** increased during the fourth quarter of 2021 to 29% (Q4'20: 21%) driven by an overall improved profitability. Especially the synergies between the segments as well as the strongly increased profitability in the media segment played an important role.
- **EBITDA** amounted to 20.9 mEUR (Q4'20: 9.0 mEUR) which is an increase of 132%.
- **EBITDA margins** increased from 19% (Q4'20) to 26% (Q4'21).
- **Adj. EBIT** amounted to 19.4 mEUR (Q4'20: 5.8 mEUR), which is an increase of 232%. The adjusted EBIT margin improved significantly to 24% (Q4'20: 12%).
- **EBIT adjustments** consists of the EBITDA adjustments mentioned above plus PPA amortization in the amount of 5.7 mEUR.
- **EBIT** increased to 13.7 mEUR (Q4'20: 3.5 mEUR).
- **The net result** amounted to 7.4 mEUR (Q4'20: 2.0 mEUR), which is an increase of 274% as a result of the overall increased profitability of the group.
- **Earnings per share (EPS)** undiluted/diluted amounted to EUR 0.05 (Q4'20: undiluted/diluted EUR 0.02). EPS undiluted/diluted adjusted for PPA-amortization amounted to EUR 0.07 (Q4'20: undiluted/diluted EUR 0.03).

THE FULL YEAR 2021

- **Net revenues** amounted to 252.2 mEUR (FY'20: 140.2 mEUR), which is an increase of 80%.
- **Adj. EBITDA** amounted to 71.1 mEUR (FY'20: 29.1 mEUR), which is an increase of 144%.
- **Adj. EBITDA margins** improved to 28% (FY'20: 21%).
- **EBITDA** amounted to 65.0 mEUR (FY'20: 26.5 mEUR), which is an increase of 145%.
- **EBITDA margins** improved to 26% (FY'20: 19%).
- **Adj. EBIT** developed well and increased to 54.8 mEUR (FY'20: 17.5 mEUR), which is an increase of 213%.
- **EBIT** increased in 2021 to 36.8 mEUR (FY'20: 11.0 mEUR), which is an increase of 233%.
- **The net result** in 2021 amounted to 16.1 mEUR (FY'20: 2.7 mEUR).



CASH FLOW AND FINANCIAL POSITION

- **Operating Cashflow** before change in working capital amounted to 25.1 mEUR in Q4'21 (Q4'20: 17.8 mEUR), which is an increase of 41%. Operating Cashflow after change in working capital amounted to 30.9 mEUR in Q4'21 (Q4'20: 10.6 mEUR), which is an increase of 132%. The working capital effect of 5.7 mEUR in Q4 2021 is positive due to an accelerated receivable collection.
- **The equity ratio** decreased to 33% as of December 31, 2021 (December 31, 2020: 46%) mainly driven by the growth of working capital as well as the bond issues during FY'21 to finance further M&A. The total equity increased significantly due to the capital increase during the first half of 2021 and the positive net results during FY'21.
- **Cash and cash equivalents** amounted to 180.2 mEUR as of December 31, 2021, compared to 46.3 mEUR as of December 31, 2020. This increase was largely driven by equity and bond issues as well as a robust operating cashflow.
- **Net interest-bearing debt** as of December 31, 2021 amounted to 198.6 mEUR (December 31, 2020: 61.6 mEUR). The increase is primarily due to the cash-out related to the purchase price payment of Smaato in Q4 2021.
- **The leverage ratio** amounted to 2.8 as per December 31, 2021 (2.1 as per December 31, 2020) and increased mainly due to the cash out for the Smaato acquisition. At the end of Q4 2021, this ratio includes only four months (September 2021) of Smaato's EBITDA which will lead to an automatic deleverage in the coming quarters.
- **Interest coverage ratio** was 3.2 as of December 31, 2021 compared to 4.1 as of December 31, 2020 and therefore remained strong despite several bond issues. Similarly to the leverage ratio, the interest coverage ratio only includes 4 months of Smaato's EBITDA and therefore will improve in the coming quarters.

INTANGIBLE ASSETS, INVESTMENTS AND DEPRECIATION

- **Capitalized own work** in the fourth quarter 2021 amounted to 6.8 mEUR (Q4'20: 4.2 mEUR) and included investments in the optimization and further development of the IT platforms in the games and media segment, as well as sequels and updates to existing games such as Fiesta, Wizard101 or Trove. While the total investments have increased in line with an increased number of substantial growth initiatives, they decreased as a percentage of net revenues from 9% in Q4'20 to 8% in Q4'21. This decrease is facilitated by the strong underlying organic growth and hence, underscores the high value and cashflows of MGI's internally generated assets driving in Q4'21 an organic growth of 36%.
- **Depreciation and amortization** in the fourth quarter 2021 amounted to 7.2 mEUR (Q4'20: 5.5 mEUR) and increased mainly due to additional PPA depreciation from the latest acquisitions. Especially the substantial acquisitions of Kingsisle in January 2021 as well as Smaato as of September 1, 2021 add substantially to the asset base. Accordingly, the groups intangible assets increased from 272.8 mEUR on December 31, 2020 to 605.7 mEUR on December 31, 2021. The Group's liabilities increased on December 31, 2021 to 626.6 mEUR compared to 209.0 mEUR on December 31, 2020 as a result of the increased operations, several bond issues as well as M&A activities of the Group.

SEGMENT REPORTING, THE FOURTH QUARTER 2021

MEDIA SEGMENT

In mEUR	Q4 2021	Q4 2020	FY 2021	FY 2020
Net Revenues	51.2	24.2	139.6	65.0
YoY Growth in revenues	111%	-	115%	59%
EBITDA	11.7	2.1	25.8	5.1
EBITDA margins	23%	9%	19%	8%
Adj. EBITDA	12.3	2.4	28.0	6.0
Adj. EBITDA margins	24%	10%	20%	9%

- **Net revenues** amounted to 51.2 mEUR (Q4'20: 24.2 mEUR), which is a year-on-year increase of 111%, driven by strong organic growth from the mobile games advertising partnerships as well as the full stack Smaato integration.
- **Adj. EBITDA** increased by 406% to 12.3 mEUR (Q4'20: 2.4 mEUR), as a result of increased revenues based on organic and acquisitive growth, the economies of scale, but also cost saving and cost efficiency gains based on the integration of the acquired activities.
- **EBITDA adjustments** of 0.5 mEUR were primarily done for the employee retention program (ESOP program).
- **Adj. EBITDA margin** increased year-on-year by 14 percentage points to 24% (Q4'20: 10%) and is therefore already at the upper limit of our long-term EBITDA margin target of 20-25% which was expected for 2022.
- **EBITDA** amounted to 11.7 mEUR (Q4'20: 2.1 mEUR) which is an increase of 446% as a result of the increased revenues and economy of scale.
- **EBITDA margin** increased by 14 percentage points due to strong growth with relatively stable fix costs.

EVENTS IN THE MEDIA SEGMENT

Similar to the games segment, MGI also executes a "BUY. INTEGRATE. BUILD & IMPROVE." strategy in its media segment Verve Group. Based on the need of the games segment to further improve effectiveness and cost-efficiency regarding user acquisition, which is next to content, the second most important success factor for a games company, MGI has established a media segment which, via multiple accretive acquisitions in combination with strong organic growth, has become a substantial and fast-growing player in the media industry. By integrating the media acquisitions under the Verve Group, a strong ecosystem of advertising technology platforms that fuels growth for advertisers and publishers has been build. Verve Group has, based on the vision of serving all needs of a games company, established a transparent, vertical omnichannel ad-tech platform, consisting of connected DSP, DMP and SSP platforms that enable and serve ads on mobile web, in-app, on web as well as via CTV and DOOH. Please consider the overview below for information about some key events in the media segment in the last quarter.

GLOBAL AD TECH THOUGHT LEADERSHIP

In the last quarter of the year, we continued sharing our thoughts on various current topics across different industry outlets. We were covered in the New Digital Age on the topic of contextual advertising solutions, especially in the light of our own in-house data platform Beemray. In the Association of National Advertisers, we educated the market on the importance of strong SDKs as they contribute to data richness and act as "glue" in an omnichannel strategy. Lastly, we shared another of our thought leadership pieces on the AdExchange about fighting ad fraud and omnichannel solutions.

Additionally, we continued expanding into local markets as well and published our first piece in Columbia on privacy and contextual advertising.



We also continued publishing blog posts on our website on various topics and launched a 2022 Trends in Programmatic Advertising series, consisting of six different topics with interviews from industry leaders. Topics included attribution and measurement, monetisation without IDs, DOOH (Digital out of home) advertising, quality and safety in advertising, as well as some trends in the market and insights directly from Verve Group. Companies participating in the series included PubMatic, Kubient, Kayzen, DoubleVerify, Awarion, AdLibertas, INCRMNTAL, Hornet, and Games Vessel.

PARTNERSHIP WITH PUBMATIC AND SCREAM TO INCREASE REACH IN A PRIVACY CENTERED WAY

Verve Group partnered with the sell-side platform Pubmatic and the Swedish full-service media agency Scream, to reach audiences on mobile web and desktop for a leading weight loss brand. Activating Pubmatic's ID5's ID and connecting to Verve's demand-side platform, the campaign's results showed a 21% increase in reach and a 30% increase alone on the mobile web, peaking at 90% on the iOS inventory. This privacy-centered solution to reach more audiences is in line with Verve Group's overall privacy-centered vision in times when deprecation of third-party cookies and changes to identifiers on mobile devices requires marketers to find alternative and privacy compliant solutions for measurement and addressability.

