



**Media and Games
Invest SE**

INTERIM REPORT Q1 2023

MGI - MEDIA AND GAMES INVEST GROUP "MGI"



INTERIM REPORT Q1 2023

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

“I am pleased to report that in the first quarter 2023 we were able to further grow our company despite the overall continuing soft global advertising market. Despite persistent tough market conditions, we achieved a year-over-year revenue growth of 4% driven by 8% year-over-year growth from our programmatic advertising activities which were partly offset by a decline in games revenues of 6% year-over-year following the divestment of smaller and non-strategic games in Q4 2022. The fx adjusted organic growth amounted to 1%. Based on revenue growth in combination with our focus on cost optimization, our adjusted EBITDA increased to 19.1 million euros and our adjusted EBIT increased to 15.2 million euros, resulting in adjusted EBITDA and adjusted EBIT margins of 28% and 22%, respectively. Our results reflect a very solid financial performance, especially when we consider that Q1 2022 is most likely the toughest period to compare against in 2022, given that this quarter was still unaffected by games divestment as well as delays and declines in advertising budgets.” says Remco Westermann, CEO of MGI Group.

HIGHLIGHTS Q1 2023

- **Net Revenues** amounted to 68.8 mEUR (Q1 2022: 65.9 mEUR), an increase of 4% compared to Q1 2022. Of note, 1 percentage point was contributed by FX adjusted organic revenue growth.
- **Adj. EBITDA** amounted to 19.1 mEUR (Q1 2022: 17.6 mEUR), an increase of 9%.
- **Adj. EBIT** amounted to 15.2 mEUR (Q1 2022: 13.6 mEUR), an increase of 12%.
- **Adj. Net Result** amounted to 3.1 mEUR (Q1 2022: 5.7 mEUR), a decrease of -46%, driven by higher interest expenses.
- **Net Interest-Bearing Debt** as of March 31, 2023 amounted to 288.3 mEUR (December 31, 2022: 273.9 mEUR).
- **Leverage Ratio** amounted to 3.0x as of March 31, 2023 (2.9x as of December 31, 2022) and remained stable.
- **Cash and Cash Equivalents** amounted to 130.0 mEUR (December 31, 2022: 150.0 mEUR) and remained strong despite seasonal cash outflows for working capital.
- **Earnings Per Share (EPS)** amounted to EUR 0.00 undiluted / diluted (Q1 2022: EUR 0.02 undiluted / diluted). EPS adjusted for PPA-amortization amounted to EUR 0.02 undiluted / diluted (Q1 2022: EUR 0.04 undiluted / diluted).

SELECTED KEY PERFORMANCE INDICATORS, MGI GROUP

In mEUR	Q1 2023	Q1 2022	FY 2022
Net Revenues	68.8	65.9	324.4
Y-o-Y Growth in Revenues	4%	27%	29%
EBITDA	17.4	16.9	84.8
EBITDA Margins	25%	26%	26%
Adj. EBITDA	19.1	17.6	93.2
Adj. EBITDA Margins	28%	27%	29%
Adj. EBIT	15.2	13.6	76.6
Adj. EBIT Margins	22%	21%	24%
Adj. Net Result	3.1	5.7	21.1
Adj. Net Result Margins	4%	9%	6%



A WORD FROM REMCO WESTERMANN, CEO

"Dear Shareholders,

I am pleased to report that in the first quarter 2023 we were able to further grow our company despite the overall continuing soft global advertising market. Despite persistent tough market conditions, we achieved a year-over-year revenue growth of 4%, driven by 8% year-over-year growth from our programmatic advertising activities which were partly offset by a decline in games revenues of 6% year-over-year following the divestment of smaller and non-strategic games in Q4 2022. The fx adjusted organic growth for the group amounted to 1%.

Based on revenue growth in combination with our focus on cost optimization, our adjusted EBITDA increased to 19.1 million euros and our adjusted EBIT increased to 15.2 million euros, resulting in adjusted EBITDA and adjusted EBIT margins of 28% and 22%, respectively. Our results reflect a very solid financial performance, especially when we consider that Q1 2022 is most likely the toughest period to compare against in 2022, given that this quarter was still unaffected by the games divestments as well as by delays and declines in advertising budgets.

