INTERIM REPORT Q3 2021

MEDIA AND GAMES INVEST SE “MGI”

INTERIM REPORT Q3 2021

Media and Games Invest SE "MGI"

All figures are preliminary consolidated group figures

80% REVENURE GROWTH UNDERSCORED BY 41% ORGANIC GROWTH

"In Q3'21, the overall market was strongly characterized by uncertainties due to several and partly even disruptive changes in our industries. These changes included, for example, the regulations of the games industry by the Chinese government and Apple's implementation of its changes to IDFA, or uncertainty amongst investors about the future of the so-called Corona winners, to name just a few. The market changes however did not have a negative impact on MGI's operating business. Rather the contrary: MGI experiences the changes and disruptions as opportunities to improve its position. Especially the changes to IDFA and the increased focus of games companies on efficient user acquisition to drive organic growth are supporting MGI's growth. Therefore, Q3'21 was another record quarter for MGI, with its highest earnings and organic growth rates so far.", says Remco Westermann, CEO & Chairman of the Board of Media and Games Invest SE.

HIGHLIGHTS Q3 2021

- **Net revenues** amounted to 62.9 mEUR (Q3'20: 35.0 mEUR), which is an increase of 80%.
- **Adj. EBITDA** amounted to 19.0 mEUR (Q3'20: 6.4 mEUR), which is an increase of 199%.
- **Adj. EBIT** amounted to 15.0 mEUR (Q3'20: 4.0 mEUR), which is an increase of 270%.
- **Earnings per share (EPS)** undiluted/diluted amounted to EUR 0.02 (Q3'20: EUR 0.02). EPS undiluted/diluted adjusted for PPA-amortization amounted to EUR 0.04 (Q3'20: EUR 0.04).

HIGHLIGHTS FIRST 9 MONTHS 2021

- **Net revenues** amounted to 172.0 mEUR (Q1-Q3'20: 91.5 mEUR), which is an increase of 88% compared to Q1-Q3'20.
- **Adj. EBITDA** amounted to 47.8 mEUR (Q1-Q3'20: 19.0 mEUR), which is an increase of 151%.
- **Adj. EBIT** amounted to 35.4 mEUR (Q1-Q3'20: 11.7 mEUR), which is an increase of 204%.
- **Net interest-bearing debt** as of September 30, 2021 amounted to 172.8 mEUR (December 31, 2020: 61.6 mEUR).
- **Leverage ratio** amounted to 3.0 as per September 30, 2021 (2.1 as per December 31, 2020). On a pro forma basis -taking the acquired LTM-EBITDAs of Smaato and KingsIsle into account- the Net Leverage is well below 2.5x.
- **Cash and cash equivalents** amounted to 198.5 mEUR (December 31, 2020: 46.3 mEUR) due to the capital increase as well as a bond raise in Q1-Q3'21.

SELECTED KEY PERFORMANCE INDICATORS, MGI GROUP

In mEUR	Q3 2021	Q3 2020	Q1-Q3 '21	Q1-Q3 '20	FY 2020
Net Revenues	62.9	35.0	172.0	91.5	140.2
YoY Growth in revenues	80%	29%	88%	64%	67%
EBITDA	17.5	5.9	44.1	17.5	26.5
EBITDA margins	28%	17%	26%	19%	19%
Adj. EBITDA	19.0	6.4	47.8	19.0	29.1
Adj. EBITDA margins	30%	18%	28%	21%	21%
Adj. EBIT	15.0	4.0	35.4	11.7	17.5
Adj. EBIT margins	24%	12%	21%	13%	12%
Net Result	3.0	0.3	8.7	0.7	2.7

SELECTED KEY PERFORMANCE INDICATORS, MGI SEGMENTS

MGI GAMES SEGMENT

In mEUR	Q3 2021	Q3 2020	Q1-Q3 '21	Q1-Q3 '20	FY 2020
Net Revenues	28.1	18.0	83.6	50.7	75.2
YoY Growth in revenues	56%	-	65%	-	74%
EBITDA	10.3	4.8	30.0	14.6	21.4
EBITDA margins	37%	27%	36%	29%	29%
Adj. EBITDA	10.7	5.0	32.1	15.5	23.2
Adj. EBITDA margins	38%	28%	38%	31%	31%

MGI MEDIA SEGMENT

In mEUR	Q3 2021	Q3 2020	Q1-Q3 '21	Q1-Q3 '20	FY 2020
Net Revenues	34.8	17.0	88.4	40.8	65.0
YoY Growth in revenues	105%	-	117%	-	59%
EBITDA	7.2	1.1	14.2	3.0	5.1
EBITDA margins	21%	7%	16%	7%	8%
Adj. EBITDA	8.3	1.4	15.6	3.5	6.0
Adj. EBITDA margins	24%	8%	18%	9%	9%

A WORD FROM REMCO WESTERMANN, CEO

"Dear shareholders and partners,

The third quarter of 2021 was yet another strong quarter for MGI, showing continued quarter on quarter growth for six quarters in a row. Based on the strong results in Q3'21 in combination with the well filled growth pipelines for the fourth quarter, we expect FY-2021 to be our third consecutive year with over 70% YoY revenue growth, combined with an even higher EBITDA growth based on economies of scale and synergies.

While the overall market was impacted by changes and even disruptions, as described in the introduction of this report, at MGI we face these changes as opportunities. Also, the M&A opportunities in both of our segments have remained good, resulting in the acquisition of two media companies, Smaato and Match2One in Q3'21, while we still have substantial cash available for further acquisitions.

In Q3 2021, MGI's consolidated revenues increased by 80% to EUR 63 million (Q3'20: EUR 35 million), of which the games segment contributed EUR 28 million (Q3'20: EUR 18 million) and the media segment EUR 35 million (Q3'20: EUR 17 million). We once again achieved strong organic growth of 41% in the third quarter. Adjusted EBITDA grew even faster than revenues, mainly due to economies of scale and the realization of synergies and increased by 199% to EUR 19 million (Q3'20: EUR 6 million). Furthermore, we were able to significantly strengthen the adjusted EBITDA margin from 18% to 30%.

We also managed to utilize the opportunities of the markets: for example, we recognized very early that the disruptive changes caused by the crumbling of identifiers, such as Apple's IDFA, offer a great opportunity to gain market share. We invested at an early stage in developing solutions for the post-identifier era which now leaves us in a great position to benefit from these changes. Other issues such as the games related regulations in China, or the global supply chain issues do not affect us as they neither impact our target markets nor our customer base.

Both the games market and the media market continue to have excellent growth prospects and, as Corona has proven, are very resistant to most external influences. Although the growth of the games market is expected to be less pronounced in 2021 due to the exceptional boom of the industry in 2020, it will return to strong pre-Corona growth already next year according to analysts. Also, the media market will continue its high-growth trajectory in the coming years, especially within the open internet programmatic subsector MGI's media segment Verve is operating in.

Also, in Q3'21 we continued the consistent implementation of our "BUY. INTEGRATE. BUILD & IMPROVE." strategy. Both, the integrations within the segments as well as the synergies between the segments continuously led to revenue growth and cost efficiencies. On top, both segments have been able to build a pipeline of numerous organic growth projects that led to organic growth in Q3'21. Moreover, we are now working on further boosting organic growth for the next quarters, by signing many new game licenses to be launched or by investing in more sales employees on the media side. There is a clear and strong project and product pipeline for organic growth and a clear plan for further M&A activities to further strengthen our operating business.

In the games segment the third quarter 2021 showed good performance in this historically weaker quarter. Amongst other, we released one of the largest updates ever for Fiesta Online in its long history and celebrated the 13th birthday of Wizard101. Trove for Nintendo Switch, which was launched end of Q2'21, has also continued to perform well. Also, there was a lot of preparation work for the seasonally strong quarters Q4'21 and Q1'22, for example, by preparing several big game updates as well as completely new game launches.

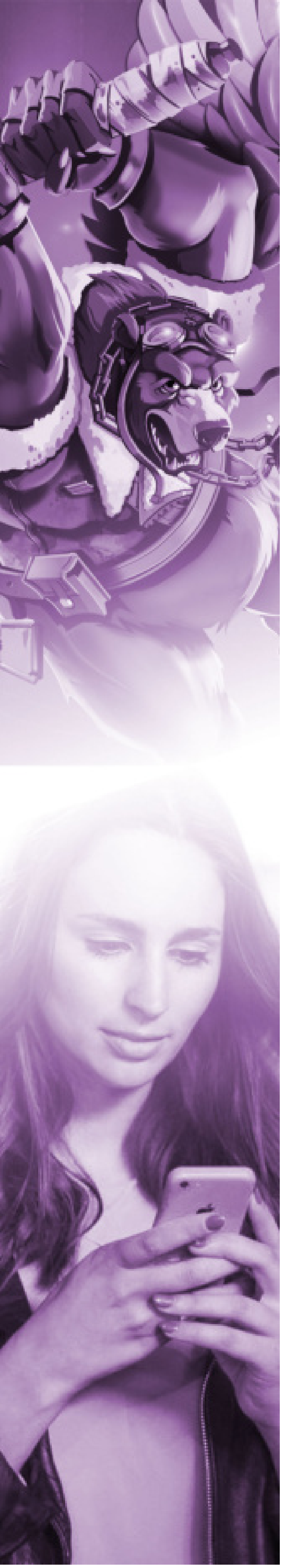
In the media segment, we were able to establish further partnerships and successfully started the integrations of Beemray and Smaato, which showed positive results already in Q3'21, adding additional product offerings (Beemray) as well as additional revenues based on the synergies (both acquisitions).

In response to the strong growth in the past years and the expectation that we will continue to grow fast, we are also working on structural organizational changes, including the introduction of a new Business Unit structure for the Verve segment and hiring additional experienced managers. We have also taken further steps to reflect the continuous efforts to improve our governance. For example, we are currently working with KPMG to further improve our internal control systems. Other initiatives to further optimize our governance include for instance the implementation of a new whistleblower solution. We are furthermore working on relocating from Malta as announced earlier. Here, however, we had a set-back, due to a change of strategy at Euroclear, which made our plan to move to Luxembourg obsolete. Together with external advisors, we are currently evaluating other target countries and expect to come up with a final plan before the end of the year.

Also, on the capital markets side we have been active in Q3'21, successfully placing an 80 mEUR tap issue of our Nordic secured bond and announcing the early repurchase of our -more expensive- unsecured German bond, which was effectuated in October '21. Furthermore, we increased our investor relations activities in the US, broadening our international investor base further.

We are looking forward to a strong product pipeline from our media segment and more game launches than ever before in the company's history."

