Media and Games Invest SE

HALF YEAR REPORT Q2 2023

MGI - MEDIA AND GAMES INVEST GROUP "MGI"

HALF YEAR REPORT Q2 2023

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

"In the second quarter we were able to further increase our market share and improve our market position, driven by AI targeting products like Moments.AI which drove strong results for our advertisers and publishers. Our strong foundation has improved quarter-over-quarter, underscored by the fact that despite macro headwinds we grew year-over-year ad impressions by 13% and our number of Software Clients by 9%. In the light of this, we are navigating the cycle very well. In the second quarter, revenues amounted to EUR 76.2m, representing a positive FX-adjusted organic growth rate of 1% while total revenue adjusted for divestments and FX headwinds increased 3% year-over-year. Reported revenue unadjusted for these events declined by 2%. Year-over-year, our adjusted EBITDA was stable with EUR 21.3m, representing an improved margin of 28% underscoring our strong cost control. While organic growth is positive, it is limited and is expected to also be lower in H2 2023 than earlier expected. Consequently, we remain cautious for the rest of the financial year 2023 and guide on stable year-over-year revenues in the amount of approx. EUR 303m adjusted for divestments in the amount of approximately EUR 9m and FX headwinds in the amount of approximately EUR 12m with a stable adjusted EBITDA of EUR 93m. To mitigate the lower organic growth, in Q3 2023 we initiated an annual EUR 10m cost saving program, enabled by the achieved technical optimizations in the last periods. This will allow us to further increase our robust cashflow and decrease leverage. While we face short-term headwinds resulting from reduced advertising budgets, our mid-term outlook remains positive. Based on historic information, marketing budgets are cut fast in times of uncertainty and economic downturns, but also recover speedily when economic signals become more positive. Based on our improved market position and our unmatched offerings, we have a very strong foundation to grow and profit from the upcoming economic tailwinds which are expected for 2024," commented Remco Westermann, CEO of MGI Group.

HIGHLIGHTS Q2 2023

- **Net Revenues** amounted to 76.2 mEUR (Q2 2022: 78.1 mEUR), a decrease of -2%. Normalizing previous year's revenues to 74.0 mEUR for divestments and FX headwinds in the amount of 4.1mEUR the total growth amounts to 3%, whereof 1% is contributed by FX adjusted organic growth.
- **Adj. EBITDA** amounted to 21.3 mEUR (Q2 2022: 21.1 mEUR), an increase of 1%. EBITDA adjustments are largely made for ESOP and M&A related expenses as well as legal and advisory cost (see table EBITDA adjustments).
- **Adj. EBIT** amounted to 16.6 mEUR (Q2 2022: 16.4 mEUR), an increase of 1%.
- **Adj. Net Result** amounted to 4.0 mEUR (Q2 2022: 6.4 mEUR), a decrease of -38% driven by higher interest expenses.

SELECTED KEY PERFORMANCE INDICATORS, MGI GROUP

In mEUR	Q2 2023	Q2 2022	H1 2023	H1 2022	FY 2022
Net Revenues	**76.2**	**78.1**	**144.9**	**143.9**	**324.4**
Y-o-Y Growth in Revenues	*-2%*	*37%*	*1%*	*32%*	*29%*
EBITDA	**20.0**	**20.0**	**37.4**	**36.9**	**84.8**
EBITDA Margins	*26%*	*26%*	*26%*	*26%*	*26%*
Adj. EBITDA	**21.3**	**21.1**	**40.4**	**38.6**	**93.2**
Adj. EBITDA Margins	*28%*	*27%*	*28%*	*27%*	*29%*
Adj. EBIT	**16.6**	**16.4**	**31.7**	**29.9**	**76.6**
Adj. EBIT Margins	*22%*	*21%*	*22%*	*21%*	*24%*
Adj. Net Result	**4.0**	**6.4**	**7.0**	**12.0**	**21.1**
Adj. Net Result Margins	*5%*	*8%*	*5%*	*8%*	*6%*

HIGHLIGHTS H1 2023

- **Net Revenues** amounted to 144.9 mEUR (H1 2022: 143.9 mEUR), an increase of 1% despite divestments and FX headwinds.
- **Adj. EBITDA** amounted to 40.4 mEUR (H1 2022: 38.6 mEUR), an increase of 4%.
- **EBITDA Adjustments** amounted to 2.9 mEUR and were made largely for one-time costs associated with the relocation of the headquarters to Sweden, M&A advisory expenses, as well as the ESOP program and M&A related expenses (see table EBITDA adjustments).
- **Adj. EBIT** amounted to 31.7 mEUR (H1 2022: 29.9 mEUR), an increase of 6%.
- **Adj. Net Result** amounted to 7.0 mEUR (H1 2022: 12.0 mEUR), a decrease of -42% driven by higher tax and interest expenses.
- **Net Interest-Bearing Debt** as of June 30, 2023 amounted to 307.7 mEUR (December 31, 2022: 273.9 mEUR), mostly driven by negative working capital effects.
- **Leverage Ratio** amounted to 3.2x as of June 30, 2023 (3.7x as of June 30, 2022 and 2.9x as of December 31, 2022) and improved year-over-year due to the free cashflow and increased since end of last year due to mostly seasonality driven working capital effects which are expected to balance out until end of 2023. Target remains mid-term to be within 2-3x leverage.
- **Cash and Cash Equivalents** amounted to 107.6 mEUR as of June 30, 2023, compared to 150.0 mEUR as of December 31, 2022, and decreased H1 2023 primarily due to seasonal working capital effects which are expected to balance out until end of 2023 and bond buybacks. Cash and cash equivalents remain strong, giving the Company a high degree of liquidity going forward.
- **Earnings Per Share (EPS)** amounted to EUR 0.01 undiluted / diluted (H1 2022: EUR 0.04 undiluted / diluted). EPS adjusted for PPA-amortization amounted to EUR 0.04 undiluted / diluted (H1 2022: EUR 0.08 undiluted / diluted).

A WORD FROM REMCO WESTERMANN, CEO

"Dear Shareholders,

Today we provide you with an update on our Company's performance over the past quarter, and more importantly, want to - despite navigating short-term macroeconomic sector headwinds- reiterate our steadfast commitment to our long-term strategy. While there is lower organic revenue growth due to reduced advertiser budgets, it is a strategic time to gain market share and drive innovation.

Short Term Headwinds - Gaining Market Share

In the second quarter we were able to further increase our market share and improve our market position, driven by our AI targeting products like Moments.AI which drove strong results for our advertisers and publishers. Our strong foundation has improved quarter-over-quarter, underscored by the fact that despite macro headwinds we grew year-over-year ad impressions by 13% and our number of Software Clients by 9%. We also improved our market share for In-App advertising. While we already were the leading player on Android, since Q2 2023 we have also been the leading player on IOS in North America as well as in Europe. The growth in market share, media volume and customers continues to provide further proof of our products' appeal and reflects a stronger base to build from in the coming periods.

Despite the strong operational developments, the world around us proves to be more depressed and having more impact on our business than we earlier expected, which results in lower organic growth for MGI. Advertising budgets show negative volume as well as pricing effects due to the macro environment and are expected to remain low for the second half of 2023. Additionally, the stronger than expected EUR vs USD appreciation has impacted our revenues due to 70% of the Company's revenues being generated in North America.

