



HALF YEAR REPORT 2020

gamigo group consolidated

38% REVENUE GROWTH AND 40% EBITDA GROWTH

"We are continuing our profitable growth path, generating 20.7 mEUR revenues and 6.0 mEUR EBITDA in the second quarter of 2020 and grew in comparison to the previous year with 38% in terms of revenue. The number of new players, the number of active players and finally also the revenue could be increased significantly. In addition to the stay-at-home policy based on Corona, numerous updates and events in the games have also led to organic growth. In summary, we have come through the crisis caused by Corona very well and were even able to increase our growth." says Remco Westermann, CEO of the gamigo Group.

THE SECOND QUARTER 2020

- Net revenues amounted to 20.7 mEUR (Q2 2019: 15.0 mEUR), which is an increase of 38% compared to the second quarter 2019. The revenue growth is largely based on organic growth. The number of new players as well as the number of active players increased significantly in Q2, which in turn led to a strong increase in revenues. In addition to the Corona related stay-at-home policy, this is largely based on numerous events and updates within our portfolio as well as two major expansions in our Triple A games ArcheAge and Trove.
- EBITDA amounted to 6.0 mEUR (Q2 2019: 4.3 mEUR), which is an increase of 40%, following the strong organic growth in the second quarter. EBITDA margins remains strong with 29% in Q2 2020 (Q2 2019: 29%), despite increased marketing budgets to leverage organic growth.
- Adjusted EBITDA amounted to 6.2 mEUR (Q2 2019: 4.5 mEUR), which is an increase of 38% (Adjusted EBITDA excludes one-time, M&A and financing costs).
- EBIT also developed accordingly and increased to 3.1 mEUR (Q2 2019: 1.7 mEUR), which is an increase of 80%. EBIT margins increased to 15% (Q2 2019: 11%).
- The net result increased to 1.4 mEUR in Q2 2020 (Q2 2019: 0.3 mEUR) due to a stable financial result while the overall profitability increased.
- The net leverage ratio decreased to 2.3 as of June 30, 2020, compared to 2.6 as of March 31, 2020. Net leverage based on June-LTM 2020 adjusted EBITDA was 2.1 compared to 2.3 for the reported EBITDA figure.
- The interest coverage ratio increased to 4.6 as of June 30, 2020 compared to 3.4 as of June 30, 2019 as a result of an increased EBITDA.
- Operating Cashflow amounted to 5.0 mEUR (Q2 2019: 4.2 mEUR), which is an increase of 19% and reflects the strong cash generation of the Group.
- As of June 30, 2020, cash and cash equivalents amounted to 9.6 mEUR which is an increase of 19% compared to March, 31 2020 at 8.1 mEUR and increased based on the strong cash generation during Q2 2020.
- B2C Gaming Segment: New updates, content for several games and the cooperation with the charity "Eden Reforestation Projects" increases the number of new players and daily active users. During lockdowns all over the world player communities virtually met and played together with the campaign #playaparttogether. Gamigo's strong communities increased with the campaign and the number of active players as well.
- B2B Advertising and Media Segment: The advertising budgets of customers in the classic offline sector (e.g. travel) were in the beginning of Q2 significantly reduced, while we had increased budgets in the online sectors (e.g. online gaming). Since beginning of June the budgets for online sectors increasing again. Gamigo's Media segment could use advantages of focuses mainly on the online sector in April and May for reducing negative effects of the Corona Pandemic, which wasn't noticeable in this area. Parallel the Advertising and Media Segment received new budgets after lockdowns and slightly increased the revenue in June again.



ArcheAge Unchained



THE HALF YEAR PERIOD 2020

- Net revenues amounted to 37.6 mEUR (H1 2019: 28.4 mEUR), which is an increase of 32% compared to the first half 2019. The majority of the revenue growth comes from the US while also the european regions as well showed a strong performance and contributed well to the groups revenues.
- EBITDA amounted to 10.8 mEUR (H1 2019: 8.3 mEUR), which is an increase of 29%. The EBITDA has increased due to organic revenue growth with increasing numbers of players in our games.
- Adjusted EBITDA amounted to 11.5 mEUR (H1 2019: 9.1 mEUR) which is an increase of 27%.
- EBIT developed very well and increased to 5.0 mEUR (H1 2019: 3.2 mEUR), which is an increase of 53%.
- The net result for H1 2020 amounted to 1.5 mEUR (H1 2019: 0.8 mEUR) and increased substantially with 92% due to an overall increased profitability with a stable financial result.
- Due to the acquisition of Verve Wireless Inc. and investements in our games and media segments the cash balance decreased in H1 from 22.0 mEUR on December 31, 2019 to 9.6 mEUR on June 30, 2020.

