



## Q3 REPORT 2020

gamigo group consolidated

### 43% REVENUE GROWTH AND 96% EBIT GROWTH

*"In the third quarter, gamigo was able to continue its strong growth, increasing its revenues by 43% and EBIT by 96% compared to the previous year. Consequently, we were already able to generate the revenue and EBITDA from the entire previous year 2019 in the first 9 months of 2020."* says Remco Westermann, CEO of the gamigo Group.

### THE THIRD QUARTER JULY – SEPTEMBER 2020

- Net revenues amounted to 20.6 mEUR (Q3 2019: 14.5 mEUR), which is an increase of 43% compared to the third quarter 2019. After a strong, increase in the first two quarters of 2020, player activity remained stable in the third quarter and for parts of the portfolio significantly higher than in the previous year, which lead to organic growth.
- EBITDA amounted to 5.7 mEUR (Q3 2019: 4.0 mEUR), which is an increase of 42%. Following the organic growth in the gaming segment in the third quarter profitability continues to increase. EBITDA margins remained stable at 28% (Q3 2019: 28%).
- Adjusted EBITDA amounted to 6.2 mEUR (Q3 2019: 4.1 mEUR), which is an increase of 52%.
- EBIT also developed accordingly and increased to 2.8 mEUR (Q3 2019: 1.4 mEUR), which is an increase of 96%. EBIT margins increased to 13% (Q3 2019: 10%).
- The net result increased to 0.9 mEUR in Q3 2020 (Q3 2019: 0.2 mEUR) due to a stable financial result while the overall profitability increased.
- The net leverage ratio remains stable at 2.3 as of September 30, 2020, compared to 2.3 as of June 30, 2020. Net leverage based on September-LTM 2020 adjusted EBITDA remained also stable at 2.0 compared to 2.1 as of June 30, 2020.
- The interest coverage ratio increased to 4.2 as of September 30, 2020 compared to 3.0 as of September 30, 2019.
- Operating Cashflow amounted to 3.0 mEUR (Q3 2019: 2.9 mEUR), which is an increase of 3% despite a negative working capital effect of 1.0 mEUR.
- As of September 30, 2020, cash and cash equivalents amounted to 7.2 mEUR.

### THE NINE MONTH PERIOD JANUARY – SEPTEMBER 2020

- Net revenues amounted to 58.5 mEUR (Q1-Q3'2019: 42.9 mEUR), which is an increase of 36% compared to the first nine months 2019. The majority of the revenue growth comes from the US while also the European regions showed a good performance and contributed well to the groups revenues.
- EBITDA amounted to 16.5 mEUR (Q1-Q3'2019: 12.3 mEUR), which is an increase of 33%. The EBITDA has increased due to organic revenue growth with increasing number of players in our games and outperformed already full year 2019 with 16.3 mEUR EBITDA.
- Adjusted EBITDA amounted to 17.7 mEUR (Q1-Q3'2019: 13.2 mEUR) which is an increase of 34%.
- EBIT developed very well and increased to 7.8 mEUR (Q1-Q3'2019: 4.7 mEUR), which is an increase of 66%.
- The net result for Q1-Q3 2020 amounted to 2.5 mEUR (Q1-Q3'2019: 1.0 mEUR) and increased substantially with 149% due to an overall increased profitability with a stable financial result.

ArcheAge Unchained



## SELECTED KEY PERFORMANCE INDICATORS, GAMIGO GROUP

In mEUR	Q3 2020	Q3 2019	Q1-Q3 2020	Q1-Q3 2019	FY 2019
Net Revenues	20.6	14.5	58.5	42.9	58.9
YoY Growth in revenues	43%	41%	36%	35%	30%
EBITDA	5.7	4.0	16.5	12.3	16.3
EBITDA margins	28%	28%	28%	29%	28%
Adj. EBITDA	6.2	4.1	17.7	13.2	18.2
Adj. EBITDA margins	30%	28%	30%	31%	31%
EBIT	2.8	1.4	7.8	4.7	6.3
EBIT margins	13%	10%	13%	11%	11%
Net Result	0.9	0.2	2.5	1.0	2.0

