

MAG INTERACTIVE

MAG INTERACTIVE AB (PUBL)
INTERIM REPORT
SEP-MAY 2020/21

2020/21

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SEP—MAY 2020/21

ABOUT

MAG INTERACTIVE AB (PUBL)

MAG INTERACTIVE IS A LEADING MOBILE GAME DEVELOPER FOCUSED ON CASUAL SOCIAL GAMES. WITH PASSIONATE, CREATIVE TEAMS AND A DATA-DRIVEN BUSINESS MODEL, MAG DELIVERS WORLD-CLASS GAMING EXPERIENCES TO MILLIONS OF PLAYERS WORLDWIDE. MAG SPECIALIZES IN WORD GAMES AND TRIVIA, WITH A PORTFOLIO OF TITLES INCLUDING NEW QUIZDUEL, WORDZEE, PRIMETIME, WORD BUBBLES, RUZZLE, WORD DOMINATION AND WORDBRAIN, THAT HAVE BEEN DOWNLOADED OVER 350 MILLION TIMES. MAG HAS STUDIOS IN STOCKHOLM AND BRIGHTON AND WAS LISTED IN 2017 ON THE NASDAQ FIRST NORTH PREMIER GROWTH MARKET WITH THE TICKER MAGI.

FOR MORE INFORMATION VISIT WWW.MAGINTERACTIVE.COM.



SUMMARY OF THE PERIOD MARCH UNTIL MAY 2021

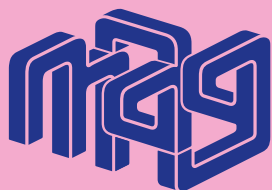
- The Group's net sales for the period were 81,381 KSEK (64,838 KSEK), an increase of 26% compared to the same period the previous year
- EBITDA for the period was 15,252 KSEK (3,404 KSEK)
- Adjusted EBITDA for the period was 15,926 KSEK (3,611 KSEK) (adjustments for EBITDA relate to effects from acquisition costs and social contribution costs from revaluation of option programs)
- The Group's game contribution for the period was 48,912 KSEK (30,710 KSEK), an increase of 59% compared to the same period the previous year
- Average revenue per daily active user (ARPDau) for the period was 5.5 US cents (3.0 US cents), an increase of 84% compared to the same period the previous year
- The result per share during the quarter was 0.05 SEK/share (-0.25 SEK/share)
- The costs of user acquisition for the period were 23,323 KSEK (26,271 KSEK)
- Daily and monthly active users (DAU and MAU) were 1.9 million and 6.2 million respectively during the quarter, a decrease of 20% and 25% compared to the same period the previous year. The decrease can be largely attributed to extraordinary download numbers caused by lockdowns during the spring of 2020.

SUMMARY OF THE PERIOD SEP 2020 UNTIL MAY 2021

- The Group's net sales for the period were 216,937 KSEK (162,467 KSEK), an increase of 34% compared to the same period the previous year
- EBITDA for the period was 34,874 KSEK (13,493 KSEK)
- Adjusted EBITDA for the period was 37,115 KSEK (13,682 KSEK) (adjustments relate to effects from acquisition costs and social contribution costs from revaluation of option programs)
- The Group's game contribution for the period was 129,427 KSEK (94,073 KSEK), an increase of 38% compared to the same period the previous year
- The result per share during the period was -0.03 SEK/share (-0.52 SEK/share)

SIGNIFICANT EVENTS DURING AND AFTER THE PERIOD SEP 2020 TO MAY 2021

- On September 1 2020 the acquisition was closed and Sventertainment AB became a fully owned subsidiary
- On January 4 2021 the acquisition was closed and Approe AB became a fully owned subsidiary
- On February 28 2021 the warrant program 2021/2024:3 was initiated, which was approved by the AGM 2021
- A new long term incentive program for employees started on March 1 2021
- On March 8 2021, the new live trivia game mode *QuizDuel Live* launched in New QuizDuel on the German market



MAG INTERACTIVE

FROM THE CEO A RECORD BREAKING QUARTER

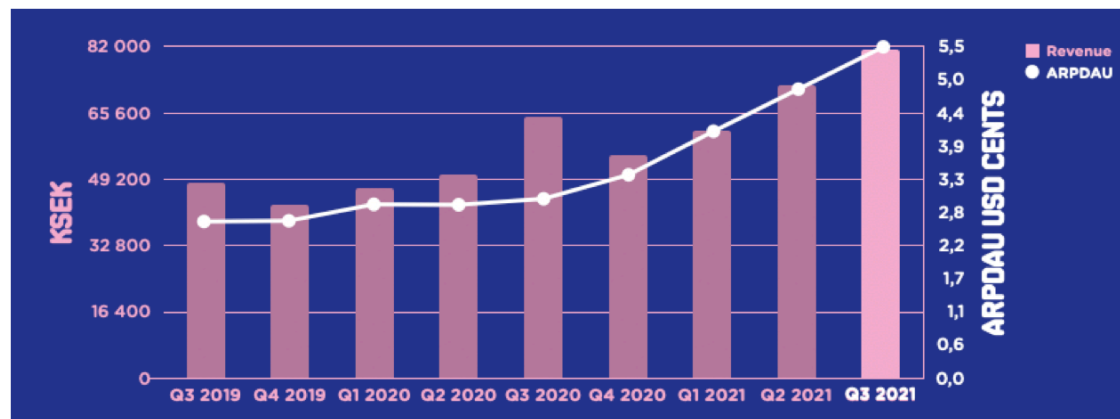
2020/21

Positive result and record revenues

Today we can proudly announce the highest quarterly revenues in MAG's history. While achieving a record 81.4 MSEK in revenues and investing at a good pace in user acquisition, we generated a 15.3 MSEK EBITDA.

This quarter's positive EBIT combined with a 19% EBITDA-margin are good steps in the right direction towards our long-term goal of an EBIT margin of at least 20%. Our plan continues to focus on higher average revenue per daily active user (ARPDau) in our games and strategic acquisitions that complement the internal game development. It is also worth mentioning that we are growing despite a significant headwind in terms of a weaker USD (-15%).

As has been the case for the last couple of years, business performance is mainly driven by the continuous improvement of ARPDau across our portfolio of games. Revenue is up 26% relative to last year's Q3 (47% measured in USD), and the overall ARPDau is up by 84% reaching 5.5 cents. The organic revenue growth was 12% measured in USD and -4% measured in SEK. We had a significant positive short term effect in Q3 last year thanks to massively higher installs than normal caused by COVID related lockdowns. With such a tough comparison quarter, we are fairly pleased with our organic growth in comparable currencies.



Revenue and arpdau development - last nine quarters

Our recent acquisitions are developing well; Approe is growing significantly relative to the same quarter last year, and Primetime showed its best result since joining MAG. Thanks to efficient investments in user acquisition, Approe's game Word Mansion surpassed one million downloads during the quarter.





MAG INTERACTIVE

FROM THE CEO A RECORD BREAKING QUARTER

2020/21

Potential for ARPDAU growth in New QuizDuel

New QuizDuel is by far our biggest game in terms of active users. We see great potential in boosting our ARPDAU even further as new features like *QuizDuel Live* get adopted by a bigger part of the player base. Up until this point, about 10% of New QuizDuel players have tried *QuizDuel Live*, and our ambition is a considerably higher overall adoption than that. Due to delays related to a third-party payment solution, we have decided to postpone the launch of real money prizes until the latter half of August. Our plan is to launch these cash winnings with a big bang after the German holidays to boost the adoption rate.

During our *QuizDuel Live* tests in Germany during the quarter, we saw that the live feature generates about 8 cent ARPDAU - similar to what Primetime shows as a standalone service. This means that a significant part of the user base choosing to participate in the live shows can have a very meaningful impact on our bottom line through added revenue, with no associated user acquisition costs. The primary source of players for the live mode is expected to be existing users within New QuizDuel. However, we hope to see that video ads with our live show hosts showcasing real money prizes will unlock further potential in user acquisition as well.