Remco Westermann
CEO & Chairman of the Board of MGI Group



FINANCIAL PERFORMANCE

CONSOLIDATED NET REVENUES, EARNINGS AND EXPENSES

THE THIRD QUARTER 2021

- **Net revenues** amounted to 62.9 mEUR (Q3'20: 35.0 mEUR), which is an increase of 80% with 41% organic revenue growth. By including the revenue declines from divestments and closures of whole businesses like the influencer and performance business in Q3 2021 the organic growth would be 27% for Q3 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 as well as on the acquisitions of e.g. KingsIsle and LKQD, carried out in 2021.
- **Adj. EBITDA** amounted to 19.0 mEUR (Q3'20: 6.4 mEUR), which is an increase of 199%. 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 1.5 mEUR and were made largely for one-time costs due to the closure of the influencer and performance business, M&A (legal and advisory) related costs for the Smaato acquisition as well as the ESOP program.
- **Adj. EBITDA margins** increased during the third quarter of 2021 to 30% (Q3'20: 18%) 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 17.5 mEUR (Q3'20: 5.9 mEUR) which is an increase of 196%.
- **EBITDA margins** increased from 17% (Q3'20) to 28% (Q3'21).
- **Adj. EBIT** amounted to 15.0 mEUR (Q3'20: 4.0 mEUR), which is an increase of 270%. The adj. EBIT margin improved significantly to 24% (Q3'20: 12%).
- **EBIT adjustments** consists of the EBITDA adjustments mentioned above plus PPA amortization in the amount of 3.5 mEUR.
- **EBIT** increased to 10.0 mEUR (Q3'20: 2.5 mEUR). The reported EBIT includes a one-time PPA write-off of 0.7 mEUR as a result of the closure of the influencer and performance marketing business.
- **The net result** amounted to 3.0 mEUR (Q3'20: 0.3 mEUR), which is an increase of 1,069% as a result of the overall increased profitability of the group.
- **Earnings per share (EPS)** undiluted/diluted amounted to EUR 0.02 (Q3'20: EUR 0.02). EPS undiluted/diluted adjusted for PPA-amortization amounted to EUR 0.04 (Q3'20: EUR 0.04).

THE FIRST 9 MONTHS OF YEAR 2021

- **Net revenues** amounted to 172.0 mEUR (Q1-Q3'20: 91.5 mEUR), which is an increase of 88%.
- **Adj. EBITDA** amounted to 47.8 mEUR (Q1-Q3'20: 19.0 mEUR), which is an increase of 151%.
- **Adj. EBITDA margins** improved to 28% (Q1-Q3'20: 21%).
- **EBITDA** amounted to 44.1 mEUR (Q1-Q3'20: 17.5 mEUR), which is an increase of 152%. **EBITDA margins** improved to 26% (Q1-Q3'20: 19%).
- **Adj. EBIT** developed well and increased to 35.4 mEUR (Q1-Q3'20: 11.7 mEUR), which is an increase of 204%.
- **EBIT** increased in the first 9 months of 2021 to 23.1 mEUR (Q1-Q3'20: 7.5 mEUR), which is an increase of 208%.
- **The net result** in the first 9 months of 2021 amounted to 8.7 mEUR (Q1-Q3'20: 0.7 mEUR).

CASH FLOW AND FINANCIAL POSITION

- **Operating Cashflow** before change in working capital amounted to 18.4 mEUR in Q3'21 (Q3'20: 1.7 mEUR), which is an increase of 983%. Operating cashflow after change in working capital amounted to 15.5 mEUR in Q3'21 (Q3'20: 3.8 mEUR), which is an increase of 308%. The negative working capital effect of 2.9 mEUR in Q3 2021 as in the previous quarter relates mainly to the continuous growth of the media business and the market standard of later payments of the advertiser/demand side in relation to faster terms for the publishers/supply side in the advertising space. The advertisers/demand partners are mainly listed companies with a strong credit rating and therefore the default risk of receivables is low.
- **The equity ratio** decreased to 36% as of September 30, 2021 (December 31, 2020: 46%) mainly driven by the growth of working capital as well as the bond issues during Q1-Q3'21 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 Q1-Q3'21.
- **Cash and cash equivalents** amounted to 198.5 mEUR as of September 30, 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 September 30, 2021 amounted to 172.8 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 Q3 2021.
- **The leverage ratio** amounted to 3.0 as per September 30, 2021 (2.1 as per December 31, 2020) and increased mainly due to the cash out for the Smaato acquisition. At the end of Q3 2021, this ratio includes only one month (September 2021) of Smaato's EBITDA which will lead to an automatic deleverage in the coming quarters. On a proforma basis taking the LTM EBITDA of Smaato and KingsIsle into account the leverage ratio is well below 2.5x and therefore well within MGI's net leverage target.
- **Interest coverage ratio** was 3.9 as of September 30, 2021 compared to 4.1 as of December 31, 2020 and therefore remained strong and stable despite several bond issues.

INTANGIBLE ASSETS, INVESTMENTS AND DEPRECIATION

- **Capitalized own work** in the third quarter 2021 amounted to 5.5 mEUR (Q3'20: 3.8 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 11% in Q3'20 to 9% in Q3'21. This decrease is facilitated by the strong underlying organic growth and hence, underscores the high value of MGI's internally generated assets and the cashflow generating capability derived from those assets driving organic growth of 41% in Q3'21.
- **Depreciation and amortization** in the third quarter 2021 amounted to 7.6 mEUR (Q3'20: 3.4 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. Based on the strategic decision to close/divest the difficult to scale low margin influencer and performance marketing activities, there were also one-time PPA write-offs of 0.7 mEUR. Accordingly, the group's intangible assets increased from 272.8 mEUR on December 31, 2020 to 582.7 mEUR on September 30, 2021. The Groups liabilities increased on September 30, 2021 to 595.4 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 THIRD QUARTER 2021

GAMES SEGMENT

In mEUR	Q3 2021	Q3 2020	Q1-Q3 '21	Q1-Q3 '20	FY 2020
Net Revenues	28.1	18.0	83.6	50.7	75.2
YoY Growth in revenues	56%	-	65%	-	74%
EBITDA	10.3	4.8	30.0	14.6	21.4
EBITDA margins	37%	27%	36%	29%	29%
Adj. EBITDA	10.7	5.0	32.1	15.5	23.2
Adj. EBITDA margins	38%	28%	38%	31%	31%

- **Net revenues** in the third quarter 2021 amounted to 28.1 mEUR (Q3'20: 18.0 mEUR), which is a year-on-year increase of 56% based on several content updates, game launches as well as the KingsIsle acquisition.
- **Adj. EBITDA** amounted to 10.7 mEUR (Q3'20: 5.0) which is a year-on-year increase of 116% due to the increased revenues, stable to slightly declining fixed costs on the existing games business as well as a larger share of IP owned games revenues – specifically KingsIsle. The EBITDA adjustments were made for one-time, M&A related costs, as well as the ESOP program.
- **Adj. EBITDA margin** increased year-on-year by 10 percentage points to 38% (Q3'20: 28%) as a result of the above-mentioned items and therefore is well within the financial target of 35-40% margin.
- **EBITDA** in the third quarter 2021 amounted to 10.3 mEUR (Q3'20: 4.8 mEUR), which is an increase of 116% compared to the previous year.
- **EBITDA margin** increased by 10 percentage points to 37% (Q3'20: 27%).

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:

FIESTA ONLINE'S LARGE EXPANSION REALM OF THE GODS RELEASED

gamigo announced its latest expansion for the colorful RPG Fiesta Online. With the game being operated by gamigo in its 13th year, its virtual world is ever growing and continuously receiving new content. The new 'Realm of the Gods' expansion has been the largest addition to the game for more than two years. In this expansion, players can visit three new realms ruled by the powerful gods Teva, Apoline and Cypian. Over 100 new quests and challenges await, their story arcs leading them to ultimately challenge the gods themselves. Five new levels have been added to the game as well as new dynamic zone events have been created: Pagel, the God of Greed, is sending waves of corruption into each god realm, driving the natural inhabitants wild. Dozens of unique new enemies and multiple minibosses and celestial beings are scattered throughout the lands for the players to uncover and

defeat, both in the open world and in new, challenging dungeons. The already impressive portfolio of items is also being enhanced with new additions from the celestial realms of the Gods, bringing several new weapons and armor sets and even a full new crafting tier.

WIZARD101 CELEBRATES 13TH ANNIVERSARY

KingsIsle Entertainment and gamigo announced the 13th anniversary of one of the most magical MMORPGs ever, Wizard101. To celebrate this momentous occasion, during its birthday period – between September 2nd and September 8th – Wizards had free access to all of Wizard City and Krokotopia. The game hosted a fishing tournament to cap off the week-long anniversary celebration on the following weekend, while birthday perks – such as in-game items and member benefits – ran all month long. Originally launched on September 2nd, 2008, Wizard101 has always aimed to be a safe and fun virtual space for all ages with something for everyone to enjoy.

TROVE CONSOLE PLAYERS CAN ROCK OUT AS THE BARD STARTED IN Q3

The Bard is now available for console versions of gamigo's popular Voxel MMO, Trove. Console players can now rock out as the Bard. This class can offer both support and healing to their party. The new Bard class can now weave stylish moves and dazzling songs into numerous powerful abilities across more platforms to buff and aid their fellow adventurers in combat. The update also introduces a new crafting tier to Crystallogy, called the Bardmancologist. This section makes it possible to craft allies, mounts, wings, and dazzling costumes for the Bard class.

TWO NEW LICENSES SIGNED

Having already licensed three titles in the first half of the year including Heroes of Twilight and Golf Champion, gamigo was able to license two more promising games during the third quarter. With the mobile game Fantasy Town, one of the two has already been officially announced, while for the second game a teaser campaign has already started. Yet, the name of the game has not been officially revealed.

With regards to Fantasy Town, the license of the successful Asian mobile game has been signed for Europe, North America as well as Australia and New Zealand. It is developed by Arumgames and is successful in Japan, Southeast Asia and MENA. The game was in the top 15 in the Apple Store in the Casual Simulation category in Hong Kong and is rated 4.7 out of 5 in Hong Kong and India, or 4.8 in Taiwan and Thailand. Fantasy Town is a mobile farming simulation game, featuring a mix of exploration, Role Playing Game ("RPG"), and adventure game mechanics. 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 second newly licensed game is an innovative open world sandbox MMORPG that already has a growing community. Gamigo has acquired the worldwide IP rights for PC and console while it is currently only available for PC. The game is MGI's largest licensing deal to date. Already in November 2021, gamigo started the promotion of the game with a teaser campaign without revealing the name. Information about the campaign can be found at: https://uncertainfolder.com/

The management expects further game licenses in the coming quarter to further strengthen the company's organic growth by increasing the pace of its portfolio expansion.

OTHER

Many of gamigo's diverse titles have received smaller and larger game updates in Q3 2021. For instance, Grand Fantasia received a number of end-of-season events as well as the Ultimate Force Patch. The patch introduces new end-game content for level 100 characters, events to celebrate the mid-autumn season, and additional quality-of-life improvements. Furthermore, Aura Kingdom introduced in the Whipmaster Patch a new class, new dungeons, a new Gaia Sanctuary Mode, and tweaks to its "Divine Trial II" PvP mode. In the fantasy MMORPG Shaiya, players can explore a new region, The Void, with new items, monsters, and quests. Also, most of the other games received updates and had active events.

