

41% NET REVENUE GROWTH AND 457% EBIT GROWTH

“gamigo continues its strong and profitable growth path also in the third quarter of 2019, with net revenues increasing by 41% and EBIT increasing by 457%. Next to organic revenue growth, the increase in profitability illustrates the effect of the successful integration of the most recently acquired WildTangent and TrionWorlds assets. Due to the exploitation of synergies of scale, a strong increase in revenues is accompanied by a moderate increase in costs and thus an over-proportional growth of profitability. After having focused on the integration of the latest acquisitions in the previous months and having successfully completed most of it, in Q3 we focused stronger on the preparation of some major content updates for our games as well as the preparation of launches for the coming quarters and thus on our organic growth. Based on the launch of ‘ArcheAge: Unchained’ on October 15, as well as further planned launches, we expect to show even stronger organic growth in Q4 2019. With a well-filled pipeline for future game launches and further M&A targets lined up, as well as more than EUR 20 million free cash in the bank, gamigo is well positioned for further strong growth.” says Remco Westermann, CEO of the gamigo Group.

THE THIRD QUARTER JULY – SEPTEMBER 2019

- Net revenues amounted to 14.5 mEUR (Q3 2018: 10.2 mEUR), which is an increase of 41% compared to the third quarter of 2018 and is based on M&A as well as organic growth from our existing portfolio, and also from the pre-sales of the new game launch of ArcheAge: Unchained (commercial launch in Q4 on October 15th).
- EBITDA amounted to 4.0 mEUR (Q3 2018: 2.3 mEUR), which is an increase of 72%. The increase is based on further revenue growth in combination with further realised efficiency gains resulting from the integrations of TrionWorlds and WildTangent.
- Adjusted EBITDA amounted to 4.1 mEUR (Q3 2018: 2.4 mEUR), which is an increase of 68% (Adjusted EBITDA excludes one-time, M&A and financing costs).
- EBIT increased to 1.4 mEUR (Q3 2018: 0.3 mEUR), which is an increase of 457%.
- Adjusted EBIT grew to 1.5 mEUR (Q3 2018: 0.3 mEUR), which is an increase of 344% (Adjusted EBIT excludes one-time M&A and financing costs).
- The net result increased by 162% to 0.2 mEUR in Q3 2019 (Q3 2018: 0.1 mEUR).
- The net leverage ratio was stable at 2.0 as of Q3-LTM 2019, compared to 2.0 as of June 30, 2019. Net leverage based on September-LTM 2019 adjusted EBITDA was 1.8 compared to 2.0 for the reported EBITDA figure.
- As of Sep 30, 2019, cash and cash equivalents amounted to 20.9 mEUR (December 31, 2018: 4.2 mEUR).
- Games Publishing Segment: In Q3 2019, the focus was on the preparation and implementation of the ‘ArcheAge: Unchained’ Launch as well as on the preparation of further major launches in the coming quarters. At Gamescom in Cologne, the largest games fair in the world, gamigo announced the launch of ‘ArcheAge: Unchained’ and also presented the game ‘Ironsight’ to a broad specialist audience and received positive feedback. Currently, the final optimizations to the games are being made to enable a smooth launch in a timely manner. Furthermore, several smaller content updates and events have been published a.o. in Grand Fantasia and Fiesta Online.
- Advertising and Media Segment: The optimization of sales to third parties and the expansion of the team are progressing well. Also, the synergies with the games publishing activities are continuously increasing. The cooperation between the media companies under the new brand Media Elements Group will be further strengthened and is showing good results. At dmexco, one of the most important trade fairs in the media/digital marketing sector, we received very positive feedback for the product portfolio offered under the Media Elements Group.



THE NINE MONTH PERIOD JANUARY – SEPTEMBER 2019

- Net revenues amounted to 42,9 mEUR (2018: 31.8 mEUR), which is an increase of 35% compared to the first nine-month 2018.
- EBITDA amounted to 12.3 mEUR (2018: 7,6 mEUR), which is an increase of 63% and already outperformed the financial year 2018 (2018: 11.1 mEUR EBITDA).
- EBIT developed very well and increased to 4.7 mEUR (2018: 1.6 mEUR), which is an increase of 200% and already outperformed the financial year 2018 (FY 2018: 2.6 mEUR).
- The net result for the first nine-month 2019 amounted to 1.0 mEUR (2018: 0.9 mEUR).

EVENTS AFTER THE INTERIM PERIOD

- On October 15th, 2019 the 'ArcheAge: Unchained' game was successfully released to the public on the self-owned publishing platform Glyph, followed by the release on Steam shortly after. ArcheAge: Unchained is the new buy2play version of the famous ArcheAge, originally published as a free2play title on PC and since November 2018, after closing the license agreement with XL Games, published by gamigo Group.

SELECTED KEY PERFORMANCE INDICATORS, GAMIGO GROUP

EUR 000's	2019 Jul-Sep	2018 Jul-Sep	2019 Jan-Sep	2018 Jan-Sep	2018 Jan-Dez
Net Revenues	14.5	10.2	42.9	31.8	45.3
YoY Growth in revenues	41%	-	35%	-	8%
EBITDA	4.0	2.3	12.3	7.6	11.1
EBITDA margins	28%	23%	29%	24%	24%
Adj. EBITDA	4.1	2.4	13.2	8.6	13.4
Adj. EBITDA margins	28%	24%	31%	27%	30%
EBIT	1.4	0.3	4.7	1.6	2.6
EBIT margins	10%	2%	11%	5%	6%
Net Result	0.2	0.1	1.0	0.9	1.6



A Word from Remco Westermann, CEO

WELL PREPARED FOR THE CONTINUATION OF THE SUCCESSFUL GROWTH PATH

"With another quarter realized, it's time to look back on what we have achieved in this quarter and how it compares to past performances. In terms of financials, the positive development of Q2 continued well into Q3, with key figures on the rise compared to Q3 2018. EBITDA is at 4.0 m EUR for the quarter, an increase of 72% (Q3 2018: 2.3 mEUR). When looking at the EBIT, we even managed a 457% growth (1.4 mEUR in Q3 2019 compared to 0.3 mEUR in Q3 2018). Revenues also saw a substantial boost, with currently 14.5 mEUR in Q3 compared to 10.2 mEUR in the same period one year ago.

