

Ayima Group AB (publ) Interim Report

January - June 2021

Highlights

Q2 Apr - Jun 2021

- Total Revenue amounted to 40.5 MSEK (27.8), an increase of 46% from the corresponding period in 2020
- Gross Profit amounted to 20.4 MSEK (18.3), an increase of 11% from the corresponding period in 2020
- Operating costs amounted to 15.7 MSEK (16.6), a reduction of 5% from the corresponding period last year
- A positive EBITDA result of 4.7 MSEK (1.8), a 162% increase from the corresponding period in 2020
- EBITDA margin increased to 11% (6%)
- Net Profit after tax for the period was 1.6 MSEK (-1.4), an increase of 3.0 MSEK from the corresponding period in 2020

YTD: Jan - Jun 2021

- Total Revenue amounted to 77.3 MSEK (61.6), an increase of 25% from the corresponding period in 2020
- Gross Profit amounted to 40.9 MSEK (42.0), a decrease of 2% from the corresponding period in 2020
- Operating costs amounted to 31.2 MSEK (39.8), a reduction of 21% from the corresponding period last year
- A positive EBITDA result of 9.7 MSEK (2.2), a 341% increase from the corresponding period in 2020
- EBITDA margin increased to 13% (4%)
- Net Profit after tax for the period was 6.9 MSEK (-4.4), an 11.3 M improvement from the corresponding period in 2020



Key Events in the Quarter:

- Client contracts signed during Q2 amounted to an estimated value of 21.8 MSEK over 12 months. Ayima's standard contract terms are 12 months, auto-renewing, with equal monthly billings
- Ayima's AGM took place on 10 June 2021, all of the board's proposals were accepted unanimously
- On 23 June Ayima announced 9 MSEK of new funding through a fixed term loan. The proceeds will be used to fund the continued growth of the company
- New client contracts signed to date in Q3 amounted to 15 MSEK, a strong performance and indicator of future growth
- The fluctuation in the GBP to SEK exchange rate has a material impact on Total Comprehensive Income when converting Balance Sheet equity from GBP to SEK at each reporting period end. The impact for the year to date for 2021 is a gain of 4.4 MSEK. This adjustment is not related to operational performance and is merely due to accounting procedures for reporting in a single currency



A MESSAGE FROM THE CEO

Dear Shareholders and Investors

The 2nd quarter of 2021 was a relatively stable period in terms of world events. Vaccination programs are being rolled out across the world and as infection rates begin to stabilise, and covid-related mortality rates begin to fall, economic recovery is starting to gather pace. Ayima's team have been diligently working in the background during this time, preparing to take advantage of new opportunities for growth and expansion in the post pandemic world.

During the quarter Ayima had a steady and sustained improvement in all aspects of the business. The numbers speak for themselves; 25% increase in Revenue and 341% increase in EBITDA for the 1st half of the year, with improved net margin and solid profitability.

Of particular note is the brilliant performance of our New Business Team, who have landed over 50 MSEK in new deals this year, driving our growth in the US in particular.

Operating costs continue to stay low in H1, despite the increased revenue and new business. We do expect some increases in operating costs later in the year as staff hiring continues and salary costs for experienced personnel also increase, however the fixed cost base will not change so we do not expect any meaningful impact on margin.

In terms of operations, there has been some gradual movement towards working from offices again, although the majority of staff continue to work remotely. We expect to be able to return to the offices sometime in H2 of this year, although this obviously depends on the changing situation with Covid-19. While the team is operating smoothly and efficiently in the current situation, we are keenly aware of the potential impact on staff morale from extended periods of remote working. Additionally we have had some challenges with the hiring process for new staff, with interviews and the on-boarding process definitely being affected by the situation.

Despite the continued effects of the global pandemic, the company is experiencing a relatively smooth and steady period of growth and stability, which is comforting in these (extremely) uncertain times. We look forward to continuing this trend and to taking advantage of the gradual return to normalcy around the world.

Yours Sincerely

Mike Jacobson
CEO



//
*the brilliant performance
of our New Business
Team, who have landed
over 50 MSEK in new
deals this year*

OPERATIONS

REVENUE BY QUARTER AND YTD MSEK

	Apr - Jun 2021	Apr - Jun 2020	Jan - Jun 2021	Jan - Jun 2020	Jan - Dec 2020
REVENUE	40.5	27.8	77.3	61.6	139.9
GROSS PROFIT	20.4	18.3	40.9	42.0	90.4
Gross Margin	50%	66%	53%	68%	65%

Total revenue for the quarter increased by 46% compared with the same period in 2020. An increase in low-margin services in the period led to the reduction in gross margin when compared with the same period last year, rather than any worsening of performance. This is likely to continue in Q3 2021 as some existing clients continue to increase their budgets for these services. Management continues to focus on growing higher margin services such as SEO and Content in the future and most recent client wins announced have been for SEO services.