Besides the game updates, gamigo also invests in porting games to other platforms. The Trove launch on Switch for example has been showing good developments in Q3'21. Internationalization and customer acquisition efforts are also always ongoing. Especially on the customer acquisition side, gamigo is seeing increased efficiency and, in line with that, increases its marketing budgets for faster user growth in its games. Hereby, the cooperation with MGI's media segment Verve is developing nicely. Apart from scaling the advertising activities, supported by better targeting based on the Verve platform, new innovative advertising roads are being tested and in case they work, scaled. A good example is targeting console players that stopped playing via CTV, which is showing promising initial results.

MEDIA SEGMENT

In mEUR	Q3 2021	Q3 2020	Q1-Q3 '21	Q1-Q3 '20	FY 2020
Net Revenues	34.8	17.0	88.4	40.8	65.0
YoY Growth in revenues	105%	-	117%	-	59%
EBITDA	7.2	1.1	14.2	3.0	5.1
EBITDA margins	21%	7%	16%	7%	8%
Adj. EBITDA	8.3	1.4	15.6	3.5	6.0
Adj. EBITDA margins	24%	8%	18%	9%	9%

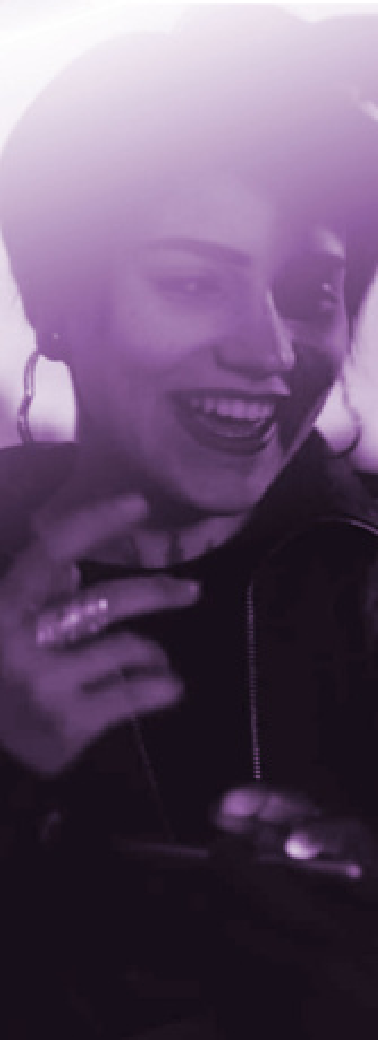
- **Net revenues** amounted to 34.8 mEUR (Q3'20: 17.0 mEUR), which is a year-on-year increase of 105%, driven by strong organic growth from the mobile games advertising partnerships as well as the full stack integration of the Verve product offering. The acquisition of Smaato is consolidated from September 1, 2021 onwards and as such still only has a limited effect on Q3 financials.
- **Adj. EBITDA** increased by 490% to 8.3 mEUR (Q3'20: 1.4 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 1.1 mEUR were primarily done for the closure/divestment of the influencer and performance business as well as one-time legal and advisory cost for the Smaato acquisition.
- **Adj. EBITDA margins** increased by strong 16 percentage points from 8% to 24% and is therefore already within the long-term EBITDA target margin of 20-25% which was expected for 2022.
- **EBITDA** amounted to 7.2 mEUR (Q3'20: 1.1 mEUR) which is an increase of 534% as a result of the increased revenues and economy of scale.
- **EBITDA margin** increased by 14 percentage points due to strong organic 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 next to content is 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 built. 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. Below there is an overview of some of the key events in the media segment in the last quarter.

VERVE GROUP PARTNERS WITH PIXALATE TO HELP COMBAT AD FRAUD

Verve announced the addition of Pixalate's Analytics tool to its ad fraud detection and measurement mechanisms. This is an extension of a long-standing business relationship between the two companies, with Verve Group having previously implemented Pixalate's MRC-accredited invalid traffic (IVT) detection solutions across its platform. Pixalate's analytics tool enables Verve Group to measure invalid traffic more effectively by showcasing the time and source of fraudulent activity from inventory sources. The risk detection mechanism will enable Verve Group to identify various types of IVT across ad formats for complete coverage across all channels. This bodes well with Verve Group's suite of programmatic solutions across mobile, desktop, and connected TV (CTV), allowing demand partners to buy global, brand-safe inventory confidently on its platform via actionable and evidence-based reports. Verve Group continues to be committed to developing its global mobile ad exchange for improved traffic quality, supported by products from Pixalate alongside investment into proprietary technology.



VERVE GROUP SEALS COMMITMENT TO PRIVACY-FIRST ADVERTISING WITH LIVERAMP

Verve Group's demand-side platform integrates with the data connectivity platform LiveRamp to provide brands access to cookie-less solutions. This partnership will provide a solution to the deprecation of third-party cookies and restricted use of Apple's Identifier for Advertisers (IDFA) by enabling advertiser access to addressable inventory and increased audience recognition across cookie less environments. By integrating Verve's buy-side platform with LiveRamp, marketers across the EU can bid on addressable inventory across all channels, including mobile in-app, mobile web, and desktop. This will enable advertisers to reach their audiences in consent-driven, authenticated environments in a privacy-first manner without the use of cookies or directly identifiable information.

VERVE GROUP ONBOARDS A QUARTET OF INDUSTRY EXPERTS FOR FURTHER GLOBAL EXPANSION

Verve Group announced in September the hiring of Stephanie Vandenberg-Smith as SVP of Revenue, Corey Kulis as VP of Marketing, Derek Hashemi as VP of CTV Platform. It also appointed Matthew Deets to serve as GM of Verve Group's acquisition Smaato as the company continues to broaden its global influence. The new members bring notable expertise to the Verve Group team. Stephanie has been at the forefront of media and marketing for more than two decades and will play an integral part in advancing Verve Group's sales strategy, revenue growth and agency and brand partnerships through her customer-first approach. Corey's proven marketing leadership and initiative will drive the marketing team to provide clients innovative and privacy-compliant solutions to the industry's biggest challenges. Derek's experience and expertise in the CTV space will be key in championing Verve Group's CTV strategy both internally and to its wide array of clients. Matthew's years of business prowess in the adtech space will ensure an effective collaboration process of Smaato and Verve Group synergizing their leading objectives.

BUILDING INNOVATIVE SOLUTIONS WITH THE NEWLY ACQUIRED DATA MANAGEMENT PLATFORM BEEMRAY

Verve Group continued to innovate in the open internet. With Beemray, the recently acquired privacy-first contextual data platform, Verve offers focused advertiser solutions for web. Beemray e.g. started a partnership with a large automotive company to deliver better outcome than the cookie-based alternative setup for business as usual. With Beemray's contextual capabilities, the manufacturer benefitted from 2X higher click-through rates (CTR), 50% higher viewability, and an equal number of test drives booked compared to retargeting in the German market. Beemray proved that its solutions are scalable and able to deliver good lower-funnel marketing outcomes with zero reliance on the third-party cookie.

ADDING NEW CUSTOMERS AND CROSS SELLING SERVICES

With its strong vertically integrated proposition Verve is able to convince new advertisers and publishers to become partners. Based on its past acquisitions, Verve can also upsell more services and products than the original platforms standalone which were concentrating on a single channel only (like e.g. LKQD at CTV). Especially due to the data intelligence and audiences Verve can add via Beemray's tech or in-house developed solution ATOM, advertising becomes much more effective for advertisers as well as for publishers. Also, based on the cooperation with MGI's games segment gamigo, innovative new targeting and advertising services for games companies are being developed. After successful tests with gamigo, they are also made available to other games customers. A good example is retargeting console customers via Verve's CTV platform. A strong focus lies also on extending Verve's SDK base, which gives access to first party data and enables higher fill rates and earnings for publishers, while allowing better targeting and effectiveness for the advertisers. Verve including Smaato now possesses one of the top 10 worldwide SDK bases next to its access to gamigo's first party owned and operated portfolio.

CONTINUOUS AD TECH INNOVATION

Like in the previous, quarters Verve continued its innovative thought leadership across different outlets and channels, spreading views on current topics in IAB (Interactive Advertising Bureau), AdExchanger, or Advertisingweek. Additionally, Verve participated in different pieces on Digiday, Martech, and Marketwatch, commenting on the advertising market and spearheading innovation. Verve continues to share its thoughts through blog posts on its website on various topics such as the future of television or SPO (Supply Path Optimization). Furthermore, Verve launched a "back to basics" blog post series to educate the market on the fundamentals of advertising technology. Simultaneously to its global expansion, Verve participated in location-specific outlets in countries such as Germany, Netherlands, and Sweden, educating the local markets on new trends and the dynamics of the ad tech ecosystem.

CORPORATE EVENTS

MGI HOLDS ANNUAL GENERAL MEETING 2021

On July 08, 2021, Media and Games Invest SE held its Annual General Meeting for the year 2020. In accordance with the proposals of the Board of Directors, the Annual General Meeting approved all following resolutions with 100% of the votes present:

- Consider the Auditor's Report and approve the Audited Financial Statements for the financial year ended 31 December 2020
- Declare a dividend of zero, based on the recommendation of the Board of Directors
- Confirm and re-appoint RSM Malta as Auditor of the company, and to authorize the Board of Directors to fix their remuneration

A total of 53,106,514 shares (35% of the total then outstanding shares) were present at the Annual General Meeting and all resolutions were passed unanimously.

MGI ACQUIRES SMAATO

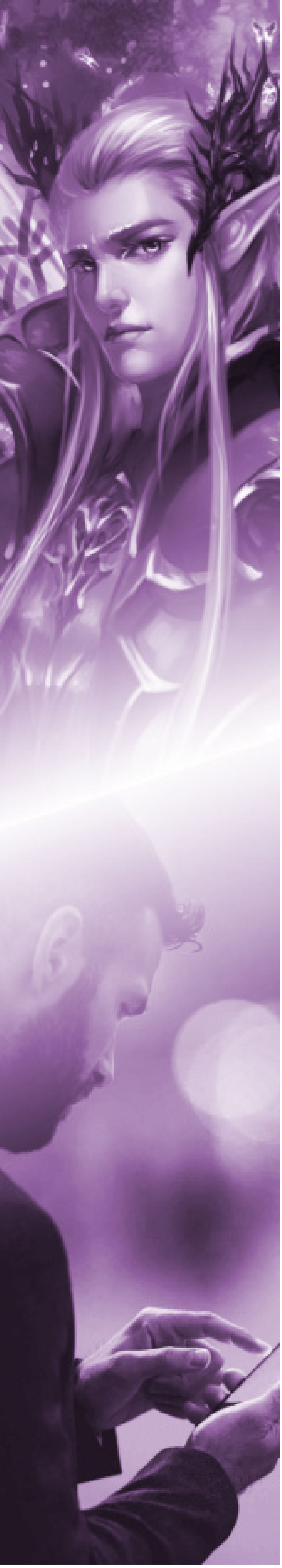
On July 14, 2021 Media and Games Invest SE announced the acquisition of Smaato as an addition to its media segment. The transaction positions MGI's media segment Verve as one of the top global mobile ad exchanges, with a joint team of over 400 employees (including freelancers) spread across 25 offices worldwide. Smaato is a well-established leader in the mobile ad tech space and has recently expanded beyond its core offering of mobile monetization and now offers a self-serve platform that provides publishers with a powerful set of tools for ad monetization. Smaato's newly launched omnichannel monetization solution is a natural fit to Verve's own omnichannel ad platform, which provides solutions across mobile web, mobile in-app, desktop, digital out-of-home (DOOH), and connected TV (CTV). The acquisition will significantly boost Verve's audience reach, with the addition of a substantial number of in-app publishers and advertisers, particularly in the fast-growing digital markets of APAC. The acquisition is yet another milestone for Verve Group as it grows its robust full-stack programmatic solutions for brands and publishers. The omnichannel ad platform has been steadily increasing its focus on privacy-first advertising solutions.