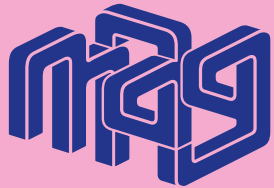
Excitement around new games

We have more people working on new games at MAG than we have had in a long time thanks to efficient Live Operations of our more mature games. This means that we are investing into our future game pipeline, and we are excited to see what market testing in the coming months will yield. As always, we have a data driven approach to evaluation of both marketing results and game performance during market tests. If the data indicates that we are onto something great, we will proceed to prepare a game for an official soft launch. However, if it's not showing indications of being a hit game, we will go back to the drawing board. Given our strong-performing portfolio of live games we are not dependent on launching new games in any specific quarter to continue our growth journey. We will continue to stay disciplined in our evaluation approach to maintain our track record of game launches where our conviction is strong in the product's long-term profitability potential.

Seasonal variations and iOS updates

As usual in our Q3 report, I would like to point out that Q4 is seasonally our weakest quarter as the advertising market usually softens and player activity goes down from mid-June to mid-August. This summer we will also get a better understanding of the impacts of the update of the iOS operating system to 14.5 and above. This new version makes it more challenging to get access to user level data. We saw very little impact from iOS 14.5 during Q3, likely due to the unusually slow rollout of the new iOS versions. In Q4 we expect some impact on both advertising revenues and user acquisition efficiency, but it is still not possible to quantify that impact as it has been very marginal so far.





MAG INTERACTIVE

FROM THE CEO A RECORD BREAKING QUARTER

2020/21

A stronger MAG is heading into the second part of 2021

I would like to give huge thanks to everyone at MAG for contributing to this record quarter for the company. It is a proud moment for us to achieve this together during such extraordinarily challenging times. During the pandemic we have learned that we have very engaged coworkers that are getting things done in a great way, even when confined to working apart.

While the last 15 months of various restrictions around the world have been largely beneficial to the business of digital entertainment, the creativity and passion that you find when working together face-to-face is hard to fully reproduce in video meetings.

The combination of a very successful recruiting during the year and the fact that we will start coming back to the office in a structured way after the summer break, gives me great confidence regarding what we will achieve together going forward.

A handwritten signature in blue ink, appearing to read 'D. Hasselberg'.

DANIEL HASSELBERG, CEO



SUMMARY OF THE BUSINESS' KEY PERFORMANCE INDICATORS

2020/21

		Mar 21-May	Mar 20-May 20	Y/Y change	Sep 20-May 21	Sep 19-May 20	Y/Y change	FY 19/20
Net sales	KSEK	81,381	64,838	26%	216,937	162,467	34%	217,567
Currency (USD)	SEK/USD	8.43	9.86	-15%	8.50	9.72	-13%	9.54
Net sales USD	KUSD	9,653	6,576	47%	25,530	16,714	53%	22,808
In-app purchases	KSEK	30,669	26,200	17%	86,463	57,284	51%	83,586
Advertising sales	KSEK	50,259	38,635	30%	130,020	104,592	24%	133,390
User acquisition	KSEK	-23,323	-26,271	-11%	-61,692	-51,209	20%	-72,774
Game contribution	KSEK	48,912	30,710	59%	129,427	94,073	38%	119,735
EBITDA	KSEK	15,252	3,404	348%	34,874	13,493	158%	21,157
EBITDA margin ¹	%	19%	5%	13	16%	8%	8	10%
Adjusted EBITDA	KSEK	15,926	3,611	341%	37,115	13,682	-171%	14,202
Adjusted EBITDA margin ¹	%	20%	6%	14	17%	8%	9	7%
Operating profit	KSEK	2,578	-6,765	138%	-1,447	-14,370	90%	-16,611
Operating profit margin ¹	%	3%	-10%	14	-1%	-9%	8	-8%
Profit	KSEK	1,327	-6,541	120%	-853	-13,693	94%	-17,371
Earnings per share	KSEK	0.05	-0.25	120%	-0.03	-0.52	94%	-0.66
Cash flow from operating activities	KSEK	18,055	6,124	195%	35,490	37,152	-4%	37,874
Average employees		103	85	21%	103	82	26%	84
Daily active users (DAU)	Millions	1.92	2.40	-20%	1.95	2.09	-7%	2.06
Monthly active users (MAU)	Millions	6.16	8.21	-25%	6.20	6.91	-10%	6.78
Monthly unique payers (MUP)	Thousands	53	60	-12%	55	50	11%	51
ARPPDAU	US \$ cent	5.47	2.98	84%	4.80	2.92	64%	3.03

¹Y/Y change in percentage points



Continued high revenue per user in MAG's innovative word game

Wordzee is MAG's unique word game where players challenge each other by competing head-to-head using letter tiles to form high scoring words on a special board. As an added challenge, filling the entire board earns the player "Wordzee" and major bonus points. The game was released globally in November 2019 and has shown strong key figures since launch.

Wordzee is one of MAG's strongest growth products with a high average revenue per daily active user (ARPDau). ARPDau remained high during the quarter and has increased significantly compared to Q3 2020.

Journey events and game features increase engagement

During Q3 several new optimizations were released in the game to strengthen long-term player engagement. In addition to the new letter tile system which was introduced at the beginning of the quarter, a daily puzzle challenge was released where players can collect special tiles after playing the daily challenge for a certain number of days. An updated Easter-themed Journeys event was also released, where players can collect card packs and compete against real opponents rather than reach high scores. Wordzee showed an increase in ARPDau during this event period.

Further investments in long-term engagement and increased monetization

More thematic Journeys events are planned to be released during Q4 to strengthen the long-term engagement of Wordzee players. In addition MAG sees potential in developing the monetization for non-paying users by optimizing the strategy with so-called rewarded videos - which means that users watch a full video ad to earn rewards in the game.

MAG continues to see Wordzee as a driving growth engine among the games in its portfolio and has a positive view on increased growth and revenue for the game in 2021.



Total revenue increases in New QuizDuel

Launched globally in May 2020, New QuizDuel is the successor to the classic QuizDuel game, where users challenge friends and other players around the world in trivia. New QuizDuel also introduced the new multiplayer game mode *Arena*, where the player competes against four other people to climb leaderboards.

Even after the large influx of players in classic QuizDuel during the beginning of the COVID pandemic a year ago, the total revenue for New QuizDuel has increased significantly compared to Q3 2020. This is partly due to the influx of players in Q3 2020 that occurred in the classic game and partly because New QuizDuel monetizes players significantly better than the older app.

QuizDuel Live launches on the German market

At the beginning of March, the new game mode *QuizDuel Live* was launched on the German market. The game mode is designed together with the live trivia app Primetime, with live quizzes in New QuizDuel led by a German-speaking host. The live shows are about ten minutes long and players participate for free and compete by answering up to 12 questions live. Players can use a lifesaver up to the seventh question which enables them to continue playing if they answer incorrectly.

The prize pool in *QuizDuel Live* during the quarter consisted of lifesavers and tickets to *Arena*, but winnings in the form of actual money will also be added. However, the implementation of this through a third-party payment solution has been delayed and will take place during Q4. *QuizDuel Live* is mainly monetized through sponsorship campaigns; although, the purchase of, for example, lifesavers has been possible during the quarter. The game mode has been operated commercially since March and has an average revenue per daily active user (ARPDau) comparable to Primetime.

There are still development opportunities to scale up the game mode to a larger audience and thus also be able to secure more extensive sponsorship agreements. MAG is positive that actual cash prizes will serve as an incentive to increase interest and get more users to play. The company sees great potential for the live feature and remains positive about activating a larger part of New QuizDuel's player base in the game's largest market, Germany.