## EVENTS AFTER THE INTERIM PERIOD

On November 13, 2020 gamigo AG announced that it will exercise its right to make a voluntary early redemption in full of its EUR 50 million bond maturing in 2022 (ISIN: SE0011614445) (the "Bonds") by sending a notice of conditional early redemption to the holders of Bonds. The Bonds will be redeemed in accordance with the terms and conditions for the Bonds originally dated 5 October 2018. The Bonds will be redeemed on 10 December 2020 at a price of 103.875 per cent of par plus accrued but unpaid interest which will be paid to each person who is registered as owner of Bonds in the debt register maintained by Euroclear Sweden at the end of business day on 3 December 2020 (the record date).



## A Word from Remco Westermann

*"With an outstanding Q3 we continued our strong growth from the previous quarters and years. We were able to exceed expectations with revenues increasing by 43% to EUR 20.6 million (Q3 2019: EUR 14.5 million) and adj. EBITDA increasing by 52% to EUR 6.2 million (Q3 2019: EUR 4.1 million). Gaming continued its positive growth profile, however -as usual in the third quarter- was slightly impacted by seasonality and also the pause of the lock-down measures in Europe. A positive revenue effect for our games came from the strong inflow of new players that we realized during the corona lockdown period in Q2 2020.*

*While we expect PC and console games to further remain our strongest revenue generators, we also see strong growth potential in mobile gaming through organic growth, a.o. by enabling part of our existing games portfolio for mobile devices and by launching newly licensed mobile games, as well as through further acquisitions.*

*Our expectations for the fourth quarter of 2020 are very positive, combining the usual strong positive seasonality of Q4 as well as a lot of activities in the games. Next to launching Atlas Rogue there will also be several other large updates in our games.*

*In the coming quarters we are planning to further accelerate our organic growth. After our repositioning from end of 2012, we first mostly drove growth via M&A, with now cumulatively over 25 acquisitions. We are seeing positive results from this, as our organic growth increased during the past quarters. We expect a further increase of organic growth in the coming quarters.*

*Overall, the company is in a very good position to continue its profitable growth track and have sufficient cash and flexibility to take advantage of M&A opportunities. We are looking forward to the next quarters and I would like to thank all partners and investors as well as our employees for their trust and enthusiasm." Remco Westermann, CEO gamigo AG*





# FINANCIAL PERFORMANCE, THIRD QUARTER 2020

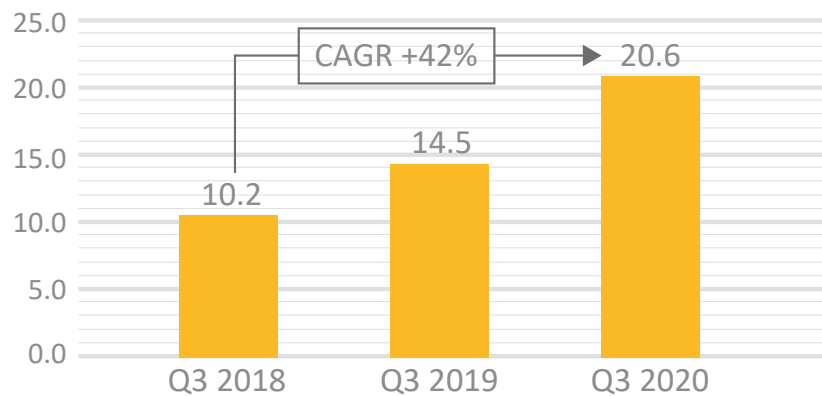
## CONSOLIDATED NET REVENUES, EARNINGS AND EXPENSES

In the third quarter, revenues amounted to 20.6 mEUR. Compared to the previous year, this represents an increase of 43% (Q3 2019: 14.5 mEUR).

