



Media and Games
Invest plc

168 St. Christopher Street
Valletta VLT1467 / Malta

Interim Consolidated Financial Statements

**for the reporting period from
1 January to 30 June 2019**



Media and Games Invest plc
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INTRODUCTION

Media and Games Invest plc ('MGI'), has started well into the year 2019. The first half year of 2019 shows further growth of revenues, Ebitda and Ebit. Also in the first half year of 2019 further acquisitions have been accomplished, further strengthening MGI's position as leading player in the sectors media and games.

In the last 12 months (period 1.7.2018 – 30.6.2019) MGI has realized a consolidated revenue of Euro 52,3 million, with an Ebitda of Euro 13,5 million and an Ebit of Euro 5,0 million. Also the first half year 2019 showed a good development of revenues amounting to Euro 28,6 million (an increase of 20,4% vs Euro 23,7 million in H2-2018), with an Ebitda of Euro 7,5 million (an increase of 27,6% vs Euro 5,9 million in H2-2018) and an Ebit of Euro 3,3 million (an increase of 84,6% vs Euro 1,8 million in H2-2018).

The first half year of 2019 is the first full period where the new business focus of MGI -investing in media and games companies, optimizing, consolidating and growing them- is included. In May 2018, the business focus of the company has been changed to gaming and media and divesting from real estate, based on the growth opportunities of gaming and media versus the stagnating growth of real estate.

From May 2018 until including H1-2019, the business of MGI primarily consists of its holdings in gamigo AG, one of the leading games companies in Europe and North-America. Gamigo focuses on games with sustainable long lifetimes, such as e.g. roleplay and strategy massively multiplayer games -where revenues are generated from item sales, - as well as casual games -which are mostly sold in subscriptions-. In July 2019 MGI has increased its stake in gamigo from 38% to 53%. Negotiations with further minority shareholders have started, aiming at further substantial increase of MGI's stake in gamigo.

Apart from gamigo, MGI is also investing in the highly synergetic media segment, acquiring several companies in this segment and pursuing a buy, consolidate, grow and improve strategy in the media sector. These additional investments started in 2019, with the acquisition of ReachHero (an influencer SaaS platform) in May 2019 and Applift (a mobile performance agency) and PubNative (and mobile supply side platform) at the end of June 2019. The additional media companies (with well over Euro 20 million annual revenues besides the gamigo revenues) will only start showing their added value to revenue and Ebitda from H2 2019 due to their acquisition dates late in H1 2019.

The financials of gamigo show that gamigo's strategy of growing through a combination of organic growth and growth through M&A is working well. With its well diversified portfolio of games and services, gamigo has by now a strong track record of increasing revenues as well as returns. In the first half of 2019, gamigo also continued this trend with a year on year 32% net revenue growth and a 149% increase in EBIT. Positive is, that the Trion Worlds assets that were acquired by gamigo in October 2018 show good revenue development, while costs were further being optimized. Additionally gamigo's latest acquisition of the WildTangent Casual Game platform in April 2019 contributed with high solid margins to the groups overall performance. In gamigo's broad games portfolio the games developed well even though there were no larger updates or new launches in the first half year of 2019. With the strong financial performance of the Group and the appetite for further additive acquisitions gamigo concluded two tap issues and increased the total outstanding bond volume to EUR 50 million. Gamigo's bond investors were very positive and the tap issues could both be issued over par. Looking ahead to



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the second half year of 2019, gamigo's strong operating cashflow in combination with additional available funds from the bond are giving gamigo the flexibility to further invest in organic growth and also take advantage of further M&A opportunities. With a well filled M&A pipeline and a lot of larger updates, sequels and game-launches that are scheduled for H2 2019, gamigo is well prepared for further profitable growth.

Also the other subsidiaries of MGI focus on growth while increasing efficiency. After the acquisitions of ReachHero, Applift and Pubnative the strategies of these companies have been reviewed and aligned and cost savings and efficiency plans are being implemented. Also, the use of synergies and cooperation amongst the media companies but also with the gamigo are showing progress. The global sales team with now -thanks to the Applift acquisition-, also sales offices in eg. Tokyo, Shanghai, San Francisco and Sao Paulo is strengthened and now starting to cross sell the media offerings of the other media companies and profiting from the prime ad spaces of the gaming companies.

The digital markets for gaming and media/advertising are both very substantial with approx. 150 billion USD in digital gaming and approx. 300 billion USD in digital advertising worldwide in the year 2019, each of the markets growing with over 10% year on year. The two sectors have strong synergies; own advertising inventory on the gaming side enables a clear USP on the media side, whereas, the broad media expertise and scale advantage in media buying build a user acquisition USP for the gaming side.

The gaming as well as the media sector demonstrate a strong technological edge and many players lack critical mass, therefore creating a great space for us as a market consolidator. With Media and Games Invest as a holding company, having access to capital markets, we can speed-up the growth of gamigo in the gaming segment, while also increasing our stake in gamigo by buying out non-strategic minority shareholders. In parallel MGI is also driving forward growth in the online media/advertising segment via its focus on organic growth as well as via further acquisitions.

After this good start into the year 2019 we also expect a good second half of the year. Gamigo has several growth initiatives including major game launches and the media companies will add substantially to the revenues. Regarding Ebitda and Ebit, we expect further improvements as well, based on optimizations, usage of scale advantages as well as synergies.

In the upcoming periods, a stronger focus will be on investor relations. While the revenue and earnings performance of MGI develops very well, the share price does not. MGI will put more emphasis on presenting the company and is also pursuing more analyst coverage.

The MGI group has a great, proactive and professional team and a proven profitable, fast growth business model, comprising various gaming and media companies with diversified and long-term revenue streams. With a positive operational cash flow and enough liquid funds we have substantial means to further invest in our strong and promising pipeline for further inorganic as well as organic growth.

Remco Westermann
Chairman



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Media and Games Invest plc, Malta

Consolidated Statement of Financial Position as of 30 June 2019

Assets

	Notes	30 June 2019 kEUR	31 December 2018 kEUR
A. Non-current assets			
I. Property, plant and equipment	6.1	4.991	4.189
II. Intangible assets	6.2	226.704	204.142
III. Financial assets	6.3	7.876	5.359
IV. Deferred tax assets	6.4	5.906	6.353
Total non-current assets		245.477	220.043
B. Current assets			
I. Trade receivables	6.5	19.064	5.418
II. Other financial assets	6.3	2.528	4.975
III. Income tax receivable		97	95
IV. Other non-financial assets		1.821	1.315
V. Cash and cash equivalents	6.6	26.245	4.447
Total current assets		49.756	16.250
Total assets		295.232	236.293

