



Ayima Group AB (publ) **Year End Report**

January - December 2018

Highlights

YTD: Jan - Dec 2018

- Total Revenue amounted to 182.8 MSEK (129.6) an increase of 41.1% from 2017.
- Gross Profit amounted to 97.3 MSEK, (68.8) an increase of 41.4% from the same period in 2017.
- EBITDA amounted to -2.3 MSEK (-15.1) an improvement of 12.8 MSEK from 2017.
- Total Comprehensive Income (after tax and exceptional items) amounted to -6.8 MSEK (-11.3).
- Balance Sheet assets amounted to 142.0 MSEK (73.0).
- Net cash increased by 3.0 MSEK in the period to 3.9 MSEK.
- Earnings per share was -1.13 SEK (-2.1) in the period. Earnings per share after dilution amounted to -1.08 SEK (-2.1)

Q4: Oct - Dec 2018

- Total Revenue amounted to 44.2 MSEK (34.5) an increase of 28% from the same period in 2017.
- Gross Profit amounted to 28.8 MSEK, (20.2) an increase of 43% from the same period in 2017.
- EBITDA amounted to -2.2 MSEK (-2.3).
- Exceptional items relate to legal and advisory costs from the acquisition of LeapThree, and the issue of staff share options during the year.
- Total Comprehensive Income (after tax and exceptional items) amounted to -3.5 MSEK (4.8).
- Earnings per share was -0.58 SEK (0.92) in the period. Earnings per share after dilution amounted to -0.55 SEK (-0.92).



Key Events in the Quarter:

- Ayima finished 2018 with a 41.4% increase in revenue, a 41.4% increase in Gross profit and a large EBITDA improvement.
- BDO Sweden appointed as auditors with Niclas Nordström as auditor in charge following an Extraordinary General Meeting ("EGM") held on 2018-10-19.
- New business worth 11M SEK announced in Q4, further 10.2 MSEK of new business wins announced so far in Q1 2019.
- Further to the announcement on 2018-06-20 of a potential asset write-down. The receivable in question has been reviewed and has not been written down.
- As announced on 2018-10-01 the second planned acquisition did not go ahead. The company continues to consider other potential acquisition targets and hopes to secure a deal in the first half of 2019.



A MESSAGE FROM THE CEO

Dear Shareholders and Investors

2018 was Ayima's first full year as a publicly listed company and it has been a year of big change within the organisation.

We have grown considerably, both in terms of revenues and as an organisation. The newer offices, such as San Francisco and Vancouver, have now established themselves as self-sufficient parts of the group and are bringing in large, prestigious clients. We have added more than 30 new fulltime staff members and made our first acquisition as a public company - the data and analytics specialist, LeapThree. Additionally, we completed the move from Spotlight/Aktietorget to Nasdaq First North in September.

In particular, growth remains extremely strong, with 28% YoY growth for the quarter and over 41% for the year. New Business is looking extremely healthy, with 17 new client wins already announced in the first two months of the new year, the result of pitches and groundwork carried out throughout 2018. All wins announced are long-term engagements for a minimum of 12 months and amounts to over 11 MSEK in incremental revenue - and there will be more to come.

The SEO channel is going from strength to strength and we are picking up many new and impressive clients, both in the UK and the US. The Data and Analytics channel is off to a solid start with some great cross-selling opportunities starting to show results.

But the year was not without challenges. Our 2nd planned acquisition did not pass the due diligence process after considerable work had gone into the project. The Paid Media sector has been volatile, with clients changing budgets at short notice due to changes in business confidence and worries about Brexit and the global financial situation also contributing. Our financial results, although showing robust growth and improvement from the previous year, are still in negative territory.

Strong growth has put pressure on the available working capital and as such, we have now taken the decision to restructure certain parts of the business in order to ensure an immediate return to positive cashflow.

The restructure will involve the discontinuation of the Design and Development channel, which has been unprofitable and struggling to grow. The company has seen personnel costs grow faster than expected and will now seek to reduce headcounts in non-operational areas of the business.