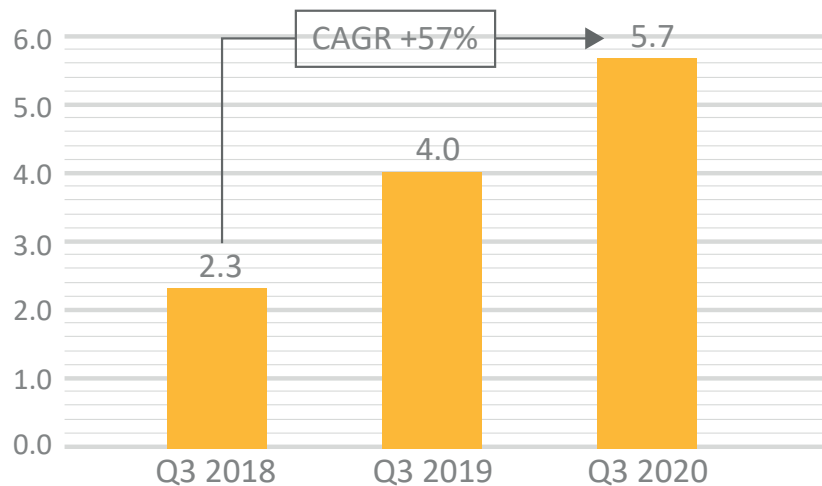
EBITDA grew by 42% to 5.7 mEUR in the third quarter (Q3 2019: 4.0 mEUR). The EBITDA growth was in line with the net revenue growth based on organic growth, cost savings and further efficiency gains. EBIT improved significantly to 2.8 mEUR (Q3 2019: 1.4 mEUR), which is an increase of 96%.

Consolidated net result also more than doubled, increasing by 386% to EUR 0.9 million (Q3 2019: EUR 0.2 million).

Net revenue



EBITDA





## CASH FLOW AND FINANCIAL POSITION

Cash flow from operating activities amounted to 3.0 mEUR in Q3 2020 (Q3 2019: 2.9 mEUR), representing an increase of 3% despite a negative working capital effect of approx. 1.0 mEUR.

The equity ratio was 25% as of September 30, 2020 (December 31, 2019: 24%) and thus, the equity increased slightly due to a positive net result.

The Group's cash and cash equivalents amounted to 7.2 mEUR as of September, 30, 2020 compared to 9.6 mEUR as of June 30, 2020 and decreased due to a negative working capital effect. The interest coverage ratio was 4.2 in Q3'20 compared to 3.0 in Q3'19. The net leverage ratio remained stable at 2.3 as of September 30, 2020, compared to 2.3 as of June 30, 2020. Net leverage based on September-LTM 2020 adjusted EBITDA remained also stable at 2.0 compared to 2.1 as of June 30, 2020.

## INTANGIBLE ASSETS, INVESTMENTS AND DEPRECIATION

During Q3 2020, gamigo invested 3.0 mEUR (Q3 2019: 2.1 mEUR) in strategic product and platform development (personnel expenses). Capitalized own work includes investments in the optimization of the IT platform as well as enhancements and updates to existing games such as Trove, ArcheAge, Twin Saga and Aura Kingdom. As a percentage of net revenues, these investments amounted to 14% in Q3 2020 compared to 15% in Q3 2019.

Depreciation and amortization in Q3 2020 amounted to 2.9 mEUR (Q3 2019: 2.6 mEUR) and increased due to additional PPA depreciation from the Verve acquisition. The groups intangible assets increased also mainly based on the acquisition of Verve from 76.2 mEUR on 31 December 2019 to 95.3 mEUR on September 30, 2020. The Groups short-term liabilities increased on 30 September 2020 to 33.3 mEUR (31 December 2019: 30.6 mEUR) slightly based on acquired account payables from the verve acquisition which vice versa also come with an increase in account receivables.



## EVENTS IN THE REPORTING PERIOD, Q3 2020

Gamigo offers more than 25 Massively Multiplayer Online Games (MMOs) and over 5.000 casual games. Genres range from role playing, to fantasy, strategy and shooter MMOs, and include such diverse titles as ArcheAge Unchained, Aura Kingdom, Desert Operations, Grand Fantasia, Fiesta Online and Trove, which have been established on the market for many years, with strong and loyal communities. gamigo strives to support these MMO games with regular fresh game content and targeted marketing to continuously add excitement and innovation, enabling lively communities and long-term user retention. This extends the games' lifespan and keeps players engaged and entertained. Below is an overview of some of our key events in the gaming segment in the last quarter:

### TROVE PARTNERS WITH APROGEN GAMES FOR KOREAN LAUNCH

gamigo announced that they are partnering with the Korean publisher Aprogen Games to release the cubic adventure Trove on PC in South Korea. Founded in 2014, Aprogen Games can look back on an impressive track record of publishing diverse games in the Asian markets. They have decades worth of experience in the gaming industry and are well-equipped to ensure the successful launch of the popular voxel-based block building game. gamigo and Aprogen Games will provide players with continuous updates on the publishing process of the Voxel-MMO. Furthermore, Aprogen takes over the investment-risk for marketing and localization while GAMIGO receives a sublicensing fee for its IP Trove. GAMIGO intends to support Aprogen as well through its own media unit with offices in Korea within user acquisition. Therefore GAMIGO has zero downside risk with a very nice upside potential from this Asia expansion in terms of game sublicense fees and advertising revenues.

### TROVE LAUNCHES "DELVES" ON CONSOLES

After delivering Delves, an extensive update to gamigo's MMO gem Trove, to PC players earlier this year, July saw the highly anticipated release to Microsoft Xbox and Sony PlayStation. Delves offers a new type of procedurally generated gameplay, allowing for endless variations of combat. Players are running through a Delve – an extensive underground complex – to complete objectives and defeat the boss of each floor and loot his rewards, only too progress deeper and deeper into the Delves depths. As the depth increases, so do the challenges and the rewards. Up to eight players in total can enter a Delve. The Delves allow players to use their Geode Cave Modules for exploration and also feature a combat mode. Unlike adventure worlds where players switch between combat and build mode, here players can switch between combat and discovery mode. gamigo supported the release of the console update with an international campaign on the PlayStation stores in Europe and North America, driving new audiences into the game. The continuous new content and features added to Trove enable the game's ongoing success and future potential.

### FIESTA ONLINE CELEBRATES ITS 14TH BIRTHDAY

With an epic cupcake war and many further in-game celebrations, the Anime MMORPG Fiesta Online celebrated its 14th Anniversary. The game's enchanted worlds were filled with sparkling decorations and players came together for many special anniversary quests with birthday themed tasks and were rewarded with prizes, adorable birthday balloon pets and more. The overwhelming excitement in the game's community proved that the game and its loyal community show no signs of slowing down.

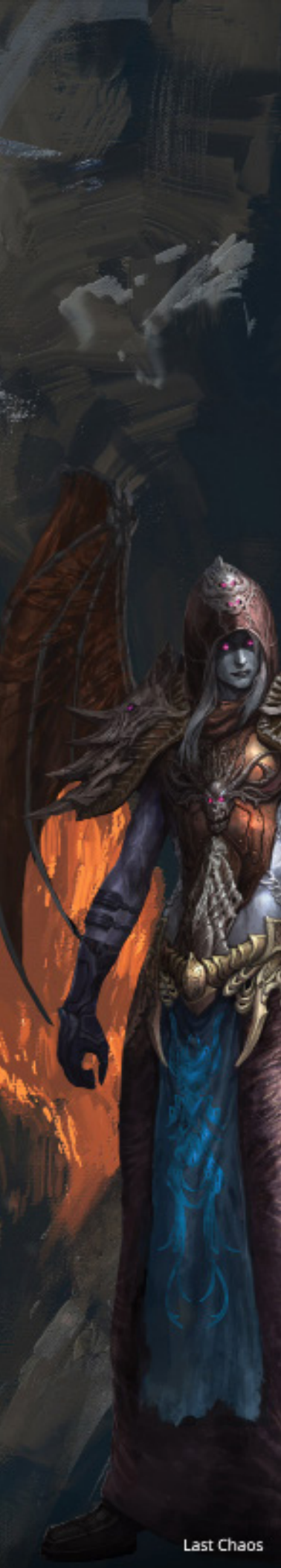
### ARCHEAGE UNCHAINED LAUNCHES GARDEN OF GODS EXPANSION: The Ipnys Sanctuary

After ArcheAge: Unchained, the buy-to-play cousin of ArcheAge, released its massive expansion "Garden of The Gods" earlier in 2020, in Q3 this was followed with a significant update to that expansion, launched in August. Apart from a wide variety of new content, including dungeons, quests, skills, powerful gear and valuable loot, the update also further expands the storyline of ArcheAge, adding to the lore of the world and involving the community into the mysterious history of the lands of Erenor.

