

MAG INTERACTIVE

MAG INTERACTIVE AB [PUBL]
INTERIM REPORT SEP-NOV 2019/20

2019/20

INTERIM REPORT

SEP—NOV 2019/20

ABOUT

MAG INTERACTIVE AB [PUBL]

FOUNDED IN 2010, MAG INTERACTIVE IS A GLOBAL DEVELOPER OF CASUAL SOCIAL GAMES FOR SMART MOBILE PHONES. THE PORTFOLIO CONSISTS OF GAMES THAT HAVE BEEN COLLECTIVELY DOWNLOADED OVER 250 MILLION TIMES. FROM MAG'S DIVERSE CATALOGUE OF GAMES, THE MOST WELL KNOWN TITLES ARE RUZZLE, WORD DOMINATION, WORDBRAIN AND QUIZDUEL. REVENUE IS MAINLY DERIVED FROM IN-APP PURCHASES AND ADVERTISEMENTS. MAG HAS OFFICES IN STOCKHOLM AND BRIGHTON AND THE COMPANY IS LISTED ON NASDAQ FIRST NORTH PREMIER GROWTH MARKET WITH THE TICKER MAGI. FOR MORE INFORMATION VISIT WWW.MAGINTERACTIVE.COM.

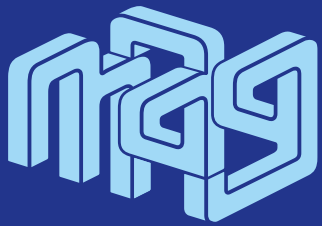
SUMMARY OF THE PERIOD SEP UNTIL NOV 2019

- The Group's net sales for the period were 47,102 KSEK (40,367 KSEK), an increase of 17% compared to the same period the previous year
- EBITDA for the period was 5,029 KSEK (1,230 KSEK)
- The Group's game contribution for the period was 31,373 KSEK (25,850 KSEK), an increase of 21% compared to the same period the previous year
- ARPDAU for the period was 2.9 US cents (2.2 US cents), an increase of 33% compared to the same period last year
- The result per share during the quarter was -0.11 SEK/share (-0.14 SEK/share)
- The costs of user acquisition for the period was 11,379 KSEK (9,893 KSEK)
- Daily and monthly active users (DAU and MAU) were 1.8 million and 5.9 million respectively during the quarter, a decrease of 19% and 40% compared to the same period last year

SIGNIFICANT EVENTS DURING AND AFTER THE PERIOD SEP 2019 TO NOV 2019

- On 30 October 2019 the word game Wordzee soft launched in Sweden
- On 22 November 2019 New QuizDuel soft launched in Sweden
- On 28 November 2019 Wordzee launched globally
- On 14 January 2020 the annual general meeting for financial year 2018/19 was held





MAG INTERACTIVE

FROM THE CEO STRENGTHENED ARPPDAU DRIVES GROWTH

2019/20

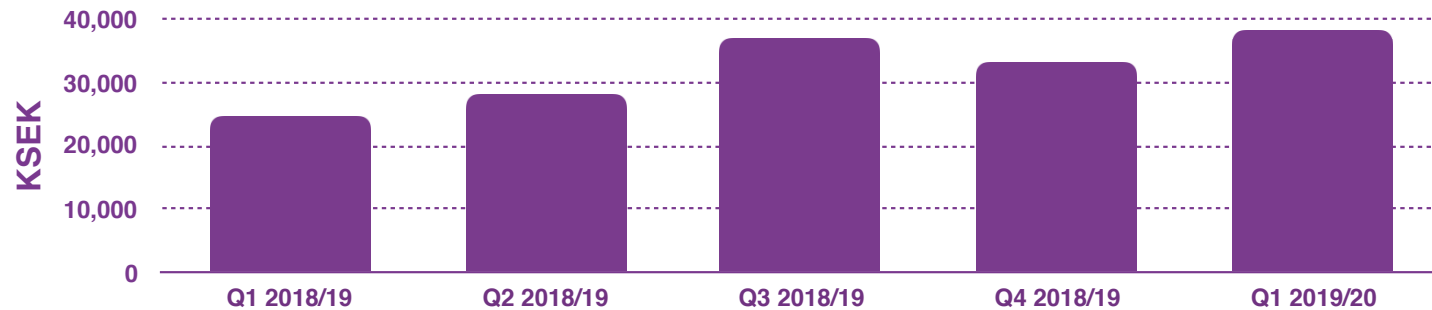
Improved ARPPDAU and increased turnover

All multiplayer games show an improved ARPPDAU and increased revenue compared to the same period last year. In total, revenue across the entire product portfolio grows by 17% and the EBITDA lands at just over SEK 5 million for the quarter.