The restructuring will be carried out and completed in Q1, 2019 and will result in cost savings of between 9 MSEK and 10 MSEK annually. There will be some exceptional charges related to the restructure in Q1, but we expect that the net positive financial impact for rest of the year will be approximately 7 MSEK. If the cost savings had been applied in 2018, the company would have achieved a positive EBITDA of around 7.8 MSEK or 4.2% margin. We do not expect that there will be any negative impact on revenue growth or operations from the restructure, and the full effect of the savings will be seen in Q2, which we expect will deliver a strong positive result.

Following the completion of the restructuring activities and with the continuing strong growth, the business will be profitable and cash-flow positive in 2019. A little leaner, a little meaner, but overall healthier and better positioned to deliver a strong positive result for our shareholders and staff.

Yours Sincerely

Mike Jacobson
CEO



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We have grown considerably, both in terms of revenues and as an organisation.

OPERATIONS

REVENUE BY QUARTER AND YTD MSEK

	Oct - Dec 2018	Oct - Dec 2017	Jan - Dec 2018	Jan - Dec 2017
REVENUE	44.2	34.5	182.8	129.6

Q4 has traditionally been a slower period than Q3, but still shows robust growth from the previous year. Revenue increased by 28% from the corresponding quarter in 2017. (Growth for Q4 from 2016 to 2017 was 22%) and by 41% Year on Year.

Extraordinary costs in Q4 included further legal costs and provisions for staff costs associated with the EMI scheme. These are exceptional items and not part of normal operations.

FINANCIAL POSITION AND LIQUIDITY

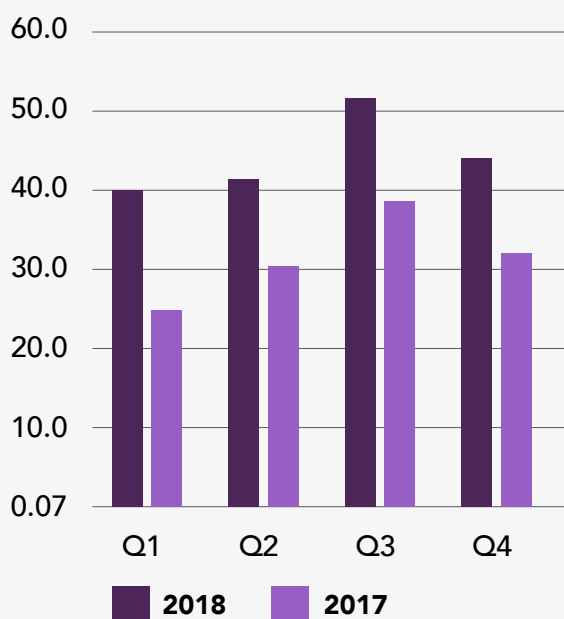
Liquid assets at the end of the period amounted to 29.2 MSEK (17.8). Cash and cash equivalents amounted to MSEK 3.9 (0.9) and accounts receivable 25.4 MSEK (16.9). Ayima have an Invoice Discounting facility that allows the company advance access to working capital which is otherwise tied up in the accounts 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 61.5 MSEK, including issued share capital 6.0 MSEK. Equity ratio was 131 (57) percent. 27.5 MSEK of the liabilities relates to a provision has been included for the potential total earn-out payments due to the sellers of LeapThree Limited in accordance with the Share Purchase Agreement. This 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 -3.1 MSEK. The change in working capital was -3.2 MSEK. Investments in tangible and intangible fixed assets amounted to -6.7 MSEK during the period. The majority of these amounts relate to the completion of the acquisition of LeapThree Limited. Cash

Revenue By Quarter (MSEK)



flow from financing activities amounted to 16.0 MSEK. Net cash increased by 3.0 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 2018-12-31.

Additionally, during Q2 300,000 warrants were issued as part of a new staff incentive program. 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. A provision for these shares has been made in Equity and the accrued cost of these share based payments from 2018-05-01 to the end of Q4 has been recognised in the Consolidated Income Statement.



SIGNIFICANT EVENTS DURING AND AFTER THE PERIOD

BDO Sweden were appointed as auditors with Niclas Nordström as auditor in charge by unanimous resolution at an Extraordinary General Meeting ("EGM") held on 2018-10-19.

In early November Ayima UK completed the annual ISO27001 audit and has maintained the certification until November 2019. ISO/IEC 27001 provides requirements for an information security management system (ISMS). The Standard helps Ayima manage the security of assets such as financial information, intellectual property, employee details or information entrusted to Ayima by third parties.