Media and Game Invest plc, Malta

Consolidated Statement of Financial Position as of 30 June 2019

Shareholders' equity and liabilities

	Notes	30 June 2019 kEUR	31 December 2018 kEUR
A. Shareholders' equity	6.7		
I. Common stock		62.020	59.850
II. Capital reserves		4.572	4.346
III. Retained earnings		2.219	2.881
IV. Amounts recognised directly in equity		547	143
V. Non-controlling interest		91.373	91.320
Total shareholders' equity		160.731	158.540
B. Non-current liabilities			
I. Bonds	6.10	48.539	24.877
II. Leasing liabilities	6.11	1.156	986
III. Other financial liabilities	6.8	13.966	13.114
IV. Deferred tax liabilities	6.14	14.418	14.418
Total non-current liabilities		78.079	53.395
C. Current liabilities			
I. Leasing liabilities	6.11	2.321	39
II. Other financial liabilities	6.8	13.498	3.556
III. Trade payables	6.12	17.609	9.162
IV. Current tax liabilities		273	294
V. Other non-financial liabilities	6.13	7.316	4.636
VI. Provisions and accruals	6.15	15.405	6.671
Total current liabilities		56.422	24.358
Total shareholders' equity and liabilities		295.232	236.293

Media and Games Invest plc, Malta

**Consolidated Income Statement
for the period
from 1 January to 30 June 2019**

	Notes	1 January to 30 June 2019 kEUR	1 January to 30 June 2018 kEUR
<u>Continuing operations</u>			
Sales revenue	6.16	28.575	8.896
Other own work capitalised	6.17	3.658	704
Other operating income	6.18	2.773	809
Cost of purchased services	6.19	-13.508	-1.753
Personnel expenses	6.20	-10.451	-2.489
Other operating expenses	6.21	-3.506	-3.431
Earnings before interest, taxes, depreciation, and amortisation (EBITDA)		<u>7.541</u>	<u>2.736</u>
Depreciation and amortisation	6.22	-4.276	-2.177
Earnings before interest and taxes (EBIT)		<u>3.265</u>	<u>559</u>
Financial expense	6.23	-1.951	-291
Financial income	6.23	77	17
Earnings before taxes (EBT)		<u>1.391</u>	<u>285</u>
Income taxes	6.24	-511	379
Result from continuing operations, net of income tax		<u>880</u>	<u>664</u>
<u>Discontinued operations</u>			
Result from discontinued operations	6.25	0	5.093
Consolidated profit		<u>880</u>	<u>5.757</u>
Attributable to:			
Owners of the company		353	5.851
Non-controlling interests		527	-94
Earnings per Share			
From continuing and discontinued operations		0,01	0,14
From continuing operations		0,01	0,02

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**Consolidated Statement of Comprehensive Income
for the period
from 1 January to 30 June 2019**

Notes	1 January to 30 June 2019 KEUR	1 January to 30 June 2018 kEUR
Consolidated profit	880	5.757
Items that will be reclassified subsequently to profit and loss under certain conditions		
Exchange differences on translating foreign operations	691	-24
Fair value gains (-losses) on hedging instruments	<u>-287</u>	<u>0</u>
	<u>404</u>	<u>-24</u>
Items that will not be reclassified subsequently to profit and loss	0	0
Other comprehensive income, net of income tax	404	-24
Total comprehensive income	1.284	5.733
Attributable to:		
Owners of the Company	1.230	5.827
Non-controlling interests	54	-94

Media and Games Invest plc, Malta

Consolidated Statement of Changes in Shareholders' Equity
for the period
from 1 January to 30 June 2019

	Common stock		Capital reserves	Retained earnings/ accumulated losses (-)	Amounts recognised directly in equity	Shareholders' equity attributable to owners of the parent	Non-controlling interests	Total shareholders' equity
	Shares thousands	Amount KEUR	Amount KEUR	Amount KEUR	Amount KEUR	Amount KEUR	Amount KEUR	Amount KEUR
Balance at 1 January 2018	40.800	40.800	6	-4.354	-8	36.444	3.515	39.959
Consolidated profit				5.851		5.851	94	5.257
Other comprehensive income					-24	24	-	24
Total comprehensive income				5.851	-24	5.827	94	5.733
Capital increases								
Disposal of subsidiaries			-	6		6	-	6
Acquisition of subsidiaries							101.336	101.336
Addition of non-controlling interests due to acquisition of projects							30	30
Addition of non-controlling interests due to disposal of subsidiaries				544		544	42	502
Disposal of non-controlling interests due to disposal of subsidiaries							3.364	3.364
Proceeds from an unregistered capital increase			1.125			1.125		1.125
Capital increase								
Balance at 30 June 2018	40.800	40.800	1.125	2.041	-	43.934	101.321	145.255
Balance at 1 January 2019	59.850	59.850	4.346	2.881	143	67.220	91.320	158.540
Consolidated profit				353		353	527	880
Other comprehensive income					404	404	-	404
Total comprehensive income				353	404	757	527	1.284
Capital increase	2.170	2.170	226			2.396		2.396
Acquisition of subsidiaries				-1.015		-1.015	-474	-1.489
Balance at 30 June 2019	62.020	62.020	4.572	2.219	547	67.977	91.373	160.731

Media and Games Invest plc, Malta

Consolidated Cash Flow Statement
for the period
from 1 January to 30 June 2019

	Notes	1 January to 30 June 2019	1 January to 30 June 2018
		kEUR	kEUR
Cash flows from operating activities			
Consolidated profit for the year		880	5,757
Income tax expense recognised in profit and loss		511	-379
Finance expense recognised in profit and loss		1,951	291
Financial income recognised in profit and loss		-77	-17
Gain from sale of subsidiaries		-	-7,065
Depreciation and amortisation		4,276	2,177
Movements in working capital:			
Increase (-) in trade and other receivables		-11,708	-15,741
Increase in trade payables, provisions and other liabilities		19,840	6,515
Other non-cash income and expenses		-5,945	274
Cash generated from operations		9,728	-8,188
Interest received		77	1
Income taxes paid		-	-
Net cash generated by (used in) operating activities		9,805	-8,187
- thereof from discontinued operations		-	-10,476
Cash flows from investing activities			
Net cash outflow from the acquisition of subsidiaries (less cash and cash equivalents received)		2,069	754
Net cash inflow from sale of subsidiaries (cash and cash equivalents given)		-	-611
Proceeds from disposal of tangible assets		-	-
Payments for the acquisition of property, plant and equipment		-609	-215
Payments for the acquisition of intangible assets		-8,980	-113
Net cash (used in) investing activities		-7,520	-185
- thereof from discontinued operations		-	-611
Cash flows from financing activities			
Proceeds from issuing equity instruments of the Company		-	1,125
Proceeds from issuing of bonds		23,662	0
Proceeds from other borrowings		5,873	12,718
Payments for the repayment of loans		-5,146	-3,527
Payments for the granting of loans		-2,517	-468
Interest paid		-2,359	-560
Net cash provided by financing activities		19,513	9,288
- thereof from discontinued operations		-	11,292
Net increase in cash and cash equivalents		21,798	916
Cash and cash equivalents at the beginning of the year		4,447	406
Cash and cash equivalents at the end of the year		26,245	1,322

1 General Information

Media and Games Invest plc, (“the Company”), formerly Blockescence plc, Malta, is a public limited liability company incorporated as of 21 March 2011 in Malta. The Company is the parent holding company of Media and Games Services AG, formerly blockescence services AG, Switzerland, blockescence DLT solutions GmbH, Germany, Samarion SE, Duesseldorf, Germany, Applift GmbH, Germany and ReachHero GmbH, Germany. The Company holds indirect control over the entities disclosed in Note 3.2 to these consolidated financial statements (to be referred collectively as the “Group”). The Company holds, through Samarion SE indirect control of 38.7% of the shares and 53.1% of the voting rights of gamigo AG, Germany, which forms part of the Group. As of 30 June 2019, Bodhivas GmbH, Duesseldorf, owns 76.6% of the Group.

