

The background of the entire page is a dark grey color with a subtle, repeating pattern of light grey network diagrams. These diagrams consist of small circles (nodes) connected by thin lines (edges), forming various geometric shapes and clusters. The overall effect is a technical, digital, or network-like aesthetic.

# **Ayima Group AB (publ) Interim Report**

January - June 2018

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# **AYIMA**

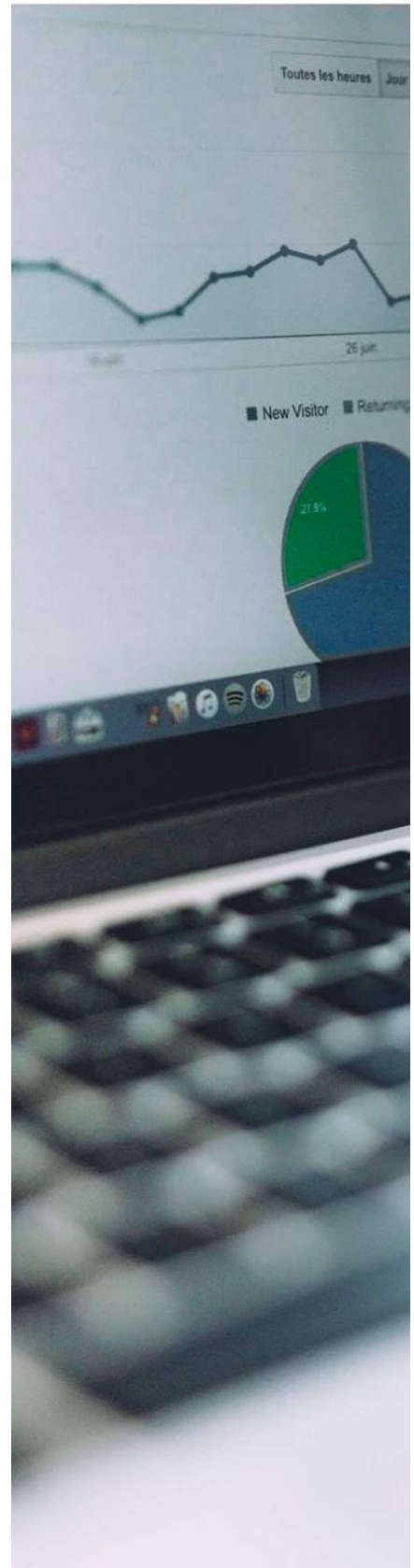
## Revenue increased by 48% in H1 2018, Margins Improve

### Jan - June 2018

- Total Revenue amounted to 83.7 MSEK (56.6) an increase of 48% from the same period in 2017.
- Total Revenue in H1 is already 65% of total for FY2017 and continuing to grow month on month
- Gross Profit amounted to 43.9 MSEK, (34.1) an increase of 29% from the same period in 2017
- Profit after tax for the period amounted to -3.0 MSEK (-11.2), a 73% improvement.
- Total Comprehensive Income amounted to -0.4 MSEK (-11.3), a 96% improvement
- Balance Sheet assets amounted to 83.1 MSEK (71.7)
- Net cash increased by 1.3 MSEK in the period to 2.1 MSEK
- Earnings per share was -0.1 SEK (-2.2) in the period

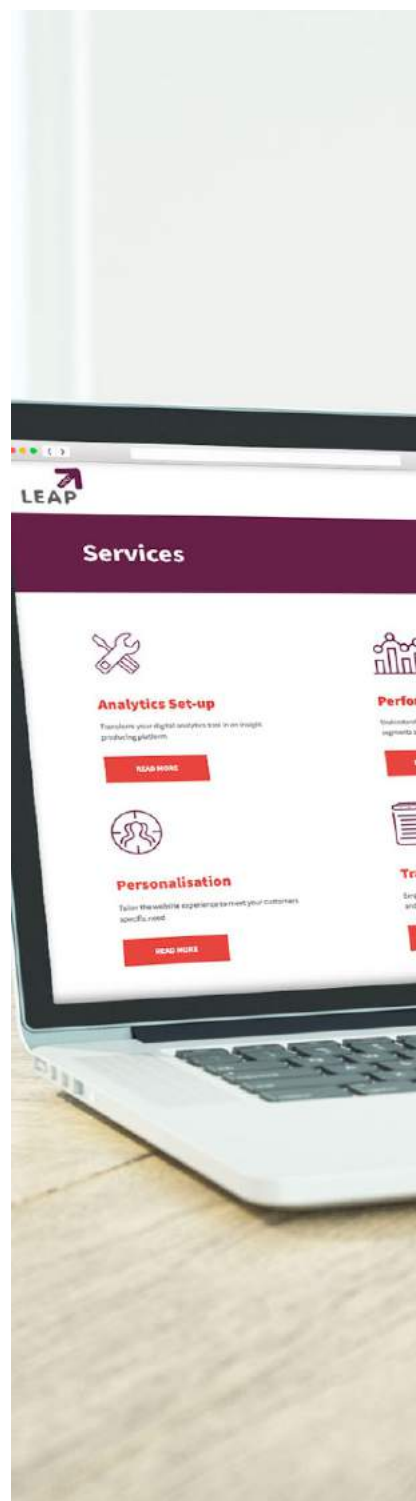
### April - June 2018

- Total Revenue amounted to 42.7 MSEK (31.8) an increase of 34% from the same period in 2017.
- Gross Profit amounted to 21.7 MSEK, (19.5) an increase of 11.7% from the same period in 2017
- Profit for the period after tax amounted to -3.2 MSEK (-5.3)
- Total Comprehensive Income amounted to -2.6 MSEK (-5.6)
- Net cash decreased by 0.2 MSEK in the period to 2.1 MSEK
- Earnings per share was -0.5 SEK (-1.1) in the period



## Key Events: Sales Growth Accelerates, Acquisitions Begin and Nasdaq Listing Planned

- Strong Sales performance in the period. Cross-selling of services for existing clients and new client wins contributing to this success. A total of 30 new projects commenced in the year to date across the group, amounting to approximately 43.5 MSEK in confirmed new business. All new contracts are for 12 months and auto-renewing (repeating).
- Ayima announced the acquisition of LeapThree Limited, a Leading Data Analytics and CRO Agency with FY2018 Turnover of 9.3 MSEK and EBIT of 4.8 MSEK. The acquisition will complete and be consolidated into the Group in Q3. This is the first of a planned series of acquisitions that will considerably strengthen Ayima's service offering and Margins.
- Move from Spotlight/Aktietorget to Nasdaq First North announced. Listing planned for early September 2018.
- Successful launch of the Employee Share Options Scheme, 300,000 total share options awarded to long-term staff, options vesting over 4 years from May 2019.
- Insights Training Programme kicked off, offering technical training for companies and digital marketers from Ayima's experts. Events are planned for UK, US and Canada during H2
- Start up of a new specialist business unit, tailored specifically for the iGaming industry, where Ayima already has considerable experience.