MGI HOLDS ITS CAPITAL MARKETS DAY IN STOCKHOLM

Media and Games Invest SE invited investors to its live Q2'21 Capital Markets Day on August 19, 2021 in Stockholm, which was also made available as a recorded videocast. At the Capital Markets Day, the management gave an update on the company's games and media operations as well as growth strategy. Presentations were held by members of the top management of Media and Games Invest: CEO Remco Westermann, CFO Paul Echt, MGI COO and gamigo CEO Jens Knauber and Verve Group's Co-CEOs Sameer Sondhi and Ionut Ciobotaru. In addition to that, the financial results were presented.

DECISION TO CLOSE LOW-MARGIN INFLUENCER- AND PERFORMANCE BUSINESS

On August 27, 2021, the Board of Media and Games Invest SE took the decision to close and divest the influencer and performance marketing unit. Following the acquisition of Smaato as well as the strong development of the programmatic business of Verve and taking into consideration the continuing weak performance of the influencer- and manually based performance-marketing activities, the board of MGI took the decision to fully focus on the programmatic business within the media segment and run off the influencer and performance marketing business. Growth and EBITDA-margins were single digit to zero in these activities and did not keep pace with the scalable, fast growing and high margin-business of the programmatic business of Verve, while margins were too low in comparison with MGI'S other businesses. The discontinuation of the German influencer- and performance-marketing unit affects app. 6.5% of MGI's revenues (based on Q2 2021 financials not including Smaato) and around 10% of the worldwide MGI employees. MGI was able to sign termination agreements with all employees that were part of the terminated businesses and aims at ending the activities by the end of 2021. As the unit includes massive manual workstreams the number of employees is relatively high compared to the amount of revenues which results in the low margin profile of the business. A one-time depreciation of the assets in the amount of 0.7mEUR as well as provisions for the termination costs are included in the Q3'21 results and have been reflected in the EBITDA adjustments.



GROWTH INITIATIVES IN MGI'S TWO SEGMENTS

MGI as a Group operates in two highly synergetic segments and pursues a "BUY. INTEGRATE. BUILD & IMPROVE." strategy. Having started as a pure games company in 2012 by acquiring gamigo AG, the management understood that in order to be successful as a games company, the company would need to reach critical mass. Only with a certain size a games company has the strength and especially the user base to drive a successful portfolio approach with some games failing and some games becoming a success altogether leading to a profitable growth company.

Until 2017, gamigo has therefore consistently relied on M&A-driven growth by acquiring companies each holding one or a few successful games characterized by strong player loyalty and substantial recurring revenues. Besides new content (from new in-game items up to large patches and updates), user acquisition is the second most important driver for success. Hence, media and user acquisition became more and more a key focus point. However not being happy with its media partners and seeing a very scattered media landscape (similarly to games with many companies that are too small standalone), MGI decided to build its own media segment.

Advertising companies have been acquired since 2016 with the aim of building an in-house media unit that covers all the needs of a games company, both in terms of acquiring new customers as well as monetizing its own advertising space. While the segment was primarily started to support gamigo, it became clear soon that there was a need for such a company in the market. This has resulted in Verve building a successful third-party business.

An important element of its strategy is that MGI in the media segment as well as in the games segment, consistently integrates the acquired companies into the respective segment instead of continuing to run them as operationally autonomous islands. Between the segments there are strong synergies which support the business in both segments. Being a media and games company clearly distinguishes MGI from other games as well as media companies, even though there are also other companies such as Applovin, Ironsource and Zynga that follow a similar strategy of combining games and media.

While in the games segment the focus was only on M&A and not on organic growth in the first years, in the media segment the focus was immediately also on organic growth. The strategy has been working well and since 2018, MGI has grown at an average of 78% per year and has shown an even more remarkable adjusted EBITDA margin development to today's 30%. While until 2017 there was no organic growth, MGI has been able to increase its organic growth steadily from 5% in 2018 up to 41% in Q3'21.

GROWTH IN OUR GAMES SEGMENT

The growth strategy in our games segment is based on slowly but steadily growing the revenues of the current games' portfolio, on acquiring similar portfolios via M&A, and on launching new games via licensing. By using a portfolio approach the risk of singular game launches is mitigated. Additionally efficient user acquisition by leveraging synergies with MGI's media segment Verve plays an important role.

Portfolio Approach

The development of a new MMO and/or midcore game that is potentially able to generate substantial long term recurring revenues is very capital-intensive. The investment volume is usually between five and fifty million euros. Furthermore, the development will take typically three but sometimes also up to five years or longer, depending on the type of game. The success of the game then depends on many external factors and most games end up not being successful. It is important to realize that well over 2,000 games are launched each month. This in turn means that a games company should not focus on a single game, but instead should launch several games, of which only a few will (statistically) be successful. This leads to the fact that the investment volume increases significantly once again. For that reason, MGI has decided to not develop any games from scratch, but to acquire, continue and ideally improve already successful games or game IPs through M&A activities or by licensing games from developers to market them exclusively in Europe, North America and in most cases further territories. This license strategy allows MGI to significantly broaden its games portfolio and its launch pipeline at very reasonable investment volumes.

As described above, naturally not all games from MGI's launch pipeline will be a success, and games from the existing portfolio may also reach the end of their life cycle. These games are consequently discontinued so resources can be allocated to games or projects with a higher contribution margin. For example, we decided together with our Korean partner XL Games to discontinue the game ArcheAge from our active games portfolio and. Also, the games Atlas Rogues and Skydome from our launch pipeline did not meet expectations and will not be pursued further. On the other hand, we see e.g. that the tests and soft launch of Golf Champions are very promising and that the port of Trove to the Switch console is doing very well. As part of the strategy, we constantly add -after a thorough selection process- new titles to the launch pipeline. In Q3'21, two new titles were added to our launch pipeline with Fantasy Town and another game currently still in stealth mode.

Within our active games portfolio, we focus on an expanded pipeline for organic growth projects. This includes regular content updates, extensive community management, as well as the internationalization and localization of individual game titles. Here, we also rely on a portfolio approach based on our substantial portfolio and targeting to launch several updates per game per year, as also here not all projects are successful.

Now that MGI has reached a substantial size and has a strong competitive advantage in user acquisition due to the combination of games and media, the new games launch pipeline will be further expanded significantly in the coming quarters, including new licenses, new content for the existing portfolio, as well as internationalization and porting to new devices.

Already in Q4, numerous further content updates and events will be released in our active games portfolio. Among others, Trove, Fiesta Online and Wizard101 will receive larger updates that players can look forward to. Also in the other games, small and medium updates will be released and numerous Christmas and New Year's Eve events will take place.

For our successful game RIFT, which did not have any updates for a longer period, we will have a first great update also in Q1'22. Our internal development teams are also already working on projects for the next year, including e.g. the launch of Pirate101 in Europe.

Efficient user acquisition

Besides the quality of a game and a lively community management, successful and efficient user acquisition is essential to the success of any game. However, with more than 2,000 game launches per month, competition for users is fierce. Furthermore, and as recently observed, disruptive changes in the digital advertising industry can make efficient user acquisition even more difficult and expensive for many companies.

As described, already in 2016, we took the strategic decision to increasingly have our user acquisition in-house and started to acquire media companies to do so efficiently. These activities resulted in today's full stack omnichannel ad platform Verve Group. With over 166bn ads within the last 12 months, a reach of about 2bn monthly end-users and more than 5,000 advertiser clients, Verve Group has built a strong position in programmatic advertising and has a high expertise, both, in efficient user acquisition and monetization of ad space. This gives our games segment a significant competitive advantage over our competitors. As the Verve Group covers the entire value chain in digital advertising, we can save up to 50% of the costs of a user acquisition campaign for gamigo. At the same time, the return on investment increases significantly due to the use of first-party data as well as high quality audiences, which in turn lead to better targeting.

GROWTH IN OUR MEDIA SEGMENT

With revenue growth of 105% in Q3'21 and a strong improvement in adjusted EBITDA margin from 7% to 24% year on year, Verve Group continues its strong profitable growth pursuing its goal to become the leading full stack omnichannel ad platform in the open internet. With its access to first-party mobile data, it already ranks among the top 10 SDK providers worldwide, while combining mobile in-app, web, CTV and DOOH gives Verve a strong USP. Verve Group achieves its growth through a unique positioning as a full stack omnichannel ad platform in the open internet, a strong focus on innovation and a combination of organic and M&A-driven growth initiatives.

Full Stack Omnichannel Ad Platform in the Open Internet

Verve Group has created a unique positioning outside the so called "walled gardens" of Facebook and Google. Walled gardens in ad tech are organizations that keep their technology, information, and user data for themselves and currently generate about 50% of global digital advertising revenues within the worldwide +300bn digital advertising market. The other app. 50% of revenues are generated outside the walled gardens in the so-called open internet. While players such as Facebook and Google cover the entire value chain in the digital media sector, most players in

the open internet focus on specific parts of the value chain like e.g. delivering a solution for the demand-side only, the supply-side only or for data management only.
Verve Group is one of a few providers in the open internet covering the entire value chain. The advantage of a full stack approach is that all sub-processes between the advertiser who runs an advertising campaign and the publisher who owns the advertising space (i.e. the access to the end user) are in one hand. This means that no information gets lost between different middlemen on the way from the advertiser to the publisher and vice versa. A full stack approach thus makes the process more transparent and efficient. The resulting improved measurability of campaign success and more targeted identification of appropriate user profiles leads to higher ROI for the advertisers, better monetization of advertising space for the publishers, as well as more relevant ads for users. While there are various other companies specializing in full stack with others trying to follow, Verve Group is the only full stack provider in the open internet that serves all channels (mobile, web, digital out of home, and connected TV).

Staying ahead of the market - Verve Group as an Innovator

An important pillar of Verve Group's strategy is to stay ahead of the rapidly changing digital advertising market and to gain market share through innovation. With the rise of privacy-first initiatives such as Apple's decision to block third-party cookies in the Safari browser in 2020, the introduction of the App-Tracking Transparency Framework on iOS in 2021, and Google's plan to get rid of the cookie by 2023, the digital marketing landscape is shifting again with disruptive implications.