SELECTED KEY PERFORMANCE INDICATORS, GAMIGO GROUP

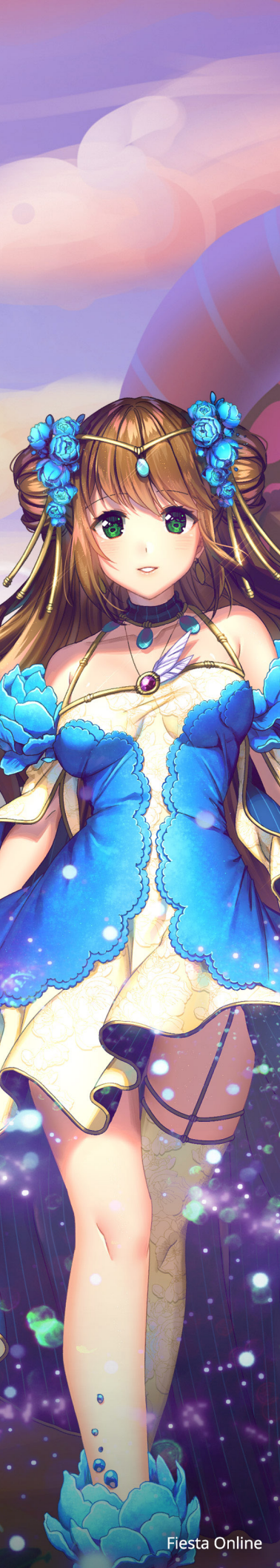
In EUR million	Q2 2020	Q2 2019	H1 2020	H1 2019	FY 2019
Net Revenues	20.7	15.0	37.6	28.4	58.9
YoY Growth in revenues	38%	-	32%	-	30%
EBITDA	6.0	4.3	10.8	8.3	16.3
EBITDA margins	29%	29%	29%	29%	28%
Adj. EBITDA	6.2	4.5	11.5	9.1	18.2
Adj. EBITDA margins	30%	30%	31%	32%	31%
EBIT	3.1	1.7	5.0	3.2	6.3
EBIT margins	15%	11%	13%	11%	11%
Net Result	1.4	0.3	1.5	0.8	2.0



A Word from Remco Westermann

"The global Corona crisis dominated the first half year of 2020. However, unlike many others, we are fortunate to be active in the gaming industry, a sector that has already proven to be relatively resistant to economic crises and now again during Corona. As a result, we were able to substantially increase our gaming revenues organically in the past quarter. Player activity increased heavily in H1 2020, based on the 'stay-at-home' policies but also based on the successful releases of various updates and events in our games. In addition to the strong performance of our games segment, our Media segment also continued to show its synergy towards the game segment. Overall we were able to substantially grow our revenues, with H1 revenues growing to Euro 37.6 million from Euro 28.4 million last year and EBITDA growing to Euro 10.8 million from Euro 8.3 million last year. To generate additional revenues of our owned game licenses gamigo is also pursuing outlicensing. In the second quarter we were able to enter into a partnership for Trove, one of our Top 10 games, with a Korean games publisher who will localize the game for the Asian region and publish it in this region. Another highlight was the 20th anniversary of gamigo in the second quarter of 2020. In addition to the established Massively Multiplayer Online Games (MMO's) Fiesta Online, and Last Chaos, which are now 13 and 15 years old and still continue to generate considerable revenues, we have also successfully launched triple A games - such as "ArcheAge: Unchained" in 2019. To celebrate the 20th anniversary, there were numerous gifts and events for loyal players within the broad gamigo games portfolio. Also to underpin our focus on sustainability, a cooperation with "Eden Reforestation Projects" was started, to help save forests together with the players - a great success with over 100,000 trees planted. An important part of gamigo's success in gaming is the active use of state-of-the-art technologies. In the past, we have continuously invested in the further development of technology. By developing and constantly improving our own technologies in the area of platform as well as cloud applications, we have been able to reduce gamigo's technology costs from over 40% to below 10% of revenues over the past six years, while at the same time significantly increasing the variabilization of costs as well as the quality of service. At the same time, it enables us to integrate newly acquired gaming companies quickly and efficiently on the technology side and thus making them more profitable much faster. Another major event in the first half year was the acquisition of the Verve Assets in January 2020. On the media side we are now, via integrating all media companies, working on establishing a core integrated media unit. This is similar to what we did on the games side, where all gaming companies were integrated into gamigo and where each later acquisition can be fast end efficiently be integrated into the previously established core unit. We now have extensive and cost-effective access to traffic with a focus on mobile traffic. This now enables us to generate efficient and high-quality traffic for our own games in-house. Here we see further potential to use this mobile media power for our gaming segment and to expand gamigo's portfolio with various mobile IPs in the future. At the same time, we have the possibility to convert existing games to mobile devices and release them for new markets. We expect that the media business will create a clear competitive advantage regarding user acquisition for our games, while, based on know-how, data and critical mass also generating substantial revenues and returns from external customers. All in all, I am proud of what we have achieved in the first half of the year, especially in view of the circumstances that have meant and still mean a major change for all of us. Working from home eg. worked out pretty well for the team, while on the other hand eg. M&A processes due to travel restrictions were delayed. I am looking forward to the second half of 2020 and wish all our employees, partners, investors and all their families good health and all the best."