PARTNERSHIP WITH KUBIENT TO REDUCE AD FRAUD AND INCREASE TRANSPARENCY IN THE ADVERTISING SUPPLY CHAIN

Last quarter Verve Group partnered with Kubient, a cloud-based software platform, to continue the expansion as a business on both supply and demand side, simultaneously reducing ad fraud in the supply chain. Kubient's Artificial Intelligence solution, called Kubient Artificial Intelligence (KAI), is a pre-bid ad-fraud prevention tool that analyzes the behavior, consistency, and quality to determine credibility, catching ad fraud before it happens. With the partnership Verve Group continues to strengthen its ad-fraud capabilities, increasing transparency and at the same time offering high-quality inventory for Kubient partners.

NEW GAMES PARTNERSHIP

Last quarter we onboarded a new set of substantial publishers on our stack. Names include games publishers such as Loop Games, with several hit mobile puzzle games, or ILoveLOL, with games for League of Legends fans. At the same time, one of our main focuses during the previous quarter was to prepare for the MoPub deprecation by onboarding clients on the MAX solution, which is an Applovin SDK in-app bidding product. Before the deprecation was made official, we were already connected to MAX, which gave us a good start in the preparations of the deprecation that is expected to happen later in Q1 2022.



GAMES SEGMENT

In mEUR	Q4 2021	Q4 2020	FY 2021	FY 2020
Net Revenues	29.0	24.5	112.6	75.2
YoY Growth in revenues	19%	-	50%	74%
EBITDA	9.2	6.9	39.2	21.4
EBITDA margins	32%	28%	35%	29%
Adj. EBITDA	11.0	7.7	43.1	23.2
Adj. EBITDA margins	38%	31%	38%	31%

- **Net revenues** in the fourth quarter 2021 amounted to 29.0 mEUR (Q4'20: 24.5 mEUR), which is a year-on-year increase of 19% based on several content updates, game launches as well as the KingsIsle acquisition.
- **Adj. EBITDA** amounted to 11.0 mEUR (Q4'20: 7.7 mEUR) which is a year-on-year increase of 43% due to the increased revenues as well as a larger share of IP owned games revenues – specifically KingsIsle. The EBITDA adjustments were made for M&A related adjustments as well as the non-cash based ESOP program.
- **Adj. EBITDA margin** increased year-on-year by 7 percentage points to 38% (Q4'20: 31%) as a result of the above-mentioned items and therefore is well within the financial target of 35-40%.
- **EBITDA** in the fourth quarter 2021 amounted to 9.2 mEUR (Q4'20: 6.9 mEUR), which is an increase of 34% compared to the previous year.
- **EBITDA margin** increased by 4 percentage points to 32% (Q4'20: 28%).

EVENTS IN THE GAMES SEGMENT

In MGI's games segment gamigo, the company focuses on games and business models with long term sustainable revenue streams and offers more than 10 Massively Multiplayer Online Games (MMOs) and over 5.000 casual games. Genres range from role playing, to fantasy, and strategy MMOs, and include such diverse titles as Trove, Aura Kingdom, Desert Operations, Grand Fantasia, Fiesta Online, and the newly acquired Pirate101 and Wizard101. The MMO's have been established in the market for many years, with strong and loyal communities. MGI strives to support these MMO games with regular fresh game content and targeted marketing to continuously add excitement and innovation, enabling lively communities and long-term user retention, while also adding new players to the games. This games as a service model extends the games' lifespan and keeps players engaged and entertained. In addition to maintaining its existing portfolio, gamigo also launches new games, aiming at continuously increasing the number of launches per year. By licensing games from recognized third-party developers on an exclusive basis for certain territories and by publishing them in its core markets North America and Europe, gamigo is pursuing a portfolio strategy for new games, knowing very well that in a competitive launch environment such as the games market, only a portfolio strategy can lead to success. Below is an overview of some of our key events in the games segment in the last quarter:

ANNOUNCEMENT OF SANDBOX FANTASY MMORPG FRACTURED ONLINE

What was already hinted at in last quarter's report was now made official –gamigo group announced the acquisition of the worldwide IP rights for PC and console for the sandbox fantasy MMORPG Fractured Online from developer Dynamight Studios. For the past three years gamigo has monitored the potential of the game, saw its community expand and was in contact with the developer. After an extensive teaser campaign by gamigo, targeting social media and press, the publishing agreement with the gamigo group was announced in December 2021.

Fractured Online is the first truly dynamic, isometric open-world MMORPG. The sandbox game focuses heavily on giving players the freedom to be who they want – through its unique character progression system – and shape the world the way they want. This can be done figuratively via its player-driven economy or literally by building cities across three worlds within multiple continents. Fractured Online features three races and each has a different impact on game mechanics, such as which type of society players can live in, to the ways they interact with other players. Combat also plays an integral part in Fractured Online and is fast-paced as fighters will learn to master over 400 abilities and 40 unique status effects. Whether abilities are used against various monsters in PvE battles or fellow players in PvP combat is completely up to the player. More details about the upcoming content for this game will be revealed by gamigo in the coming months before the release.



IN-GAME EVENTS AND CONTENT UPDATES FOR TROVE ON ALL PLATFORMS

In the last quarter of 2021, many larger and smaller updates were released for the popular Voxel MMO Trove. Events started with the Shadow's Eve event throughout October where players could enjoy several new quests, including an 11-part adventure where players can help new allies – the Order of the Moon – fight off the werewolf curse of Quberus. Completing the quest, as well as daily side quests, earned players the Order of the Moon's Treasure Box which can contain rare items including costumes, new allies and a new mount. A new Delve Biome (The Wolves' Den), new enemies to combat, and new vendors made this an event Trove players didn't want to miss. This was followed in November by the always popular Turkeytopia event which launched on all platforms. Players could partake in a full questline that brought previous NPCs from the events that took place throughout the year to highlight their accomplishments.

Polished Paragon, the biggest update for Trove which brought the game literally to the next level, was released consecutively for all platforms. Through this new system all experience points earned on Level 30 classes go towards receiving Paragon levels for the current class. 1,000 Paragon levels are available for each class. As rewards Trove players earn Loops and may also spawn Primal Paragon Piñatas. The Polished Paragon system was very well received by players on PC, Xbox and PlayStation.

WIZARD101'S HIGHLY-ANTICIPATED NEW WORLD UPDATE 'LEMURIA'

Highly anticipated by players, KingsIsle Entertainment and gamigo launched the next new world – the biggest since their partnership – for one of the most magical MMORPGs ever, Wizard101. Adding to the game's impressive stable of worlds, wizards can now journey to the lost world of Lemuria. Their adventure will be filled with a new storyline, world scenes, characters, creatures, and bosses in addition to new spells, items, and gear. Wizards will also be able to level up to 150. But the Lemuria update didn't only introduce a new world to Wizard101, it also includes a host of new features and enhancements to a wealth of aspects.

FARM, TRADE, AND ADVENTURE WITH OTHERS IN MOBILE SIM FANTASY TOWN

gamigo announced the upcoming release of Fantasy Town, a mobile farming sim featuring a mix of exploration, RPG, and adventure game mechanics, to be released for iOS and Android devices. In this game players can build their town, produce and farm crops, trade goods, explore, and defend their citizens from evil Trolls bent on causing harm and havoc from time to time. The player will construct, manage, and upgrade various buildings, farmland, crops and while resources are harvested, they can be traded to keep the city prosperous and the citizens happy. While the town works to gather various materials, players can summon various citizens to explore diverse places and dungeons in search of special resources. Several social gameplay mechanics have been implemented in Fantasy Town that will help players in a number of ways. Fantasy Town marks the next foray into mobile games with a title that shows a unique mix of diverse game mechanics.

LAUNCH OF MORE THAN 90 CASUAL GAMES ON THE WILD TANGENT PLATFORM

More than 90 casual games were launched in the last quarter of 2021 bringing the total number of casual games launches for 2021 to 370 games. MGI on average publishes 30+ casual games every month with major releases taking place Q4 to drive engagement and monetization in the high advertising season.

OTHER

Many of gamigo's games portfolio have received smaller and larger game updates in the last quarter of 2021. One of the highlights of the year, celebrated every year on Halloween in all participating games of gamigo, is the popular gamigoween event. Players received a spectacularly spooky surprise this year with plenty of tricks (in the form of in-game events), treats (i.e., rewards) and monsters, wolves, and pumpkins across all these gamigo games. In the fourth quarter it was also time to celebrate Fiesta Online's 14th Anniversary with a legendary Cupcake War, several festivities, special quests and beautifully decorated locales. Celebrations didn't stop there, since November was also the time to commemorate the 11th anniversary of Grand Fantasia with new titles, costumes, and challenges – especially for this festive occasion. The fourth quarter of 2021 also marked the release of Amatheon's Corruption, the next highlight for the epic Realm of the Gods expansion for Fiesta Online, the largest expansion to date. This new chapter offered a gripping storyline that led players to a final confrontation with Amatheon – the most sophisticated and challenging world boss in the history of Fiesta Online. Several games also received new servers, for example Desert Operations, Fiesta Online and Shaiya.



Before the year came to an end, gamigo opened its House of Wonders event with an advent calendar with many prizes to win and several of the gamigo's games brought players into Christmas mood with their festive in-game updates, like Trove's Snowfest or seasonal events and decorations in Fiesta Online ("Isya's Frosty Ride") or Grand Fantasia.



