



**Media and Games
Invest SE**

GOVERNANCE REPORT

2020 / H1'21

MEDIA AND GAMES INVEST SE

FIRST CORPORATE GOVERNANCE REPORT MEDIA AND GAMES INVEST SE

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1 CORPORATE GOVERNANCE REPORT

Media and Games Invest SE (“**MGI**” or “**the Company**”) is a Maltese limited liability company registered in the form of a Societas Europaea with company registration number SE 15. The Company’s LEI is 391200UIIWMXRLGARB95. MGI is listed on the Nasdaq First North Premier Growth Market and in the Scale Segment of Deutsche Börse (ISIN: MT0000580101). The Company had an unsecured German bond outstanding on the Open Market at the Frankfurt Stock Exchange (ISIN: DE000A2R4KF3), which was prematurely redeemed on October 11, 2021, and a secured Nordic bond outstanding on the Regulated Market at Nasdaq Stockholm and the Open Market in Frankfurt (ISIN: SE0015194527). The Company has its registered office at 168 St. Christopher Street, Valletta, VLT1467, Malta and is the parent holding company of Media and Games Services AG (Switzerland), blockescence DLT solutions GmbH (Germany), Samarion SE (Germany), ME Mobile GmbH (Germany), Vajrapani Limited (Malta), Platform 161 Holding BV (Netherlands), ME digital GmbH (Germany) and ReachHero GmbH (Germany).

This Corporate Governance Report is prepared in accordance with the Swedish Corporate Governance Code (the “**Code**”). This 2020/H1-2021 Corporate Governance Report is the first formal Corporate Governance Report of MGI. MGI is not legally obliged to publish a Corporate Governance Report but has decided to do so as it is in line with market practice in both countries where MGI’s shares are listed. It is also meant to provide a transparent insight into the governance structures of the Company to its recently grown investor base and to continuously develop its governance structure. As the first of its kind and to provide a comprehensive insight into the current governance status, this report does not focus exclusively on the fiscal year 2020, but also includes key events from the first half of 2021. In the future, the Company will publish an annual Governance Report for the respective fiscal year.



1.1 CORPORATE GOVERNANCE

MGI pursues the goal to create a sustainable organization that has the appropriate procedures and structures in place to create value for its shareholders in the long term. This is expressed through strict standards, a clear risk management, and transparent processes.

MGI has experienced strong growth in recent years. As will be shown in the following, the company has introduced numerous measures (some of which are still ongoing) with the purpose of adapting internal processes and structures to the changed framework conditions triggered by the strong growth within the reporting period. This includes among others the expansion of the board, the further optimization of the internal control system in cooperation with KPMG as well as the implementation of a state-of-the-art whistleblowing system in cooperation with the compliance specialist EQS Group.

MGI has decided to apply the Code, since it is listed on Nasdaq First North Premier Growth Market. By doing so, MGI has made the deliberate decision to publish an annual Corporate Governance Report going forward in order to further increase its transparency regarding governance processes. The report has not been reviewed by the Company's auditor.

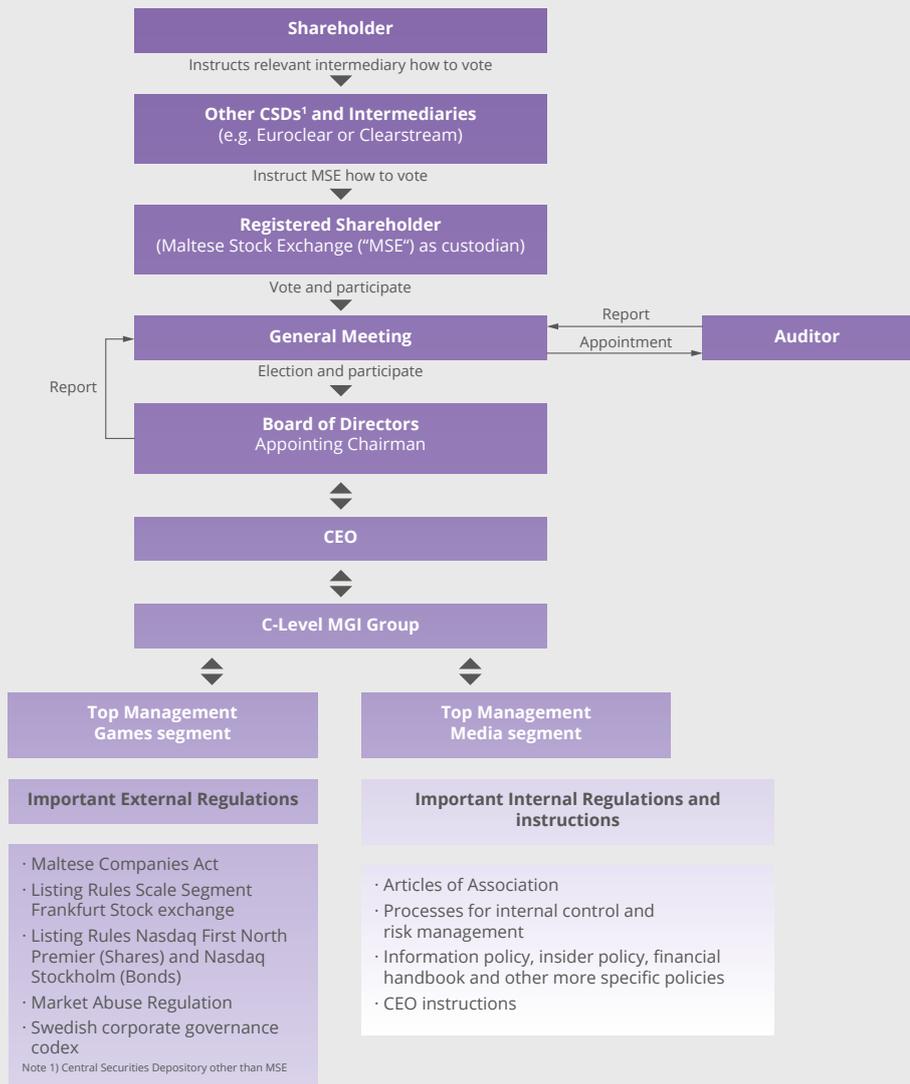
Governance, management, and control in MGI are divided between the shareholders, the board of directors, the MGI Group C-level and the top management team of its segments in accordance with applicable laws, rules and instructions, as shown in illustration 1 below.

