



**Media and Games
Invest SE**

YEAR-END REPORT Q4 2022

MEDIA AND GAMES INVEST GROUP "MGI"



YEAR-END REPORT Q4 2022

MGI – Media and Games Invest Group (“MGI” or the “Company”)
All figures are consolidated group figures

MGI ends the year 2022 at the high end of its increased guidance, with 324mEUR revenues and 93mEUR adj. EBITDA, reflecting a solid financial performance and profitability. Our business continued to generate significant cash flows and we reduced our Net Leverage to 2.9x as of 31 December 2022. In 2022, growth mainly came from new customers, we added 133 new Software Clients to our active portfolio, which now consists of 551 Software Clients. Existing customer cohorts were due to the market headwinds rather flat which is reflected in our Net Dollar Expansion Rate of 96% in Q4'22. By onboarding new Software Clients, we were able to grow and increase our market share considerably. Regarding our own games content, we continued to shift our strategy towards games with substantial advertising income as well as access to customer data, away from smaller desktop-based PC games. As part of the portfolio streamlining, we reduced our games workforce by approx. 50 FTEs, recognized a one-time amortization in the amount of 23.6 mEUR and decided to sell our EG7 stake, which was realized in mid Q1'23. MGI is now streamlined, more efficient than ever, ready for the future and will continue to focus on its ad-software platform supported by accretive games with a large amount of first party data. While we expect the advertising markets to recover, we are also well positioned to grow even in the current difficult environment, by constantly adding new Software Clients to our Portfolio. We are eager to show further growth and value creation for our shareholders in 2023 and for many years to come.” says Remco Westermann, CEO MGI Group.

HIGHLIGHTS Q4 2022

- **Net Revenues** amounted to 92.9 mEUR (Q4 2021: 80.2 mEUR), an increase of 16% compared to Q4 2021. Of note, 13 percentage points were contributed by organic revenue growth.
- **Adj. EBITDA** amounted to 31.5 mEUR (Q4 2021: 23.3 mEUR), an increase of 35%.
- **Adj. EBIT** amounted to 28.1 mEUR (Q4 2021: 19.4 mEUR), an increase of 45%.
- **Adj. Net Result** amounted to 2.3 mEUR (Q4 2021: 10.7 mEUR), a decrease of -78%, driven by higher tax and interest expenses.
- **Earnings Per Share (EPS)** amounted to EUR -0.18 undiluted and EUR -0.16 diluted (Q4 2021: EUR 0.05 undiluted / diluted). EPS adjusted for PPA-amortization amounted to EUR 0.01 undiluted / diluted (Q4 2021: EUR 0.07 undiluted / diluted).

SELECTED KEY PERFORMANCE INDICATORS, MGI GROUP

In mEUR	Q4 2022	Q4 2021	FY 2022	FY 2021
Net Revenues	92.9	80.2	324.4	252.2
Y-o-Y Growth in Revenues	16%	65%	29%	80%
EBITDA	26.5	20.9	84.8	65.0
EBITDA Margins	28%	26%	26%	26%
Adj. EBITDA	31.5	23.3	93.2	71.1
Adj. EBITDA Margins	34%	29%	29%	28%
Adj. EBIT	28.1	19.4	76.6	54.8
Adj. EBIT Margins	30%	24%	24%	22%
Adj. Net Result	2.3	10.7	21.1	28.0
Adj. Net Result Margins	2%	13%	6%	11%



HIGHLIGHTS FULL-YEAR 2022

- **Net Revenues** amounted to 324.4 mEUR (FY 2021: 252.2 mEUR), an increase of 29%.
- **Adj. EBITDA** amounted to 93.2 mEUR (FY 2021: 71.1 mEUR), an increase of 31%.
- **Adj. EBIT** amounted to 76.6 mEUR (FY 2021: 54.8 mEUR), an increase of 40%.
- **Adj. Net Result** amounted to 21.1 mEUR (FY 2021: 28.0 mEUR), a decrease of -25% driven by higher tax and interest expenses.
- **Net Interest-Bearing Debt** as of December 31, 2022 amounted to 273.9 mEUR (December 31, 2021: 198.6 mEUR).
- **Leverage Ratio** amounted to 2.9x as of December 31, 2022 (3.7x as of June 30, 2022 and 2.8x as per December 31, 2021) and improved significantly due to the strong free cashflow following the true sale of receivables included in the new securitization program. By taking into account the cash from the divestment of the Enad Global 7 shares in February 2023, the Leverage ratio is even lower.
- **Cash and Cash Equivalents** amounted to 150.0 mEUR (December 31, 2021: 180.2 mEUR) and remained strong despite the final earn-out and deferred purchase price payments related to the KingsIsle acquisition as well as the initial purchase price payments for the AxesInMotion and Dataseat acquisitions during 2022.
- **Earnings Per Share (EPS)** amounted to EUR -0.13 undiluted and EUR -0.12 diluted (Q1-Q4 2021: EUR 0.11 undiluted / diluted). EPS adjusted for PPA-amortization amounted to EUR 0.13 undiluted and EUR 0.12 diluted (Q1-Q4 2021: EUR 0.20 undiluted / diluted).



A WORD FROM REMCO WESTERMANN, CEO

"Dear shareholders,

The year 2022 was a good year for MGI. We were able to grow our revenues (+ 29%) as well as our EBITDA (+30%). We navigated a much less favorable environment than in the previous years and, needless to say, without that we could have grown much faster. Our speed of growth suffered from the challenging general economic environment, with the overall advertising market being under pressure due to uncertainty and budget cuts.

We generated 324mEUR revenues in 2022 versus 252mEUR in 2021, our first time surpassing the 300mEUR level. The 324mEUR is at the high end of our guidance from November 2022 and substantially above our initial guidance. In Q4 2022, we reached 93mEUR revenues, an increase of 16% versus the same quarter 2021. In the year 2022, we were able to gain market share by adding a substantial amount of new advertiser and publisher customers to our platform. Our organic revenue growth for 2022 amounted to 18% overall, which was largely driven by the growth of our digital advertising business. Our digital advertising business, which was started four years ago, has now become our core business as well as our main growth driver. MGI's consolidated adj. EBITDA for the full year 2022 amounted to 93mEUR, reflecting solid financial performance and profitability. Our adj. EBITDA margin of 29% was stable versus 2021 (28%).

While we were able to reduce costs as well as realize efficiency gains, these positive effects were mostly offset by margin pressure based on advertising customers cutting budgets. This also resulted in lower prices per ad and, as a result, higher direct technology costs per ad. In 2022 we also extended our team. While reducing manpower in the gaming assets in line with the portfolio optimization, we added manpower on the advertising side in line with the fast growth in the past three years. These new hires serve as a key investment in our competitive advantages and innovation. In line with our positive revenue and EBITDA performance, MGI continued to generate significant cash flows, amounting to 134 MEUR for the full-year 2022. Apart from increased cash flows from operations which were partly offset by higher interest cost, we also succeeded in further optimizing our receivables management, including a true sale of receivables as an investment grade asset as part of a securitization program with an interest rate of cost of funds similar to the prime rate + 1.55%. Overall, we were able to substantially improve our leverage, from 3.7x as of 30 June 2022 to 2.9x as of 31 December 2022.

Over the years MGI shifted its strategy focus away from premium MMO games and more towards mobile and casual games as the desktop-based premium games offer limited growth potential and synergies with the advertising business due to fewer players per game and a limited potential for in-game advertising. Based on this strategy, some portfolio clean ups were implemented which included the closure of smaller, less efficient PC games. The shift in strategy and closure of the games resulted in a one-time amortization of these intangible assets in the amount of 23.6 mEUR in Q4 2022. The annual revenue of these games amounted to approximately 10 mEUR. The shift in strategy is expected to have a future positive impact on the Company's Organic Revenue Growth, EBITDA, as well as free cash flow. The complete sale of the 8% minority position in the MMO publisher Enad Global 7 in February 2023 concluded the strategy change. The fair value adjustment of the Enad Global 7 and the other games assets is already fully recognized in the equity ratio of 31% as of 31 December 2022.