Operating costs for the quarter 15.7 MSEK (16.6) were 5% lower than the same period last year. This is due to cost cutting exercises carried out during 2020 and admin expenses saved due to remote working arrangements forced by the pandemic.

Extraordinary costs in Q2 included provisions for staff costs associated with the staff options scheme. This is an exceptional item and not part of normal operations.

FINANCIAL POSITION AND LIQUIDITY

Liquid assets at the end of the period amounted to 29.0 MSEK (24.2). Cash and cash equivalents amounted to 9.2 MSEK (8.2) and accounts receivable 19.9 MSEK (16.0). Ayima has an Invoice

Discounting facility that allows the company advance access to working capital which is otherwise tied up in the accounts receivable. The amount of working capital in use through this facility is shown in the financial statements under current liabilities; this facility is continuously paid and reused as invoices are issued to clients and paid to Ayima.

Total equity amounted to 65.6 MSEK, including issued share capital of 7.4 MSEK. Equity ratio was 57 (37) percent. 2.9 MSEK of the liabilities relate to a provision that has been included for the potential total earn-out payments due to the sellers of LeapThree Limited in accordance with the Share Purchase Agreement. The remaining liability will be wound down throughout the earn out period up to September 2021.

CASH FLOW

Cash flow from operating activities before changes in working capital amounted to 12.9 MSEK. The change in working capital was -12.6 MSEK. Investments in tangible and intangible fixed assets amounted to -1.2 MSEK during the period. Cash flow from financing activities amounted to 2.1 MSEK due to debt repayments of -6.9 MSEK and new borrowings of 9.0 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). 357 825 shares were owned by the EBT at 2021-06-30.

Of the 300 000 warrants issued as part of the staff incentive program in 2018, 272 547 were granted in 2018 and 23 085 were forfeit in the same year. A further 83 384 were forfeit during 2019 and during 2020 a further 30 421 share options were forfeit. In the year 2021 to date a further 1 868 options were forfeit. (total 138 758), The remaining warrants vest over the next period to May 2022. An additional 82 180 warrants were granted to newly qualifying staff in May 2019. 9 387 of these were forfeit at the end of 2019 and during 2020 an additional 13 387 of these share options were forfeit. To date in 2021, 25 122 additional share options were forfeit (47 896 total). The remaining warrants will vest over the periods to May 2023. In June 2021 49 865 new share options were issued to newly qualifying staff, these will vest over the next four years to May 2025.

A provision for these shares has been made in Equity and the accrued cost of these share based payments from 2018-05-01 to 2021-06-30 has been recognised in the financial statements.



SIGNIFICANT EVENTS DURING AND AFTER THE PERIOD

Numerous new client contracts were signed in Q2 with a total annual value of 21.8 MSEK.

The Annual General Meeting took place on 10 June 2021. The outcome of the meeting was as follows:

- The AGM resolved to adopt the income statement and balance sheet and the consolidated income statement and consolidated balance sheet
- The AGM resolved that the result for the year shall be balanced on a new account and that no dividend shall be paid
- The AGM resolved to discharge all individuals who had served as Board members or CEO during 2020 from liability for the administration of the company in 2020
- The AGM resolved in favour of re-election of the board members Michael Jacobson, Michael James Nott, Timothy Webb, and Björn Mannerqvist. Mark Segal resigned as a director. Michael James Nott was appointed chairman of the board. No deputies were elected. The remuneration for the board members shall consist of a half price base amount per year to each member who is not employed by the Company
- BDO Sweden AB was re-elected as auditor. BDO Sweden AB has announced that it will appoint Authorised Public Accountant Niclas Nordström as chief auditor
- The AGM resolved to authorise the Board to decide on one or more occasions during the period ending at the next Annual General Meeting to issue new shares

On 23 June Ayima announced that it had raised 9 MSEK in debt financing from a leading Nordic financial institution. The debt is repayable over a 3.5-year term at a fixed interest rate and is not convertible to shares. The funds will be used to finance growth in the US and UK markets. Ayima's CEO Mike Jacobson commented "Ayima is growing very rapidly, and although we are profitable and expect to stay that way, rapid growth always puts pressure on cashflow. This current funding will allow us to hire and expand faster in order to take advantage of the massive opportunities that arise as the world's economy gets back on track".

So far in Q3, contracts to the value of 15 MEK have been signed. Ayima's Chief Operating Officer, Mike Nott, commented "The latest wins further add to the strength of our business's rebound from the impact of the COVID crises last year and in fact contributes to the strongest growth in the company's history. The company has a bright future and we will continue to drive growth in all of our markets".



MARKET TRENDS

Google rolled out support for first-party cookies in April through updates to Global Site Tag and Google Tag Manager. This helps to improve how a company attributes conversions back to the ads they are running. And from May, those attributions should have become even more accurate, because they would now include “instances where a user might engage with more than one of your ads before converting”.