As we have previously communicated, average revenue per daily active user, ARPPDAU, is a key metric where we see great potential for the entire portfolio. Optimizing it creates a direct effect in increased profitability per player and it is gratifying to see ARPPDAU grow to 2.9 US cents, an increase of 33% compared to the same period last year. In our endeavor to continue to strengthen ARPPDAU, the game teams focus on launching many fun events and activities to further engage the player base.

Revenue from multiplayer games continue to increase

Since MAG decided to focus on developing multiplayer games we have seen an increased growth from that part of the business, a trend that continues in the new financial year. Multiplayer game revenue is 50% higher in Q1 than the same period last year.

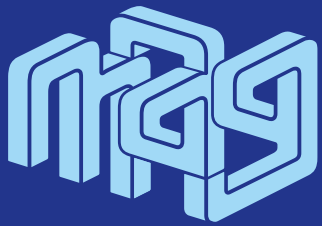


Net sales from multiplayer games

Continued positive development in subscriptions

Subscriptions accounted for over 15% of Word Domination's IAP revenue at the end of this quarter. The type of game that MAG focuses on is well suited to subscriptions because we build games with social engagement, the lifespan of which can extend over months and years rather than days or weeks. Thus we expect to see positive effects in our other multiplayer games when subscriptions are introduced.





MAG INTERACTIVE

FROM THE CEO STRENGTHENED ARPOAU DRIVES GROWTH

2019/20

User acquisition as the basis for growth

We see a strong connection between long-term growth and increased investment in user acquisition as it is the primary means to acquire new and profitable players for our games. The decision to increase or decrease UA investments is always driven by ROI models - how much that is invested will be determined by the available opportunities for profitable marketing. The models used optimize against full repayment of an acquired player within 180 days. Our latest multiplayer game Wordzee was launched globally during the last week of Q1, and based on that we expect to be able to increase user acquisition significantly going forward.

New year, new games, new opportunities

Going into Q2 we have the recently released Wordzee that now can be scaled with the help of user acquisition on a global market. New QuizDuel was also launched in Sweden at the end of Q1 and shortly thereafter in the UK. The goal is to launch the game in several more markets during the course of Q2 and thus continue to build the foundation for the next generation of QuizDuel.

Besides our new games we have a strong core portfolio in classic QuizDuel, Word Domination and Ruzzle. Normally our games reach their peak two to three years after launch. Word Domination is in the middle of that journey - about 18 months after launch and is still growing. Wordzee has just been released and should have a long period of growth ahead. We can look forward to a really exciting time for MAG in 2020.

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

DANIEL HASSELBERG, CEO



Our tactical multiplayer game with word battles

Word Domination is a tactical multiplayer game where users play against each other in exciting word matches. Players compete against each other in real time, attempting to earn the most points on the board by creating words over five rounds with the ability to use boosters to improve their chances.

Since launching Word Domination in May 2018, the game has reached a steady base of over one million active players per month and over eight million downloads in total.

In-app revenue from subscriptions increases

Since launching subscriptions in April 2019, the game has seen a steady increase in paying VIP users in Word Domination. A subscription offers a VIP package for a flat monthly cost, giving the player an ad-free experience, access to exclusive content, events and other bonuses in the game. The VIP players have the best retention, commitment and the highest ARPDAU of all our players. Revenue from subscriptions accounted for 15% of all in-app revenue in Word Domination in Q1, compared to 10% at the end of Q4.

Given the growing subscriptions, the company will continue to develop and invest in this business model and plans to implement subscriptions in MAG's other multiplayer games as well.

Events drive commitment and daily earnings

During Q1, a thematic solo event was presented where VIP players gained access to exclusive content and unique rewards - where players gathered carrots to climb the leaderboard. The carrot event engaged the players more than previous events and drove earnings per player and the total number of subscribers, who were given incentives to become VIP players. As the company previously communicated, MAG will continue to create events with exclusive content to increase the added value of becoming a VIP player.