Remco Westermann, CEO gamigo Group



Fiesta Online

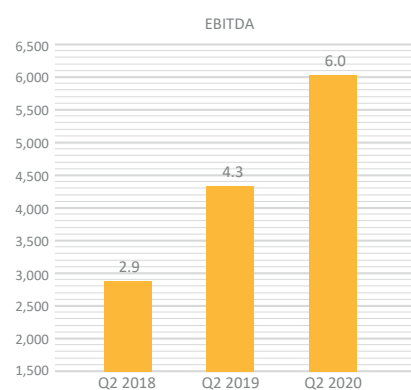
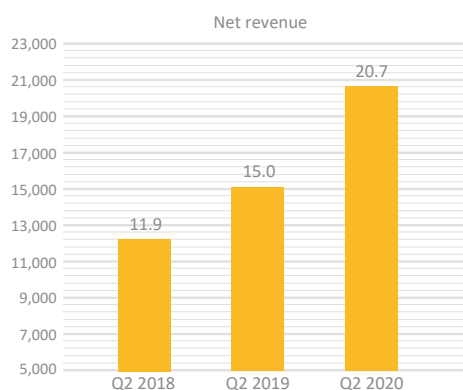
FINANCIAL PERFORMANCE, JANUARY – JUNE 2020

CONSOLIDATED NET REVENUES, EARNINGS AND EXPENSES

The first half year of 2020 showed as well as previous years strong revenue growth. Net revenues increased in H1 2020 to 37.6 mEUR (H1 2019: 28.4 mEUR which is an increase of 32%). Net revenues for the second quarter 2020 amounted to 20.7, which is an increase of 38% versus the corresponding period of the previous year (Q2 2019: 15.0 mEUR). A substantial part of the increase in turnover was organic, due to new content updates and increased user acquisition activities, which were very efficient due to Corona, while also the Verve acquisition had a positive effect on revenues.

The EBITDA amounted to 10.8 mEUR (H1 2019: 8.3 mEUR) which is an increase of 29%. EBITDA margins remained stable at 29%. EBITDA increased as a result of higher revenues as well as implemented cost synergies. Despite the acquisition in January, the margin remained relatively constant. Since acquired businesses often have post acquisition lower margins until the synergies are realized, this is already the proof that we were able to achieve profits in integrating the assets immediately after the acquisition, which in turn is due to our extensive experience and well-established processes in this area. Adjusted EBITDA excluding one-time costs amounted to 11.6 mEUR (H1 2019: 9.1 mEUR) which is an increase of 28%. Reported EBITDA during the second quarter 2020 amounted to 6.0 mEUR (second quarter 2019: 4.3 mEUR) and increased by 40%.

The high positive net result in H1 shows the strong performance of gamigo. Despite one-time M&A costs for the acquisition of Verve the net result increased by 92% and amounted to 1.5 mEUR (H1 2019: EUR 0.8 mEUR).





Defiance 2050

CASH FLOW AND FINANCIAL POSITION

Cash flow from operating activities amounted to 9.5 mEUR in H1 2020 (H1 2019: 6.5 mEUR), representing an increase of 45% underscoring once again the strong cash generation of the operating activities. The corresponding number for the second quarter 2020 is 5.0 mEUR (second quarter 2019: 4.2 mEUR). The equity ratio was 22% as of June 30, 2020 (December 31, 2019: 24%) and thus, the equity decreased slightly due to an increased amount in total assets and liabilities as a result of the organic and acquisitive growth of the group.