Considering that this was achieved, while also increasing the group's cash or cash equivalents from 4.2 mEUR (Q4 2018) to 20.9 mEUR as of September 30, 2019, the Group is in good shape and has much potential for both organic and anorganic growth.

Our B2B media sales activities were highlighted by a joint booth at Cologne's dmexco 2019 with the joint brand 'Media Elements Group'. This joint umbrella brand will create further growth opportunities and streamline existing processes, most notably through a joint sales team spearheading the unit. Further focus in the B2B group was on revamping our 17 game portals, where players can look for games, showing promising results. At MediaKraft Germany, one of the most notable projects is a study conducted with a reknown research institute, that will both help the group in general but will also be available to third parties through workshops and other offerings. At Mediakraft Poland we saw an increase in orders, due to recent changes in the business, that focused on client retention, sales development and increased efficiency over all. We also positioned the company to be the gateway for international businesses, looking to enter the Polish market.

Also, our game publishing activities developed well in Q3. There was further focus on improving the games in the portfolio as well as on preparing launches of new games. The new game launches ArcheAge: Unchained, Ironsight and Desert Operations will bolster and further diversify our games portfolio, introducing another First-person shooter (Ironsight) and revamping one of our strategy titles (Desert Operations) as well as coping with criticism of ArcheAge players by launching the pay2play version ArcheAge: Unchained. Meanwhile, we are also taking care of our existing and successful titles, most prominently by preparing a major update to our MMORPG Last Chaos planned for December 2019.

In addition, the technical integration of our recent acquisitions is progressing well and already resulting in the realization of substantial synergies. Among others, we were able to migrate most of our US datacentres into a cloud solution. This helps us drive costs down, but also enhances the reliability of our services and allows us to react quicker to changing demands.

We are also making progress in forming a strong data intelligence team in Germany, which will enable us to become a more data-focused organisation. This will enhance our understanding of our player base significantly, enabling us to be more efficient and effective on several topics, including monetization, marketing and user experience.

Q3 further showed that our strategy of acquiring and integrating competitors in combination with organic growth based on game improvements as well as new game launches drives profitable growth very well. For Q4 we expect further growth, based on seasonality but also further updates and improvements of the current games portfolio. For Q4 we also expect an additional boost of organic growth from our new game launches, which started with the launch of ArcheAge: Unchained on October 15th. The title was very well received, with thousands of new players on the servers for the European as well as the North American markets. We also saw a good coverage of the release in social media channels, esp. on YouTube, with many YouTubers and influencers covering the topic and producing content on ArcheAge: Unchained, such as live streams and tutorials. The gamer community's fondness of ArcheAge: Unchained is underscored by thousands of gamers sharing their gaming experience on Discord and interacting with us. As there is a strong pipeline for further future game launches as well as for further M&A, we are confidently and excitedly looking ahead." says Remco Westermann, CEO of the gamigo Group.



FINANCIAL PERFORMANCE, THIRD QUARTER 2019

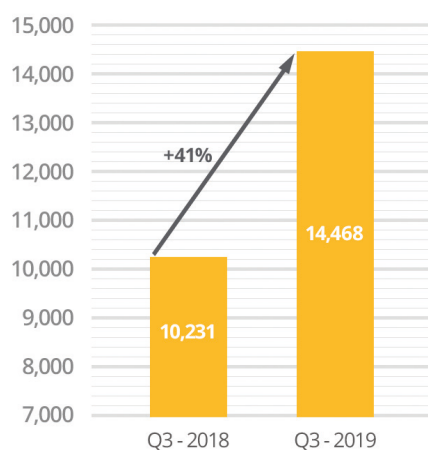
CONSOLIDATED NET REVENUES, EARNINGS AND EXPENSES

In the third quarter, revenues amounted to 14.5 mEUR. Compared to the previous year, this represents an increase of 41% (Q3 2018: 10.2 mEUR). The increase in revenues was driven both inorganically by the recent acquisition of the WildTangent and TrionWorlds assets as well as organically by several content updates, patches and the pre-sales of 'ArcheAge: Unchained'.

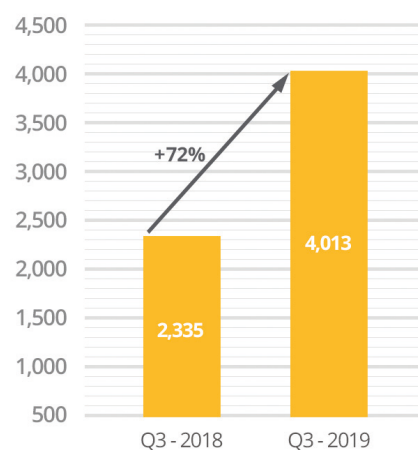
EBITDA grew by 72% to 4.0 mEUR in the third quarter (Q3 2018: 2.3 mEUR). The EBITDA growth outperformed the net revenue growth based on larger scale, cost savings and further efficiency gains. Especially other operating expenses in relation to revenues were reduced compared to the previous year, underlining economy of scale effects which are part of the business model. Accordingly, EBIT improved significantly to 1.4 mEUR (Q3 2018: EUR 0.3 million), which is an increase of 457%.

Consolidated net result also more than doubled, increasing by 162% to EUR 0.2 million (Q3 2018: EUR 0.1 million). The increase in net result compared to the increase in EBIT is somewhat mitigated by the rise in interest expenses in connection with the gamigo bond, which on the other hand leads to a high cash position and gives flexibility for future growth.