Focus on solo events and new game features

During Q3 a new in-app currency, Qoins, was introduced in New QuizDuel, and during Q4, the game team plans to integrate the currency into the in-game economy. Events have yielded positive effects on the long-term player engagement of several other games in the portfolio, and in the future the focus will also be on launching and scaling up a single-player mode with more events. Launching more game modes and features creates added value for players and can strengthen their engagement and thus also increase revenue and enable increased marketing spending.

The logo features the word "NEW" in white, bold, sans-serif font inside a red-to-orange gradient rounded rectangle. To its right, the word "QuizDuel" is written in a large, white, 3D-style sans-serif font. The background is a vibrant blue with scattered, colorful confetti pieces in shades of green, yellow, and pink.

Word puzzle game with an audience of millions

Apprope is a Swedish mobile game studio that was started in 2012 and mainly develops games in the word category. The studio was acquired by MAG in early January 2021. Apprope's games have reached over 55 million users and most of their games have ranked high on the charts in the US. Their most famous word game, Word Bubbles, has been downloaded over ten million times, had sales of approximately SEK 100 million and reached first place in the word game category in more than 50 countries.

Word Mansion surpasses 1 million downloads

Word Mansion is a word puzzle game framed by a story that revolves around renovation and decoration. It was released for iOS and Android in the fall of 2020 and has since grown significantly. At the end of March, Word Mansion reached the top three in the word category on iOS in the US and later in the quarter, the game also passed one million downloads. The game is still in an early stage of development but nevertheless shows significant high average revenue per daily active user (ARPDau), similar to Wordzee, one of MAG's strongest growth products. During the latter part of Q3, the game was also localized in several new language markets, such as French, German, Spanish and Portuguese. Going forward Apprope focuses on continued expansion of Word Mansion with new side stories, events and features to strengthen long-term player engagement.

Test launch of Riddle Pictures

Also announced at the end of Q3 was the test launch of Apprope's new word game Riddle Pictures on iOS and Android in English-language markets. Apprope uses an alternative process to test game ideas for the market compared to the MAG process, which means that the games are tested on a wide audience at an earlier stage. Game releases under Apprope's account should therefore not be assessed in the same way as an official game launch from MAG. An important part of the company's acquisition strategy is to allow new studios to utilize their strengths without limiting themselves to MAG's general processes. Therefore, Apprope will continue to test game ideas according to its model, and MAG will comment on these tests in future interim reports.

Potential in infrastructure expansion

In parallel, Apprope is working on developing and expanding its game engine which MAG sees the potential in reusing to release more products in Word Mansion's category of puzzle adventure games. Both new story content and new game mechanics are tested before they are built into the game engine.

Synergies between Live Operations and Apprope are already apparent; the events launched in Word Mansion are directly inspired by the Live Ops team's work with events in WordBrain. These events have so far increased the game's daily player engagement as well as its advertising revenue. MAG is optimistic about opportunities for more synergies as well as increased profitability for both Word Mansion and for Apprope's catalog, which will be run by the Live Ops team in the future.



WORD DOMINATION

2020/21

MAG's tactical word game increases ad revenue and ARPDAU

Word Domination is a clever multiplayer game where users play against each other in exciting real-time matches. Players compete against each other, attempting to earn the most points on the board by creating words over five rounds. With "Booster Cards" players can improve their chances with time-limited benefits. Since launching Word Domination globally in May 2018, the game has ranked top five in the word game category across 140 countries and has been downloaded over ten million times.

Advertising revenue in Word Domination increased during Q3 compared to Q2 and average revenue per daily active player (ARPDAU) also increased for the third quarter in a row. This means that the game reached another top rating of ARPDAU during the financial year 2020/2021.

Events continue to drive revenue and engagement

The increases in advertising revenues and ARPDAU are partly due to the launch of several events during the quarter and partly due to improved monetization of loyal players. In Q2 the first super event in Word Domination was launched, which meant that three special events - "Stories", "Solo" and "Collection" - ran simultaneously in the game. This combination event was successful, and therefore, a similar one with an Easter theme was launched during Q3 - also with good results. Two others - a spring event and a bee themed event - were also released during the quarter, resulting in more events being launched in Word Domination than ever before. Together, these contributed to increased player engagement and increased revenue per player.

VIP players monetize better

Among the games in MAG's portfolio, Word Domination is at the forefront of monetizing their most loyal players. During spring 2019, Word Domination introduced a subscription model to the game. The model means that a user chooses to become a VIP player and pay a monthly fee for a subscription and thus gain access to exclusive content, additional rewards and an ad-free experience.

VIP players increase in value the longer they play, are the most engaged players and have the highest ARPDAU of all Word Domination players. More events provide added value for these players and monetize loyal players better. Several events are planned - "Collection" events being some of the most frequent - which have shown good results in particular. In-app revenue from these VIP players is at a stable level and in Q3 accounted for 29% of in-app revenue compared to 27% in Q2.



Live Operations runs MAG's evergreens

Live Operations runs all MAGs strong and sustainable evergreen games: WordBrain, WordBrain 2, Wordalot and, recently added in Q3, also Ruzzle. The Live Ops team is responsible for keeping these games up to date by, for example, maintaining technical functionality and releasing new events.

Live Ops has performed strongly for a long time. Their way of working with events has also inspired several other games in the portfolio to increase the frequency of their events to strengthen long-term player engagement.

Ruzzle continues to show sound revenue and engagement

Released in 2012, Ruzzle is MAG's classic word game. It's still an important product with a stable user base and sustainable revenue. During Q3 a new first-time user experience was released that had a positive effect on player engagement. Compared to Q3 2020, Ruzzle increased in both advertising revenue and average revenue per daily active user (ARPPDAU).

WordBrain shows stable key figures

In the puzzle-word game WordBrain, players solve riddles by looking for secret words based on specific letter combinations on special boards. The game was acquired by MAG in 2014, is one of the company's important evergreens and has been downloaded over 40 million times.

For many quarters the Live Ops team has improved and stabilized both user base and engagement in WordBrain. Releasing many thematic events has above all been a key to increasing player retention. These events strengthened player engagement in WordBrain and also led to more events being released in other games in the portfolio.

During Q3 a new system for event management was tested, which aimed to increase possibilities to quality-control events and thereby increase engagement in the most dedicated players. WordBrain still monetizes well and has shown a significant increase in advertising revenue in the quarter compared to Q3 2020.



Leader of live trivia in the Nordics

Primetime is a popular live trivia app that MAG acquired on September 1, 2020. Primetime broadcasts live quizzes with a host seven days a week, and players compete to win a sum of money by answering up to eleven questions during a live broadcast. Primetime was released in Sweden in 2018, has since also released localized versions in Norway, Denmark, Finland and is now the leader of live trivia in the Nordics.

The app is monetized through sponsorship campaigns, a financing model that differs from the other games in MAG's portfolio. The model has worked well for Primetime and has also been implemented in *QuizDuel Live*. Primetime has a stable user base with a higher average revenue per daily active user (ARPDau) than the average for MAG's games overall.

Further development of QuizDuel Live

QuizDuel Live is a new live game mode in New QuizDuel that was released to the German audience in early March and is designed by the QuizDuel team in conjunction with Primetime. The game mode is similar to Primetime's live broadcasts, and these live shows also take place from Primetime's studio in Stockholm. Primetime is also responsible for the sponsorship campaigns run in *QuizDuel Live*.

The collaboration between MAG and Primetime continues to further optimize *QuizDuel Live*, scale up to a larger audience and increase player engagement. MAG continues to see positive opportunities for synergies between the companies.