### GRAND FANTASIA ADDS A FLOATING CITY

Following the literal mythical Rainbow Road, players of Grand Fantasia would find the new Sprite Sanctuary, an antediluvian city floating high above the clouds. A new family of playful Sprites will aid the players and their companions in their quest to uncover the secrets of the radiant road to the heavens. Many treasures await heroes that are brave enough to venture into the new dungeon and prove their might against the powerful Taros, the new bosses that spawn across the world map. This and a further 67 new trivia quests with ample rewards deliver countless hours of adventuring for one of gamigo's most popular MMOs.





### **AURA KINGDOM WITH DOUBLE PATCH**

gamigo delivered a double punch to fans of the colourful online MMO Aura Kingdom. Combining two patches into one update in September, the game received one of its largest content expansions yet. With this patch, daring adventurers can embark on an epic journey through new dungeons together with novel pets and explore thrilling Gaia Chronicle events. New Monster story dungeons and Nightmare dungeons as well as new Mirabelle quests add significant new challenges for fearless adventurers, while with the help of the new semiautomatic cast skills, their fight can concentrate on enemies, instead of the game interface.

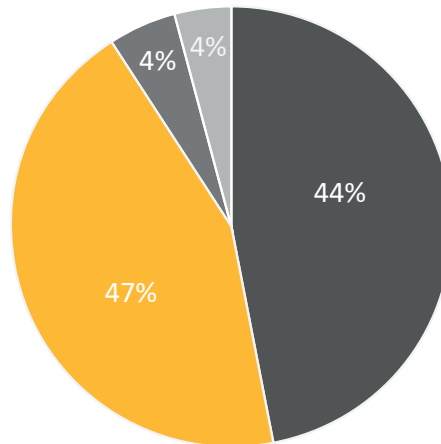
### **Other**

Many of gamigo's diverse range of titles have received smaller and larger game updates in Q3, be it the exhilarating "Mayhem and Mutiny" Events in the futuristic online action shooter DEFIANCE 2050 in August, or the new Senshi "Berry" that was introduced during the game's joyous Octoberfest celebrations in the masterful Anime worlds of TWIN SAGA. The pipeline for new exciting content for gamigo's games provides their communities with constant new challenges, gear and adventure. Game launches and bigger content updates are in the pipeline for Q4 with a strong focus on the self-developed sequel Atlas Rogues based on the Atlas Reactor IP.



## OPERATIONS AND STRATEGY

Gamigo's main markets are Europe and North America, constituting approx. 90% of total group revenues. Our goal is to further acquire games in these markets and to internationalize further our existing gaming and media portfolio, eg. throughout sublicensing deals for some of our biggest gaming IP's to Asia where we now signed the first contract with Aprogen Games for our game Trove.



■ Europe ■ North America ■ South America ■ RoW

### OUR VIEW ON THE GAMING MARKET

The gaming industry is bigger than the music, film or book industry and is now the largest entertainment market in the world. In 2020 a turnover of about 159 billion dollars is expected and a growth of about 9%.

gamigo's core business is in the PC and console games sector, which will grow by 5% respectively 7% in 2020 and together account for about 51% of the total market, which corresponds to a total turnover of about 82 billion dollars.

It has been shown that the gaming industry is very resistant to crises. Growth did not slow down due to the Corona crisis but was even somewhat driven by it. But even without the extensive lockdowns during the Corona crisis, the gaming market continues to grow steadily. By 2020 the market is expected to grow to over 200 billion, which corresponds to a CAGR of 8.3%.