Ayima Insights Training events held in the quarter included SEO in New York on 2018-11-07, this session was designed to help marketers better understand what SEO is and how impactful it can be in their company's digital strategy. A Content Marketing training course held in London on 2018-11-08 was crafted to give attendees the tools and knowledge needed to develop their own effective content strategy, measure it and ultimately improve their content's performance online.

A new Marketing Analytics course was held on 2018-11-21, this course was aimed at highlighting the direct relationship between Ayima's Analytics and Data Science services to provide companies with a boost in analytical insights that improve their online strategy as well as their revenue. This session was attended by in-house marketers from major companies in FinTech, gaming, hospitality, charity and ecommerce.

Further to the potential write down that was announced in a press release on 2018-06-20, Ayima continues to work with this client to mitigate the potential loss and no write-down has been provided in the financial statements after review in line with IFRS 9 Financial Instruments as part of the year end audit.

MARKET TRENDS

Google Analytics is the most widely-used tool in the digital analytics world. Yet much of its true potential is left untapped by a majority of marketers and their organisations, meaning they fail to get the best value and use, not just from this tool but from their own data entirely. Ayima has responded to this gap by holding its Marketing Analytics course to show in-house marketers exactly how utilising this available data is essential to optimising their online strategy and should be the DNA of their business rather than an add-on to their marketing initiatives. There exists enormous potential for growth in this sector of the digital marketing industry, with the acquisition of LeapThree, Ayima is poised to take full advantage of this potential.



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 has definitely felt some Brexit-related uncertainty from its clients in terms of general business confidence, and 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 in line with ISO27001. 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.

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Operational risks are handled in a structured manner through well-established processes in line with ISO27001.

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 December 2018, demonstrating the continued instability in exchange rates since the Brexit vote. Credit risk is limited since Ayima only accepts creditworthy counterparties.



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

RELATED PARTY TRANSACTIONS

Apart from remuneration to the Board and senior executives, Ayima continues to provide several services to Gaming Realms PLC. Mark Segal is a director of both Gaming Realms plc and Ayima Limited, and is an independent director of Ayima Group AB. 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 remains outstanding. This is considered to be a related party transaction because Michael Nott and Timothy Webb act as trustees of the Ayima EBT, as well as board members of Ayima Group AB.

Ayima holds an investment in a children's' clothing company Tootsa MacGinty Limited, Michael Jacobson is a director of Ayima Group AB and Tootsa MacGinty Limited, transactions with Tootsa are treated at arms length.



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 year end 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 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. 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).



FINANCIAL OBJECTIVES

Revenue growth remains strong, however operational expenses including salaries and wages, have also been growing faster than expected. The company has made the decision to hasten the return to positive result and cashflow by undertaking some restructuring during Q1 of 2019.

Restructuring will result in the disbandment of one unprofitable business unit and other headcount reductions in managerial and administrative areas. Operations will remain largely untouched and there is not expected to be any negative impact on revenue, growth or operational effectiveness.

The restructuring will result in approximately 10MSEK of annual cost savings, with the net impact on the full year of 2019 expected to be approximately 7M after exceptional costs.

Overall the main financial objective of the company remains growth over margin, however it is recognised that the company needs to return to positive cashflow in order to support the continued investment in growth.

NUMBER OF SHARES, SHARE CAPITAL AND EARNINGS PER SHARE

At the end of the period, the company had 6 046 462 shares (A 226 800 B 5 819 662). The share capital was 6 046 462 SEK. Earnings per share for the quarter amounted to -1.13 SEK (-2.1). Price per share at closing at the end of the period (2018-12-28) was 17.5 SEK. The number of options granted to staff was 272,547. Earnings per share after dilution amounted to -1.08 SEK (-2.1)

Shareholding at 2018-12-28	No A Shares	No B Shares	Control %	Capital %
New Equity Ventures		1,240,962	15.5%	20.7%
Michael Jacobson	66,666	821,157	18.6%	15.0%
Michael Nott	66,667	760,837	18.4%	14.7%
Timothy Webb	66,667	870,837	19.0%	15.5%
Michael Feiner	15,000	390,731	6.7%	6.7%
Peter O'Neill	11,800	301,441	5.2%	5.2%
Gaming Realms PLC		347,487	4.3%	5.7%
Digital Spine AB		16,500	0.2%	0.3%
Ayima EBT		213,502	2.6%	3.5%
Other		856,208	9.5%	12.7%
Total	226,800	5,819,662	100%	100%