Going forward into 2023, we want to further focus and invest our money where we see our strongest growth and that is clearly in digital advertising. However, we have a significant competitive advantage by retaining some games, as this speeds up our test cycles and gives us unique ad-spaces and first-party data.

OUR 2022 GROWTH DRIVERS

In 2022, we added 133 new software clients to our active portfolio, which now consists of 551 software clients. Due to market sentiment, existing customer cohorts remained almost flat which is reflected in our Net Dollar Expansion Rate of 96% in Q4 2022. Supported by strong revenue increases from new software clients, we were able to increase our market share considerably. We have established ourselves as a go-to player in the programmatic landscape, which resulted in continuously gaining new advertisers and publishers as well scaling these customers.

OUR COMPETITIVE ADVANTAGE

The fast growth of our digital advertising activities is based on our unique market positioning. With our M&A skills and well over 10 acquisitions, MGI has built a future focused, state-of-the-art, vertically integrated multichannel advertising platform.



Our programmatic ad software platform is a one-stop shop which enables companies (such as large traditional brands, digital companies and SMEs in gaming, but also other sectors) to buy and sell ad spaces on all digital devices (mobile, web, connected TV and digital out of home) in a fully automated and AI-powered way. A single integrated platform generates more efficiency for advertisers and, as such, is also more attractive for publishers. Additionally, cutting the middleman and being able to directly connect the advertiser with the publisher leads to more transparency as well as generally higher efficiency.

Combined with establishing the integrated and efficient multichannel platform, MGI is focusing on elements that improve the yields for advertisers and publishers. Data is very important to target advertising spend and make a better match between advertisers demand and publisher supply. MGI has successfully built strong and differentiating competences in behavioral as well as contextual data and has a substantial amount of first-party data from its own games portfolio. The Company has also introduced unique innovative propositions, such as anonymous targeting on device (ATOM), contextual AI based targeting (moments.ai) and its innovative contextual performance targeting (Dataseat). Quality, low latency, high performance, cost efficiency, leading AI capabilities and continuous platform improvements are also important to helping MGI achieve critical mass.

MGI is the global top five open market mobile exchange for programmatic in-app advertising and is recognized as the most trusted exchange in Picalate's Sellers Trust Index for Mobile SSPs. Additionally, MGI has built a substantial position in the fast-growing CTV segment and is a leading platform in respect to global reach.

THE MARKET FOR DIGITAL PROGRAMMATIC ADVERTISING

While the negative market environment in the past year negatively impacted advertising budgets, the overall market for programmatic advertising is substantial (USD 493bn in 2022) and is expected to continue to grow with a CAGR of 10% until 2026 according to eMarketer Worldwide Ad Spending 2022.

Next to short-term cyclical influences, there are also fundamental structural changes in the advertising industry. Transparency and privacy are becoming more important and deprecation of identifiers forces the market to move towards contextual targeting. Next to the strong in-app channel, CTV is growing fast, taking budgets away from linear TV.

The overall digital advertising industry is still highly fragmented, with many intermediaries, a significant lack of transparency and, for a technology-powered business, a high degree of inefficiency. It is estimated that of every dollar spend by advertisers, up to 50% or even more is taken as margin for the various partners. With identifiers (such as cookies and Apples IDFA) being deprecated, old structures are being disrupted.

OUR PIVOT FROM GAMES TO DIGITAL ADVERTISING

Celebrating our 10th year anniversary in October 2022, MGI has gone through various phases; starting with (i) a 'cigar butt' strategy of acquiring games companies and gaining more efficiency by streamlining and cost optimizations, (ii) building a 'gaming portfolio company' with a substantial games portfolio and growing via updates and (iii) accretive M&A activity which has now pivoted the Company into 'selling shovels instead of digging for gold' with a very strong position in digital advertising. Four years after we started building our programmatic advertising business, we are among the leading ad software platforms globally.

OUR ESG IMPROVEMENTS

In 2022, we achieved important milestones in the area of ESG. We introduced a new Internal Control System together with KPMG and onboarded an experienced Internal Audit team. We implemented Nomination, Audit and Remuneration Committees and expanded the Board to six people with a strong skill set. We have further improved our Compliance Management System and, among other things, implemented a new Whistleblower Tool as well as various Guidelines. We have completely overhauled the Benefits System and we have optimized our reporting with the introduction of the GR standards and the first audited Governance Report. A big achievement was the successful relocation of our domicile from Malta to Sweden, which also involved the change of auditor to Deloitte Sweden. As a result, our ESG rating with MSCI improved from B to BBB.

Overall, in 2022 we have also further invested a lot into strengthening the foundation for a continued successful future and have not allowed ourselves to be distracted, or even discouraged, by the turbulent environment. I am convinced this work will fully pay off in the years to come."

Remco Westermann

CEO of MGI



FINANCIAL PERFORMANCE

CONSOLIDATED NET REVENUES, EARNINGS AND EXPENSES

FOURTH QUARTER 2022

- **Net Revenues** amounted to 92.9 mEUR (Q4 2021: 80.2 mEUR), an increase of 16% compared to Q4 2021. Ofnote, 13 percentage points were contributed by organic revenue growth mostly driven by new software clients. With the 13% organic revenue growth, MGI gained significant market share in Q4 2022 as the digital advertising market was only growing at 6%, according to JMP Securities.
- **Adj. EBITDA** amounted to 31.5 mEUR (Q4 2021: 23.3 mEUR), an increase of 35%. Adj. EBITDA was driven by increased Net Revenues as well as by efficiency gains.
- **EBITDA Adjustments** amounted to 5.1 mEUR and were made largely for one-time costs and costs associated with the relocation of the headquarters to Sweden, M&A transaction costs, one-time personal and severance payments due to the close of certain games as well as the ESOP program.
- **Adj. EBITDA Margin** increased in the fourth quarter of 2022 to 34% (Q4 2021: 29%).
- **EBITDA** amounted to 26.5 mEUR (Q4 2021: 20.9 mEUR), an increase of 27%.
- **EBITDA Margin** increased from 26% in Q4 2021 to 28% year-over-year.
- **Adj. EBIT** amounted to 28.1 mEUR (Q4 2021: 19.4 mEUR), an increase of 45%.
- **Adj. EBIT Margin** amounted to 30% (Q4 2021: 24%).
- **EBIT Adjustments** consisted of the EBITDA adjustments mentioned above plus PPA amortization in the amount of 31.4 mEUR, which includes a 23.6mEUR one-time amortization (see Business Update for more information).
- **EBIT** decreased following the higher one-time PPA amortizations to -8.4 mEUR (Q4 2021: 13.7 mEUR).
- **Adj. Net Result** amounted to 2.3 mEUR (Q4 2021: 10.7 mEUR), a decrease of -78% driven by higher tax and interest expenses.
- **The Net Result** amounted to -29.1 mEUR (Q4 2021: 7.4 mEUR), a decrease of -493% driven primarily by the one-time amortization (see more information in Business Update), as well as increased interest and tax expenses.
- **Earnings Per Share (EPS)** amounted to EUR -0.18 undiluted and EUR -0.16 diluted (Q4 2021: EUR 0.05 undiluted / diluted). EPS adjusted for PPA-amortization amounted to EUR 0.01 undiluted / diluted (Q4 2021: EUR 0.07 undiluted / diluted).