The Company’s shares are listed in the open market segment of Frankfurt Stock Exchange and XETRA in Germany. Its subsidiary, gamigo AG, has a public bond listed in Frankfurt Stock Exchange and in the regulated segment of the Nasdaq North Stock Exchange in Sweden.

The Company is registered with the Registry of Companies in Malta, registration number C 52332 with its registered office at 168 St. Christopher Street, Valletta, VLT1467, Malta.

The Company is a strategic investment holding company focusing on a ‘buy-integrate-build-and-improve’ strategy, creating fast-growing companies within the media and games segments through acquisitions and growth in operations. New and proven technologies are actively being implemented to create efficiency improvements and competitive advantages.

Furthermore, the Company acquires, holds, and sell other investments (e.g. shares, stocks, bonds, securities and other assets of companies as well as investments in funds and assets) that support the above stated business purpose and as deemed appropriate by the Board of Directors.

2 Significant Accounting Policies

The interim consolidated financial statements of the Media and Games Invest-Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) and in consideration of the Interpretation of the IFRS Interpretations Committee (IFRIC) as adopted by the EU. The interim consolidated financial statements as of 30 June 2019 were prepared in accordance with the principles of IAS 34. The Notes are presented in condensed form. The interim consolidated financial statements of the Group as of 30 June 2019 have been neither subject to a full scope audit nor subject to a limited review by a statutory auditor.

In the preparation of the interim consolidated financial statements, the accounting standards and Interpretation have been used valid as of 1 January 2019. The interim consolidated financial statements as of 30 June 2019 were prepared using the same accounting and valuation methods as the preceding consolidated financial statements as of 31 December 2018.

All mandatory standards and interpretations to be applied by 1 January 2019 for the first time, had no material impact on the Group's net assets, financial position and results of operation. IFRS 16 Leases has to be mandatory applied to annual periods that begin on or after 1 January 2019, however the Group has used the option for early adoption and voluntarily applied IFRS 16 for the first time in the financial year 2018.

Amendments to IFRS 9 Prepayment Features with Negative Compensation

In the current year, the Group for the first time applied the amendments. The existing requirements in IFRS 9 are amended regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

Under the amendments, the sign of the prepayment amount is not relevant, i. e. depending on the interest rate prevailing at the time of termination, a payment may also be made in favour of the contracting party effecting the early repayment. The calculation of this compensation payment must be the same for both the case of an early repayment penalty and the case of an early repayment gain.

The final amendments also contain a clarification regarding the accounting for a modification or exchange of a financial liability measured at amortised cost that does not result in the derecognition of the financial liability.

The application of the amendments does not have any impact on the consolidated financial statements as the Group does not hold financial instruments with prepayments features with negative compensation.

Annual Improvements to IFRS Standards (2015 – 2017 Cycle)

Standard	Type of Amendment	Details of Amendment
IFRS 3 Business Combinations and IFRS 11 Joint Arrangements	Measurement of previously held interest when obtaining (joint) control of a joint operation	The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.
IAS 12 Income Taxes	Accounting for all income tax consequences of dividend payments in the same way	The amendments clarify that the requirements in the former paragraph 52B (to recognise the income tax consequences of dividends where the transactions or events that generated distributable profits are recognised) apply to all income tax consequences of dividends by moving the paragraph away from paragraph 52A that only deals with situations where there are different tax rates for distributed and undistributed profits.
IAS 23 Borrowing Costs	Treatment of any borrowing originally made to develop an asset when the asset is ready for its intended use or sale	The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings.

The application of these amendments did not have any impact on the consolidated financial statements.

3 Changes in the Scope of Consolidation

All group companies included in the consolidated financial statements as of 31 December 2018 (esp. indirect participation in gamigo AG with subsidiaries) are also included in the consolidated financial statements as of 30 June 2019 and no companies were de-consolidated during the reporting period.

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During the reporting period, the following companies were included in the scope of consolidation of the Company for the first time due to acquisition of these companies in the first half of 2019:

Entity	Place of incorporation	Proportion of ownership interest
Direct consolidated entities		
ReachHero GmbH	Germany	67.38%
AppLift GmbH	Germany	100.00%
Indirect consolidated entities		
Avocado Digital UG	Germany	67.38%
PubNative GmbH	Germany	89.20%
PubNative China WFOE	China	89.20%
Applift Japan K. K.	Japan	100.00%
Applift Brazil Limitada	Brazil	99.00%
Applift Inc.	USA	100.00%
Applift Asia Pacific Inc.	South Korea	100.00%
Applift India Technologies Privated Ltd.	India	99.99%
Applift Shanghai Ltd.	China	100.00%

Regarding the acquisition of ReachHero GmbH and AppLift GmbH and its subsidiaries, we refer to section 4 of the Notes.

4 Acquisition of Subsidiaries

4.1 Acquisition of ReachHero GmbH

On 17 May 2019, the Group acquired 65.42% shareholding in ReachHero GmbH ("ReachHero"), Berlin, Germany. On the same date, the Group signed a capital increase in ReachHero to increase its shareholding up to 67.38%. The purchase price is settled by issuance of the Company's shares and payment in cash. The number of shares will be issued in line with potential purchase price adjustments and shall be subject to a lock-up period of six to twelve months. The founders will retain a stake in ReachHero and will continue to manage the company.

ReachHero has a leading platform solution for influencers and advertisers in Europe. Subsequent to the acquisitions of Mediakraft Group and adspree media GmbH by Gamigo AG, this additional media asset is supplementing the Group portfolio in the B2B area.

The acquisition of ReachHero GmbH is a business combination in accordance of IFRS 3 "Business combinations".

Because of the temporary proximity of this acquisition to the period end date of the interim consolidated financial statement as of 30 June 2019 the purchase price allocation is still preliminary. The purchase price allocation will be finalised in the second half of 2019. The purchase price was kEUR 2,896. The consideration was partly paid by the issue of 2,170,000 ordinary stocks of the Company to Bodhivas GmbH, Dusseldorf, Germany, at a nominal value of EUR 1.00 per share because Bodhivas pre-financed the purchase price by a share loan. As a result of the transaction, the Company has issued a total of 62,020,000 ordinary shares as of 17 May 2019.

	Core activity	Acquisition Date	Acquired Shares
ReachHero GmbH	Agency services of product placement transactions between trademark owner and influencer/creator via an own platform or own agency or as software as a service model.	17 May 2019	65.42%

Further details related to the acquisition of ReachHero GmbH will be disclosed in the audit consolidated financial statements for the year ending 31 December 2019.