Market leader in trivia continues to be optimized

QuizDuel is a social quiz game where users can challenge friends and other players around the world in trivia. With over 100 million downloads and millions of unique players each month, QuizDuel is the largest quiz game in Europe for iOS and Android. The game's performance and advertising continued to be optimized during Q1. Comparing the same quarter of the previous financial year shows further strengthened ARPDAU for QuizDuel.

In-app store launches to improve in-game economy

In late November, an in-app store in QuizDuel was launched in a few smaller markets. Players can buy tickets to BlitzQuiz in the store instead of watching ads. Over time, the in-app store will be launched in all leading markets globally, with the aim of improving monetization in QuizDuel. The store did not contribute significantly to revenues during Q1 as it was only available in a few markets.

Reinforced focus on *New QuizDuel*

Plans to release a sequel to QuizDuel were announced in April 2019. At the end of Q1, the next generation of mobile trivia, *New QuizDuel*, was soft launched. When the game launches on the global market it's with the goal of becoming the leading mobile quiz game in the world.

New QuizDuel contains all the characteristic elements from the original game - classic trivia duels, special quizzes - and at the same time offering a new type of quiz with the new game mode "Arena". In the Arena, the player competes against four other people in simulated real-time in new categories to climb various leaderboards.

Unlike the original game, New QuizDuel is developed within MAG's existing technical infrastructure and will be able to include features and designs that already exist in other MAG games. Ahead of global launch, the team is fully focused on testing and optimizing the game's features, an effort that continues into Q2.



MAG's classic word game grows in revenue

Released in 2012, Ruzzle was the company's first major success and is known as one of the world's classic mobile word games, with more than 60 million downloads to date. In Ruzzle, the player is challenged to find as many words as possible in two minutes within a limited grid of letters.

Ruzzle turns eight in 2020 and is now steadily growing revenue - a huge achievement for a game that has existed for such a long time in the competitive mobile game market.

Ruzzle is very much a living product, with a loyal player base that continues to provide predictable and stable returns. Ruzzle demonstrates the importance of creating products with engaging game mechanics which are constantly updated to create added value and retain users.

Reinforced ARPDAU after investment year

After a year of investing in the game, Ruzzle shows positive results. Our important KPI, ARPDAU - average daily earnings per user - has increased as a direct effect of the many optimizations made in Ruzzle during the year. Comparing Q1 2018/2019 and Q1 2019/2020 shows a significant increase in ARPDAU over the past year. This is a big success for Ruzzle, and shows that the investments have paid dividends and that the game continues to have significant long-term revenue potential.



Wordzee - MAG's innovative word game

Wordzee is an original 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. Wordzee combines strategy, chance and skill with classic match mechanics and inspiration from the classic dice game Yatzy.

Successful soft launch paves way for global release

Wordzee was soft launched in Sweden in October 2019, becoming the top grossing word game during the first week, and continued to climb up the top-ten list of the most popular free-to-play games in Sweden on the App Store and Google Play. After a successful test period in Sweden and the UK, MAG's new multiplayer game was released globally during the last week of Q1.



CONSOLIDATED PROFIT/LOSS AND CASHFLOW FOR THE PERIOD 2019/20 SEP UNTIL NOV 2019

OPERATING INCOME

The Group's operating income for the period was 54,369 KSEK (46,034 KSEK), an increase of 18% compared to the same period the previous year. The Group's net sales for the period totalled 47,102 KSEK (40,367 KSEK), an increase of 17%.

Own work capitalised totalled 7,511 KSEK (5,504 KSEK). See below for further details of capitalised expenses as well as depreciation of the same.

The group's net sales was primarily attributable to the games Word Domination, QuizDuel, Ruzzle, WordBrain, Wordalot and WordBrain2.

OPERATING EXPENSES, EBITDA AND OPERATING PROFIT/LOSS

Operating expenses totalled 49,340 KSEK (44,804 KSEK). Of these, 10,342 KSEK (10,076 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 11,379 KSEK (9,893 KSEK) were costs of user acquisition and 7,883 KSEK (8,766 KSEK) were other external operating expenses.

User acquisition costs in the first quarter are mainly attributable to the game Word Domination.

Personnel expenses totalled 19,736 KSEK (16,069 KSEK) an increase of 23%.

EBITDA for the period was 5,029 KSEK (1,230 KSEK).