In their Q1 earnings report for 2021, Facebook revealed that advertising revenue jumped 146% year-on-year, an impressive feat considering daily active users only increased by 8%. The reason for that big leap in revenue? A rise in ad prices. Facebook saw a “30% year-on-year increase in the average price per ad and a 12% increase in the number of ads delivered”.

Advertisers have another opportunity on Instagram after the social network officially launched ads within the Reels feature. Reels ads work similarly to those seen in Stories, in that they’re full screen and vertical, and that they’ll play in between users’ Reels.

Google originally planned to phase out third-party cookies in Chrome in 2022, but the search giant officially pushed back that timeline to mid-2023. In a post on The Keyword, Privacy Engineering Director Vinay Goel wrote that the company has made significant progress in its “Privacy Sandbox” initiative, but “more time is needed across the ecosystem to get this right”. What that means is simple: third-party cookies are here to stay until at least mid-2023, when a three-month process will (maybe) get rid of them forever.

Apple introduced App Tracking Transparency in iOS 14.5 that allows users to opt-out of tracking data. An early analysis of ATT shows that the opt-out rate is as high as 96% in the U.S. while global users opt out a bit less (88%). We can expect this story to continue growing as the months pass.

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 clients’ high standards. Financial risks mainly relate to foreign exchange and credit risks.

Credit risk

Credit risk is limited since Ayima only accepts creditworthy counterparties. Ayima’s approach to the increased liquidity risks with regard to its clients has been to work closely with them to ensure that payments are not unduly delayed, and to agree extended credit terms in exceptional circumstances. Cash collection remains within expectations with no bad debts written off in the period.

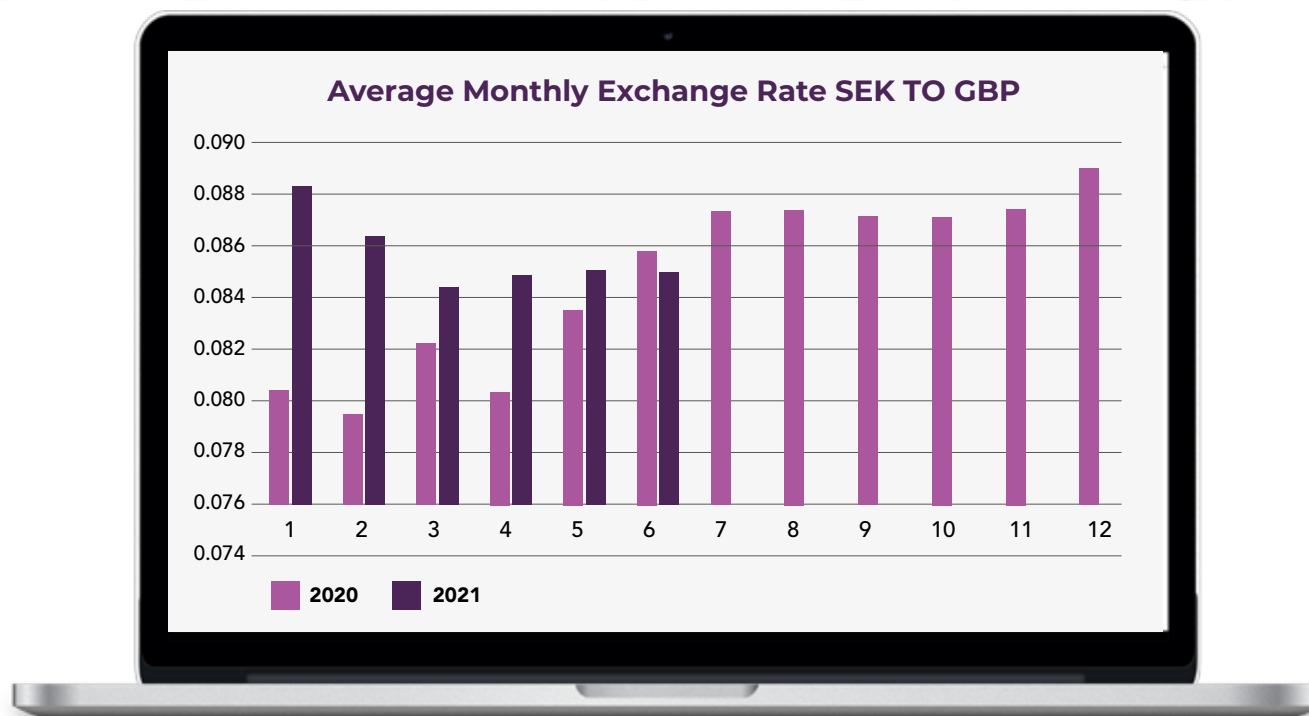
Client risks

Client concentration: relying too much on one particular client. Ayima regularly and carefully monitors and reviews client % of revenues to assess the status of each client and takes action if necessary. Ayima is considered to have a good spread of risks across companies and sectors.