Corporate governance at MGI is based on external regulations such as the Maltese Companies Act (chapter 386 of the laws of Malta; the "**Companies Act**"), the Market Abuse Regulations, the Code, Nasdaq First North Premier Growth Market **Rulebook** (the "Rulebook") as well as the General Terms and Conditions of Deutsche Börse and the Rules and Regulations for the Scale Segment at Deutsche Börse, Nasdaq Stockholms Rulebook and on internal regulations such as the Company's Memorandum and Articles of Association, processes for internal control and risk management, CEO Instructions and further more specific policies.

Upon listing on Nasdaq First North Premier Growth Market on October 6, 2020, the Company decided to apply the Code. Accordingly, the Company has decided not to apply the Maltese equivalent of the Code (which has several similar or common principles to the Code) set out in the Maltese Listing Rules.



Governance Structure





1.2 SHARES AND SHAREHOLDINGS

MGI's shares were listed on the Open Market of Deutsche Börse until July 13, 2020. On July 13, 2020, MGI uplisted to the Scale segment of Deutsche Börse, following an actively initiated listing procedure to enhance the company's reputation. The Scale segment of Deutsche Börse for small and medium-sized enterprises, so-called SMEs, is a registered SME growth market. The Scale segment sets higher transparency and reporting requirements for issuers than in the Open Market. Furthermore, MGI had its first day of trading on Nasdaq First North Premier Growth Market on October 6, 2020. Since then, MGI's shares are dual listed in Germany and Sweden. The Scale segment as well as Nasdaq First North Premier Growth Market are multilateral trading facilities.

The authorized share capital of the Company is EUR 320,000,000 divided into: (a) 300,000,000 Ordinary A-shares having a nominal value of EUR 1 each; and (b) 200,000,000 Ordinary B-shares having a nominal value of EUR 0.10 each.

As of June 30, 2021, the issued share capital of the Company amounted to EUR 149,679,980.00 divided into 149,679,980 ordinary A-shares with a nominal value of EUR 1.00 and ten voting rights per share. All shares have the same ISIN and are all admitted to trading. Due to the dual listing in Sweden and Germany, a portion of shares are registered via Clearstream Frankfurt (for the German listing), the price of which is quoted in Euro, while another portion are registered via Euroclear Sweden AB ("**Euroclear**", for the Swedish listing), the price of which is quoted in Swedish Krona. The shares are freely tradable between Germany and Sweden.

Based on the information available to the Company, the Company's largest shareholder as of June 30, 2021 was Bodhivas GmbH ("Bodhivas"), which is a company indirectly majority controlled by Remco Westermann, who is also the Chairman of the board of directors and CEO of MGI, and held 27.7% of the Company's issued shares and 38.4% of the voting rights as of such date. Accordingly, the interests of the CEO and the Chairman of the Board are in line with those of all shareholders. Furthermore, as of June 30, 2021, the Company's ten largest investors (as far as they are known based on the information from Euroclear as well as other sources) held approximately 49% of the Company's shares in the aggregate. The entire board and the C-level hold a total of 28.6% of the shares and a total of 5,050,000 phantom stock as of June 30, 2021. To the best of the Company's knowledge, there was no shareholder other than Remco Westermann who directly or indirectly held more than 10% of the shares as of June 30, 2021.

Additionally, the Company granted a share option to Bodhivas, pursuant to which Bodhivas has the right to subscribe to 15,000,000 ordinary A-shares at a strike price of EUR 2.60 per share. The option was granted to enable an ESOP phantom share program for employees of the MGI group. It is contractually secured that these 15 million options can only be used for such ESOP programs and that Bodhivas shall, in case of profits, transfer such profits to the capital of MGI without retaining any profits for Bodhivas.