In the light of this, we are navigating the cycle very well. In the second quarter, revenues amounted to EUR 76.2m, representing a positive FX-adjusted organic growth rate of 1% while total revenue (adjusted for divestments and FX headwinds) increased 3% year-over-year. Reported revenue unadjusted for these events declined by 2%. Year-over-year, our adjusted EBITDA was stable with EUR 21.3m, representing an improved margin of 28% underscoring our strong cost control.

The world around us has changed, and as such, we also must adopt our expectations. While we are used to high organic growth levels of 38% in 2021 and 18% in 2022 and an even higher average revenue growth rate of 64% for the period 2018-2022, we see much lower organic growth during 2023. While organic growth is positive, it is limited and is expected to also be lower in H2 2023 than earlier expected. Consequently, we remain cautious for the rest of the financial year 2023 and guide on stable year-over-year revenues in the amount of approx. EUR 303m adjusted for divestments in the amount of approximately EUR 9m and FX headwinds in the amount of approximately EUR 12m with a stable adjusted EBITDA of EUR 93m.

To mitigate the lower organic growth, we initiated in July 2023 an annual EUR 10m cost saving program, enabled by the achieved technical optimizations in the last periods. This will allow us to further increase our robust cashflow and decrease leverage. We expect main effects of these cost reductions from Q4 onwards.

While we face short-term headwinds based on reduced budgets of advertisers, our mid-term outlook remains positive. Based on historic information, marketing budgets are cut fast in times of uncertainty and economic downturns, but also recover speedily when economic signals become more positive. Based on our improved market position and our strong offering, we have a very strong foundation to grow and profit from the upcoming economic tailwinds which are expected for 2024.

Increased Scale and Efficiency – Continues Cost Optimizations

Driving cost efficiency via (i) integrations of acquired companies and (ii) via increased scale based on organic growth, has always been a key part of our strategy.

We are also continuously working on efficiency improvements and cost reductions. At the end of last year, we decided to implement a strategic clean-up of our games portfolio and discontinued several smaller and non-strategic games, which, even though losing revenues, led to a positive effect on our bottom line.

In the past few years we have also been working on deprecating and integrating ad-platforms we acquired. Based on reduced technical complexity and clearer focus on our main growth drivers, but also taking into account current lower speed of growth of advertising, we have decided to reduce our cost by EUR 10m p.a. primarily based on reducing our headcount. We expect main effects of these cost reductions from Q4 onwards.

We will continue to work on becoming even more efficient as this increases our competitive position as well as our profitability and ability to further invest in the future. To give a few other examples, with our geographic team locations, we focus on a good balance between teams in the countries where we generate our revenues and countries with lower labor cost, such as India and the Philippines. Additionally, further infrastructure savings are possible. After tests in the previous 12 months we are now moving substantial volumes from cloud-based to a much more efficient hybrid set-up. Automation and AI are also key in furthering efficiency gains and revenue growth.

Building an Ad-Tech Powerhouse – Investments in AI to Drive Organic Growth

In just four years, through M&A, organic growth and innovation, we have become a global leader in the ad-tech industry. We take immense pride in our positions in mobile in-app, where we are now the leading open internet player in the U.S. as well as Europe for Android and IOS. We are also very proud that we were able to further grow the media volume of our strong position in the CTV market - ad-tech's current strongest growth market - with 34% in Q2 2023.

We understand the intricacies of advertising as publishers and advertisers ourselves, based on our strong roots, and also being a games publisher. This knowledge grants us a unique edge, setting us apart from the competition, and also enabling faster testing cycles, being able to offer unique advertising inventory as well as having access to substantial proprietary opt-in data. Based on our gaming foothold and M&A experience, we have built a vertically integrated multichannel programmatic advertising platform.

Substantial growth opportunities are those where we can make use of disruptions of the advertising environment, such as the deprecation of identifiers and overcoming these changes with AI routines using our strong data footprint. For many years, we have already had a strong focus on this opportunity, by developing AI-driven targeting products such as Moments.AI. In a benchmarking exercise (conducted by TPA Digital) comparing Moments.AI with other leading AI targeting solutions, the results were astounding. Moments.AI outperformed the competition by a factor of 36 when targeting new, contextual media. By adding the roq.ad identity graph to our ad-tech platform, we added additional targeting capabilities for advertisers to the Verve ecosystem. These AI investments will enable further organic growth in the coming periods despite macro headwinds and we see already positive developments in Q3 2023.

Positive Outlook – Mid-Term Further Strong Growth

Our journey thus far has been guided by strategic investments in the future, laying the foundation for where we stand today. We remain steadfast in our belief that investments in cutting-edge AI technology and talented minds are paramount for long term sustainable and profitable growth.

We are committed to our long-term strategy and focus on what is within our control. The rise of our software customers and increased media volumes positions us strategically for the impending resurgence of advertising budgets - a catalyst that will drive in combination with our AI routines our organic growth forward. Rest assured, the fruits of our visionary strategy will materialize in due time."

Remco Westermann

CEO of MGI

FINANCIAL PERFORMANCE

CONSOLIDATED NET REVENUES, EARNINGS AND EXPENSES

THE SECOND QUARTER 2023

- **Net Revenues** amounted to 76.2 mEUR (Q2 2022: 78.1 mEUR), a decrease of -2%. Normalizing previous year's revenues to 74.0 mEUR for divestments and FX headwinds in the amount of 4.1mEUR the total growth amounts to 3%, whereof 1% is contributed by FX adjusted organic growth.
- **Adj. EBITDA** amounted to 21.3 mEUR (Q2 2022: 21.1 mEUR), an increase of 1%.
- **EBITDA Adjustments** amounted to 1.3 mEUR and were made largely for ESOP and M&A related personnel purchase price expenses as well as legal and advisory cost (see table EBITDA adjustments).
- **Adj. EBITDA Margin** improved by one percentage point in the second quarter of 2023 to 28% year-over-year (Q2 2022: 27%).
- **EBITDA** amounted to 20.0 mEUR (Q2 2022: 20.0 mEUR) and therefore remained stable.
- **EBITDA Margin** remained stable in the second quarter of 2023 at 26% (Q2 2022: 26%) year-over-year.
- **Adj. EBIT** amounted to 16.6 mEUR (Q2 2022: 16.4 mEUR), an increase of 1%.
- **Adj. EBIT Margin** amounted to 22% and improved by one percentage point year-over-year (Q2 2022: 21%).
- **EBIT Adjustments** consisted of the EBITDA adjustments mentioned above plus PPA amortization in the amount of 2.5 mEUR.
- **EBIT** increased to 12.8 mEUR (Q2 2022: 12.0 mEUR).
- **Adj. Net Result** amounted to 4.0 mEUR (Q2 2022: 6.4 mEUR), a decrease of -38% driven by higher interest expenses.
- **The Net Result** amounted to 1.5 mEUR (Q2 2022: 3.0 mEUR), a decrease of -50%.
- **Earnings Per Share (EPS)** amounted to EUR 0.01 undiluted / diluted (Q2 2022: EUR 0.02 undiluted/diluted). EPS adjusted for PPA-amortization amounted to EUR 0.02 undiluted / diluted (Q2 2022: EUR 0.04 undiluted / diluted).