Client losses: contracts are usually for a minimum of 12 months, renewals are automatic, and if necessary agreed well in advance of contract end dates, and there are minimum notice periods in every contract. For any short term contracts or project based work, clients are required to pay 50% of the fees upfront.

FX Variances

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 2020 to June 2021, demonstrating the instability in exchange rates since the Covid-19 pandemic. The fluctuation in the exchange rate has a material impact on Total Comprehensive Income when converting consolidated equity from GBP to SEK at each reporting date, the impact for Q2 2021 is a loss of 0.5 MSEK (5.5 MSEK loss in Q2 2020). This is not related to operations.



*source: oanda.com average monthly rate Jan 2020 - Jun 2021

BREXIT

As reported in Q1 2021, Brexit has had little to no effect on Ayima's operations. Management continues to stay abreast of any new developments.

COVID-19

Ayima continues to abide by the local rules in each territory in which it operates. In the main all staff continue to work remotely with access to office space for teams to meet and collaborate in-person if desired.

Ayima's recent sales growth is a clear demonstration that digital marketing is set to fulfil the expectations of various market commentators, some of whom have previously predicted industry growth up to 22.5% in the coming years to 2027. With a considerable number of new clients coming on board in recent months Ayima is experiencing rapid growth. With the funding recently acquired in place, the company is well set up to maximise the opportunities that lie ahead.

RELATED PARTY TRANSACTIONS

There are no related party transactions to report.

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.

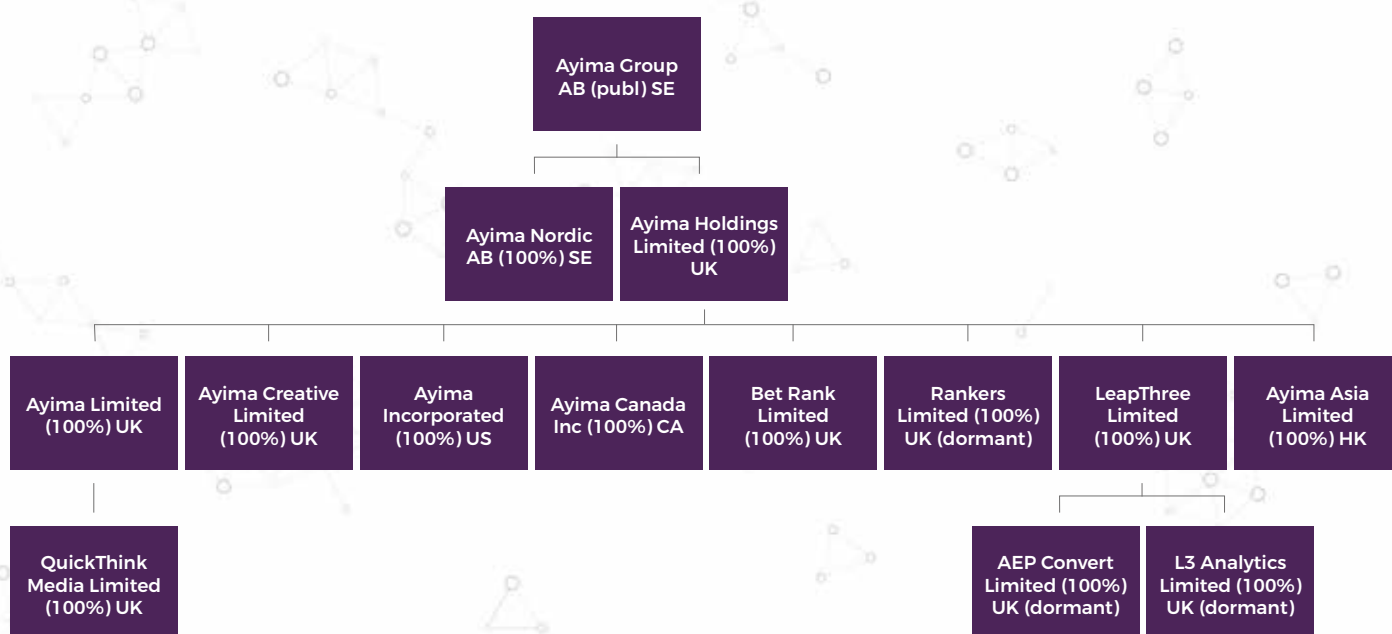
The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiary undertakings). Where necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with the Group.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

ABOUT AYIMA

The group was formed by acquiring the subsidiaries' 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. Ayima Holdings registered a new, wholly owned subsidiary, Bet Rank

Ltd at Companies House on 2018-06-25. Ayima completed the acquisition of LeapThree Limited on 2018-09-17, this acquisition was completed through the issue of 26 800 A shares and 784 662 B Shares along with payment to the sellers of cash consideration of GBP 400K (SEK 4.9M approx). LeapThree Limited owns two dormant subsidiaries included in the chart below. During Q2 2019 Ayima Holdings Limited registered a new subsidiary company in Hong Kong, Ayima Asia.