CONSOLIDATED PROFIT/LOSS AND CASH FLOW FOR THE PERIOD MARCH UNTIL MAY 2021

2020/21

OPERATING INCOME

The Group's operating income for the period was 91,759 KSEK (73,335 KSEK), an increase of 25% compared to the same period the previous year. The Group's net sales for the period totalled 81,381 KSEK (64,838 KSEK), an increase of 26%.

Own work capitalised totalled 9,246 KSEK (7,388 KSEK). See below for further details of capitalized expenses as well as depreciation of the same.

The group's net sales was primarily attributable to the games New QuizDuel, Wordzee, Word Mansion, Word Domination, Ruzzle, WordBrain and Primetime.

OPERATING EXPENSES, EBITDA AND OPERATING PROFIT/LOSS

Operating expenses totalled 76,508 KSEK (69,931 KSEK). Of these, 16,799 KSEK (15,049 KSEK) were sales related costs, primarily originating from fees to Apple App Store and Google Play, as well as server costs. In addition to this 23,323 KSEK (26,271 KSEK) were costs of user acquisition and 9,767 KSEK (6,627 KSEK) were other external operating expenses.

User acquisition costs in the second quarter is mainly attributable to the games Wordzee, New QuizDuel and Word Mansion.

Personnel expenses totalled 26,618 KSEK (21,984 KSEK) an increase of 21%.

EBITDA for the period was 15,252 KSEK (3,404 KSEK).

Depreciation of tangible and intangible assets totalled 12,674 KSEK (10,170 KSEK), of which 6,866 KSEK (6,216 KSEK) was depreciation of capitalized development expenses.

The Group's operating profit was 2,578 KSEK (-6,765 KSEK) and profit before tax 1,740 KSEK (-8,187 KSEK).

PROFIT/LOSS AFTER TAX

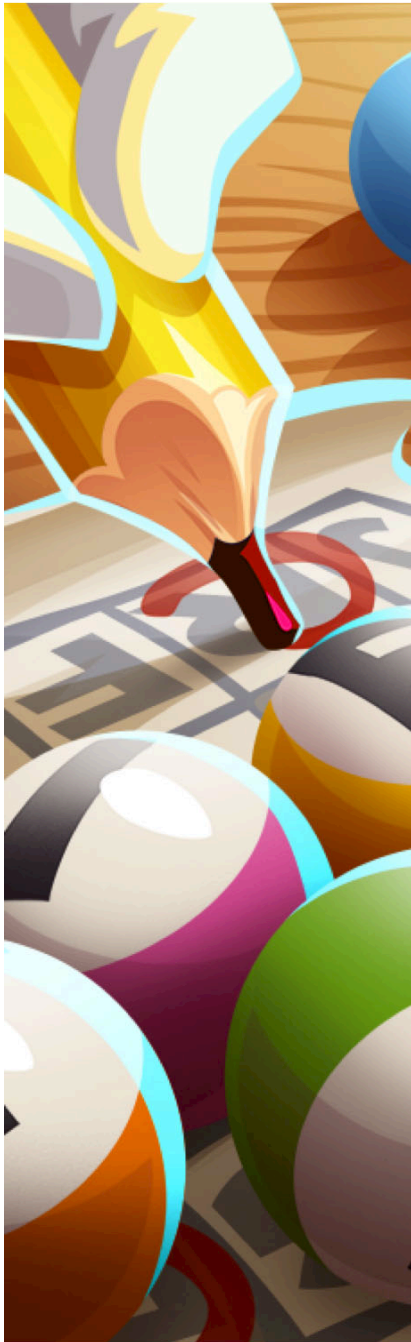
Profit after tax totalled 1,327 KSEK (-6,541 KSEK).

The profit after tax per share was 0.05 SEK/share (-0.25 SEK/share) and the profit after tax per share fully diluted was 0.05 SEK/share (-0.24 SEK/share).

The average number of shares during the period was 26,454,632 (26,321,393) and the average number of shares fully diluted was 28,135,650 (27,805,780).

CASH FLOW FOR THE PERIOD

The Group's cash flow from operating activities during the quarter was 18,055 KSEK (6,124 KSEK). Cash flow from investing activities was -9,446 KSEK (69,483 KSEK). Cash flow from financing activities was -2,312 KSEK (-9,728 KSEK).



CONSOLIDATED PROFIT/LOSS FOR THE PERIOD SEP 2020 UNTIL MAY 2021

2020/21

OPERATING INCOME

The Group's operating income for the period was 247,022 KSEK (184,995 KSEK), an increase of 34% compared to the same period the previous year. The Group's net sales for the period totalled 216,937 KSEK (162,467 KSEK), an increase of 34%.

Own work capitalised totalled 27,446 KSEK (21,263 KSEK). See below for further details of capitalised expenses as well as impairments and depreciation of the same.

The group's net sales was primarily attributable to the games Wordzee, New QuizDuel, Word Domination, Word Mansion, Ruzzle, WordBrain and Primetime

OPERATING EXPENSES, EBITDA AND OPERATING PROFIT/LOSS

Operating expenses totalled 212,148 KSEK (171,502 KSEK). Of these, 47,614 KSEK (36,478 KSEK) were sales related costs, primarily originating from fees to Apple App Store and Google Play, as well as server costs. In addition to this 61,692 KSEK (51,209 KSEK) were costs of user acquisition and 26,360 KSEK (20,746 KSEK) were other external operating expenses.

Personnel expenses totalled 76,483 KSEK (63,069 KSEK) an increase of 21%. The average number of employees during the period was 103 (82) an increase of 26%.

EBITDA for the period was 34,874 KSEK (13,493 KSEK).

Depreciation and impairments of tangible and intangible assets totalled 36,320 KSEK (27,864 KSEK), of which 19,789 KSEK (17,575 KSEK) was depreciation of capitalised development expenses.

The Group's operating profit was -1,447 KSEK (-14,370 KSEK) and profit before tax -3,072 KSEK (-17,878 KSEK).

ADJUSTED EBITDA (NOTE 4)

Adjusted EBITDA for the period was 37,115 KSEK (13,682 KSEK).

PROFIT/LOSS AFTER TAX

Profit after tax totalled -853 KSEK (-13,693 KSEK).

The profit after tax per share was -0.03SEK/share (-0.52SEK/share) and the profit after tax per share fully diluted was -0.03 SEK/share (-0.50 SEK/share).

The average number of share during the period was 26,454,632 (26,321,393) and the average number of shares fully diluted was 27,787,982 (27,260,559).

PARENT COMPANY PROFIT/LOSS FOR THE PERIOD MARCH UNTIL MAY 2021

2020/21

OPERATING INCOME

The parent company's net sales for the period were 61,338 KSEK (62,918 KSEK), a decrease of 3% compared with the same period the previous year.

OPERATING EXPENSES AND OPERATING PROFIT/LOSS

Operating expenses totalled 60,990 KSEK (71,165 KSEK).

Of these 13,865 KSEK (14,931 KSEK) were sales related costs originating primarily from fees to Apple App Store and Google Play, costs of user acquisition were 11,633 KSEK (26,271 KSEK) and 15,749 KSEK (7,877 KSEK) was other external operating expenses.

Personnel expenses totalled 19,743 KSEK (22,086 KSEK) a decrease of 11%.

Depreciation of tangible and intangible assets totalled 4,877 KSEK (1,604 KSEK). The increase compared to previous year is related to the goodwill and intellectual properties from the merger of FEO Media AB.

The parent company's operating profit for the period was -3,423 KSEK (-7,461 KSEK).

PROFIT AFTER TAX

Profit after tax totalled to -3,636 KSEK (-6,542 KSEK).



PARENT COMPANY PROFIT/LOSS FOR THE PERIOD SEP 2020 UNTIL MAY 2021

2020/21

OPERATING INCOME

The parent company's net sales for the period were 182,535 KSEK (132,213 KSEK), an increase of 38% compared with the same period the previous year.