4.2 Acquisition of AppLift GmbH

On 29 June 2019, the Group acquired 100% of the shares in AppLift GmbH ("Applift"), Berlin, Germany for a consideration price of kEUR 5,960. The consideration was partly paid by cash and promissory notes. Applift is a leading international mobile performance agency concentrating on supporting app publisher in branding of their apps as well as customer acquisition for their apps. The majority ownership of Applift to PubNative GmbH and seven further subsidiaries was part of the acquisition deal. PubNative runs a supply side platform that supports app publishers in selling their advertising for best price via bidding mechanisms.

The acquisition of AppLift GmbH is a business combination in accordance of IFRS 3 "Business combinations".

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Because of the temporary proximity of this acquisition to the period end date of the interim consolidated financial statement as of 30 June 2019 the purchase price allocation is still preliminary. The purchase price allocation will be finalised in the second half of 2019

	Core activity	Acquisition Date	Acquired Shares
AppLift GmbH	The development and operation of domestic and foreign internet and technology projects and related business.	29 June 2019	100.00%

App lift GmbH, Berlin is the parent company of the following other companies:

Subsidiaries of Applift GmbH	Place of incorporation	Proportion of ownership interest
PubNative GmbH	Germany	89.20%
PubNative China WFOE	China	89.20%
Applift Japan K. K.	Japan	100.00%
Applift Brazil Limitada	Brazil	99.00%
Applift Inc.	USA	100.00%
Applift Asia Pacific Inc.	South Korea	100.00%
Applift India Technologies Privated Ltd.	India	99.99%
Applift Shanghai Ltd.	China	100.00%

5 Segment information

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

Under IFRS 8, on the basis of the internal reporting, operating segments are to be defined across group divisions that are subject to a regular review by the Chief Operating Decision Maker of the Company with respect to decisions on the allocation of resources to these segments and the assessment of segment performance. Information reported to the Chief Operating Decision Maker for the purposes of resource allocation and assessment of segment performance is focused on the two segments of B2C/Game Publishing and B2B/Media and Platform Services.

B2C/Game Publishing

In the B2C/Game Publishing division, online and mobile games are made available to end customers, supported, operated and sometimes developed internally. The Group offers and operates a broad portfolio of online, mobile and console games, including casual games, role-play games and strategy games. It markets its products and services to gamers in Europe, North and South America and Australia with the focus being on Europe and North America. The games are either licensed exclusively, worldwide or for certain regional territories, or the IP and source code are owned. In Asia, the Group does not market its product directly but makes the games available in cooperation with licence partners.

The so-called free-to-play Massively Multiplayer Online Games (MMOGs) account for the most important share of revenue in the Group portfolio. Free-to-play means that the consumers in general play free of charge but can acquire goods for a fee (so-called "items") that increase the gaming experience and/or facilitate faster success, in particular, by adding new equipment or new functions for the game characters. By means of this business model, revenue has the potential to scale better as customers usually do not just pay once but, thanks to various incentives in the games, are motivated to invest money in the games on a continuous basis and over a longer period of time. MMOG means that, often, several thousands of players meet and interact with one another in an arena or server environment. Due to the large number of co-players who play the game at different times and are frequently linked to one another through gamers communities (so-called "guilds" or "clans"), in most cases, the users play a game over several months or even years. Within the MMOGs, there is a technical difference between browser games (games are played in the browser online), client games (games are first downloaded and the client is saved on the PC. However, during the game, players must be online in order to be able to communicate with the server) and console games (games are played online on consoles such as Xbox and PlayStation). In addition, the portfolio includes games that can be played on Facebook and/or on mobile end devices (IOS and Android). In these types of games, apart from the items that can be paid for, advertisements and advertising videos are also shown.

The Group has various MMOGs, especially anime and fantasy role plays, strategy and shooter games. The casual games that are also marketed by the Group, typically are simpler games which are not that intensive and are mostly played for shorter periods of time (these especially comprise puzzles, quizzes and skill games).

Currently, the Group offers over 30 MMOGs and more than 500 casual games. These include various MMOGs, e.g. Fiesta Online and Shaiya, which have been on the market for many years now. The revenue generated by these games, if the games are well supported and marketed, usually shows only slight churn, but by optimising marketing and improving the game content revenue can be stabilised or returned to growth.

The Group has driven its growth in the Game Publishing business division to a large extent by market consolidation. The acquisition of new customers for the games offered by the Group is done via marketing to the Group's own customer base and on portals. In addition, the Group's games are offered via the B2B advertising companies of the Group and, among others, on their portals or through other advertising measures. In selling its games, the Group also works with a large number of third party customer acquisition and sales channels (including partner websites, TV broadcasting companies, print media, telecommunications providers and marketing partners).

B2B/Media and Platform Services

Besides the B2C/Game Publishing division, the Group has been developing the B2B/media and platform services that are offered to business customers. For the most part, the same systems and infrastructures are used in the background of the platform services that are used in the context of game publishing. Media (online advertising, own portals, influencers and social marketing) services are offered to third parties but are also used for the own B2C/Gaming companies. While the platform modules were primarily used for Group's own activities in the current period, there are future plans to make the services available on a 'software-as-a-service' basis to other games publishers and developers.

In the Media Marketing and Sales division, services are now concentrated at adspre media GmbH and Mediakraft Networks GmbH (both part of gamigo) as well as at Applift and PubNative (direct subsidiaries). adspre media GmbH is an international 360-degree marketing agency for gaming companies and controls the acquisition of new users or players in a performance-oriented and efficient manner, using major channels, including search engine optimisation (SEO), search engine advertising (SEA), Facebook marketing, programmatic/real-time media buying, real-time advertising, influencer marketing, affiliate marketing and TV advertising. In addition, adspre media GmbH has a large number of game portals of its own that are used to address players. These also include SEO-oriented content portals and SEA-based portals.

Mediakraft Networks GmbH is a group of companies acquired in 2017 that is active in Germany, Poland and Turkey in the fields of online video, social marketing and influencer marketing with a strong market position in those countries. The Mediakraft Group manages complete YouTube channels for companies, supports YouTube stars and influencers and designs and implements influencer campaigns

On the one hand, synergies are boosted on the sales side, such as servicing adspre gaming customers through Mediakraft campaigns or addressing gaming target groups through adspre media GmbH for Mediakraft customers. On the other hand, the online video production expertise of the Mediakraft Group is also used for adspre campaigns and to generate video content for gaming portals.

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Additional acquisitions in 2019 include ReachHero (an influencer SaaS platform) and Applift (a mobile performance agency) and PubNative (and mobile supply side platform). These additional media companies will only start showing their added value to revenue and Ebitda from H2 2019 due to their acquisition dates late in H1 2019.

In the B2B segment, the Group has its own technologies which will be used to consistently develop the gamigo platform. These technologies include tracking technologies that evaluate user activities within games and on advertising spaces, enabling improvements in how to approach customers and reductions in the cost of customer acquisition.