The Group's cash and cash equivalents amounted to 9.6 mEUR as of June, 30, 2020 compared to 22.0 mEUR as of December 31, 2019 and decreased due to the invested capital for the acquisition of Verve in Q1 2020 and investments in games and media segment. The interest coverage ratio was 4.6 in Q2'20 compared to 3.4 in Q2'19 and as such increased due to an increased EBITDA in H1 2020. The leverage ratio as of June 30, 2020 is 2.3, compared to 1.7 as of December 31, 2019 and as such showed an increase in leverage due to the verve acquisition in Q1 2020. Due to EBITDA growth and a free cashflow in Q2 2020 the leverage ratio decreased from 2.6 as of March, 31 2020 compared to 2.3 as of June 30, 2020.

INTANGIBLE ASSETS, INVESTMENTS AND DEPRECIATION

During the first half year 2020, gamigo invested 6.6 mEUR (H1 2019: 3.7 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 18% in H1 2020 compared to 13% in H1 2019 and increased due to the organic growth ambitions of the group which starts to pay off with increased organic revenue growth.

Depreciation and amortization in H1 2020 amounted to 5.8 mEUR (H1 2019: 5.1 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 95.5 mEUR on June 30, 2020. The Groups short-term liabilities increased on 30 June 2020 to 40.8 mEUR (31 December 2019: 30.6 mEUR) largely based on acquired account payables from the verve acquisition which vice versa also come with an increase in account receivables.



Grand Fantasia

EVENTS IN THE BUSINESS SEGMENTS, FIRST HALF YEAR 2020

B2C GAMING SEGMENT

The gamigo group offers over 30 Massively Multiplayer Online Games (MMOs) and over 5,000 casual games. These include various role playing, strategy and shooter MMOs, including ArcheAge Unchained, Aura Kingdom, Desert Operations, Grand Fantasia, Fiesta Online and Trove, which have been established on the market for many years. These MMO games, if well maintained and supported with strategic marketing and regular improvement of the game's content, have a lifetime of well over ten years. Regularly we release substantial content updates to keep the players engaged and entertained. In the first quarter, we published updates for various games, which drove organic revenue growth in these games. Below you will find an overview of some of our game events and updates:

Along with content updates for individual games, we also cross-promote multiple titles through engaging campaigns targeted at new and existing players. Two of the most successful projects in Q2 included our cooperation with the charity "Eden Reforestation Projects" as well as the campaign #playaparttogether, which has been endorsed by not only a multitude of industry partners but also the World Health Organization. Both of these projects were launched during the international quarantine, which led to wide participation of users looking for entertainment during their stay at home.

With over 111,000 thousand trees planted by gamigo's community, the partnership with Eden Re-forestation Projects proved to be highly successful. Players were able to purchase different packages for each participating game on a newly created website. Players were inspired even further by leaderboards to show how many trees each community has funded and how many players have taken part. This not only ensured that existing players felt a sense of accomplishment by participating in the event but also targeted potential new players with a charitable incentive to start out in one of our many games. The second project, the #PlayApartTogether Initiative, featured an official gamigo #StayHome website showcasing all of gamigo's highlight games while additionally offering valuable bonus items and special events to increase player engagement in the second quarter.

ArcheAge Unchained released DLC "Garden of the Gods"

The Buy2Play version of ArcheAge, the ultimate sandbox MMORPG, ArcheAge Unchained has continued to provide premium experience gameplay in the second quarter of the year. It received a content expansion on June 11th called "Garden of the Gods" which is the first purchasable download content since the launch of ArcheAge Unchained in Q4 2019. The expansion introduces new regions with 59 new main storyline quests to complete. The game's story has been guiding players to this place for 6 years, truly since the beginning of ArcheAge. It also brings 14 new areas as well as new challenging world bosses and monsters. This latest expansion grew the game's revenue organically from March to June by 165%.

With this new expansion two new fresh start servers have opened. To showcase its unique game experience, ArcheAge Unchained hosted two free trial sessions in Q2, opening doors to the players who have not been able to check out the game previously. ArcheAge is continuing to offer more exciting adventures in the 2nd half of the year by celebrating the anniversary of the game as well as upcoming new content updates.

Trove introduced extensive Update "Delves"

In May 2020 gamigo introduced Delves, an extensive Update for the adventure MMO Trove which was launched on the PC Client version. In July 2020 Trove Delves was also launched on Sony PlayStation and Microsoft Xbox. Delves offers a new type of gameplay, combining the Geode caves with procedurally generated endless combat. Players are running through a Delve – an extensive underground complex – to complete objectives defeat the boss of each floor, loot his rewards and gain the opportunity to 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, players can switch in Delves between combat and discovery mode.

This major update was very successful from a content and sales perspective. Despite the great success of the update, Trove holds further significant potential in monetization and content enhancements.