## A Message from the CEO

Dear Shareholders and Investors

As expected, the first half of 2018 has shown a dramatic growth in revenues, with a 48% increase over the same period in 2017. Strong sales performance has continued throughout the period with over 43 MSEK in new business wins and this will be reflected in continued steep revenue growth in Q3 and Q4.

Profit in H1 has shown a considerable improvement from the same period in the previous year, with most of 2017's losses wiped out. The overall revenue trend continues to be positive (July 2018 showed a 66% increase) and the increases in revenue from these sales, combined with the acquisition of profitable businesses will bring the margin into positive territory in the near future.

As we have stated in previous reports, Ayima is focussing primarily on growth in the short to medium term and to this end we have also embarked on an acquisition strategy. Our first acquisition was announced in July, that of LeapThree Analytics - an industry thought-leader in the web analytics space. Whilst being a rapidly growing and profitable business in its own right, the addition of the vast experience of its two founders to the Ayima Senior Management team has already resulted in significant interest from current clients and potential cross-selling opportunities. The next couple of years are promising to be a prosperous time for the company.

Ayima will continue to look for suitable additions to the group and we expect to make at least one more acquisition during 2018 that will result in a large acceleration in revenue and margin growth.

Finally, and perhaps most importantly, Ayima has announced plans to change lists to the Nasdaq First North with the change expected in early September 2018. Whilst our time as a listed company on Spotlight/Aktietorget has been an extremely positive one, the board felt that as an International company operating in the digital marketing space, Nasdaq offers better access to international investors who have expressed an interest in Ayima and is more relevant to Ayima's clients, mostly located in the UK, US and Canada. Nasdaq is of course tightly linked to the global digital economy and for that reason it feels like the natural home for the Ayima Group.

For a company that has now been in operation for almost 11 years, 2018 is turning out to be the most exciting in its history... and the future looks golden.

Yours Sincerely

**Mike Jacobson**

**CEO**

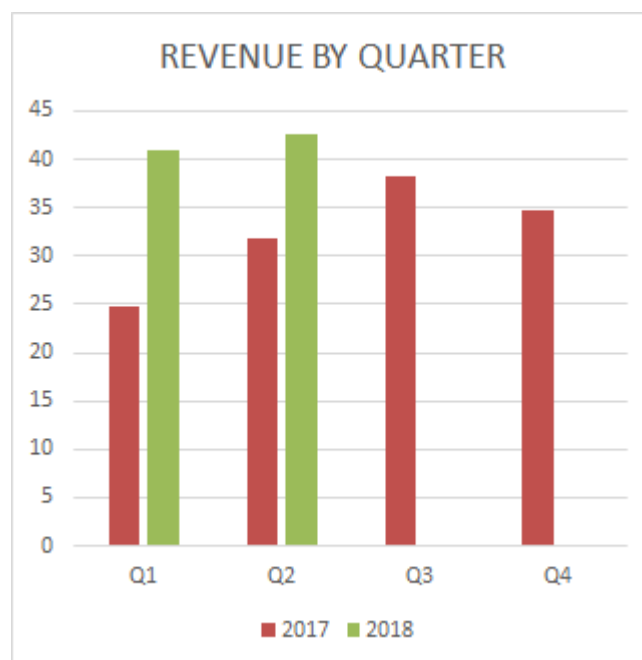
## OPERATIONS

### REVENUE BY QUARTER AND YTD MSEK

	Apr - Jun 2018	Apr - Jun 2017	Jan - Jun 2018	Jan - Jun 2017
REVENUE	42.7	31.8	83.7	56.6

Revenue continues to grow month by month and quarter by quarter, Ayima is certainly delivering on its strategy to grow the business through sales. So far in 2018 Ayima has achieved 65% of the total revenue for all of 2017, adjusted for changes in fx rates. With the acquisition of LeapThree Limited we expect growth to be accelerated in the coming periods.

One-off costs in Q2 included sales-related travel and legal costs, recruitment costs for critical new hires, and external consultants for short-term engagements. With new staff now in place we expect these costs to reduce to a stable level. Additional audit fees related to 2017 were received in the quarter, these will return to expected levels going forward. There were legal costs associated with the EMI scheme and the acquisition of LeapThree Limited in the quarter, these are exceptional items and not part of normal operations.



## FINANCIAL POSITION AND LIQUIDITY

Liquid assets at the end of the period amounted to 23.9 MSEK (22.9). Cash and cash equivalents amounted to MSEK 2.1 (6.3) and accounts receivable 21.7 MSEK (16.6).

Total equity amounted to 46.0 MSEK, including issued share capital 5.2 MSEK. Equity ratio was 81 (54) percent.

## CASH FLOW

Cash flow from operating activities before changes in working capital amounted to -0.1 MSEK. The change in working capital was 6.8 MSEK. Investments in tangible and intangible fixed assets amounted to -4.2 MSEK during the period. Cash flow from financing activities amounted to -0.3 MSEK. Net cash increased by 1.3 MSEK in the period.

## SHARE-BASED INCENTIVE PROGRAM

Ayima has an Enterprise Management Incentives (EMI) scheme. Any warrants or shares are held for the employees by the Ayima Employee Benefit Trust 2011 (EBT). 213,503 shares were owned by the EBT at 2018-06-30.

Additionally, during Q2 300,000 warrants were issued as part of a new staff incentive program. The plans were described in detail in the previous quarterly report. The 300,000 warrants will vest at a rate of 25% per year for 4 years from May 2019, when they can be converted to ordinary shares.