Depreciation of tangible and intangible assets totalled 8,054 KSEK (5,865 KSEK), of which 5,603 KSEK (4,686 KSEK) was depreciation of capitalised development expenses.

The Group's operating profit was -3,024 KSEK (-4,635 KSEK) and profit before tax -4,556 KSEK (-4,860 KSEK).

PROFIT/LOSS AFTER TAX

Profit after tax totalled -2,899 KSEK (-3,653 KSEK)

The profit after tax per share was -0.11 SEK/share (-0.14 SEK/share) and the profit after tax per share fully diluted was -0.11 SEK/share (-0.14 SEK/share)

The average number of share during the period was 26,321,393 (26,321,393) and the average number of shares fully diluted was 27,317,067 (26,790,639)

CASH FLOW FOR THE PERIOD – PERIODEN SEP 2019 TILL NOV 2019

The Group's cash flow from operating activities during the quarter was 20,943 KSEK (-4,030 KSEK). Cash flow from investing activities was -7,577 KSEK (-5,586 KSEK). Cashflow from financing activities was -3,889 TSEK (-3,889 TSEK)



PARENT COMPANY PROFIT/LOSS FOR THE PERIOD SEP UNTIL NOV 2019

2019/20

OPERATING INCOME

The parent company's net sales for the period were 32,614 KSEK (28,517 KSEK), an increase of 14% compared with the same period the previous year.

OPERATING EXPENSES AND OPERATING PROFIT/LOSS

Operating expenses totalled 48,361 KSEK (41,609 KSEK).

Of these 10,137 KSEK (8,905 KSEK) were sales related costs originating primarily from fees to Apple App Store and Google Play, costs of user acquisition were 11,379 KSEK (9,638 KSEK) and 8,582 KSEK (8,351 KSEK) was other external operating expenses.

Depreciation of tangible and intangible assets totalled 451 KSEK (221 KSEK), of which 0 KSEK (0 KSEK) was depreciation of intangible assets.

The parent company's operating profit for the period was -12,108 KSEK (-10,706 KSEK).

PROFIT AFTER TAX

Profit after tax totalled to -10,452 KSEK (-8,488 KSEK).



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

2019/20

Intangible non-current assets at the end of the period totalled 142,587 KSEK (139,966 KSEK), of which 77,792 KSEK (77,216 KSEK) relates to intellectual property and 64,795 KSEK (62,750 KSEK) to other intangible assets. The latter consists primarily of capitalised development expenses on own account and acquired IP.

Cash and cash equivalents at the end of the period totalled 193,129 KSEK (214,713 KSEK)

Equity at the end of the period totalled 328,704 KSEK (340,801 KSEK), corresponding to 12.5 SEK/share (12.9 SEK/share)

The equity/assets ratio at the same time was 80.5% (84.3%)

The group has interest bearing debt of 11,667 KSEK (27,223 KSEK)

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

Cash and cash equivalents at the end of the period totalled 189,947 KSEK (174,275 KSEK)

Equity at the end of the period totalled 340,312 KSEK (341,338 KSEK)



KEY INDICATORS FOR THE BUSINESS PERIOD SEP UNTIL NOV 2019

2019/20

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 14,490 KSEK (15,443 KSEK), a decrease of 6% compared to the same period the previous year.

The Group's net sales from in-app advertising were 32,085 KSEK (24,843 KSEK), an increase of 29% compared with the same period the previous year.

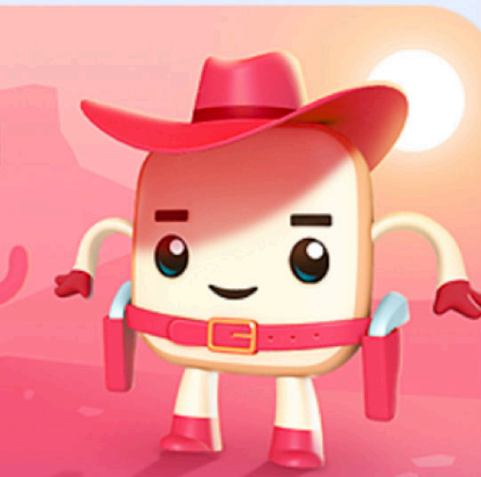
GAME CONTRIBUTION

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 user acquisition. 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 31,373 KSEK (25,850 TSEK), an increase of 21% compared to the same period the previous year.