Aura Kingdom

In June gamigo staged the biggest party of the year in Trove: Sunfest. It was not just a tremendous event for players, but also Trove's celebration for its 5th birthday. Trove players joined the fight against the invasion of shadow pinatas across the world, defeating dastardly Sunfest Invaders to obtain special house coins and exchange them for great rewards.

gamigo is actively expanding the Trove brand by localizing the game and forming publishing partnerships in the SEA, CIS and LATAM territories. A partnership with a Korean publisher has been closed and the technical implementation is in its final phase. Further negotiations with other publishers are far advanced. gamigo is convinced that these territories still hold untapped potential especially with a strong brand like Trove.

Opportunities to publish Trove on new platforms such as mobile are currently under investigation as well. This will further strengthen the brand and will open an access to new customers groups.

Aura Kingdom

Aura Kingdom is the go-to MMORPG for Fans of the Anime Genre that offers a colorful and exciting world for players to discover. Just recently, Aura Kingdom received a new level cap increase which opened two large new maps for players to conquer, new dungeons to master, countless new customization items and features for their characters and companions to collect.

In Aura Kingdom, players have the opportunity to choose between 16 playable classes with different kinds of attributes like healer, tank, ranged, melee and support. Further progress with the character unlocks the special dual class system which provides the option to receive a secondary class that can be played as well. The game offers a vast selection of interesting secondary Player versus Environment (PvE) content like minigames and professions like card battles, archeology, fishing, cooking and Eidolon Adventures are a great way to keep people involved with existing tasks to do and are supplemented with new updates on a monthly basis.

Twin Saga: Welcomes spring with new areas to explore and more!

gamigo's established Anime RPG introduced multiple updates and new events in Q2 for its audience. Anime RPG fans were able to reach for the stars in an all-new feature, explore challenging dungeons and attend the Sakura Blossom Festival in new seasonal events. For long-term players, a new dungeon, two new areas and many endgame events have been added to keep engagement high.



B2B ADVERTISING AND MEDIA SEGMENT

In the area of B2B services, the focus is on online and mobile advertising and media services, with a strong focus on influencer-, social-, product-, brand- and performance marketing. The most important activities in this field are grouped into adspree media, the Mediakraft group and Verve Group. While adspree media is focused on lead generation and advertising for game providers and also on operating portals such as MMOGAMES.com, MMORPG.de and Browsergames.de, the Mediakraft group is a specialist agency for video, social- and influencer marketing, offering a full product range in this field with consultancy, design, production, media purchasing and performance tracking and analyses. Verve is focused on brand marketing for mobile app, offering full service agency support as well as programmatic solutions.

In Q2 2020 we have expanded our classic network business with Mediakraft: We have taken over the support of further Influencer YouTube channels and created the technical prerequisites to push this business segment much more strongly in the coming months. Additionally, we are happy to develop another YouTube channel on behalf of a new partner and produce it in our studios. One of Mediakraft Turkey's main goal in 2020 was to open up to international markets and reduce the company's reliance on the domestic market. After the first 6 months of the year, 60% of revenues are made from international views. The increase in video consumption during the pandemic has helped accelerate the achievement of this goal.

Adspree was able to win further international publishers and large content libraries as customers who we support in distribution, development and monetization of their content on YouTube and other online video portals. This contributes to our strategy of offering more services and solutions for B2B customers in the content business. Additionally a further focus during Q2 has been again on internal portal inventory. It can be seen that the stronger concentration on this area is having an effect and that profitability is improving. In addition to supporting the existing portals such as browserames.de, mmogames.com, and prosiebengames.de, we are planning to expand our portal inventory.

With the consistent integration of Verve into gamigo while also working with other game publishers and advertisers like Innogames, Epic Games, Ubisoft and Tencent we achieved efficiency gains on scale in the operative area of gamigo Group and also created organic growth opportunities by enabling our global media sales team to distribute our unified product and media service offering worldwide.



OPERATIONS AND STRATEGY

DRIVING ORGANIC GROWTH

The gaming industry was one of the few industries that not only did not suffer during the COVID crisis and especially during the tough containment measures, but even benefited from it. Also, gamigo has seen a significant increase in new players (75%*) and user activity (31%*) during this period. It is crucial to keep players engaged and entertained through the continuous delivery of new content and dedicated activities when it comes to long-term motivation, which also increases the chance of turning new active players into paying players and keeping them in the game for the long term. gamigo was able to do this very successfully in the past months. As a reaction to the strong increase in the number of players during the lockdown phase, gamigo concentrated on significantly increasing and improving the community management and at the same time providing new content for the players. Besides numerous smaller updates and events, especially two extensive expansions were launched in ArcheAge and Trove. Additionally, the user acquisition was intensified. Among other things, an extensive marketing campaign was successfully executed in the Playstation Store for the release of the Trove expansion "Delves".