Continuing to invest in its staff is a major contributor to the success of Ayima as a company. In order to ensure each staff member can share in that success, Ayima issued these share options with a view to rewarding staff for length of service and attracting new talent to the business, thus providing long-term value to the company and its shareholders through savings in salary and recruitment costs.

## SIGNIFICANT EVENTS DURING AND AFTER THE PERIOD

On 2018-07-31 Ayima signed the Share Purchase Agreement (SPA) to acquire 100% of the share capital in LeapThree Limited, a leading UK-based Digital Analytics and Conversion Rate Optimisation agency. The initial purchase price is GBP2.175M (25 MSEK), and consideration will be paid as a combination of 626,482 shares in Ayima Group AB, at the 15 day average traded price of 25.3 SEK and the remainder in cash. Completion is dependent on financing of the cash component which will be funded either by a loan, a targeted share issue or a combination of the two. In their most recent Financial Year, LeapThree Limited achieved profit before taxation of 4.8 MSEK on turnover of 9.25 MSEK. The deal also includes provisions for an earn-out that will provide a strong incentive for profit growth in the following three years. LeapThree will relocate their operations to Ayima's London headquarters at 1 Lindsey Street. The announcement to acquire LeapThree Limited represents the first part of Ayima's acquisition strategy and is an exciting talent addition to the group. The acquisition will provide a huge boost to Ayima's stated goal of developing new revenue streams in the areas of Analytics, CRO, AI and Machine Learning, whilst also adding a rapidly growing and highly profitable business. The deal will offer substantial cross-selling opportunities to Ayima's blue-chip client base in order to further enhance revenue growth worldwide.

Almost one year after the launch of both the Company's Performance Analytics channel and data warehousing product, Query, Ayima has taken a further step forward in its development of in-house technology and tools. Ayima Intelligence is designed to give the Company's digital marketing consultants simple access to machine learning algorithms and advanced statistics, this enables them to focus on strategy and execution while the machine does the heavy lifting. Ayima Intelligence enables increased functionality of important functions such as forecasting, media optimisation, and portfolio bid/revenue analysis. Most importantly, the tool allows Ayima consultants to provide client recommendations that are truly aligned to their individual business strategies and goals.

Ayima successfully launched their new training programme Insights Training. The first training in SEO took place in Vancouver on 2018-07-12 closely followed by Paid Social Marketing training which



was hosted at the iconic Gherkin building in London on 2018-07-19 and a further SEO Insights event in New York on 2018-07-26. Several attendees from each event have already started negotiations to work with Ayima with one already signing up as a new client.

Towards the end of Q2 Ayima announced the start up of a new specialist digital consultancy, tailored specifically for the iGaming industry. It will be led by Ayima co-founder and industry veteran, Rob Kerry who carries 15 years of marketing experience within iGaming. This has included working on leading brands such as PokerStars, FoxyBingo, Betfair, Mansion Poker, Casino.com and Gala Bingo. The company will provide Poker, Casino, Sports Betting and Bingo brands with high level digital marketing advice and insights, across SEO, Paid Media, Analytics and Performance Marketing. Ayima has seen strong and consistent growth within the iGaming sector, with new territories regulating online gaming and new game formats becoming increasingly popular. The new consultancy will be at the forefront of this, including the current US regulation of online sports betting.

On 2018-08-06 Ayima announced that it has submitted an application to Nasdaq regarding a change of trading platform from Spotlight (previously Aktietorget) to Nasdaq First North. Up to now there is no confirmed date for the listing, although it is expected to be early September 2018..

Ayima issued a press release on 2018-06-20 indicating the potential write down of an amount owing from a client. Ayima continues to work with this client to mitigate the potential loss and no write-down has been deemed necessary thus far. This is an isolated case and the board sees no reason to add a provision for bad debts in the future.

## MARKET TRENDS

According to research by HTF Market Intelligence, the digital analytics market was estimated in 2015 at USD 1.3Bn and is expected to reach USD 4.9Bn by 2022, growing at a CAGR of 20.8% from 2015 to 2022. This growth is due to the continuous increase in digital commerce and the shift of both consumer and business processes online. In addition, increasing demand for cloud-based services represents a huge growth opportunity for the Digital Analytics market. Ayima/LeapThree is primed to take advantage of this continuous growth and trend

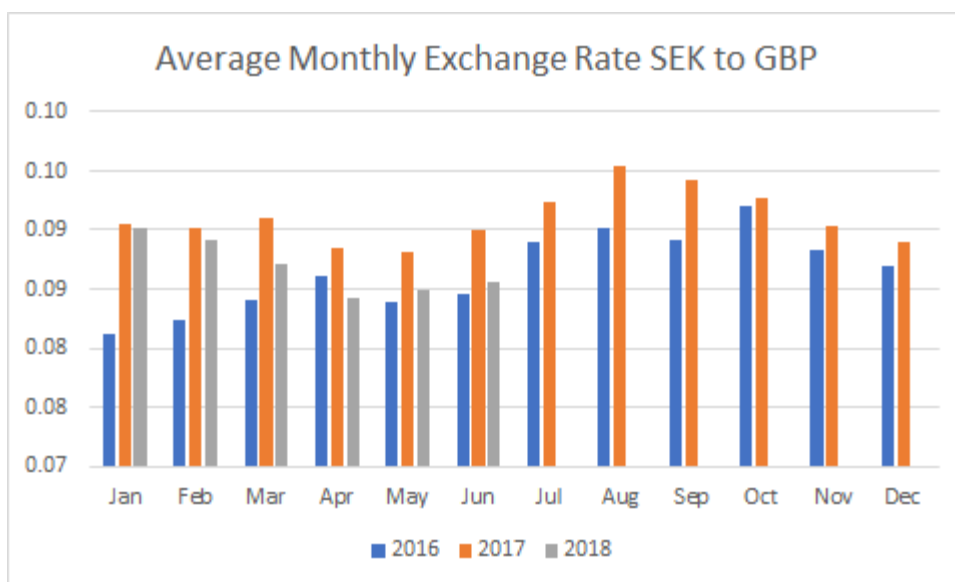


## RISKS AND UNCERTAINTIES

### RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group’s material risks and uncertainties include market and business risk, political risk, operational risks and financial risks, and currency variance risks. Business and market risks may relate to greater customer exposure for specific sectors and companies as well as sensitivity to market conditions. Political risks relate to ongoing uncertainty in relation to Brexit. Operational risks include dependence on individuals, skills supply and intellectual property and meeting client’s high standards. Financial risks mainly relate to foreign exchange and credit risks.