SUSTAINABILITY UPDATE

NEW MILESTONE REACHED IN THE COOPERATION WITH EDEN REFORESTATION PROJECTS

After already collaborating with the Eden Reforestation Projects in 2020 and the beginning of 2021 planting over 200,000 trees and announcing Eden as gamigo group's first permanent charity in the last quarterly report, gamigo group has reached a new milestone with the cooperation.

Since the launch of the permanent charity and the website at the end of September 2021, funds for an additional 100,000 trees were raised in cooperation with gamigo's players bringing the total of planted trees to over 300,000. Due to the contributions, the planters of Eden Reforestation Projects are able to plant new trees in affected regions of the world while receiving fair remuneration for their work.

SUSTAINABILITY AND GOVERNANCE REPORT TO BE PUBLISHED WITH THE ANNUAL REPORT

MGI has published its first Sustainability Report and first Governance Report for the fiscal year 2020 and is currently working on preparing the second report for both topics for the year 2021. The preparation of the Sustainability Report and the Governance Report was guided by the GRI standard. Both reports will be published in conjunction with the Annual Report for the year 2021 to align the reporting period.

GUIDANCE

ACTUALS VS. GUIDANCE 2021

	FY 2020 (A)	FY 2021 (A)	Guidance 2021
Revenue (in €m)	140	252	234 - 254
<i>Growth</i>	67%	80%	67 - 81%
Adj. EBITDA (in €m)	29	71	65 - 70
<i>Growth</i>	61%	143%	123 - 141%

GUIDANCE FOR FINANCIAL YEAR 2022

On February 28, 2022 Media and Games Invest SE published its guidance for the financial year 2022.

	FY 2021 (A)	Guidance 2022
Revenue (in €m)	252	290 - 310¹
<i>Growth</i>	80%	15 - 23%
Adj. EBITDA (in €m)	71	80 - 90
<i>Growth</i>	143%	13 - 27%

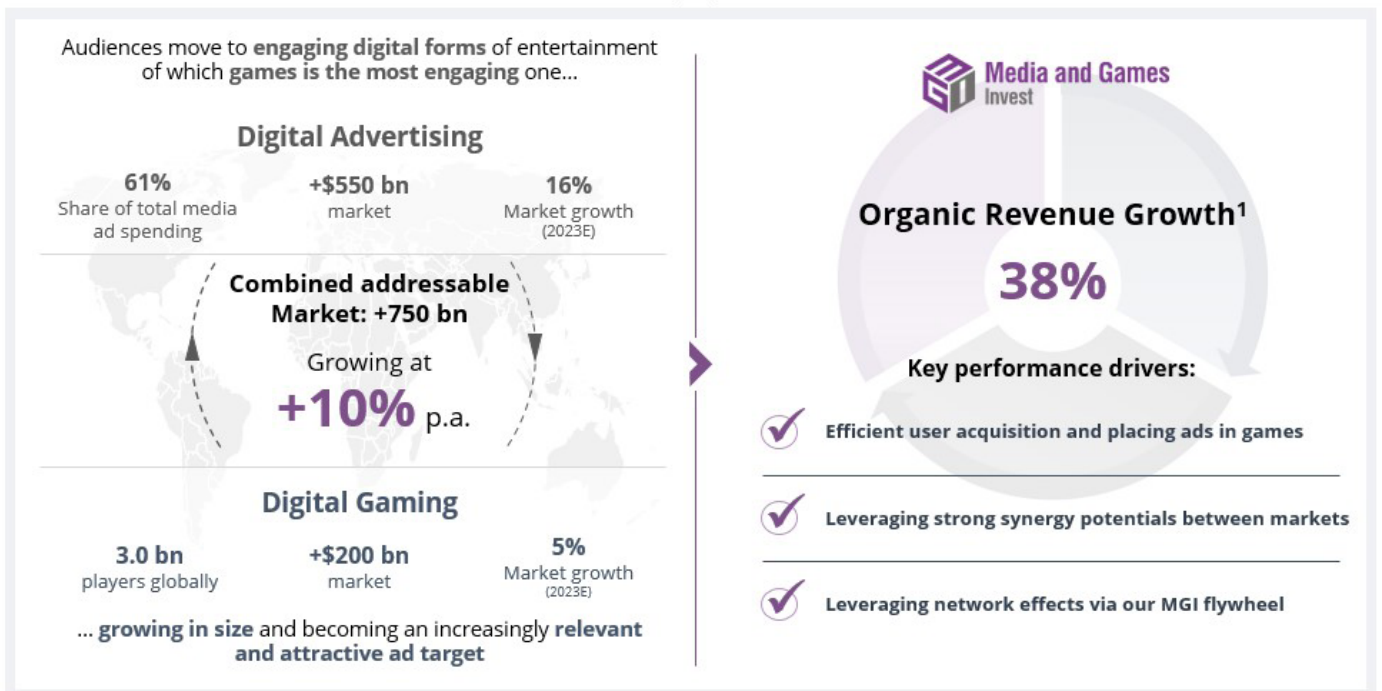
Note: (1) takes into account the discontinuance of MGI's affiliate and influencer marketing business with a negative revenue impact of c. 20mEUR

ACCELERATED ORGANIC GROWTH BY THE COMBINATION OF THE MEDIA AND GAMES FLYWHEEL

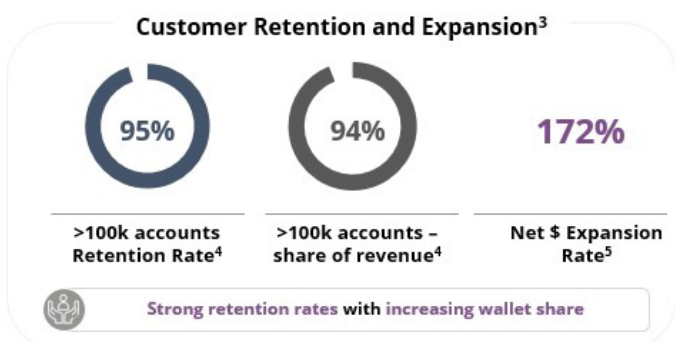
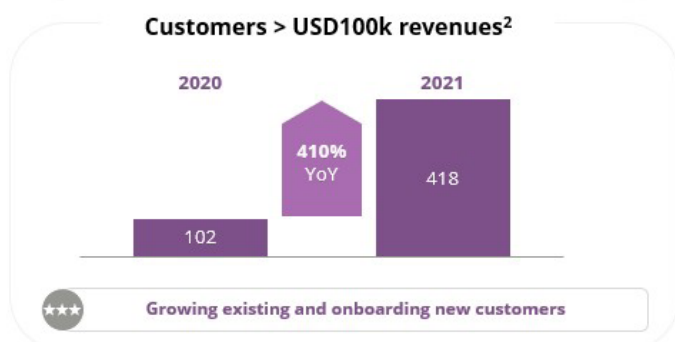
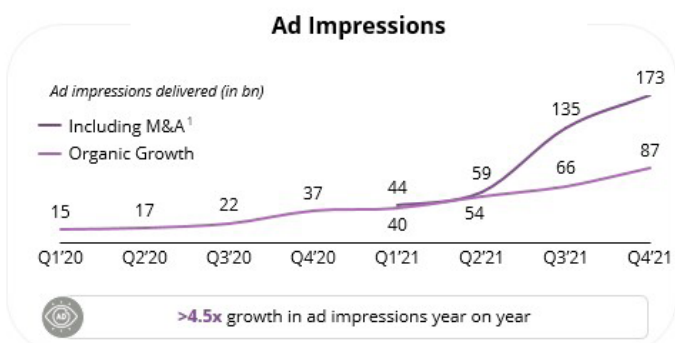
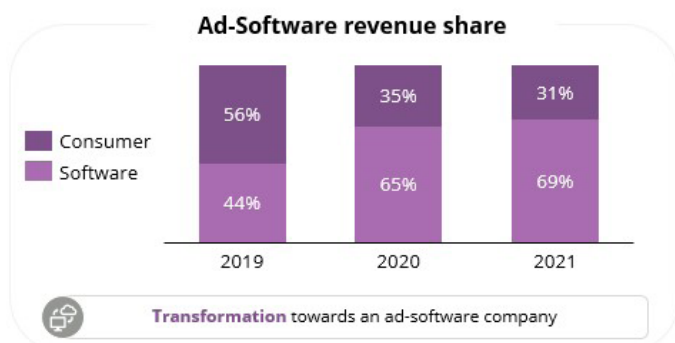
WE ARE COMBINING TWO FAST GROWING MARKETS WHICH LEADS TO STRONG SYNERGIES AND NETWORK EFFECTS RESULTING IN A 3.8X FASTER ORGANIC GROWTH THAN THE MARKET...

Why combining the two attractive markets

The sum is greater than its parts



... WHILE WE SCALE WITH OUR LOYAL CUSTOMERS WHICH CONTINUOUSLY INCREASE THEIR SHARE OF WALLET WITH US BY USING OUR INNOVATIVE AD-SOFTWARE TO DRIVE STRONG CTRS FOR ADVERTISERS AND BETTER CPMS FOR PUBLISHERS IN A COOKIE-LESS WORLD...



... WHILE OUR EXTENSIVE PORTFOLIO OF OWN GAMES IS A STRONG BASIS WITH FIRST PARTY CONTENT AND DATA...