Each Ordinary A-share has the right to (i) receive notice of, attend, speak, and vote at general meetings of the Company and has ten (10) votes; (ii) participate in a distribution of profits or assets of the Company, including in a winding up of the Company, pro rata with all other shareholders of the Company based solely on number of shares held and irrespective of the class and nominal value of shares held; and (iii) a repayment of capital in a winding up of the Company.

Each Ordinary B-share has the right to (i) receive notice of, attend, speak, and vote at general meetings of the Company and shall have one (1) vote; (ii) participate in a distribution of profits or assets of the Company, including in a winding up of the Company, pro rata with all other shareholders of the Company based solely on number of shares held and irrespective of the class and nominal value of shares held; and (iii) a repayment of capital in a winding up of the Company. Save as otherwise provided above and as specifically set out in the Articles of Association of the Company, all the shares in the Company shall rank *pari passu* in all respects including, *inter alia*, in respect of dividend distributions.

Subject to the provisions of article 85 of the Companies Act, the board of directors is authorized to issue shares of any class, options which may be convertible into shares, and other rights and/or securities (by whatever name referred to) which may entitle the holder thereof to subscribe to shares in the Company, in each case up to the maximum value of the authorized share capital of the Company (in respect of each class) at such times and on such terms as the board of directors finds appropriate. The authority is valid for five (5) years from April 8, 2021 and shall be renewable by ordinary resolution for further maximum periods of five (5) years each. The board of directors of the Company may restrict and/or withdraw any and all pre-emption rights of the Company's



shareholders for as long as the board of directors remains authorized to issue and allot shares, options which may be convertible into such shares, or any other rights or securities by whatever name referred to which may entitle the holder thereof to subscribe to shares in the Company, in terms of Article 3 of the Articles of Association of the company and article 85 of the Act. Further information about the Company's shares and ownership can be found on MGIs website, www.mgi-se.com.



1.3 GENERAL MEETING

The shareholders in a general meeting (the “**Shareholders**”) can resolve and exercise their influence over the Company.

Subject to the provisions of the Companies Act and in accordance with Article 29 of the Company's Articles of Association, the annual general meeting shall be held at such time and place as the board of directors may resolve, including outside Malta. According to Article 30 of the Articles of Association, the board of directors may, whenever they deem appropriate, convene an extraordinary general meeting. Extraordinary general meetings may also be convened on requisition or, in default, by requisitionists, as provided in article 129 of the Companies Act. A general meeting of the Company shall be called by giving at least fourteen (14) days' notice to every shareholder of the Company. The notice shall specify the place, day and hour of the meeting and the general nature of the business provided that a meeting of the Company shall, notwithstanding that it is called by shorter notice, be deemed to have been duly called if it is so agreed to by all the shareholders entitled to attend and vote at that meeting. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

According to the Company's Articles of Association, which were last altered by means of an extraordinary resolution passed at an extraordinary general meeting of the Company on April 15, 2021, no business shall be transacted at any general meeting other than that stated in the agenda included in the notice convening it, and unless a quorum of shareholders is present at the time, the meeting proceeds to business. A shareholder or shareholders present in person or by proxy holding at least five percent (5%) of the issued share capital of the Company shall constitute a quorum. The Company may, at its sole discretion, choose to allow its shareholders (or their validly appointed proxies) and/or directors (including the Chairman) and/or any other participants entitled to attend the option to participate at a general meeting by means of video conferences, telephone links or other similar means as the board may deem appropriate. In such instances, the chairman of the meeting shall sign on behalf of the person/s participating in such manner. The chairman of the Company shall preside as Chairman of the Meeting in every general meeting and, if there is no chairman of the Company or if the chairman of the Company is not present within fifteen (15) minutes after the appointed time, the deputy chairman of the Company shall preside as chairman of the meeting, or if the deputy chairman of the Company is not present at the meeting, the chairman of the meeting shall be elected by the shareholders present. Any decision of the general meeting for which an extraordinary resolution is not required by the Company's Articles of Association or by the Act shall be validly taken if approved by an ordinary resolution.

An ordinary resolution of the Company shall be validly passed if approved in a general meeting by a shareholder or shareholders having the right to attend and vote at that meeting and holding in the aggregate more than fifty per cent (50%) of the voting rights attached to shares represented at the meeting and entitled to vote at the meeting.