Ayima is considered to have a good spread of risks across companies and sectors. Brexit continues to pose a risk to Ayima, as it does to any company operating in Britain. The company will respond to any Brexit related events as they occur, promptly and efficiently. Operational risks are handled in a structured manner through well-established processes. Along with the existing graduate recruitment programs and staff training initiatives, Ayima has rolled out the employee share scheme. All of these initiatives will promote high staff retention, thereby mitigating operational risks. Currency variance risks related to fluctuations in the exchange rate can have an impact on Ayima when reporting in SEK. Day to day operations are not significantly impacted as revenue and costs are mainly in the same currency in each market. The chart below shows the fluctuation in exchange rates from GBP to SEK from January 2016 to June 2018, demonstrating the continued instability in exchange rates since the Brexit vote. Credit risk is limited since Ayima only accepts creditworthy counterparties.No new material risks or uncertainties are deemed to have arisen during 2018.



\*source: oanda.com average monthly rate Jan 2016 - Jun 2018



## RELATED PARTY TRANSACTIONS

Apart from remuneration to the Board and senior executives, Ayima continues to provide several services to Gaming Realms PLC, who are shareholders of Ayima and previously owned QTM. Transactions with Gaming Realms are treated at arm's length.

The loan with the Ayima Employee Benefit Trust 2011, to the value of 2.5 MSEK is still in place.

## ACCOUNTING PRINCIPLES

Ayima Group AB (publ) prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). This interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting. This interim report has not been reviewed by the company's auditors.

The principal accounting policies adopted in the preparation of the consolidated financial statements are the same as the accounting policies in the Annual Report for 2017 which was published on 2018-09-04.

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiary undertakings). Where necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

## CHANGES IN ACCOUNTING POLICIES, NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

At the date of preparation of this report, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective and have not been adopted early by the Company. Management is further evaluating the impact of IFRS standards and interpretations from IFRIC with effect from 2019 to determine whether they may have a significant impact on the Group's financial reporting.

Management anticipates that all of the pronouncements will be adopted in the Company's accounting policies for the first period after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's financial statements.

### IFRS 9 - FINANCIAL INSTRUMENTS:

The new standard for financial instruments (IFRS 9) replaces IAS 39 'Financial Instruments: Recognition and Measurement'. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for

the impairment of financial assets.

IFRS 9 also contains a new requirement on the application of hedge accounting. The new requirements look to align hedge accounting more closely with entities' risk management activities by increasing the eligibility of both hedged items and hedging instruments and introducing a more principles-based approach to assessing hedge effectiveness.

Management have considered the implications and IFRS 9 and concluded that the impact on the Group is relatively low and no changes are required to accounting policies to comply with the requirement of the new standard. This has been based on the following assessments.

- The Group only holds basic financial instruments.
- They do not engage in currency hedging, hedge accounting or derivatives.
- The business model is classified as "Hold to collect contractual cash flows".

### **IFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS:**

The standard sets out at what point and how revenue is recognised and also requires enhanced disclosures. Revenue contracts should be recognised in accordance with a single principles based five-step plan. The standard is effective for accounting periods beginning on or after 1 January 2018. The impact of the new standard has been assessed by management with the conclusion that no changes to existing accounting policies are required to comply with the new standard.

### **IFRS 16 LEASES:**

IFRS 16 will replace IAS 17 'Leases' and three related Interpretations. It completes the IASB's long-running project to overhaul lease accounting. Leases will be recorded in the statement of financial position in the form of a right-of-use asset and a lease liability.

IFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019. Management is currently assessing the impact of the Standard and therefore is unable to provide quantified information. However, in order to determine the impact, the Group is in the process of:

- performing a full review of all agreements to assess whether any additional contracts will become lease contracts under IFRS 16's new definition
- assessing the current disclosures for operating leases as these are likely to form the basis of the amounts to be capitalised as right-of-use assets.
- assessing the additional disclosures that will be required.

### **IAS 12 DEFERRED TAX**

Further to the amendments made to IAS 12 in 2015, the Group has adopted the updated standard. As a result the Group has recognised a deferred tax asset in the financial reports for 2017 which arose from losses incurred during 2017.

This asset will be used in future years to offset against taxes on anticipated profits. The deferred tax asset can only be used within the financial statements of the entity in which the loss was incurred so these will not be available for group relief.

## **IAS 7 DISCLOSURE INITIATIVE**

The amendments to IAS 7 'Statements of Cash Flows', effective 1 January 2017, require the Group to provide disclosures about the changes in liabilities from financing activities.

## **LEGISLATION**

The General Data Protection Regulation (GDPR) is the European Union's (EU) data protection law that came into effect on 25 May 2018. Prior to implementation Ayima had undertaken a full review of privacy policies, website terms and conditions and all contracts with staff and any external parties, as well as examining all data flows into and out of the business, ensuring full compliance with the regulation. Since the implementation of GDPR, Ayima's compliance committee, which was responsible for the successful ISO 27001 certification awarded in 2016, has managed any further requests from external stakeholders with regard to personal identifiable data to ensure ongoing compliance.

## **ABOUT AYIMA**

The group was formed by acquiring the subsidiary Ayima Holdings Ltd's and Ayima Nordic AB's shares on 2017-01-31. The acquisition is reported as a reverse acquisition, which means that Ayima Holdings Ltd is regarded as the accounting acquirer and Ayima Group AB (publ) that it acquired. Payment was made through newly issued shares in the Parent Company, corresponding to a shareholding of 3,500,000 SEK. We made a prior period adjustment and amended the accounting of Goodwill in relation to the acquisition in 2016 of QTM, this is reflected in the 2017 comparative figures in the financial statements. Regarding the reverse acquisition we have made corrections to the amounts recorded in the Statement of Changes in Equity for the 2017 comparative period. Ayima Holdings registered a new, wholly owned subsidiary, Bet Rank Ltd at Companies House on 2018-06-25.

## **FINANCIAL OBJECTIVES**

The board of Ayima Group AB continues to pursue the acquisition strategy announced in January, with the signing of the SPA with LeapThree Limited the first step.