In the field of B2B platform services, merger and acquisitions ("M&A") is also considered an important part of the growth strategy. In the current period, the acquisition of AppLift GmbH and ReachHero GmbH supplemented the Group portfolio in the B2B area.

b) Segment revenues and segment results

	B2C 30 Jun 2019 kEUR	B2B 30 Jun 2019 kEUR	Consolidated 30 Jun 2019 kEUR
Revenues	22,758	5,817	28,575
EBITDA (without corporate expenses)	7,787	529	8,316
Depreciation and amortization	-4,055	-221	-4,276
Segment result (EBIT without corporate expenses)	3,732	308	4,040
Corporate expenses			-775
Financing income			77
Financing expenses			-1,951
Earnings before taxes (EBT)			1,391
Income taxes			-511
Net result from continuing operations			880

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

Due to the structure of customers in the B2C segment, there are no customers that constitute a proportion of more than 10% of the Group's revenues. There are no customers that are responsible for more than 10% of Group's revenues.

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The accounting policies of the reportable segments correspond to the Group accounting policies described above. The segment result represents the result that each segment generates without allocation of the share of the result of associated companies and joint ventures, the central administrative costs including the remuneration of the Management Board, the financial result, the non-operating profits and losses from financial Instruments and financing costs as well as the income tax cost. The segment results is reported to the Group's chief operating decision maker for the purpose of resource allocation to the segments and the assessment of segment performance.

c) Segment assets

	30 Jun 2019	31 Dec 2018
	in kEUR	in kEUR
B2C	244,082	192,096
B2B	51,150	44,197
Total segment assets	295,232	236,293
Consolidated total segment assets	295,232	236,293

For the purpose of monitoring segment performance and allocating resources to segments, the Group's chief operating decision maker monitors the tangible, intangible and financial assets attributable to the individual segments. All assets including goodwill are allocated to the reportable segments.

6 Explanations on the Consolidated Statement of Financial Position

6.1 Property, plant and equipment

The book value of the property, plant and equipment as of the reporting date can be derived from the following table:

	30 Jun 2019	31 Dec 2018
	kEUR	kEUR
Property, plant and equipment	4,991	4,189

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The development of book values was as follows:

	Property, plant and equipment kEUR
Balance at 31 December 2018	4,189
Additions	1,209
Acquisitions through business combination	1,231
Depreciation	-1,638
Disposals	0
Balance at 30 June 2019	4,991

Property, plant and equipment primarily consists of operating and business equipment as well as IT equipment, which also relate to the main additions. The acquisitions through business combination are the RoU assets in accordance with IFRS 16.

6.2 Intangible assets

The book value of the intangible assets as of 30 June 2019 can be derived from the following table:

	30 June 2019 kEUR	31 December 2018 kEUR
Internally generated intangible assets	15,949	3,727
Other intangible assets	75,961	65,819
Advance payments on intangible assets	891	840
Goodwill	133,903	133,756
Total	226,704	204,142

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The development of book values was as follows:

	Internally generated intangible assets	Other intangible assets	Advance payments on other intangible assets	Goodwill	Total
	kEUR	kEUR	kEUR	kEUR	kEUR
Balance as of 1 Jan 2019	3,727	65,819	840	133,756	204,142
Additions	12,280	12,722	51	147	25,200
Amortisations	-58	-2,580	0	0	-2,638
Disposals	0	0	0	0	0
Balance as of 30 June 2019	15,949	75,961	891	133,903	226,704

6.3 Financial assets

The Group discloses at 30 June 2019 long-term financial assets of kEUR 7,876 (31 Dec 2018: kEUR 5,359) and other short-term financial assets of kEUR 2,528 (31 December 2018: kEUR 4,975).

As at 30 June 2019, the Group had financial investments in equity instruments amounting to kEUR 5,359 (31 Dec 2018: kEUR 5,359). They are relating to the Investment in an US-based LLC.

Both the non-current equity investments and the other short-term financial assets (mainly receivables due from employees and other parties and security deposits) are held by the Group in a business model whose objective is to hold financial assets to collect the contractual cash flows and whose contractual terms exclusively represent interest and principal payments on the outstanding nominal amount. Accordingly, all these financial assets are measured at amortized cost.

6.4 Deferred tax assets

The accrual/deferral of deferred taxes is done pursuant to the liability method of IAS 12 income taxes. The tax rates valid on the reporting date of the annual financial statements apply.

The deferred tax assets in the amount of kEUR 5,906 (31 December 2018: kEUR 6,353) relating to the probable future utilisation of tax loss carry-forwards and to the differences between the IFRS book value and the respective tax value. Deferred tax assets and liabilities were netted for identical tax subjects.

6.5 Trade receivables

The trade receivables reported have a remaining term of up to one year.

The Group derecognises a trade receivable when information is available that indicates that the debtor is in significant financial difficulty and there is no realistic prospect of payment. This would be the case, for example, if the debtor is in liquidation or insolvency proceedings or if the trade receivables are more than two years past due, whichever comes first. None of the derecognised trade receivables is subject to enforcement measures.

The value adjustments on trade receivables developed as follows:

	Carrying amount (not overdue)	Overdue			Book values
		1 – 30 days	31 – 180 days	More than 180 days	
		kEUR	kEUR	kEUR	
31 Dec 2018	3,070	1,191	1,071	86	5,418
30 Jun 2019	5,946	5,284	6,806	1,028	19,064

With regard to the receivables, there is no indication based on the credit history and the current credit rating classifications that the customers are not able to meet their obligations.

6.6 Cash and cash equivalents

Cash and cash equivalents amounted to kEUR 26,245 as at 30 June 2019 (31 Dec 2018: kEUR 4,447). The increase is due to the issuance of additional bonds portions and the operating cash earned in the first half of 2019.

6.7 Shareholders' equity and retained earnings

The Company has an authorised capital of 62,020 ordinary shares as of 30 June 2019 with a nominal value of EUR 1.00 which do not entitle the subscriber to a fixed profit. As of 30 June 2019, 62,020,000 ordinary shares (31 Dec 2018: 59,850,000) were issued and fully paid.

	Number of shares		Common stock		Additional paid-in capital	
	30 Jun 2019 kEUR	31 Dec 2018 kEUR	30 Jun 2019 kEUR	31 Dec 2018 kEUR	30 Jun 2019 kEUR	31 Dec 2018 kEUR
Issued and fully paid- in capital: ordinary shares of par value EUR 1.00	62,020	59,850	62,020	59,850	4,572	4,346

On 17 May 2017, the Board of Directors of the company resolved a capital increase of kEUR 2,170 and issued 2,170,000 shares. The new shares have a nominal value of EUR 1.00 per share. The capital increase and the newly issued shares have been part of the purchase price payment for the acquisition of shares in ReachHero GmbH.

In the period from 1 January to 30 June 2019, the Group did not grant any share-based options or payments to the employees of the Company.

No dividend payments were made in the presented periods.

6.8 Financial liabilities

	30 Jun 2019 kEUR	31 Dec 2018 kEUR
Leasing liabilities (current)	2,321	39
Leasing liabilities (non-current)	1,156	986
Bonds	48,539	24,877
Current tax liabilities	273	294
Other financial liabilities (current)	13,498	3,556
Other financial liabilities (non-current):		
Liabilities due to related parties	13,198	11,138
Remaining liabilities	798	1,976
	79,783	42,866

Regarding the bonds, we refer to section 6.10 of these Notes.