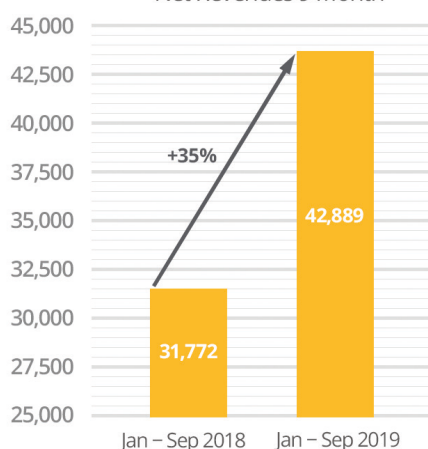
Net Revenues Q3



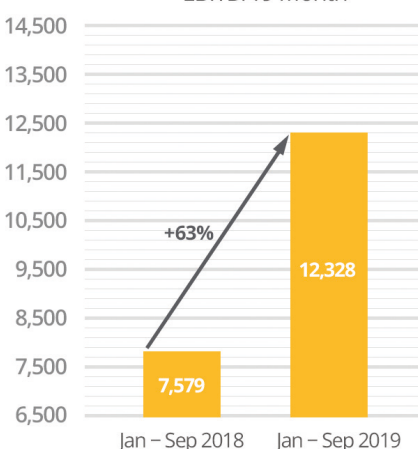
EBITDA Q3



Net Revenues 9 Month



EBITDA 9 Month



Defiance 2050



CASH FLOW AND FINANCIAL POSITION

Cash flow from operating activities amounted to 2.9 mEUR in Q3 2019 (Q3 2018: 1.6 mEUR), representing an increase of 81%. The corresponding figure for the first nine months of 2019 was 9.4 mEUR (9-month 2018: 7.1 mEUR). During the 9-month period 2019, gamigo's net working capital increased due to receivables from payment service providers, negatively affecting the cash conversion. In the future, the NWC will balance out again.

The equity ratio was 24% as of September 30, 2019 (December 31, 2018: 30%). Compared to the previous quarter, the equity ratio remained stable. The Group's cash and cash equivalents amounted to 20.9 mEUR as of September 30, 2019 compared to 4.2 mEUR as of December 31, 2018. The interest coverage ratio is 3.6 as of September 30, 2019 compared to 3.4 as of June 30, 2019. The leverage ratio as of September 30, 2019 is 2.0, compared to 2.0 as of December 31, 2018, and is also influenced negatively by the cash conversion related to delayed payment service providers payouts.

INTANGIBLE ASSETS, INVESTMENTS AND DEPRECIATION

In the third quarter of 2019, gamigo invested EUR 2.1 million (Q3 2018: EUR 0.9 million) in strategic product and platform development (personnel expenses). Capitalized own work includes investments in the optimization of the IT platform, planned or completed game launches such as Arche-Age: Unchained, Ironsight and Desert Operations, as well as enhancements and updates to existing games such as Fiesta Online and Last Chaos. As a percentage of net revenues, these investments amounted to 15% in the third quarter of 2019 compared to 12% in the second quarter of 2019.

Depreciation and amortization in the third quarter of 2019 amounted to EUR 2.6 million (Q3 2018: EUR 2.1 million) and increased mainly due to additional PPA depreciation from the TrionWorlds and WildTangent acquisitions.

In the third quarter of 2019, the Groups assets and liabilities were almost unchanged compared to the previous quarter, mainly reflecting that no further acquisitions were performed during Q3 2019.



EVENTS IN THE BUSINESS SEGMENTS, THIRD QUARTER 2019

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, Aura Kingdom, 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 third 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 updates:

Defiance: gamigo celebrates first anniversary of Defiance 2050, with the 99 Problems Event and new content

The popular Sci-Fi MMO Defiance 2050 turned one year old this year. Numerous in-game events including new weapons and Arkfalls have been added to the game to provide a sustainable mix of premium and free2play content, improving revenue and player engagement.

Grand Fantasia: Now interdimensional!

The widely known Anime MMORPG Grand Fantasia received a substantial content update. It features three new maps with different climate zones, enemies and questlines that allow players to investigate the secrets of the unknown and earn amazing rewards. All new content provided is targeting player engagement. Additionally, time-limited event characters are pushing revenue.

Fiesta Online: Gets a (battle) royale update!

A new Battle Royale mode was introduced to gamigo's established online RPG Fiesta. Players now can delve right into the feature through a newly added Kingdom Quest and access a completely new map to participate in an exhilarating battle for glory. This increases long-term player engagement and offers an incentive for new players to sign-up to the game.

Gamescom gamigo Party

For the third time in a row, gamigo hosted its amazing community party during Gamescom, set against the stunning backdrop of the historic Cologne cathedral. Thousands of players attended the party, next to an incredible number of cosplayers competing for a prize for the best costume. Many famous influencers and genre VIPs attended the party, including "Lightning Cosplay", "not-socool", "Die Hübschen", "Gewitter im Kopf", "iBlali", "Tanzverbot" and many more who did not want to miss out on the opportunity to be seen at gamigo's community party. This resulted in a plethora of positive online content from the players, presenting a unique and a welcome addition to gamigo's growing social media presence.

UPCOMING GAME LAUNCHES

ArcheAge: Unchained

The largest project for Q4 to drive organic growth is the launch of the online role-playing game ArcheAge: Unchained, which is based on the successful ArcheAge game but introduces a new monetization approach. The legacy version of ArcheAge is a free2play MMORPG with a voluntary subscription model. With Unchained, a buy2play version was introduced. Its main goal is to provide a fair and market friendly business model. The product's monetization model has been revamped, including changing the core gameplay, implementing a unique Season Pass system using Fortnite as a reference, and a one-time licensing fee. This allows gamigo to open a secondary revenue stream under the same popular brand, providing users with a choice to either play the free version or purchase the three-tiered Unchained version. Pre-Sales started already in September 2019 with very promising results.