An extraordinary resolution of the Company shall be validly passed if a) it has been taken at a general meeting of which notice specifying the intention to propose that resolution as an extraordinary resolution and the principal purpose thereof has been duly given; and b) it has been passed by (i) a shareholder or shareholders having the right to attend and vote at the meeting holding in the aggregate not less than seventy-five per cent (75%) in nominal value of the shares represented and entitled to vote at the meeting, and (ii) a shareholder or shareholders holding in the aggregate at least fifty-one per cent (51%) in nominal value of all the shares entitled to vote at the meeting. If one of the aforesaid majorities mentioned in paragraph b) above is obtained, but not both, another meeting shall be convened within thirty (30) days in accordance with the provisions for the calling of meetings to take a fresh vote on the proposed resolution. At the second meeting the resolution may be passed by a shareholder or shareholders having the right to attend and vote at the meeting holding in aggregate not less than seventy-five per cent (75%) in nominal value of the shares represented at the meeting and entitled to vote at the meeting. However, if more than half in nominal value of all the shares having the right to vote at the meeting is represented at that meeting, a simple majority in nominal value of such shares so represented shall suffice. Any shareholder entitled to attend and vote at a general meeting of the Company may appoint another person as his/her proxy to attend and vote in his/her stead and a proxy so appointed shall have the same right as that shareholder to speak at the meeting and to demand a voting poll. The appointment of a proxy shall be made in writing in the form (or in substantially the same form) as set out in the notice convening a general meeting and shall comply with all the conditions which the Company may impose in the said notice.



1.3.1 General Meeting 2020

On January 24, 2020, an extraordinary general meeting (“**EGM**”) was held with the sole purpose of appointing Elizabeth Para as a director of the Company. The meeting was adjourned to January 31, 2020, as no quorum was reached according to Article 24 of the, at the time, valid Article of Association. At the adjourned EGM on January 31, 2020, the necessary quorum was reached, and Elizabeth Para was appointed as director of the Company. Minutes from the General Meeting 2020 and documents associated therewith are available on MGI’s website, www.mgi-se.com.

1.3.2 Annual General Meeting 2020

On July 30, 2020, an annual general meeting (“**AGM**”) was held. The purpose of the meeting was to (1) consider the Auditor’s Report and approve the Audited Financial Statements for the fiscal year ended December 31, 2019; (2) declare a dividend of zero, based on the recommendation of the board of directors; (3) confirm and re-appoint RSM Malta as auditor of the company, and to authorize the board of directors to fix their remuneration; (4) other matters. The meeting was adjourned to August 6, 2020, as no quorum was reached according to Article 24 of the, at the time, valid Article of Association. At the adjourned AGM on August 6, 2020, the necessary quorum was reached, and the resolutions have been passed. There have been no further matters. Minutes from the Annual General Meeting 2020 and documents associated therewith are available on MGI’s website, www.mgi-se.com.

1.3.3 Extraordinary General Meeting 2021

On April 8, 2021, an extraordinary general meeting was held with the purpose of deciding on the following proposed resolutions: (1) election of Antonius Reiner Fromme as a director of the Company; (2) to increase and re-classify the Company’s authorized share capital, including the creation of a new class of shares (and consequent amendment to article 5 of the Memorandum of Association); (3) to authorize the board to issue shares and withdraw pre-emption rights (and consequent amendments to article 3 and article 4 of the Articles); (4) to approve the conversion of the Company to a Societas Europaea and consequential amendments to the Articles. The meeting was adjourned to April 15, 2020, as no quorum was reached according to Article 24 of the, at the time, valid Article of Association. At the adjourned EGM on April 15, 2021, the necessary quorum was reached, and all the resolutions were passed. Minutes from the Extraordinary General Meeting 2021 and documents associated therewith are available on MGI’s website, www.mgi-se.com.

1.3.4 Annual General Meeting 2021

On July 8, 2021, the company held an annual general meeting. The purpose of the meeting was to (1) consider the Auditor’s Report and approve the Audited Financial Statements for the fiscal year ended December 31, 2020; (2) declare a dividend of zero, based on the recommendation of the board of directors; (3) confirm and re-appoint RSM Malta as auditor of the Company, and to authorize the board of directors to fix their remuneration; (4) other matters. All the resolutions were passed. There have been no further matters. Minutes from the AGM 2021 and documents associated therewith are available on MGI’s website, www.mgi-se.com.



1.4 NOMINATION COMMITTEE

According to Rule 2.1 of the Code, the Company is to have a nomination committee. The nomination committee is to propose candidates for the post of chair and other members of the board, as well as fees and other remuneration to each member of the board. On this point, the Company deviates from the rules of the Code. Considering the Company's shareholding structure and size of the Company, the Company's largest shareholders were of the view that it is not necessary to establish a nomination committee and that a direct nomination of persons for appointment as board members is better suited in the Company's circumstances. As the Company grows and the shareholder base of the Company evolves, the Company intends to establish different committees in the future to adapt to the increasing size and complexity. As the relocation from Malta to a new jurisdiction has a significant impact on the governance structure, the future location of the Company needs to be determined before the new governance structure can be implemented. Nevertheless, in parallel with the relocation process, the company has started to evaluate the implementation of relevant committees.



1.5 BOARD OF DIRECTORS

The directors shall exercise their powers subject to the regulations of the Company's Articles of Association, to the provisions of the Companies Act, and to the resolutions of the Company in general meetings; but no resolution taken by the Company in general meeting shall invalidate any prior act of the directors which would have been valid if that resolution had not been taken. Save as aforesaid, the board of directors shall have the power to (a) borrow or raise money or secure the payment of money and in conjunction with and independently therefrom to charge or hypothecate the property of the Company or any part thereof for any debt, liability or obligation of the Company, and this without any limitation whatsoever; (b) do all such other matters on behalf of the Company as are not by these regulations or by the Act reserved to the general meeting.