+5000 Casual Games for all

10 Premium Games for our most engaged players

Casual Games

- ✓ Spanning all genres
- ✓ Very loyal player base across all demographics
- ✓ Monetization via advertisement and subscriptions

Premium MMO Games

- ✓ Highly engaging genres including anime and fantasy
- ✓ Large recurring loyal userbase
- ✓ Monetization via in-game item sales and advertising revenues

5000+
Own game titles

30+
New launches every month

c. 20m
Pre-installs in 2021

+100m
Own gamers/audiences

81%
Of game revenues from own IP²

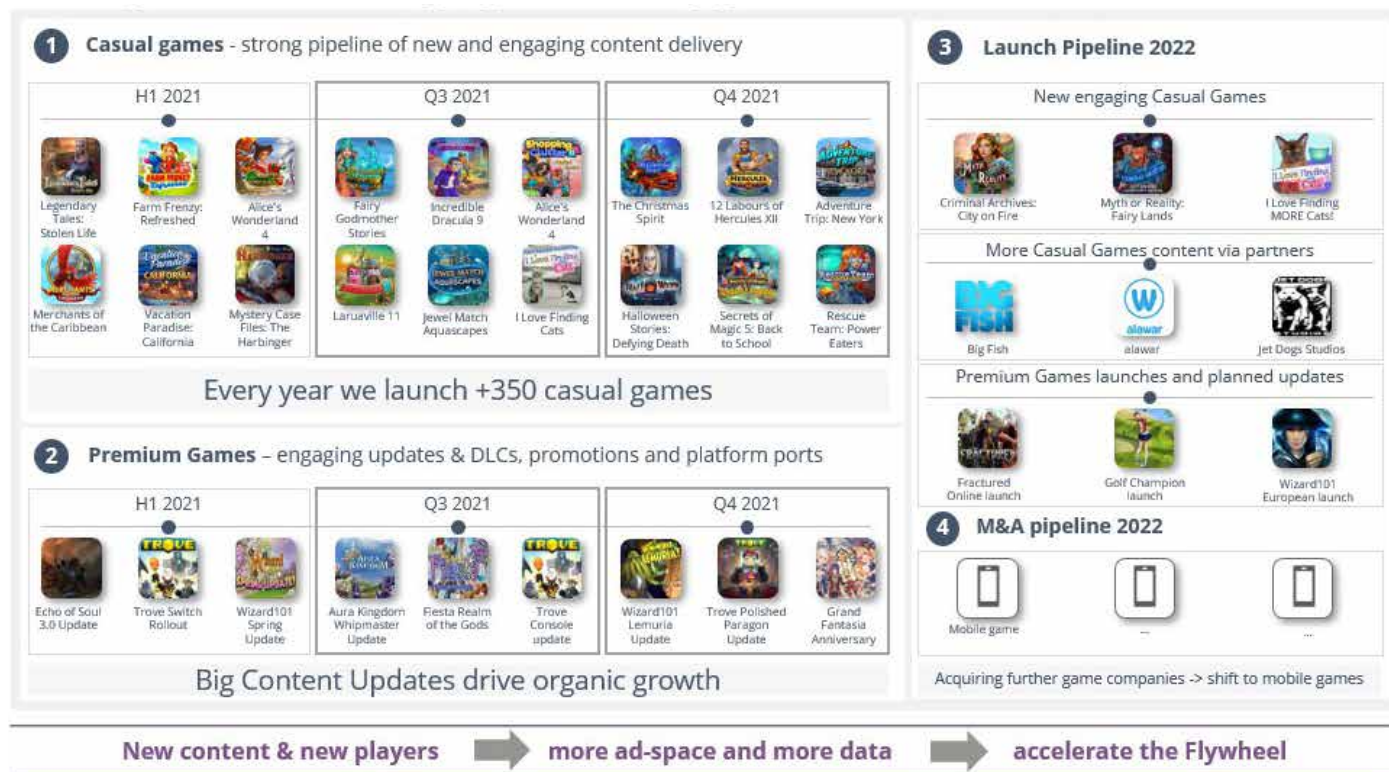
+50%
Revenue from players +5y in the game

61€
ARPPU¹
(Average revenue per paying user)

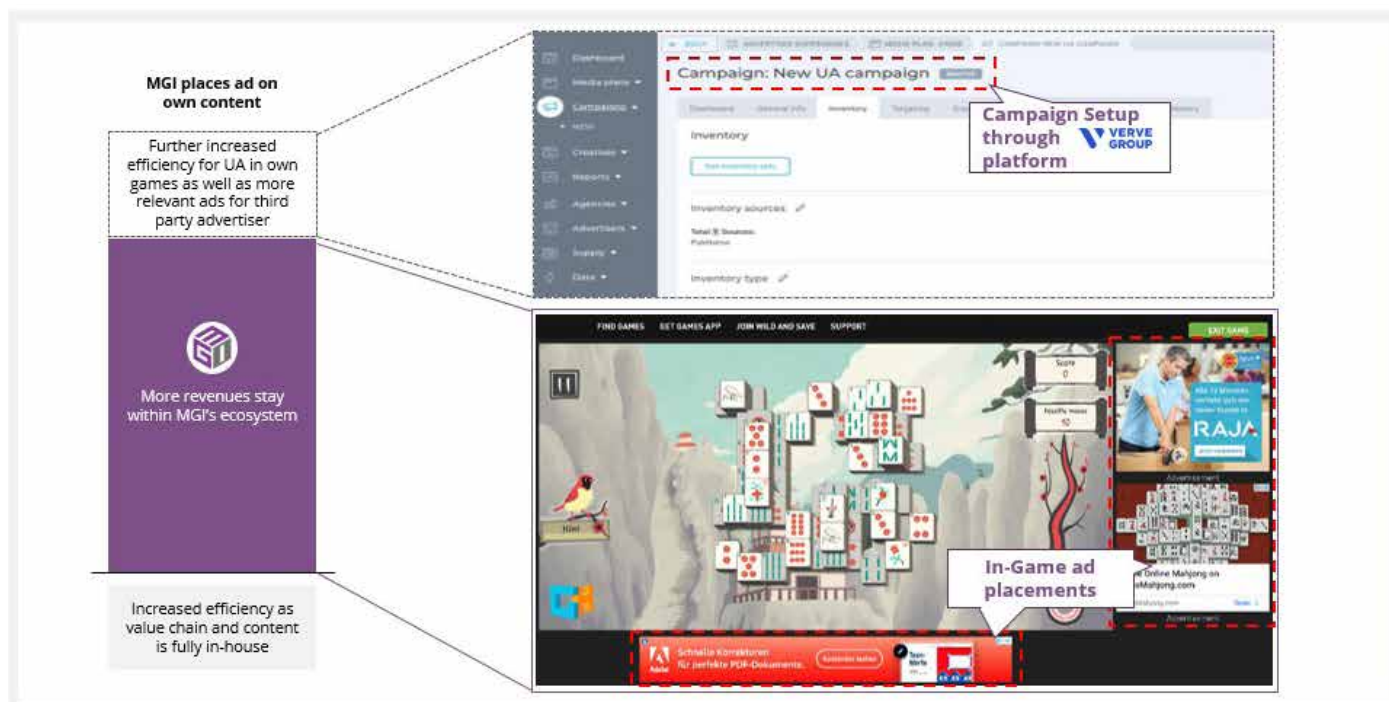
7%
Growth of players in games with >25k players

Strong diversified games portfolio with +100m gamers as the foundation for 1st party data and ad-revenues next to subscriptions and item sale revenues

...WHICH IS CONSTANTLY FUELED BY ADDITIONAL CASUAL GAMES LAUNCHES AND MASSIVE CONTENT UPDATES IN OUR PREMIUM GAMES WHICH DRIVES USER ENGAGEMENT AND PROVIDES FURTHER ADVERTISEMENT SPACE WHICH IS MONETIZED VIA OUR AD-SOFTWARE PLATFORM...



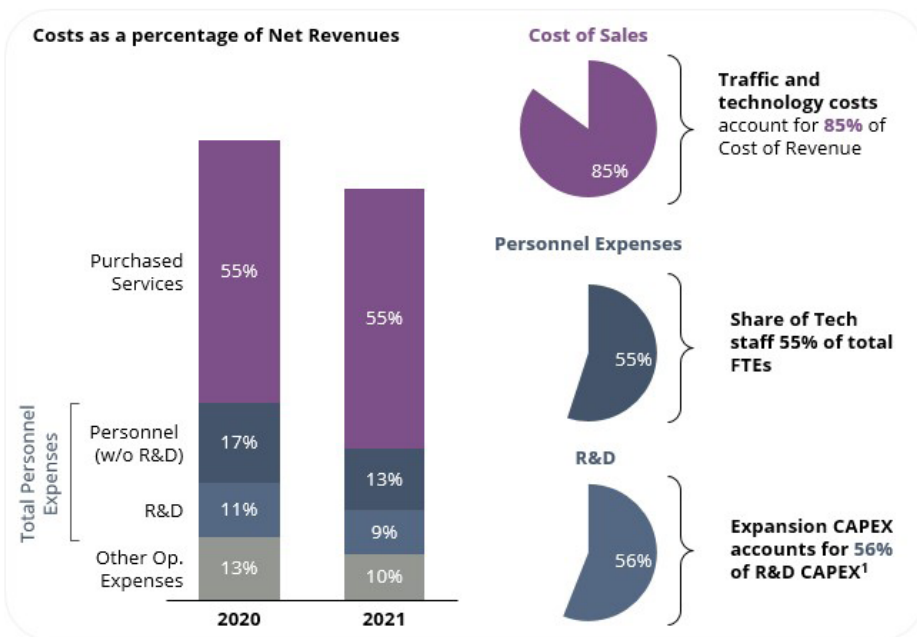
... WHICH LEADS TO UP TO 50% MORE AD-REVENUES FOR MGI AS WE HAVE THE FULL AD-TECH-VALUE-CHAIN IN-HOUSE AND DON'T PAY USAGE-BASED TAKE RATES FOR THIRD PARTY INFRASTRUCTURE TO PLACE ADS IN OUR GAMES.