Ironsight: Open Beta, major update introduces Battle Pass, Ranked Mode, and New Features

For Ironsight gamigo is focussing on optimization measurements before the game's open beta expansion on steam, planned for the end of 2019/early 2020. Furthermore, gamigo introduced a "Battle Pass" system for further monetization opportunities, reintroduced the well-received "Ranked Mode" and much more. Over the course of the last years eSports has been growing rapidly, attracting a growing number of players. One of the largest genres of eSports are first-



Desert Operations

person-shooters such as Counter Strike-Go. Establishing a product in the eSports sector mainly depends on proper tournament setups and challenges, while creating a critical mass following these tournaments on streaming platforms like Twitch. Several tournaments have been tested for Ironsight in Q3 like the Gunslinger Tournament and the International Ironsight Tournament, which has been held in cooperation with the community.

Desert Operations: Relaunch with New Graphics and several New Features.

Desert Operations has been generating substantial revenue for many years. But as the game nears its 10th anniversary, the graphics have become outdated. Desert Operations is now preparing a relaunch with enhanced graphics and several new features. The Desert Operations development team choose a Game as a Service approach to meet the needs of the players and use the know-how of the community, actively involving the players in the design of the new game. The result was a holistic reskin of Desert Operations, including much more than just visual optimizations.

Other

Various other smaller and larger game updates, sequels and new games are in preparation for Q4 2019 and beyond.

B2B ADVERTISING AND MEDIA SEGMENT

In the area of B2B services, the focus is on advertising and media services, especially online advertising and marketing, with a strong focus on influencer-, social-, product-, brand- and performance marketing. The most important activities in this field are grouped in adspree media and the Mediakraft 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 Browser-games.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.

Mediakraft Networks has subsidiaries in Germany, Poland and Turkey. The joint umbrella brand "Media Elements Group" has been founded bringing all sales activities for the Advertising and Media activities of the group under one joint sales team. This includes the development of joint strategies, particularly in the areas of influencer marketing, digital marketing, content production & sourcing, content syndication and SaaS.

Adspree Media

Adspree Media is expanding its client portfolio to new profitable verticals, on top of our games-focused clients. This extension is supported by a new structure of the sales department alongside improved use of technology. The relocation process towards the new office was completed successfully and helped maximize synergies between all companies within the group. The first positive shared accomplishment was seen at dmexco 2019 in Cologne, where all the companies of the group shared a booth under the Media Elements brand. The project for revamping our 17 games portals is showing promising results and should deliver further revenue increases in Q4.

Mediakraft Germany

In Q3, Mediakraft and its cooperation partner "Monheimer Institut Team für Marken- und Medienforschung GmbH" implemented a large-scale study on Influencer marketing. The results and conclusions of the study are being incorporated into the strategies of the B2B Group and are offered to selected customers and cooperation partners in the form of workshops. At the same time, Mediakraft Networks is further expanding its own youth panel "Point of You" in order to be able to offer customers a deeper understanding of their target group in connection with their advertising measures.

Mediakraft is sharpening its own service portfolio. In the future, it will increasingly focus on services for content creators on major social media platforms. Mediakraft is also expanding its own content division. For Q4, it is planned to expand the English lighthouse project/YouTube format "The Great War" to a Spanish version for the Latin America market. In addition, Mediakraft supports publishers in the cross-platform distribution of content and is further expanding its cooperation with streaming platforms in Germany.

Mediakraft TV (Poland)

In Q3 of 2019, Mediakraft TV has initially faced seasonal challenges due to decreased spending during holidays. In response to these challenges, emphasis on client retention, sales development,



and efficiency has been increased, resulting in increased orders for digital marketing and production services both domestically and internationally. Furthermore, the Influencer marketing activities continued their success with diversification onto CDA (one of Poland's largest video platforms), complementing the continued growth of our YouTube CMS. Other highlights included the firm's newest production deal with WatchMojo, a premier campaign with PGNiG, and continued success with Vienna House. Also additional sales staff has been hired to strengthen the position of becoming the gateway to Poland for mid-level to large European and American brands.

Mediakraft Turkey

During the third quarter, YouTube announced that starting from early 2020; they will decrease the volume of target ads on children's channels significantly. As this policy is not live yet, we don't know how this will affect the revenue of our childrens' channels, it will however most likely threaten part of our income streams, due to Mediakraft Turkey's strong position in this segment.

In order to mitigate potential future loss of revenues from our childrens' channels, a new Youtube channel telling youth stories is being started, focusing on an older target group. This concept is getting more and more popular on YouTube, and there are few big competitors in this area yet. Thus, we started working on creating and also globalizing this content by translating it into different languages; e.g. English, Spanish, German, etc.



Aura Kingdom

OPERATIONS AND STRATEGY

LICENSING STRATEGY

Since gamigo focusses on the publishing and not the development of new games, the company regularly needs to acquire new game licenses and IPs from third party developer studios that are looking for a strong publisher with the necessary local experience and a strong user base to successfully publish their games. To gain those licenses and IPs, gamigo competes with other publishers interested in publishing the products in their core markets. Due to the extensive experience, widespread network and the large number of users, gamigo is often one of the first companies to be contacted when it comes to granting or acquiring licenses and IP-rights.

In this regard gamigo has a leading position, which is supplemented by a lot of experience regarding the continuous further development and management of video games, and good connections among developers. Additionally, the combined number of users across all platforms is extensive and adds an extra value for partners, making gamigo highly attractive for developer studios to cooperate. The wide range of media and platform assets is another benefit to attain licensing rights from developers. A further advantage over the competitors in the field of licensing promising game titles is the diversified composition of our customer base, since it allows widespread, target group specific cross-selling campaigns during launches due to the wide range of platforms and genres like RPGs, casual games, competitive first-person shooters as well as strategy games. Also, gamigo has proven that it is able to successfully migrate from one platform to another.