The directors shall appoint from amongst their number the chairman of the board, who shall also be the chairman of the general meeting. The board of directors shall have power to appoint any person to be the attorney of the Company for such purpose and with such powers, authority and discretion (not exceeding those vested in or exercisable by the board of directors under these regulations) as they may deem appropriate and may also authorize any such attorney to delegate all or any of the powers, authority and discretion vested in him. The board of directors may from time to time appoint a managing director or a director or directors holding any other executive office or offices from amongst themselves delegating to him or them any of the powers exercisable by them either collaterally with or to the exclusion of their own powers. Subject to the provisions of the next following clause, any such appointment shall be valid for such period and subject to such terms and conditions as the board may impose. Any such appointment shall be automatically determined if the person so appointed ceases for any reason to be a director.

According to the Articles of Association of MGI, no remuneration shall be payable to the directors, including directors holding an executive office, unless and to the extent approved by the Company in general meeting. The directors shall, however, be entitled to a reimbursement of all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the board of directors or general meetings of the Company or in connection with the business of the Company. Remuneration to the CEO and other members of the MGI C-Level in 2020 consisted of a base salary, and, for certain managers, a variable remuneration, other benefits and pension.

Remuneration in 2020 (EUR)	Basic salary / Board fee	Variable remuneration	Other benefits	Pension expenses	Total
Board of Directors	0	0	0	0	0
MGI C-Level	854,049.94	151,000.00	20,362.67	624.00	1,026,036.61

1.5.1 Composition of the Board

In accordance with the Company's Articles of Association, MGI's board of directors shall be appointed by an ordinary resolution of the Company at a general meeting. The Company may by ordinary resolution taken at the time of his/her appointment or at any later date determine the period for which a director shall hold office. Subject to the provisions of article 140 of the Companies Act, a director shall hold office, unless he/she dies or tenders his resignation at an earlier date, until the expiration of the period determined as aforesaid but shall thereafter be eligible for re-appointment. The board of directors of the Company shall consist of not less than two (2) and not more than ten (10) directors. Remco Westermann and Tobias M. Weitzel were appointed as directors by the general meeting on May 31, 2018, for an indefinite term. Elizabeth Para was appointed as a director by the general meeting on January 31, 2020, also for an indefinite term. Antonius Fromme was appointed as a director by the general meeting on April 15, 2021, for a term ending at the annual general meeting 2022. Remco Westermann is the current Chairman of the board and Tobias M. Weitzel is the deputy chairman of the board. In the composition and size of MGI's board of directors, the need for diversity and breadth as well as skills and background has been considered, as well as the ability to manage the Company's affairs efficiently and with integrity. The latest appointments of Elizabeth Para and Antonius Fromme should be seen in this light, reflecting the growth of the Company. Remco Westermann is the only board member who is also part of the executive management, thus MGI complies with the requirements of the Code regarding the separation of board and executive management. Other members of the MGI C-level in 2020 were; Paul Echt, Jens Knauber, Gary Coffey and Stefan Rascher.



The Code under point 4.7 provides that “Members of the board are to be appointed for a period extending no longer than to the end of the next annual general meeting.” At this point, the Company deviates from the Code, as three of the four directors have been appointed for an indefinite term, as described above. In MGI’s Articles of Association, which were adopted by the shareholders, it is stipulated that the directors are appointed for an indefinite term, unless a different term is decided by the shareholders. At the same time, the directors may be revoked at any time by the shareholders by an ordinary resolution passed by a simple majority of the nominal value of shares represented and entitled to vote at the meeting. The Company considers that these arrangements give shareholders the flexibility to decide on the appointment and revocation of directors that is common in Sweden.

The chairman of the board is appointed by the board itself, which procedure is set out in the Articles of Associations, and is a well-established procedure.

Further information of the board can be found at the end of the report in **Appendix 1**.

1.5.2 Independence

According to the Code, the majority of directors elected by the shareholders’ meeting are to be independent of the Company and its executive management and at least two of the members of the board who are independent of the Company and its executive management are also to be independent in relation to the Company’s major shareholders.

According to the definition in the Code, all board members except for Remco Westermann are independent to the Company and the executive management as well as in relation to major shareholders.

1.5.3 The Board’s Work in 2020 in H1 2021

The duties and responsibilities of the board of directors are set forth in MGI’s Articles of Association. In 2020 (H1 2021), the board of directors held 17 (15) board meetings, of which 4 (5) were by written resolutions. All meetings held followed an agenda provided to the board members prior to the meeting, along with relevant documentation for each agenda item. The CEO, and in most meetings also the CFO, also attended the board meetings. The CEO reports on operational performance at each regular board meeting and the CFO reports on financial performance at regular intervals. In addition, the CFO, senior executives and, if necessary, the Company’s auditors make presentations on various specialized topics. Among other things, board meetings were held in advance of M&A and capital market transactions, before the publication of quarterly as well as annual financial statements, and before general meetings.