THE FIRST HALF OF 2023

- **Net Revenues** amounted to 144.9 mEUR (H1 2022: 143.9 mEUR), an increase of 1% despite divestments and FX headwinds.
- **Adj. EBITDA** amounted to 40.4 mEUR (H1 2022: 38.6 mEUR), an increase of 4% driven primarily by efficiency gains.
- **EBITDA Adjustments** amounted to 2.9 mEUR and were made largely for one-time costs associated with the relocation of the headquarters to Sweden, M&A advisory expenses, as well as the ESOP program and M&A related personnel purchase price expenses (see table EBITDA adjustments).
- **Adj. EBITDA Margin** improved by one percentage point in the first half of 2023 amounting to 28% (H1 2022: 27%).
- **EBITDA** amounted to 37.4 mEUR (H1 2022: 36.9 mEUR), an increase of 1%.
- **EBITDA Margin** remained stable at 26% in H1 2023 year-over-year.
- **Adj. EBIT** amounted to 31.7 mEUR (H1 2022: 29.9 mEUR), an increase of 6%.
- **Adj. EBIT Margin** amounted to 22% (H1 2022: 21%).
- **EBIT Adjustments** consisted of the EBITDA adjustments mentioned above plus PPA amortization in the amount of 4.9 mEUR.
- **EBIT** increased to 23.9 mEUR (H1 2022: 21.7 mEUR).
- **Adj. Net Result** amounted to 7.0 mEUR (H1 2022: 12.0 mEUR), a decrease of -42% driven by higher interest expenses.
- **The Net Result** amounted to 2.1 mEUR (H1 2022: 5.6 mEUR), a decrease of -63%.
- **Earnings Per Share (EPS)** amounted to EUR 0.01 undiluted / diluted (H1 2022: EUR 0.04 undiluted / diluted). EPS adjusted for PPA-amortization amounted to EUR 0.04 undiluted / diluted (H1 2022: EUR 0.08 undiluted / diluted).

EBITDA ADJUSTMENTS

in kEUR	Q1 2023	Q2 2023	H1 2023
EBITDA	**17,426**	**19,985**	**37,411**
Personnel expenses	937	672	1,609
Legal and Advisory costs	692	230	923
Other Expenses / Income	0	409	409
Adj. EBITDA	**19,055**	**21,297**	**40,352**

CASH FLOW AND FINANCIAL POSITION

- **Operating Cash Flow** before changes in working capital amounted to 20.8 mEUR in Q2 2023 (Q2 2022: 18.5 mEUR), an increase of 12%. Operating Cash Flow after changes in working capital amounted to 13.1 mEUR in Q2 2023 (Q2 2022: 21.3 mEUR) a decrease of -39%. The working capital effect in the amount of -7.7 mEUR is primarily driven by increased account receivables while account payables were increased moderately.
- **The Equity Ratio** remains strong and improved to 32% as of June 30, 2023 (December 31, 2022: 31%).
- **Cash and Cash Equivalents** amounted to 107.6 mEUR as of June 30, 2023, compared to 150.0 mEUR as of December 31, 2022, and decreased since end of last year primarily due to the working capital effects as well as bond buybacks. Cash and cash equivalents remain strong, giving the Company a high degree of liquidity going forward.
- **Net Interest-Bearing Debt** as of June 30, 2023, amounted to 307.7 mEUR (December 31, 2022: 273.9 mEUR). The increase is primarily driven by the working capital effects described under the section Cash and Cash Equivalents.
- **Leverage Ratio** amounted to 3.2x as of June 30, 2023 (3.7x as of June 30, 2022 and 2.9x as of December 31, 2022) and improved year-over-year due to the strong free cashflow and increased since end of last year due to working capital effects which are expected to balance out until end of 2023. Target remains to be within 2.0-3.0x leverage mid-term.
- **Interest Coverage Ratio** was 3.0x as of June 30, 2023, compared to 4.0x as of December 31, 2022, and was lower due to an increase in interest payments following increasing 3M Euribor rates.

INTANGIBLE ASSETS, INVESTMENTS AND DEPRECIATION

- **Investments** in the second quarter 2023 into self-developed software via capitalized own work amounted to 6.4 mEUR (Q2 2022: 6.6 mEUR) and included investments in the optimization and further development of the IT platforms and audiences to enable AI driven targeting capabilities on both the demand- and supply-side. It also included investments in sequels and substantial updates to the first-party games content which provides a high amount of in-house gamers data to build target audiences for advertisers. Capitalized Own Work as a percentage of net revenues remained stable (8% in Q2 2023 and in Q2 2022). In addition to the investment in self-developed artificial intelligence software and audiences, MGI invested 3.2 mEUR in Q2 2023 into a cutting-edge artificial intelligence-based identity graph to further optimize its existing AI offering.
- **Depreciation and Amortization** in the second quarter of 2023 decreased slightly to 7.2 mEUR (Q2 2022: 8.1 mEUR) driven by reduced PPA amortization. The Company's intangible assets increased slightly from 791.3 mEUR on December 31, 2022 to 799.5 mEUR on June 30, 2023. The Company's liabilities decreased to 683.8 mEUR on June 30, 2023 compared to 722.9 mEUR on December 31, 2022 as a result of a reduction of trade payables, bond buybacks, paid deferred purchase prices and reduced accruals and provisions for restructuring expenses as well as legal and advisory cost.

BUSINESS UPDATE

VERVE GROUP IS A LEADER IN PROVIDING PREMIUM MOBILE APP SUPPLY

Jounce Media released a benchmarking report that collected supply chain data across more than 1.3 million websites, 720,000 mobile apps, and 36,000 connected TV apps to more deeply understand the ways in which buyers and sellers transact with one another. The report showed that Verve Group is the leader in providing premium mobile app supply, ensuring quality ad experiences at a lower cost.

- Verve Group delivers 79% of premium mobile app supply — more than any other SSP.
- It is the least dependent on sub-premium supply than all omnichannel exchanges.
- Verve Group was found to have direct partnerships with the largest mobile app developers.

Jounce Media also showed how and where Verve Group ranked in quality CTV supply. The report showed how Verve Group's CTV quality is better than the competitive set with identical reach.

Jounce Media is one of ad tech's most authoritative voices in programmatic supply chain management. It is trusted by the world's largest marketers, media companies, and advertising technology platforms to enable high efficiency programmatic trades.

In Pixalate's Mobile Sell-Side Platform Market Share Q2 2023 Report, Verve Group led the entire North American market for both Google and Apple App Stores. This comes on the heels of Pixalate's Mobile Sell-Side Platform Market Share Q1 2023 Report showing Verve Group leading North America with 12% market share for Android apps and EMEA with 13%.

Pixalate's global ad fraud intelligence and marketing compliance platform helps prevent invalid traffic and improve ad inventory quality. Anyone who's anyone in ad tech sees Pixalate's SSP Market Share Reports — they rank programmatic advertising sell-side platforms (SSPs) by estimated market share for key CTV and mobile platforms.