Over the course of the last years, Gamigo acquired several new licenses to increase its games portfolio. Due to the licensing activities, several established titles could be added to the gamigo portfolio and could be successfully continued, including ArcheAge, Aura Kingdom, Grand Fantasia and many more. If it is noticeable that one of the licensed games is performing very well, gamigo strives to take over the IP rights completely to further develop the game in-house. In the past, several IP rights have been taken over that originated out of licensing. In this way, the licensing approach offers a huge advantage in comparison to launching games from scratch, as developing games takes time, is capital intense and high risk. Licensing and publishing titles that are already established bears different challenges like the need to keep player engagement high or providing challenging new content while keeping the game in balance. Those challenges are handled straightforward by gamigo's product teams with their longterm experience in keeping titles running stable.

Due to the sustainable M&A strategy by gamigo that leads to adding new games on a regular basis, gamigo is in the advantageous position that it can choose new titles very selectively and focus on clear opportunities when licensing completely new titles. On average, gamigo screens hundreds of different titles each year that are spotted through various platforms, gamigo's vast network, own research as well as through in-person meetings at industry conferences and trade shows. Gamigo's focus to license new titles lies on free-to-play MMOG's. The platform focus is historically on PC and browser, but due to the successful acquisition of Trion Worlds now also on console. For the future there will also be more emphasis on mobile. The games evaluation process usually starts with finding a match in the basic information of the game project with our expectations, then evaluating the quality, creating business forecasts, negotiating terms and, after having green light, signing a licensing agreement. After that, the games are being handed over to a product team, whereas parts of that team have previously been involved with the game in the decision-making processes.

Before any project is sent to be evaluated, it's being pre-selected by the team according to the current focus and the information available and includes the capability of developers to support the launch and live operation of the game. After an initial evaluation of the game from the licensing team, it will be introduced to the publishing and quality assurance teams that have the most experience in operating live games. Additionally, a due diligence questionnaire is sent to the developer to ensure that the integration of the game isn't only technically feasible, but also yields the necessary potential to be operated profitably. This practice offers a very in-depth overview of the project and is constantly optimized to stay up to date to the challenges of a constantly developing market.

Depending on recent activities of the licensing team members, like attendance to conferences or special occasions that bring together developers and publishers, the number of games reviewed on a weekly basis is highly fluctuating and comprises on average around 10 new games. Currently, more than 20 titles are being actively discussed, of which around 5 have already been fully evaluated and are in various stages of negotiation, while more titles are awaiting an internal decision. With the current setup of the licensing team it is planned to realize the launch of on average one new game each quarter.



ArcheAge

LAUNCHING AND MARKETING STRATEGY – ARCHEAGE: UNCHAINED AS A ROLE MODEL

On October 15th, ArcheAge: Unchained (AAU) was successfully released to the public via our platform Glyph, followed by the Steam release three days later. ArcheAge: Unchained is the new buy2play version of the famous ArcheAge, originally published as a free2play title on PC.

The launch of AAU marks one of the bigger efforts of gamigo in 2019, as the original game has been a strong success story and the brand is well-known in the MMO gaming world. However, the free2play game has lost some of its appeal in the recent past towards users who are willing to pay smaller to medium amounts of money for further progress in the game as they have lost touch with the high spending players. After signing the ArcheAge license in November 2018, the gamigo team has started to develop a strategy to get more players into the game. The result was the idea of a pay2play version of the game which exists alongside the free2play version, with the difference that after a single purchase, you have full access to the entire game, supplemented by monthly passes, which only allow the player to purchase cosmetic novelties and not the purchase of speed or power advantages.

gamigo started the marketing activities for the game with a mystery website teasing a new MMO game, with subtle hints linking the game to ArcheAge. This mystery website went live on August 8th featuring a countdown timer, and over the next 12 days revealed more and more elements of the new version of ArcheAge. The public reception exceeded expectations, with eg. the simultaneously launched Discord channel already achieving over 5,000 Users within the first two days. With the end of the countdown, ArcheAge: Unchained has first been officially announced to the public on the opening day of Gamescom 2019 in Cologne, Germany, on August 20th, 2019. The news and the simultaneous Livestream on Twitch with over 5,000 viewers instantly excited the media, and during the following days, the game's Executive Producer, Mervin Lee Kwai, presented the game to invited journalists and media at the gamigo Gamescom business booth, resulting in international coverage on games-, tech-, and lifestyle websites with a combined reach of 40 million monthly unique users.

On the 30th of August, the pre-sales campaign for ArcheAge: Unchained was launched, starting with founder pack pre-sales, which were received very well and already resulted in first revenues during Q3.

To market the game, gamigo also used the Group's own media resources and complemented the campaign by brand marketing activities on the homepages of major international games websites, including pcgamer.com, jeuxvideo.com, pcgames.de and many more, as well as Google and Facebook campaigns. Further efforts included an extensive outreach to major influencers and a weekly Stream on gamigo's own Twitch channel which regularly reached audiences of 7,000 and more simultaneous viewers and featured our Community Management team answering questions of customers and potential buyers.

Before the release-date on October 15th, marketing and PR activities increased substantially, focussing on a multi-stage beta test of the game leading up to the launch. In the first phase, over a thousand media and influencers were invited to participate in a sneak preview of the new game on our test servers, generating widespread coverage on YouTube and Twitch as well as in online media and on MMO websites. This was strongly supported by increased advertising activity on selected games- and MMO websites. In two further phases, founder pack customers, and, eventually, the general public were given access to the test servers to allow for a first impression of the new features of ArcheAge: Unchained.