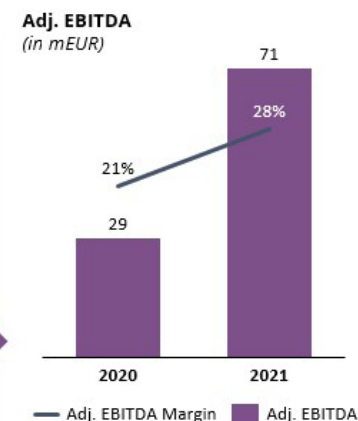
HIGH REVENUE GROWTH LEADS TO ECONOMY OF SCALE

IN 2021 WE COULD PROVE ONCE AGAIN THAT CRITICAL MASS LEADS TO A HIGHER EFFICIENCY AS ALL COST ITEMS IN RELATION TO THE REVENUES COULD BEEN REDUCED...

Operating model and cost structure



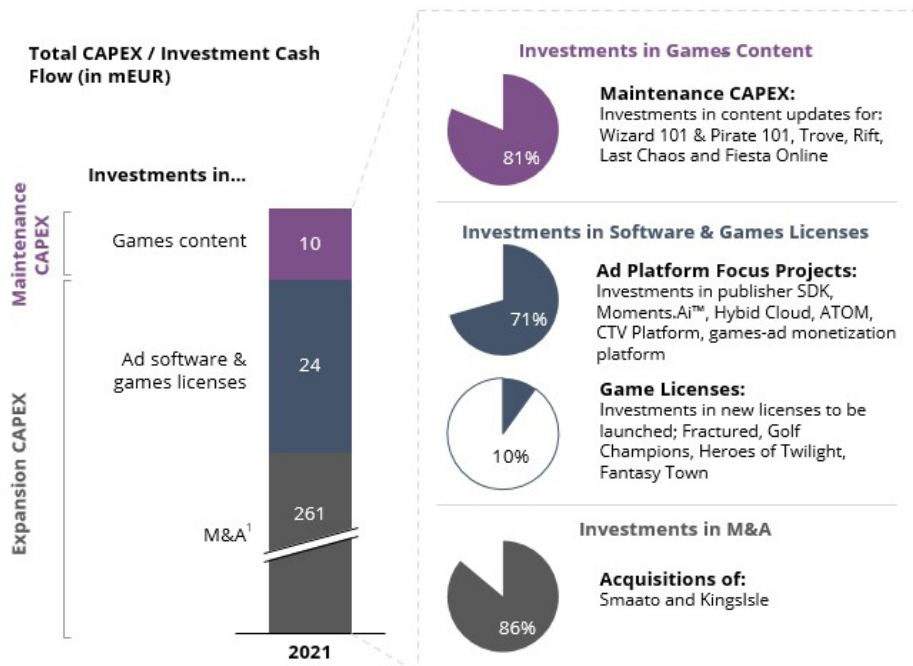
Impact on EBITDA



Relatively reduced cost base leads to strong increase in EBITDA margin

...WHILE FURTHER INVESTMENTS INTO THE AD-SOFTWARE PLATFORM DRIVES NEW INNOVATIVE PRODUCTS TO OUTPERFORM THE MARKET GROWTH BY 3.8X...

Investments in 2021

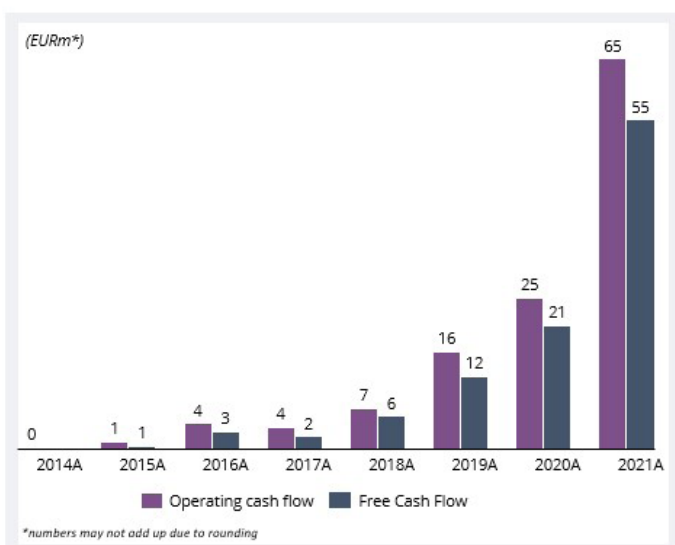


Impact on Organic Growth

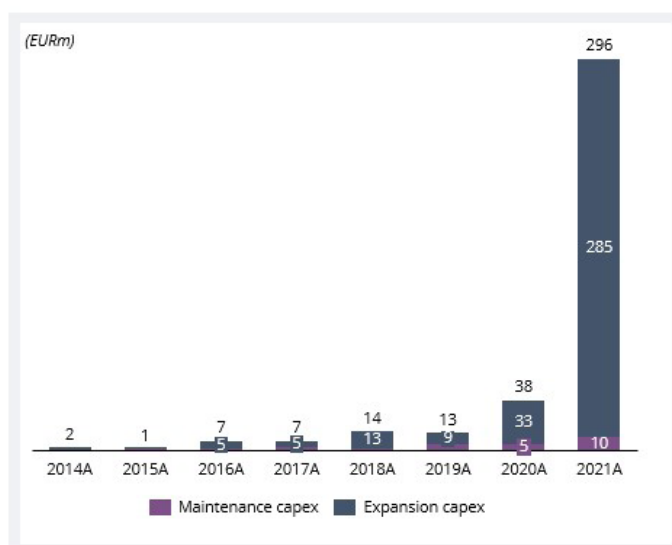


... WHICH RESULTS IN EVER-GROWING CASHFLOWS FROM OPERATIONS WITH A LIMITED MAINTENANCE CAPEX WHICH RESULTED IN A STRONG FREE CASHFLOW OF 55MEUR...

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



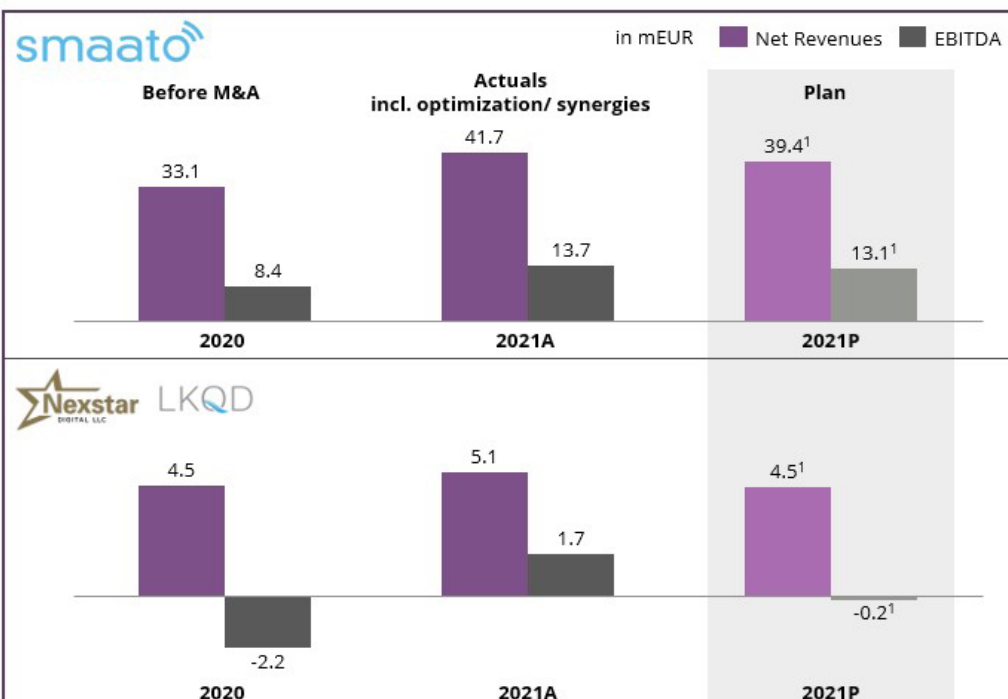
Capex development



Limited Maintenance CAPEX leads to strong Free Cash Flow

...WHILE AD-TECH M&A INVESTMENTS CONTINUED TO CREATE ADDITIONAL VALUE AS WE COULD GROW THEIR REVENUES AND EBITDA POST ACQUISITION DUE TO STRONG REVENUE AND COST SYNERGIES AT SCALE...

Financial performance (2020 – 2021)



Achievements since acquisition

Boost top line, integrate & improve employee satisfaction

- 26% organic growth in 2021
- 63% increase in EBITDA
- Reduced IT infrastructure cost by implementing MGI terms
- Reduced employee turnover by >50% in H2 2021 as employees have become part of a winning team

Improve IT cost based on usage based model while driving revenue and cost synergies

- 13% organic growth in 2021
- Strong increase in EBITDA of 3.9mEUR
- Reducing IT infrastructure costs by implementing usage based model
- Driving revenue growth by selling CTV via Verve's DSP

...WHILE ALSO THE TRANSFORMING ACQUISITION OF KINGSISLE HAVE BEEN WELL ABOVE PLAN WITH +9% IN REVENUES AND +18% IN EBITDA.