The high increase in user activity during the lock-down shows the growing importance of games as a social platform. According to Newzoo, this is also one of the most significant trends in the gaming sector in the coming years. "Ten years ago, younger generations were leaving behind traditional media for social media; today, they are leaving behind social media for more interactive experiences. After all, many game worlds are more immersive than social media apps. Gaming's feedback loop is often more instant, more satisfying, and in many respects, more social."** gamigo's core portfolio of more than 25 massive multiplayer online games enables players to create and live their own social world in the games. We today have almost 20 years of experience in supporting the gaming communities in our games and are one of the most experienced companies worldwide. More than 600,000 players per day and 5 million per month stay in contact with each other in our games. The existing game portfolio, the extensive experience and the already large community enables gamigo to benefit from the trend "Games as social medium".

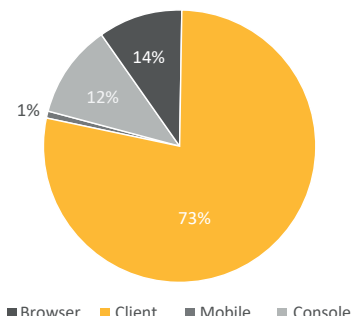
*Number of new MMO registrations in April vs. January/February 2020 and number of active players in April vs. January February 2020

**Newzoo - Global Games Market Report 2020



GAMES CHANNEL AND DEVICE STRATEGY

GAMES REVENUES Q2 2020 BY DEVICE

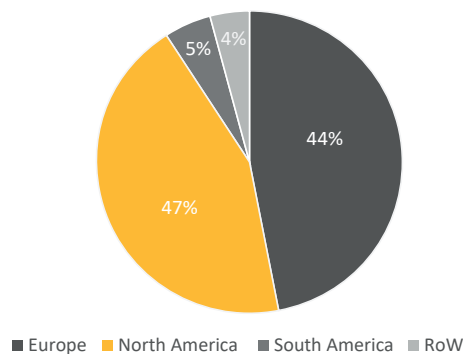


87% of gamigo's revenues have been generated via PC-games (PC-Client and Browser) in Q2 2020. By comparison, the global market generates approx. 50% of the gaming revenues via these channels with a market growth of 7% YoY. gamigo's gaming segment currently generates 1% of its revenues via mobile games, while the global gaming market generates approximately 50%, with a market growth of 15% YoY. While gamigo's PC and console segments will remain the core business, for which substantial growth is expected to continue, it is planned to expand the mobile share within the gaming portfolio in order to also participate in the growth of this fast growing mobile games market. gamigo has laid the foundation for the expansion of the mobile games business in the recent months.

Through various acquisitions in the media segment as well as in cooperation with the other Media companies of Media and Games Invest, gamigo has worldwide and cost-effective access to mobile traffic. This enables us to use the extensive media reach for efficient user acquisition and grow mobile games revenues in a cost-efficient way. Furthermore, the large portfolio and userbase of gamigo's existing online and console games enables us to convert existing games to mobile and release them to new markets. Despite a very competitive landscape in the mobile gaming business, current market observations are displaying great potential for acquiring mobile game licenses and mobile games studios. Overall gamigo is confident to establish an additional revenue stream by combining the strong media market position with its wide games portfolio to build an extensive mobile games portfolio that will contribute significantly to gamigo's business result.

GEOGRAPHICAL DISTRIBUTION STRATEGY

GAMES REVENUES Q2 2020 BY REGION



The core markets of gamigo's gaming business are currently North America with 47% and Europe with 44% in Q2'20. Together, these two markets account for 44% of the global gaming revenue. About 49% of global gaming revenues are generated in Asia, where gamigo currently generates less than 4% of its gaming revenues. While Europe and North America will remain the strategic

Source: gamigo



core markets, it is planned to further expand activities and increase revenues of the gaming portfolio in the Asian region. In addition to the regulatory and partly political framework conditions, the high localization effort required to adapt the games to the players in the Asian region also creates relatively high barriers to entry into these markets. In order to circumvent these barriers and to enter the Asian markets at the lowest possible risk, gamigo entered into a partnership with a Korean game's publisher in the second quarter. The Korean publisher will take over the localization and publication of the gamigo IP Trove in the Asian region. In return, gamigo will receive a significant share of revenues.