Our ability to anticipate and adapt to changes in the advertising landscape has shown positive results and has proven to be a major success factor for us. We are proud to be at the forefront of new developments in the industry with our early investments in AI-driven targeting, amongst others, for solutions that do not rely on identifiers. Our AI, in combination with our focus on contextual advertising, has already proven to be a key differentiator, and we are continuing to develop new solutions that prioritize user privacy while delivering strong results for our advertisers and publishers.

Targeting Products such as Moments AI, Datasat, Visual Intent and ATOM are innovative, privacy-compliant user targeting solutions that leverage the power of AI to identify and reach the most relevant audiences for our clients. By analyzing large sets of data and identifying patterns, our AI is able to deliver personalized ads to users without relying on personal identifiers, ensuring a privacy-first approach including full compliance with the latest privacy regulations.

We believe that our contextual solutions will further drive the growth of our business and position us as a leader in this field. A key competitive advantage is our owned and operated games portfolio, which provides us with valuable first-party data to feed and train our AI. In addition to these innovative product launches and expansions we were also able to further optimize our efficiency by consolidating our platforms from various acquisitions.

In an environment with high interest rates, we are working on further reducing our leverage without jeopardizing our focus on growth. Our strong performance enabled us also to issue a new bond which matures in 2027 and allowed us to prematurely buy back most of the 2024 bonds ahead of their maturity in November 2024. Subsequently, we continued to buy back further bonds over the market. This, in combination with our interest rate hedges, has allowed us to mitigate the impact of rising interest rates.

Recently, we have, understandably, been asked a lot of questions about our share price. As CEO of the Company, I normally don't like to write about the share price, but as the largest investor in this Company, I am of course not happy about the current share price. Our share price development is essentially in line with the share price development of our peers and has recently (and for the time being) been strongly driven by macroeconomic influences, which mainly affect technology stocks and companies with leverage. However, despite this difficult market environment, MGI was able to deliver strong operational performance while, and this is remarkable, the Company was undergoing a fundamental transformation. Today, we are positioned stronger than ever, with the most advanced technologies and a strong and ambitious team, driven by the goal of providing our customers with the best products and services in the market. I am convinced that we are still at the beginning of MGI's journey and that, in the mid- and long-term, the share price will always follow the operational development of the Company.

Looking forward, we remain committed to continuing to deliver strong financial results, maintaining a disciplined approach to capital allocation and creating long-term value for our shareholders.

While the advertising market is still experiencing lower volumes and lower prices in line with the overall economy, we are optimistic about gaining further market share in this challenging environment, while thereafter profiting from tailwinds of increasing volumes and prices in the mid- and long-term.

We thank you for your continued support and look forward to updating you on our progress in the coming quarters."

Remco Westermann

CEO of MGI



FINANCIAL PERFORMANCE

CONSOLIDATED NET REVENUES, EARNINGS AND EXPENSES

THE FIRST QUARTER 2023

- **Net Revenues** amounted to 68.8 mEUR (Q1 2022: 65.9 mEUR), an increase of 4% compared to Q1 2022. Of note, 1 percentage point was contributed by FX adjusted organic revenue growth mostly driven by new software clients and offset by games divestments.
- **Adj. EBITDA** amounted to 19.1 mEUR (Q1 2022: 17.6 mEUR), an increase of 9%. Adj. EBITDA was driven by increased Net Revenues as well as by efficiency gains.
- **EBITDA Adjustments** amounted to 1.6 mEUR and were made largely for one-time costs associated with the relocation of the headquarters to Sweden, M&A expenses, as well as the ESOP program.
- **Adj. EBITDA Margin** increased in the first quarter of 2023 to 28% (Q1 2022: 27%).
- **EBITDA** amounted to 17.4 mEUR (Q1 2022: 16.9 mEUR), an increase of 3%.
- **EBITDA Margin** decreased from 25% in Q1 2022 to 26% year-over-year.
- **Adj. EBIT** amounted to 15.2 mEUR (Q1 2022: 13.6 mEUR), an increase of 12%.
- **Adj. EBIT Margin** amounted to 22% (Q1 2022: 21%).
- **EBIT Adjustments** consisted of the EBITDA adjustments mentioned above plus PPA amortization in the amount of 4.1 mEUR.
- **EBIT** increased to 11.0 mEUR (Q1 2022: 9.8 mEUR).
- **Adj. Net Result** amounted to 3.1 mEUR (Q1 2022: 5.7 mEUR), a decrease of -46% driven by higher interest expenses.
- **The Net Result** amounted to 0.6 mEUR (Q1 2022: 2.5 mEUR), a decrease of -77%.
- **Earnings Per Share (EPS)** amounted to EUR 0.00 undiluted / diluted (Q1 2022: EUR 0.02 undiluted/diluted). EPS adjusted for PPA-amortization amounted to EUR 0.02 undiluted / diluted (Q1 2022: EUR 0.04 undiluted / diluted).