Mobile gaming is expected to grow strongest (+13% YoY 2020), which is why gamigo has also set the course for growth in this area. With the establishment of the media segment, gamigo now has a strong firepower in the area of user acquisition, which is a key success factor especially in the highly competitive mobile gaming market. With the acquisition of freenet Digital, the mobile gaming portfolio was expanded by approx. 1,500 mobile games, which will lead to an increase in the share of mobile gaming revenues already in Q4'20. In addition, there are opportunities for organic growth by converting parts of the existing PC games portfolio to mobile devices.

gamigo is active in one of the strongest growth markets, which has proven to be very crisis-resistant in the past and has even been able to significantly exceed the strong market growth in the past years. gamigo expects this growth to continue in the coming years.

Source: Newzoo - Global Games Market Report 2020

ArcheAge Unchained



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION, GAMIGO GROUP  
(unaudited)**

<b>EUR 000's</b>	<b>Note</b>	<b>30 Sep 2020</b>	<b>31 Dec 2019</b>
Intangible assets	2, 3	95,336	76,171
Property, plant and equipment		1,938	2,368
Financial assets and other assets		12,942	12,163
<b>Long-term assets</b>		<b>110,216</b>	<b>90,702</b>
Trade and other receivables		13,151	11,930
Cash and cash equivalents		7,220	21,957
<b>Short-term assets</b>		<b>20,371</b>	<b>33,887</b>
<b>Total assets</b>		<b>130,586</b>	<b>124,588</b>
Equity attributable to shareholders of the parent company	6	32,118	30,190
Non-controlling interest		0	4
<b>Total Equity</b>		<b>32,119</b>	<b>30,194</b>
<b>Long-term liabilities</b>	4	65,198	63,788
<b>Short-term liabilities</b>	5	33,270	30,606
<b>Total liabilities and equity</b>		<b>130,586</b>	<b>124,588</b>

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, GAMIGO GROUP**  
(unaudited)

EUR 000's	Note	Q3 2020	Q3 2019	Q1-Q3 2020	Q1-Q3 2019	FY 2019
<b>Revenues</b>						
Net revenues	7	20,633	14,468	58,497	42,889	58,916
Own work capitalized		2,966	2,129	9,557	5,787	8,490
Other operating income		1,731	212	2,495	2,872	3,181
<b>Total Income</b>		<b>25,330</b>	<b>16,809</b>	<b>70,550</b>	<b>51,547</b>	<b>70,587</b>
<b>Operating Expenses</b>						
Services purchased & other operating expenses	8	-12,498	-7,325	-31,709	-23,352	-32,690
Personnel expenses	9	-7,131	-5,471	-22,386	-15,868	-21,567
<b>Total operating expenses</b>		<b>-19,630</b>	<b>-12,796</b>	<b>-54,095</b>	<b>-39,219</b>	<b>-54,257</b>
<b>EBITDA</b>						
Depreciation, amortization and write-downs	10	-2,921	-2,599	-8,700	-7,667	-10,071
<b>EBIT</b>						
Financial result		-1,350	-1,326	-3,952	-3,373	-5,109
<b>EBT</b>						
Income Taxes		-506	101	-1,346	-302	820
<b>Net Result</b>						
		<b>924</b>	<b>190</b>	<b>2,456</b>	<b>987</b>	<b>1,970</b>
of which attributable to non-controlling interest		24	-3	35	-27	55
<b>of which attributable to shareholders of the parent company</b>		<b>900</b>	<b>193</b>	<b>2,421</b>	<b>1,013</b>	<b>1,914</b>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY,  
GAMIGO GROUP (unaudited)**

in KEUR	Share capital	Capital reserve	Cash flow hedge reserve	Difference from currency translation	Accumulated retained earnings	Equity attributable to shareholder of gamigo AG	Non- con- trolling interest	Total
<b>Total Equity as at 31. Dec. 2018 / 1. Jan 2019</b>	<b>2,311</b>	<b>48,153</b>		<b>85</b>	<b>-21,972</b>	<b>28,577</b>	<b>-51</b>	<b>28,526</b>
Issues on shares								
Consolidated profit / loss for the year					1,914	1,914	55	1,969
Other comprehensive income			-237	-64		-301		-301
Other changes								
<b>Total Equity as at 31. Dec. 2019 / 1. Jan. 2020</b>	<b>2,311</b>	<b>48,153</b>	<b>-237</b>	<b>21</b>	<b>-20,058</b>	<b>30,190</b>	<b>4</b>	<b>30,194</b>
Issues on shares								
Consolidated profit / loss for the period					2,421	2,421	-4	2,417
Other comprehensive income			-4	-1,656		-1,660		-1,660
Other changes					1,167	1,167		1,167
<b>Total Equity as at 30. Sep. 2020</b>	<b>2,311</b>	<b>48,153</b>	<b>-241</b>	<b>-1,635</b>	<b>-16,470</b>	<b>32,118</b>	<b>0</b>	<b>32,119</b>