Acquisitions and increased sales will continue to provide the best return for the company and its shareholders.

Ayima will closely monitor cash flow and costs in the coming months to ensure the best return for investors.

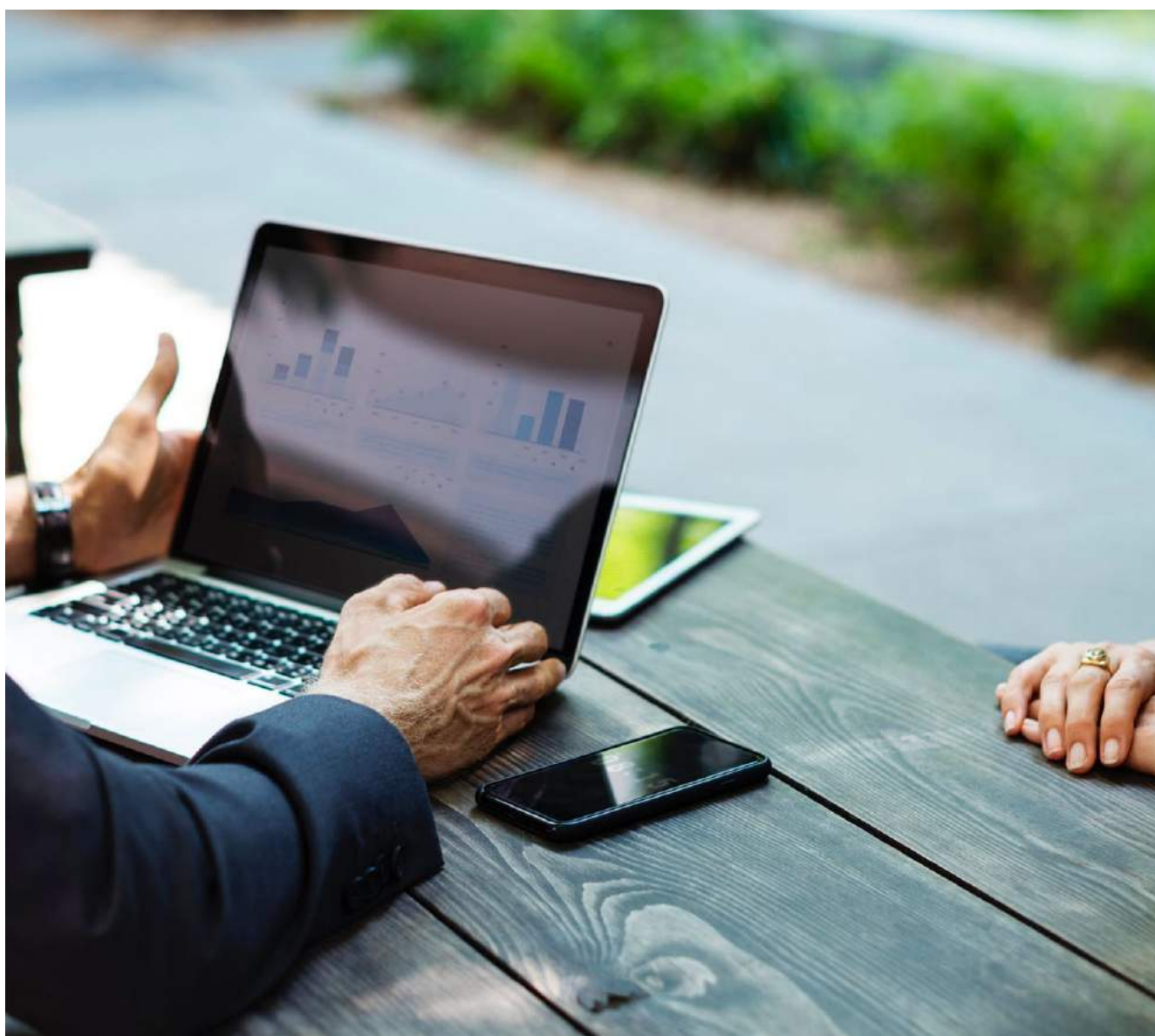
## NUMBER OF SHARES, SHARE CAPITAL AND EARNINGS PER SHARE

At the end of the period, the company had 5,235,000 shares (A. 200,000 B 5,035,000). The share capital was 5,235,000 SEK. Earnings per share for the quarter amounted to -0.1 SEK (-2.2). Price per share at closing at the end of the period (2018-06-29) was 26.0SEK.

## FURTHER REPORTS

Interim report Q3 2018 - 2018-11-22

Interim report Q4 2018 - 2019-02-21



## CONSOLIDATED FINANCIAL STATEMENTS

<b>SUMMARY CONSOLIDATED INCOME STATEMENT</b>	APR - JUN 2018	APR - JUN 2017	JAN - JUN 2018	JAN - JUN 2017	FULL YEAR 2017
<b>MSEK</b>					
<i>Operating income</i>					
Sales	42.7	31.8	83.7	56.6	129.6
<b>TOTAL INCOME</b>	<b>42.7</b>	<b>31.8</b>	<b>83.7</b>	<b>56.6</b>	<b>129.6</b>
<i>Direct expenses</i>					
Direct expenses	-20.9	-12.3	-39.8	-22.5	-60.8
<b>GROSS PROFIT</b>	<b>21.7</b>	<b>19.5</b>	<b>43.9</b>	<b>34.1</b>	<b>68.8</b>
<i>Operating expenses</i>					
Personnel costs	-17.4	-17.5	-33.4	-31.6	-59.8
Depreciation	-0.5	-0.5	-1.0	-1.0	-2.1
Other operating expenses	-7.2	-6.7	-12.8	-12.6	-24.2
<b>TOTAL OPERATING EXPENSES</b>	<b>-25.1</b>	<b>-24.7</b>	<b>-47.2</b>	<b>-45.2</b>	<b>-86.1</b>
<b>OPERATING PROFIT</b>	<b>-3.4</b>	<b>-5.3</b>	<b>-3.4</b>	<b>-11.1</b>	<b>-17.2</b>
<i>Profit from financial items</i>					
<b>TOTAL FINANCIAL ITEMS</b>	<b>-0.2</b>	<b>0.0</b>	<b>-0.4</b>	<b>-0.0</b>	<b>-0.2</b>
<b>PROFIT AFTER FINANCIAL ITEMS</b>	<b>-3.6</b>	<b>-5.3</b>	<b>-3.8</b>	<b>-11.2</b>	<b>-17.5</b>
Current tax	0.4	0.0	0.9	0.0	6.8
Minority share of profit for the period	0.0	0.0	0.0	0.0	0.0
<b>PROFIT</b>	<b>-3.2</b>	<b>-5.3</b>	<b>-3.0</b>	<b>-11.2</b>	<b>-10.7</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
<i>Items that could be reclassified to earnings</i>					
Exchange rate differences	0.6	-0.3	2.6	-0.2	-0.6
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>-2.6</b>	<b>-5.6</b>	<b>-0.4</b>	<b>-11.3</b>	<b>-11.4</b>
<i>Total profit for the period attributable to the parent company's shareholders:</i>					
Parent Company shareholders	-2.6	-5.6	-0.4	-11.3	-11.4
<b>EARNINGS PER SHARE - BEFORE DILUTION (SEK)</b>	<b>-0.5</b>	<b>-1.1</b>	<b>-0.1</b>	<b>-2.2</b>	<b>-2.1</b>
<b>EARNINGS PER SHARE - AFTER DILUTION (SEK)</b>	<b>-0.5</b>	<b>-1.1</b>	<b>-0.1</b>	<b>-2.2</b>	<b>-2.1</b>