FULL-YEAR 2022

- **Net Revenues** amounted to 324.4 mEUR (FY 2021: 252.2 mEUR), an increase of 29%.
- **Adj. EBITDA** amounted to 93.2 mEUR (FY 2021: 71.1 mEUR), an increase of 31%.
- **EBITDA Adjustments** amounted to 8.4 mEUR and were made largely for one-time costs and costs associated with the relocation of the headquarters to Sweden, M&A transaction costs, one-time personal and severance payments due to the close of certain games as well as the ESOP program
- **Adj. EBITDA Margin** increased slightly by one percentage point in 2022 to 29% (FY 2021: 28%).
- **EBITDA** amounted to 84.8 mEUR (FY 2021: 65.0 mEUR), an increase of 30%.
- **EBITDA Margin** remained stable at 26% compared to 2021.
- **Adj. EBIT** amounted to 76.6 mEUR (FY 2021: 54.8 mEUR), an increase of 40%.
- **Adj. EBIT Margin** improved to 24% (FY 2021: 22%).
- **EBIT Adjustments** consist of the EBITDA adjustments mentioned above plus PPA amortization in the amount of 41.5 mEUR.
- **EBIT** decreased to 26.6 mEUR (FY 2021: 36.8 mEUR).
- **Adj. Net Result** amounted to 21.1 mEUR (FY 2021: 28.0 mEUR), a decrease of -25%, driven by higher tax and interest expenses.
- **The Net Result** decreased to -20.4 mEUR (FY 2021: 16.1 mEUR) driven by the one-time amortization as well as higher tax and interest expenses.
- **Earnings Per Share (EPS)** amounted to EUR -0.13 undiluted and EUR -0.12 diluted (Q1-Q4 2021: EUR 0.11 undiluted / diluted). EPS adjusted for PPA-amortization amounted to EUR 0.13 undiluted and EUR 0.12 diluted (Q1-Q4 2021: EUR 0.20 undiluted / diluted).



CASH FLOW AND FINANCIAL POSITION

- **Operating Cashflow** before changes in working capital amounted to 25.4 mEUR in Q4 2022 (Q4 2021: 25.1 mEUR), an increase of 1%. Operating Cashflow after changes in working capital amounted to 74.4 mEUR in Q4 2022 (Q4 2021: 30.9 mEUR), an increase of 141%. The positive cashflow from working capital is driven by a securitization program where certain receivables are disposed on a true sale non-recourse basis.
- **The Equity Ratio** remains strong at 31% as of December 31, 2022 (December 31, 2021: 33%) despite the one time amortization and the fair value adjustment of the EG7 shares.
- **Cash and Cash Equivalents** amounted to 150.0 mEUR as of December 31, 2022, compared to 180.2 mEUR as of December 31, 2021 and remained strong despite the final earn-out and deferred purchase price payments related to the Kingsisle acquisition as well as the initial purchase price payments for the AxesInMotion and Dataseat acquisitions during the year of 2022.
- **Net Interest-Bearing Debt** as of December 31, 2022, amounted to 273.9 mEUR (December 31, 2021: 198.6 mEUR). The increase is primarily driven by the cash outs described under the section Cash and Cash Equivalents.
- **Leverage Ratio** amounted to 2.9x as of December 31, 2022 (3.7x as of June 30, 2022 and 2.8x as per December 31, 2021) and improved significantly due to the strong free cashflow following the true sale of receivables as part of the securitization program. Including the divestment of the EG7 shares in February 2023, the Leverage Ratio is even lower. Therefore, the Leverage Ratio returned to be within its target leverage ratio of below 3.0x.
- **Interest Coverage Ratio** was 4.0x as of December 31, 2022, compared to 4.6x as of December 31, 2021, and was lower due to an increase in interest payments following several bond issues and the increased 3M Euribor rates. However, similarly to the leverage ratio, the interest coverage ratio only includes eight months of AxesInMotion and only six months of Dataseat EBITDA understating the Company's interest coverage capabilities.

INTANGIBLE ASSETS, INVESTMENTS AND DEPRECIATION

- **Capitalized Own Work** in the fourth quarter 2022 amounted to 8.2 mEUR (Q4 2021: 6.8 mEUR) and included investments in the optimization and further development of the IT platforms on both the demand and supply-side. It also included investments in sequels and substantial updates to the first-party games content. Capitalized Own Work as a percentage of net revenues remained stable (9% in Q4 2022 vs 8% in Q4 2021).
- **Depreciation and Amortization** in the fourth quarter of 2022 increased to 34.9 mEUR (Q4 2021: 7.2 mEUR) driven by the one-time amortization described in the Business Update. Despite the increase in depreciation and amortization, the Company's intangible assets increased from 605.7 mEUR on December 31, 2021 to 791.3 mEUR on December 31, 2022, driven by the acquisitions of AxesInMotion and Dataseat during the year of 2022 that added substantially to the Company's asset base. The Company's liabilities increased to 722.9 mEUR on December 31, 2022 compared to 626.6 mEUR on December 31, 2021 as a result of the increased operations, one bond issue in June 2022 as well as M&A activities of MGI.



BUSINESS UPDATE

VERVE GROUP'S MATCH2ONE LAUNCHES SHOPIFY APP INTEGRATION TO HELP ECOMMERCE BUSINESS TO AUTOMATE THEIR PROGRAMMATIC CAMPAIGNS

Match2One's app is the first easy-to-use platform for small-business eCommerce companies to drive additional revenue for merchants using Shopify. The platform enables merchants to automate their campaigns and make the most of spend as they face the challenge of a weaker economy, but simultaneous opportunities with the growing importance of e-commerce.

With just a few clicks, a merchant can launch an advertising campaign to complement existing Google and Facebook budgets. Verve Group has given the power of the Open Internet that has been used by large brands to their small- and medium-sized siblings — just in time for the holidays.

By allowing users to automate any form of advertising, the Match2One self-serve platform streamlines the typically labor-intensive and manual process of running digital campaigns for Shopify sellers.

VERVE GROUP SELECTS ADELAIDE AS ATTENTION MEASUREMENT PARTNER FOR CONTEXTUAL TARGETING CAPABILITIES

Verve Group will work with Adelaide to drive media quality measurement for clients using its Moments.AI and Visual Intent contextual targeting solutions. Future initiatives include expanding the partnership across other channels and business units, including CTV and Verve Group's curated PMP business. High-quality media that offers an opportunity to capture attention, along with contextually relevant content, are critical to driving brand outcomes. By incorporating Adelaide's omnichannel attention metric, AU, into Verve Group's suite of contextual advertising products, Verve clients can now achieve deeper insight into how campaigns are performing across both of these key drivers.

Leveraging Moments.AI's breakthrough data processing technology, visual content, keywords, semantics, meta tags and other elements are analyzed and assigned a confidence score within 10 milliseconds to deliver ads against the most recent and relevant content. With Visual Intent (an exclusive offering for Verve Group clients), brands can engage consumers in highly desired cultural, sports and entertainment-focused moments across the open internet. Visual Intent allows marketers to target relevant, brand-safe content in real-time with advertising placed adjacent to visual content from Getty Images.

THOUGHT LEADERSHIP & GLOBAL MEDIA COVERAGE

Throughout 2022, MGI, via Verve Group, has been instituting a new strategy to cultivate more thought leadership from different parts of the Company, with a focus on meeting specific objectives: (i) enhancing our reputation as a top-tier advertising technology platform by inserting our brand and our leadership in top-tier publications, (ii) establishing Verve Group's human resources and leadership to help drive an "employer of choice" focus throughout the ad-tech sector and (iii) merchandise media coverage and related topics to help propel Verve Group's new business pipeline.

As a result, Verve Group leadership has been showcased in high-profile and impactful media coverage among the world's top marketing and business publications. Among them, MGI's thoughts about companies and trends that will impact ad-tech in 2023 in Business Inside and IAB Europe, an appearance in Adexchanger with highlights on growth, maturation and still-to-be-answered questions on connected television (CTV), a feature in Advertising Week, on how talent pools in the advertising industry will need to evolve and the publication of an article in Swedish retail / trade media Dagens Handel on how automated advertising can help small-to-medium merchants.

