

MAG INTERACTIVE

MAG INTERACTIVE AB [PUBL]
INTERIM REPORT SEP-NOV 2017

2017/18

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MAG INTERACTIVE IS A LEADING DEVELOPER AND PUBLISHER OF CASUAL MOBILE GAMES FOR A GLOBAL AUDIENCE. MAG INTERACTIVE REACHES OVER 10 MILLION ACTIVE PLAYERS EVERY MONTH AND THE GAME PORTFOLIO CONSISTS OF TEN SUCCESSFUL GAMES WITH OVER 200 MILLION DOWNLOADS, INCLUDING SUCCESSFUL TITLES RUZZLE, QUIZCLASH AND WORDBRAIN, ALL OF WHICH HAVE REACHED #1 SPOTS ON THE APP STORE AND GOOGLE PLAY. WITH OFFICES LOCATED IN STOCKHOLM AND BRIGHTON, MAG INTERACTIVE'S GAMES ARE DISTRIBUTED THROUGH VIRTUAL APP STORES ALLOWING FOR GLOBAL REACH WITH MINIMUM EFFORT. MAG INTERACTIVE IS LISTED ON NASDAQ FIRST NORTH PREMIER WITH TICKER MAGI. FOR MORE INFORMATION VISIT WWW.MAGINTERACTIVE.COM.