THE GROUP CHART IS AS FOLLOWS:



FINANCIAL OBJECTIVES

Ayima's continued focus is to maintain strong growth in revenue and to continue building the company's profitability in a sustainable way by maintaining a stable cost base and maximising financial performance.

NUMBER OF SHARES, SHARE CAPITAL AND EARNINGS PER SHARE

At the end of the period, the company had 7 393 672 shares (A 226 800 B 7 166 872). The share capital was 7 393 672 SEK. Earnings per share for the quarter amounted to 0.16 SEK (-0.98). Price per share at closing at the end of the period (2021-06-30) was 12.8 SEK. The number of outstanding options granted to staff was 207 083. Earnings per share after dilution amounted to 0.16 SEK (-0.98).

Shareholding at 2021-06-30	No A Shares	No B Shares	Control %	Capital %
Timothy Webb	66,667	870,837	16.3%	12.7%
Michael Jacobson	66,666	852,032	16.1%	12.4%
Michael Nott	66,667	815,047	15.7%	11.9%
Aktiebolaget NeviSWE		766,000	8.1%	10.4%
Avanza Pension, Forsakringsaktiebolaget		404,683	4.3%	5.5%
Michael Feiner	15,000	390,731	5.7%	5.5%
Ayima Employee Trust		357,825	3.8%	4.8%
Peter O'Neill	11,800	110,247	2.4%	1.7%
Jens Soderlund		73,997	0.8%	1.0%
Johan Fagerstrom		68,333	0.7%	0.9%
Others		2,455,140	26.0%	33.2%
Total	226,800	7,166,872	100%	100%

FURTHER REPORTS & IMPORTANT DATES

Q3 2021 Interim Report

- 2021-11-25

Q4 2021 Year End Report

- 2022-02-24

Q1 2022 Interim Report

- 2022-05-26



CONSOLIDATED FINANCIAL STATEMENTS

SUMMARY CONSOLIDATED INCOME STATEMENT

	APR - JUN 2021	APR - JUN 2020	JAN - JUN 2021	JAN - JUN 2020	JAN - DEC 2020
MSEK					
<i>Operating revenue</i>					
Revenue	40.5	27.8	77.3	61.6	127.0
Other income	0.0	0.0	0.0	0.0	12.9
TOTAL REVENUE	40.5	27.8	77.3	61.6	139.9
<i>Direct expenses</i>					
Direct expenses	-20.1	-9.4	-36.4	-19.6	-49.5
GROSS PROFIT	20.4	18.3	40.9	42.0	90.4
<i>Operating expenses</i>					
Personnel costs	-13.6	-13.7	-27.3	-32.7	-60.0
Other operating expenses	-2.2	-2.8	-4.0	-7.1	-13.7
OPERATING EXPENSES	-15.7	-16.6	-31.2	-39.8	-73.7
EBITDA	4.7	1.8	9.7	2.2	16.7
Depreciation & Amortisation and write downs of tangible and intangible fixed assets	-2.0	-2.0	-4.1	-4.3	-12.0
Exceptional Items	-0.1	-0.2	0.0	-0.5	0.1
OPERATING PROFIT	2.5	-0.4	5.6	-2.5	4.7
FX gains/losses	-0.4	0.1	-1.2	0.0	1.3
Interest paid/received	-0.2	-0.9	-0.5	-1.6	-3.1
Gain on debt extinguished (PPP Loan forgiveness)	0.0	0.0	3.4	0.0	0.0
Financing Costs	-0.4	-0.1	-0.4	-0.3	-0.4
R&D Tax Credit	0.0	0.0	-0.1	0.0	0.5
Deferred tax	0.0	0.0	0.0	0.0	1.0
PROFIT AFTER TAX	1.6	-1.4	6.9	-4.4	4.0

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	APR - JUN 2021	APR - JUN 2020	JAN - JUN 2021	JAN - JUN 2020	JAN - DEC 2020
PROFIT AFTER TAX	1.6	-1.4	6.9	-4.4	4.0
<i>Items that could be reclassified to earnings</i>					
Exchange rate differences*	-0.5	-5.5	4.4	-3.8	-5.6
TOTAL COMPREHENSIVE INCOME	1.1	-6.9	11.3	-8.2	-1.5
<i>Result for the period attributable to the parent company's shareholders:</i>	1.1	-6.9	11.3	-8.2	-1.5
EARNINGS PER SHARE - BEFORE DILUTION (SEK)	0.16	-0.98	1.52	-1.17	-0.20
EARNINGS PER SHARE - AFTER DILUTION (SEK)	0.16	-0.98	1.52	-1.17	-0.20

*The fluctuation in the GBP to SEK exchange rate has a material impact on Total Comprehensive Income when converting Balance Sheet equity from GBP to SEK at each reporting period end.