VERVE GROUP INTEGRATES WITH GOOGLE OPEN BIDDING TO IMPROVE ACCESS AND REDUCE COMPLEXITY IN THE GLOBAL MARKETPLACE

Verve Group announced a partnership with Google on the Open Bidding platform. Verve Group is now a bidding partner for in-app inventory on Google Ad Manager, enabling app developers to access its premium demand, and giving demand partners easy access to high-quality in-app inventory and users at scale. The app monetization ecosystem has seen significant progression over the past couple of years with the switch to in-app bidding, with in-app revenues growing by nearly 45% in the last two years. Open Bidding allows demand partners to compete for inventory in a single auction with real-time, server-to-server bidding. The partnership ensures publishers can connect to and access premium demand on in-app bidding platforms of their choice, while offering demand partners equal access to 100% of a publisher's in-app inventory.



For global publishers, Open Bidding introduces a new point of entry to access Verve Group's marketplace, combining the best of Google's monetization technology with Verve Group's robust ad serving capabilities. Demand partners will have access to a large volume of premium placements from thousands of leading apps monetizing on the Google Open Bidding platform via the Verve Marketplace. This will help demand partners diversify and scale their ad spend on both brand and performance goals, while increasing campaign reach and performance.

VERVE ONBOARDS MORE GAMES PUBLISHERS AND OTHER VERTICALS

In Q4 2022, Verve made significant strides in bolstering its publishers in several different categories, signing more than 60 new publishers to its roster whereof the majority will become active in 2023 and are therefore not included in our Software Clients definition. On the games industry side alone, Verve Group contracted with more than 20 publishers, further validating that the industry offers immense potential for growth and untapped opportunities.

Among the games industry publishers were e.g. ZenLife Games, Gamovation, Athena Studio, Skytec Games and German game publishers Gimica and Big Cake Apps.

Non-gaming publishers joining Verve Group include Curiosity Media (a company behind some of the largest Spanish learning Websites), Chegg (a North America education technology company focused on textbook rental), Global Fashion Channel, United Internet Media, Instabridge Sweden AB, Motorsport and The Timeless Network.

TROVE'S REELING IN THE STARS UPDATE

MGI's popular voxel-based MMO, Trove wants players to become the next Trovian shooting stars. Players can now choose their constellation and embody the power of the stars to gain extragalactic bonuses with the new Star Chart character progression system. Trovians have discovered the power of the stars and are now learning how to use this to empower themselves further. There are three primary constellations, all of which have their own special focus, and if you're lucky, each of these primary constellations may also grant bonuses associated with the other constellations. Trovians will also be met by two new NPCs, the Celestia and the Grand Orrery, both of which can be interacted with for various outcomes. For Trovians wanting to gain additional power, fishing has also been recast, creating a much more immersive experience. New fishing lures have been added, and these lures will have various effects and buffs that are now applied directly to the players.

AURA KINGDOM'S FESTIVAL OF FRIGHTS

MGI invited its Aura Kingdom players to the spooky season with the "Festival of Frights". The update had a lot in store: In Eidolon Gossip Chapter 14, protagonist Alice, in her search for a recipe for a special tea, meets a little boy who was gathering herbs in the forest for his sick mother when he ran into a bear and could barely escape. His sad story makes Alice not hesitate to help him. In the Halloween Event Alice offers a quest to unveil a mystery in the Oblitus Wood. The player suddenly remembers the mysterious creature Nakama that always hangs around Zephyrine, and decides to follow the sound, hoping to find a way out of the Oblitus Wood. In the Navea event (Bunnyhop Habitat) Tristan gives his daughter an amazing birthday present. Because of this, he has hired many skilled rabbit hunters. But Ferocious Birds are preying on the bunnyhops in the habitat. Maybe the player could help with some bird-catching here?

NEW GAMES STRATEGY AND PORTFOLIO CLEAN UP

MGI differentiates itself from advertising competitors with a games portfolio that complements the advertising platform with first-party data. MGI owns and operates more than 5,000 casual and mobile games and more than five premium games that comprise a portion of the ad placement platforms. The more than 800 million registered players of MGI-owned games and the two billion users of the Company's SDKs result in MGI having one of the largest proprietary first-party data platforms in the ad market.

MGI's games platform is steadily growing with five-to-eight casual games launched weekly. Casual games generate the majority of revenue through advertising, in addition to revenue generated through subscriptions and in-game item purchases. On the other hand, premium games are multiplayer roleplay and strategy games that are not developed frequently due to the complex and costly process. Premium MMO games generate revenue through in-game item sales, advertising and subscriptions. Over 50% of the revenue from premium games stem from users who have been active in the games for more than five years. MGI continues to focus on increasing the player base, data, and ad space by expanding the pipeline of new and engaging mobile and casual games resulting in a double-digit organic growth rate.



Over the years MGI shifted its strategy focus away from premium MMO games and more towards mobile and casual games as the desktop-based premium games offer limited growth potential and synergies with the media business due to fewer players per game and a limited potential for in-game advertising revenues. Based on this strategy, some portfolio clean ups were implemented which included the closure of small MMO PC games. The shift in strategy and closure of small MMO PC games resulted in a negative fair value adjustment for these intangible assets in the amount of 23.6mEUR in Q4 2022. The annual revenue of these games amounted to approximately 10mEUR. The shift in strategy is expected to have in the future a positive impact on the organic revenue growth, EBITDA as well as free cash flow.

The sale of the 8% minority position in the MMO Publisher Enad Global 7 in February 2023 concluded the strategy change. The fair value adjustment regarding the Enad Global 7 shares and the other games assets is already fully recognized in the Equity ratio of 31% as of 31 December 2022.

OTHER EVENTS IN OUR GAMES BUSINESS

Numerous updates and events happened in other gamigo games. In Fiesta Online, Sir Gourd van Pumpkin invites players to beat his Maze of Madness. In Wizard101, Wizards were in for a spooky good time as Halloween returned to the Spiral and were able to take on frightening Halloween quests, procure petrifying pets, collect creepy cards and check out other fang-tastic items. In Fantasy Town, a special in-game event filled with new spooky characters, Jack O' Lanterns, and plenty of candy was introduced to celebrate the season.



CORPORATE EVENTS

10TH ANNIVERSARY OF MEDIA AND GAMES INVEST

Ten years have passed since Remco Westermann acquired 100% of gamigo AG, a Hamburg-based game publisher owned by Axel Springer AG. Starting with a pure M&A strategy focused on distressed games companies, the Company has rapidly evolved and is now a major global advertising software platform integrated with strong first-party data from its own games portfolio. In 2021, MGI generated revenues of EUR 252m, grew organically with 38% and showed strong profitability with an adj. EBITDA margin of 28%. In 2022, the Company's achieved revenue growth of 29% with net revenues totaling EUR 324m, despite the tense macro situation, demonstrating that the Company is well-positioned to benefit from market changes.

MEDIA AND GAMES INVEST HELD ITS EXTRAORDINARY GENERAL MEETING

MGI held its extraordinary general meeting on November 1, 2022. In accordance with the proposals of the Board of Directors, the Extraordinary General Meeting resolved to adopt principles and instructions for the Nomination Committee. Additionally, the appointment of Deloitte Sweden AB as Auditors of the Company for FY 2023 was approved, effective from the date the Company's registration as a Swedish company. The extraordinary resolution was made to approve the change in name of the Company from Media and Games Invest SE to MGI – Media and Games Invest SE and, to approve the new Memorandum and Articles of Association of the Company to effect this change. Furthermore, an extraordinary resolution to approve a transfer proposal for the re-domiciliation of the Company from Malta to Sweden and to approve the new statutes of the Company to be adopted following its re-domiciliation and upon registration as a Swedish company was completed. The last extraordinary resolution was to authorize the Board of Directors to issue shares, options, warrants and convertibles in the Company.