COMMENTS ON THE DISTRIBUTION OF INCOME AND CONTRIBUTIONS FROM SALES ACTIVITIES

Net sales from ads increases with better ARPDAU in for example QuizDuel. Improved contribution follows an improved ARPDAU in games with a high share of ad sales and a relatively low level of user acquisition.



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 1.8 million (2.3 million), a decrease of 19% compared with the same period the previous year.

MAU for the period 5.9 million (9.9 million), a decrease of 40% compared with the same period the previous year.

MUP for the period 41 thousand (59 thousand), a decrease of 32% compared with the same period the previous year.

ARPDau for the period 2.9 US \$ cent (2.2 US \$ cent), an increase of 33% compared with the same period the previous year.

COMMENTS TO THE KPIS

ARPDau is improved in all of the multiplayer games compared to last year. The player base is decreasing mainly due to the fact that Paint Hit, that contributed significantly to the same period last year, is no longer contributing on any significant level. In particular MAU is effected by Paint Hit.

SUMMARY OF THE BUSINESS' KEY PERFORMANCE INDICATORS

2019/20

Period		Sep-Nov 19	Sep-Nov 18	Y/Y change
In-app purchases	KSEK	14,490	15,443	-6%
Advertising	KSEK	32,085	24,843	29%
Other	KSEK	527	81	
Net sales	KSEK	47,102	40,367	17%
Average SEK/USD		9.708	9.018	8%
<i>Share of Net sales</i>				
<i>In-app purchases</i>		31%	38%	-7%
<i>Advertising</i>		68%	62%	7%
<i>Other</i>		1.1%	0.2%	1%
Platform fee	KSEK	4,350	4,624	-6%
User acquisition	KSEK	11,379	9,893	15%
Game contribution	KSEK	31,373	25,850	21%
<i>Share of Net sales</i>				
<i>Platform fee</i>		9%	11%	-2%
Direct marketing		24%	25%	-0%
Game contribution		67%	64%	3%
<i>EBITDA</i>	KSEK	5,029	1,230	
<i>Profit</i>	KSEK	-2,899	-3,653	
DAU	Millions	1.8	2.3	-19%
MAU	Millions	5.9	9.9	-40%
MUP	Thousands	41	59	-32%
ARPPDAU	US \$ cent	2.9	2.2	33%

PARENT COMPANY

The parent company MAG Interactive AB (publ), corporate ID number 556804-3524, has its registered office in Stockholm. A large part of the Group's business activity is in the parent company, with employees, agreements, intangible assets (incl. IP) and revenues. There are two fully owned subsidiaries in the group. MAG Games Ltd with 16 employees has only Group internal invoicing and carries out development and other functions in the company's operations. FEO Media AB with its base in Stockholm and 8 employees operates the game QuizDuel.

ACCOUNTING PRINCIPLES

The consolidated accounts for the MAG Interactive AB Group ("MAG Interactive") have been drawn up 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 for the Group and Note 2 for the parent company respectively in the annual accounts for 2018/2019.

IFRS 15 "Revenue from contracts with customers" entered into force on 1 January 2018. For the Group this means application since the financial year that began on 1 September 2018. MAG has quantified the affects of IFRS 15 and the analysis shows that the affect from IFRS 15 is not material. Future changes in type of games and type of items sold will be evaluated when appropriate.

IFRS 9, "Financial instruments" enters into force on 1 January 2018. For the Group this means application in the financial year that begins on 1 September 2018. The work of analyzing the affects of IFRS 9 has been completed. IFRS 9 will does have any material impact on the Groups financial statements.

Starting 2019 IFRS 16 enters into force; demanding that assets and liabilities attributable to all leasing agreements, with certain exceptions, are accounted for in the balance sheet. This way of accounting is based on the view that the lessee has the right to use an asset for a certain time period and at the same time has an obligation to pay for this right. The new standard is applicable for financial years starting January 1, 2019 or later, the company will apply this standard at the start of the financial year 2019/20, starting September 1, 2019. The standard is adopted by the EU. The standard will primarily affect the Group's accounting of operational leasing agreements, which mostly includes office rent costs. Leasing commitments will be accounted for to current value and will be reported as fixed asset with the corresponding interest-bearing debt in the balance sheet. In the profits and loss, the leasing cost will be replaced by depreciation and interest cost. The change will cause the assets and the operating result to increase which will affect some KPIs and the Group's Cash Flow Statement.