FURTHER REPORTS

Annual Report
- 2019-04-11

Q1 2019 Interim Report
- 2019-05-24

Q2 2019 Interim Report
- 2019-08-22

Q3 2019 Interim Report
- 2019-11-21

Q4 2019 Year End Report
- 2020-02-20



CONSOLIDATED FINANCIAL STATEMENTS

SUMMARY CONSOLIDATED INCOME STATEMENT

	OCT - DEC 2018	OCT - DEC 2017	JAN - DEC 2018	JAN - DEC 2017
MSEK				
<i>Operating income</i>				
Sales	44.2	34.5	182.8	129.6
TOTAL INCOME	44.2	34.5	182.8	129.6
<i>Direct expenses</i>				
Direct expenses	-15.4	-14.4	-85.5	-60.8
GROSS PROFIT	28.8	20.2	97.3	68.8
<i>Operating expenses</i>				
Personnel costs	-22.0	-15.2	-72.3	-59.8
Other operating expenses	-9.0	-7.3	-27.4	-24.2
OPERATING EXPENSES	-31.0	-22.5	-99.6	-83.9
EBITDA*	-2.2	-2.3	-2.3	-15.1
Depreciation & Amortisaion	-1.0	-1.2	-2.5	-2.1
Exceptional Items	-0.8	0.0	-2.6	0.0
OPERATING PROFIT	-4.0	-3.5	-7.5	-17.2
FX gains/losses	-0.6	0.0	-0.6	0.0
Interest paid/received	-1.4	-0.2	-2.1	-0.2
R&D Tax Refund	1.2	1.9	2.6	1.9
Deferred tax	0.5	4.9	0.5	4.9
Minority share of profit for the period	0.0	0.0	0.0	0
PROFIT AFTER TAX	-4.3	3.0	-7.2	-10.7
OTHER COMPREHENSIVE INCOME				
<i>Items that could be reclassified to earnings</i>				
Exchange rate differences	0.8	1.8	0.4	-0.6
TOTAL COMPREHENSIVE INCOME	-3.5	4.8	-6.8	-11.3
<i>Total profit for the period attributable to the parent company's shareholders:</i>	-3.5	4.8	-6.8	-11.3
EARNINGS PER SHARE - BEFORE DILUTION (SEK)	-0.58	0.92	-1.13	-2.1
EARNINGS PER SHARE - AFTER DILUTION (SEK)	-0.55	0.92	-1.08	-2.1

SUMMARY CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2018

	31 DEC 2018	31 DEC 2017
MSEK		
ASSETS		
<i>Fixed assets</i>		
<i>Intangible assets</i>		
Goodwill	60.3	22.6
Other Intangible fixed assets	29.9	13.7
Total intangible fixed assets	90.3	36.3
<i>Tangible fixed assets</i>		
Property, plant and equipment	3.1	3.1
Total tangible fixed assets	3.1	3.1
<i>Financial assets</i>		
Shares in associated companies	2.8	2.8
Deferred Tax	4.6	3.5
Total financial assets	7.4	6.3
Total fixed assets	100.8	45.7
<i>Current assets</i>		
Accounts receivable	25.4	16.9
Other receivables	10.3	8.0
Prepayments and accrued income	1.7	1.4
Total other current assets	37.4	26.4
<i>Cash and bank balances</i>	3.9	0.9
Total current assets	41.2	27.3
TOTAL ASSETS	142.0	73.0
EQUITY AND LIABILITIES		
<i>Equity</i>		
Share capital	-6.0	-5.2
Other contributed equity	-63.1	-34.9
Other equity incl. profit for the year	7.7	-6.3
Total equity	-61.5	-46.4
<i>Minority interest</i>	0.0	0
<i>Long-term liabilities</i>		
Other Provisions	-2.1	0.0
Other liabilities	-27.5	-1.5
Total long-term liabilities	-29.6	-1.5
<i>Current liabilities</i>		
Accounts payable	-17.2	-11.4
Invoice Discounting Loan	-10.7	-4.6
Current tax liabilities	0.0	0
Other current liabilities	-17.4	-6.3
Accrued expenses and prepaid income	-5.7	-2.8
Total current liabilities	-50.9	-25.1
TOTAL EQUITY AND LIABILITIES	-142.0	-73.0