The work of the board of directors is evaluated annually with the aim of both developing the board’s activities as well as its composition considering the development of the company. The latest evaluation of the board took place in September 2021, by the members completing a questionnaire drawn up by the chairman of the board. An anonymized compilation of the questionnaires was presented to the board of directors in connection with an ordinary board meeting.

Attendance Board Meetings

Name	Attendance Board Meetings 2020	Attendance Board Meetings H1 2021
Remco Westermann	17/17	15/15
Tobias M. Weitzel	17/17	15/15
Rene Müller (Resignation Feb. 25, 2020)	2/2	n/a
Elizabeth Para (Appointed Jan. 31, 2020)	17/17	15/15
Antonius Fromme (Appointed Apr. 15, 2021)	n/a	6/6



1.5.4 Board Committees

1.5.4.1 Remuneration Committee

At this point, the Company has not and will not establish a remuneration committee. This constitutes a deviation from Rule 9.1 of the Code. The board of directors of MGI consists of four individual directors, and due to the size of the board, the Company believes it to be more efficient not to establish such a committee but to take decisions as the complete board. In cases in which decisions concern individual board members, the individual board member refrains from voting. As the Company grows and the size as well as the work of the board of directors evolves, the Company intends to establish different committees in the future to adapt to the increasing size and complexity. As the relocation from Malta to a new jurisdiction has a significant impact on the governance structure, the future location of the Company needs to be determined before the new governance structure can be implemented. Nevertheless, in parallel with the relocation process, the company has started to evaluate the implementation of relevant committees.

1.5.4.2 Audit Committee

At this point, the Company has not and will not establish an audit committee. The board of directors of MGI consists of four individual directors, and due to the size of the board, the Company believes it to be more efficient not to establish such a committee. As the Company grows and the size as well as the work of the board of directors evolves, the Company intends to establish different committees in the future to adapt to the increasing size and complexity. As the relocation from Malta to a new jurisdiction has a significant impact on the governance structure, the future location of the Company needs to be determined before the new governance structure can be implemented. Nevertheless, in parallel with the relocation process, the company has started to evaluate the implementation of relevant committees.



1.6 AUDITOR

The annual general meeting 2021 appointed the auditor for the current fiscal year 2021. RSM Malta has been reappointed as auditor. The partner in charge is Conrad Borg. The auditor has the task of auditing MGI's annual report on behalf of the shareholders and making a statement on whether the annual report provides a true and fair view, according to IFRS as adopted by the EU and the requirements according to the Act and further regulations that apply for the Company. Remuneration to the auditors shall, in accordance with a resolution passed at the 2021 AGM, be fixed by the board of directors. RSM is the sixth largest auditing firm worldwide. In addition, all M&A-related purchase price allocations are performed by Ernst & Young and the impairment tests for all intangible assets are performed by Deloitte.



1.7 C-LEVEL AND TOP MANAGEMENT

In 2020, MGI's executive management consisted of Remco Westermann (CEO) (for further information about the CEO please see Appendix 1), Paul Echt (CFO), Jens Knauber (COO), Gary Coffey (CTO) and Stefan Rascher (CSO). At the beginning of 2021, the structure of the executive management was reorganized to reflect the rapid growth in both segments. Following the reorganization the executive management consists of the C-level (MGI Group) and, below that the top management of the respective segment (Games and Media). The MGI C-level is responsible for the management of the entire MGI Group and reports to the board of directors, while the top management of the Games and Media segments are responsible for the management of their respective segments and report to the MGI Group C-level. The MGI Group C-level includes Remco Westermann (CEO), Paul Echt (CFO) and Jens Knauber (COO). Since August 1, 2021, Jens Christian Fritz (CIO) also belongs to the MGI Group C-Level. The gamigo (Games) top management consists of Jens Knauber (gamigo CEO), Andreas Weidenhaupt (gamigo COO), Mervin Lee Kwai (gamigo CGO), Miguel Oliveira (CEO Casual Games Business) and Thomas Kothuis (CEO Media Elements Group). Since October 1, 2021 Christian Schommer (CTO) also belongs to the gamigo top management. The Verve (Media) top management consists of, Sameer Sondhi (Co-CEO Verve) and Ionut Ciobotaru (Co-CEO Verve).



2 INTERNAL CONTROL AND RISK MANAGEMENT

The board of directors is responsible for ensuring that the Company has sufficient and effective internal control systems in place to protect the Company's assets as well as the shareholders' investment. MGI follows the COSO framework for internal control and complies with the rules for companies listed on Nasdaq First North Premier Growth Market, Nasdaq Stockholm (for bonds) and the Scale Segment of Deutsche Börse, as well as the Act and the Code. In addition, there are internal policies and instructions as well as procedures and structures to ensure internal control.