Verve Group acknowledges and embraces this constant evolution of the advertising industry: Although it represents a radical change for the industry, Verve expects an increase of trust and acceptance among advertisers, publishers and, of course, end users in the long term. One of Verve Group's key strategic pillars is to stay ahead of the curve and to evolve constantly – together with the industry. The company therefore anticipates developments in the market and prepares for them when others are not even aware of the upcoming changes. To give an example, almost two years ago Verve organized a hackathon with the goal of creating audiences directly on the device instead of pulling data into the cloud. To do this, Verve brought together their best mobile developers and data scientists, who then spent several months working on a solution, which ultimately resulted in ATOM - an innovative advertising solution that can create audience segments on mobile devices without pulling data into the cloud and which uses both behavioral and contextual anonymized data without using identifiers like Apple's IDFA. ATOM is currently in its second version in private beta and is already delivering promising results.

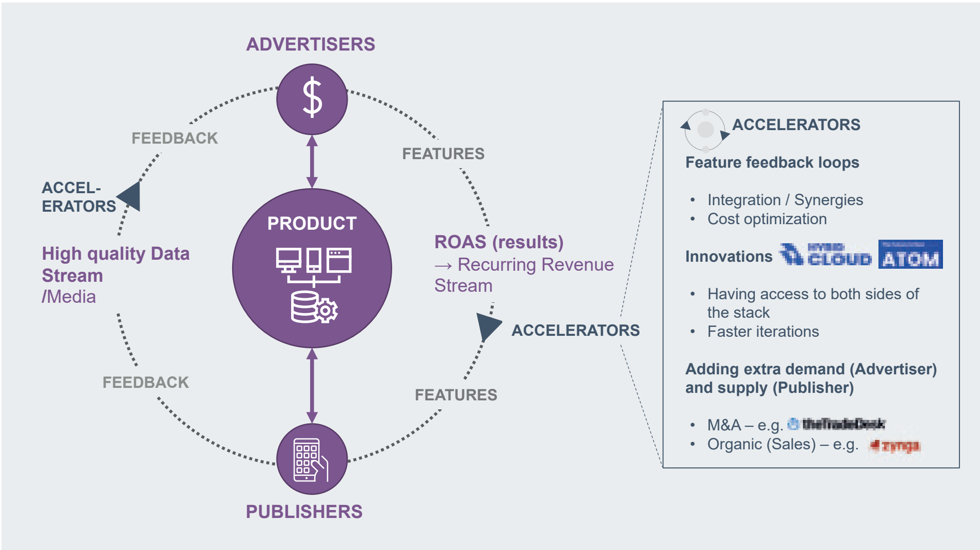
Another example is Verve's focus on the further development of contextual advertising already at an early stage. Contextual advertising has actually been around for a long time and was common practice during times of non-digital media. The context of a magazine and the articles in such magazine were used to place the appropriate ads. With the rise of digital advertising and especially with the emergence of identifiers, contextual advertising was pushed to the sideline. It was simply easier to directly track users using cookies and other tracking identifiers. With the ban of such identifiers, the advertising industry needs to reinvent itself again – or in this case – needs to reemphasize and improve existing strategies.

While in the early stages, context in digital media was analyzed by deriving keywords from text sources only leading to poor or even disturbing results (e.g. ads of sports cars in an article talking about a race car accident) contextual advertising has improved significantly. With the help of intelligent deep learning algorithms, information can now be drawn from any media – text, image, audio, or video. Additionally, these machine learning algorithms allow for analysis on inventory sentiment, identify content with positive connotations, and therefore offer more sophisticated measures to ensure brand safety. These mechanisms help interpreting contextual data and create reliable predictions on consumer interests and behavior. With the crumbling of identifiers, contextual is at the forefront of creating audience target groups. Verve Group invested in this area early on and acquired the contextual analytics platform Beemray - an expert in context - in Q2 2021.

Other examples of Verve's innovation power result from the cooperation with the games segment gamigo. Verve and gamigo are currently jointly testing how to win back console game users via re-engagement campaigns on e.g. connected TV devices. Initial results look very promising and should this project succeed, Verve would be once again the first in the market with this product, also rolling it out to other games customers.

Combining organic growth and M&A

Another pillar of Verve's growth strategy is to combine organic growth and M&A to further accelerate the Verve Flywheel. The Flywheel is very simple: Via Verve´s marketplace ("platform") advertisers and publishers are brought together. Publishers offer ad space, for example on their websites or apps, where banners, videos or other formats can be displayed ("the ad inventory"). Publishers add this inventory to the Verve marketplace, which is auctioned and sold to advertisers. If Verve does a good job at optimizing the ad inventory (i.e. advertisers achieving a good ROI), for example by creating meaningful and privacy-compliant segments of app users (audiences) without having to rely on identifi ers such as IDFA, Verve will get more advertisers to buy ad inventory via its marketplace. This also illustrates why Verve experiences the current disrupting changes in the industry as a great opportunity to gain signifi cant market share. The more advertisers buy ad inventory through Verve's marketplace, the more interesting Verve's marketplace becomes for publishers. The more publishers Verve connects to its marketplace, the greater the reach of Verve's marketplace becomes in terms of end users, which is currently around 2bn unique users per month; the Flywheel accelerates. Reach and quality are then again important decision criteria for advertisers.



The Verve Flywheel was kick-started and boosted by M&A and the subsequent successful integration of the acquired companies, as well as by the realization of synergies with the games segment. In recent months, the Flywheel has picked up significant speed and momentum. In addition to growth driven purely by M&A, the Verve Flywheel is further accelerated by adding more partners as well as due to synergies. For example, Verve can cross-sell to existing customers by integrating acquired platforms and technologies into Verve's full stack solution or by adding the new (supply and demand) partners to the existing platform. Various partnerships with other platforms like e.g. LiveRamp (a bidding platform for addressable inventory) or Pixalate (a global ad fraud intelligence and marketing compliance platform) are expected to lead to further growth.

On top of the acquired platforms, services and assets, Verve Group has its own internally developed and constantly improved innovative product stack which facilitates further organic growth. Consequently, Verve Group has decided to significantly expand its development and sales team within the coming quarters.

Via Verve's Tick-the-Box M&A Strategy as well as through its internal development of innovative products, Verve will continue to close existing gaps in its offering as well as extend it, and thus further increase the attractiveness of the Verve platform while further expanding its reach at the same time.

GUIDANCE FOR FINANCIAL YEAR 2021

On June 30, 2021 Media and Games Invest SE published its guidance for the financial year 2021 and updated the guidance based on the signing of the Smaato acquisition on July 13, 2021. The guidance increased for the last time on July 13, 2021 remains unchanged valid.

	FY 2020	Initial Guidance 2021	Updated Guidance incl. Smaato 2021
Revenue (in €m)	**140**	**220-240**	**234 - 254**
Growth	*67%*	*57 - 71%*	*67 - 81%*
Adj. EBITDA (in €m)	**29**	**60 - 65**	**65 - 70**
Growth	*61%*	*106 - 123%*	*123 - 141%*

SUSTAINABILITY UPDATE

MEETING OF SUSTAINABILITY COMMITTEE

At the end of Q3 2021, MGI has held its quarterly Sustainability Committee meeting. During these meetings, experts from various fields and the top management of each segment exchange their ideas and strategies in relation to sustainability in general and to the five sustainability priorities especially. The Sustainability Board also monitors compliance with the standards set and decides on new focus areas.

DATA PROTECTION AND PRIVACY

In Q3, many important measures have been taken in the area of data protection and privacy as part of our continues effort to improve our position with regards to data protection and privacy. data protection and privacy are important from a governance and risk angle, but also are an opportunity to build USP's and differentiate MGI. To ensure rapid action with legal certainty in this rapidly changing legal environment, MGI was able to further increase its in-house expertise. In addition to an internal cookie compliance manager, who joined the Group in the first quarter, a certified information privacy professional (CIPP/US and CIPP/EU) has now also been added to the Group's team. MGI's Information Security Management System (ISMS) is based on the critical security controls of the "Center for Internet Security" (CIS). The ISMS is managed by MGI's in-house cybersecurity team, which implements and continuously improves the necessary security controls. Additionally, regular penetration testing has been conducted in collaboration with Cobalt and will be further rolled out, as will ISO27001 certification for the various platforms. In Q3, numerous data protection and data security training sessions were again held, which every employee is required to attend once a year. All data protection policies are kept up to date and in place for both segments, and there is strict compliance with GDPR, CCPA, LGDP (Brazil) and all other applicable data protection laws throughout the Group.

PERMANENT COOPERATION WITH EDEN REFORESTATION PROJECTS NOW LIVE

MGI's games segment gamigo has successfully launched a permanent cooperation with Eden Reforestation Projects. MGI and gamigo have previously already cooperated with the Eden Reforestation Projects and have, during the cooperation in 2020 and the beginning of 2021, planted over 200,000 trees thereby not only restoring local eco systems but also supporting local communities by promoting fair wages, employment for women and support for single parents living in the local areas. Because MGI believes in giving back to the community and the planet and also due to popular demand by its players, the Eden Reforestation Projects has been established as a permanent cooperation by launching a permanent website where players can get information about the project and the games in which they can plant virtual trees for which real trees are planted. Additionally, several social media initiatives are used to inform the players.

INITIATION OF COOPERATION WITH PLAYING FOR THE PLANET

MGI's games unit gamigo has initiated the application process to join Playing for the Planet. By joining the initiative, which was founded in 2019, we hope to benefit from a fruitful and enriching discussion and exchange with other games companies and to strengthen our engagement in terms of the environment by further decarbonizing our platforms and engaging and educating our players in taking green action.

OFFER FOR VACCINATION FOR MGI EMPLOYEES

To make it as easy as possible for everyone who would like to get a Covid-19 vaccination or a flu vaccination, MGI has cooperated with the local health authorities to make vaccination available for employees that would like to get them. The offer was well received by the employees and all employees that wanted to receive a Covid-19 vaccination were able to receive it. The flu vaccinations have been proposed by HR and will be given during the fourth quarter.

DIALOGUE WITH STAKEHOLDERS

Media and Games Invest SE as a listed company values the dialogue with its share- and other stakeholders highly. We are aware that our fast growth in combination with our activity in the two segments games and media with each having its own peculiarities and dynamics, poses challenges for our share- and other stakeholders to keep up with the developments. Also, to give equal information to all shareholders, we have collected questions we received in the last quarter and answer them as part of this report. In case this resonates positively, we plan to continue this dialogue also in future reports.

QUESTION: HOW IS MGI AFFECTED BY APPLE'S CHANGES TO IDFA?

Apple's IDFA and SkAdNetwork changes have been disrupting the digital media and games markets: It is now required to ask users for their explicit opt-in permission to track them across apps and websites owned by other companies. Since tracking users has become difficult due to this, this change has recently negatively impacted especially large social networks, casual and hyper casual games companies as well as several AdTech players.