CASH FLOW AND FINANCIAL POSITION

- **Operating Cash Flow** before changes in working capital amounted to 17.7 mEUR in Q1 2023 (Q1 2022: 15.8 mEUR), an increase of 12%. Operating Cash Flow after changes in working capital amounted to -8.7 mEUR in Q1 2023 (Q1 2022: 16.3 mEUR) a decrease of -153%. The working capital effect in the amount of -26.4 mEUR is primarily driven by a reduced use of the securitization program compared to the previous quarter as well as seasonal working capital swings where Verve paid publishers following a seasonal strong fourth quarter. Additionally, it was affected by one-time payments of accrued restructuring expenses following the streamlining of the games division with several layoffs and games closures in Q4 2022.
- **The Equity Ratio** remains strong and unchanged at 31% as of March 31, 2023 (December 31, 2022: 31%).
- **Cash and Cash Equivalents** amounted to 130.0 mEUR as of March 31, 2023, compared to 150.0 mEUR as of December 31, 2022, and decreased quarter-over-quarter due to the working capital effects. Cash and cash equivalents, however, remain strong, giving the Company a high degree of liquidity going forward.
- **Net Interest-Bearing Debt** as of March 31, 2023, amounted to 288.3 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 3.0x as of March 31, 2023 (2.9x as of December 31, 2022) and remained stable.
- **Interest Coverage Ratio** was 3.5x as of March 31, 2023, compared to 4.0x as of December 31, 2022, and was lower due to an increase in interest payments following several bond issues and the increased 3M Euribor rates.



INTANGIBLE ASSETS, INVESTMENTS AND DEPRECIATION

- **Capitalized Own Work** in the first quarter 2023 amounted to 7.3 mEUR (Q1 2022: 6.5 mEUR) and included investments in the optimization and further development of the IT platforms on both the demand- and supply-side. It also included investments in sequels and substantial updates to the first-party games content. Capitalized Own Work as a percentage of net revenues increased slightly (10.6% in Q1 2023 vs 9.9% in Q1 2022).
- **Depreciation and Amortization** in the first quarter of 2023 decreased slightly to 6.4 mEUR (Q1 2022: 7.1 mEUR) driven by reduced PPA amortization. The Company's intangible assets decreased slightly from 791.3 mEUR on December 31, 2022 to 790.8 mEUR on March 31, 2023, driven by regular depreciation of intangibles. The Company's liabilities decreased to 682.3 mEUR on March 31, 2023 compared to 722.9 mEUR on December 31, 2022 as a result of a reduction of working capital as well as bond buybacks.



BUSINESS UPDATE

WITH 'IDENTITY: DECODED', VERVE GROUP LAUNCHES ITS LONG-FORM CONTENT STRATEGY THAT PLACES MORE RESPONSIBILITY ON THOUGHT LEADERSHIP, EDUCATION, AND INSIGHTS

'Identity: Decoded' is a first-of-its-kind guide dedicated to navigating complex discussions around identity. Verve Group sees the imperative for brands and publishers alike to craft an identity management strategy. This in-depth eBook is made for publishers and advertisers for both sides to find actionable ideas and insights. Lending their expertise to 'Identity: Decoded' were executives from Prohaska Consulting, U of Digital, LiveRamp and Adelaide Metrics. Each expert shared vantage points on how to integrate an identity management strategy.