NOMINATION COMMITTEE APPOINTED

MGI announced that the members of the Nomination Committee have been appointed well in time before MGI's Annual General Meeting in 2023. In accordance with the decision of the Extraordinary General Meeting of 01 November, 2022, in line with the Nomination Committee principles for MGI, the three largest shareholders in the Company have the right to each appoint a member to the Nomination Committee. The fourth member of the Nomination Committee shall be the Company's Chairman of the Board.

CLOSING OF EUR 75 MILLION RECEIVABLES SECURITIZATION PROGRAM WITH NORD LB

In December 2022, MGI successfully implemented a up to EUR 75 million receivables securitization program with Nord LB. The program allows to dispose receivables on a true sale non-recourse basis. The transaction includes trade receivables originated by certain subsidiaries of MGI in the United States of America and Germany. Finacity, a White Oak Company, acted as the structuring agent providing structuring and execution support and is responsible for ongoing program administration and reporting.

With the transformation from a pure-play games company into an advertising software platform, MGI has invested over the years into a growing portfolio of receivables with Fortune 500 companies. Using a state-of-the-art securitization program, the Company has increased its cash conversion, reduced working capital investments, further diversified its financing sources and substantially reduced its average interest expenses. The securitization program is another milestone for MGI and perfectly fits the financing needs of a profitable fast-growing advertising software company with a growing receivables portfolio.



SUSTAINABILITY UPDATE

MGI has the strong believe that business is not just about products or numbers but that MGI as a company needs to be aware of its actions and take initiative in terms of sustainability. As a company, MGI wants to grow long-term and this can only be achieved if the Company grows sustainably. Acting sustainably and running a successful business is a continuous process and should run-hand-in hand. MGI is committed to fulfill its role towards a more sustainable world. MGI has developed five sustainability priorities: "Diversity and fair play in our products and services", "Providing data protection and security", "A great team and an inspiring workplace", "Working towards a greener future" and "Corporate Governance". In quarterly reports, MGI frequently gives its stakeholders short updates about recent events during the quarter while the sustainability report, which is published alongside the annual report, gives a more comprehensive view of the whole year:

DELOITTE SWEDEN NEW AUDITOR FOLLOWING RELOCATION

In August 2022, MGI's Nomination Committee consisting of Hermann Dambach (Oaktree Capital Management), Eric Billings (Billings Capital Management), Dr. Gabriel Recnik (Bodhivas GmbH) and Tobias M. Weitzel (Board of Directors), decided to propose the appointment of Deloitte Sweden as the new auditor of MGI by the next Extraordinary General Meeting. At the EGM the shareholders appointed Deloitte Sweden.

IMPORTANT STRATEGIC COURSE SETTING OF GOVERNANCE RELATED TOPICS AT THE AGM

At MGI's Annual General Meeting, relevant governance-related, course setting initiatives were approved by the votes present. Those include among others the resolution on the number of members of the Board of Directors as well as the election of the Board of Directors and the Chairman of the Board of Directors. With the approval of two resolutions, the Board of Directors has been extended from four to six members (three female and three male members), increasing the gender diversity as well as the knowledge and cultural diversity of the Board of Directors.

CEO Remco Westermann and current Board Members Tobias M. Weitzel and Elizabeth Para were reelected for the following period and three new board members (Franca Ruhwedel, Johan Roslund and Mary Ann Halford) were elected as proposed by the nomination committee. Additionally, as per the proposal by the Nomination Committee, the role of CEO and Chairman of the Board was separated, electing Tobias M. Weitzel as new Chairman of the Board.

REVISED EMPLOYEE TRAINING PLAN FOR MGI

After introducing a new learning & development policy across the Company in 2021, MGI has revised our learning & development policy. The program was extended, the terms and conditions revised and new training ideas and suggestions were incorporated.



ACTUALS VS GUIDANCE FOR FINANCIAL YEAR 2022

ACTUALS VS. GUIDANCE 2022

	Actuals FY 2022	Updated Guidance FY 2022
Revenue (in €m)	324	315-325
Growth	29%	25 - 29%
Adj. EBITDA (in €m)	93	83 - 93
Growth	31%	17 - 31%



EVENTS AFTER DECEMBER 31, 2022

MGI'S REGISTERED OFFICE AND HEADQUARTERS SUCCESSFULLY RELOCATED FROM MALTA TO SWEDEN

As communicated by way of press release on 1 November 2022, the extraordinary general meeting of the Company resolved to relocate the Company's registered office from Malta to Sweden. This relocation has now successfully been completed, thus finalizing the transformation process of MGI, which started in 2020. The Company therefore announced that its registered office and headquarters have been successfully relocated from Malta to Stockholm, Sweden as of January 2, 2023.

DIRECTED ISSUE OF WARRANTS AS PART OF THE RELOCATION TO SWEDEN TO COVER EXISTING OBLIGATIONS

As communicated on September 15, 2022, and approved by shareholders at the extraordinary general meeting 2022, MGI has adopted an employee stock option program directed to approximately 50 key employees of MGI. Due to the relocation of the Company's registered office from Malta to Sweden on January 2, 2023 and due to differences between Swedish and Maltese corporate law, the Board of Directors issued 15,000,000 warrants to MGI in order to secure the delivery of series A shares of the Company pursuant to the ESOP. The ESOP has a term until 2030 and both vesting and exercise of the ESOP are staggered over several years. The earliest delivery of vested ESOP-Shares can take place in April 2024. The Company may at its sole discretion elect to pay the ESOP considerations by other means than in newly issued shares, in which case less or no warrants will be exercised.

As communicated by way of press release on 5 July 2022, MGI acquired the mobile demand-side platform (DSP) Dataseat Ltd. Pursuant to the Dataseat share purchase agreement the sellers are, based on meeting certain conditions, entitled to a deferred consideration and an earn-out consideration as part of the total consideration. The deferred and earn-out consideration towards the sellers may (at the choice of MGI) be partly or fully settled through delivery of shares in the Company in July and August 2025, respectively. In order to secure the potential delivery of such shares, MGI, based on its authorization to issue warrants granted by the extraordinary general meeting on 1 November 2022, carried out a directed issue of 3,199,990 warrants to the sellers in line with the purchase agreement. The Company may at its sole discretion elect to pay the deferred consideration and / or the earn-out consideration by other means than in newly issued shares, in which case less or no warrants will be exercised.

DIVESTMENT OF 8% MINORITY POSITION IN ENAD GLOBAL 7

MGI has divested its strategic minority position of 7,126,190 shares of Enad Global 7 ("EG7"), equivalent of approximately 8% of the total number of outstanding shares. The EG7 shares were sold at Nasdaq First North Growth Market during February 2023 after the share saw a strong appreciation in the last months after one of their games went viral. The divestment concludes the streamlining of the MGI business towards the advertising software business combined with a competitive advantage due to first party data from mobile and casual games.