OUR VIEW ON THE GAMING MARKET

The gaming industry is one of the biggest sectors of the entertainment industry worldwide. The global gaming market generated revenues of 145 billion US dollars in 2019. In 2020, the market is expected to reach USD 159 billion. In other words, the gaming market is larger than the markets for movies, music and books. While the gaming market has grown with a CAGR of about 12% from 2014 to 2019, gamigo has grown much faster than the already fast growing market with more than 30% in the same period.*

Even though mobile gaming, due to the lower complexity of the games, has correspondingly lower entry barriers than, for example, PC and console games - the core business of gamigo- there are other hurdles to overcome in order to be successful and profitable in this rapidly growing market. On the one hand, the low technical hurdles are leading to an enormously high number of market participants and thus to a huge number of game launches. In Q1 2020 Google Play alone counted about 300,000 different gaming apps**.

The mobile gaming market is therefore extremely competitive and even high-quality games have trouble attracting the attention needed to be successful and profitable in the face of the sheer mass of competing offers. Another point is the conversion of players into paying players. While an incredible 2.6 billion people now enjoy mobile games, only 38% of them spend money for them*. For both of the above mentioned points (extremely high competition and conversion into paying players), efficient marketing via mobile media is essential. Gamigo has a high level of in-house expertise in this area through its own media companies and close cooperation with its sister companies Applift and PubNative.

*Newzoo: Global games market report 2020

**Statista: Number of available gaming apps at Google Play from 1st quarter 2015 to 1st quarter 2020

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION, GAMIGO GROUP
(UNAUDITED)

EUR 000's	Note	30 Jun 2020	31 Dec 2019
Intangible assets	2, 3	95,500	76,171
Property, plant and equipment		2,427	2,368
Financial assets and other assets		17,114	12,163
Long-term assets		115,042	90,702
Trade and other receivables		15,345	11,930
Cash and cash equivalents		9,634	21,957
Short-term assets		24,979	33,887
Total assets		140,021	124,588
Equity attributable to shareholders of the parent company	6	30,938	30,190
Non-controlling interest		14	4
Total Equity		30,951	30,194
Long-term liabilities	4	68,267	63,788
Short-term liabilities	5	40,802	30,606
Total liabilities and equity		140,021	124,588

CONDENSED CONSOLIDATED STATEMENT OF INCOME, GAMIGO GROUP
(UNAUDITED)

EUR 000's	Note	Q2 2020	Q2 2019	H1 2020	H1 2019	FY 2019
Revenues						
Net revenues	7	20,718	15,024	37,636	28,421	58,916
Own work capitalized		3,176	1,839	6,591	3,658	8,490
Other operating income		218	2,482	764	2,660	3,181
Total Income		24,112	19,346	44,991	34,739	70,587
Operating Expenses						
Services purchased & other operating expenses	8	-10,792	-9,381	-18,982	-16,093	-32,690
Personnel expenses	9	-7,285	-5,667	-15,255	-10,331	-21,567
Total operating expenses		-18,077	-15,048	-34,237	-26,424	-54,257
EBITDA						
Depreciation, amortization and write-downs	10	-2,957	-2,584	-5,779	-5,069	-10,071
EBIT						
Financial result		-1,316	-1,270	-2,603	-2,047	-5,109
EBT						
Income Taxes		-322	-179	-840	-402	820
Net Result		1,440	264	1,532	797	1,970
of which attributable to non-controlling interest		3	-11	11	-24	55
of which attributable to shareholders of the parent company		1,438	275	1,521	821	1,914

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
Total Equity as at 31 Dec. 2018 / 1. Jan 2019	2,311	48,153		85	-21,972	28,577	-51	28,526
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								
Total Equity as at 31 Dec. 2019/ 1. Jan. 2020	2,311	48,153	-237	21	-20,058	30,190	4	30,194
Issues on shares								
Consolidated profit / loss for the period					1,521	1,521	10	1,530
Other comprehensive income			-4	-125		-130		-130
Other changes					-645	-645		-645
Total Equity as at 30. Jun. 2020	2,311	48,153	-241	-104	-19,182	30,938	14	30,951

CONDENSED CONSOLIDATED CASH FLOW STATEMENT, GAMIGO GROUP (unaudited)

EUR 000's	Note	Q2 2020	Q2 2019	H1 2020	H1 2019	FY 2019
Cash flow from operating activities		4,988	4,196	9,456	6,542	16,385
Cash flow from investing activities		-2,525	-3,153	-14,281	-5,450	-11,848
Cash flow from financing activities		-918	11,639	-7,498	16,865	13,318
Cash flow for the period		1,545	12,682	-12,323	17,958	17,855
Cash and cash equivalents at beginning of period		8,089	9,434	21,957	4,158	4,158
Cash and cash equivalents at end of period		9,634	22,116	9,634	22,116	21,957

SELECTED EXPLANATORY NOTES (unaudited)

NOTE 1 ACCOUNTING AND VALUATION PRINCIPLES

The Half Year 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.