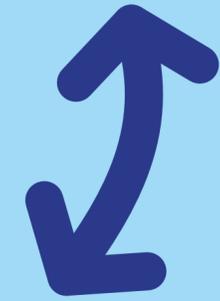
**200 M+
PLAYERS**



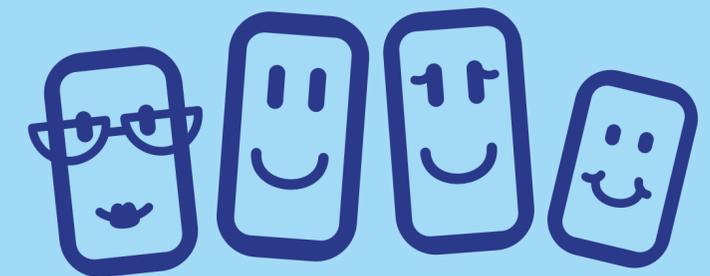
MAG



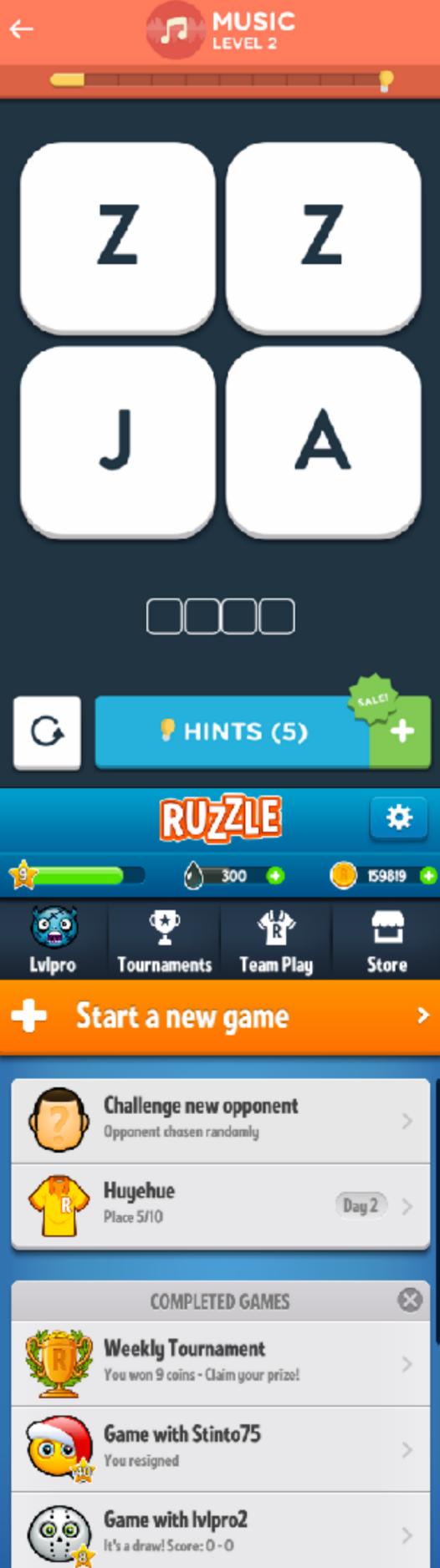
STOCKHOLM



BRIGHTON

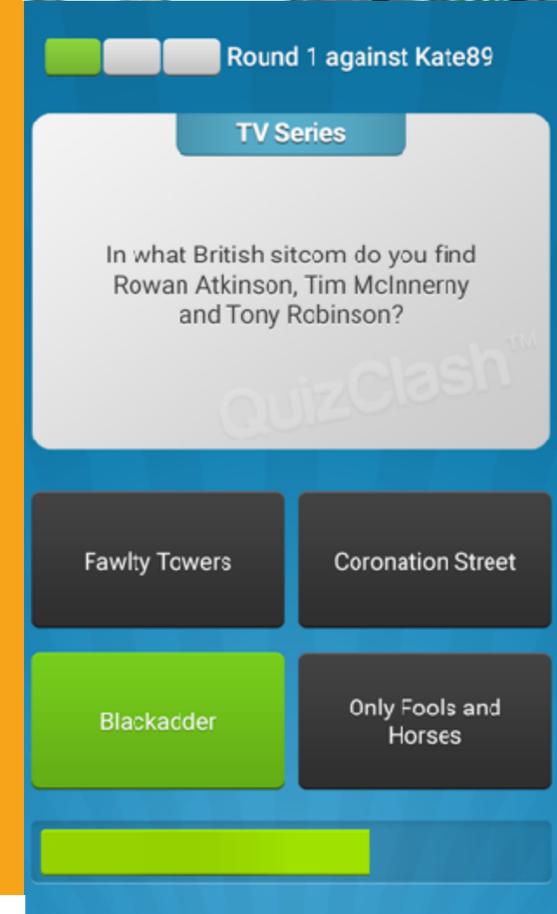


**GAMES FOR
EVERYONE**



CURRENT GAMES

WORD GAMES + TRIVIA GAMES

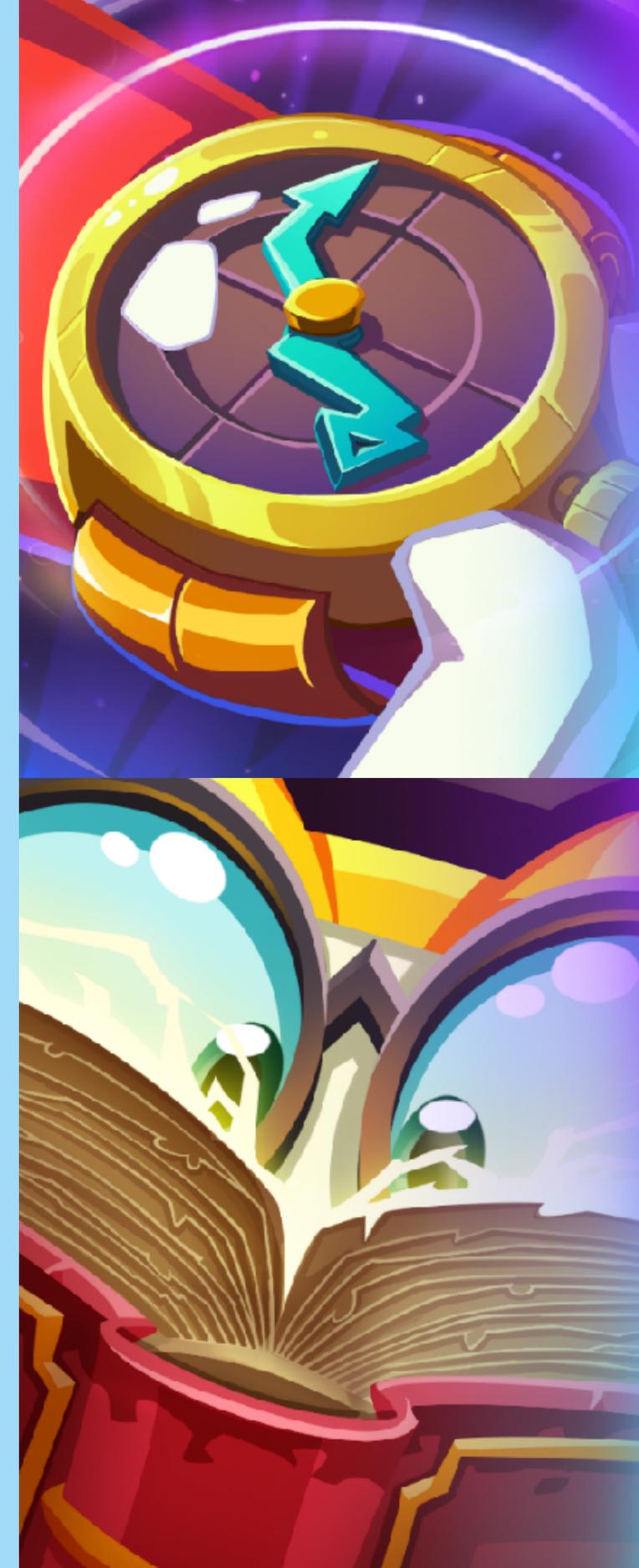




GAMES IN SOFT LAUNCH



WORD
DOMINATION





GROWTH **STRATEGY**

OUR FOUR PILLARS:

LIVE GAMES, NEW GAMES, PUBLISHING, ACQUISITIONS

BIGGEST EVENTS OF THE QUARTER

- **BACKPACKER**
 - **FEO**
- **PREPARING FOR IPO**



x 2

FEO



**VALUE CREATION THROUGH
OPTIMISATION OF PRODUCTS
+ SYNERGIES**



- Net sales development
- KPI development - DAU, ARPDAAU
- Marketing spend
- Contribution
- EBITDA and Adjusted EBITDA
- Adjusted EBITDA development