EVENTS AFTER DECEMBER 31, 2021

MGI BOARD DECIDED TO PROPOSE MOVING THE HEADQUARTERS FROM MALTA TO SWEDEN AT THE NEXT AGM

On February 09, 2022, the MGI Board of Directors resolved to propose to the shareholders at the next AGM to relocate the Company's registered office and headquarters from Malta to Sweden, thus completing the transformation process of MGI, which started in 2020 with the Swedish listing. With the listing in 2020 and the conversion into an SE (Societas Europaea, European Company) in 2021, key elements of the transformation have already been completed. Through the relocation to Sweden and further strengthening of the governance structure, the Company expects to complete the transformation by the end of 2022 with an effective date in January 2023. The board and management expect that the completed transformation will lay the foundation for the future operational performance and growth and that it will further enhance MGI's reputation, open the Company to additional investor groups and further reduce the risk premium of MGI's stock.

CONDENSED CONSOLIDATED STATEMENT OF INCOME, MGI GROUP
(unaudited)

in kEUR	Notes	Q4 2021	Q4 2020	FY 2021	FY 2020
Revenues					
Net revenues	9	80,206	48,688	252,166	140,220
Own work capitalized		6,759	4,162	22,851	15,994
Other operating income		2,665	2,130	8,626	6,272
Total Income		89,630	54,981	283,643	162,486
Operating Expenses					
Services purchased & other operating expenses	10	-53,495	-35,339	-162,623	-96,365
Personnel expenses	11	-15,234	-10,628	-55,978	-39,572
Total operating expenses		-68,729	-45,967	-218,601	-135,937
EBITDA					
Depreciation and amortization	12	-7,239	-5,486	-28,238	-15,508
Thereof: PPA Amortization		-3,348	-1,232	-11,964	-3,875
EBIT		13,662	3,528	36,804	11,041
Financial result		-8,814	-1,818	-21,919	-7,140
EBT		4,848	1,710	14,886	3,901
Income Taxes		2,550	266	1,169	-1,194
Net Result		7,398	1,976	16,055	2,707
of which attributable to non-controlling interest		-4	-106	-7	-352
of which attributable to shareholders of the parent company		7,402	2,082	16,061	3,059
Earnings per share					
Undiluted		0.05	0.02	0.11	0.04
Diluted		0.05	0.02	0.11	0.03
Undiluted (adjusted)		0.07	0.03	0.20	0.04
Diluted (adjusted)		0.07	0.03	0.20	0.03
Average number of shares					
Undiluted		149,680	114,900	141,712	85,498
Diluted		149,680	114,900	141,712	95,638

Note: numbers may not add up due to rounding

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

in kEUR	Q4 2021	Q4 2020	FY 2021	FY 2020
Consolidated profit	7,398	1,976	16,055	2,707
<i>Items that will be reclassified subsequently to profit and loss under certain conditions:</i>				
Exchange differences on translating foreign operations	4,628	-2,173	7,322	-3,739
Gain / Loss of financial assets	-2,141	0	-2,141	0
Gain / Loss of hedging instruments	0	241	0	237
Other comprehensive income, net of income tax	2,487	-1,932	5,181	-3,502
Total comprehensive income	9,885	43	21,236	-795
<i>Attributable to:</i>				
Owners of the Company	9,889	78	21,242	-515
Non-controlling interests	-4	-34	-7	-280

Note: numbers may not add up due to rounding

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

in kEUR	Note	31 Dec 2021	31 Dec 2020
Intangible assets	4, 5	605,746	272,829
Property, plant and equipment		4,681	1,742
Financial assets and other assets		40,068	18,895
Long-term assets		650,495	293,466
Trade and other receivables		103,442	46,122
Cash and cash equivalents		180,156	46,254
Short-term assets		283,598	92,376
Total assets		934,093	385,842
Equity attributable to shareholders of the parent company	8	307,434	176,785
Non-controlling interest		59	60
Total Equity		307,493	176,845
Long-term liabilities	6	383,168	130,792
Short-term liabilities	7	243,432	78,205
Total liabilities and equity		934,093	385,842

Note: numbers may not add up due to rounding

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

	Common stock		Share Premium	Capital reserves	Retained earnings incl. Profit of the year	Amounts recognised directly in equity	Shareholders' equity attributable to owners of the parent	Non-controlling interests	Total shareholders' equity
	Shares thousands	Amount kEUR	Amount kEUR	Amount kEUR	Amount kEUR	Amount kEUR	Amount kEUR	Amount kEUR	Amount kEUR
Balance at 1 January 2020	70,020	70,020	1,813	23,314	2,558	363	98,068	70,490	168,558
Consolidated profit					3,059		3,059	-352	2,707
Other comprehensive income						-3,574	-3,574	72	-3,502
Total comprehensive income					5,617	-3,211	97,553	70,210	167,763
Capital increases	47,054	47,054	6,026	29,091			82,170	-67,294	14,876
Changes in scope of consolidation				-2,939			-2,939	-2,856	-5,795
Balance at 31 December 2020	117,074	117,074	7,839	49,466	5,617	-3,211	176,785	60	176,845
Balance at 1 January 2021	117,074	117,074	7,839	49,466	5,617	-3,211	176,785	60	176,845
Consolidated profit					16,061		16,061	-7	16,055
Other comprehensive income						5,181	5,181	6	5,187
Total comprehensive income					21,678	1,970	198,027	59	198,087
Capital increases	32,606	32,606	79,732				109,338		109,338
Other Equity reserves regarding IFRS 2				3,675			3,675		3,675
Other Equity reserves						-3,607	-3,607		-3,607
Balance at 31 December 2021	149,680	149,680	84,571	53,141	21,678	-1,637	307,434	59	307,493

Note: numbers may not add up due to rounding

CONDENSED CONSOLIDATED CASH FLOW STATEMENT, MGI GROUP (unaudited)

in kEUR	Note	Q4 2021	Q4 2020	FY 2021	FY 2020
Cash flow from operating activities (before change in WC)		25,118	17,769	70,556	29,746
<i>Change in working capital</i>		5,746	-7,218	-5,714	-4,543
Cash flow from operating activities		30,864	10,551	64,842	25,203
Cash flow from investing activities		-57,664	-15,476	-295,634	-37,707
Cash flow from financing activities		8,421	40,251	364,694	25,774
Cash Flow for the Period		-18,379	35,327	133,902	13,270
Cash and cash equivalents at the beginning of the period		198,535	10,927	46,254	32,984
Cash and cash equivalents at the end of the period		180,156	46,254	180,156	46,254

Note: numbers may not add up due to rounding

SELECTED EXPLANATORY NOTES (UNAUDITED)

NOTE 1 BASIS OF PREPERATION

The financial information presented in this report has been prepared using accounting policies consistent with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and as set out in the Group's annual financial statements in respect of the year ended December 31, 2021 except as noted below. The financial information does not include all the information and disclosures required in the annual financial statements.

The consolidation scope of the unaudited condensed consolidated financial statements as of December 31, 2021, changed compared to the audited consolidated financial statements as of December 31, 2020, for the following transactions and entities:

- Q1 2021: Incorporation of Kings Holding Inc. and the subsequent acquisition of the KingsIsle Entertainment Inc.
- Q1 2021: Consolidation of VGI CTV Inc., founded in 2020 and the subsequent acquisition of material all assets of Nexstar Inc.'s digital video advertising technology platform, formerly known as LKQD.
- Q3 2021: Acquisition and consolidation of Smaato Holding GmbH and its subsidiaries.
- Q4 2021: Acquisition and consolidation of Match2One AB.

NOTE 2 ACQUISITION OF BUSINESSES

Acquisition of KingsIsle Entertainment Inc.

For further information please refer to the Half Year Report Q2 2021

Acquisition of material assets of LKQD

For further information please refer to the Half Year Report Q2 2021

Acquisition of Smaato

For further information please refer to the Interim Report Q3 2021

Acquisition of Match2One

MGI acquired Match2One, with first consolidation as of October 1, 2021, a fast-growing self-serve programmatic demand side platform with a technically advanced user interface and focus on e-commerce and small and medium-sized enterprises (SMEs). Match2One founded in 2015, and is based in Stockholm, Sweden has a team of approximately 25 employees. Over the years, the company has developed a very easy to use self-serve e-commerce platform for SMEs. The Match2One platform is accretive to Verve's programmatic vertical full stack offering, adding a demand side platform for SMEs to the technology stack. While Match2One, due to its limited financial resources, has only launched its platform in a few countries, Verve will, after integrating the Match2One platform into its existing offering, further internationalize the platform and push partner acquisitions forward.

For the purchase price allocation MGI engaged Ernst & Young (EY) for preparing an independent purchase price allocation report for identifying acquired tangible and intangible assets and liabilities of Match2One. The share deal of Match2One is a business combination within the meaning of IFRS 3 Business Combinations. They provided estimates of fair value for those assets and liabilities, as defined below, as of valuation date 1 October 2021. For the purchase price allocation (PPA), the management provided EY a business plan of Match2One which was used by the management to derive the purchase price offer. The report differentiates between intangible assets and property, plant, and equipment. As intangible assets were identified and valued with a historical development cost approach EY measured the identified technology platform with kEUR 1,505. Other assets and liabilities were valued with an amount of kEUR 1,818.