Answer: MGI and its media segment Verve are among a group of media players that are not affected in a negative way, but rather profit from these changes. The primary factor is a technical reason: Verve's vertical omnichannel ad-tech-platform in most parts simply does not have to rely on IDFA-technology as it serves the full value chain from the advertiser through the demand-side and supply-side platform with thousands of direct integrations to publishers giving access to first-party mobile data. Also, Verve is one of the leading players in the field of contextual data and contextual targeting, which has due to the IDFA changes become another efficient way to advertise. This position enables Verve despite the recent IDFA-changes to deliver favorable costs per mille (CPMs) for publishers while advertisers in an IDFA-less world can still efficiently target. Moreover, the demand side of Verve is affected positively: a lot of companies in the (hyper) casual-games-market feel the impact as traditional measuring of advertising on Apple phones has become much less efficient making advertisers to shift their budgets, accordingly. Here, Verve profits from these shifts and sees new advertiser-intakes based on the disruption in the industry, due to its strong position in contextual audiences as well as technical solutions such as ATOM which work very well without IDFA.

While (hyper) casual mobile games have to cope with the disruption brought by IDFA, MGI's games segment gamigo has a games portfolio, consisting primarily of strong PC and Console titles, that are practically unimpacted by those changes and therefore show continued strong growth.

QUESTION: IS MGI AFFECTED BY RECENT DISRUPTIONS OF GLOBAL SUPPLY CHAINS, THAT COULD CAUSE AFFECTED COMPANIES TO SCALE BACK ADVERTISING?

Disrupted global supply chains are leaving warehouses of many companies around the world empty. Companies that cannot sell products due to supply chain issues may be forced to scale back advertising for their products which in turn impacts several media companies which run campaigns for them.

Answer: Verve is in the fortunate position to have a customer base, which is largely composed of companies in the digital industry, especially the digital games industry. This industry offers mainly intangible products and services that are not affected by the physical constraints in global supply chains. Hence, MGI does not expect to be adversely impacted. On the contrary, MGI expects that demand and consumer spend will rather shift more towards intangible products and services due to the issues in the global supply chains for tangible products.

While at the moment game console manufacturers are heavily affected by the supply shortages, this will not negatively affect the performance of MGI's console titles as the player base is largely playing with the previous console versions while the games are ready to be played with the next generation of consoles once players switch.

QUESTION: WHAT ARE MGI'S MEDIUM-TERM MARKET EXPECTATIONS REGARDING THE POST PANDEMIC GAMES AND IN-GAME ADVERTISING MARKETS?

In addition to the media market being impacted by supply chain disruption and changes to Apple's IDFA, MGI's stakeholders are also keen to understand how MGI sees the games market (both games and in-game advertising) going forward post pandemic.

Answer: The games market has been on a steady growth trajectory in recent years. During the pandemic, the games industry experienced an exceptional boom. Based on the strong growth of 2020 -especially in Q2'20- and the re-opening of large parts of the leisure market, the analysts from Newzoo (in their Global Games Market Report 2021) expect the games market to grow at a more moderate rate for 2021. For 2022, however, they expect the market to normalize and growth rates to return to their pre-pandemic levels. Translated into concrete numbers, this means an expected annual growth rate of 7.8% between 2021 and 2023. During the same period, the total player base is expected to grow on average by 4.3% to 3.2 billion players globally generating more than 200 billion USD in revenues per annum. Another positive news is the fact that the player base is expected to grow across all demographics in the age bracket of 13 to 84 years.

Similarly, in-game advertising is also growing at high rates based on the increasing number of players and, hence, reach of the advertisers. The in-game advertising market is expected to grow to a total size of 11 billion USD by 2024 coming from c. 6 billion USD as of today. While this strong growth signals a very vital market, changes in regard to cookie policies and identifiers (such as the changes to Apple's IDFA mentioned above) put pressure on both, advertisers, and publishers as it becomes more difficult to reach the right audiences and to monetize ad spaces efficiently. Publishers with own expertise in the media space have a competitive edge here and this edge is expected to become even more valuable in the future. Based on its synergetic media and games business, MGI therefore is optimistic about the changes in the in-game advertising industry.

QUESTION: HOW DOES MGI PLAN TO FURTHER GROW ITS GAMES REVENUES BUILDING ON "OLD" GAMES?

MGI on a regular basis receives feedback from stakeholders stating that MGI's games portfolio consists of outdated and non-future proof games with a portfolio consisting of primarily old browser desktop games. They stress that browser games have not been showing growth prior to the pandemic and are not forecasted to do so in upcoming years, either.

Answer: Several of MGI's games are "old", and some of our most successful games have been in the market for more than 10 years (e.g., Wizard101 just celebrated its 13th anniversary). This steady track record of games performance having an established status in their respective niches combined with a highly loyal user base, with very stable, well-predictable cash flow is in fact one of the key assets of MGI's games segment. Gamigo operates a 'games as a service' approach which is very different from games that are launched and only played for weeks or months. Having gamers in a game and subsquently keeping them in the game by adding more content and actively working with the communities, is commercially much more rewarding than launching games on a continuous basis as customer acquisition is difficult and expensive. With such a loyal player base and active communities, new players entering the game and finding an active multiplayer environment, gamigo operates in a highly attractive. Nevertheless, like all games, MMOs have churn of existing players. Also, when running a M&A model, certain games do not have a future or are too expensive to maintain and are thus disconnected.

This means that gamigo has two main targets: reducing churn on one hand while adding players by re-activating old players and acquiring new players on the other. With Verve, gamigo is very well equipped for new player acquisition as well as reactivation, while also internationalization and porting to other platforms are ways to address new target groups and add gamers. To reduce churn and keep players active, gamigo operates an active community management and adds content on a regular basis. Especially with large updates for its top games, gamigo can extend the lifetime of the MMOs as well as continuously grow the revenues. An investor should not expect growth miracles, but based on gamigo's activities, we target and are able to grow our large MMOs by 10 up to 15% per annum. We are working on increasing the number of large updates and platform expansions by further increasing our investment in them.

Browser games only have a very minor share of MGI's overall games segment revenues (less than 5% of the segment's revenue). But also, within browser games there is need for differentiation: while most browser games are more simple casual games, MGI's browser games are more core and therefore much closer to the client games. The decline of online browser games market primarily results from the fact that casual browser games are largely substituted by mobile casual games. Core browser games are much more difficult to substitute. MGI's largest and most successful browser game Desert Operations has an extremely loyal player base with around 84% of revenues stemming from users being in the game for more than five years. With the recent state-of the art revamp of the graphics, the game is a great example of how a browser game can continue to be highly successful also in present times.

QUESTION: HOW IS SMAATO DEVELOPING AND IS IT A HIGH-QUALITY ASSET?

There are questions on how the Smaato integration is proceeding and also some concerns about the historic revenue and profitability development of Smaato.

Answer: The integration of recently acquired Smaato is progressing very well. While the operations are further run by the Smaato employees, Verve's top management consisting of the Co-CEO's Sameer Sondhi and Ionut Ciobotaru in cooperation with Smaato managing director Matthew Deets, are steering the planning and execution of the commercial, technical and product roadmaps in alignment with the overall Verve strategy as planned pre-acquisition.

Initial revenue synergies have already been leveraged by connecting the platforms and by initial cross-selling activities with existing customers – both on the demand and supply side. The combined access to first-party mobile data via proprietary SDKs from Verve and Smaato is among the top 10 globally, giving the group a very strong position in a world without identifiers. Smaato is growing and developing above MGI's expectations. The Smaato team is very motivated and we see a very low attrition of employees, while -in line with growth- actively hiring new team members.

MGI has already earlier communicated that Smaato excl. the divestment of manage.com has been on a steady growth track in the last years, while adding web-SSP and CTV capabilities on top of its in-app SSP. Certain investors are however confused: when looking at the formally published P&L's, Smaato shows a revenue and earnings dip in 2019. The explanation for this is that Smaato sold its web-DSP manage.com in 2018, which it acquired a few years earlier. This caused a non-organic revenue decline and (after a one-time effect on the bottom line) also lower EBITDA in the next year.

MGI is very pleased that we have been able to accelerate Smaato's organic growth in September and October 2021 already by unlocking several revenue synergies throughout Verve. The initial guidance of app. 20% organic growth for 2021 for Smaato standalone will be well achieved based on further additional synergies and growth initiatives to be realized in the coming quarters.

QUESTION: HOW DOES MGI SEE ITS GOVERNANCE STRUCTURE IN THE FUTURE?

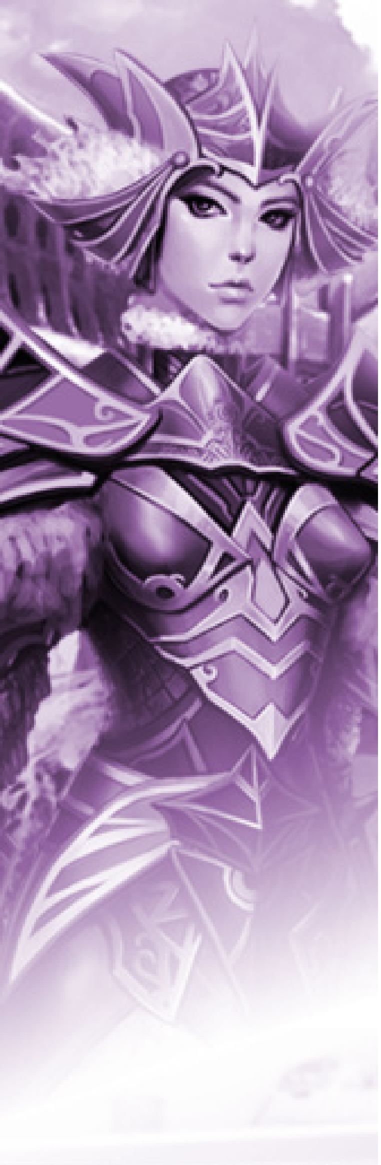
MGI received feedback on its current governance structure. Stakeholders e.g. emphasize that the existing structures are quite complex as there are multiple different operating companies in many jurisdictions with headquarters being in Malta. There is also criticism on the compilation of the board.

Answer: MGI acknowledges and appreciates the fact that existing structures are to some degree too complex, and that the overall governance structure can be further improved. The existing structure and the resulting complexity are related to the significant growth MGI has experienced in the past years and more than 35 M&A transactions leading to further complexity. Top management as well as the board are aware of this and have improved and changed various structures recently like the conversion from a Maltese PLC to a European SE and work continuously on improving the overall structure and governance of MGI further.

While finance is a fully centralized unit for the whole group with unified consolidation and reporting systems, which makes control, risk assessments and reporting faster and very reliable, we have, together with KPMG, kicked of a project to further improve overall procedures and governance within the whole Group to be able to grow revenues within these structures by 25-30% p.a . for the next decade.

Furthermore, MGI is evaluating an extension of the board to better reflect the Company´s international character and also add additional important expertise. As part of that, the formation of different committees is also being discussed. As the required governance structure will also be influenced by the new jurisdiction, board and top management are working with independent Tier-1 experts to come up with proposals for the shareholders regarding an improved governance structure before the next AGM.

As part of improving transparency, we have also extended our quarterly reports, started to report organic growth, implemented a segment reporting and now also publish an annual Sustainability and Governance Report. In the future, both reports should be part of the Annual Report.