2.1 Control Environment

MGI's operating business is divided into two segments: the Games segment and the Media segment. In both segments, MGI pursues organic growth strategies as well as a buy-and-build M&A strategy by acquiring additional companies and assets. MGI's strategy is to integrate acquired companies into their respective segment. Each segment has its own CEO (or CO-CEOs) and top management that reports to the C-level of the MGI Group, which in turn reports to the board of directors. As a separate line, all finance of the group, including controlling and auditing, is centralized under the CFO of the MGI group, who reports to the board of directors. The board of directors believes that this leveled approach provides the best possible focus as well as internal control over MGI. The control environment is being constantly evaluated at MGI and adjustments to the strong growth are being made when necessary. For example, it was decided to implement a state-of-the-art whistleblowing system for the MGI Group with the EQS Integrity Line and to further develop the internal control system in cooperation with KPMG in order to respond to the strong growth over the past months.

2.2 Risk Assessment and Control Activities

MGI's operations are subject to numerous risks that are regularly reviewed and evaluated by the board of directors. These risk factors can be found in the Company Description on MGI's website as well as in the respective bond and equity prospectuses. In analyzing and evaluating the risks, the Company classifies them into the following categories:

- General strategic risks
- Risks related to the Games segment
- Risks related to the Media segment
- Financial risks
- Risks related to political, social and legal aspects

The aim of the analysis is to identify the greatest risks for the Company and to assess the probability of their occurrence. Based on this, the existing processes and guidelines for internal risk control are then adjusted and updated if necessary.

The most significant risk factors include, amongst others, errors in the processes that could affect the financial assets and instruments in the income statement and the balance sheet, as well as the investment process. MGI has established documented work routines and implemented state of the art accounting and consolidation tools that meet the requirements of a buy-and-build growth company and continually evaluates how well controls and systems are operating with respect to these items and processes.

Requirements and changes in the legal framework, particularly in the areas of data protection and the protection of children and young people, represent a further significant risk. MGI monitors these framework conditions intensively and is also involved in industry associations that proactively participate in the development of these framework conditions. In addition, MGI works with external advisors who monitor and evaluate MGI's compliance with applicable regulations and on whose analysis the board can make an evaluation of the risk assessment.

After the reporting period the board of directors have signed a contract with KPMG a BIG4 Advisor to develop and improve the existing internal control system (ICS).



2.3 Information & Communication

The Company's external information is provided in accordance with the Information and Insider Policy established by the board of directors and in line with market standards. This policy specifies what is to be communicated by whom and in what way to ensure that both external and internal information is accurate, compliant, and complete. The Head of IR is responsible for implementing the Group's policy on internal information and communication. Investor Relations is managed and supervised by the CFO and the Head of IR who is reporting to the CFO. Another task of the Head of IR is to support the CEO and senior executives in terms of communication with the capital markets. The Head of IR also works together with the CEO and CFO on the preparation of the annual financial statements, annual general meetings, capital market presentations and capital market days, and other regular reports on IR activities. An Ad-Hoc committee has been established, consisting of two board members, the CFO and the Head of IR, which meets on a regular basis or, in cases in which insider related information might play a role, on a regular on demand bases.

2.4 Internal Audit

The Company regularly evaluates the need for internal auditing based on company-specific factors such as the scale, structure, diversity and complexity of the Company's operations, the number of employees, the Company's culture, and cost-benefit considerations as well as further ESG relevant topics. MGI has chosen not to establish a formal audit function within the Company, instead focusing on implementing and further developing a process to identify risks, establish controls, and self-evaluate controls as described before. The framework itself, the results, and the outcomes are regularly reviewed by the executive management and the board of directors.

APPENDIX

BOARD OF DIRECTORS AND CEO



Remco Westermann (1963)

Chief Executive Officer and Chairman of the Board of Directors since 2018

Education/background: Remco Westermann has been the chief executive officer of gamigo since November 2012 until March 2021 and is chairman of the Company's board of directors since May 2018 as well as the chief executive officer of MGI since September 2020. Remco holds a master's degree in business economics and has over 25 years of professional experience, including 15 years in the mobile and online entertainment industry. In the course of his career, he founded the company Bob Mobile AG, that he listed and was renamed Cliqdigital AG. He was also a manager of Sonera, among others, helping to build the mobile media company Sonera Zed, and managing its German subsidiary for several years as chief executive officer. Previously, Remco was a manager at leading companies such as Balance Point and a consultant at Rost & Co. In the dynamic, highly competitive and fast-growing games market, Remco has built up a leading and fast-growing online games company through a successful M&A strategy following the acquisition and repositioning of gamigo at the end of 2012. In 2018, Remco, based on integrating gamigo into MGI, became the majority shareholder of MGI and aligned its business model to "buy, integrate, build and improve" in the gaming and media sectors.

Current positions: Managing Director of Sarasvati GmbH, Jarimovas GmbH, Bodhivas GmbH, Bodhisattva GmbH, and Garusadana GmbH. In all companies, Remco Westermann is the major shareholder or, respectively, indirect shareholder with the right to represent the company solely.