SUMMARY CONSOLIDATED BALANCE SHEET AT 30 JUNE 2021

	30 JUN 2021	30 JUN 2020	31 DEC 2020
MSEK			
ASSETS			
<i>Fixed assets</i>			
<i>Intangible assets</i>			
Goodwill	40.2	39.4	38.2
Other Intangible fixed assets	27.8	33.0	28.1
Total intangible fixed assets	68.0	72.5	66.3
<i>Tangible fixed assets</i>			
Property, plant and equipment	0.5	1.8	0.5
Total tangible fixed assets	0.5	1.8	0.5
<i>Financial assets</i>			
Shares in associated companies	0.0	0.0	0.0
Right of Use Assets	7.1	13.3	7.9
Deferred Tax	6.4	5.5	6.1
Total financial assets	13.6	18.8	14.0
Total fixed assets	82.1	93.1	80.9
<i>Current assets</i>			
Accounts receivable	19.9	16.0	17.6
Other receivables	3.4	3.7	4.0
Prepayments and accrued income	1.3	3.6	2.0
Total other current assets	24.6	23.3	23.6
<i>Cash and bank balances</i>	9.2	8.2	7.6
Total current assets	33.8	31.5	31.2
TOTAL ASSETS	115.9	124.6	112.1
EQUITY AND LIABILITIES			
<i>Equity</i>			
Share capital	-7.4	-7.1	-7.4
Other contributed equity	-48.1	-42.6	-44.1
Other equity incl. profit for the year	-10.1	3.9	-2.9
Total equity	-65.6	-45.8	-54.3
<i>Long-term liabilities</i>			
Other Provisions	-1.5	-1.9	-1.4
Lease Liabilities	-6.3	-10.2	-6.3
Other liabilities	-15.4	-20.6	-9.6
Total long-term liabilities	-23.2	-32.7	-17.4
<i>Current liabilities</i>			
Accounts payable	-9.6	-13.0	-11.5
Invoice Discounting Loan	-3.4	-1.3	-2.9
Current tax liabilities	0.0	0.0	0.0
Current Lease Liabilities	-1.6	-3.6	-2.3
Other current liabilities	-5.3	-23.7	-16.3
Accrued expenses and prepaid income	-7.2	-4.5	-7.4
Total current liabilities	-27.1	-46.1	-40.4
TOTAL EQUITY AND LIABILITIES	-115.9	-124.6	-112.1

CONSOLIDATED CASH FLOW STATEMENT (SUMMARY)

	JAN - JUN 2021	JAN - JUN 2020	JAN - DEC 2020
The ongoing business			
Operating profit	5.6	-2.5	4.7
Adjusted revenue			
<i>Adjustments for items not included in cash flow</i>			
Depreciation and write-downs	4.1	4.3	12.0
Exchange losses	0.0	0.0	0.0
Other non-cash items	3.5	-3.4	-11.2
	13.2	-1.7	5.5
Financial items	-0.9	-0.3	-0.7
Paid income tax	0.5	3.0	2.4
	12.9	1.0	7.2
Cash flow from operating activities before changes in working capital			
<i>Changes in working capital</i>			
Change in receivables	-0.3	6.9	4.6
Change in current liabilities	-12.2	-4.2	-1.2
Cash flow from current operations	0.3	3.7	10.6
<i>Investing activities</i>			
Acquisition of intangible fixed assets	-1.2	-4.9	-2.2
Acquisition of tangible fixed assets	0.0	0.1	2.3
Acquisition of financial fixed assets	0.0	0.0	0.0
Sales of financial fixed assets	0.0	0.0	0.0
Cash flow from investing activities	-1.1	-4.8	0.2
<i>Financing activities</i>			
Rights issue	0.0	0.0	0.0
Issuing Costs	0.0	0.0	-0.1
Borrowings	9.0	0.0	6.7
Repayments including Lease payments	-6.9	3.7	-14.8
Cash flow from financing activities	2.1	3.7	-8.1
Cash flow for the period	1.3	2.7	2.7
<i>Cash and cash equivalents at the beginning of the period</i>	7.6	5.5	5.5
<i>Exchange rate differences at the end of the period</i>	0.3	0.0	-0.6
LIQUID FUNDS AT THE END OF THE PERIOD	9.2	8.2	7.6

SUMMARY STATEMENT OF CHANGES IN EQUITY

	30 JUN 2021	31 MAR 2021	31 DEC 2020
MSEK			
Opening Balance	64.5	54.3	53.6
Issue of shares	0.1	-0.1	2.3
Reverse acquisition	0.0	0.0	0.0
Other	0.0	0.0	0.0
Total Comprehensive Income	1.1	10.2	-1.5
Closing Balance	65.6	64.5	54.3