QUESTION: WHY DO YOU HAVE SUCH A LIMITED MAINTENANCE CAPEX AND HIGH FREECASH-FLOW BUT AT THE SAME TIME GROW YOUR REVENUES WITH +30% ORGANICCALLY?

Answer: MGI is focusing on further development of IP owned games and game launches based on licensed games and therefore is not investing 5 to 50 million per game to develop MMO games fully from scratch. Furthermore, MGI maintains most of its IT infrastructure in the cloud and therefore has almost zero capex requirements to keep -unlike other players- physical datacenters up to date and running.

This combination results in a capex light business model and leads to a very strong free cashflow conversion. This free cashflow is invested into organic growth projects like signing new game licenses or acquiring new game IPs ready to launch while in the media segment we use the free cashflow to maintain and increase our workforce to serve/integrate more demand and supply partners (+21% new organic SaaS account in Q3'21) as well as developing state of the art advertising technology like ATOM or the HyBid Cloud to be able to gain further market share.

Since 2018, this capital allocation led to a steady increase in organic revenue growth from 5% in 2018 to 41% in Q3 2021 and is due to our proven portfolio approach in both segments with various projects well diversified and not dependent on one single product or project.

Maintenance CAPEX vs Expansion CAPEX

Capex (EURm)	2016A	2017A	2018A	2019A	2020A	LTM Q3'21
Maintenance capex	1	2	1	4	5	11
Expansion capex	5	5	13	9	33	242
Total capex	7	7	14	13	38	253

Note: numbers may not add up due to rounding

Considering the historic development of maintenance and expansion capex, we can clearly see that the maintenance capex has increased since 2018 in total numbers as the investments into the current games portfolio (improving our IP owned MMO's via larger content updates, like eg new character classes) have been increased to keep the revenues stable or have single digit organic growth while Trove and Wizard101 are the main drivers of the growth of maintenance capex in 2021. In parallel, we also increased expansion capex since 2018 to invest into organic growth to achieve well over 10% in the future rather than cashing out the games or existing media customers as we did from 2012-2017.

Next to M&A we increased the expansion capex from 2018 to 2020 to invest more into organic growth projects, while we decided by the end of 2020 to change the investment focus from negative EBITDA restructuring cases to more profitable cases with excellent IP's like KingsIsle Wizard 101 or Smaato with unique direct publisher integrations which we can also grow organically in the coming years through proven synergies in both segments.

With a strong pipeline of new game launches and new innovative ad-tech products supported by high-quality M&A investments in both segments we have set further cornerstones for high organic growth in the future while steadily growing our free cashflow over time.

Operating Cashflow and Free Cashflow Conversion

Cash flow	2016A	2017A	2018A	2019A	2020A	LTM Q3'21
Operating cash flow	4	4	7	16	25	42
Maintenance capex	-1	-2	-1	-4	-5	-11
Free cash flow	3	2	6	12	21	30

Note: numbers may not add up due to rounding

EVENTS AFTER SEPTEMBER 30, 2021

MEDIA AND GAMES INVEST SE REPAYS ITS GERMAN BOND AHEAD OF SCHEDULE

On October 11, 2021, Media and Games Invest repaid its 25m EUR unsecured German bond listed on the Frankfurt Stock Exchange with a term until 2024 (ISIN DE000A2R4KF3) at a price of 103% of par as earlier announced on September 10, 2021. MGI's strong operational performance has led to significantly lower cost of capital, which is reflected for example in the recent increase of the Nordic bond (ISIN: SE0015194527) by EUR 80 million to a total of EUR 350 million at an issue price of 103%. The resulting yield to maturity of 4.76% as of the issue date is significantly lower than the 7% nominal interest rate of the German unsecured bond, which is why the company decided to redeem the German bond prematurely. The redemption was made at a price of 103% of the nominal amount plus accrued interest.

SAMEER SONDHI AND IONUT CIOBOTARU APPOINTED NEW CO-CEO'S OF MGI'S MEDIA SEGMENT VERVE

On October 20, 2021, Media and Games Invest announced that former Chief Product Officer Ionut Ciobotaru (36) and former Chief Revenue Officer Sameer Sondhi (47) will become the Co-CEO's of Verve - MGI's media segment. This decision was made by the Board of Directors of MGI. Both have been showing great performance in combining M&A, integrations, organic growth, and innovation in ad-tech while also emphasizing the synergies with MGI's games segment gamigo. Remco Westermann, who has acted as CEO of Verve previously, will focus on his role as CEO and Chairman of Media and Games Invest in the future. Together with their appointment as Co-CEO's, Ionut and Sameer will introduce a pod structure at Verve which will equip all of Verve Groups' major media business such as mobile exchanges or the Connected TV activities with self-organized, collaborative, and autonomous teams that are fully focused on achieving strategic, creative and production goals while ensuring control and a continued fast growth pace in delivering value to all customer segments.

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 SME's.

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 small and medium sized enterprises ("SME"). The Match2One platform is accretive to Verve's programmatic vertical full stack offering, adding a demand side platform for SME's 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.

At the time the consolidated financial statements were drawn up, a large number of MGI group's employees were involved in integrating them into the group and analyzing and evaluating the assets and liabilities acquired.

ARCHEAGE LICENSE AGREEMENT TERMINATED BY END OF 2021

Gamigo will no longer publish the MMORPG ArcheAge and return the game to its developer by the end of 2021. gamigo had started discussions with XL Games a while ago to change the license terms for ArcheAge. While the release of ArcheAge Unchained in 2019 was a great success and brought gamigo considerable organic revenue growth rates in the beginning, the business model - based on Pay2Play accompanied by DLC monetization resulted in low long-term revenues in combination with high maintenance costs. Also, the contract terms with XL Games were unfavorable for the business model, altogether leading to a too low margin in the recent quarters. During these negotiations with XL Games, the company was acquired by kakao games. XL games has subsequently shown interest in self-publishing. In this context, kakao games, XL games and gamigo agreed to terminate the contract by the end of 2021, with XL games paying a handover fee to gamigo. As a result, gamigo will remove the game from its portfolio and platforms. As ArcheAge is already out of gamigo's top10 MMO games for a while, the impact on revenues and margin will be minimal and overcompensated by e.g. the launch of Trove Switch as well as bigger DLCs from its top 10 MMO games.

CONDENSED CONSOLIDATED STATEMENT OF INCOME, MGI GROUP
(unaudited)

in kEUR	Note	Q3 2021	Q3 2020	Q1-Q3 '21	Q1-Q3 '20	FY 2020
Revenues						
Net revenues	9	62,915	34,963	171,960	91,532	140,220
Own work capitalized		5,531	3,839	16,092	11,832	15,994
Other operating income		2,903	2,336	5,960	4,142	6,272
Total Income		**71,350**	**41,138**	**194,012**	**107,505**	**162,486**
Operating Expenses						
Services purchased & other operating expenses	10	-39,902	-25,874	-109,128	-61,026	-96,365
Personnel expenses	11	-13,937	-9,358	-40,743	-28,945	-39,572
Total operating expenses		**-53,840**	**-35,232**	**-149,871**	**-89,970**	**-135,937**
EBITDA		**17,510**	**5,907**	**44,141**	**17,535**	**26,549**
Depreciation and amortization	12	-7,553	-3,440	-20,999	-10,022	-15,508
Thereof: PPA Amortization		-3,468	-1,113	-8,616	-2,644	-3,875
EBIT		**9,957**	**2,467**	**23,142**	**7,513**	**11,041**
Financial result		-6,406	-1,865	-13,105	-5,322	-7,140
EBT		**3,551**	**602**	**10,037**	**2,191**	**3,901**
Income Taxes		-541	-345	-1,381	-1,460	-1,194
Net Result		**3,010**	**257**	**8,656**	**731**	**2,707**
of which attributable to non-controlling interest		-6	128	-2	-246	-352
of which attributable to shareholders of the parent company		**3,016**	**129**	**8,659**	**978**	**3,059**
Earnings per share						
Undiluted		**0,02**	**0,02**	**0,06**	**0,01**	**0,04**
Diluted		**0,02**	**0,02**	**0,06**	**0,01**	**0,03**
Undiluted (adjusted)		**0,04**	**0,04**	**0,12**	**0,04**	**0,08**
Diluted (adjusted)		**0,04**	**0,04**	**0,12**	**0,04**	**0,07**
Average number of shares						
Undiluted		**139,027**	**73,312**	**139,027**	**73,312**	**85,498**
Diluted		**139,027**	**116,397**	**139,027**	**116,397**	**95,638**

Note: numbers may not add up due to rounding

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

in kEUR	Q3 2021	Q3 2020	Q1-Q3 '21	Q1-Q3 '20	FY 2020
Consolidated profit	**3,010**	**257**	**8,656**	**731**	**2,707**
Items that will be reclassified subsequently to profit and loss under certain conditions:					
Exchange differences on translating foreign operations	1,706	-1,469	2,695	-1,566	-3,739
Profit / Loss of hedging instruments	0	-1	0	-242	-1
Other comprehensive income, net of income tax	**1,706**	**-1,470**	**2,695**	**-1,807**	**-3,740**
Total comprehensive income	**4,717**	**-1,213**	**11,351**	**-1,076**	**-1,032**
Attributable to:					
Owners of the Company	**4,723**	**-1,341**	**11,354**	**-830**	**-752.5**
Non-controlling interests	**-6**	**128**	**-2**	**-246**	**-280.0**

Note: numbers may not add up due to rounding

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

in kEUR	Note	30 Sep 2021	31 Dec 2020
Intangible assets	4, 5	582,747	272,829
Property, plant and equipment		5,280	1,742
Financial assets and other assets		21,111	18,895
Long-term assets		**609,138**	**293,466**
Trade and other receivables		88,228	46,122
Cash and cash equivalents		198,535	46,254
Short-term assets		**286,763**	**92,376**
Total assets		**895,901**	**385,842**
Equity attributable to shareholders of the parent company	8	300,437	176,785
Non-controlling interest		62	60
Total Equity		**300,499**	**176,845**
Long-term liabilities	6	447,757	130,792
Short-term liabilities	7	147,645	78,205
Total liabilities and equity		**895,901**	**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					1,165		1,165	-434	731
Other comprehensive income						-1,353	-1,353		-1,353
Total comprehensive income					**3,723**	**-990**	**97,880**	**70,056**	**167,936**
Capital increases	22,054	22,054					22,054		22,054
Disposal of subsidiaries			2.337		-693	-434	1.210		1.210
Changes in scope of consolidation				32.566	1.216		33.782	-69.190	-35.408
Transfer of ownership interest in gamigo AG									
Balance at 30 September 2020	**92,074**	**92,074**	**4,150**	**55,880**	**4,246**	**-1,424**	**154,926**	**866**	**155,792**
Balance at 1 October 2020	**92,074**	**92,074**	**4,150**	**55,880**	**4,246**	**-1,424**	**154,926**	**866**	**155,792**
Consolidated profit					1,372		1,372	82	1,453
Other comprehensive income						-1,787	-1,787	72	-1,715
Total comprehensive income					**5,617**	**-3,211**	**154,510**	**1,020**	**155,530**
Capital increases	25,000	25,000	3,689	29,091			57,779	-67,294	-9,514
Changes in scope of consolidation				-35,505			-35,505	66,334	30,829
Transfer of ownership interest in gamigo AG									
Balance at 31 December 2020	**117,074**	**117,074**	**7,839**	**49,466**	**5,617**	**-3,211**	**176,785**	**60**	**176,845**
Balance ar 1 January 2021	**117,074**	**117,074**	**7,839**	**49,466**	**5,617**	**-3,211**	**176,785**	**60**	**176,845**
Consolidated profit					8,659		8,659	2	8,661
Other comprehensive income						2,695	2,695		2,695
Total comprehensive income					**14,276**	**-516**	**188,139**	**62**	**188,201**
Capital increases	32,606	32,606	76,731				109,338		109,338
Other Equity reserves regarding IFRS 2				2,960			2,960		2,960
Balance at 30 September 2021	**149,680**	**149,680**	**84,570**	**52,426**	**14,276**	**-516**	**300,437**	**62**	**300,499**