OPERATING EXPENSES AND OPERATING PROFIT/LOSS

Operating expenses totalled 188,444 KSEK (171,990 KSEK)

Of these costs 41,490 KSEK (35,881 KSEK) were sales related costs originating primarily from fees to Apple App Store and Google Play. Costs of user acquisition were 45,491 KSEK (51,207 KSEK) and 43,510 KSEK (24,437 KSEK) was other external operating expenses.

Personnel expenses totalled 57,952 KSEK (60,465 KSEK) a decrease of 4%.

Depreciation and impairments of tangible and intangible assets totalled 14,617 KSEK (2,503 KSEK). The increase compared to previous year is related to the goodwill and intellectual properties from the merger of FEO Media AB.

The parent company's operating profit for the period was -17,670 KSEK (-31,851 KSEK).

PROFIT AFTER TAX

Profit after tax totalled to -16,209 KSEK (-28,677 KSEK).



THE GROUP'S FINANCIAL POSITION AT THE END OF THE PERIOD

2020/21

Intangible non-current assets at the end of the period totalled 271,111 KSEK (141,956 KSEK), of which 160,627 KSEK (77,262 KSEK) relates to goodwill and 110,485 KSEK (64,694 KSEK) to other intangible assets. The latter consists primarily of capitalized development expenses on own account and acquired intellectual property.

Cash and cash equivalents at the end of the period totalled 81,598 KSEK (171,683 KSEK).

Equity at the end of the period totalled 315,189 KSEK (317,464 KSEK), corresponding to 11.9 SEK/share (12.1 SEK/share).

The equity/assets ratio at the same time was 66.1% (75.0%).

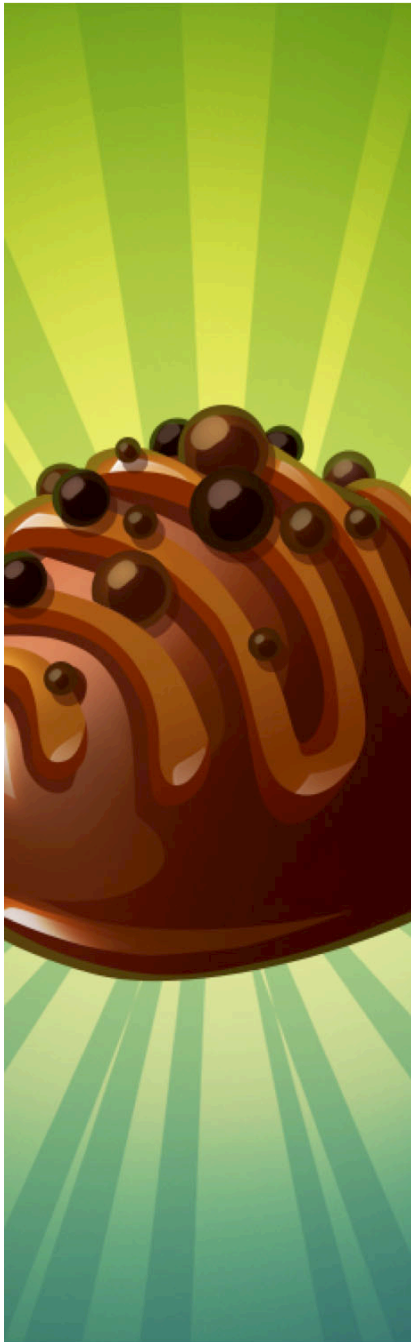
The group has interest bearing debt of 47,851 KSEK (64,487 KSEK) of which 83 KSEK is attributable to loan to financial institutes and the rest refers to financial lease.

THE PARENT COMPANY'S FINANCIAL POSITION AT THE END OF THE PERIOD

Cash and cash equivalents at the end of the period totalled 70,422 KSEK (168,190 KSEK).

Equity at the end of the period totalled 264,989 KSEK (322,677 KSEK).





KEY INDICATORS FOR THE BUSINESS PERIOD MARCH UNTIL MAY 2021

2020/21

DISTRIBUTION OF REVENUES BY BUSINESS MODEL

The Group's net sales are distributed primarily between in-app purchases (purchases made inside games via the Apple App Store or Google Play) and in-app advertising.

The Group's net sales from in-app purchases for the period were 30,669 KSEK (26,200 KSEK), an increase of 17% compared to the same period the previous year.

The Group's net sales from in-app advertising were 50,259 KSEK (38,635 KSEK), an increase of 30% compared with the same period the previous year.

GAME CONTRIBUTION

Games that are marketed by MAG Interactive have different cost levels in their distribution cost (sales related costs) and marketing cost (performance based marketing), not least relating to which phase the games are in. The Group therefore reports the total contribution from games activities according to the following model: net sales minus platform fees and performance-based marketing. Performance based marketing includes digital advertising and other advertising associated directly with the company's products, as well as services and charges directly attributable to performance-based marketing. General marketing of the company and brand is not included in the cost of direct marketing.

The Group's contribution from sales activities for the period was 48,912 KSEK (30,710 TSEK), an increase of 59% compared to the same period the previous year.

COMMENTS ON THE DISTRIBUTION OF INCOME AND CONTRIBUTIONS FROM SALES ACTIVITIES

Net sales is up from higher ARPDAU cross the portfolio, both ads and in-app purchases grow. Contribution is up after higher net sales, with a higher share of ads, in combination with lower costs for user acquisition.



KEY INDICATORS FOR THE BUSINESS CONTD.

2020/21

OTHER KEY INDICATORS

The company monitors its operations according to a number of key performance indicators that reflect how the games industry in general measures its business activities. These indicators are defined as follows;

DAU and MAU are defined as the number of unique daily and monthly users respectively that use one of the company's products, presented as an average over the period, adjusted for the number of days in the months in the period. Each individual game's unique users are summed up to present the company's total unique users.

MUP is the number of unique users who made a purchase in one of the company's products. A purchase is defined as a purchase in accordance with the above definition of in-app purchases and to a value greater than zero. The value is reported as an average value over the three months in the period.

ARPDau is calculated as the company's daily average of net sales during the period divided by DAU. Riksbanken's average exchange rate per month is used for translation into USD.

THE BUSINESS'S KEY INDICATORS DURING THE PERIOD

DAU for the period 1.9 million (2.4 million), a decrease of 20% compared with the same period the previous year.

MAU for the period 6.2 million (8.2 million), a decrease of 25% compared with the same period the previous year.

MUP for the period 52.8 thousand (59.8 thousand), a decrease of 12% compared with the same period the previous year.

ARPDau for the period 5.5 US \$ cent (3.0 US \$ cent), an increase of 84% compared with the same period the previous year.

COMMENTS TO THE KPIs

DAU and MAU are compared to a period of a high influx of users connected to the lockdowns in certain European markets. The decrease in MUP can be traced back to Wordzee and lower marketing volumes. The increase in ARPDau can be traced to in-game monetization improvements throughout the portfolio. In addition the migration of users from old to New Quizduel helps the development of ARPDau.



OTHER DISCLOSURES

2020/21

PARENT COMPANY

The parent company MAG Interactive AB (publ), corporate ID number 556804-3524, has its registered office in Stockholm with 66 employees. A big part of the Group's business activity is in the parent company, with employees, agreements, intangible assets (incl. IP) and revenues. There are ten subsidiaries in the group. MAG Games Ltd, with its registered office in Brighton and 22 employees, has only Group internal invoicing and carries out development and other functions in the company's operations. MAG United AB, with its registered office in Stockholm, has no employees. Sventertainment AB, with its registered office in Stockholm, is a subsidiary group consisting of six companies and was acquired during the first quarter 2020/21. Sventertainment is the developer and publisher of the trivia app Primetime and has 15 employees. Apprope AB, is the developer being mobile casual games like Word Mansion. Apprope AB was acquired during the second quarter of 2020/21 and has 2 employees.