## SUMMARY CONSOLIDATED BALANCE SHEET AT 30 JUNE 2018

30 JUN 2018      30 JUN 2017      31 DEC 2017

### MSEK

#### ASSETS

##### Fixed assets

##### Intangible assets

Goodwill	22.6	23.6	22.6
Other Intangible fixed assets	16.4	11.7	13.7
<b>Total intangible fixed assets</b>	<b>39.0</b>	<b>35.3</b>	<b>36.3</b>

##### Tangible fixed assets

Property, plant and equipment	3.4	3.6	3.1
<b>Total tangible fixed assets</b>	<b>3.4</b>	<b>3.6</b>	<b>3.1</b>

##### Financial assets

Shares in associated companies	3.0	3.4	2.8
Deferred Tax	4.9	0.0	3.5
<b>Total financial assets</b>	<b>7.9</b>	<b>3.4</b>	<b>6.3</b>

##### Total fixed assets

**50.3      42.3      45.7**

##### Current assets

Accounts receivable	21.7	16.6	16.9
Other receivables	6.8	4.4	8.0
Prepayments and accrued income	2.2	2.1	1.4
<b>Total other current assets</b>	<b>30.7</b>	<b>23.1</b>	<b>26.4</b>

##### Cash and bank balances

2.1      6.3      0.9

##### Total current assets

**32.9      29.4      27.3**

#### TOTAL ASSETS

**83.2      71.7      73.0**

#### EQUITY AND LIABILITIES

##### Equity

Share capital	-5.2	-5.2	-5.2
Other contributed equity	-35.2	-34.8	-34.9
Other equity incl. profit for the year	-5.5	-6.7	-6.3
<b>Total equity</b>	<b>-46.0</b>	<b>-46.7</b>	<b>-46.4</b>

##### Minority interest

0.0      0.0      0.0

##### Long-term liabilities

Other liabilities	-1.0	-1.7	-1.5
<b>Total long-term liabilities</b>	<b>-1.0</b>	<b>-1.7</b>	<b>-1.5</b>

##### Current liabilities

Accounts payable	-11.6	-17.6	-11.4
Invoice Factoring Loan	-2.0	-1.1	-4.6
Current tax liabilities	-0.0	-0.0	-0.0
Other current liabilities	-17.9	-3.6	-6.3
Accrued expenses and prepaid income	-4.8	-1.1	-2.8
<b>Total current liabilities</b>	<b>-36.2</b>	<b>-23.3</b>	<b>-25.1</b>

#### TOTAL EQUITY AND LIABILITIES

**-83.2      -71.7      -73.0**



## CONSOLIDATED CASH FLOW STATEMENT (SUMMARY)

JAN - JUN 2018      JAN - JUN 2017      JAN - DEC 2017

### The ongoing business

Operating profit	-3.4	-11.1	-17.2
Adjusted revenue			
<i>Adjustments for items not included in cash flow</i>			
Depreciation and write-downs	1.0	1.0	2.1
Exchange losses	0.0	0.0	-0.4
Minority interests	0.0	0.0	0.0
Other non-cash items	0.0	0.0	1.2
	<b>-2.4</b>	<b>-10.1</b>	<b>-14.4</b>
Financial items	-0.5	0.0	-0.2
Paid income tax	1.8	2.3	0.0
<b>Cash flow from operating activities before changes in working capital</b>	<b>-1.0</b>	<b>-7.8</b>	<b>-14.6</b>
<i>Changes in working capital</i>			
Change in receivables	-7.0	-4.1	-3.9
Change in current liabilities	13.8	10.9	7.5
<b>Cash flow from current operations</b>	<b>5.8</b>	<b>-1.0</b>	<b>-11.0</b>
<i>Investing activities</i>			
Acquisition of intangible fixed assets	-2.7	-0.7	-4.2
Acquisition of tangible fixed assets	-1.3	-0.8	-0.7
Acquisition of financial fixed assets	-0.2	-0.5	0.0
Sales of financial fixed assets	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-4.2</b>	<b>-2.0</b>	<b>-4.9</b>
<i>Financing activities</i>			
Rights issue	0.0	11.6	14.2
Issuing Costs	0.0	-1.5	-1.5
Borrowings	-0.3	-2.2	2.6
Transaction with minority shareholders	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>-0.3</b>	<b>7.9</b>	<b>15.3</b>
<b>Cash flow for the period</b>	<b>1.3</b>	<b>4.8</b>	<b>-0.6</b>
<i>Cash and cash equivalents at the beginning of the period</i>	0.9	1.5	1.5
<b>LIQUID FUNDS AT THE END OF THE PERIOD</b>	<b>2.1</b>	<b>6.3</b>	<b>0.9</b>