The maturity analysis of the financial liabilities as at 30 June 2019 is as follows:

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	up to 1 year kEUR	1 to 5 years kEUR
Leasing liabilities (current)	2,321	0
Leasing liabilities (non-current)	0	1,156
Bonds	0	48,539
Current tax liabilities	273	0
Other financial liabilities (current)	13,498	0
Other financial liabilities (non-current):		
Liabilities due to related parties	0	13,198
Remaining liabilities	0	798
	16,092	63,691

Analysis of other financial liabilities by currency as at 30 June 2019:

	In EUR kEUR	In USD kEUR	Others kEUR	Total kEUR
Leasing liabilities (current)	2,321	0	0	2,321
Leasing liabilities (non-current)	1,156	0	0	1,156
Bonds	48,539	0	0	48,539
Current tax liabilities	273	0	0	273
Other financial liabilities (current)	13,498	0	0	13,498
Other financial liabilities (non-current):				
Liabilities due to related parties	13,198			13,198
Remaining liabilities	798	0	0	798
	79,783	0	0	79,783

Analysis of other financial liabilities by currency as at 31 December 2018:

	In EUR kEUR	In USD kEUR	Others kEUR	Total kEUR
Leasing liabilities (current)	39	0	0	39
Leasing liabilities (non-current)	986	0	0	986
Bonds	24,877	0	0	24,877
Current tax liabilities	294	0	0	294
Other financial liabilities (current)	3,556	0	0	3,556
Other financial liabilities (non-current)	13,114	0	0	13,114
	42,866	0	0	42,866

6.9 Reporting on financial instruments

Classes and categories of financial instruments and their fair values

The following table provides information about classes of financial Instruments based on their nature and characteristics, as well as the carrying amounts of financial Instruments. The carrying amounts of the financial Instruments listed below correspond to the fair values of the financial Instruments. As at 30 June 2019, the Group does not hold any financial Instruments whose carrying amounts differ materially from their fair values, so that fair values are not disclosed. The hierarchy levels as at 30 June 2019 are therefore not indicated in the values listed below.

	Carrying amount				
	Financial assets			Financial liabilities	
	At fair value through profit and loss kEUR	At fair value through equity kEUR	Amortised cost kEUR	At fair value through profit or loss kEUR	Amortised costs kEUR
30 June 2019					
Cash and bank			26,245		
Trade receivables and other receivables			23,510		
Financial assets			7,876		
Bond					48,539
Leasing liabilities					3,477
Other financial liabilities (current)					13,498
Other financial liabilities (non-current):					
Liabilities due to related parties					13,198
Remaining liabilities					798
Trade payables					17,609
31 December 2018					
Cash and bank			4,447		
Trade receivables and other receivables			11,803		
Financial assets			5,359		
Bond					24,877
Leasing liabilities					1,025
Current financial liabilities					3,556
Financial liabilities due to related parties					13,114
Trade payables					9,162

6.10 Bonds

On 30 June 2019, the Company discloses liabilities arising from the issuance of bonds at kEUR 48,539 (31 December 2018: kEUR 24,877).

The Group, through gamigo AG, issued a senior secured bond loan of EUR 32 million on 11 October 2018, within a total framework amount of EUR 50 million, primarily on the Swedish and continental European bond market. On 26 March 2019 a tap issues in the amount of EUR 10 million was made over par at a price of 100.50% of the nominal amount. On 18 June 2019 a further tap issue of EUR 8 million of the bond was placed on Nasdaq Stockholm at an over par price of 101.00%. Following this tap issue, the bond has a total outstanding volume of EUR 50 million.

The bonds with ISIN SE0011614445 carry a floating interest rate of EURIBOR 3 months +7.75% per annum (EURIBOR floor at 0.00% applies) and matures on 11 October 2022.

The bond is traded at the regulated market of Swedish stock exchange and at the open market (quotation board) in Frankfurt/Germany.

6.11 IFRS 16 Leases

The Group rents various assets including buildings, operating and office equipment. The average lease term is four years.

RoU Assets

	Carrying amount 1 Jan 2019 kEUR	Additions kEUR	Write-downs kEUR	Carrying amount 30 Jun 2019 kEUR
RoU from building rental	2,288	1,881	712	3,457
RoU from IT equipment rental	66	0	35	31
RoU from vehicle leasing	11	0	6	5
	2,365	1,881	753	3,493

Leasing Liabilities

	30 Jun 2019 kEUR	31 Dec 2018 kEUR
Long-term	1,156	986
Short-term	2,321	39
	3,477	1,025

Maturity Analysis

	30 June 2019	31 Dec 2018
	kEUR	kEUR
Up to 1 year	2,321	39
More than 1 year and up to 5 years	1,156	986
More than 5 years	0	0
	3,477	1,025

Interest expenses on leasing liabilities amounted to kEUR 73 in the reporting period. Rental expenses for short-term leases amounted to kEUR 687. Rental expenses for leases of assets of minor value amounted to 0.

The Group had no sales and lease back transactions.

6.12 Trade payables

Trade payables (30 June 2019: kEUR 17,609; 31 December 2018: kEUR 9,162) mainly comprise outstanding amounts for the purchase of goods and services as well as current costs. Most suppliers do not charge interest for the first days after invoicing. Subsequently, different interest rates are payable on the outstanding amount. The increase of trade payables from 31 December 2018 to 30 June 2019 is mainly due to the recently acquired AppLift and the internal growth of gamigo AG and the related increased sales volume and purchased services volume.

The Management Board is of the opinion that the carrying amount of trade payables generally corresponds to their market value.

6.13 Other non-financial liabilities

The other non-financial liabilities amounting to kEUR 7,316 (31 Dec 2018: kEUR 4,636) mainly consist of liabilities to tax authorities at an amount of kEUR 2,201 (31 Dec 2018: kEUR 2,068) and deferred income at an amount of kEUR 2,052 (31 Dec 2018: kEUR 1,697).

6.14 Deferred tax liabilities

Deferred tax liabilities relating to temporary differences between the fair values of intangible assets and their tax base arising from the initial consolidation of Samarion SE amounted to kEUR 14,418 (31 Dec 2018: kEUR 14,418).

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6.15 Short-term provisions and accruals

	31 Dec 2018	Initial consoli- dation Reach- Hero and Ap- plift	Utilisation	Release	Additions	30 June 2019
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Personnel-related obligations	577	206	577	0	503	709
Audit and closing costs	240	101	240	0	75	176
Tax accruals	0	2.007	0	0	343	2,350
Remaining provisions	5,854	484	4,374	0	10,206	12,170
	6,671	2,798	5,191	0	11,127	15,405

Provisions are made for current, legal and de facto obligations resulting from past events that are likely to lead to a future economic burden and whose size can be reliably estimated.

If a changed estimate results in a reduction in the size of the obligation, the provision is reversed accordingly and the income is posted in the area that was originally charged with the expense when the provision was formed.

Other provisions include litigation obligations, obligations for license costs and revenue shares, as well as milestone payments for various games.

All provisions have a term of up to one year.

6.16 Sales revenue

Revenues are generated from online, console and mobile games (casual games, roleplay games and strategy games) as well as B2B services (platform and advertising services). This is consistent with the revenue figures disclosed for each reportable segment in accordance with IFRS 8 Operating Segments (see Note 5).