PARENT COMPANY FINANCIAL STATEMENTS

PARENT COMPANY INCOME STATEMENT

	APR - JUN 2021	APR - JUN 2020	JAN - JUN 2021	JAN - JUN 2020	JAN - DEC 2020
MSEK					
<i>Operating income</i>					
Revenue	0.0	0.0	0.0	0.0	0.0
Other operating income	0.9	0.5	1.3	0.5	2.1
TOTAL INCOME	0.9	0.5	1.3	0.5	2.1
<i>Operating expenses</i>					
Other operating expenses	-0.6	-0.2	-0.8	-0.5	-0.7
TOTAL OPERATING EXPENSES	-0.6	-0.2	-0.8	-0.5	-0.7
EBITDA*	0.2	0.3	0.5	0.0	1.4
Financial items	-0.3	-0.6	-0.3	-1.1	0.0
Result from participation in group companies	0.0	0.0	0.0	0.0	9.6
PROFIT BEFORE TAX	0.0	-0.3	0.1	-1.1	11.0
Current tax	0.0	0.0	0.0	0.0	0.0
PROFIT AFTER TAX	0.0	-0.3	0.1	-1.1	11.0

OTHER COMPREHENSIVE INCOME

<i>Items that could be reclassified to earnings</i>					
Exchange rate differences	0.0	0.0	0.0	0.0	0.0
TOTAL COMPREHENSIVE INCOME	0.0	-0.3	0.1	-1.1	11.0
<i>Total profit for the period attributable to the parent company's shareholders:</i>					
Parent Company shareholders	0.0	-0.3	0.1	-1.1	11.0
EARNINGS PER SHARE - BEFORE DILUTION (SEK)	0.0	0.0	0.0	-0.2	1.5
EARNINGS PER SHARE - AFTER DILUTION (SEK)	0.0	0.0	0.0	-0.2	1.5

PARENT COMPANY BALANCE SHEET (SUMMARY) AT 30 JUNE 2021

	30 JUN 2021	30 JUN 2020	31 DEC 2020
MSEK			
ASSETS			
<i>Fixed assets</i>			
<i>Financial assets</i>			
Shares in subsidiaries	7.4	7.9	7.4
Total financial assets	7.4	7.9	7.4
Total fixed assets	7.4	7.9	7.4
<i>Current assets</i>			
Receivables	70.5	70.0	67.5
Total other current assets	70.5	70.0	67.5
<i>Cash and bank balances</i>	4.0	0.2	0.6
Total current assets	74.4	70.3	68.0
TOTAL ASSETS	81.8	78.1	75.4
EQUITY AND LIABILITIES			
<i>Equity</i>			
Share capital A shares	-0.2	-0.2	-0.2
Share capital B shares	-7.2	-6.8	-7.2
Share premium	-46.5	-45.0	-46.5
Share issue costs	0.0	0.0	0.0
Other equity incl. profit for the year	-13.7	-1.5	-13.6
Total equity	-67.6	-53.5	-67.5
<i>Long-term liabilities</i>			
Other liabilities	-13.5	-15.5	-4.5
Total long-term liabilities	-13.5	-15.5	-4.5
<i>Current liabilities</i>			
Other liabilities	-0.7	-9.1	-3.4
Total current liabilities	-0.7	-9.1	-3.4
TOTAL EQUITY AND LIABILITIES	-81.8	-78.1	-75.4

PARENT COMPANY CASH FLOW ANALYSIS (SUMMARY)

	JAN - JUN 2021	JAN - JUN 2020	JAN - DEC 2020
The ongoing business			
Operating profit	0.5	0.0	1.4
Adjusted revenue			
Financial items	-0.3	0.0	-0.1
Cash flow from operating activities before changes in working capital	0.1	0.0	1.3
Changes in working capital			
Change in receivables	-3.0	0.4	2.7
Change in current liabilities	-0.1	0.1	-0.3
Cash flow from current operations	-3.0	0.5	3.7
<i>Investing activities</i>			
Acquisition of financial fixed assets	0.0	-0.3	0.0
Sales of financial fixed assets	0.0	0.0	0.0
Cash flow from investing activities	0.0	-0.3	0.0
<i>Financing activities</i>			
Rights issue	0.0	0.0	0.0
Issuing Costs	0.0	0.0	-0.1
Borrowings	6.4	-0.1	-3.3
Cash flow from financing activities	6.4	-0.1	-3.3
Cash flow for the period	3.4	0.1	0.4
<i>Cash and cash equivalents at the beginning of the year</i>	0.6	0.2	0.2
LIQUID FUNDS AT THE END OF THE PERIOD	4.0	0.2	0.6