The launch overall is considered a massive success, with new players getting into the game continuously, causing server queues that sometimes exceeded several thousand players. Starting out with three servers initially, the total number has since been increased to 7 servers in Europe and North America, while the team is trying to balance the populations to reduce queues and thus potential frustration. Gamigo's product and marketing teams are continuously working across all channels to strengthen game accessibility, server stability and a constant inflow of new players, to increase the long-term game population and subsequent revenue streams, especially via further sales through various battle passes, which are planned to generate consistent long-term revenues from the player base.



OUR VIEW ON THE GAMING MARKET

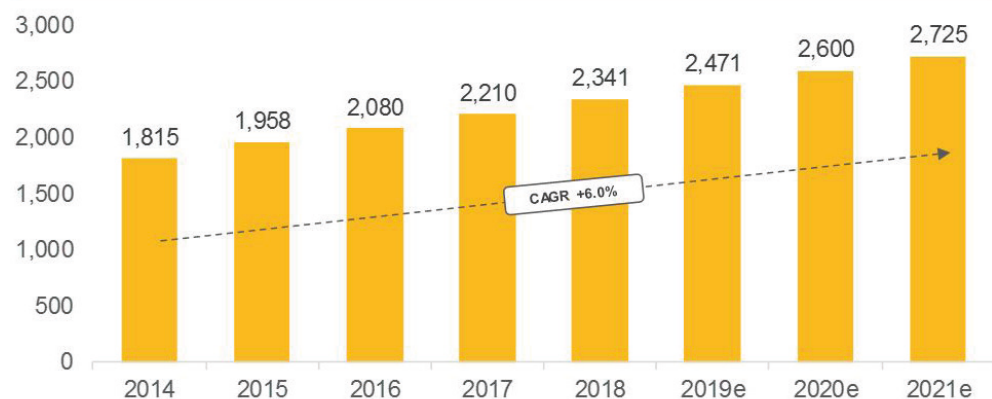
gamigo's most relevant markets are the markets for PC client games, console games and browser games, of which MMOGs is a focus sub-market for gamigo. gamigo has a broad portfolio of online games, especially role-playing, shooter and strategy games. The Company is also characterized by their portfolio of casual games, which is marketed worldwide, mostly as subscriptions, with an emphasis on Europe and North America. In the video games market, gamigo concentrates mainly on free2play titles, where the players can play free of charge but spend money in order to progress more quickly or to acquire exclusive or special virtual items.

The video games market is characterized by fast growth in combination with a large diversity of products. The most common genres include action games, simulations and arcade games, followed by puzzles, adventures, casual games and strategy games. Due to the strong competitive landscape, the video games market is hit-oriented; many games on the market are discontinued after a short period of time; only a few have a long lifetime and generate profit. In gamigo's experience, games with a proven reputation can stay relevant in the market for 10 years or more. This is shown not only by gamigo's titles, such as Fiesta Online (2006) or Desert Operations (2009), which generate the majority of their revenues from players who have been in the game for more than 5 years, but also by competing products such as Eve Online (2003) or World of Warcraft (2004). Globally, video game companies generate revenues and profits via various business models, including the sale of games or game apps, the sale of in-game items, the sale of games subscriptions and the placement of advertisements in the games. The bulk of revenue within the video games market is generated by selling in-game items and premium versions of games. The game portfolio of gamigo consists mainly of games based on this business model, also known as the free2play model.

IN THE MIDDLE OF SOCIETY

With more than 2.5 billion gamers in the world, the video games market has stepped into the spotlight as a most important digital entertainment industry. Emerging as a subculture back in the 80s and 90s, the global video games market has grown to be one of the largest digital entertainment industries with a CAGR of 13.1% between 2015-2019 and estimated sales of USD 152.1 billion in 2019. By 2022, the market is expected to have grown further to USD 196 billion, showing no signs of growth slowing down.

Number of players at the global video games market



Source: Statista, 2019

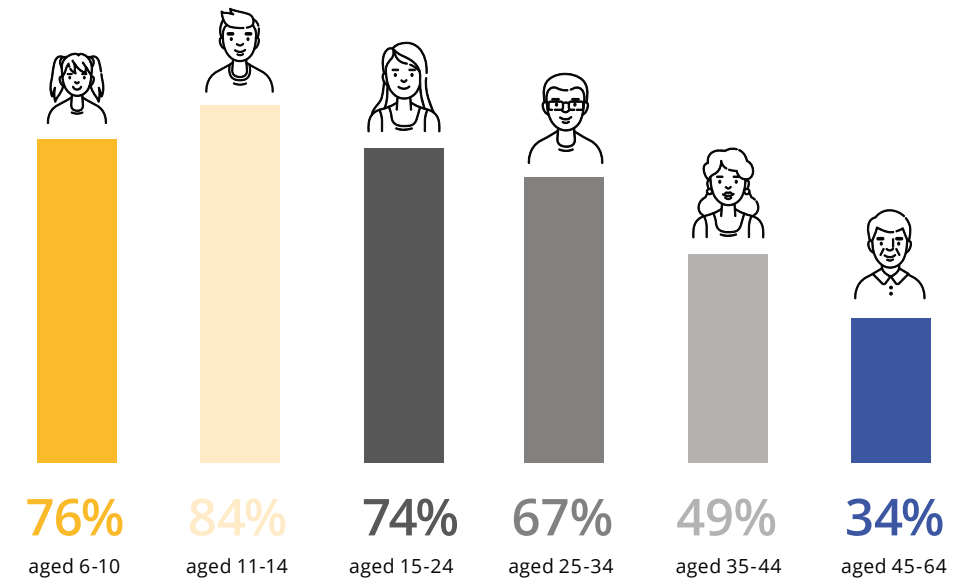
Metric: Millions



Last Chaos

Some games have become significant in size, attracting millions of players, hosting world championship events and creating a strong community among their players. The leading MMOGs Fortnite, League of Legends and Counterstrike: Global Offensive made revenues of USD2.4billion, 1.4billion and 0.4billion respectively in 2018. In 2018, League of Legends held their World Championship event with 100 million viewers, to be compared with Super Bowls which had approx. 98 million viewers in 2019.