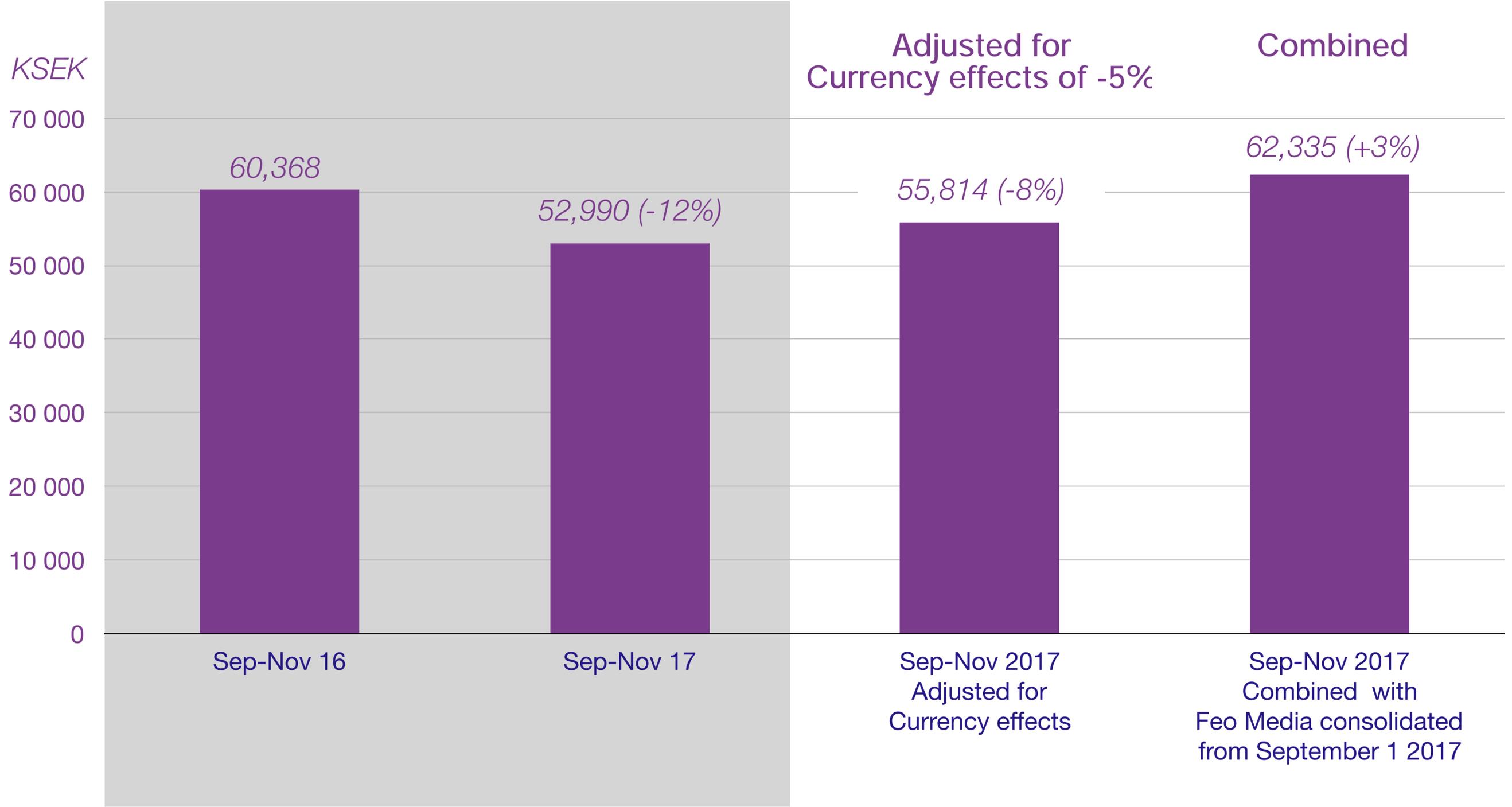


Four different sets of numbers are presented

- **Sep-Nov 2016** MAG Interactive AB (group) only, the *Comparison period*
- **Sep-Nov 2017** MAG Interactive AB (group) including Feo Media AB from November 7 2017
- **Sep-Nov 2017 Combined** MAG Interactive Sep-Nov + Feo Media consolidated from September 1 2017 (Note 4 in the report - Acquisition note). This is a good representation of the *Run rate* after the acquisition
- **Sep-Nov 2017 Adjusted for currency effects** (Only for Net sales) Same as Sep-Nov 2017, ie with Feo Media included from November 7 2017, but with Net sales as if currencies had not changed in relation to the comparison period. The fifteen most important currencies used in calculation representing 99% of Net sales