ACCOUNTING PRINCIPLES

The consolidated accounts for the MAG Interactive AB Group ("MAG Interactive") have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU as well as RFR 1 Complementary Accounting Rules for Groups and the Swedish Annual Accounts Act. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act and RFR 1 Complementary Accounting Rules for Groups. The parent company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Annual Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The application of RFR 2 means that the parent company, in the interim report for the legal entity, applies all of the EU-adopted IFRS and statements as far as is possible within the framework of the Swedish Annual Accounts Act, the Swedish Act on Safeguarding Pension Commitments and with due reference to the relationship between accounting and taxation. For a more detailed description of the accounting policies applied for the Group and the parent company in this interim report, see Note 2 in the annual report for 2019/2020.



OTHER DISCLOSURES

2020/21

RISKS AND UNCERTAINTIES

Like all other companies, MAG Interactive is exposed to risks in its business activities. To name some of these risks: dependence on key persons, exchange rate fluctuations, delays in launches, unsuccessful launches, changes in external sales partners when such changes are entirely beyond the company's control. The company's Board of Directors and management work on an ongoing basis on risk management in order to minimize these effects. For more information regarding the risks and uncertainties, please refer to the annual report of 2019/2020.

CURRENCY EFFECTS

MAG Interactive is exposed to a large number of currencies based on the way that Google Play and Apple App Store operate. The most important market for the company is USA. In addition most of the advertising income is realized in USD, and the majority of the direct marketing is purchased in USD. The most important currency is thus USD.

CERTIFIED ADVISER

FNCA Sweden AB is appointed as the Company's Certified Adviser and ensures that the Company complies with the Nasdaq First North rules. FNCA does not hold any shares in MAG Interactive.

PERSONNEL

The average number of employees during the quarter was 103, compared to 85 the same period the previous year.

CONTACT

Further information is available on the company's website: maginteractive.se/investor-relations

Or contact

Daniel Hasselberg, CEO, at daniel@maginteractive.se

Magnus Wiklander, CFO, at magnus.wiklander@maginteractive.se

MAG INTERACTIVE AB (PUBL)

Drottninggatan 95A

113 60 Stockholm

Sweden



OTHER DISCLOSURES CONTD.

2020/21

FURTHER REPORTING DATES

Interim and Year-End Report Q4 September 2020 – August 2021
AGM
Interim Report Q1 September 2021 – Nov 2021

Oct 20, 2021
January 19, 2022
January 19, 2022

AUDIT

This report has not been reviewed by auditors.

TWITCH STREAM

On June 30, 2021 at 10:00 CET, CEO Daniel Hasselberg and CFO Magnus Wiklander will present the Interim Report live on Twitch. The presentation will be held in English. Link to the Twitch feed www.twitch.com/maginteractive
Daniel Hasselberg will also take questions on Twitter during the course of the day, write to @d_hasselberg or @maginteractive.
More information is available at maginteractive.se/investors

STATEMENTS ABOUT THE FUTURE

Certain formulations can be, or interpreted to be, forecasts about the future. In cases where such statements are made, MAG Interactive's management and Board of Directors have assessed the assumptions behind these statements as being reasonable. There are, however, risks in all statements about the future, and the actual outcome with regard to the external environment and the company may deviate significantly from what has been stated. What is stated with reference to the future is made in the light of the information that the company has at the time of the statement, and the company assumes no obligation to update such statements if new information arrives at a later date that in any way changes the conditions relating to the statement.

ASSURANCE BY THE BOARD OF DIRECTORS

Stockholm June 30, 2021

DANIEL HASSELBERG
CEO, Board member

JONAS ERIKSSON
Chairman of the Board

TAINA MALÉN
Board member

ANDRAS VAJLOK
Board member

ASBJOERN SOENDERGAARD
Board member

TEEMU HUUHTANEN
Board member

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**2020/21**

Amounts in KSEK	Note	Mar 21-May 21	Mar 20-May 20	Sep 20-May 21	Sep 19-May 20	FY 19/20
Operating income						
Net sales	1	81,381	64,838	216,937	162,467	217,567
Own work capitalised		9,246	7,388	27,446	21,263	28,099
Other operating income		1,133	1,110	2,639	1,266	2,046
Total		91,759	73,335	247,022	184,995	247,711
Operating expenses						
Sales related costs	2	-16,799	-15,049	-47,614	-36,478	-51,129
User acquisition		-23,323	-26,271	-61,692	-51,209	-72,774
Other external expenses		-9,767	-6,627	-26,360	-20,746	-28,791
Personnel costs		-26,618	-21,984	-76,483	-63,069	-73,860
Total operating expenses		-76,508	-69,931	-212,148	-171,502	-226,554
EBITDA		15,252	3,404	34,874	13,493	21,157
Depreciation and write downs of tangible and intangible non-current assets	3	-12,674	-10,170	-36,320	-27,864	-37,768
Operating profit/loss (EBIT)		2,578	-6,765	-1,447	-14,370	-16,611
Financial items						
Profit/loss from securities		0	-599	0	-663	-663
Interest income and similar		94	102	246	-966	729
Interest expense and similar		-933	-924	-1,871	-1,879	-6,090
Total financial items		-838	-1,422	-1,625	-3,508	-6,025
Profit/loss after financial items		1,740	-8,187	-3,072	-17,878	-22,636
Taxes		-413	1,646	2,218	4,185	5,265
Profit/loss for the period		1,327	-6,541	-853	-13,693	-17,371
Other comprehensive result						
Exchange rate differences		14	-986	307	-468	-659
Total comprehensive income for the period		1,341	-7,528	-546	-14,161	-18,029

The profit/loss and total comprehensive income for the year are attributable in full to the parent company's shareholders.

Earnings per share (based on average number of shares)	0.05	-0.25	-0.03	-0.52	-0.66
Earnings per share fully diluted (based on average number of shares)	0.05	-0.24	-0.03	-0.50	-0.63
Average number of shares during the period	26,454,632	26,321,393	26,454,632	26,321,393	26,343,600
Average number of shares during the period fully diluted	28,135,650	27,805,780	27,787,982	27,260,559	27,530,821
Number of shares at the end of the period	26,454,632	26,321,393	26,454,632	26,321,393	26,454,632
Number of shares at the end of the period fully diluted	28,135,650	27,805,780	28,135,650	27,805,780	27,614,148

**CONSOLIDATED BALANCE SHEET
ASSETS****2020/21**

Amounts in KSEK	Note	31/5 2021	31/5 2020	31/8 2020
ASSETS				
Goodwill	5, 6	160,627	77,262	77,153
Other intangible assets	5, 6	110,485	64,694	64,690
Total intangible assets		271,111	141,956	141,843
Right-of-use assets		45,715	55,294	52,751
Equipment, tools, fixtures and fittings		8,931	8,328	8,438
Total tangible assets		54,646	63,622	61,190
Other long-term receivables		4,104	4,061	4,052
Deferred tax assets		9,091	5,036	5,841
Total financial non-current assets		13,195	9,097	9,893
Total non-current assets		338,952	214,675	212,926
Current assets				
Trade and other receivables		39,640	28,281	23,015
Current tax assets		9,386	2,110	1,075
Other current receivables		1,079	1,202	979
Prepaid expenses and accrued income		5,913	5,548	13,360
Other short-term securities		0	0	0
Cash and cash equivalents		81,598	171,683	160,630
Total current assets		137,615	208,824	199,059
TOTAL ASSETS		476,567	423,499	411,985