MAG Interactive have chosen to apply the change to the new standard with use of the modified retrospective approach under which comparative periods are not restated. The fixed asset corresponds to the interest-bearing debt with adjusting for any prepaid or accrued leasing fees. The effects to the balance sheet when transitioning to the new standard is stated below. The effects to the Profit and loss statement is considered not to be material.

Mkr	Adjustment 1 september 2019
Right of use asset	35
Prepaid rent	-1
Interest-bearing debt	34

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.

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 77, compared to 72 the same period 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

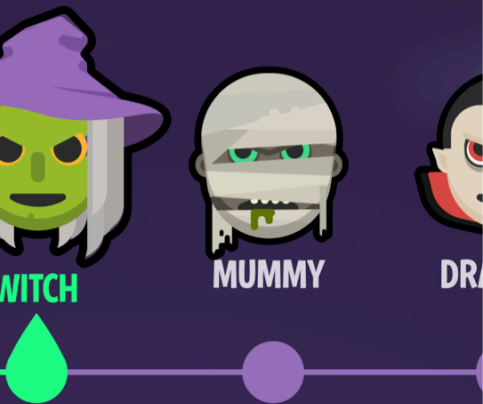
Magnus Wiklander, CFO, at magnus.wiklander@maginteractive.se

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FURTHER REPORTING DATES

Interim report Q2 September 2019 - February 2020

1 April 2020

Interim report Q3 September 2019 - May 2020

1 July 2020

Interim report Q4 September 2019 - August 2020

21 October 2020

AUDIT

This report has not been reviewed by auditors

TWITCH STREAM

On January 22rd, 2020 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 22 January 2020

BIRGITTA STYMNE GÖRANSSON

Chairman of the Board

DANIEL HASSELBERG

CEO, Board member

TAINA MALÉN

Board member

ANDRAS VAJLOK

Board member

ASBJOERN SOENDERGAARD

Styrelseledamot

TEEMU HUUHTANEN

Board member

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**2019/20**

Amounts in KSEK	Note	Sep-Nov 19	Sep-Nov 18	FY 18/19
Operating income				
Net sales	1	47,102	40,367	172,953
Own work capitalised		7,511	5,504	23,667
Other operating income		-243	163	2,050
Total		54,369	46,034	198,670
Operating expenses				
Sales related costs	2	-10,342	-10,076	-41,854
User acquisition		-11,379	-9,893	-48,673
Other external expenses		-7,883	-8,766	-37,992
Personnel costs		-19,736	-16,069	-65,203
Total operating expenses		-49,340	-44,804	-193,721
EBITDA		5,029	1,230	4,949
Depreciation of tangible and intangible non-current assets		-8,054	-5,865	-24,345
Operating profit/loss (EBIT)		-3,024	-4,635	-19,397
Financial items				
Interest income and similar		-857	0	3,847
Interest expense and similar		-675	-225	-1,666
Total financial items		-1,531	-225	2,181
Profit/loss after financial items		-4,556	-4,860	-17,216
Taxes		1,656	1,207	3,466
Profit/loss for the period		-2,899	-3,653	-13,750
Other comprehensive result				
Exchange rate differences		567	-392	301
Total comprehensive income for the period		-2,332	-4,045	-13,449

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)	-0.11	-0.14	-0.52
Earnings per share fully diluted (based on average number of shares)	-0.11	-0.14	-0.51
Average number of shares during the period	26,321,393	26,321,393	26,321,393
Number of shares at the end of the period	26,321,393	26,321,393	26,321,393
Number of shares at the end of the period fully diluted	27,317,067	26,790,639	27,317,067

**CONSOLIDATED BALANCE SHEET
ASSETS****2019/20**

Amounts in KSEK	Note	30/11 2019	30/11 2018	31/8 2019
ASSETS				
Goodwill		77,792	77,216	77,482
Other intangible assets		64,795	62,750	63,827
Total intangible assets		142,587	139,966	141,309
Equipment, tools, fixtures and fittings ¹		38,803	2,687	5,562
Total tangible assets		38,803	2,687	5,562
Other long-term receivables		2,096	4,305	2,085
Deferred tax assets		2,528	4,120	672
Total financial non-current assets		4,624	8,425	2,757
Total non-current assets		186,014	151,078	149,629
Current assets				
Trade and other receivables		23,417	21,495	19,517
Current tax assets		1,608	5,996	11,364
Other current receivables		758	3,792	8,001
Prepaid expenses and accrued income		3,644	7,126	3,762
Cash and cash equivalent		193,129	214,713	185,071
Total current assets		222,557	253,122	227,715
TOTAL ASSETS		408,571	404,201	377,344