CONDENSED CONSOLIDATED STATEMENT OF INCOME, MGI GROUP
(unaudited)

in kEUR	Notes	Q4 2022	Q4 2021	FY 2022	FY 2021
Revenues					
Net revenues	9	92,896	80,206	324,444	252,166
Own work capitalized		8,162	6,759	28,928	22,851
Other operating income		5,825	2,665	23,206	8,626
Total Income		106,882	89,630	376,578	283,643
Operating Expenses					
Services purchased & other operating expenses	10	-58,619	-53,495	-215,619	-162,623
Personnel expenses	11	-21,794	-15,234	-76,207	-55,978
Total operating expenses		-80,413	-68,729	-291,825	-218,601
EBITDA					
Depreciation and amortization	12	-34,865	-7,239	-58,135	-28,238
Thereof: PPA Amortization		-31,406	-3,348	-41,490	-11,964
EBIT					
Financial result		-8,396	13,662	26,618	36,804
EBT					
Income Taxes		-23,172	4,848	-11,341	14,886
Net Result					
of which attributable to non-controlling interest		-5	-4	-88	-7
of which attributable to shareholders of the parent company		-29,083	7,402	-20,317	16,061
Add-back of PPA-Amortization		31,406	3,348	41,490	11,964
Adj. Net Result		2,318	10,747	21,085	28,019
Earnings per share					
Undiluted		-0.18	0.05	-0.13	0.11
Diluted		-0.16	0.05	-0.12	0.11
Undiluted (adjusted)		0.01	0.07	0.13	0.20
Diluted (adjusted)		0.01	0.07	0.12	0.20
Average number of shares					
Undiluted		159,249	149,680	156,182	141,712
Diluted		177,449	149,680	174,382	141,712

Note: numbers may not add up due to rounding

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

in kEUR	Q4 2022	Q4 2021	FY 2022	FY 2021
Consolidated profit / loss	-29,088	7,398	-20,405	16,055
<i>Items that will be reclassified subsequently to profit and loss under certain conditions:</i>				
Exchange differences on translating foreign operations	-36,434	4,628	11,191	7,322
Gain / Loss of financial assets	8,166	-2,141	-6,392	-2,141
Gain / Loss of hedging instruments	545	0	545	0
Other comprehensive income, net of income tax	-27,723	2,487	5,345	5,181
Total comprehensive income	-56,811	9,885	-15,061	21,236
<i>Attributable to:</i>				
Owners of the Company	-56,806	9,889	-14,972	21,242
Non-controlling interests	-5	-4	-88	-7

Note: numbers may not add up due to rounding

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

in kEUR	Note	31 Dec 2022	31 Dec 2021
Intangible assets	4, 5	791,284	605,746
Property, plant and equipment		5,522	4,681
Financial assets and other assets		26,831	40,068
Long-term assets		823,637	650,495
Trade and other receivables		71,030	103,442
Cash and cash equivalents		149,992	180,156
Short-term assets		221,022	283,598
Total assets		1,044,659	934,093
Equity attributable to shareholders of the parent company	8	322,956	307,434
Non-controlling interest		-1,211	59
Total Equity		321,745	307,493
Long-term liabilities	6	503,443	383,168
Short-term liabilities	7	219,471	243,432
Total liabilities and equity		1,044,659	934,093

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 recognized 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 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					16,061	5,181	21,242	-1	21,242
Capital increases	32,606	32,606	76,732				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
Balance at 1 January 2022	149,680	149,680	84,571	53,141	21,678	-1,637	307,434	59	307,493
Consolidated loss					-20,317		-20,317	-88	-20,405
Other comprehensive income						5,345	5,345		5,345
Total comprehensive income					-20,317	5,345	-14,972	-88	-15,061
Capital increases	9,569	9,569	18,947				28,516		28,516
Addition of non-controlling interests due to acquisition of projects								-1,182	-1,182
Other Equity reserves regarding IFRS 2				1,978			1,978		1,978
Balance at 31 December 2022	159,249	159,249	103,518	55,119	1,362	3,708	322,956	-1,211	321,745

Note: numbers may not add up due to rounding.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT, MGI GROUP

(unaudited)

in kEUR	Notes	Q4 2022	Q4 2021	FY 2022	FY 2021
Cash flow from operating activities (before change in WC)		25,439	25,118	78,936	70,556
<i>Change in working capital</i>		<i>48,964</i>	<i>5,746</i>	<i>55,284</i>	<i>-5,714</i>
Cash flow from operating activities		74,403	30,864	134,220	64,842
Cash flow from investing activities		-1,732	-57,664	-176,672	-295,634
Cash flow from financing activities		-41,101	8,421	12,288	364,694
Cash flow for the period		31,570	-18,379	-30,164	133,902
Cash and cash equivalents at the beginning of the period		118,422	198,535	180,156	46,254
Cash and cash equivalents at the end of the period		149,992	180,156	149,992	180,156

Note: numbers may not add up due to rounding.

SELECTED EXPLANATORY NOTES (UNAUDITED)

NOTE 1 BASIS OF PREPARATION

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 Company's annual financial statements in respect of the year ended December 31, 2021 except as noted. 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, 2022 changed compared to the audited consolidated financial statements as of December 31, 2021, for the following transactions and entities:

- **Q2 2022:** Incorporation of Gamigo Spain Holding S.L. and the subsequent acquisition of AxesInMotion S.L.
- **Q2 2022:** Acquisition of additional 12% of PT Portal Bursa Digital, a subsidiary of Smaato Inc. shareholdings increase from 38% to 50%.
- **Q2 2022:** Incorporation of MGI Corporate GmbH, as service entity for the MGI Group.
- **Q2 2022:** Merger of Vene International GmbH, MHF Media GmbH, Lorena Medienagentur GmbH to ME Digital GmbH for reducing complexity in the Company's structure.
- **Q3 2022:** Acquisition of Dataseat Ltd. via Verve Holding GmbH.
- **Q3 2022:** Merger of Reachhero GmbH into Verve Holding GmbH for reducing complexity.
- **Q3 2022:** Incorporation of the Verve Ad Solutions GmbH.
- **Q3 2022:** Merger of Aeria Games GmbH into the Gamigo Publishing GmbH for reducing complexity.
- **Q3 2022:** Intra-Company sale of Just Digital GmbH and Gamigo Portals GmbH to gamigo Publishing GmbH.
- **Q4 2022:** Merger of Persogold GmbH into Samarion GmbH for reducing complexity.
- **Q4 2022:** Merger of Vene International GmbH into ME digital GmbH for reducing complexity.
- **Q4 2022:** Merger of MHF Media GmbH into ME digital GmbH for reducing complexity.
- **Q4 2022:** Merger of Lorena Medienagentur GmbH into ME digital GmbH for reducing complexity.
- **Q4 2022:** blockescence DLT solutions GmbH was renamed to gamigo Holding GmbH.
- **Q4 2022:** Incorporation of the Verve US Holdco Inc.
- **Q4 2022:** Media and Games Invest SE changed its name to MGI - Media and Games Invest SE.

NOTE 2 ACQUISITIONS OF BUSINESSES

Acquisition of AxesInMotion S.L.

For further information please refer to the Half Year Report Q2 2022

Acquisition of Dataseat Ltd.

For further information please refer to the Interim Report Q3 2022

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 Demand Side Platform (DSP) and Supply Side Platform (SSP). Following the transformation from a games company towards an Advertising Software Platform with strong access to first-party data from own games the segment reporting has been changed to reflect the new structure of the Company. The Demand Side Platforms which were based within the Media Segment have been moved into the new DSP Segment while the Supply Side Platforms as well as the own games content which is integrated into the Supply Side Platforms create since January 1, 2022 the SSP Segment.

Description of the advertising value chain and segment reporting

In the digital advertising market, with its rapid pace of innovation, there exist many players and roles. Within the programmatic advertising industry there are currently two key categories:

- a) **Demand Side Platforms (DSP):** Which bundle the demand from advertisers and agencies for new users within the Demand Side Platform.
- b) **Supply Side Platforms (SSP):** Which bundle integrations with first- and third-party publishers that are integrated within Supply Side Platforms (SSP) to monetize the advertising space in their content.

Starting from the advertiser's point of view, the first station in the online advertising services industry is, depending on the degree of outsourcing needs, an agency or trade desk. The services of an agency comprise creating, planning and execution of advertising campaigns. Large advertising agencies such as WPP offer a full-service package, allowing an advertiser to completely outsource advertising-related activities.

The next step in the value chain and a necessary function in programmatic advertising is a Demand Side Platform (DSP). A DSP bundles the demand of advertising buyers and enriches it with specific data to be able to match the advertising content most efficiently with advertising inventory. An example of a DSP is the company the Trade Desk, or within MGI, Verve DSP.