In a 30-day timespan, 'Identity: Decoded' was downloaded more than 100 times by companies around the globe. Verve Group will continue its expansion of the series with analysis on topics such as closing the privacy divide between EMEA and North America, and creating a vision for measuring what really matters for ad-tech's future.

THOUGHT LEADERSHIP & GLOBAL MEDIA COVERAGE

Verve Group entered 2023 with vigor and energy to ensure its messages, ideas and thought leadership were on advertisers' and publishers' minds alike, in a moment when many were still shaping their 2023 media strategies.

Our leaders introduced new ideas and reiterated key messages at various ad-tech events / media sessions: Co-CEO Ionut Ciobotaru presented at ID5's flagship virtual event, IDENTITY 2023, highlighting how the "marriage" between IDFA and mobile devices is over, and provided recommendations on how to capture "that loving feeling" back for advertisers and publishers alike. Chief Operating Officer Michael Brooks was part of a panel discussion at the Kochava Summit led by DIGIDAY's Ronan Shields, highlighting why marketers are shifting strategies from third- to first-party data. Ionut Ciobotaru and co-CEO Sameer Sondhi were also interviewed by VIDEOWEEK to talk about how Verve Group's ecosystem represents a glimpse into ad-tech's future.

SVP Avi Edery penned an article for PERFORMANCE MARKETING WORLD highlighting the role that ad-tech has in shaping privacy strategies. Senior Director of Communications Michael Shmarak wrote an article for VIDEOWEEK, sharing actionable steps to build momentum for sustainability and related topics within today's ad-tech organizations. Verve COO Michael Brooks shared his five "mile markers" for CTV's road ahead with VIDEONUZE. Similarly, Sameer Sondhi shared his opinions with VENTUREBEAT on how ad-tech's recent and potential mergers & acquisitions helped shape what ad-tech's business model of the future might look like.

NEW GAMING / PUBLISHING PARTNERSHIPS

In Q1 2023, Verve made significant strides in bolstering its publishers in several different categories, signing several recognizable nameplate publishers, further validating the scope, size and reach for the company.

Among the gaming launches, Football Co., Gazeus Games, Huuge Games (a publicly traded global game publisher with more than 200 million gaming connections), Ruby Games (whose games have been downloaded more than 700 million times) and SayGames Ltd.

Non-gaming publishers joining Verve Group include AppHoldings, Digitalchemy, Grocery TV, Marie Claire, OLX India, Sevenlogics, Tribune Publishing, WordPress, WebMD, Webnovel and WetterOnline.

NITRO STARS RELEASE

During the first quarter, the AxesInMotion's team worked hard to prepare for the release of its new mobile racing game Nitro Stars Racing. Nitro Stars Racing is a competitive 3D racing game where top drivers compete to become a World Racing Master! Choose your cars and watch them clash your rivals! Create the perfect strategy by choosing the best car, monster truck and boat for each track part. Build the perfect racing deck from your vehicle garage and win epic races with car transformations!

There are tons of cars and boats to unlock and upgrade. Improve top speed, acceleration and handling! Overtake your opponents in city asphalt, offroad dirt and water! Race in high speed and drift areas and hill climbs! Select your Nitro Stars and become a legendary motorsport manager master. Nitro Stars Racing is the ultimate combination of extreme car races and strategy with real physics simulation. Progress in Leagues and battle in Time Limited Events to be a Top Champ.



CORPORATE EVENTS

RELOCATION FROM MALTA TO SWEDEN COMPLETED

On January 2nd, 2023, a big milestone for MGI was achieved as the Company officially became a Sweden-based company. For many years already, the links to Sweden have been very strong; in 2018, MGI placed the first of several bonds in the Nordic country, and at the end of 2020, MGI listed on Nasdaq First North Premier in Stockholm. It is undeniable that the Company's past and current success occurred thanks to the strategic shift to the Nordics and Sweden, which is considered a tech-friendly region from an innovation and capital markets perspective. With the relocation to Sweden, MGI also doubles down on improving its corporate governance structure.