¹The right-of-use assets and the corresponding lease liabilities are included in the equipment, tools, fixtures and fittings and trade and other receivables respectively as of 1 January 2019. Comparative figures have not been restated.

CONSOLIDATED BALANCE SHEET LIABILITIES AND EQUITY

2019/20

Amounts in KSEK	Not	30/11 2019	30/11 2018	31/8 2019
EQUITY AND LIABILITIES				
Equity				
Share capital		684	684	684
Other contributed capital		281,346	281,042	281,219
Reserves		-1,015	-2,020	-1,583
Retained earnings incl. comprehensive income for the period		47,689	61,095	50,588
Total equity		328,704	340,801	330,908
Deferred tax liabilities		13,348	17,767	13,148
Other long-term liabilities		0	11,667	0
Total long-term liabilities		13,348	29,434	13,148
Current liabilities				
Trade and other payables		42,049	10,010	6,611
Current tax liability ¹		387	-2,631	0
Short term bank loans		11,667	15,556	15,556
Accrued expenses and prepaid income		9,144	7,970	8,011
Other current liabilities		3,273	3,060	3,109
Total current liabilities		66,519	33,965	33,287
TOTAL EQUITY AND LIABILITIES		408,571	404,201	377,344

¹The right-of-use assets and the corresponding lease liabilities are included in the equipment, tools, fixtures and fittings and trade and other receivables respectively as of 1 January 2019. Comparative figures have not been restated.

CONSOLIDATED CASH FLOW STATEMENT**2019/20**

Amounts in KSEK	Notes	Sep-Nov 19	Sep-Nov 18	FY 18/19
Cash flow from operating activities				
Profit/loss before financial items		-3,024	-4,635	-19,397
Adjustments for items not part of cashflow		127	0	255
Depreciations and write-downs		6,965	5,865	24,346
Interest received		553	0	478
Interest paid		-457	-158	-464
Income tax paid		10,134	-5,044	-6,698
Cash flow from operating activities before change in working capital		14,299	-3,972	-1,480
Change in working capital		6,645	-58	-2,339
Cash flow from operating activities		20,943	-4,030	-3,819
Cash flow from investing activities				
Investments in tangible non-current assets		-64	-83	-4,373
Capitalized work		-7,511	-5,504	-23,667
Change in long-term receivables		-2	1	2,216
Cash flow from investing activities		-7,577	-5,586	-25,824
Cash flow from financing activities				
Option scheme		0	0	-77
Amortized long term loans		0	-3,889	-15,556
Amortized short term loans		-3,889	0	0
Cash flow from financing activities		-3,889	-3,889	-15,632
Reduction/increase in cash and cash equivalents				
Cash flow for the period		9,478	-13,505	-45,276
Exchange rate differences in cash and cash equivalents		-1,386	80	2,208
Opening cash and cash equivalents		185,037	228,138	228,083
Closing cash and cash equivalents		193,129	214,713	185,015

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

2019/20

KSEK	Share capital	Other external capital	Reserves	Retained earnings	Total equity
Starting balance 1/9 2019	684	281,219	-1,583	50,588	330,908
Profit/loss for the period				-2,899	-2,899
Exchange rate differences			567		567
Total comprehensive income			567	-2,899	-2,332
Option program		127			127
Ending balance 30/11 2019	684	281,346	-1,015	47,689	328,704

KSEK	Share capital	Other external capital	Reservs	Retained earnings	Total equity
Starting balance 1/9 2018	684	281,041	-1,883	64,337	344,179
Profit/loss for the period				-3,894	-3,894
Exchange rate differences		1	-136	650	515
Total comprehensive income		1	-136	-3,244	-3,380
Other					0
Ending balance 30/11 2018	684	281,042	-2,019	61,093	340,801