NET SALES DEVELOPMENT

2017/18

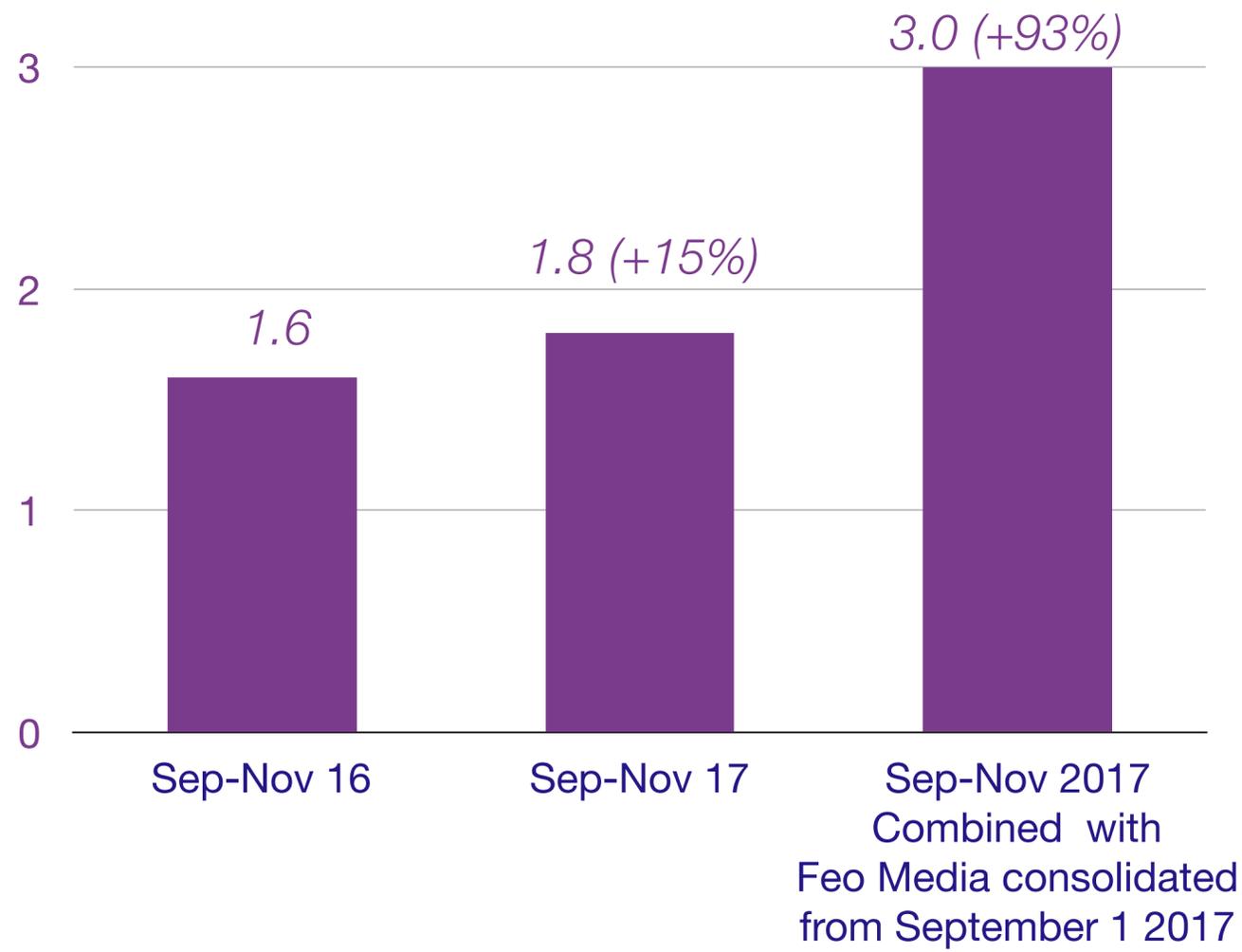


KPI DEVELOPMENT

2017/18

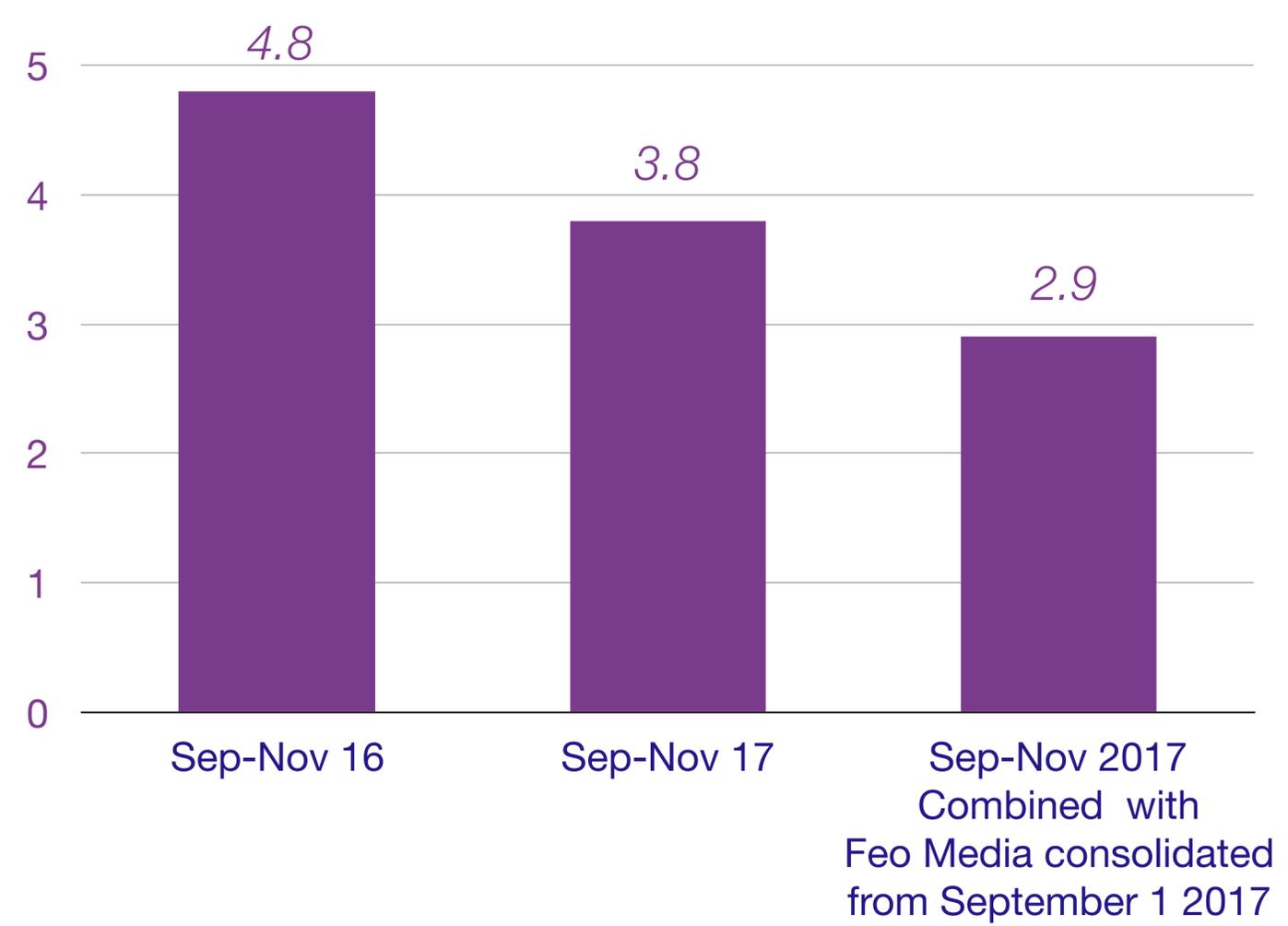
Million
DAU

DAU



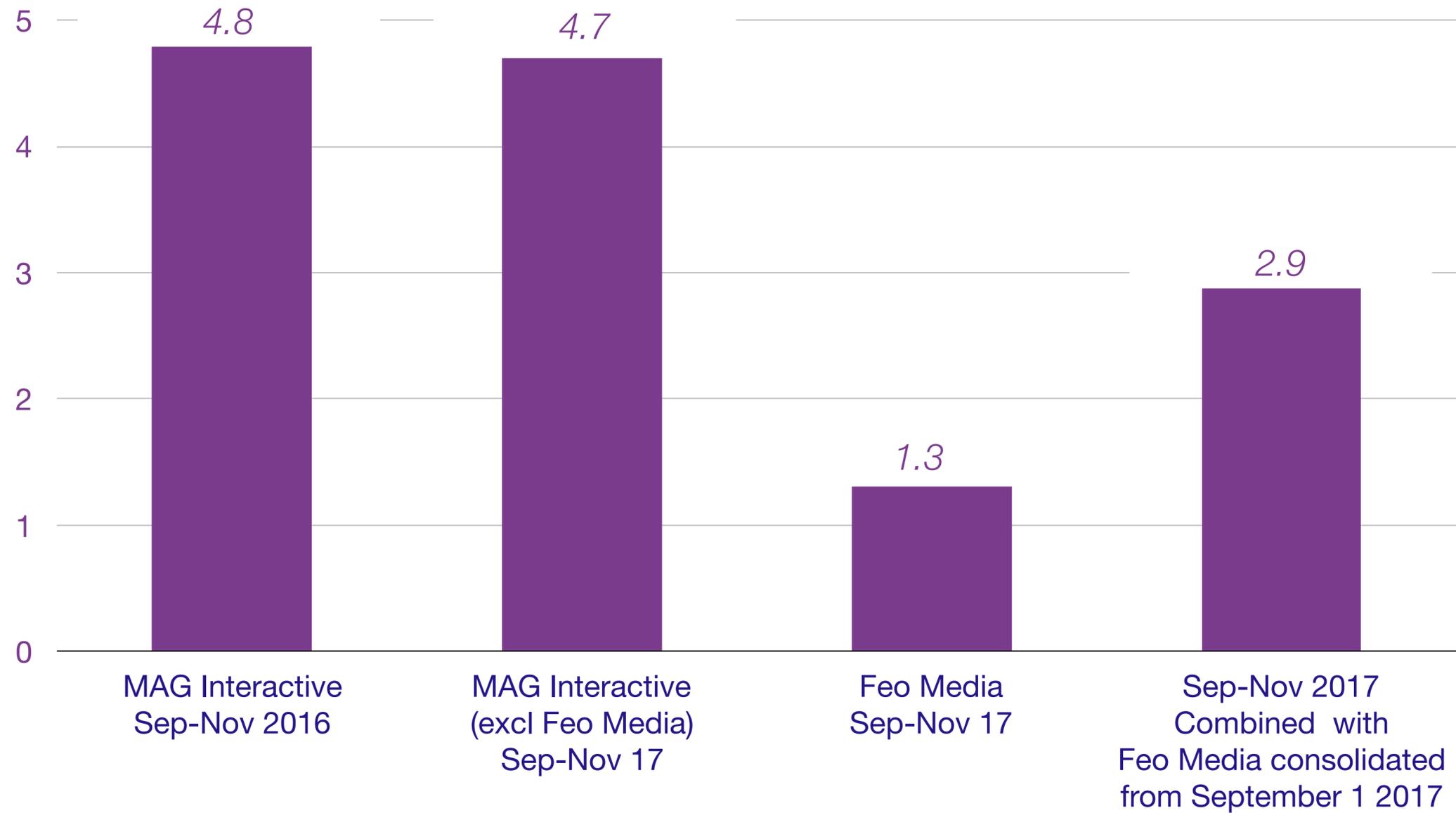
US cents
ARPDau