MOMENTS AI 36X MORE EFFECTIVE AT TARGETING NEW, CONTEXTUALLY-RELEVANT MEDIA THAN LEADING ALTERNATIVES

To verify Verve Group's Moments.AI™ contextual ad targeting capability, TPA Digital conducted an independent test comparing it with two leading providers. The test involved a 24-hour campaign targeting fresh sports-related content in the UK and Germany. It measured the proportion of impressions displayed on sports-related URLs and the percentage of impressions delivered on URLs published on the same day.

Using Moments.AI™, TPA Labs discovered an impressive 96% of impressions being effectively delivered on URLs published on the very same day of the campaign. This strongly outperformed the alternative vendor segments, meaning TPA Labs can independently verify Verve Group's initial claims.

Moments.AI™ delivered 85.9% of impressions on sports-related URLs, while only 4.6% and 4.3% of impressions delivered by the two other vendors appeared alongside articles classified as sports content.

When analyzing these metrics together (% of impressions served on sports-related URLs and % of URLs published on the same day), Verve Group outperformed the leading market alternatives by 36x.

VERVE GROUP SHOWS UP BIG IN CANNES

No event signals more about what is happening within the creative, advertising and technology sectors than the collective that is the Cannes Lions Festival of Creativity. Perhaps more than ever, the global advertising community came together riding a wave of anticipation and desire to see how brands, publishers and technology providers were thinking about such topics as sustainability, diversity, equity and inclusion (DEI) and (for what seems like an ongoing topic of conversation) the eventual depreciation of third-party cookies. Verve Group took full advantage of addressing these topics–and a whole lot more.

Verve Group executed the Company's largest integrated marketing program ever executed for one event, driven by thought leadership, sales enablement, thought-provoking and user-driven content and entertainment. The Verve Group team, led by its executive leadership, strategists and business development leads, hosted many current and prospective clients and partners, including:

Verve partnered with Getty Images to accentuate its partnership around Visual Intent to host "The Art of Data Launch Party" that included two panel discussions led by the editor-in-chief and senior technology writer of DIGIDAY to address changing dynamics around the moments that matter to brands and their consumers.

Verve hosted a more casual gathering with MGI's new sustainability measurement partner, Cedara, to give marketers and publishers alike a fresh perspective on why it matters to measure one's carbon footprint. Verve hosted the Association of National Advertisers' Alliance for Inclusive and Multicultural Marketing for a conversation on harnessing DEI's power presented by today's empowered diverse consumers.

And, as a first-of-its-kind launch for Verve Group, Verve created "The Art of Data", a Web-based app (found at https://theartofdata.verve.com) designed to capture the spirit and the feelings of Cannes attendees. A user answers questions about one's feelings, style at the very moment he or she is answering them, using a series of curated images. Those images are then "processed" into a piece of abstract art that one can "name" and placed in a gallery that was featured throughout Cannes.

THE VERVE GROUP PARTNERS WITH ROQAD

In June 2023, The Verve Group Europe engaged Roqad (www.roq.ad), an identity resolution provider, to help Verve to enlarge their addressable audiences in North America, Europe and the United Kingdom, using probabilistic identity graphs and data. The engagement with Roqad adds additional capabilities to Verves ad-tech ecosystem. Companies use identity graphs for improving marketing attribution, audience extension, online ad campaign performance enhancement and customer analytics. Data onboarding allows companies to connect audiences across devices at scale in a GDPR- and CCPA-compliant way.

NEW GAMES STUDIOS PUBLISHING PARTNERSHIPS

In Q2 2023 many new publishers were onboarded, including brands with a global scale that will stimulate Verve Group's strategy of connecting with gaming properties. Among the new publisher brands joining the portfolio of publishers include Erold (a French digital media group company publishing news, videos, and articles about such topics as health and finance), Forza Football (a publisher focused on creating content and community around football), Homa Games (a Paris-based gaming technology lab), MediaNews Group (a leader in North America local newspaper publishing), IdeaSolutions (an Italian-based productivity app provider), El Universal (one of Mexico's oldest media houses, with news focused on the needs of customers in Latin America), LovetoKnow (a popular lifestyle publisher with more than 10 million monthly unique users), Grocery TV (a North American publisher focused on in-store advertising for grocery stores), WeWard (an app that turns one's walking into rewards), FunCraft Games (a San Francisco-based publisher of word games) and Kuaishou – the primary competitor of TikTok.

KINGSISLE START OF PUBLISHING AND MARKETING ACTIVITIES IN EUROPE

After successful migration of the European player accounts from previous partner, KingsIsle was able to start its own publishing and marketing activities in Europe. Already in the first few weeks, the European market was the largest growth market (by percentage) for Wizard 101 and Pirate 101. It is expected that the positive trend will continue in the coming months and with the activation of additional countries for Wizard 101 on STEAM, the user numbers will further increase. The planned support of the Steam Deck makes Wizard 101 one of the first MMOs on this platform and would therefore be playable on the go.

MULTIPLAYER FEATURE FOR EXTREME CAR DRIVING SIMULATION

To increase user activity and in-game time in the game "Extreme Car Driving Simulation", MGI's Mobile Games studio AxesInMotion is working on a multiplayer feature. The new game mode is to be released before the end of this year. This is expected to significantly increase the number of game sessions, which will lead to higher revenues. With the introduction of this social component, friends of existing players are encouraged to download the game as well in order to compete against each other. With the development of the multiplayer component, the technical competence in the team will be increased accordingly, from which further developments will benefit.

CORPORATE EVENTS

PUBLICATION OF ANNUAL REPORT AND SUSTAINABILITY REPORT 2022

On April 28, MGI - Media and Games Invest SE published its Annual Report 2022 including the audited consolidated financial statement for the fiscal year 2022, and the audited Governance Report 2022. Furthermore, the Company publishes its Sustainability Report for the year 2022. Both the Annual Report and the Sustainability Report are available on MGI's website.

PUBLICATION OF BOND PROSPECTUS AND APPLICATION FOR LISTING ON NASDAQ STOCKHOLM

On May 12, 2023 – MGI - Media and Games Invest SE prepared a prospectus which was approved by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) (the "SFSA") and published by the Company. MGI furthermore applied for listing of its 2027 Bonds on the Corporate Bond List on Nasdaq Stockholm (regulated market).

PRASANNA PRASAD APPOINTED CTO OF VERVE GROUP

On June 07, 2023 MGI - Media and Games Invest SE announced the appointment of Prasanna Prasad as Chief Technical Officer (CTO) of its advertising software platform, Verve Group. With nearly 20 years of relevant engineering and technology experience, Prasanna will be responsible for shaping the strategy for Verve Group's portfolio of technology services. Throughout his career, Prasanna has been recognized for his efforts in building large-scale platforms and shaping winning technology-led business strategies. Prior to joining Verve Group, Prasanna served as Chief Technology Officer and Head of Data Sciences at InMobi, where he led a team of over 300 engineers and technologists across North America, the U.K. and India. While at InMobi, he spearheaded the technology strategy for InMobi's Advertising Cloud and platforms, growing the InMobi SSP and DSP into fully fledged business units.