<b>SUMMARY STATEMENT OF CHANGES IN EQUITY</b>	30 JUN 2018	30 JUN 2017	31 DEC 2017
<b>MSEK</b>			
<b>Opening Balance</b>	<b>46.3</b>	<b>24.8</b>	<b>24.8</b>
Issue of shares	0.0	16.2	16.2
Reverse acquisition	0.0	16.7	16.7
Other	0.0	0.0	0.0
Total Comprehensive Income	-0.3	-11.0	-11.4
<b>Closing Balance</b>	<b>46.0</b>	<b>46.7</b>	<b>46.3</b>

## PARENT COMPANY FINANCIAL STATEMENTS

<b>PARENT COMPANY INCOME STATEMENT</b>	APR - JUN 2018	APR - JUN 2017	JAN - JUN 2018	JAN - JUN 2017	JAN - DEC 2017
<b>MSEK</b>					
<i>Operating income</i>					
Revenue	0.0	0.0	0.0	0.0	0.0
Other operating income	1.4	0.0	1.4	0.0	0.0
<b>TOTAL INCOME</b>	<b>1.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<i>Operating expenses</i>					
Other operating expenses	-0.3	-0.6	-0.7	-0.6	-0.9
<b>TOTAL OPERATING EXPENSES</b>	<b>-0.3</b>	<b>-0.6</b>	<b>-0.7</b>	<b>-0.6</b>	<b>-0.9</b>
<b>OPERATING PROFIT</b>	<b>1.1</b>	<b>-0.6</b>	<b>0.7</b>	<b>-0.6</b>	<b>-0.9</b>
<i>Financial items</i>					
<b>TOTAL FINANCIAL ITEMS</b>	<b>-0.3</b>	<b>0.0</b>	<b>-0.4</b>	<b>0.0</b>	<b>0.0</b>
<b>PROFIT AFTER FINANCIAL ITEMS</b>	<b>-0.8</b>	<b>-0.6</b>	<b>0.3</b>	<b>-0.6</b>	<b>-0.8</b>
Current tax	0.0	0.0	0.0	0.0	0.0
<b>PROFIT</b>	<b>0.8</b>	<b>-0.6</b>	<b>0.3</b>	<b>-0.6</b>	<b>-0.8</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
<i>Items that could be reclassified to earnings</i>					
Exchange rate differences	0.0	0.0	0.0	0.0	0.0
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>0.8</b>	<b>-0.6</b>	<b>0.3</b>	<b>-0.6</b>	<b>-0.8</b>
<i>Total profit for the period attributable to the parent company's shareholders:</i>					
Parent Company shareholders	0.8	-0.6	0.3	-0.6	-0.8
<b>EARNINGS PER SHARE - BEFORE DILUTION (SEK)</b>	<b>0.2</b>	<b>-0.0</b>	<b>0.1</b>	<b>-0.0</b>	<b>-0.0</b>
<b>EARNINGS PER SHARE - AFTER DILUTION (SEK)</b>	<b>0.1</b>	<b>-0.0</b>	<b>0.1</b>	<b>-0.0</b>	<b>-0.0</b>



## PARENT COMPANY BALANCE SHEET (SUMMARY) AT 30 JUNE 2018

30 JUN 2018      30 JUN 2017      31 DEC 2017

MSEK

### ASSETS

#### Fixed assets

##### Financial assets

Shares in subsidiaries 4.3 3.5 3.5

**Total financial assets 4.3 3.5 3.5**

**Total assets 4.3 3.5 3.5**

#### Current assets

Receivables 19.9 9.0 12.1

**Total other current assets 19.3 9.0 12.1**

Cash and bank balances 0.3 3.2 0.1

**Total current assets 20.2 12.2 12.1**

**TOTAL ASSETS 24.5 15.7 15.7**

### EQUITY AND LIABILITIES

#### Equity

Share capital A shares -0.2 -0.2 -0.2

Share capital B shares -5.0 -5.0 -5.0

Share premium -11.0 -11.0 -11.0

Share issue costs 0.0 0.0 0.0

Other equity incl. profit for the year 0.6 0.6 0.9

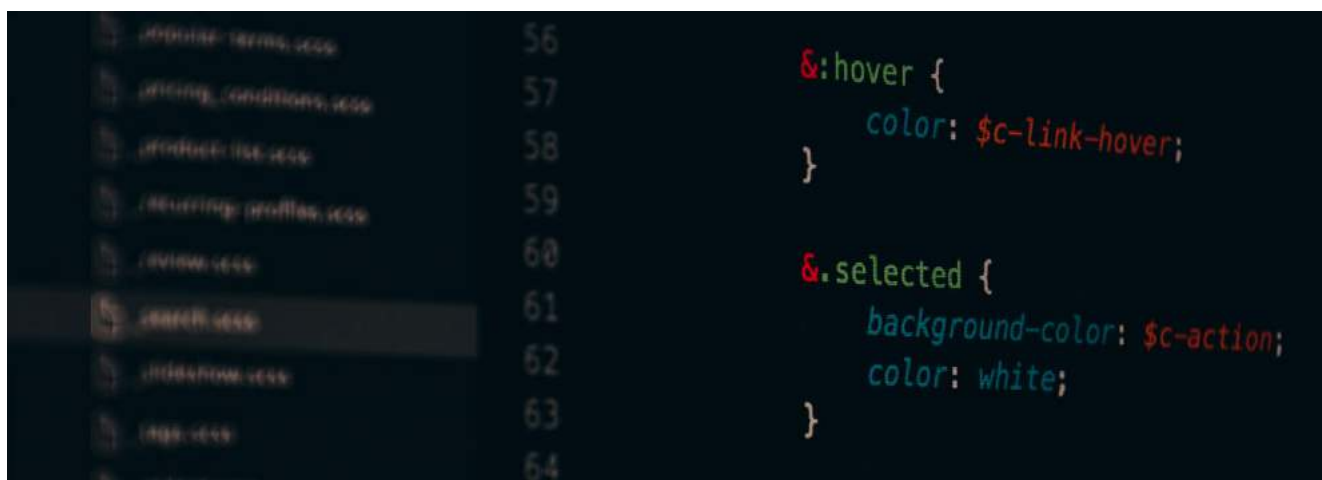
**Total equity 15.7 15.6 -15.4**

#### Current liabilities

Other liabilities -8.8 -0.2 -0.3

**Total current liabilities -8.8 -0.2 -0.3**

**TOTAL EQUITY AND LIABILITIES -24.5 -15.7 -15.7**



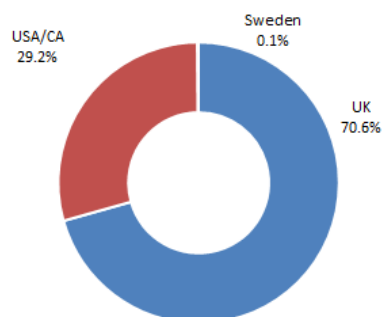
## PARENT COMPANY CASH FLOW ANALYSIS (SUMMARY)