HOME MEMBER STATE

In January 2023, MGI announced that it had chosen Sweden (switching from Malta) to be its home member state in accordance with the Swedish Securities Market Act (Sw. Lag (2007:528) om värdepappersmarknaden). Accordingly, the Company will publish information regarding its listed securities in accordance with Swedish law and the Swedish Financial Supervisory Authority's regulations.

SUCCESSFUL ISSUANCE OF 2027 BONDS, REFINANCING OF 2024 BONDS

During March 2023, MGI successfully placed EUR 225,000,000 of new senior secured floating rate bonds, which have a tenor of four years. This was a prudent move to mitigate risk, as it allowed the Company to diversify and extend maturities in a volatile market environment.

DIVESTMENT OF 8% MINORITY POSITION IN ENAD GLOBAL 7

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



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:

CARBON NEUTRALITY ACHIEVED FOR 2021 AND 2022

After 2020, MGI also achieved carbon neutrality for 2021 and 2022 by further optimizing its carbon footprint and offsetting carbon emissions where reductions have not yet been realized.

S&P AND MSCI ESG RATING SIGNIFICANTLY IMPROVED

Following MGI's efforts to focus on sustainability in recent years, this has now been confirmed by the rating agencies MSCI and S&P with a significant upgrade of the ESG ratings. MSCI has increased its rating from B to BBB and S&P has increased the total score from 8 to 24 (peer average is 13 points and include AppLovin, The Trade Desk, Unity, Taboola, Tremor, Digital Turbine and Perion).



GUIDANCE FOR FISCAL YEAR 2023

	FY 2022	Guidance FY 2023
Revenue (in €m)	324	335-345
Growth	29%	3-7%
Adj. EBITDA (in €m)	93	95-105
Growth	31%	2-13%



EVENTS AFTER MARCH 31, 2023

PUBLICATION OF ANNUAL REPORT, GOVERNANCE REPORT AND SUSTAINABILITY REPORT

On April 28, 2023, MGI 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 published its Sustainability Report for the year 2022.

Both the Annual Report and the Sustainability Report are available on MGI's website, which can be accessed via the following link: www.mgi-se.com.

CONDENSED CONSOLIDATED STATEMENT OF INCOME, MGI GROUP

in kEUR	Notes	Q1 2023	Q1 2022	FY 2022
Revenues				
Net revenues	9	68,754	65,871	324,444
Own work capitalized		7,257	6,524	28,928
Other operating income		1,357	5,179	23,206
Total Income		77,368	77,574	376,578
Operating Expenses				
Services purchased & other operating expenses	10	-40,542	-43,384	-215,619
Personnel expenses	11	-19,400	-17,318	-76,207
Total operating expenses		-59,942	-60,702	-291,825
EBITDA				
Depreciation and amortization	12	-6,377	-7,094	-58,135
Thereof: PPA Amortization		-2,479	-3,127	-41,490
EBIT		11,049	9,778	26,618
Financial result		-10,460	-6,630	-37,959
EBT		589	3,148	-11,341
Income Taxes		-16	-606	-9,064
Net Result		573	2,542	-20,405
of which attributable to non-controlling interest		-252	3	-88
of which attributable to shareholders of the parent company		825	2,539	-20,317
Add-back of PPA-Amortization		2,479	3,127	41,490
Adj. Net Result		3,052	5,669	21,085
Earnings per share				
Undiluted		0,00	0,02	-0.13
Diluted		0,00	0,02	-0.13
Undiluted (adjusted)		0,02	0,04	0.13
Diluted (adjusted)		0,02	0,04	0.12
Average number of shares				
Undiluted		159,249	149,680	159,249
Diluted		177,449	149,680	177,449