The Group business activity until 9 May 2018 was the development and trade with real estate. Since 9 May 2018 due to the acquisition of Samarion SE the revenue consist of income from online, console and mobile-games and from business-to-business (B2B)-services. Therefore, comparability with prior year figures is limited.

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	1 Jan 2019 – 30 Jun 2019	1 Jan 2018 – 30 Jun 2018
Revenue	kEUR	kEUR
Games (business to consumer)	22,758	6,861
Platform services (business to business)	5,817	2,035
Total	28,575	8,896

6.17 Other own work capitalised

The other own work capitalized (1 Jan to 30 Jun 2019: kEUR 3,658; Jan to 30 Jun 2018: kEUR 704) mainly consists of personnel expenses relating to the capitalization of development cost for the gamigo platform and for games, that were capitalized as incidental acquisition cost for acquired intangible assets.

6.18 Other operating income

	1 Jan 2019 – 30 Jun 2019	1 Jan 2018 – 30 Jun 2018
Other operating income	kEUR	kEUR
Gain on bargain purchase	2,160	0
Reimbursements	0	690
Currency exchange gains	60	63
Other income	553	56
Total	2,773	809

6.19 Expenses for purchased services

The expenses for purchased services (1 Jan to 30 Jun 2019: kEUR 13,508; 1 Jan to 30 Jun 2018: kEUR 1,753) mainly consists of cost for revenue shares, royalties, marketing and technical services.

6.20 Personnel expenses

The remuneration of the entities employees is shown in the personnel expenses. The personnel cost consist of the following items:

	1 Jan 2019 – 30 Jun 2019	1 Jan 2018 – 30 June 2018
	kEUR	kEUR
Wages and Salaries	8,648	2,131
Social contributions	1,803	358
Total	10,451	2,489

6.21 Other operating expenses

Other operating expenses (kEUR 3,506; 1 Jan – 30 Jun 2018: kEUR 3,431) include the following expenses:

	1 Jan 2019 - 30 Jun 2019	1 Jan 2018 - 30 Jun 2018
	kEUR	kEUR
IT-services	350	1,783
Rental costs	302	247
Commissions	0	185
Legal, audit and consulting services	1,973	143
Out-of-pocket expenses	152	60
Other	729	1,013
Total	3,506	3,431

6.22 Depreciation and amortization

With regard to the depreciation on fixed assets and the amortization on intangible assets and fixed assets, we refer to the explanations regarding the fixed assets (Note 6.1) and intangible assets (Note 6.2) and. In the reporting year, no impairment losses on intangible assets or fixed assets were recognised as expenses, as no loss risk was identified.

6.23 Financial result

The financial result is broken down as follows:

	1 Jan 2019 - 30 Jun 2019	1 Jan 2018 - 30 Jun 2018
	kEUR	kEUR
Financial result		
Financial expense	-1,951	-291
Financial income	77	17
Total	-1,874	274

The financial expense primarily results from interest paid and deferred interest for the Bonds issued by gamigo AG and other loans received by the Group. The financial income results from interest on cash and cash equivalents as well as from interest on interest-bearing loans and receivables issued by the Group.

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6.24 Income Taxes

The components of the income taxes are as follows:

	1 Jan 2019 – 30 Jun 2019	1 Jan 2018 – 30 Jun 2018
	kEUR	kEUR
Current income taxes	-95	(1)
Deferred taxes	-416	380
	-511	379

The current income taxes posted mainly comprise estimated income tax benefits (1 January to 30 June 2018: income tax burden) in Germany for the respective reporting periods.

6.25 Result from discontinued operations

In the prior year (9 May 2018), the Group sold its 100% shareholding in solidare real estate holding GmbH and its subsidiaries. Therefore, the result of this business was classified as a discontinued business segment. In accordance with IFRS 3 the prior year numbers relating to this business were also reclassified from continuing to discontinued operations:

	1 Jan 2019 – 30 Jun 2019	1 Jan 2018 – 30 Jun 2018
	kEUR	kEUR
Sales revenue	0	191
Other own work capitalised	0	2,505
Other operating income	0	237
Cost of materials and purchased services	0	-1,867
Personnel expenses	0	-554
Other operating expenses	0	-1,203
Earnings before interest, taxes, depreciation and amortization (EBITDA)	0	-691
Depreciation	0	-136
Earnings before interest and taxes (EBIT)	0	-827
Financial expense	0	-1,074
Financial income	0	7
Other financial expense	0	0
Earnings before taxes (EBT)	0	-1,894
Income taxes	0	-78
Gain on disposal of the business	0	7,065
Loss for the period from discontinued operations	0	5,093

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6.26 Earnings per Share

Information about earnings per share is in accordance with IAS 33:

	1 Jan 2019 – 30 Jun 2019 kEUR	1 Jan 2018 – 30 Jun 2018 kEUR
From continuing operations	0.01	0.02
From discontinued operations	0.00	0.12
Total	0.01	0.14

The results and the weighted average number of shares for basic earnings per share are as follows:

	1 Jan 2019 – 30 Jun 2019 kEUR	1 Jan 2018 – 30 Jun 2018 kEUR
Profit for the period attributable to the owners of the Company	353	5,851
Profit for the period used in the calculation of basic earnings per share	353	5,851
Profit from discontinued operations used in the calculation of basic earnings per share from discontinued operations	0	5,093
Profit for the period from continuing operations used in the calculation of basic earnings per share from continuing operations	353	664

	1 Jan 2019 – 30 Jun 2019 Thousand	1 Jan 2018 – 30 Jun 2018 Thousand
Weighted average number of shares for the calculation of	60,390	42,391

In the reporting period, no dilutive effects were taken into account when calculating earnings per share.

7 Legal disputes

Litigation and other legal proceedings often raise complex issues and entail numerous uncertainties and difficulties, including the facts and circumstances of each individual case, the court in which the action is pending and differences in applicable law. The results of currently pending or future proceedings are generally unpredictable. The final ruling in a court case, official decisions or a settlement may result in incurring expenses for which no provision has been made in the balance sheet to date due to the lack of reliable predictability, or which exceed the provision formed for this purpose.

In pending or future legal proceedings, the Group, drawing on the information available to its legal department and in close consultation with its lawyers, assesses whether and to what extent the Group must make provisions in its balance sheet. If any of the cases can reasonably be expected to result in costs that can be measured today, the present value is posted as a provision for legal disputes. These provisions cover estimated payments to plaintiffs, court and litigation costs, attorneys' fees and any settlement costs. On each balance sheet date, the Group's internal and external legal advisors assess the current status of the Group's significant legal risks. On this basis, they review whether and to what extent a provision should be formed or adjusted. Relevant information is taken into account right up until the consolidated financial statements are finalized.

In the course of its general business operations, the Group is involved in various legal disputes, in particular litigation and arbitration proceedings, or such proceedings could be launched in the future.