**CONDENSED CONSOLIDATED CASH FLOW STATEMENT, GAMIGO GROUP** (unaudited)

EUR 000's	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
<b>Cash flow from operating activities</b>	<b>2,985</b>	<b>2,895</b>	<b>12,441</b>	<b>9,437</b>	<b>16,385</b>
<b>Cash flow from investing activities</b>	<b>-1,049</b>	<b>-4,220</b>	<b>-15,330</b>	<b>-9,670</b>	<b>-11,848</b>
<b>Cash flow from financing activities</b>	<b>-4,351</b>	<b>150</b>	<b>-11,848</b>	<b>17,019</b>	<b>13,318</b>
<b>Cash flow for the period</b>	<b>-2,414</b>	<b>-1,171</b>	<b>-14,738</b>	<b>16,787</b>	<b>17,855</b>
Cash and cash equivalents at beginning of period	9,634	22,116	20,945	4,158	4,158
<b>Cash and cash equivalents at end of period</b>	<b>7,220</b>	<b>20,945</b>	<b>6,207</b>	<b>20,945</b>	<b>21,957</b>

## SELECTED EXPLANATORY NOTES (unaudited)

### NOTE 1 ACCOUNTING AND VALUATION PRINCIPLES

The Q3 Report 2020 has been prepared in accordance with IAS 34, Interim Financial Reporting. These condensed consolidated interim financial statements have been prepared in accordance with IFRS such as adopted by the EU and the relevant references to the German Commercial Code and the German Corporation Act.

In the preparation of the Interim Report, the condensed consolidated interim financial statements, the accounting standards and interpretation have been used valid as of 1 January 2020. In this report, the same accounting policies and methods of computation were followed compared to the last audited consolidated financial statements for the business year ended December 31, 2019.

The consolidation scope of the condensed consolidated financial statements as of September 30, 2020 did not change compared to the audited consolidated financial statements as of December 31, 2019, except for the following transactions and entities:

- Q1 2020: Foundation of Verve Group, Inc and the subsequent acquisition of the Verve Wireless business (see in detail Note 2 Intangible assets and acquisitions) in Q1 2020.
- Q3 2020: Deconsolidation of the 95% subsidiary Mediakraft TV, Poland which were sold for EUR 1,00 to the Management. This is part of the reduction of complexity and consolidation within MGI Groups entities. Mediakraft Networks GmbH (Germany) remains to be 100% part of the MGI Group.

### NOTE 2 INTANGIBLE ASSETS INCLUDING ACQUISITIONS

#### Intangible Assets

The change in Goodwill is due to the acquisition of the assets from Verve Wireless Inc. Other Intangible Assets includes self-developed intangible assets (development expenses), IPs and Licenses and advanced payments on licenses and increased due to the acquisition of the assets from Verve Wireless Inc as well as further development of the games and platforms.

	September 30, 2020	December 31, 2019
	kEUR	kEUR
Goodwill	32,926	27,913
Other Intangibles	62,410	48,259

### NOTE 3 DISPOSALS

There were no material sales or disposals in first nine months 2020. In Q3'2020 gamigo Group sold its 95% stake in Mediakraft TV, Poland for EUR 1,00 which was not material.

### NOTE 4 LONG-TERM LIABILITIES

As of September 30, 2020, the long-term liabilities of gamigo Group increased by kEUR 1,410 to kEUR 65,198 (December 31, 2019: kEUR 63,788) mainly due to deferred taxes from the verve acquisition.