MGI CHANGES LIQUIDITY PROVIDER TO KEPLER CHEUVREUX

On June 14, 2023 MGI – Media and Games Invest SE signed a liquidity provider agreement with Kepler Cheuvreux effective August 1, 2023. In its assignment as liquidity provider, Kepler Cheuvreux will trade in the Company's shares by continuously placing trading orders on the buy- and sell-side in the order book. This is in accordance with Nasdaq First North Growth Market rulebook regarding liquidity providers and means that the liquidity provider quotes the bid and ask price at a volume corresponding to at least SEK 15,000 with a spread of a maximum of 4% between the buy and sell price. The purpose of the liquidity provider is to improve the liquidity of the Company's share and reduce the spread between the bid and ask price during ongoing trading.

ANNUAL GENERAL MEETING

On June 30, 2023 MGI - Media and Games Invest SE held its Annual General Meeting for the year 2022. At the annual general meeting were resolved, among other things, adoption of income statements and balance sheets, re-election of Tobias M. Weitzel, Elizabeth Para, Mary Ann Halford, Remco Westermann, Franca Ruhwedel and Johan Roslund as board members, re-election of Deloitte Sweden AB as auditor as well as an authorization for the board of directors to resolve on issues of shares, warrants and convertibles.

SUSTAINABILITY UPDATE

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

CEDARA ANNOUNCED AS GLOBAL SUSTAINABILITY PARTNER

On June 14, 2023 MGI - Media and Games Invest SE announced that it has partnered with Cedara as its global sustainability partner. Cedara will be supporting MGI to comprehensively measure its emissions. Sustainability has been an important goal for MGI for many years, with MGI achieving carbon neutrality through carbon reductions as well as compensation of emissions. Together with Cedara, MGI and its leadership would like to build on what has been achieved and continue to work on where and how energy output can be reduced.

GUIDANCE FOR FISCAL YEAR 2023

On May 31, 2023 MGI - Media and Games Invest SE published its guidance for the fiscal year 2023.
On August 31, 2023 MGI - Media and Games Invest SE published its updated guidance for the fiscal year 2023.

	FY 2022	Normalized FY2022[1]	Guidance FY 2023	Updated Guidance FY 2023
Revenue (in €m)	**324**	**303**[1]	**335-345**	**At Normalized 2022 levels**[2]
Growth	29%	20%[1]	3-7%	
Adj. EBITDA (in €m)	**93**	**93**	**95-105**	**At 2022 levels**
Growth	31%	31%	2-13%	

Note (1): Normalized revenue performance for divestments and fx (2) Compared to normalized revenue of 2022.

UPDATED GUIDANCE FY2023

The world around us has changed, and as such we also must adopt our expectations. While we are used to high organic growth levels of 38% in 2021 and 18% in 2022 and an even higher average revenue growth rate of 64% for the period of 2018 - 2022 we expect lower organic growth during 2023 and therefore expect revenues1 and adj. EBITDA at 2022 levels. To mitigate the lower organic growth, in Q3 2023 we initiated an annual EUR 10m cost saving program, enabled by the achieved technical optimizations in the last periods. Depending on the overall macroeconomic development, advertising spend might also develop more positively, which provides an upside to the conservative Updated Guidance.

EVENTS AFTER JUNE 30, 2023

IONUT CIOBOTARU TO DEPART COMPANY

On July 12, 2023 MGI - Media and Games Invest SE announced that Ionut Ciobotaru decided to step down as Chief Product Officer (CPO) of MGI and depart the Company. Ionut joined MGI in 2019 with the Company's acquisition of PubNative, which was founded by Ionut in 2014. After the acquisition, Ionut became co-CEO of Verve Group and was appointed CPO of MGI in 2022. After nearly 10 years of intense focus and successful growth, Ionut has decided to step back in order to take time to recharge, after which he plans to reenter the start-up landscape. Ionut's day-to-day responsibilities will be assumed by Sameer, CEO of Verve and CRO of MGI, and Prasanna Prasad, CTO of Verve. The transition in leadership is expected to occur seamlessly, and MGI will maintain its current direction and plans for innovation and growth.

INVITATION TO MGI'S CAPITAL MARKETS DAY 2023

On August 08, 2023 MGI - Media and Games Invest SE invited investors, analysts, and the media to its Capital Markets Day ("CMD") which will take place on Thursday, 31 August 2023 at 10:00 CEST. The aim of the Capital Markets Day is to provide an update on MGI's strategy and a deeper insight into current developments within the programmatic advertising business and MGI's positioning. To this end, there will be presentations from Company representatives as well as presentations from external experts. The results for the second quarter of 2023 will also be presented during the CMD. The Capital Markets Day will be broadcast as a videocast and can be accessed via the following link: https://ir.financialhearings.com/media-and-games-invest-cmd-2023/register. Further information, including the full agenda, will be made available before the event.

CONDENSED CONSOLIDATED STATEMENT OF INCOME, MGI GROUP

in kEUR	Notes	Q2 2023	Q2 2022	H1 2023	H1 2022	FY 2022
Revenues						
Net revenues	9	76,179	78,059	144,933	143,930	324,444
Own work capitalized		6,381	6,609	13,637	13,133	28,928
Other operating income		1,028	6,502	2,385	11,682	23,206
Total Income		**83,588**	**91,170**	**160,955**	**168,744**	**376,578**
Operating Expenses						
Services purchased & other operating expenses	10	-44,585	-53,655	-85,127	-97,039	-215,619
Personnel expenses	11	-19,018	-17,475	-38,418	-34,793	-76,207
Total operating expenses		**-63,603**	**-71,130**	**-123,545**	**-131,833**	**-291,825**
EBITDA		**19,985**	**20,039**	**37,411**	**36,911**	**84,753**
Depreciation and amortization	12	-7,170	-8,069	-13,547	-15,163	-58,135
Thereof: PPA Amortization		-2,454	-3,332	-4,933	-6,459	-41,490
EBIT		**12,815**	**11,971**	**23,863**	**21,749**	**26,618**
Financial result		-12,737	-7,735	-23,197	-14,365	-37,959
EBT		**78**	**4,235**	**667**	**7,384**	**-11,341**
Income Taxes		1,424	-1,204	1,408	-1,810	-9,064
Net Result		**1,502**	**3,031**	**2,075**	**5,573**	**-20,405**
of which attributable to non-controlling interest		-242	-17	-494	-14	-88
of which attributable to shareholders of the parent company		**1,744**	**3,048**	**2,569**	**5,587**	**-20,317**
Add-back of PPA-Amortization		2,454	3,332	4,933	6,459	41,490
Adj. Net Result		**3,956**	**6,364**	**7,008**	**12,033**	**21,085**
Earnings per share						
Undiluted		**0.01**	**0.02**	**0.01**	**0.04**	**-0.13**
Diluted		**0.01**	**0.02**	**0.01**	**0.04**	**-0.13**
Undiluted (adjusted)		**0.02**	**0.04**	**0.04**	**0.08**	**0.13**
Diluted (adjusted)		**0.02**	**0.04**	**0.04**	**0.08**	**0.12**
Average number of shares						
Undiluted		**159,249**	**156,410**	**159,249**	**153,064**	**156,182**
Diluted		**177,449**	**156,410**	**177,449**	**153,064**	**174,382**