The counterpart of a DSP is a Supply Side Platform (SSP). An SSP bundles the supply of advertising space from publishers including specific information about the characteristics of the available advertising inventory. Large networks such as Google or MGI have their own SSPs, but there are also several independent players such as Fyber or PubMatic, who are trying to maximize ad space monetization. An advertising exchange sometimes sits between DSPs and SSPs and acts as a marketplace for both the supply and demand of advertising space. Often, this is an automated process in the form of real time bidding (RTB). However, the focus of DSPs, SSPs and ad-exchanges are somewhat blurred (as is the case of MGI where advertising is sometimes conducted through the Verve DSP, which might connect directly with an SSP), while certain publishers negotiate a campaign and its pricing directly with advertisers.

At the other end of the value chain is the publisher, the owner of a medium or media platform wishing to sell its advertising inventory. At this point, the advertisement reaches its audience. Prominent examples include Zynga, King or Embracer, or in the case of MGI, gamigo, WildTangent and AxesInMotion, which are in charge of MGI's games inventory (i.e. games IP's, audiences, customer purchase data and platforms).

DSP Segment

MGI's Demand Side Platform enables advertisers to drive user acquisition campaigns across the open internet. Through our self-service, cloud-based platform, advertisers can create, manage and optimize data-driven digital advertising campaigns across all relevant ad formats and channels (including e.g. display, native and video) and devices (mobile, desktop, digital out-of-home and connected TV). Based on our vertical infrastructure approach, our Demand Side Platform is integrated with our Supply Side Platform (SSP) which provides access to major first- and third-party inventory from publishers. Our first-party inventory mainly relates to advertising space in casual games from various acquisitions carried out since 2012. The combination of owned content and third-party content provides advertisers a global reach and a broad set of audience data which results in very strong targeting capabilities for their user acquisition campaigns.

Our clients on the demand side are primarily large brands from Fortune 500 Companies as well as agencies such as WPP or Mediacom, which manage the budgets of large advertisers. Our Demand Side Platform generates revenue by charging usage-based fees based on a percentage of a client's total spend on advertising. With products like ATOM or Moments.AI, MGI's platform offers value-added services which provide targeting solutions to advertisers in a world without identifiers and cookies.

The DSP segment contains the acquired Demand Side Platforms including Verve DSP (formerly known as Platform161), VGI CTV (formerly known as LKQD), Match2One and Adspre Media, which were allocated previously to the Media Segment.

SSP Segment

MGI's Supply Side Platform helps publishers and its own games studios to monetize their ad inventory / ad spaces while keeping full control over it. Publishers connect to the SSP by integrating our SDKs into their content. Connected to our own Demand Side Platform, as well as third-party Demand Side Partners, we enable marketers to drive return on their ad spent and reach addressable audiences across all relevant ad formats, channels and devices. Our infrastructure approach allows for an efficient processing and utilization of data in real time leading to a superior monetization for publishers by increasing the value of an impression and by providing incremental demand through our own DSP and through our well-established relationships with more than 5,000 advertisers and well over 80 third-party DSPs. Publishers can then sell their ad inventory to advertisers using real-time bidding techniques. Through Verve's powerful data enrichment engine, users of apps are segmented in a privacy-compliant manner. As a result, advertisers who consider the user most valuable based on the segmentation will bid the most for the ad space. In this way, the advertising space can be sold by publishers in the most efficient and profitable way.

Our clients on the supply-side are primarily publishers and app developers that allow us to directly integrate with their apps, maximizing automation and sales efficiency of ad inventory. In addition, the SSP Segment also includes the own games studios which provide first-party data and in-game advertising spaces. A smaller portion of the revenues in this segment is generated directly with consumers from in-game item sales and game subscriptions. The majority of the revenues are generated by usage-based platform fees based on a percentage of a client's total supply revenues.

The SSP segment contains amongst others the acquired Supply Side Platforms including Smaato and Pubnative (previously allocated to the Media Segment) as well as the Games Companies KingsIsle, WildTangent and TrionWorlds (previously allocated to the Games Segment).

c) Segment revenues and segment results

I. Q4 2022

	DSP	SSP	CONSOLIDATED
in k EUR	Oct-Dec-22	Oct-Dec-22	Oct-Dec-22
Revenues	10,269	82,627	92,896
EBITDA	3,659	22,810	26,470
Depreciation and amortization			-34,866
Financing income			118
Financing expenses			-14,894
Earnings before taxes (EBT)			-23,173
Income taxes			-5,916
Net result			-29,088

	DSP	SSP	CONSOLIDATED
in k EUR	Oct-Dec-21	Oct-Dec-21	Oct-Dec-21
Revenues	7,284	72,921	80,206
EBITDA	1,750	19,151	20,901
Depreciation and amortization			-7,239
Financing income			-13
Financing expenses			-8,801
Earnings before taxes (EBT)			4,848
Income taxes			2,550
Net result			7,398

II. Q1-Q4 2022 (YTD)

	DSP	SSP	CONSOLIDATED
in k EUR	Jan-Dec-22	Jan-Dec-22	Jan-Dec-22
Revenues	32,169	292,274	324,444
EBITDA	5,679	79,074	84,753
Depreciation and amortization			-58,135
Financing income			349
Financing expenses			-38,308
Earnings before taxes (EBT)			-11,341
Income taxes			-9,064
Net result			-20,405

	DSP	SSP	CONSOLIDATED
in k EUR	Jan-Dec-21	Jan-Dec-21	Jan-Dec-21
Revenues	19,680	232,486	252,166
EBITDA	3,866	61,176	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			16,055

The Company 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 DSP and SSP segment, there are no customers that constitute a proportion of more than 10 percent of the Company's revenues. The customers of both segment in general are characterized by a large number of Fortune 500 customers. There are no customers that are responsible for more than 10 percent of the Company's revenues.

The accounting policies of the reportable segments correspond to the Company's 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 Company's Chief Operating Decision Maker for the purpose of resource allocation to the segments and the assessment of segment performance.

c) Segment assets

in k EUR	31-Dec-22	31-Dec-21
DSP	85,912	45,684
SSP	958,747	888,409
Total	1,044,659	934,093

For the purpose of monitoring segment performance and allocating resources to segments, the Company'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.

NOTE 4 INTANGIBLE ASSETS INCLUDING ACQUISITIONS

The change in Goodwill in 2022 is mainly related to the acquisition of Dataseat and AxesInMotion as well as by positive USD FX effects for the Company's U.S. entities. 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.

The shift in strategy and closure of small games as described in the Business Update resulted in a one-time amortization for these intangible assets in the amount of 23.6 mEUR in 2022.

	31-Dec-22	31-Dec-21
Goodwill	587,739	411,992
Other Intangibles	203,545	193,754

NOTE 5 DISPOSALS

There were no material sales or disposals in Q4 2022.

NOTE 6 LONG-TERM LIABILITIES

As of December 31, 2022, the long-term liabilities of MGI increased by k EUR 120,275 to k EUR 503,443 (December 31, 2021: k EUR 383,168) based on the further bond issue as well as on the earn-out liabilities related to the AxesInMotion and Dataseat Acquisition.

NOTE 7 SHORT-TERM LIABILITIES

The short-term liabilities of MGI decreased by k EUR -23,961 on December 31, 2022 to k EUR 219,471 compared to k EUR 243,432 on December 31, 2021, mainly affected by the final KingsIsle earn-out and fixed deferred purchase price payments.

NOTE 8 SHAREHOLDERS' EQUITY

As of December 31, 2022, the total shareholders' equity increased to k EUR 321,745 (December 31, 2021: k EUR 307,493) driven by the capital increase performed in May 2022 and FX related appreciation through OCI. The subscribed capital of MGI increased by k EUR 9,569 to k EUR 159,249 by December 31, 2022 (December 31, 2021: k EUR 149,680).