**CONSOLIDATED BALANCE SHEET
LIABILITIES AND EQUITY****2020/21**

Amounts in KSEK	Note	31/5 2021	31/5 2020	31/8 2020
EQUITY AND LIABILITIES				
Equity				
Share capital		688	684	687
Other contributed capital		284,070	281,935	282,176
Reserves		-1,934	-2,050	-2,241
Retained earnings incl. comprehensive income for the period		32,365	36,895	33,218
Total equity		315,189	317,464	313,840
Long-term liabilities				
Deferred tax liabilities		23,604	13,327	13,326
Long-term lease liabilities		38,446	48,908	45,239
Long-term bank loans		83	0	0
Other long-term liabilities	5, 6	43,739	0	0
Total long-term liabilities		105,873	62,235	58,565
Current liabilities				
Trade and other payables		13,158	15,870	11,919
Current tax liability		-266	364	86
Short-term bank loans		71	0	0
Accrued expenses and prepaid income		20,567	15,962	15,119
Short-term lease liabilities		9,322	7,801	9,107
Other current liabilities		12,653	3,804	3,349
Total current liabilities		55,506	43,800	39,581
TOTAL EQUITY AND LIABILITIES		476,567	423,499	411,985

CONSOLIDATED CASH FLOW STATEMENT**2020/21**

Amounts in KSEK	Note	Mar 21-May 21	Mar 20-May 20	Sep 20-May 21	Sep 19-May 20	FY 19/20
Operating activities						
Profit/loss before financial items		2,578	-6,765	-1,447	-14,370	-16,611
Adjustments for items not part of cash flow						
LTIP		226	110	427	360	457
Depreciations and write-downs	3	12,674	10,170	36,320	27,863	37,768
Interest received		0	101	5	553	729
Interest paid		-313	-357	-979	-1,111	-1,541
Income tax paid		-374	-171	936	9,623	10,656
Cash flow from operating activities before change in working capital		14,791	3,088	35,262	22,918	31,458
Change in current operating receivables		246	-5,679	-340	-3,726	-6,153
Change in current operating liabilities		3,019	8,715	568	17,960	12,569
Change in working capital		3,264	3,036	228	14,234	6,416
Cash flow from operating activities		18,055	6,124	35,490	37,152	37,874
Investing activities						
Capitalized work		-9,246	-7,388	-27,446	-21,263	-28,099
Investments in tangible non-current assets		-200	-2,466	-2,567	-4,150	-5,102
Investments in subsidiaries		0	0	-63,091	0	0
Change in financial investments		0	0	0	-1,982	-2,641
Change in securities		0	79,337	0	-663	0
Cash flow from investing activities		-9,446	69,483	-93,104	-28,058	-35,842
Financing activities						
Warrants		0	0	1,468	0	504
Amortized loans		-2,312	-9,728	-20,675	-20,196	-22,428
Cash flow from financing activities		-2,312	-9,728	-19,207	-20,195	-21,924
Increase/decrease in cash and cash equivalents						
Cash flow for the period		6,296	65,878	-76,821	-11,102	-19,892
Effects of exchange rate changes		-525	-567	-2,212	-2,286	-4,549
Opening cash and cash equivalents		75,827	106,372	160,630	185,071	185,071
Closing cash and cash equivalents		81,598	171,683	81,598	171,683	160,630

**CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY****2020/21**

KSEK	Share capital	Other external capital	Reserves	Retained earnings	Total equity
Opening balance 1/9 2020	687	282,176	-2,241	33,218	313,840
Profit/loss for the period				-853	-853
Exchange rate differences			307		307
Total comprehensive income			307	-853	-546
LTIP	1	1,894			1,895
Closing balance 31/5 2021	688	284,070	-1,934	32,365	315,189

KSEK	Share capital	Other external capital	Reserves	Retained earnings	Total equity
Opening balance 1/9 2019	684	281,219	-1,583	50,588	330,908
Profit/loss for the period				-13,693	-13,693
Exchange rate differences			-468		-468
Total comprehensive income			-468	-13,693	-14,161
LTIP		716			716
Closing balance 31/5 2020	684	281,935	-2,050	36,895	317,464

PARENT COMPANY'S INCOME STATEMENT**2020/21**

Amounts in KSEK	Note	Mar 21-May 21	Mar 20-May 20	Sep 20-May 21	Sep 19-May 20	FY 19/20
Operating income						
Net sales		61,338	62,918	182,535	132,213	217,566
Other operating income		1,106	2,389	2,856	10,429	2,046
Total operating income		62,444	65,307	185,391	142,643	219,612
Operating expenses						
Sales related costs		-13,865	-14,931	-41,490	-35,881	-51,168
User acquisition		-11,633	-26,271	-45,491	-51,207	-72,774
Other external expenses		-15,749	-7,877	-43,510	-24,437	-35,568
Personnel costs		-19,743	-22,086	-57,952	-60,465	-74,511
Total operating expenses		-60,990	-71,165	-188,444	-171,990	-234,022
EBITDA		1,455	-5,858	-3,053	-29,348	-14,410
Depreciation of tangible and intangible non-current assets	3	-4,877	-1,604	-14,617	-2,503	-20,575
Operating profit/loss		-3,423	-7,461	-17,670	-31,851	-34,985
Financial items						
Profit/loss from securities		0	-663	0	-663	-663
Financial income		0	-37	5	415	1,265
Financial expenses		-492	-74	-596	-942	-5,403
Total financial items		-492	-774	-591	-1,190	-4,802
Profit/loss after financial items		-3,915	-8,235	-18,261	-33,041	-39,786
Taxes		279	1,694	2,051	4,364	5,944
Profit/loss for the period		-3,636	-6,542	-16,209	-28,677	-33,843

The parent company has no items recorded as other comprehensive income, and total comprehensive income therefore corresponds with the profit/loss for the period.

PARENT COMPANY'S BALANCE SHEET ASSETS

2020/21

Amounts in KSEK	Note	31/5 2021	31/5 2020	31/8 2020
ASSETS				
Goodwill		20,471	0	30,707
Other intangible assets		24,440	0	27,260
Total intangible assets		44,911	0	57,967
Equipment, tools, fixtures and fittings		6,174	5,281	5,579
Total tangible non-current assets		6,174	5,281	5,579
Participation in Group companies		176,151	181,983	47,252
Other long-term receivables		11,077	8,802	9,607
Long-term receivables from Group companies		0	121	136
Total financial non-current assets		187,228	190,906	56,995
Total non-current assets		238,313	196,187	120,541
Current assets				
Trade and other receivables		28,270	26,745	23,015
Short-term receivable from Group companies		0	4	0
Other receivables		10,299	1,177	2,410
Prepaid expenses and accrued income		5,025	5,405	13,213
Other short-term securities		0	0	0
Total current assets		43,593	33,331	38,638
Cash and cash equivalents		70,422	168,190	156,668
TOTAL ASSETS		352,328	397,708	315,847

PARENT COMPANY'S BALANCE SHEET LIABILITIES AND EQUITY

2020/21

Amounts in KSEK	Note	31/5 2021	31/5 2020	31/8 2020
EQUITY AND LIABILITIES				
Restricted equity				
Share capital		688	684	687
Non-restricted equity				
Other contributed capital		315,459	313,324	313,565
Retained earnings incl. comprehensive income for the period		-51,158	8,668	-34,949
Total equity		264,989	322,677	279,304
Provisions				
Deferred tax liabilities		5,035	0	5,616
Other provisions		43,739	0	0
Total provisions		48,774	0	5,616
Current liabilities				
Trade and other payables		10,001	15,699	11,702
Liabilities to Group companies		1,602	42,251	2,845
Other liabilities		9,799	1,606	3,140
Accrued expenses and prepaid income		17,162	15,475	13,241
Total current liabilities		38,565	75,031	30,928
TOTAL EQUITY AND LIABILITIES		352,328	397,708	315,847