Prior positions (past five years): None.

Holdings in the Company: Remco Westermann indirectly holds 41,578,256 shares in the company via its holding companies Bodhivas GmbH and Sarasvati KG. On May 9, 2018, the Company granted Bodhivas GmbH the option to acquire 20,000,000 shares of the company for a purchase price of 1.20 EUR per share. The option was extended on April 15, 2020 but waived in its entirety by Bodhivas GmbH on September 28, 2020. On January 11, 2021, a new option for Bodhivas with the sole purpose of serving a Phantom Share ESOP program amounting to 15,000,000 shares with an exercise price of Euro 2,60 till latest 2030, as well as the obligation to transfer any excess profits back to MGI, was established.

Remco Westermann is dependent in relation to the company, company management and major shareholders.



Tobias M. Weitzel (1973)

Member of the Board of Directors and Deputy Chairman of the Board (Board member since 2018)

Education/background: Tobias M. Weitzel has been a member of the Company's board of directors since May 2018. He is an investor (equity and debt), member of the board and founder of CREDION AG, a private debt provider and special alternative investment fund (since 2017); chief executive officer and sole shareholder of BSK Becker+Schreiner Kommunikation GmbH ("BSK"), a communications advisor specialized in investor relations, corporate communications and change communications. Since 2012, he has been a member of the board of Financial Experts Association e.V., one of the leading organizations for corporate governance and independent financial experts in supervisory boards in Germany. He holds a diploma of the Cologne Journalism School for Politics and Economics. In his career as a journalist, he has worked for daily newspapers, magazines, radio stations and in media and public relations for various international corporates. He has been active as a specialist for complex transformation situations at BSK since its founding in 1998. As chief executive officer, Tobias M. Weitzel has headed BSK since 1999 and, since 2011, has been the sole partner of BSK, which advises national and international clients on public and investor relations. With CREDION AG, he provides private debt solutions for small and medium-sized German enterprises – e.g., to foster growth programs, succession, M&A, turnaround and discharging debt since 2017.



Tobias M. Weitzel thus contributes a wealth of knowledge on compliance issues and board matters in general as well as extensive experience in corporate investor relations and capital markets with a focus on bonds and non-equity financings.

Current positions: Member of the executive board of CREDION AG, CREDION Kapitalverwaltungsgesellschaft, CREDION Komplementärgesellschaft and AfricaConnect GmbH. CEO of BSK GmbH.

Prior positions (past five years): None.

Holdings in the Company: Tobias M. Weitzel holds 509,728 shares in the company, of which 333,000 shares are under a lock-up until March 2022. Furthermore, Tobias M. Weitzel holds 500,000 phantom stocks in the Company.

Independent in relation to the company, company management and major shareholders.



Elizabeth Para (1972)

Member of the Board of Directors (Board member since 2020)

Education/background: Elizabeth Para joined the board of directors of the Company in January 2020. She has a 20+ years career in financial markets, with substantial experience in public and private debt as well as equity markets, among others working for Barclays Global Investors, State Street Global Advisors and BNP Paribas. She has worked in investment and client facing roles in both the banking and the investment management industries. Elizabeth holds a Master's degree in economics from the University of Toronto, a Bachelor's degree in economics from the University of Western Ontario, and is a Chartered Financial Analyst (CFA).

With her Canadian and UK citizenships and professional experience working in North America and London for a variety of UK, European and North American companies, Elizabeth Para brings an international perspective to the Board. With her extensive capital market experience, particularly in public debt and equity markets, she contributes a high level of expertise in the preparation and execution of capital market transactions and is able to factor the investor/capital market perspective into the Board's work.

Current positions: None.

Prior positions (past five years): None.

Holdings in the Company: Elizabeth Para holds 798,088 shares in the company, of which 344,088 shares are under a lock-up until March 2022. Furthermore, Elizabeth Para holds 500,000 phantom stocks in the Company.

Independent in relation to the company, company management and major shareholders.



Antonius Fromme (1974)

Member of the Board of Directors (Board member since 2021)

Education/background: Antonius Fromme is a graduate business engineer from the University of Karlsruhe and has been employed with the freenet Group since 2009.

Antonius Fromme contributes strong marketing know-how with a strong customer focus as well as a lot of experience in the operational management in a listed company with a strong digital focus to the Board. He has a comprehensive knowledge of the media segment and its developments, but also of digital entertainment. Also, his telecommunications know-how is very valuable, as telecommunications companies have the opportunity to play an important role in tracking in a world where identifiers from, for example, Google and Apple are disappearing.

Current positions: He has been Chief Customer Experience Officer at freenet AG since June 1, 2018. In his role as a member of the freenet Management Board, he gained extensive experience in the areas of mobile communications, online and offline marketing activities, and digitization.

Prior positions (past five years): VP Customer Management & Digital Sales, Managing Director klarmobil GmbH, Managing Director Vitrado GmbH, board member dtms GmbH.

Holdings in the Company: None.

Independent in relation to the company, company management and major shareholders.