No dividends were paid in 2022.

NOTE 9 NET REVENUES

MGI achieved in Q4 2022 a net revenue of k EUR 92,896 (Q4 2021: k EUR 80,206). The increase of k EUR 12,690 largely driven by organic growth as well as the additional revenues stemming from the acquisitions of AxesInMotion and Dataseat.

NOTE 10 SERVICES PURCHASED & OTHER OPERATING EXPENSES

For Q4 2022, MGI disclosed services purchased and other operating expenses of k EUR 58,619 (Q4 2021: k EUR 53,495). The increase of k EUR 5,124 is a result of the increased operations of the Company due to organic and M&A driven revenue growth.

NOTE 11 PERSONNEL EXPENSES

In Q4 2022, the personnel expenses increased by k EUR 6,560 to k EUR 21,794 (Q4 2021: k EUR 15,234). This increase is largely driven by the acquired employees of AxesInMotion and Dataseat which have not been part of the Company in the same period in the previous year.

NOTE 12 DEPRECIATION, AMORTIZATION AND WRITE-DOWNS

Depreciation, amortization and write-downs amounted in Q4 2022 to k EUR 34,865 (Q4 2021: k EUR 7,239). The increase is mainly due to the one-time amortization in the amount of 23.6mEUR for games assets.

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 Company 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.

Tobias M. Weitzel is a member Chairman of the Board of Directors of the Company since May 31, 2018. He holds 500,000 phantom stock and 1,209,228 shares in the Company, as of December 31, 2022.

Remco Westermann is part of the six-member Board of Directors since May 31, 2018 and CEO of the Company and personally holds 90% of the shares and 100% of the voting rights in Sarasvati GmbH, which in turn holds 100% of the shares and voting rights in Bodhivas GmbH, which in turn holds 26.2% of the shares and voting rights in MGI, as of December 31, 2022, as well as kEUR 1,000 bonds with ISIN SE0015194527 and kEUR 1,200 bonds with ISIN SE0018042277. Remco Westermann is a member of the Board of Directors of the Company since May 31, 2018 and is the Managing Director of Bodhivas GmbH, Sarasvati GmbH, Garusadana GmbH, Bodhisattva GmbH, Jarimovas GmbH, and Kittelbach RW Immobilien UG, Düsseldorf. Additionally, Jaap Westermann holds 10% of the shares in 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. As of December 31, 2022, the Company has a receivable of kEUR 0 against Bodhivas GmbH (31 December 2021: k EUR 954). In the first half year 2022 Bodhivas GmbH rolled-over kEUR 1,000 Senior Secured Bonds of MGI (ISIN: SE0015194527) maturing in 2024 into the new Senior Secured Bonds of MGI (ISIN: SE0018042277) maturing in 2026 plus acquired kEUR 200 additional Senior Secured Bonds of MGI (ISIN: SE0018042277) with cash.

Elizabeth Para is a member of the Board of Directors of the Company since January 31 2020. She holds 500,000 phantom stock and 1,505,716 shares in the Company as of December 31, 2022.

Antonius Reiner Fromme was a member of the Board of Directors of the Company from April 15, 2021, until September 15, 2022. As of April 15, 2021, he did not hold any shares in the Company.

Franca Ruhwedel is a member of the Board of Directors of the Company since September 15, 2022. She holds 4,625 shares in the Company, as of December 31, 2022.

Johan Roslund is a member of the Board of Directors of the Company since September 15, 2022. He holds 4,900 shares in the Company, as of December 31, 2022.

Mary Ann Halford is a member of the Board of Directors of the Company since September 15, 2022. She does not hold any shares in the Company.

Paul Echt is CFO of the Company. He is Managing Director of PE Global Invest GmbH.

Jens Knauber is COO of the Company. He is Managing Director of elbdiamond digital GmbH.

Ionut Ciobotaru is CPO of the Company. He is Managing Director of Ionut UG and Good Deals Ventures SRL. In Q4 2022 Ionut UG received an earn-out payment in the amount of EUR 500,000 for the sale of shares in the Verve Group Europe GmbH (formerly PubNative GmbH) in 2020.

Sameer Sondhi is CRO of the Company. He is Managing Director of Sondhi LLC.

Sonja Lilienthal is CIO of the Company. She is Managing Director of Valliorum UG.

NOTE 14 OTHER DISCLOSURES

There are no new significant litigations or claims in Q4 2022.

NOTE 15 SHAREHOLDERS^{1, 2, 3}

1	Bodhivas GmbH	26.2%
2	Oaktree Capital Management LLP	17.7%
3	Sterling Active Fund	3.9%
4	Janus Henderson Investors	2.5%
5	Billings Capital Management LLC	1.0%
6	Avanza Pension	1.0%
7	Elizabeth Para	0.9%
8	Nordnet Pensionsförsäkring	0.8%
9	Tobias Weitzel	0.8%
10	Finlandia Rahastoyhtiö Oy	0.4%
13	Crystal Asset Management AG	0.4%
14	Dory Gevryie	0.3%
15	State Street Global Advisors	0.3%
16	SEB	0.2%
17	Inbox Capital AB	0.2%
18	PMG Fonds Management	0.2%
19	LOYS AG	0.2%
20	BayernInvest München KAG	0.2%

Note (1) Source: Monitor by Modular Finance AB. Compiled and processed data from various sources, including Euroclear but excluding Clearstream as of November 31, 2022. Due to the relocation of the Company from Malta to Sweden beginning of January 2023, it was for Euroclear technically not possible to receive data dated December 31, 2022.

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.

Note (3): The group of shareholders (acting in concert) hold 8.2% as of December 31, 2022 and consists of: Trend Finanzanalysen GmbH, Smile Autovermietung GmbH, T.E.L.L. Verwaltungs GmbH and the representative Anthony Gordon, as well as other private shareholders.

DEFINITIONS OF KEY PERFORMANCE INDICATORS

Net Result	Total income minus operating expenses, depreciation and amortization, financial result, and taxes
Adj. Net Result	Net Income excluding PPA amortization
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 cash 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 Company for twelve months or more. What is excluded is the revenue growth from acquisitions that have not been part of the Company in the last twelve month, and the decline from sales stemming from closures/divestment of businesses.
Software Clients	Software clients with gross revenues exceeding 100k USD

PARENT COMPANY

MGI with its headquarters in Stockholm, Sweden, is the parent company of the Group.

FINANCIAL CALENDAR

Annual Report 2022	29.04.2023
Interim Report Q1 2023	31.05.2023
Annual General Meeting	30.06.2023
Half Year Report Q2 2023	31.08.2023

Shareholders can submit proposals for resolutions to the AGM until May 12, 2023. Shareholders who wish to have a matter added to the agenda of the annual general meeting must submit a written request to the Board of Directors. The request must have been received by the board not later than seven weeks before the general shareholder meeting, or in due time for the matter to be included in the notice to attend the general meeting.

AUDITOR REVIEW

-shown on the following two pages -

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

To the Shareholders of MGI - Media and Games Invest SE

We have been engaged by the board of directors to review the unaudited condensed consolidated financial statements of MGI - Media and Games Invest SE ("the Company") and its subsidiaries (together, "the Group") as at 31 December 2022 which comprise the unaudited condensed consolidated statement of financial position as at 31 December 2022, 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 considered 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 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 interim 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 2022, 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 them 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.

Roberta West Falzon

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

RSM Malta
Registered Auditors

28 February 2023

INVESTOR CONTACT

The latest information on the Company is published on its website www.mgi-se.com. 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 2022, 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.

Stockholm, February 28, 2023

Approved: Board of Directors

Tobias M. Weitzel
Chairman

Elizabeth Para
Director

Franca Ruhwedel
Director

Mary Ann Halford
Director

Johan Roslund
Director

Remco Westermann
Director



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