ARPDau





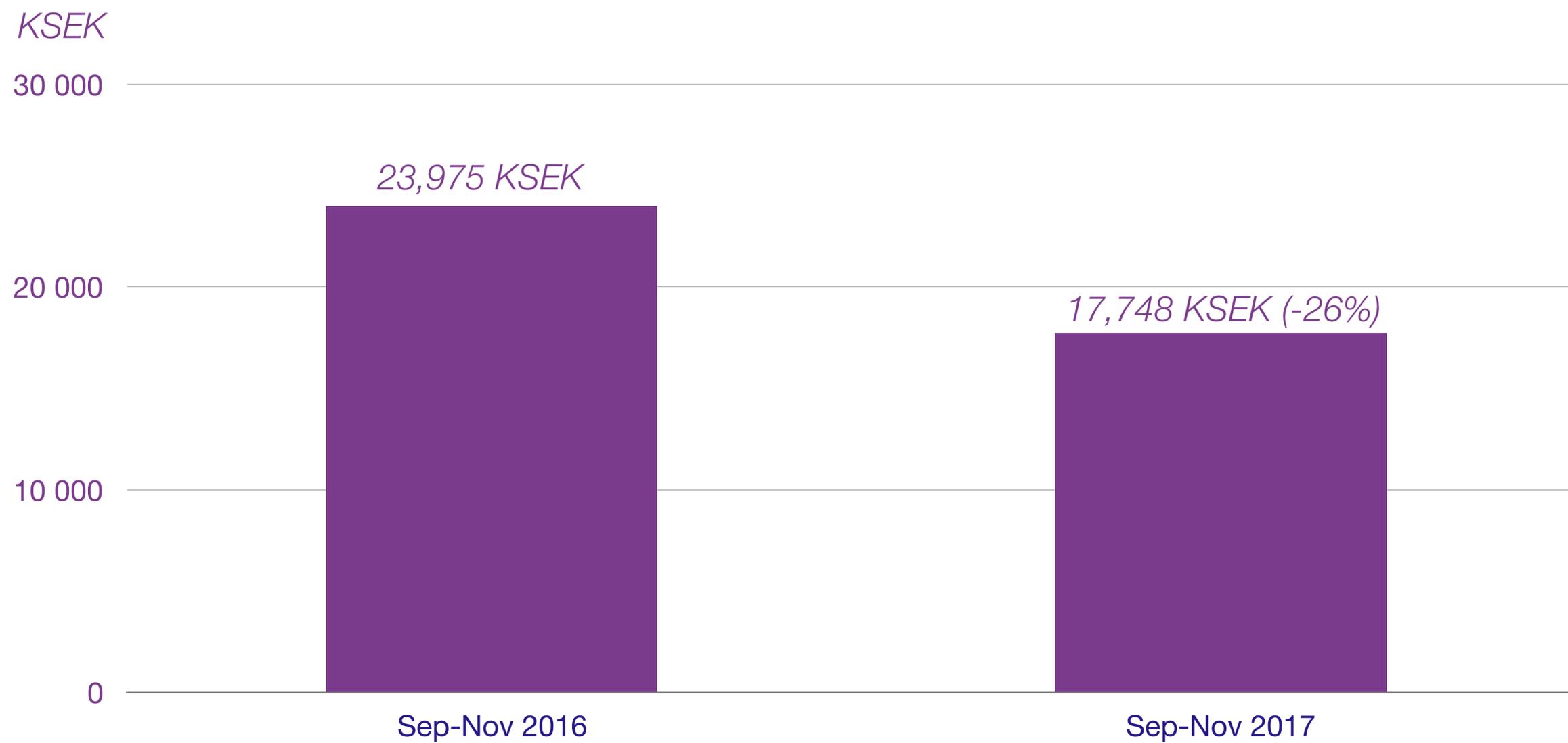
US cents

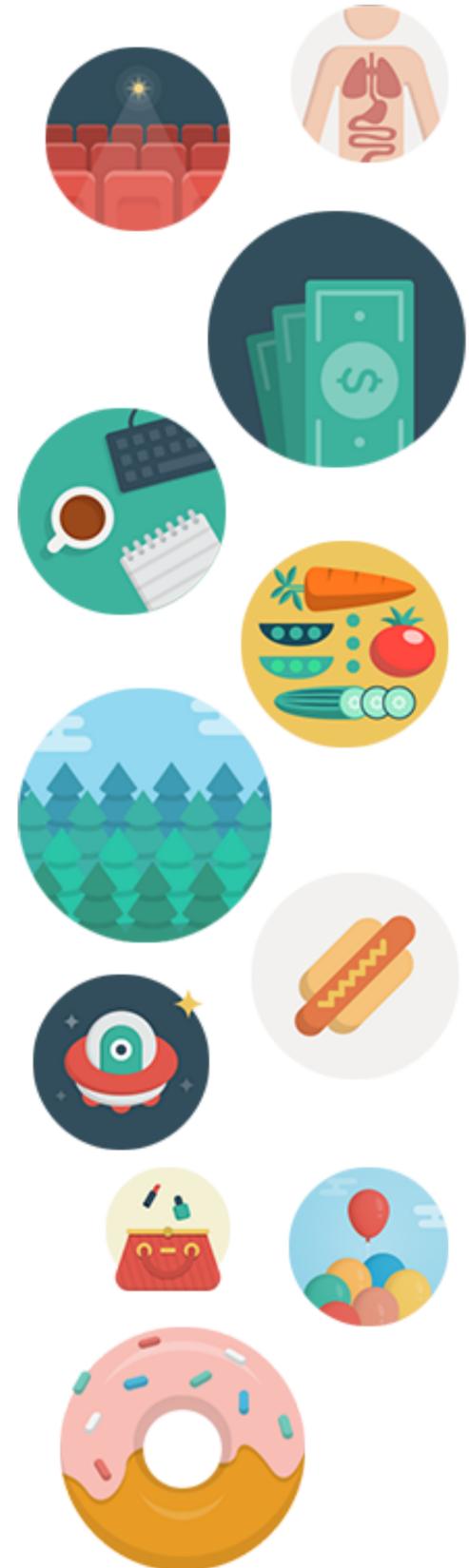


- Net sales is down by 8% adjusted for currency effects
- High *revenue* dependance on currencies with more than 50% sales from USD, SEK is only 4%, total currency effect is -5.3%
- UA spend in USD offsets most of that dependency
- Net sales run rate with acquisition of FEO Media is up 3% from last year
- Marketing spend down by 26%