Share of gamers among the whole population at key markets



Sources: ISFE, Key Facts, 2019

Note: Includes France, Germany, Spain & the UK

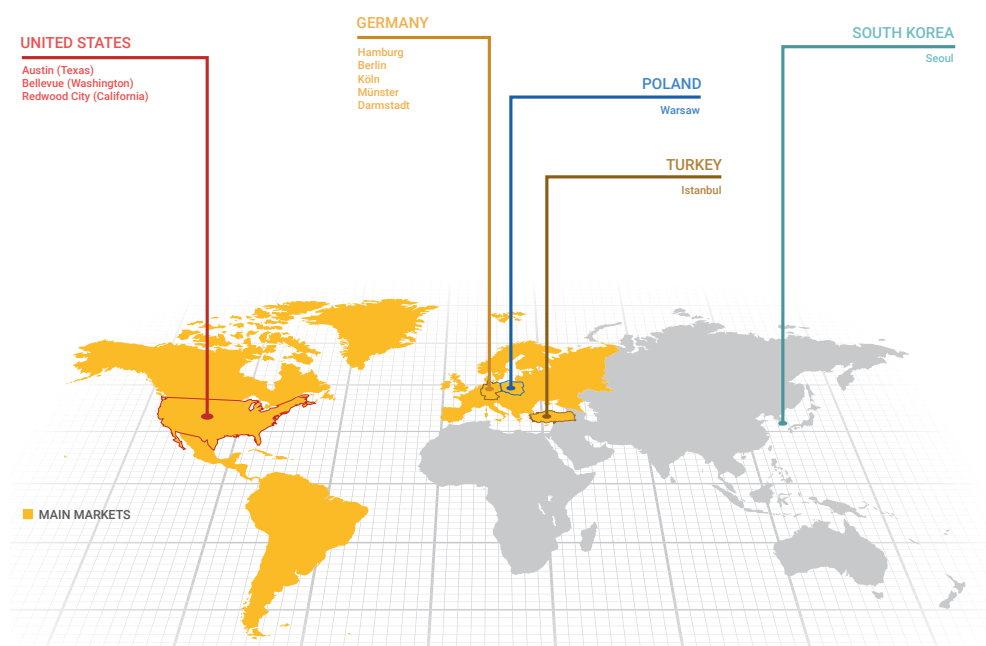
The global gaming activity is, and has historically been, dominated by individuals in the age group between 6-24 years old. In recent years, the age group between 25-34 years has grown significantly and represents the strongest growing age group with a 8% Year-on-Year ("YoY") growth in 2018, making it the strongest growing cohort of players. Overall, the share of gamers is well-diversified between genders and age groups as outlined in the graph below, which clearly shows that gaming has arrived in the middle of society.



GLOBAL PUBLISHER WITH GLOBAL REACH AND BRANCHES AROUND THE WORLD

gamigo has expanded strongly in recent years and now has branches and employees in Europe, North America and Asia. This offers us several advantages. For example, we can better localize games because we can benefit from the experience of our local staff and more specifically address cultural differences between our core markets. This way, games that were previously played pre-dominantly in the European market, for example, can now be marketed more efficiently and successfully in North America. Within the company, we also benefit from the many different cultures that work for us, by using different perspectives and approaches to question existing processes and improve them if necessary. Due to the technology available today, communication across the various locations is no longer a major hurdle.

GAMIGO BRANCHES AND MARKETS



As of end of Q3 2019, gamigo employs 385 people at 11 locations. The Headquarter is based in Hamburg. 120 employees are based here, taking care of HR, Legal, Finance, Office Management, Marketing, IT and particular game titles. In Darmstadt and Münster, a total of 20 employees work on the further development of the gamigo games IPs. In Cologne, the headquarters of the Mediakraft Group is located with 21 employees. Mediakraft has further branches in Warsaw and Istanbul with 12 and 17 employees respectively. The subsidiary in Poland specializes in the production of videos. The Turkish branch focuses on content for young people. The offices of adspree and Aeria Games with a total of 125 employees are located in Berlin, focusing on the operations of particular game titles and media advertising. Further branches are located in North America. In Redwood City and Austin, 47 employees work on the operation and further development of the Trion IPs (including ArcheAge and Trove). In Bellevue near Seattle there are 18 employees working on the operation of the WildTangent Casual Game Platform. In Seoul, two employees work in the area of In- and outlicensing for the Asian market. The main markets for gamigo are Europe and North America as well as South America, which is less important but has an increasing share.

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

EUR 000's	Note	30 Sep 2019	31 Dec 2018
Intangible assets	2,3	75,850	67,585
Property, plant and equipment		2,915	4,186
Financial assets and other assets		12,256	9,938
Long-term assets		91,021	81,709
Trade and other receivables		13,669	7,924
Cash and cash equivalents		20,945	4,158
Short-term assets		34,613	12,082
Total assets		125,634	93,792
Equity attributable to shareholders of the parent company	6	29,976	28,577
Non-controlling interest		-22	-51
Total Equity		29,955	28,526
Long-term liabilities	4	66,435	41,818
Short-term liabilities	5	29,244	23,448
Total liabilities and equity		125,634	93,792

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

EUR 000's	Note	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Revenues						
Net revenues	7	14,468	10,231	42,889	31,772	45,289
Own work capitalized		2,129	902	5,787	2,982	4,168
Other operating income		212	606	2,872	1,575	6,667
Total Income		16,809	11,738	51,547	36,329	56,123
Operating Expenses						
Services purchased & other operating expenses	8	-7,325	-6,126	-23,352	-18,675	-30,343
Personnel expenses	9	-5,471	-3,278	-15,868	-10,075	-14,729
Total operating expenses		-12,796	-9,404	-39,219	-28,750	-45,072
EBITDA		4,013	2,335	12,328	7,579	11,051
Depreciation, amortization and write-downs	10	-2,599	-2,081	-7,667	-6,023	-8,464
EBIT		1,415	254	4,661	1,556	2,587
Financial result		-1,326	-358	-3,373	-1,132	-2,096
EBT		89	-104	1,288	424	491
Income Taxes		101	177	-302	473	1,126
Net Result		190	73	987	896	1,616
of which attributable to non-controlling interest		-3	10	-27	26	-28
of which attributable to shareholders of the parent company		193	62	1,013	870	1,644