PARENT COMPANY'S INCOME STATEMENT**2019/20**

Amounts in KSEK	Sep-Nov 19	Sep-Nov 18	FY 18/19
Operating income			
Net sales	32,614	28,517	116,547
Other operating income	4,089	2,607	15,724
Total operating income	36,703	31,124	132,272
Operating expenses			
Sales related costs	-10,137	-8,905	-38,682
User acquisition	-11,379	-9,638	-48,393
Other external expenses	-8,582	-8,351	-36,848
Personnel costs	-18,263	-14,714	-60,926
Total operating expenses	-48,361	-41,609	-184,850
EBITDA	-11,657	-10,485	-52,578
Depreciation of tangible and intangible non-current assets	-451	-221	-1,450
Operating profit/loss	-12,108	-10,706	-54,028
Financial items			
Financial income	263	0	352
Financial expenses	-462	-203	-2,019
Total financial items	-199	-203	-1,667
Profit/loss after financial items	-12,308	-10,909	-55,695
Appropriations	0	0	57,355
Taxes	1,856	2,421	-1,027
Profit/loss for the period	-10,452	-8,488	633

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

2019/20

Amounts in KSEK	30/11 2019	30/11 2018	31/8 2019
Equipment, tools, fixtures and fittings	1,740	2,184	1,921
Total tangible non-current assets	1,740	2,184	1,921
Participation in Group companies	181,983	181,933	181,983
Other long-term receivables	4,402	5,903	2,516
Total financial non-current assets	186,385	187,836	184,499
Total non-current assets	188,125	190,019	186,420
Current assets			
Trade and other receivables	17,999	15,473	14,731
Other receivables	57,799	1,722	59,225
Prepaid expenses and accrued income	3,471	3,966	3,504
Total current assets	79,269	21,161	77,461
Cash at bank	189,947	174,275	179,465
TOTAL ASSETS	457,342	385,455	443,346

PARENT COMPANY'S BALANCE SHEET LIABILITIES AND EQUITY

2019/20

Amounts in KSEK	30/11 2019	30/11 2018	31/8 2019
EQUITY AND LIABILITIES			
Restricted equity			
Share capital	684	684	684
Non-restricted equity			
Other contributed capital	312,736	312,430	312,608
Retained earnings incl. comprehensive income for the period	26,893	28,224	37,345
Total equity	340,312	341,338	350,637
Other long-term liabilities	0	11,667	0
Total long-term liabilities	0	11,667	0
Current liabilities			
Trade and other payables	8,258	8,818	6,374
Liabilities to Group companies	1,401	1,125	2,034
Other liabilities	99,426	17,688	78,055
Accrued expenses and prepaid income	7,944	4,820	6,247
Total current liabilities	117,029	32,451	92,709
TOTAL EQUITY AND LIABILITIES	457,342	385,455	443,346

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 until the game moves into live ops. Soft launch is the last development phase prior to global launch and the probability of a global launch is high. Live ops is when a central team takes responsibility of the game and works with content and events mainly, no costs are activated in this phase. MAG has not had any amortizations of activated development costs since the company was public.
Platform fee	30% of the In-app purchases are costs to the platform, primarily Google Play and Apple App Store.
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 nine months, and longer periods can be relevant in situations with strong retention and long term monetization
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	Average Net sales per daily active user (DAU). If nothing else is stated this is measured in US cents.

NOTE 1: DISTRIBUTION OF NET SALES

	Sep-Nov 19	Sep-Nov 18	FY 18/19
Amounts in KSEK			
In-app purchases	14,490	15,443	63,432
Advertising income	32,085	24,843	108,659
Other	527	81	863
Total	47,102	40,367	172,954

NOTE 3: ADJUSTED EBITDA AND PROFIT BEFORE TAX

Platform fee	-4,350	-4,624	-19,020
Server costs	-3,665	-3,708	-14,917
Other sales related costs	-2,328	-1,744	-7,917
Total sales related costs	-10,343	-10,076	-41,854

NOTE 3: ADJUSTED EBITDA

EBITDA	5,029	1,230	4,949
IFRS 16 effect - depreciation	-1,427	0	0
Adjusted EBITDA	3,602	1,230	4,949
Profit/loss before tax	-4,556	-4,860	-17,216
IFRS 16 effect - interest	212	0	0
Adjusted profit/loss before tax	-4,344	-4,860	-17,216

GOOD TIMES