Note: numbers may not add up due to rounding

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, MGI GROUP

in kEUR	Q1 2023	Q1 2022	FY 2022
Consolidated profit / loss	573	2,542	-20,405
<i>Items that will be reclassified subsequently to profit and loss under certain conditions:</i>			
Exchange differences on translating foreign operations	-7,261	3,396	11,191
Gain / Loss of financial assets	-132	-9,594	-6,392
Gain / Loss of hedging instruments	-1,758	0	545
Other comprehensive income, net of income tax	-9,151	-6,198	5,345
Total comprehensive income	-8,578	-3,656	-15,061
<i>Attributable to:</i>			
Owners of the Company	-8,326	-3,659	-14,972
Non-controlling interests	-252	3	-88

Note: numbers may not add up due to rounding

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION, MGI GROUP

in kEUR	Notes	31 Mar 23	31 Dec 22
Intangible assets	4, 5	790,731	791,284
Property, plant and equipment		5,302	5,522
Financial assets and other assets		8,731	26,831
Long-term assets		804,764	823,637
Trade and other receivables		61,182	71,030
Cash and cash equivalents		130,008	149,992
Short-term assets		191,190	221,022
Total assets		995,954	1,044,659
Equity attributable to shareholders of the parent company	8	315,025	322,956
Non-controlling interest		-1,366	-1,211
Total equity		313,658	321,745
Long-term liabilities	6	499,705	503,443
Short-term liabilities	7	182,591	219,471
Total liabilities and equity		995,954	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 recognized directly in equity	Shareholders' equity attributable to owners of the parent	Non-controlling interests	Total shareholders' equity
	Shares thousands	Amount kEUR	Amount kEUR	Amount kEUR	Amount kEUR	Amount kEUR	Amount kEUR	Amount kEUR	Amount kEUR
Balance at 1 January 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								-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 January 2023	159,249	159,249	103,518	55,119	1,362	3,708	322,956	-1,211	321,745
Consolidated loss					825		825	-252	573
Other comprehensive income						-9,151	-9,151		-9,151
Total comprehensive income					825	-9,151	-8,326	-252	-8,578
Acquisition of subsidiaries								97	97
Other equity reserves regarding IFRS 2				391			391		391
Other equity reserves						4	4		4
Balance at 31 March 2023	159,249	159,249	103,518	55,510	2,186	-5,439	315,025	-1,366	313,658

Note: numbers may not add up due to rounding.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT, MGI GROUP

in kEUR	Notes	Q1 2023	Q1 2022	FY 2022
Cash flow from operating activities (before change in WC)		17,722	15,776	78,936
<i>Change in working capital</i>		-26,386	521	55,284
Cash flow from operating activities		-8,664	16,297	134,220
Cash flow from investing activities		8,293	-32,859	-176,672
Cash flow from financing activities		-19,613	-35,958	12,288
Cash flow for the period		-19,984	-52,521	-30,164
Cash and cash equivalents at the beginning of the period		149,992	180,156	180,156
Cash and cash equivalents at the end of the period		130,008	127,635	149,992

Note: numbers may not add up due to rounding.

STATEMENT OF INCOME, PARENT ENTITY

in kEUR	Notes	Q1 2023	Q1 2022	FY 2022
Revenues				
Net revenues		80	0	253
Other operating income		107	0	1,324
Total Income		187	0	1,577
Operating Expenses				
Services purchased & other operating expenses		-1,388	-1,248	-14,784
Personnel expenses		-475	-537	-3,125
Total operating expenses		-1,863	-1,786	-17,909
EBITDA		-1,677	-1,786	-16,332
Depreciation and amortization		0	0	0
EBIT		-1,677	-1,786	-16,332
Financial result		-3,875	-1,671	-7,910
EBT		-5,552	-3,456	-24,242
Income Taxes		0	0	0
Net Result		-5,552	-3,456	-24,242

Note: numbers may not add up due to rounding.

STATEMENT OF FINANCIAL POSITION, PARENT ENTITY

in kEUR	Note	31 Mar 23	31 Dec 22
Intangible assets		0	0
Property, plant and equipment		0	0
Financial assets and other assets		313,005	314,925
Long-term assets		313,005	314,925
Trade and other receivables		288,717	296,763
Cash and cash equivalents		9,174	12,147
Short-term assets		297,891	308,909
Total assets		610,896	623,834
Equity attributable to shareholders of the parent company		222,030	227,323
Non-controlling interest		0	0
Total equity		222,030	227,323
Long-term liabilities		383,995	390,958
Short-term liabilities		4,871	5,554
Total liabilities and equity		610,896	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 March 31, 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 March 31, 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 three-month period ended March, 31, 2023.

