

Mavshack: Mavshack Year-end report 2013

Stockholm 2014-02-21

GENERAL COMMENTS

Period 2013-01-01 – 2013 -12- 31 in brief

Profit after tax for the Group amounts to SEK -13 983 603.

Earnings per share amounted to SEK -0.03

Multi Year overview

Group (thousands SEK) 2013 (2012)

Operating revenue 5 432 (3 112)

Profit after financial items -13 736 (-9 075)

Operating result -13 984 (-7 278)

Total assets 14 879 (8 827)

Solvency (%) 77 % (16 %)

Cash liquidity (%) 301 % (26 %)

Parent company 2013 (2012)

Operating revenue 648 (1 898)

Profit after financial items -7 857 (-4 636)

Operating result -12 772 (-5 111)

Total assets 23 285 (15 458)

Solvency (%) 89 % (59 %)

Cash liquidity (%) 261 % (34 %)

Significant events during the fourth quarter 2013:

- Partnership agreement with Akamai Technologies as the new global streaming partner
- Main Sponsor for Sarah Geronimo's concert tour
- Raises capital for increased marketing and sales activities on the Indian market.
- Partnership with 3,500 retail outlets in the Philippines

Significant events in the first quarter of 2014

- Contract signing with Indiacast
- Contract signing with Rajshri Digital
- Contract signing with Gold Mine Telefilms
- Contract signing with Wings Media (Shanghai Media Group)

CEO comments

During the fourth quarter, Mavshack.com continued to grow steadily. We have focused on our brand building mainly in the global Filipino market and it starts to show up in sales. An example of Mavshack's involvement in the autumn has been the sponsorship of Sarah Geronimo's concert tour. Mavshack was also the main sponsor of the Philippine equivalent of the Academy Awards that was broadcast live on TV with all the major movie stars on location. My overall assessment in regard to media exposure, the number of Facebook followers, the signed contracts with our partners such as MyPhone and 7-Eleven, etc. is that we have transitioned from a start up to become an established brand among Filipinos worldwide. It confirms that Mavshack's strategy works and we are now applying it in other markets. We have come a long way. I am convinced that it is a winning concept to offer local content globally for residents who come from countries with large immigrant populations.

While our competitors are still waiting to enter the different markets globally, we will use our "first mover advantage" by establishing the Mavshack brand and our products in local markets around the world. Mavshack reaches the customer by adapting to the local buying habits and by going into markets where credit card usage is not yet popular or is just becoming more prevalent. Take Hong Kong for example, Filipino overseas workers there can now buy Mavshack subscriptions in the form of physical cards with voucher codes which can be redeemed on Mavshack's website and video streaming apps. Mavshack has started selling electronic voucher codes that can be disbursed on cash receipts through 7-Eleven's 1000+ stores in the Philippines. In addition, we can easily reach the expatriate community originating from these markets because we have global streaming rights to our content where most people already have credit cards and are accustomed to shopping online.

Sometimes it is hard to imagine that mavshack.com entered the global scene only in the last six months. We had 204,032 registered users in 2013, surpassing the target of 150 000 registered



users (previously mentioned as subscribers) for 2013. I'm very proud of the growth of our subscriber base and we are aiming for a target of 500,000 registered users in the first quarter of 2014.

Earnings for the full year are -14 million SEK primarily due to the company's continued large investments in marketing and sales activities. Sales for the full year were 5 million SEK consisting of a mixture of online, in store and physical voucher sales, as well as promotional and corporate sales. Compared to the 3rd quarter, we increased sales in Q4 by 100 %. Our 4th quarter sales are 2 million, representing revenue per user of 10 SEK. Of course, both the number of users and the average revenue must increase significantly but take into consideration that since we launched in the Indian market just last December and we offered many free subscriptions, the numbers are still proof that we are on the right track.

Mavshack team works continuously to expand the range of content on our site. Right now, we supply approximately 1800 titles from India and 2500 titles from the Philippines. China and Indonesia are a little behind, but the other day, we signed an interesting agreement with Shanghai Media Group, which is a breakthrough for Mavshack in the Chinese market.

The interest from foreign investors in Mavshack shares is also growing but because of the limitations of the company's current trade listing, it is a challenge for foreign investors to buy Mavshack shares. The board is now reviewing on how the company's shares are to be traded in the future. The increase in interest is obviously a great opportunity for Mavshack's shareholders and we will revisit the issue during the upcoming spring.

Lastly, I want to thank all the hard working Mavshack employees worldwide. Without you, Mavshack will not be where we are today. I would also like to thank all our shareholders for your great interest and commitment to Mavshack.

Jonas Litborn
CEO



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About Mavshack AB (publ)

Mavshack AB (publ) with offices in Stockholm, Toronto, Los Angeles, Manila and Jakarta, runs a streaming platform providing online access to various Asian content via its web portal. Mavshack aims to be the biggest Asian content provider, accessible globally. In January 2014 the catalogue of content available on Mavshack.com was over 3 000 titles. Mavshack has signed agreements with the following content providers: RAPI films, Tsanghao Animation, H Brother, Java films, VIVA communication, VIVA TV, PBO, Unisys, Indiacast and Rajshri Entertainment.

Mavshack AB (publ) is a publicly traded company (www.aktietorget.se)

About Mavshack.com

The web portal mavshack.com offers a subscription-based movie on demand service where users can enjoy Asian content. Users register online and has the possibility, threw a secure payment, to start a monthly subscription. In some countries there is also the possibility for users to buy a voucher in selected partner stores. Subscribers then enjoy access to unlimited content, such as full-length movies in HD, music videos or TV-series. All without ads or breaks. Users select a preferred content page, but always have access to the entire catalogue of Asian content. It is possible to watch from a computer or threw the Mavshack app on a mobile devise. New content is added on a weekly basis.