DEFINITIONS**2020/21**

Term	Description
Net sales	Total game revenue, drawn from In-app purchases and advertising sales. MAG records the full value of items sold as In-app purchases and reports the platform share as Sales related costs. The Platform fee is normally 30% of the item price (Apple and Google).
In-app purchases	The value of purchases made in an app through Google Play or Apple App Store or other such store.
Advertising sales	Net sales from ads in the games.
Activated costs for own account	Development work activated to the balance sheet. The company activates personnel costs, including social fees and other related costs such as office space, for games in soft launch and live games. Soft launch is the last development phase prior to global launch and the probability of a global launch is high.
Platform fee	30% of the In-app purchases are costs to the platform, primarily Google Play and Apple App Store. Subscriptions have a reduced fee of 15% after a user has been a subscriber for 12 months.
User acquisition	Marketing costs with direct connection to one of the games and with measurable effect and demands on ROI (return on investment). A common ROI requirement is to have the investment paid back as net revenues within six or nine months, and longer periods can be relevant in situations with strong retention and long term monetization.
Game contribution	Net sales minus platform fees (primarily to Google and Apple) minus direct marketing.
EBITDA	Profit/loss before financial items, taxes and depreciation.
Equity/asset ratio	Equity as a percentage of total assets.
DAU	Average number of Daily Active Users for the days during the period. Calculated as the sum of DAU for the individual games in such a way so that a player that plays more than one game in one day is counted once per game.
MAU	Average number of Monthly Active Users over the months during the period. Calculated as the sum of MAU for the individual games in such a way so that a player that plays more than one game in one month is counted once per game. An average over the months in the period is calculated.
MUP	Average Monthly Unique during the period is the total number of unique users that makes an In-app purchase in a game. Counted in such a way that a user that makes purchases in more than one game during the month is counted once per game. An average over the months in the period is calculated.
ARPPDAU	Daily average Net sales per daily active user (DAU). If nothing else is stated this is measured in US cents.

NOTES TO THE INTERIM REPORT**2020/21**

Mar 21-May 21 Mar 20-May 20 Sep 20-May 21 Sep 19-May 20 FY 19/20

Amounts in KSEK

NOTE 1: DISTRIBUTION OF NET SALES

In-app purchases	30,669	26,200	86,463	57,284	83,586
Advertising income	50,259	38,635	130,020	104,592	133,390
Other	453	3	454	591	591
Total	81,381	64,838	216,937	162,467	217,567

NOTE 2: SALES RELATED COSTS

Platform fee	-9,146	-7,857	-25,818	-17,185	-25,058
Server costs	-4,447	-5,124	-13,541	-12,881	-17,868
Other sales related costs	-3,206	-2,068	-8,255	-6,413	-8,202
Total sales related costs	-16,799	-15,049	-47,614	-36,479	-51,128

NOTES TO THE INTERIM REPORT**2020/21**

	Mar 21-May 21	Mar 20-May 20	Sep 20-May 21	Sep 19-May 20	FY 19/20
Amounts in KSEK					
NOTE 3: DEPRECIATIONS AND DISPOSALS					
Group					
Right-of-use assets	-2,431	-2,456	-7,274	-6,054	-8,464
Equipment, tools, fixtures and fittings	-812	-558	-2,395	-1,414	-2,069
Intellectual properties	-2,565	-940	-6,862	-2,820	-3,759
Own work capitalized	-6,866	-6,216	-19,789	-17,575	-23,476
Total	-12,674	-10,170	-36,320	-27,863	-37,768
Parent					
Goodwill	-3,412	0	-10,236	0	-13,647
Equipment, tools, fixtures and fittings	-525	-307	-1,561	-669	-1,076
Intellectual properties	-940	0	-2,820	0	-3,759
Intercompany related depreciations	0	-1,297	0	-1,834	-2,092
Total	-4,877	-1,604	-14,617	-2,503	-20,575
NOTE 4: ADJUSTED EBITDA AND EBIT					
Retroactive research and development deductible	0	0	0	0	-7,621
Acquisition cost	525	0	525	0	515
Social contribution from re-evaluation of option programs	149	207	1,716	189	151
Total adjustments	674	207	2,241	189	-6,955
EBITDA	15,252	3,404	34,874	13,493	21,157
Adjusted EBITDA	15,926	3,611	37,115	13,682	14,202
EBIT	2,578	-6,765	-1,447	-14,370	-16,611
Adjusted EBIT	3,252	-6,558	794	-14,181	-23,566

NOTE 5: ACQUISITION OF APPROPE

In Januari 2021 MAG Interactive AB (publ) acquired 100 % of the shares in Apprope AB (corp no 556899-3967) and the company became a fully owned subsidiary. Apprope is a Swedish mobile game studio and has developed casual word games like Word Mansion and Word Bubbles.

The acquisition was financed through existing cash and cash equivalents. The upfront payment of the acquisition totalled to 50 MSEK and the contingent consideration, earnout, is subject to a cap of 50 MSEK. Apprope is consolidated in MAG's financial reports as of January 4 2021.

The purchase consideration follows:

KSEK

Purchase price

Cash and cash equivalents	50,000
Contingent consideration	17,402
Total purchase consideration	67,402

Preliminary purchase price allocation

A preliminary purchase price allocation of Apprope is presented below. The purchase price allocation is preliminary due to that the contingent consideration is calculated based on a forecasted EBIT-growth.

KSEK

Property, plant and equipment	11
Long-term receivables	7
Current receivables excluding cash and cash equivalents	6,670
Cash and cash equivalents	9,361
Long-term liabilities	-10,990
Current liabilities	-5,001
Total acquired net assets excl consolidated values	58
Intellectual property	25,000
Deferred tax liabilities	-5,150
Goodwill	47,494
Total acquired net assets incl consolidated values	67,402

The goodwill is allocated to synergy effects and the word game Word Mansion.

NOTE 6: ACQUISITION OF SVENTERTAINMENT GROUP

In September 2020 MAG Interactive AB (publ) acquired 100 % of the shares in Sventertainment AB (corp no 559155-8464) and the company became a fully owned subsidiary. Sventertainment AB is the creator of the successful trivia app Primetime, which broadcasts live trivia seven days a week.

The acquisition was financed through existing cash and cash equivalents. The upfront payment of the acquisition totalled to 20 MSEK and the contingent consideration, earnout, is subject to a cap of 80 MSEK. Furthermore, a payment of additional 4 MSEK was made for the net assets. Sventertainment is consolidated in MAG's financial reports as of September 1 2020.

The purchase consideration follows:

KSEK

Purchase price

Cash and cash equivalents	24,407
Contingent consideration	32,250
Total purchase consideration	56,657

Preliminary purchase price allocation

A preliminary purchase price allocation of Sventertainment is presented below. The purchase price allocation is preliminary due to that the contingent consideration is calculated based on a forecasted EBIT-growth.

KSEK

Property, plant and equipment	492
Current receivables excluding cash and cash equivalents	2,222
Cash and cash equivalents	5,754
Long-term liabilities	-208
Current liabilities	-3,265
Total acquired net assets excl consolidated values	4,994
Intellectual property	20,000
Deferred tax liabilities	-4,120
Goodwill	35,782
Total acquired net assets incl consolidated values	56,657

The goodwill is allocated to synergy effects and global expansion.

NOTE 6: ACQUISITION OF SVENTERTAINMENT GROUP

The Sventertainment Group consists of the following:

Name	Corporate number
Sventertainment AB	559155-8464
Sventertainment Sverige AB	559193-4822
Sventertainment Danmark ApS	40274642
Sventertainment Suomi Oy	2984460-2
Sventertainment Norge AS	922877246
Sventertainmen Poland Sp. z o. o.	0000780125

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