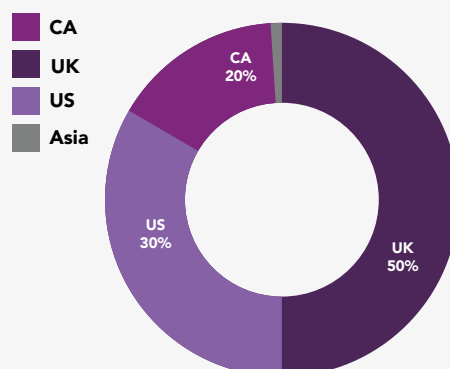


INCOME BY MARKET AND SERVICE

The US and Canada generated 38.6 MSEK (33.4) of total revenue in the first half of 2021, an increase of 15% over the same period last year. North America continues to show the fastest growth and faster economic recovery from the pandemic than other regions.

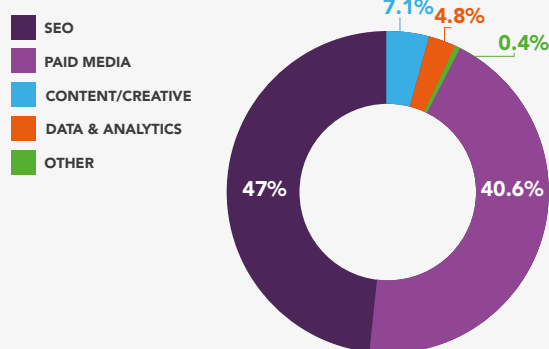
In the UK, total income for the year to date amounted to 38.7 MSEK (28.0), an increase of 38% year on year. The UK's recent efforts to accelerate its vaccination program and remove restrictions appears to be having a positive impact on the economy.

REVENUE BY OPERATION YTD



REVENUE BY MARKET, MSEK	Apr - Jun 2021	Apr - Jun 2020	Jan - Jun 2021	Jan - Jun 2020	Jan - Dec 2020
INCOME					
GB	21.1	11.2	38.7	28.0	55.0
US & CA	19.4	16.6	38.6	33.4	71.8
ASIA	0.0	0.0	0.0	0.2	0.2
SE	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING REVENUE	40.5	27.8	77.3	61.6	127.0

REVENUE BY SERVICE YTD



A total of 36.3 MSEK (38.0) of operating revenue for the period was generated by SEO. Although there has been a small reduction year on year, demand for this service remains high with new clients continuing to approach Ayima.

Paid Media services accounted for 31.4 MSK (15.7). Ayima has seen continued demand for these services in recent months despite not actively focusing on growing them.

Content/Creative accounted for 5.5 MSEK (2.9) and has seen increased demand when compared with the same period last year.

Data & Analytics accounted for 3.7 MSEK (4.8) of operating revenue for the period. As current projects come to an end in Q3 we expect this to reduce slightly for the remainder of 2021.

INCOME BY SERVICE, MSEK	Apr - Jun 2021	Apr - Jun 2020	Jan - Jun 2021	Jan - Jun 2020	Jan - Dec 2020
INCOME					
SEO	18.3	16.5	36.3	38.0	69.8
PAID MEDIA	17.8	7.9	31.4	15.7	39.1
CONTENT/CREATIVE	2.7	1.4	5.5	2.9	9.5
DATA & ANALYTICS	1.4	1.9	3.7	4.8	8.4
OTHER INCOME	0.3	0.1	0.3	0.1	0.2
TOTAL INCOME	40.5	27.8	77.3	61.6	127.0

GLOSSARY

INVOICE DISCOUNTING

Invoice discounting is the practice of using a company's unpaid accounts receivable as collateral for a loan, which is issued by a finance company. The amount of debt issued by the finance company is less than the total amount of outstanding receivables (typically 80% of all invoices less than 90 days old).

iOS 14

iOS 14 is the fourteenth and current major release of the iOS mobile operating system developed by Apple Inc. for their iPhone and iPod Touch lines. Announced at the company's Worldwide Developers Conference on June 22, 2020 as the successor to iOS 13, it was released to the public on September 16, 2020.

iOS 14.5

This software update released by Apple Inc. adds new app tracking transparency policies to iOS 14 whereby users can decide whether or not to allow an app to track their activity across other apps and websites.

EBITDA

EBITDA is stated as operating profit before exceptional items, Interest, Tax, Depreciation and Amortisation.

SERP

(Search Engine Result Page) are the pages displayed by search engines in response to a query by a searcher. The main component of the SERP is the listing of results that are returned by the search engine in response to a keyword query, although the pages may also contain other results such as advertisements.

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 2021-06-30 there are 207 083 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.

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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 12 2021 (2021-08-12).

BOARD

Michael Jacobson

Member & CEO

Michael Nott

Member & Chairman

Bjorn Mannerqvist

Member

Timothy Webb

Member

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





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