The consolidation scope of the unaudited condensed consolidated financial statements as of March 31, 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

On February 28, 2023, MGI's subsidiaries Verve Group Europe GmbH and Verve Holding GmbH acquired an equity interest of 40% each for a total of 80% in Smaato India Private Limited, in connection with the Smaato transaction from August 5, 2021. The purchase price amounted to 200 kEUR for 40% to a total of 400 kEUR. Smaato India is developing and enhancing software based on engagements with its customers. MGI Group recognized a badwill of 69 kEUR from the transaction. MGI paid only the net asset value which does not include any workforce, no assets were identified and no liabilities were assumed, supporting the recognition of a badwill.

NOTE 3 SEGMENT INFORMATION

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

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

Description of the advertising value chain and segment reporting

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

- Demand Side Platforms (DSP):** Which bundle the demand from advertisers and agencies for new users within the Demand Side Platform.
- 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 or MGI have their own SSPs, but there are also several independent players such as Fyber or PubMatic, who are trying to maximize ad space monetization. An advertising exchange sometimes sits between DSPs and SSPs and acts as a marketplace for both the supply and demand of advertising space. Often, this is an automated process in the form of real time bidding (RTB). However, the focus of DSPs, SSPs and ad-exchanges are somewhat blurred (as is the case of MGI where advertising is sometimes conducted through the Verve DSP, which might connect directly with an SSP), while certain publishers negotiate a campaign and its pricing directly with advertisers.

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

DSP Segment

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

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

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

SSP Segment

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

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

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

b) Segment revenues and segment results

I. Q1 2023

	DSP	SSP	CONSOLIDATED
in k EUR	Q1-23	Q1-23	Q1-23
Revenues	6,213	62,541	68,754
EBITDA	586	16,840	17,426
Depreciation and amortization			-6,377
Financing income			366
Financing expenses			-10,826
Earnings before taxes (EBT)			589
Income taxes			-16
Net result			573

	DSP	SSP	CONSOLIDATED
in k EUR	Q1-22	Q1-22	Q1-22
Revenues	4,604	61,267	65,871
EBITDA	113	16,759	16,872
Depreciation and amortization			-7,094
Financing income			62
Financing expenses			-6,691
Earnings before taxes (EBT)			3,148
Income taxes			-606
Net result			2,542

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 k EUR	31 Mar 2023	31 Dec 2023
DSP	82,545	85,912
SSP	913,409	958,747
Total	995,954	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 Q1 2023 is related to the translation of goodwills 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.

	31-Mar-23	31-Dec-22
Goodwill	583,043	587,739
Other Intangibles	207,688	203,545

NOTE 5 DISPOSALS

There were no material sales or disposals in Q1 2023.

NOTE 6 LONG-TERM LIABILITIES

As of Mar 31, 2023, the long-term liabilities of MGI decreased by k EUR 3,738 to k EUR 499,705 (December 31, 2022: k EUR 503,443) driven primarily by bond buybacks.

NOTE 7 SHORT-TERM LIABILITIES

The short-term liabilities of MGI decreased by k EUR 36,880 on Mar 31, 2022 to k EUR 182,591 compared to k EUR 219,471 on December 31, 2022, mainly affected by the decrease in working capital.

NOTE 8 SHAREHOLDERS' EQUITY

As of Mar 31, 2022, the total shareholders' equity decreased slightly to k EUR 313,658 (December 31, 2022: k EUR 321,745) driven primarily by FX related depreciation through OCI. The subscribed capital of MGI remained unchanged at 159,249 by Mar 31, 2022 (December 31, 2022: k EUR 159,249).

No dividends were paid in Q1 2023.

NOTE 9 NET REVENUES

MGI achieved in Q1 2023 a net revenue of k EUR 68,754 (Q1 2022: k EUR 65,871). The increase of k EUR 2,883 was driven by organic growth as well as by additional revenues stemming from the acquisitions of AxesInMotion and Dataseat. The divestments from game closures in Q4 2022 had an offsetting effect in Q1 2023.