### NOTE 5 SHORT-TERM LIABILITIES

The short-term liabilities of gamigo Group increased by kEUR 2,663 on September 30, 2020 to kEUR 33,270 compared to kEUR 30,606 on December 31, 2019 due to increased operations of the group and increased trade payables.

### NOTE 6 SHAREHOLDERS' EQUITY

As of September 30, 2020, the total shareholders' equity increased to kEUR 32,119 (December 31, 2019: kEUR 30,194). The subscribed capital of the parent company gamigo AG (kEUR 2,310) did not change during first nine months 2020. The capital reserves remained stable at 48.153 (December 31, 2019: kEUR 48,153).

No dividends were paid in the in first nine months 2020.

## NOTE 7 SALES REVENUE

gamigo Group achieved a third quarter 2020 sales revenue of kEUR 20,633. The increase of kEUR 6,165 (Q3 2019: kEUR 14,468) is due to increased sales, despite the Corona crisis. This underlines that the gaming business is performing well even in times of economic crisis.

## NOTE 8 SERVICES PURCHASED & OTHER OPERATING EXPENSES

For Q3 2020, gamigo Group disclosed services purchased and other operating expenses of kEUR 12,498 (Q3 2019: kEUR 7,325). The increase of kEUR 5,173 illustrates the increased operations of the group.

## NOTE 9 PERSONNEL EXPENSES

The personnel expenses increased in Q3 2020 by kEUR 1,661 to kEUR 7,131 compared to the prior year's period.

## NOTE 10 DEPRECIATION, AMORTIZATION AND WRITE-DOWNS

Depreciation, amortization and write-downs amounted in Q3 2020 to kEUR 2,921 (Q3 2019: kEUR 2,599) and increased mainly due to additional PPA depreciation. In Q3 2020, no impairment charges were made, neither on intangible assets nor goodwill.

## NOTE 11 OTHER DISCLOSURE

There are no new significant litigations or claims in Q3 2020.

## DEFINITIONS OF KEY PERFORMANCE INDICATORS

EBIT	Earnings before interest and taxes
EBIT margin	EBIT as a percentage of net revenues
Adjusted EBIT	EBIT excluding one-time costs
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 EBITDA for the past 12 months excluding Subordinated Loans with PIK Interest
Interest Coverage Ratio	EBITDA divided by net financial items

## PARENT COMPANY

gamigo AG with its headquarters in Hamburg, Germany, is the parent company of the group. In this function, in addition to its own operational business, it also takes over central management and control functions for the group companies.



## **RISKS AND UNCERTAINTY FACTORS**

Risks and uncertainties are described in Prospectus of gamigo AG Bond 2018/12, which is available on the company's web site <https://corporate.gamigo.com/en/investors/#bond-prospectus>. The new unexpected Covid19 pandemic is also effecting gamigo. This leads to changes in customer behaviour and also work methods (eg. work from home) and procedures need to be adopted. The overall impact however is positive as more people at home and less other entertainment has a positive effect on gaming. We can however not fully predict how long and severe the Covid pandemic will be and if similar pandemics will arise. Also the general negative impact might impact gamigo.

## **REVIEW**

This report has neither been reviewed nor audited by the company's auditor.

## **INVESTOR CONTACT**

The latest information on the company is published on its website [www.corporate.gamigo.com](http://www.corporate.gamigo.com). The company can be contacted by email [ir@gamigo.com](mailto:ir@gamigo.com) or [soeren.barz@gamigo.com](mailto:soeren.barz@gamigo.com).

## **NOTE**

This information is information that gamigo AG is obliged to make public pursuant to the EU Market Abuse Regulation 596/2014 and the Securities Markets Act (2007:528). The information was submitted for publication, through the agency of the contact person set out below, at 17:30 CET on November 30, 2020.

## **FOR FURTHER INFORMATION, PLEASE CONTACT:**

Remco Westermann, CEO gamigo AG  
Public and Investor Relations Email: [ir@gamigo.com](mailto:ir@gamigo.com)

## **BOARD DECLARATION**

The Executive Board and CEO Remco Westermann hereby certify that this Interim Report gives a true and fair view of the group's operations, financial position and results of operations, and describes significant risks and uncertainties faced by the group.

Hamburg, November 30

Remco Westermann, CEO



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