Legal disputes arising from the ongoing business operations of the Group refer to proceedings against IT service providers, service providers, vendors and former partners. Legal disputes are often the result of M&A transactions. Due to the takeover of loss-making companies and assets, legal disputes regularly arise after the acquisition. In many cases, payments will not be made due to inadequate or absent service provisions or because parties demand the payment of old liabilities that were not clearly assumed by the Group, so that this must be decided by arbitration or litigation. Provisions totalling kEUR 429 were formed to cover disputes resulting from the non-payment of receivables from IT service providers and other service providers; in addition, kEUR 522 was set aside for proceedings resulting from corporate transactions with former service providers of the acquired companies; and kEUR 529 for other procedural risks due to corporate transactions.

8 Business transactions with related parties

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated in the course of consolidation and are not explained in these notes. Details of transactions between the Group and other related parties are given below.

In addition to the Management Board, family members close to the Board and, in principle, the Supervisory Board, investments and the shareholders can all be considered relationships to associated companies and persons under IAS 24 Related Party Disclosures.

On 30 June 2019, the Company indirectly holds 38.7% of the shares in gamigo AG. Remco Westermann holds 90% of the shares in Bodhivas GmbH (Duesseldorf), which in turn holds 76.6% of the shares of the Company, which in turn holds 100% of the shares in Samarion SE (Duesseldorf), which in turn holds 38.7% (36.2% directly and 2.5% via its 100% holding in Persogold GmbH, Hamburg) of the shares in gamigo AG. On the basis of voting right agreements with other shareholders of gamigo AG, the Company indirectly holds 53.2% of the voting rights of gamigo AG.

Remco Westermann is part of the three-member Board of Directors of the Company and personally holds 76.6% of the shares in the Company indirectly via his holding company Bodhivas GmbH as at the balance sheet date. He is a member of the Board of Directors of the Company since 31 May 2018 and is the Managing Director of Bodhivas GmbH, Duesseldorf. Hendrika Westermann is the wife of Remco Westermann, Jaap Westermann is the brother of Remco Westermann, both are directors of Jarimovas GmbH, Duesseldorf. In the consolidated statement of financial position as of 30 June 2019, the Group has stated different liabilities to Bodhivas GmbH GmbH, Düsseldorf, in the total value of kEUR 10,820 (31 December 2018: kEUR 9,293) disclosed as other financial liabilities (non-current). In addition, other financial liabilities include liabilities due to Jarimovas GmbH, Duesseldorf at 30 June 2019 in the amount of kEUR 1,799 ((31 December 2018: kEUR 1,758).

René Mueller is a member of the Board of Directors of the Company. In the consolidated statement of financial position as of 30 June 2019, the Company has no receivables or liabilities due from/to René Mueller (31 December 2018: kEUR 0) under financial assets.

René Mueller is also a member of the Administrative Board of GSC General Service Center AG, Zug. In the consolidated statement of financial position as of 30 June 2019, the Company has stated trade payables to GSC General Service Center AG, Zug, in the amount of kEUR 5 (31 December 2018: kEUR 1). In the period from 1 January to 31 December 2018, the Company was invoiced with a total of kEUR 31 for deliveries and services.

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Mr. Zeki Yigit had been a member of the Board of Directors of the Company until 8 May 2018. He is the sole shareholder and Managing Director of Suryoyo Holding GmbH, Duesseldorf, a former shareholder of the Company (until 8 May 2018). In the consolidated statement of financial position as of 30 June 2019, the Company no longer has any short-term loan liabilities to Suryoyo Holding GmbH, Duesseldorf (31 December 2018: kEUR 0). The loan liabilities existing as of the previous year's balance sheet date were stated under financial liabilities. Furthermore, the financial liabilities do not include any other current liabilities to Mr. Zeki Yigit.

Mrs. Feride Can, sister of Mr. Zeki Yigit, is the main shareholder and managing director of Paulus Holding GmbH, Guetersloh. Mr. Petrus Can, son of Mrs. Feride Can, is the sole shareholder and Managing Director of Gauss Consult GmbH, Guetersloh. In the consolidated statement of financial position as of 30 June 2019, the Group has not reported any trade payables to Gauss Consult GmbH, Guetersloh. In the period from 1 January to 30 June 2019, the Group was invoiced with a total of kEUR 165 for deliveries and services.

Mr. Simon Yigit, cousin of Mr. Zeki Yigit, is an independent business consultant. In the consolidated statement of financial position as of 30 June 2019, the Group has not reported any trade payable to Simon Yigit (31 December 2018: kEUR 10). In the period from 1 January to 30 June 2018, the Group was invoiced by Mr. Simon Yigit with a total of kEUR 46 for deliveries and services.

Patrick Rehberger had been a member of the Board of Directors of the Company until 31 May 2018 and Managing Director of solidare real estate holding GmbH, Duesseldorf, as well as other former group companies (until 8 May 2018). In addition, he was also Managing Director of a former shareholder of the Company, of Suryoyo Holding GmbH, Duesseldorf (until 8 May 2018), as well as of other companies that do not belong to the Company. The consolidated statement of financial position as of 31 December 2018 does not contain any receivables or financial liabilities due from the Group.

Tobias Weitzel is a member of the Board of Directors of the Company, Malta since 31 May 2018. During the reporting period, no transactions under the scope of IAS 24 regarding Mr. Weitzel took place.

9 Events after balance sheet date (30 June 2019)

On 5 July 2019, the Company has successfully completed a capital increase under exclusion of preemptive rights in accordance with the Memorandum of Association. In a private placement 8,000,000 new shares were placed with institutional investors at a placement price of EUR 1.15 per share by means of an accelerated bookbuilding process. The placement was oversubscribed. After completion of the capital increase, the Company's share capital amounts to EUR 70,020,000.00. The new shares are entitled to dividends as of January 1, 2018.

Media and Games Invest plc
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On 24 July 2019, the Company has increased its interest in the gamigo AG by 13.8% and now holds 52.6% of the shares and 66.9% of the voting rights in gamigo AG via its subsidiaries. The wholly owned subsidiary blockescence DLT solutions GmbH has acquired all gamigo shares held by Axel Springer Digital Ventures GmbH. With this assignment, all profit subscription rights attributable to the shares – both for profits from the current financial year and for outstanding profit distributions from previous years – will also be assigned to blockescence DLT solutions GmbH. Both parties have agreed not to disclose the purchase price that was fully paid in cash.

On 20 September 2019, Vajrapani Limited was registered in Valetta, Malta, with an authorised share capital of EUR 50,000,000 and an issued share capital of EUR 1,200. The Company holds 1,199 of the shares in Vajrapani Limited.

10 Governing board of the Company and remuneration

In the half-year period from 1 January to 30 June 2019, the Board of Directors of the Company comprised the following persons:

- René Mueller
- Remco Westermann (since 31 May 2018)
- Tobias Weitzel (since 31 May 2018).

Thomas Jacobsen is Secretary of the Company.

The Board of Directors did not receive any remunerations for the periods presented.

As at 30 June 2019, as in the prior year period, there were no advances or loans to members of the Management Board or the Supervisory Board.

11 Guarantee of the Board of Directors

In all conscience, we assure, as representative for the Board of Directors of the Company, that the interim consolidated financial statements for the period from 1 January to 30 June 2019 are in compliance with IFRSs, as adopted by the EU, and give a true and fair view of the Group's Net Assets, Financial Position and Results of Operations.

Malta, 30 September 2019

Board of Directors