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

in kEUR	
Identifiable intangible assets	11,149
Property, plant and equipment	9
Other non current financial assets	48
Current assets	162
Current liabilities and provisions	-1,843
Other non current financial liabilities	-1,818
Deferred tax liabilities	-158
Total identifiable net assets at fair value	7,548
Total consideration	
Fulfilled by:	
Considerations transferred including loans	8,064
cash at bank	516
Total consideration transferred	7,548

In accordance with IFRS 3 Business Combinations, an acquiring entity shall allocate the cost of the acquired assets and liabilities based on their fair values of all assets and liabilities as of acquisition date. If the consideration of transferred is higher than the fair value of net assets acquired, this difference is accounted for as goodwill. Goodwill recognized from the acquisition of Match2One amounted to kEUR 9,644. The trade receivables and received cash have a book value of kEUR 643. The purchase price of Match2One was kEUR 8,064.

NOTE 3 SEGMENT INFORMATION

a) Products and services from which reportable segments derive their revenues

Under IFRS 8, on the basis of the internal reporting, operating segments are to be defined across group divisions that are subject to a regular review by the Chief Operating Decision Maker of the Company with respect to decisions on the allocation of resources to these segments and the assessment of segment performance. Information reported to the Chief Operating Decision Maker for the purposes of resource allocation and assessment of segment performance is focused on the two segments of Games and Media.

Games

In the Games segment, online, console and mobile games are made available to end customers, supported, operated and often further developed internally. Furthermore, the division offers and operates advertisement platform services mainly for mobile, online and console games, including casual games, role-play games and strategy games. It markets its products and services to customers in Europe, North and South America as well as Asia with the focus being on Europe and North America. Games are licensed exclusively, either worldwide or for certain regional territories. In Asia, the Group does not market its games directly but makes the games available in cooperation with license partners.

The so-called free-to-play Massively Multiplayer Online Games (MMOGs) account for the most important share of revenue in the Group portfolio. Free-to-play means that the consumers in general play free of charge but can acquire goods for a fee (so-called "items") that increase the games experience and/or facilitate faster success, in particular, by adding new equipment or new functions for the game characters. By means of this business model, revenue has the potential to scale better as customers usually do not just pay once but, thanks to various incentives in the games, are motivated to invest money in the games on a continuous basis and over a longer period of time. MMOG means that, often, several thousands of players meet and interact with one another in an arena or server environment. Due to the large number of co-players who play the game at different times and are frequently linked to one another through gamers communities (so-called "guilds" or "clans"), in most cases, the users play a game over several months or even years. Within the MMOGs, there is a technical difference between browser games (games are played in the browser online), client games (games are first downloaded, and the client is saved on the PC, however, during the game, players must be online in order to be able to communicate with the server) and console games (games are played online on consoles such as Xbox and PlayStation). In addition, the portfolio includes games that can be played on Facebook and/or on mobile end devices (iOS and Android). In these types of games, apart from the items that can be paid for, advertisements and advertising videos are also shown.

The Group has various MMOGs, especially anime and fantasy role plays, strategy and shooter games. The casual games that are also marketed by the Group, typically are simpler games which are not that intensive and are mostly played for shorter periods of time (these especially comprise puzzles, quizzes and skill games).

Currently, the Group offers over 10 MMOGs and more than 5,000 casual games. These include various MMOGs, e.g. Wizard101, Fiesta Online and Shaiya, which have been on the market for many years now. The revenue generated by these games, if the games are well supported and marketed, usually shows only slight churn, but with MGI optimizing marketing and improving the game content, revenue can be re-gearred towards growth.

The Group has driven its growth in the Games segment to a large extent by market consolidation. The acquisition of new customers for the games offered by the Group is done via marketing to the Group's own customer base and on portals. In addition, the Group's games are offered via advertising companies belonging to the Media segment of the Group and, among others, on their portals or through other advertising measures. In marketing its games, the Group also works with a large number of third-party customer acquisition and sales channels (including partner websites, TV broadcasting companies, print media, telecommunications providers, and marketing partners).

Media

MGI's second segment is the Media segment. The segment has been developing an AdTech platform as well as services offered to business customers. For the most part, the same systems and infrastructures are used in the background of the advertisement and platform services that are used in the context of game publishing. Media services are offered to third parties but also to the Games segment. While the advertisement platform modules were in the beginning primarily used for the Group's own user acquisition activities, the software is now available on a 'software-as-a-service' basis and includes the full stack of the AdTech value chain – serving both the demand side as well as the supply side: In 2019 Media and Games Invest started to conquer the mobile advertising market with acquisitions of ME mobile GmbH (formerly Applift GmbH) and Verve Group Europe GmbH (formerly known as PubNative GmbH) followed by the acquisition of Platform 161 in 2020. In 2021, the Media segment further grew via the acquisitions of LKQD and Smaato. Since then, MGI's Media segment has been a fast-growing part of the Group. The mobile advertising market runs under the Verve brand and uses all technology-based synergies from Verve Group Europe's Supply-Side-Platform (SSP), with Platform 161 and LKQD's Demand-Side-Platform (DSP) offering the clients a holistic mobile advertising product. Based on the Group's "BUY. INTEGRATE. BUILD & IMPROVE." strategy, further synergies are expected to materialize based on accretive and complementary acquisitions in MGI's Media segment.

b) Segment revenues and segment results

	GAMES	MEDIA	CONSOLIDATED
in kEUR	31-Dec-21	31-Dec-21	31-Dec-21
Revenues	112,607	139,559	252,166
EBITDA	39,194	25,848	65,042
Depreciation and amortization			-28,238
Financing income			905
Financing expenses			-22,824
Earnings before taxes (EBT)			14,886
Income taxes			1,169
Net result from continuing operations			16,055

The Group does not use geographical information for purposes of internal controlling nor for management reports. A separate collection of such data would result in disproportional costs.

Due to the structure of customers in the Games segment, there are no customers that constitute a proportion of more than 10 percent of the Group's revenues. The Media segment in general is characterized by a large number of Fortune 500 customers. There are no customers that are responsible for more than 10 percent of Group's revenues.

The accounting policies of the reportable segments correspond to the Group accounting policies described above. The segment result represents the result that each segment generates with allocation of the share of the central administrative costs including the remuneration of the Governing Board. The segment results are reported to the Group's Chief Operating Decision Maker for the purpose of resource allocation to the segments and the assessment of segment performance.

c) Segment assets

in kEUR	31-Dec-21	31-Dec-20
GAMES	575,304	290,476
MEDIA	358,790	95,366
Consolidated total segment assets	934,093	385,842

For the purpose of monitoring segment performance and allocating resources to segments, the Group's Chief Operating Decision Maker monitors the tangible, intangible and financial assets attributable to the individual segments. All assets including goodwill are allocated to the reportable segments. MGI engaged an independent BIG4 advisor in 2020 and 2021, for impairment test of the goodwill and the segments goodwill allocation. The recoverable amounts exceed the carrying amounts for both CGUs as at 31 December 2021 as well as at 30th September 2021. The conclusion is, no impairment results as of December 31, 2021.

NOTE 4 INTANGIBLE ASSETS INCLUDING ACQUISITIONS

The change in Goodwill is mainly related to the acquisition of LKQD and KingsIsle in Q1 2021 as well as to the acquisition of Smaato and Match2One in Q3 2021 and Q4 2021, respectively. Other Intangible Assets includes acquired intangible assets from business combination, self-developed intangible assets, IPs, licenses and advanced payments on licenses due to acquisitions and the in-house development of the games and AdTech platforms.

	December 31, 2021	December 31, 2020
	kEUR	kEUR
Goodwill	411,992	164,015
Other Intangibles	193,754	108,814

Please refer to Note 2 for further disclosure on the acquisitions of KingsIsle, LKQD, Smaato, and Match2One.

NOTE 5 DISPOSALS

There were no material sales or disposals in Q4 2021.

NOTE 6 LONG-TERM LIABILITIES

As of December 31, 2021, the long-term liabilities of MGI increased by kEUR 252,376 to kEUR 383,168 (December 31, 2020: kEUR 130,792) largely based on the MGI bond issues in Q1, Q2, and Q3 2021. The net proceeds from the bond issue in Q3 2021 have partially been used to repay the unsecured German bond listed on the Frankfurt Stock Exchange with a term until 2024 (ISIN DE000A2R4KF3) reflected in the December 31, 2021 numbers. The remaining proceeds are still available as cash in the bank and are intended to be used for general corporate purposes, including investments and acquisitions.

Repayment of unsecured German bond (term until 2024)

MGI has successfully repaid its 25 mEUR unsecured bond listed on the Frankfurt Stock Exchange with a term until 2024 (ISIN DE000A2R4KF3) at a price of 103% of par.

MGI Bond Issue 40 mEUR

See Interim Report Q1 2021.

MGI Bond Issue 150 mEUR

See Half Year Report Q2 2021.

UniCredit Revolving Credit Facility 30 mEUR

See Half Year Report Q2 2021.

UniCredit term-loan in the initial amount of 10 mEUR repaid

See Half Year Report Q2 2021.

MGI Bond Issue 80 mEUR

See Interim Report Q3 2021.