MARKETING SPEND

2017/18

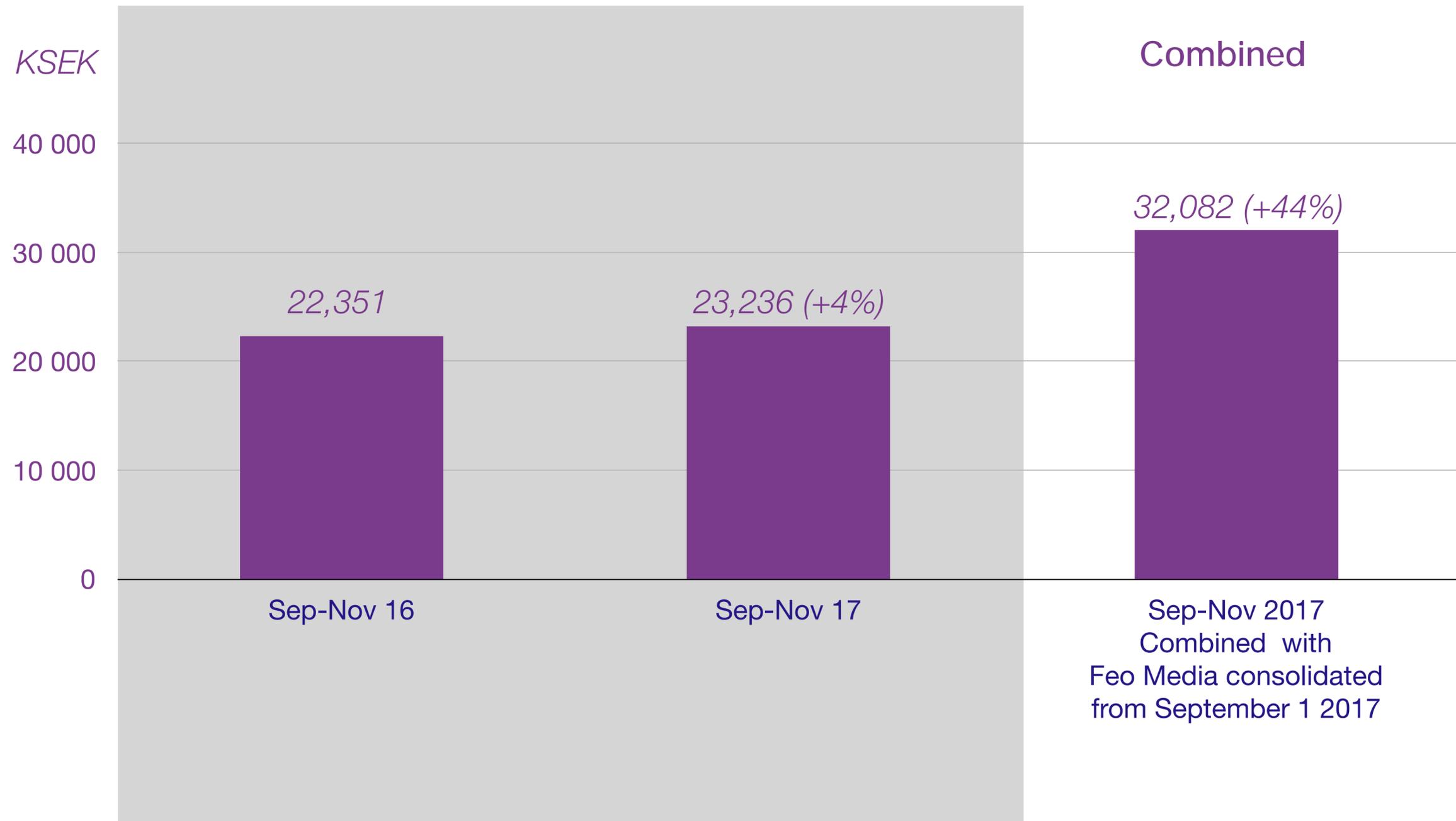




- Working with ROI goals to ensure proper return on investment
- 6-9 months target ROI time
- Sophisticated models take care of the calculations, highly automated
- Lower spend will cause lower DAU
- Organics usually convert and spend less and hence lower spend creates downward push on ARPDau
- Fluctuations in UA spend is normal

GAME CONTRIBUTION

2017/18



Game contribution = Net sales - Platform fee - Marketing spend

Total adjustments in the period Sep-Nov 2017 of 35,0 MSEK
(detailed in note 3 in the report)

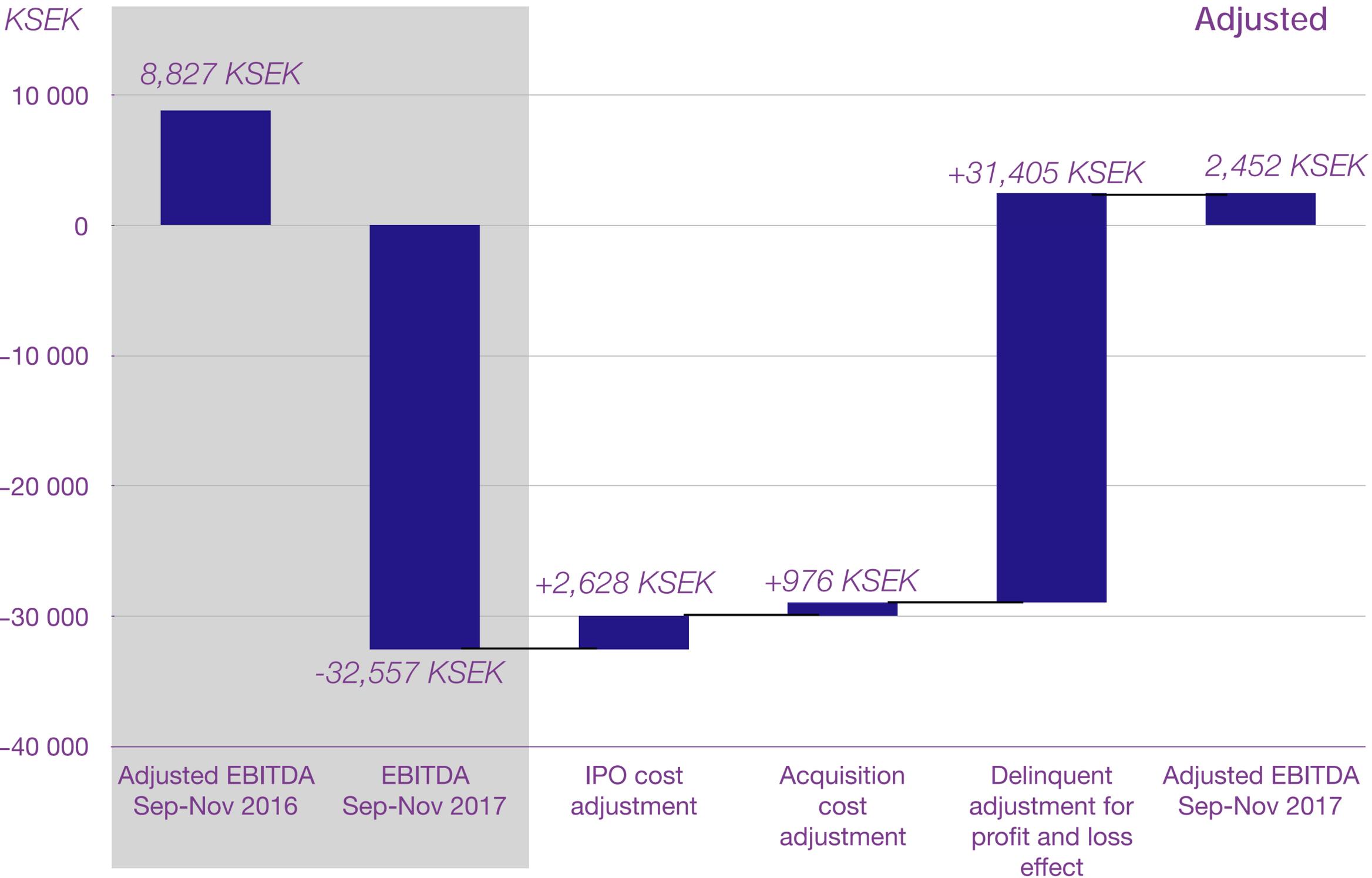
- Final consideration for acquisition of MAG Games Ltd (Delinquent), 714 175 shares issued at ratio value effects profit and loss with 31,4 MSEK (note 3)
- IPO costs 2,6 MSEK
- Acquisition costs 1,0 MSEK

