

PRESSRELEASE  
Stockholm 2015-02-20

### Mavshack: Full-Year report 2014

Mavshack hereby publishes its Full-Year report for 2014. Please visit [www.mavshack.se](http://www.mavshack.se) to access the full report.

### Summary of fourth quarter, 2014

(Last year's figures in brackets)

- Net sales for the period amounted to SEK 15.6million (SEK 2.1 million)
- Operating profit for the period amounted to SEK - 5.0 million (-6.4 million)
- Profit after tax amounted to SEK - 6.1 million (-6.3 million)
- Earnings per share amounted to SEK - 0.17 (-0.24)

### Key figures

	Q4 2014	Q4 2013	FY 2014	FY 2013	FY 2012
Net sales (KSEK)	15 623	2 052	50 871	5 081	5 276
Net result (KSEK)	- 6 097	- 6 311	- 33 889	- 14 021	- 7 278
Total assets (KSEK)	64 842	15 393	64 842	15 393	8 827
Solidity (%)	37	77	36	77	16
Net earnings per share (SEK)	- 0,17	- 0,24	- 0,96	- 0,53	- 0,42
Number of shares outstanding (share register)	35 458 545	26 383 864	35 458 545	26 383 864	17 402 460

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### About Mavshack AB

Mavshack runs one of the world's fastest growing Internet TV service with Asian movies in HD, music videos and TV shows without commercials. The service is accessible from any Internet-connected device at a low monthly fee and based on streaming technology. Already today Mavshack has the largest library of Filipino and Indian titles and has signed an agreement with Asia's leading content providers. See more at [www.mavshack.com](http://www.mavshack.com).

Mavshack is a Swedish company listed on NASDAQ OMX under the ticker MAV. Certified Adviser is Erik Penser AB. More financial information about the company is available at [www.mavshack.se](http://www.mavshack.se).



## **Fellow shareholders,**

Looking back at 2014 I feel proud of all the great things that we have accomplished during a very eventful year. Mavshack has seen an impressive increase in sales and for the first time in the company's history we reported a quarterly profit. We now enjoy the benefit of having entered our markets early since we have gained experience of local consumer habits.

Mavshack's media platform has seen a heavy increase in traffic during 2014. In the past year, Mavshack has grown from strictly offering Filipino content to being a Pan-Asian entertainment service with a vast media library. Today Mavshack offers approximately 10 000 titles in sixteen languages and is now the largest Internet-TV service provider of Indian entertainment. I am very pleased with what we have accomplished in such a short period of time.

The high goals we set up for 2014 have been met. We have however encountered a few bumps along the way, as can be expected. For instance we have misjudged the long payment practices in the different markets. It should be noted that we have not suffered any significant losses because of this.

Mavshack continues to grow aggressively and to manage our expansion we need both capital and competent resources. We have therefore signed several partnership agreements during the year, most of which we entered into during the fourth quarter. The most significant agreements going forward for Mavshack are our new partnerships with Hub Media and IMainstream.

When it comes to increasing our content the partnership with Hub Media is the most significant so far. With their extensive Asian library of over 220 000 hours of entertainment, including Chinese content, we now have access to one of the world's largest content supplies. Thus, our partnership with Hub Media means we now can start working on attracting Chinese audiences. Even though restrictions prevents us from entering mainland China, the market is under no circumstances small and goes well with our philosophy of offering local content to a global audience. Today Mavshack has viewers in 81 countries and we continuously work to strengthen our position amongst our main target market, which is Asian viewers residing outside of their native country.

During the second quarter of 2015, Mavshack will disclose further details surrounding the co-production plan being worked out together with Hub Media. Having the ability to offer exclusive content to Mavshack viewers will be a great opportunity for us to strengthen our position and moving ahead of our current competitors. By co-producing content with an experienced Asian production company we limit the risks involved when taking on such an endeavor.

Our agreement with IMainstream will enable Mavshack to quickly integrate on devices available to 50 million households around the world. Such devices include Microsoft Xbox, Sony Playstation, Smart TVs from Samsung and popular TV-boxes such as Sky powered Now and Roku.

There is no doubt that our investment in Indian content has been a success. For 2014 India stood for more than half of Mavshack's sales. In the Philippines, Mavshack was actively involved in the preparation of the highly anticipated visit by His Holiness Pope Francis. Over all I am positive to Mavshack taking part in such an event, and do not rule out participating in similar high-profile events in the future.

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The biggest challenges I see for Mavshack in 2015 is to increase our online sales and converting our offline customers to recurring online subscribers. Today's sales are dominated by selling pre-paid cards. The sales of these cards generally work well and are adapted to current local consumer habits. Even if these sales generate huge volumes, it should not be underestimated that payment periods are long and thus, put a burden on the working capital. However, these volumes give us a huge potential in conversion of pre-paid users to recurring subscribers. In future our offline sales will continue to dominate in markets with developing online payments while we will focus on online sales for Diasporas in mature markets. We have noted that the world's biggest online TV network, Netflix, has recently adopted a similar strategy now when they are entering the Latin American market.

During 2014, 5 percent of Mavshack's revenue came from online sales predominantly deriving from mature markets. We are continuously working to be in the forefront as consumer habits evolve while more online payments options become available. Just recently the virtual currency Cherry Credits was added as a payment option for Mavshack subscribers. Worth noting is that a shift in user behavior occurred during the fourth quarter as viewers are starting to use iOS and Android apps. We see this as a positive shift in consumer behavior and a recognition that we are succeeding with reaching our viewers on multiple platforms.

Together with my team I am enthusiastic about the future and strongly believe that 2015 will be a game-changing year. We are convinced that Mavshack in the next couple of years will come closer to our goal of become a household name and the obvious choice for high quality Asian entertainment for viewers around the world.

We are currently establishing a strategic platform for Mavshack's future growth potential. This might include a plan for a potential move of the trading of the Mavshack share. For this reason we have chosen not to quantify our goals for 2015 for now, even though I know it has been requested.

Finally I would like to thank all of Mavshack's shareholders for your confidence during 2014. We became 200 more shareholders during the fourth quarter and I hope you, like I, will take part in this springs new shares issue!

Stockholm February 20, 2015

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