Note: numbers may not add up due to rounding

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, MGI GROUP

in kEUR	Q2 2023	Q2 2022	H1 2023	H1 2022	FY 2022
Consolidated profit / loss	**1,502**	**3,031**	**2,075**	**5,573**	**-20,405**
Items that will be reclassified subsequently to profit and loss under certain conditions:					
Exchange differences on translating foreign operations	1,006	20,898	-6,255	25,798	11,191
Gain / Loss of financial assets	0	-3,853	-132	-13,447	-6,392
Gain / Loss of hedging instruments	2,651	0	893	0	545
Other comprehensive income, net of income tax	**3,657**	**17,045**	**-5,494**	**12,302**	**5,345**
Total comprehensive income	**5,159**	**20,076**	**-3,419**	**17,924**	**-15,061**
Attributable to:					
Owners of the Company	**5,401**	**20,093**	**-2,925**	**17,938**	**-14,972**
Non-controlling interests	**-242**	**-17**	**-494**	**-14**	**-88**

Note: numbers may not add up due to rounding

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION, MGI GROUP

in kEUR	Notes	30 Jun 23	31 Dec 22
Intangible assets	4, 5	799,452	791,284
Property, plant and equipment		5,008	5,522
Financial assets and other assets		12,530	26,831
Long-term assets		**816,990**	**823,637**
Trade and other receivables		78,392	71,030
Cash and cash equivalents		107,591	149,992
Short-term assets		**185,984**	**221,022**
Total assets		**1,002,974**	**1,044,659**
Equity attributable to shareholders of the parent company	8	320,794	322,956
Non-controlling interest		-1,600	-1,211
Total equity		**319,194**	**321,745**
Long-term liabilities	6	**497,422**	**503,443**
Short-term liabilities	7	**186,358**	**219,471**
Total liabilities and equity		**1,002,974**	**1,044,659**

Note: numbers may not add up due to rounding

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, MGI GROUP

	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 Jan 2022	**149,680**	**149,680**	**84,571**	**53,141**	**21,678**	**-1,637**	**307,434**	**59**	**307,492**
Consolidated profit					-20,317		-20,317	-88	-20,405
Other comprehensive income						5,345	5,345		5,345
Total comprehensive income					**-20,317**	**5,345**	**-14,972**	**-88**	**-15,061**
Capital increases	9,569	9,569	18,947				28,516		28,516
Addition of non-controlling interests due to acquisition of projects							0	-1,182	-1,182
Other Equity reserves regarding IFRS 2				1,978			1,978		1,978
Balance at 31 December 2022	**159,249**	**159,249**	**103,518**	**55,119**	**1,362**	**3,708**	**322,956**	**-1,211**	**321,745**
Balance at 1 Jan 2023	**159,249**	**159,249**	**103,518**	**55,119**	**1,362**	**3,708**	**322,956**	**-1,211**	**321,745**
Consolidated profit					2,569		2,569	-494	2,075
Other comprehensive income						-5,494	-5,494	8	-5,486
Total comprehensive income					**2,569**	**-5,494**	**-2,925**	**-486**	**-3,411**
Capital increases							0		0
Acquisition of subsidiaries							0	97	97
Other Equity reserves regarding IFRS 2				759			759		759
Other Reserves from Hedging Instruments							0		0
Other Equity reserves						4	4		4
Balance at 30 Jun 2023	**159,249**	**159,249**	**103,518**	**55,879**	**3,930**	**-1,782**	**320,794**	**-1,600**	**319,194**

Note: numbers may not add up due to rounding.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT, MGI GROUP

in kEUR	Notes	Q2 2023	Q2 2022	H1 2023	H1 2022	FY 2022
Cash flow from operating activities (before change in WC)		**20,771**	**18,532**	**38,493**	**34,308**	**78,936**
Change in working capital		*-7,655*	*2,815*	*-34,041*	*3,336*	*55,284*
Cash flow from operating activities		**13,116**	**21,347**	**4,452**	**37,644**	**134,220**
Cash flow from investing activities		**-24,036**	**-116,574**	**-15,743**	**-149,433**	**-176,672**
Cash flow from financing activities		**-11,497**	**92,988**	**-31,110**	**57,030**	**12,288**
Cash flow for the period		**-22,417**	**-2,239**	**-42,401**	**-54,759**	**-30,164**
Cash and cash equivalents at the beginning of the period		130,008	127,635	149,992	180,156	180,156
Cash and cash equivalents at the end of the period		**107,591**	**125,397**	**107,591**	**125,397**	**149,992**

Note: numbers may not add up due to rounding.

STATEMENT OF INCOME, PARENT ENTITY

in kEUR	Notes	Q2 2023	Q2 2022	H1 2023	H2 2022	FY 2022
Revenues						
Net revenues		126	253	206	253	253
Other operating income		60	9	167	9	1,324
Total Income		**186**	**262**	**373**	**262**	**1,577**
Operating Expenses						
Services purchased & other operating expenses		-5,790	-5,825	-7,178	-7,073	-14,784
Personnel expenses		-480	-354	-955	-892	-3,125
Total operating expenses		**-6,270**	**-6,179**	**-8,133**	**-7,965**	**-17,909**
EBITDA		**-6,084**	**-5,917**	**-7,761**	**-7,703**	**-16,332**
Depreciation and amortization		0	0	0	0	0
EBIT		**-6,084**	**-5,917**	**-7,761**	**-7,703**	**-16,332**
Financial result		-5,978	-1,148	-9,853	-2,819	-7,910
EBT		**-12,062**	**-7,065**	**-17,613**	**-10,522**	**-24,242**
Income Taxes		0	0	0	0	0
Net Result		**-12,062**	**-7,065**	**-17,613**	**-10,522**	**-24,242**

Note: numbers may not add up due to rounding.

STATEMENT OF FINANCIAL POSITION, PARENT ENTITY

in kEUR	Note	30 Jun 23	31 Dec 22
Intangible assets		0	0
Property, plant and equipment		0	0
Financial assets and other assets		308,860	314,925
Long-term assets		**308,860**	**314,925**
Trade and other receivables		256,658	296,763
Cash and cash equivalents		31,290	12,147
Short-term assets		**287,947**	**308,909**
Total assets		**596,808**	**623,834**
Equity attributable to shareholders of the parent company		210,336	227,323
Non-controlling interest		0	0
Total equity		**210,336**	**227,323**
Long-term liabilities		**382,482**	**390,958**
Short-term liabilities		**3,989**	**5,554**
Total liabilities and equity		**596,808**	**623,834**

Note: numbers may not add up due to rounding.

SELECTED EXPLANATORY NOTES

NOTE 1 BASIS OF PREPARATION

The interim financial information for the Group for the three-month period ended June 30, 2023 has been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB) and the Swedish Annual Accounts Act, and for the parent company in accordance with the Swedish Annual Accounts Act and RFR 2 Reporting for legal entities and other statements issued by the Swedish Financial Reporting Board. In all respects other than those described below, the Company has presented the financial statements for the period ended June 30, 2023 in accordance with the accounting policies and principles applied in the Annual and Sustainability Report 2022. The description of these principles and definitions are found in Note 1 in the Annual and Sustainability Report 2022. Disclosures as required by IAS 34 p. 16 A are presented both in the financial statements and notes as well as in other parts of the interim report.