Note: numbers may not add up due to rounding

CONDENSED CONSOLIDATED CASH FLOW STATEMENT, MGI GROUP (unaudited)

in kEUR	Note	Q3 2021	Q3 2020	Q1-Q3 '21	Q1-Q3 '20	FY 2020
Cash flow from operating activities (before change in WC)		**18,430**	**1,702**	**45,435**	**11,976**	**29,746**
Change in working capital		*-2,905*	*2,105*	*-11,460*	*2,675*	*-4,543*
Cash flow from operating activities		**15,526**	**3,807**	**33,975**	**14,651**	**25,203**
Cash flow from investing activities		**-138,250**	**-4,547**	**-237,969**	**-22,231**	**-37,707**
Cash flow from financing activities		**75,163**	**-3,781**	**356,275**	**-14,478**	**25,774**
Cash Flow for the Period		**-47,562**	**-4,521**	**152,281**	**-22,057**	**13,270**
Cash and cash equivalents at the beginning of the period		246,096	15,448	46,254	32,984	32,984
Cash and cash equivalents at the end of the period		**198,535**	**10,927**	**198,535**	**10,927**	**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, 2020 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 September 30, 2021, changed compared to the audited consolidated financial statements as of December 31, 2020, for the following transactions and entities:

- Q1 2021: Incorporation of KingsIsle 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.

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

Media and Games Invest Group acquired on 1st September 2021, through its subsidiary ME Mobile GmbH, 99.99% of voting equity interest of the leading digital advertising platform Smaato. Smaato, based in San Francisco and Hamburg, operates a leading mobile first digital Advertising Technology Platform. Smaato offers its services to publishers on a software-as-a-service ('SaaS') basis. With expected revenues of EUR 39 million in 2021, which represents app. 20% organic growth versus 2020, and an expected adj. EBITDA of EUR 13 million in 2021 (a 33% EBITDA margin), the company is showing a very positive development. Via its platform Smaato reaches over 1.3 billion unique users worldwide every month which will substantially increase the reach of MGI's media segment Verve Group.

For the purchase price allocation MGI engaged EY (Ernst & Young GmbH) for preparing an independent purchase price allocation report for identifying acquired tangible and intangible assets and liabilities of Smaato. The share deal of Smaato 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 01st September 2021. For the purchase price allocation (PPA), the management provided EY a business plan of Smaato 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 valuated: the supplier and vendor contracts intangible assets amounted to kUSD 31,363 and with a historical development cost approach EY measured the identified technology platform with kUSD 6,775.

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

in kUSD	
Identifiable intangible assets	161,022
Property, plant and equipment	332
Current assets	32,861
Current liabilities and provisions	-49,892
Deferred tax liabilities	-7,988
	135,486
Total consideration Fulfilled by:	
Considerations transferred including loans	138,781
cash at bank	17,203
Total consideration transferred	121,578

In accordance with IFRS 3 Business Combinations, an acquiring entity shall allocate the cost of the acquired assets and assumed 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 Smaato amounted to kUSD 122,872. The trade receivables and received cash have a book value of kUSD 17,203. The purchase price of Smaato in accordance with IFRS 3 was kUSD 154,000.

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 gaming 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-geared 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.

The COVID-19 crisis impacted the mobile advertising market significantly, but the industry is now feeling strong tailwinds following the reopening of industries and the reappearance of relevant marketing budgets and has therefore seen strong growth in the first half of 2021. During Q3 2021, however, global supply chain disruptions not being able to cope with increasing consumer demand, as well as disruptions related to Apple's IDFA have once more added a drag on the global media budgets. Based on its tech stack and customer base, however, MGI's media segment Verve has rather capitalized on those disruptions other than many players in the media segment.

b) Segment revenues and segment results

	GAMES	MEDIA	CONSOLIDATED
in kEUR	30-Sep-21	30-Sep-21	30-Sep-21
Revenues	**83,571**	**88,389**	**171,960**
EBITDA	**29,960**	**14,182**	**44,141**
Depreciation and amortization			-20,999
Financing income			918
Financing expenses			-14,023
Earnings before taxes (EBT)			**10,037**
Income taxes			-1,381
Net result from continuing operations			**8,656**

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	30-Sep-21	31-Dec-20
GAMES	557,269	290,476
MEDIA	338,632	95,366
Total segment assets	**895,901**	**385,842**
Consolidated total segment assets	**895,901**	**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, 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 2020 as well as at 30th September 2021. The conclusion is, no impairment results as of September 30, 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 in Q3 2021. 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.

	September 30, 2021 kEUR	December 31, 2020 kEUR
Goodwill	395,345	164,015
Other Intangibles	187,402	108,814

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

NOTE 5 DISPOSALS

There were no material sales or disposals in Q3 2021.

NOTE 6 LONG-TERM LIABILITIES

As of September 30, 2021, the long-term liabilities of MGI increased by kEUR 316,965 to kEUR 447,757 (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) not reflected in the September 30, 2021 numbers, yet (repayment took place after the end of reporting period). 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.

MGI Bond issue 80 mEUR

MGI Group has successfully placed a subsequent bond issue of EUR 80 million under its existing senior secured floating rate callable bonds (ISIN SE0015194527).

The transaction was well received by the market with both existing and new investors primarily based in the Nordics, continental Europe and North America participating. The Subsequent Bond Issue was strongly oversubscribed which allowed the Subsequent Bonds to be priced at 103% of par.

MGI Bond Issue 40 mEUR

See Interim Report Q1 2021.

MGI Bond Issue 150 mEUR

See Interim Report Q2 2021.

UniCredit Revolving Credit Facility 30 mEUR

See Interim Report Q2 2021.

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

See Interim Report Q2 2021.

NOTE 7 SHORT-TERM LIABILITIES

The short-term liabilities of MGI increased by kEUR 69,440 on September 30, 2021 to kEUR 147,645 compared to kEUR 78,205 on December 31, 2020 mainly affected 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 September 30, 2021, the total shareholders' equity increased to kEUR 300,499 (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 Q1 and Q2 2021.

To be able to hire top key employees as well as retaining employees the board has decided to launch a new ESOP program and to allow for the issuance of up to 15 million new MGI shares, earliest from May 2024 and latest till December 2030 via an option at a minimum strike price of Euro 2.60 per share.

No dividends were paid in Q1-Q3'21.

NOTE 9 NET REVENUE

MGI achieved in Q3 2021 a net revenue of kEUR 62,915 (Q3 2020: kEUR 34,963). The increase of kEUR 27,952 was due to a strong organic growth of 41% (in Q3'21) and the acquisition of KingsIsle and LKQD in Q1 2021 as well as the one-month (September 2021) revenues of Smaato.

NOTE 10 SERVICES PURCHASED & OTHER OPERATING EXPENSES

For Q3 2021, MGI disclosed services purchased and other operating expenses of kEUR 39,902 (Q3 2020: kEUR 25,874). The increase of kEUR 14,028 is a result of the increased operations of the Group due to organic and M&A driven revenue growth.

NOTE 11 PERSONNEL EXPENSES

In Q3 2021, The personnel expenses increased by kEUR 4,580 to kEUR 13,937 compared to Q3 2020 (9,358 kEUR). This increase is mainly due to the acquired employees of LKQD, KingsIsle and Smaato.

NOTE 12 DEPRECIATION, AMORTIZATION AND WRITE-DOWNS

Depreciation, amortization, and write-downs amounted in Q3 2021 to kEUR 7,553 (Q3 2020: kEUR 3,440). The increase is mainly due to additional PPA depreciation and amortization of the acquired companies and assets as well as the write-off of 0.7mEUR related to the influencer and performance marketing business which we closed/divested during Q3'21. In Q3 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 27.7% of the Company and 38.4% 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 and Jarimovas 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 September 30, 2021, the Group has reported various current liabilities to Bodhivas GmbH with a total value of kEUR 0 (December 31, 2020: kEUR 6,707) under financial liabilities. In addition, the financial liabilities include current liabilities to Jarimovas GmbH, Düsseldorf, in the amount of kEUR 0 (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 Q3 2021.

NOTE 15 SHAREHOLDERS[1, 2]

1	Remco Westermann	27.7%
2	Oaktree Capital Management LP	9.1%
3	Janus Henderson Investors	4.1%
4	Avanza Pension	1.4%
5	Nordnet Pension Insurance	1.0%
6	Billings Capital Management, LLC	1.0%
7	BMO Global Asset Management	1.0%
8	Futur Pension	0.9%
9	UBS Global Asset Management	0.8%
10	Fidelity International (FIL)	0.7%
11	Finlandia Rahastoyhtiö Oy	0.7%
12	Crédit Mutuel Asset Management	0.7%
13	Didner & Gerge Funds	0.6%
14	Skandia Funds	0.6%
15	Stena	0.6%
16	BlackRock	0.5%
17	Elizabeth Para	0.5%
18	Life Insurance Skandial	0.5%
19	Knutsson Holdings AB	0.4%
20	Chelverton Asset Management	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 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 eventually only has knowledge of the number of shares registered in the Euroclear share register.

DEFINITONS 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 ex-cluding shareholder and related party loans
Interest Coverage Ratio	Adj. EBITDA divided by net financial items for the past 12 months
Organic 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 stem-ming from closures/divestment of whole businesses.

PARENT COMPANY

MGI with its headquarters in Valetta, Malta, is the parent company of the Group.

FINANCIAL CALENDAR

Year End Report 2021	28.02.2022
Annual Report 2021	29.04.2022
Interim Report Q1 2022	31.05.2022
Annual General Meeting 2022	29.07.2022

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 30 June 2021, and of its financial performance and cash flows for the six months period then ended, and have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as adopted by the European Union and that the Interim Financial Report includes a fair review of the information required in terms of Listing Rules 5.81 to 5.84.

Malta, November 15 , 2021

Board of Directors

Media and Games Invest SE

St. Christopher Street 168
Valetta VLT 1467
Malta

www.mgi-se.com
info@mgi-se.com