NOTE 10 SERVICES PURCHASED & OTHER OPERATING EXPENSES

For Q1 2023, MGI disclosed services purchased and other operating expenses of k EUR 40,542 (Q1 2022: k EUR 43,384). The decrease of kEUR 2,842 is a result of tech cost synergies from the consolidation of acquired platforms as well as reduced consulting expenses.

NOTE 11 PERSONNEL EXPENSES

In Q1 2023, the personnel expenses increased by k EUR 2,082 to k EUR 19,400 (Q1 2022: k EUR 17,318). This increase is largely driven by the acquired employees of AxesInMotion and Dataseat which have not been part of the Company in the same period in the previous year.

NOTE 12 DEPRECIATION, AMORTIZATION AND WRITE-DOWNS

Depreciation, amortization and write-downs amounted in Q1 2023 to k EUR 6,377 (Q1 2022: k EUR 7,094). The decrease is mainly due to a reduction in PPA amortization.

NOTE 13 RELATED PARTY TRANSACTIONS

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

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

Remco Westermann is part of the six-member Board of Directors since May 31, 2018 and CEO of the Company and personally holds 90% of the shares and 100% of the voting rights in Sarasvati GmbH, which in turn holds 100% of the shares and voting rights in Bodhivas GmbH, which in turn holds 26.4% of the shares and voting rights in MGI, as of Mar 31, 2023, as well as kEUR 1,200 bonds with ISIN SE0018042277. In the first quarter of 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 a member of the Board of Directors of the Company since May 31, 2018 and is the Managing Director of Bodhivas GmbH, Sarasvati GmbH, Garusadana GmbH, Bodhisattva GmbH, Jarimovas GmbH, and Kittelbach RW Immobilien UG, Düsseldorf. Additionally, Jaap Westermann holds 10% of the shares in Sarasvati GmbH. Hendrika Westermann is the wife of Remco Westermann, Jaap Westermann is the brother of Remco Westermann, Hendrika, Jaap and Remco Westermann are directors of Jarimovas GmbH, Düsseldorf.

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 Mar 31, 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 Mar 31, 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 December 31, 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.

Ionut Ciobotaru is CPO of the Company. He is Managing Director of Ionut UG and Good Deals Ventures SRL. In the first quarter of 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 Q1 2023.

NOTE 15 SHAREHOLDERS^{1,2,3}

1	Bodhivas GmbH	26.4%
2	Oaktree Capital Management LLP	17.7%
3	Janus Henderson Investors	2.3%
4	Case Kapitalförvaltning	1.5%
5	Billings Capital Management LLC	1.0%
6	Avanza Pension	1.0%
7	Elizabeth Para	0.9%
8	Nordnet Pensionsförsäkring	0.9%
9	Tobias Weitzel	0.8%
10	Didner & Gerge Fonder	0.7%
11	Stena	0.6%
12	Dory Gevryie	0.3%
13	Inbox Capital AB	0.2%
14	Crystal Asset Management AG	0.2%
15	LOYS AG	0.2%
16	BayernInvest München KAG	0.2%
17	Bank J. Safra Sarasin AG	0.1%
18	Genève Invest (Europe) S.A.	0.1%
19	PMG Fonds Management	0.1%
20	Nordea Liv & Pension	0.1%

Note (1) Source: Monitor by Modular Finance AB. Compiled and processed data from various sources, including Euroclear as of March 31, 2023.

Note (2): The group of shareholders (acting in concert) hold 8.2% as of March 31, 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.

DEFINITIONS OF KEY PERFORMANCE INDICATORS

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

PARENT COMPANY

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

FINANCIAL CALENDAR

Annual General Meeting	30.06.2023
Half Year Report Q2 2023	31.08.2023
Capital Markets Day 2023	31.08.2023
Interim Report Q3 2023	30.11.2023

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 at 31 March 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, May 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 Q1 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 08:15 am CEST on Wednesday, 31, May, 2023.



MGI - Media and Games Invest SE

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