The new and amended IFRSs applicable from January 1, 2023 have no effects to the Company's financial reports for the six-month period ended June 30, 2023.

The consolidation scope of the unaudited condensed consolidated financial statements as of June 30, 2023 changed compared to the audited consolidated financial statements as of December 31, 2022, for the following transactions and entities:

- **Q1 2023:** Acquisition of Smaato India Private Limited
- **Q1 2023:** Deconsolidation of Media Elementa Digital Espana S.L.U.

NOTE 2 ACQUISITIONS OF BUSINESSES

Smaato India Private Limited

For further information please refer to the Interim Report Q1 2023.

NOTE 3 SEGMENT INFORMATION

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

Under IFRS 8, on the basis of the internal reporting, operating segments are to be defined across group divisions that are subject to a regular review by the Chief Operating Decision Maker of the Company with respect to decisions on the allocation of resources to these segments and the assessment of segment performance. Information reported to the Chief Operating Decision Maker for the purposes of resource allocation and assessment of segment performance is focused on the two segments of Demand Side Platform (DSP) and Supply Side Platform (SSP). Following the transformation from a games company towards an Advertising Software Platform with strong access to first-party data from own games the segment reporting has been changed since January 1, 2022 to reflect the new structure of the Company. The Demand Side Platforms are recognized within the DSP Segment while the Supply Side Platforms as well as the own games content which is integrated into the Supply Side Platforms create since January 1, 2022 the SSP Segment.

<u>Description of the advertising value chain and segment reporting</u>

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

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

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

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

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

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

DSP Segment

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

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

The foundations of MGI's DSP segment were built via acquiring Demand Side Platforms including Platform161, VGI CTV (formerly known as LKQD), Match2One and Adspree Media.

SSP Segment

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

Our clients on the supply-side are primarily publishers and app developers that allow us to directly integrate with their apps resp. content, maximizing automation and sales efficiency of ad inventory. In addition, the SSP Segment also includes the own games studios which provide first-party data and in-game advertising spaces and enable faster testing cycles of new services. A smaller portion of the revenues in this segment is generated directly with consumers from in-game item sales and game subscriptions. The Supply Side Platform generates revenue through services where MGI buys ad inventory at own risk and sells it to advertisers as well as charging usage-based platform fees of a publisher's total supply volume.

The foundations of MGI's SSP segment were built via amongst others the acquired Supply Side Platforms including Smaato and Pubnative as well as the Games Companies like KingsIsle, WildTangent and TrionWorlds.

b) Segment revenues and segment results

I. Q2 2023

in kEUR	DSP Apr-Jun 23	SSP Apr-Jun 23	CONSOLIDATED Apr-Jun 23
Revenues	**7,884**	**68,296**	**76,179**
EBITDA	**1,825**	**18,160**	**19,985**
Depreciation and amortization			-7,170
Financing income			430
Financing expenses			-13,167
Earnings before taxes (EBT)			**78**
Income taxes			1,424
Net result			**1,502**

in kEUR	DSP Apr-Jun 22	SSP Apr-Jun 22	CONSOLIDATED Apr-Jun 22
Revenues	**7,703**	**70,356**	**78,059**
EBITDA	**631**	**19,408**	**20,039**
Depreciation and amortization			-8,069
Financing income			22
Financing expenses			-7,757
Earnings before taxes (EBT)			**4,235**
Income taxes			-1,204
Net result			**3,031**

II. Q1-Q2 2023

in kEUR	DSP Jan-Jun 23	SSP Jan-Jun 23	CONSOLIDATED Jan-Jun 23
Revenues	**14,097**	**130,837**	**144,933**
EBITDA	**2,411**	**35,000**	**37,411**
Depreciation and amortization			-13,547
Financing income			796
Financing expenses			-23,993
Earnings before taxes (EBT)			**667**
Income taxes			1,408
Net result			**2,075**

in kEUR	DSP Jan-Jun 22	SSP Jan-Jun 22	CONSOLIDATED Jan-Jun 22
Revenues	**12,307**	**131,623**	**14,930**
EBITDA	**744**	**36,167**	**36,911**
Depreciation and amortization			-15,163
Financing income			84
Financing expenses			-14,449
Earnings before taxes (EBT)			**7,384**
Income taxes			-1,810
Net result			**5,573**

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

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

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

c) Segment assets

in kEUR	**30 Jun 2023**	**31 Dec 2022**
DSP	87,178	85,912
SSP	915,795	958,747
Total	1,002,974	1,044,659

For the purpose of monitoring segment performance and allocating resources to segments, the Company's Chief Operating Decision Maker monitors the tangible, intangible and financial assets attributable to the individual segments. All assets including goodwill are allocated to the reportable segments.

NOTE 4 INTANGIBLE ASSETS INCLUDING ACQUISITIONS

The change in Goodwill in H1 2023 is related to the translation of goodwill in foreign currencies, mainly USD. Other Intangible Assets included acquired intangible assets from business combinations, self-developed intangible assets, IPs, licenses and advanced payments on licenses due to acquisitions and the in-house development of the games and ad-tech platforms.

in kEUR	**30 Jun 2023**	**31 Dec 2022**
Goodwill	583,906	587,739
Other Intangibles	215,546	203,545

NOTE 5 DISPOSALS

There were no material sales or disposals in Q2 2023.

NOTE 6 LONG-TERM LIABILITIES

As of June 30, 2023, the long-term liabilities of MGI decreased by kEUR -6,021 to kEUR 497,422 (December 31, 2022: kEUR 503,443) driven primarily by the repurchase and acquisition of MGI's bonds into its inventory.

NOTE 7 SHORT-TERM LIABILITIES

The short-term liabilities of MGI decreased by kEUR -33,113 on June 30, 2023 to kEUR 186,358 compared to kEUR 219,471 on December 31, 2022, mainly affected by reduced account payables, the payment of the deferred purchase price for the acquisition of AxesInMotion S.L., as well as a reduction of legal and restructuring provisions.

NOTE 8 SHAREHOLDERS' EQUITY

As of June 30, 2023, the total shareholders' equity decreased slightly to kEUR 319,194 (December 31, 2022: kEUR 321,745) driven primarily by FX-related depreciation through OCI. The subscribed capital of MGI remained unchanged at kEUR 159,249 by June 30, 2023 (December 31, 2022: kEUR 159,249).

No dividends were paid in Q2 2023.

NOTE 9 NET REVENUES

MGI achieved in Q2 2023 a net revenue of kEUR 76,179 (Q2 2022: kEUR 78,059). The decrease of kEUR 1,880 was driven by FX headwinds as well as by the divestments while Organic Revenue Growth was positive with 1%.

NOTE 10 SERVICES PURCHASED & OTHER OPERATING EXPENSES

For Q2 2023, MGI disclosed services purchased and other operating expenses of kEUR 44,585 (Q2 2022: kEUR 53,655). The decrease of kEUR 9,070 is driven by reduced tech cost in the amount of kEUR 3,479, reduced media buying cost including FX tailwinds in the amount of kEUR 2,140 and reduced other operating expenses in the amount of kEUR 2,375 as a result of reduced legal and advisory cost provisions.