During the reporting period, the following companies were included in the scope of consolidation of the Company for the first time due to foundation of these companies in the interim report ended June 30, 2020:

- Verve Group, Inc.
- Place of Incorporation: Delaware
- Proportion of ownership interest: 100,00%

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. The main increase of intangible assets pertains from the acquisition of the Verve assets as described below under Acquisitions.

	June 30, 2020	December 31, 2019
	kEUR	kEUR
Goodwill	32,070	27,913
Other Intangibles	63,431	48,259

Acquisitions

gamigo AG agreed on acquiring substantially all assets of Verve Wireless Inc ("Verve") via its US-based subsidiary. Verve is a leading North American mobile data platform for location-based programmatic video and display marketing. This transaction includes Verve's technology, intellectual property and the team with domain expertise in branded programmatic advertising and its location-based analytics and data management platform. The acquisition was made public according to Art. 17 of Regulation (EU) 596/2014 on 23 January 2020.

Verve was founded in 2005 with offices in i.a. New York and San Diego. The acquisition expands the group's product portfolio, customer base as well as sales organization and further strengthens the group's position in the North American market with strong synergies towards the other media companies as well as gaming companies of the group.

The acquisition of Verve qualifies as a business combination in terms of IFRS 3 Business Combinations. The results of the purchase price analysis will be recognized in the audited consolidated financial statements 2020.

NOTE 3 DISPOSALS

There were no material sales or disposals in the second quarter of 2020.

NOTE 4 LONG-TERM LIABILITIES

As of June 30, 2020, the long-term liabilities of gamigo Group increased by kEUR 4,479 to kEUR 68,267 (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 10,196 on June 30, 2020 to kEUR 40,802 compared to kEUR

30,606 on December 31, 2019, largely based on the Verve acquisition. The liabilities contain mainly account payables towards important suppliers with whom the business relations are to be continued. Gamigo also acquired a substantial amount of receivables.

NOTE 6 SHAREHOLDERS' EQUITY

As of June 30, 2020, the total shareholders' equity increased to kEUR 30,951 (December 31, 2019: kEUR 30,190). The subscribed capital of the parent company gamigo AG (kEUR 2,310) did not change during first half year 2020. The capital reserves (kEUR 48,153) did not change during first half year 2020.

No dividends were paid in the in first half year 2020 nor any share-based payments nor other option plans were made or granted.

NOTE 7 NET REVENUE

gamigo Group achieved a second quarter 2020 sales revenue of kEUR 20,718. The increase of kEUR 5,694 (Q2 2019: kEUR 15,024) is due to increased sales, despite the Corona crisis. This underlines that the business is performing well even in times of crisis.

NOTE 8 SERVICES PURCHASED & OTHER OPERATING EXPENSES

For Q2 2020, gamigo Group disclosed services purchased and other operating expenses of kEUR 10,792 (Q2 2019: kEUR 9,381). The increase of kEUR 1,411 representing a strong decrease of 10% in relation to the revenues compared to the corresponding quarter in 2019. This illustrates the effect of the business model based on the integration of acquired companies and assets. While revenues are rising strongly, costs are rising moderately due to the exploitation of synergy potentials.

NOTE 9 PERSONNEL EXPENSES

The personnel expenses increased in Q2 2020 by kEUR 1,617 to kEUR 7,285 compared to the prior year's period. This increase is mainly due to the personnel costs of employees who are part of the Verve business acquired in Q1 2020.

NOTE 10 DEPRECIATION, AMORTIZATION AND WRITE-DOWNS

Depreciation, amortization and write-downs amounted in Q2 2020 to kEUR 2,957 (Q2 2019: kEUR 2,584) and increased mainly due to additional PPA depreciation. In Q2 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 H1 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 for a certain period

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. The company can be contacted by email ir@gamigo.com or soeren.barz@gamigo.com.

FINANCIAL CALENDER

Interim Report, Q3 2020	November 30, 2020
Full-Year Report 2020	February 28, 2021
Annual Report 2020	April 30, 2021
Interim Report Q1 2021	Mai 31, 2021

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 16:00 CET on August 31, 2020.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Remco Westermann, CEO gamigo AG
Public and Investor Relations Email: 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, August 31, 2020

Remco Westermann, CEO



gamigo AG

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