NOTE 7 SHORT-TERM LIABILITIES

The short-term liabilities of MGI increased by kEUR 165,227 on December 31, 2021 to kEUR 243,432 compared to kEUR 78,205 on December 31, 2020 mainly effected by deferred purchase price payments for the acquisition of KingsIsle as well as an increased amount of trade payables which came also with a higher amount of trade receivables as the operations of the Group have increased.

NOTE 8 SHAREHOLDERS' EQUITY

As of December 31, 2021, the total shareholders' equity increased to kEUR 307,493 (December 31, 2020: kEUR 176,845) driven by positive Net Income as well as the direct share issuances in Q1 2021 (Directed Share Issue with Oaktree Capital) and Q2 2021 (Directed Share Issue with an ABB led by Carnegie, Jefferies and Swedbank).

The subscribed capital of MGI has developed from kEUR 117,074 (December 31, 2020) to kEUR 149,680 as a result of the capital increases that took place in H1 2021.

No dividends were paid in FY'21.

NOTE 9 NET REVENUE

MGI achieved in FY 2021 a net revenue of kEUR 252,166 (FY 2020: kEUR 140,220). The increase of kEUR 111,946 was due to a strong organic growth of 38% (in FY 2021) and the acquisition of KingsIsle and LKQD in Q1 2021 as well as the revenues of Smaato that were fully reflected in Q4 2021.

NOTE 10 SERVICES PURCHASED & OTHER OPERATING EXPENSES

For 2021, MGI disclosed services purchased and other operating expenses of kEUR 162,623 (FY'20: kEUR 96,365). The increase of kEUR 66,258 is a result of the increased operations of the Group due to organic and M&A driven revenue growth.

NOTE 11 PERSONNEL EXPENSES

In 2021, The personnel expenses increased by kEUR 16,405 to kEUR 55,978 compared to FY'20 (kEUR 39,573). This increase is mainly due to the acquired employees of LKQD, KingsIsle, Smaato and Match2One.

NOTE 12 DEPRECIATION, AMORTIZATION AND WRITE-DOWNS

Depreciation, amortization, and write-downs amounted in 2021 to kEUR 28,238 (FY'20: kEUR 15,508). The increase is mainly due to additional PPA depreciation and amortization of the acquired companies and assets as well as the write-off of 0.7 mEUR related to the influencer and performance marketing business which we closed/divested during Q4'21. In 2021, no impairment charges were made on goodwill.

NOTE 13 RELATED PARTY TRANSACTIONS

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

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

Remco Westermann is part of the four-member Board of Directors of the Company and personally holds 90% of the shares in Sarasvati GmbH, which in turn holds 100% of the shares in Bodhivas GmbH, which in turn held 27.8% of the Company and 38.1% of the voting rights.

Remco Westermann is a member of the Board of Directors of the Company since 31 May 2018 and is the Managing Director of Bodhivas GmbH, Sarasvati GmbH, Garusadana GmbH, Bodhisattva GmbH and Jarimovas GmbH, Düsseldorf. Additionally, Jaap Westermann holds 10% of Sarasvati GmbH. Hendrika Westermann is the wife of Remco Westermann, Jaap Westermann is the brother of Remco Westermann, Hendrika, Jaap and Remco Westermann are directors of Jarimovas GmbH, Düsseldorf. In the unaudited condensed consolidated statement of financial position as of 31 December 2021, the Group has reported various current liabilities to Bodhivas GmbH with a total value of kEUR 0 (31 December, 2020: kEUR 2,162) under financial liabilities. In addition, the financial liabilities include current liabilities to Jarimovas GmbH, Düsseldorf, in the amount of kEUR 0 (31 December 31, 2020: kEUR 2,500). Furthermore Bodhivas GmbH acquired in the first half year 2021 Senior Secured Bonds of MGI (ISIN: SE0015194527). Total nominal value amounted to kEUR 2,000.

Tobias M. Weitzel is a member of the Board of Directors of the Company since 31 May 2018. He holds 500,000 phantom stock in the company. Tobias M. Weitzel holds 499,728 shares in the company, of which 333,000 shares are under a lock-up until March 2022.

Elizabeth Para is a member of the Board of Directors of the Company since 31 January 2020. She holds 500,000 phantom stock in the company. Elizabeth Para holds 798,088 shares in the company of which 344,088 shares are under a lock-up until March 2022.

Antonius Reiner Fromme is a member of the Board of Directors of the Company since 15 April 2021. He does not hold any shares in the company.

NOTE 14 OTHER DISCLOSURES

There are no new significant litigations or claims in Q4 2021.

NOTE 15 SHAREHOLDERS^{1,2}

1	Bodhivas GmbH	27.8%
2	Oaktree Capital Management LP	9.1%
3	Janus Henderson Investors	4.0%
4	Avanza Pension	1.3%
5	Nordnet Pension Insurance	1.1%
6	Crédit Mutuel Asset Management	1.0%
7	Billings Capital Management LLC	1.0%
8	Futur Pension	0.8%
9	Didner & Gerge Funds	0.7%
10	Finlandia Rahastoyhtiö Oy	0.7%
11	Columbia Threadneedle	0.7%
12	Stena	0.6%
13	BlackRock	0.6%
14	Skandia Funds	0.6%
15	Elizabeth Para	0.5%
16	Life Insurance Skandia	0.5%
17	UBS Global Asset Management	0.4%
18	Chelverton Asset Management	0.4%
19	Crystal Asset Management AG	0.4%

Note (1) Source: Monitor by Modular Finance AB. Compiled and processed data from various sources, including Euroclear but excluding Clearstream.

Note (2) Clearstream is the settlement and custody agent for all shares traded on the German stock exchanges or not deposited on a Swedish depository. Clearstream does not provide share registers to issuers and therefore the issuer has very limited information about the part of the shareholders who have not deposited their shares on a Swedish depository and are therefore registered in the Euroclear share register. It is also possible that shareholders have deposited a portion of their shares in both Sweden and Germany. In this case, the issuer only has knowledge of the number of shares registered in the Euroclear share register.

DEFINITIONS OF KEY PERFORMANCE INDICATORS

EBIT	Earnings before interest and taxes
EBIT margin	EBIT as a percentage of net revenues
Adjusted EBIT	EBIT excluding one-time costs and PPA amortization
Adjusted EBIT margin	Adjusted EBIT as a percentage of net revenues
EBITDA	Earnings before interest, taxes, depreciation and amortization
EBITDA margin	EBITDA as a percentage of net revenues
Adjusted EBITDA	EBITDA excluding one-time costs
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of net revenues
Equity ratio	Equity as a percentage of total assets
Growth in revenues	Net sales for the current period divided by net sales for the corresponding period of the previous year
Leverage Ratio	Net Interest Bearing Debt divided by adj. EBITDA for the past 12 months excluding shareholder and related party loans
Interest Coverage Ratio	Adj. EBITDA divided by net financial items for the past 12 months
Organic Revenue Growth	Organic Revenue Growth does include growth calculated on a year-over-year basis from companies being within the Group for twelve months or more. What is excluded is the revenue growth from acquisitions that have not been part of the group in the last twelve month, and the decline from sales stemming from closures/divestment of whole businesses.

PARENT COMPANY

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

FINANCIAL CALENDAR

Interim Report Q1 2022	31.05.2022
Annual General Meeting 2022	29.07.2022
Half Year Report Q2 2022	31.08.2022
Interim Report Q3 2022	30.11.2022

INVESTOR CONTACT

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

FOR FURTHER INFORMATION, PLEASE CONTACT:

Remco Westermann, CEO
Email: info@mgi-se.com or soeren.barz@mgi-se.com

BOARD DECLARATION

In all conscience, we assure, as representative for the Board of Directors of the Company, that the unaudited condensed consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and of its financial performance and cash flows for the year then ended, and have been prepared in accordance with IFRS as adopted by the European Union.

Malta, February 28 , 2022

Board of Directors



Media and Games Invest SE

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Malta

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

To the Shareholders of Media and Games Invest SE

We have been engaged by the board of directors to review the unaudited condensed consolidated financial statements of Media and Games Invest SE ("the Company") and its subsidiaries (together, "the Group") as at 31 December 2021 which comprise the unaudited condensed consolidated statement of financial position as at 31 December 2021, and the unaudited condensed consolidated statement of income, the unaudited condensed consolidated statement of comprehensive income, the unaudited condensed consolidated statement of changes in equity, and the unaudited condensed consolidated statement of cash flows for the year then ended, and selected explanatory notes. We have also read the other information contained in the year-end report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the unaudited condensed consolidated financial statements.

Responsibilities of the Directors for the Unaudited Condensed Consolidated Financial Statements

The year-end report, including the unaudited condensed consolidated financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for the preparation of the year-end report, including unaudited condensed consolidated financial statements. The unaudited condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

Scope of Review

Our responsibility is to express a conclusion on the unaudited condensed consolidated financial statements in the year-end report based on our review.

We conducted our review in accordance with International Standards on Review Engagements (ISRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the unaudited condensed consolidated financial statements in the year-end report do not give a true and fair view of the financial position of the Group as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with IFRS as adopted by the EU.

We have also not identified any apparent misstatements or material inconsistencies in the other information presented in the year-end report with the information in the unaudited condensed consolidated financial statements.

Use of this report

This report is made solely to the shareholders of the Company in accordance with ISRE 2410. Our work has been undertaken so that we might state to the shareholders those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Rw@falzon

This copy of the review report has been signed by
Roberta West Falzon (Principal)
For and on behalf of

RSM Malta
Certified Public Accountants

28 February 2022