	JAN - JUN 2018	JAN - JUN 2017	JAN - DEC 2017
<b>The ongoing business</b>			
Operating profit	0.7	-0.6	-0.9
Adjusted revenue			
Financial items	-0.4	0.0	0.0
<b>Cash flow from operating activities before changes in working capital</b>	<b>0.3</b>	<b>-0.06</b>	<b>-0.9</b>
Changes in working capital			
Change in receivables	-7.8	-9.0	-12.1
Change in current liabilities	5.9	0.1	0.2
<b>Cash flow from current operations</b>	<b>-1.6</b>	<b>-9.5</b>	<b>-12.7</b>
<i>Investing activities</i>			
Acquisition of financial fixed assets	-0.8	-3.5	0.0
Sales of financial fixed assets	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-0.8</b>	<b>-3.5</b>	<b>0.0</b>
<i>Financing activities</i>			
Rights issue	0.0	17.7	14.3
Issuing Costs	0.0	-1.5	-1.5
Borrowings	2.6	0.0	0.0
<b>Cash flow from financing activities</b>	<b>2.6</b>	<b>16.2</b>	<b>-12.8</b>
<b>Cash flow for the period</b>	<b>0.2</b>	<b>3.2</b>	<b>0.1</b>
<i>Cash and cash equivalents at the beginning of the year</i>	<i>0.1</i>	<i>0.0</i>	<i>0.0</i>
<b>LIQUID FUNDS AT THE END OF THE PERIOD</b>	<b>0.3</b>	<b>3.2</b>	<b>0.1</b>

## INCOME BY MARKET AND SERVICE

Ayima continues to increase market share in the UK and the North America, showing year on year growth of 29% and 37% respectively for the second quarter.

SALES BY BUSINESS UNIT  
Jan - June 2018



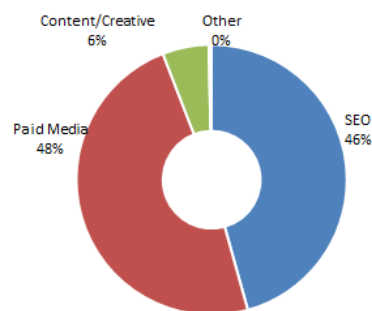
### INCOME BY MARKET, MSEK

	APR- JUN 2018	APR- JUN 2017	JAN - JUN 2018	JAN - JUN 2017	FULL YEAR 2017
<b>INCOME</b>					
GB	29.6	18.5	59.2	36.3	87.7
US & CA	13.1	13.1	24.4	19.7	41.3
SE	0.0	0.2	0.1	0.6	0.6
<b>TOTAL INCOME</b>	<b>42.7</b>	<b>31.8</b>	<b>83.7</b>	<b>56.6</b>	<b>129.6</b>

Income from SEO accounted for 47% of income in Q1, revenue in this sector has increased by 29% from the same period in 2017. Some key client wins in the UK and the US continue to drive growth in SEO.

In Q2 income from Paid Media again exceeded income from other services for the second consecutive quarter, with 49% of income from Paid Media. Clients are expanding services and increasing annual budgets due to the success of past campaigns.

SALES BY SOURCE OF REVENUE  
Jan - June 2018



### INCOME BY SERVICE, MSEK

	APR- JUN 2018	APR- JUN 2017	JAN - JUN 2018	JAN - JUN 2017	FULL YEAR 2017
<b>INCOME</b>					
SEO	19.8	14.8	38.2	28.7	60.3
PAID MEDIA	20.4	15.2	40.5	24.3	60.3
CONTENT/CREATIVE	2.5	1.5	4.7	3.2	7.3
OTHER	0.0	0.2	0.3	0.3	1.7
<b>TOTAL INCOME</b>	<b>42.7</b>	<b>31.8</b>	<b>83.7</b>	<b>56.6</b>	<b>129.6</b>

## GLOSSARY

### ARTIFICIAL INTELLIGENCE (AI)

AI or artificial intelligence is the simulation of human intelligence processes by machines, especially computer systems

### MACHINE LEARNING (ML)

Machine learning is a field of computer science that gives computers the ability to learn without being explicitly programmed.

### DATA SCIENCE

Data Science is an interdisciplinary field of scientific methods, processes, and systems to extract knowledge or insights from data in various forms, either structured or unstructured, similar to data mining.

### DATA MINING

The practice of examining large pre-existing databases in order to generate new information.

### GENERAL DATA PROTECTION REGULATION (GDPR)

The General Data Protection Regulation (GDPR) is the European Union's (EU) new data protection law that came into effect on 25 May 2018.

### CONVERSION RATE OPTIMISATION (CRO)

In internet marketing, conversion optimization, or conversion rate optimization is a system for increasing the percentage of visitors to a website that convert into customers, or more generally, take any desired action on a webpage.

### EARNINGS PER SHARE - BEFORE DILUTION

Earnings per share, earnings divided by total number of outstanding shares.

### EARNINGS PER SHARE - AFTER DILUTION

Earnings per share, profit divided by existing shares plus any outstanding options program. As of today there are 272,547 outstanding option programs.





## DISCLOSURE AND CONDITIONS

### ASSURANCE OF THE BOARD OF DIRECTORS

The Board ensures that the interim report gives a true and fair view of the Parent Company and the Group's operations, position and results, and describes the significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

### BOARD

Michael Jacobson  
Member & CEO

Michael Nott  
Member & Chairman

Bjorn Mannerqvist  
Member

Mark Segal  
Member

Timothy Webb  
Member

This interim report has not been audited by the company's auditors

### CONTACT

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### OTHER

This information is the information that Ayima Group AB is required to disclose under the EU Market Abuse Regulation. The information was provided by the above contact person for publication on August 23 2018 (2018-08-23).



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