Total adjustments in the period Sep-Nov 2016 of 0 MSEK



ADJUSTED EBITDA

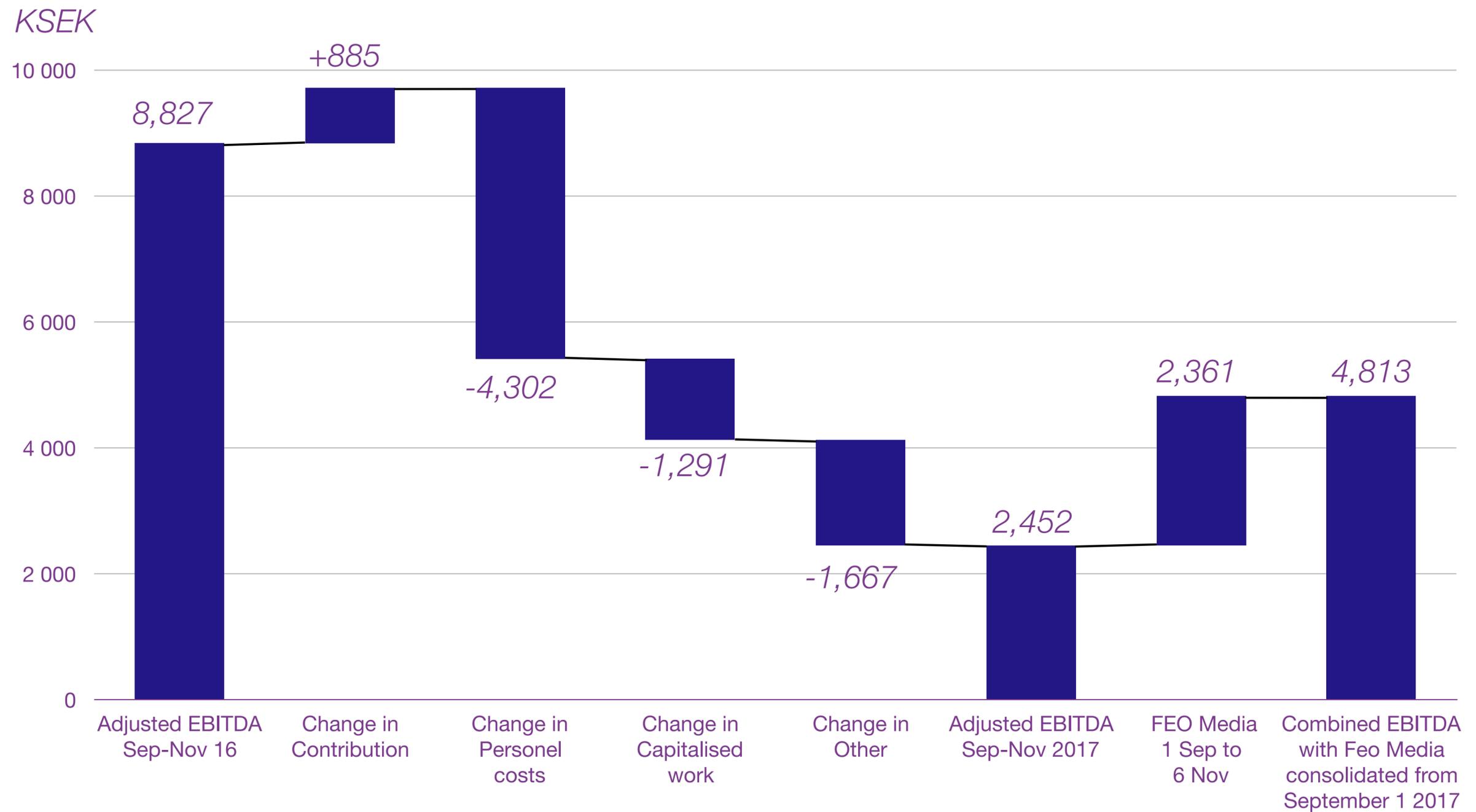
2017/18



ADJUSTED EBITDA DEVELOPMENT

2017/18

A bridge from Adjusted EBITDA Sep-Nov 2016 to Adjusted EBITDA Sep-Nov 2017



- Contribution strengthened through acquisition, run rate is up 44% compared to last year
- Costs are higher due to investments in organisation and added operational costs from acquisition
- Cost synergies related to the acquisition will be realised during 2018





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Q&A