NOTE 11 PERSONNEL EXPENSES

In Q2 2023, the personnel expenses increased by kEUR 1,543 to kEUR 19,018 (Q2 2022: kEUR 17,475). This increase is largely driven by the acquired employees of AxesInMotion S.L. and Dataseat Ltd. which have not been part of the Company for the full period in the previous year.

NOTE 12 DEPRECIATION, AMORTIZATION AND WRITE-DOWNS

Depreciation, amortization and write-downs amounted in Q2 2023 to kEUR 7,170 (Q2 2022: kEUR 8,069). The decrease is mainly due to a reduction in PPA amortization from the divestment in the games portfolio made in Q4 2022.

NOTE 13 RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated during consolidation and are not explained in these notes. Details of transactions between the Company and other related parties are given below. In addition to the Management Board, family members close to the Board, and in principle, investments and the shareholders can all be considered relationships to associated companies and persons under IAS 24 Related Party Disclosures.

Tobias M. Weitzel is a member of the six-member Board of Directors of the Company since May 31, 2018 and Chairman since September 15, 2022. He holds 500,000 phantom stock and 1,209,228 shares in the Company, as of June 30, 2023.

Remco Westermann is a member of the Board of Directors since May 31, 2018 and CEO of the Company and personally holds 90% of the shares and 100% of the voting rights in Sarasvati GmbH, which in turn holds 100% of the shares and voting rights in Bodhivas GmbH, which in turn holds 26.9% of the shares and voting rights in MGI, as of Jun 30, 2023, as well as kEUR 1,200 bonds with ISIN SE0018042277. In H1 2023 Bodhivas GmbH rolled-over kEUR 1,000 Senior Secured Bonds of MGI (ISIN: SE0015194527) maturing in 2024 into the new Senior Secured Bonds of MGI (ISIN: SE0019892241) maturing in 2027. Remco Westermann is the Managing Director of Bodhivas GmbH, Sarasvati GmbH, Garudasana GmbH, Bodhisattva GmbH, Jarimovas GmbH, and Kittelbach RW Immobilien UG, Düsseldorf. Additionally, Jaap Westermann holds 10% of the shares in Sarasvati GmbH. Hendrika Westermann is the wife of Remco Westermann, Jaap Westermann is the brother of Remco Westermann, Hendrika, Jaap and Remco Westermann are directors of Jarimovas GmbH, Düsseldorf.

Elizabeth Para is a member of the Board of Directors of the Company since January 31, 2020. She holds 500,000 phantom stock and 1,505,716 shares in the Company as of Jun 30, 2023.

Franca Ruhwedel is a member of the Board of Directors of the Company since September 15, 2022. She holds 4,625 shares in the Company, as of Jun 30, 2023.

Johan Roslund is a member of the Board of Directors of the Company since September 15, 2022. He holds 4,900 shares in the Company, as of June 30, 2023.

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

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

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

During the reporting period Ionut Ciobotaru was CPO of MGI but left the Company in July 2023. He is Managing Director of Ionut UG and Good Deals Ventures SRL. In H1 2023 Ionut UG received kEUR 1,150 in earn-out payments from the disposal of PubNative in 2020. kEUR 500 of the proceeds were used to buy Senior Secured Bonds of MGI (ISIN: SE0019892241) maturing in 2027.

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

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

NOTE 14 OTHER DISCLOSURES

There are no new significant litigations or claims in Q2 2023.

NOTE 15 SHAREHOLDERS[1, 2,3]

1	Bodhivas GmbH	26.9%
2	Oaktree Capital Management LLP	17.7%
3	Sterling Strategic Value Fund	3.9%
4	Case Kapitalförvaltning	2.1%
5	Trend Finanzanalysen GmbH	1.6%
6	PAETA Holdings Limited	1.4%
7	Nordnet Pensionsförsäkring	1.4%
8	Billings Capital Management LLC	1.0%
9	Avanza Pension	1.0%
10	Elizabeth Para	0.9%
11	Tobias Weitzel	0.8%
12	Didner & Gerge Fonder	0.6%
13	Stena	0.6%
14	Tim Schmiel	0.3%
15	T.E.L.L. Verwaltung GmbH	0.3%
16	Dory Gevryie	0.3%
17	Inbox Capital AB	0.2%
18	Crystal Asset Management AG	0.2%
19	LOYS AG	0.2%
20	Ionut Ciobotaru	0.2%

Note (1) Source: Monitor by Modular Finance AB. Compiled and processed data from various sources, including Euroclear as of June 30, 2023.

Note (2): The group of shareholders (acting in concert) hold 8.2% as of June 30, 2023 and consists of: Trend Finanzanalysen GmbH, Smile Autovermietung GmbH, T.E.L.L. Verwaltungs GmbH and the representative Anthony Gordon, as well as other private shareholders.

DEFINITONS OF KEY PERFORMANCE INDICATORS

Net Result	Total income minus operating expenses, depreciation and amortization, financial result, and taxes
Adj. Net Result	Net Income excluding PPA amortization
EBIT	Earnings before interest and taxes
EBIT margin	EBIT as a percentage of net revenues
Adjusted EBIT	EBIT excluding one-time costs and PPA amortization
Adjusted EBIT margin	Adjusted EBIT as a percentage of net revenues
EBITDA	Earnings before interest, taxes, depreciation and amortization
EBITDA margin	EBITDA as a percentage of net revenues
Adjusted EBITDA	EBITDA excluding one-time costs
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of net revenues
Equity ratio	Equity as a percentage of total assets
Growth in revenues	Net sales for the current period divided by net sales for the corresponding period of the previous year
Leverage Ratio	Net Interest Bearing Debt divided by adj. EBITDA for the past 12 months excluding shareholder and related party loans
Interest Coverage Ratio	Adj. EBITDA divided by net cash financial items for the past 12 months
Organic Revenue Growth	Organic Revenue Growth does include growth calculated on a year-over-year basis from companies being within the Company for twelve months or more. What is excluded is the revenue growth from acquisitions that have not been part of the Company in the last twelve month, and the decline from sales stemming from closures/divestment of businesses.
Software Clients	Software clients with annual gross revenues exceeding 100k USD

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

FINANCIAL CALENDAR

Capital Markets Day 2023	31.08.2023
Interim Report Q3 2023	30.11.2023
Year End Report Q4 2023	29.02.2024

AUDITOR REVIEW
This report has not been subject to review by the Company's auditor.

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 of 30 June 2023, and of its financial performance and cash flows for the year then ended and have been prepared in accordance with IFRS as adopted by the European Union.

Stockholm, August 31, 2023

Approved: Board of Directors

Tobias M. Weitzel
Chairman

Elizabeth Para
Director

Franca Ruhwedel
Director

Mary Ann Halford
Director

Johan Roslund
Director

Remco Westermann
Director

[This interim report Q2 2023 is information that MGI – Media and Games Invest SE (publ) is obliged to make public pursuant to the EU Market Abuse Regulation.] The information was submitted for publication, through the agency of the contact persons set out below, at 08:00 am CET on Thursday, 31, August, 2023.

MGI - Media and Games Invest SE

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