**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. 2017 / 1. Jan 2018	2,311	48,153		-28	-23,589	26,847	-119	26,728
Issues on shares								
Consolidated profit / loss for the year					1,617	1,617		1,617
Other comprehensive income				114		114		114
Other changes							68	68
Total Equity as at 31. Dec. 2018 / 1. Jan. 2019	2,311	48,153	0	85	-21,972	28,577	-51	28,526
Issues on shares								
Consolidated profit / loss for the period					960	960		990
Other comprehensive income			-279	752	-34	439	29	439
Other changes								
Total Equity as at 30. Sep. 2019	2,311	48,153	-279	837	-21,046	29,976	-22	29,955

CONDENSED CONSOLIDATED CASH FLOW STATEMENT, GAMIGO GROUP (unaudited)

EUR 000's	Note	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Cash flow from operating activities		2,895	1,599	9,437	7,092	10,481
Cash flow from investing activities		-4,220	-964	-9,670	-1,108	-6,345
Cash flow from financing activities		155	-903	17,019	-6,228	3,777
Cash flow for the period		-1,171	-269	16,787	-245	7,913
Cash and cash equivalents at beginning of period		22,116	-3,912	4,158	-3,936	-3,936
Cash and cash equivalents at end of period		20,945	-4,180	20,945	-4,180	4,158

SELECTED EXPLANATORY NOTES (unaudited)

NOTE 1 ACCOUNTING AND VALUATION PRINCIPLES

The interim report Q3 2019 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 2019. 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, 2018.

The consolidation scope of the condensed consolidated financial interim statements for the interim report ended September 30, 2019 and did not change compared to the audited consolidated financial statements as of December 31, 2018.

NOTE 2 INTANGIBLE ASSETS INCLUDING ACQUISITIONS

Intangible Assets

The minor change in Goodwill is due to effects of changes in foreign exchange rates. Other Intangible Assets includes self-developed intangible assets (development expenses), IPs and Licenses and advanced payments on licenses and increased slightly due to further development of the games. The majority of the increase of intangible assets pertains mainly from the acquisition of the WildTangent assets in Q2 2019. There were no acquisitions in Q3 2019.

	September 30, 2019	December 31, 2018
	kEUR	kEUR
Goodwill	27.921	27.909
Other Intangibles	47.929	39.676

NOTE 3 DISPOSALS

There were no material sales or disposals in the third quarter of 2019.

NOTE 4 LONG-TERM LIABILITIES

As of September 30, 2019 the long-term liabilities of gamigo Group increased by kEUR 24,618 to kEUR 66,435 (December 31, 2018: kEUR 41,818) largely based on the bond issues in the first half year of 2019. The net proceeds from the tap issues are still available as cash in the bank and are intended to be used for general corporate purposes, including investments and acquisitions for further growth and as such give the company enough flexibility for further growth opportunities.

NOTE 5 SHORT-TERM LIABILITIES

The short-term liabilities of gamigo Group increased on September 30, 2019 (kEUR 29,244) compared to December 31, 2018 (kEUR 23,448), which mainly pertains an increase in account payables due to increased operations of the group.

NOTE 6 SHAREHOLDERS' EQUITY

As of September 30, 2019, the total shareholders' equity increased to kEUR 29,955 (December 31, 2018: kEUR 28,526) mainly due to the positive result of the first nine-month 2019. The subscribed capital of the parent company gamigo AG (kEUR 2,310) and the capital reserves (kEUR 48,153) did not change during the first nine-month 2019.

No dividends were paid in the first nine-month 2019 nor any share-based payments nor other option plans were made or granted.

NOTE 7 NET REVENUE

gamigo Group achieved a third quarter 2019 sales revenue of kEUR 14,468. The increase of kEUR 4,237 (third quarter 2018: kEUR 10,231) was mostly due to more B2C sales, especially in the USA.

NOTE 8 SERVICES PURCHASED & OTHER OPERATING EXPENSES

For the third quarter 2019, gamigo Group disclosed services purchased and other operating expenses of kEUR 7,325 (Q3 2018: kEUR 6,126). The increase of kEUR 1,199 representing a decrease of 9% in relation to the revenues compared to the corresponding quarter in 2018. This illustrates the effect of successfully integrated WildTangent and Trion 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 Q3 2019 by kEUR 2,193 to kEUR 5,471 compared to the prior year's period due to the new US employees. This increase is mainly due to the personnel costs of appr. 65 employees who are part of the Trion and WildTangent businesses acquired on October 2018 and April 2019.

NOTE 10 DEPRECIATION, AMORTIZATION AND WRITE-DOWNS

Depreciation, amortization and write-downs amounted in Q3 2019 to kEUR 2,599 (Q3 2018: kEUR 2,081). The increase is mainly due to additional amortization of the acquired Trion and WildTangent assets. In Q3 2019, 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 2019.

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 the past 12 months

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>

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

FINANCIAL CALENDER

Year End Report, Q4 2019	February 28, 2020
Annual Report 2019	April 30, 2020
Interim Report, Q1 2020	May 31, 2020
Half-Year Report, Q2 2020	August 31, 2020

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 12:00 CET on November 29, 2019.

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 de-scribes significant risks and uncertainties faced by the group.

Hamburg, November 29, 2019

Remco Westermann, CEO



gamigo AG

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