CONSOLIDATED CASH FLOW STATEMENT (SUMMARY)

JAN - DEC JAN - DEC
2018 2017

The ongoing business

Operating profit -7.5 -17.2

Adjusted revenue

Adjustments for items not included in cash flow

Depreciation and write-downs 2.5 2.1

Exchange losses 0.0 -0.4

Minority interests 0.0 0

Other non-cash items 1.5 1.2

-3.5 -14.3

Financial items -0.7 -0.2

Paid income tax 1.1 0

Cash flow from operating activities before changes in working capital -3.1 -14.5

Changes in working capital

Change in receivables -9.6 -3.9

Change in current liabilities 6.3 7.5

Cash flow from current operations -6.3 -11

Investing activities

Acquisition of intangible fixed assets -7.0 -4.2

Acquisition of tangible fixed assets -1.1 -0.7

Acquisition of financial fixed assets 1.4 0

Sales of financial fixed assets 0.0 0

Cash flow from investing activities -6.7 -4.9

Financing activities

Rights issue 0.0 14.2

Issuing Costs 0.0 -1.5

Borrowings 18.5 2.6

Transaction with minority shareholders -2.4 0

Cash flow from financing activities 16.0 15.3

Cash flow for the period 3.0 -0.6

Cash and cash equivalents at the beginning of the period 0.9 1.5

LIQUID FUNDS AT THE END OF THE PERIOD 3.9 0.9

SUMMARY STATEMENT OF CHANGES IN EQUITY

31 DEC 31 DEC
2018 2017

MSEK

Opening Balance 46.3 24.8

Issue of shares 20.5 16.2

Reverse acquisition 0.0 16.7

Other 1.5 0.0

Total Comprehensive Income -6.8 -11.4

Closing Balance 61.5 46.3

PARENT COMPANY FINANCIAL STATEMENTS

PARENT COMPANY INCOME STATEMENT

OCT - DEC OCT - DEC JAN - DEC JAN - DEC
2018 2017 2018 2017

MSEK

Operating income

Revenue	0	0	0	0
Other operating income	1.2	0.0	2.6	0

TOTAL INCOME	1.2	0.0	2.6	0
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Operating expenses

Other operating expenses	-0.8	-0.2	-1.7	-0.9
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TOTAL OPERATING EXPENSES	-0.8	-0.2	-1.7	-0.9
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EBITDA*

Financial items	-4.9	0.0	-5.9	0
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PROFIT BEFORE TAX	-4.5	-0.2	-5.0	-0.9
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Current tax	0.0	0.0	0.0	0
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PROFIT AFTER TAX	-4.5	-0.2	-5.0	-0.9
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OTHER COMPREHENSIVE INCOME

Items that could be reclassified to earnings

Exchange rate differences	0	0	0	0
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TOTAL COMPREHENSIVE INCOME	-4.5	-0.2	-5.0	-0.9
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Total profit for the period attributable to the parent company's shareholders:

	-4.5	-0.2	-5.0	-0.9
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Parent Company shareholders

EARNINGS PER SHARE - BEFORE DILUTION (SEK)	-0.8	0.0	-0.8	-0.2
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EARNINGS PER SHARE - AFTER DILUTION (SEK)	-0.7	0.0	-0.8	-0.2
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PARENT COMPANY BALANCE SHEET (SUMMARY) AT 31 DECEMBER 2018

31 DEC 31 DEC
2018 2017

MSEK

ASSETS

Fixed assets

Financial assets

Shares in subsidiaries

5.8 3.5

Total financial assets

5.8 3.5

Total fixed assets

5.8 3.5

Current assets

Receivables

63.9 12.1

Total other current assets

63.9 12.1

Cash and bank balances

0.4 0.1

Total current assets

64.3 12.1

TOTAL ASSETS

70.1 15.7

EQUITY AND LIABILITIES

Equity

Share capital A shares

-0.2 -0.2

Share capital B shares

-5.8 -5.0

Share premium

-32.2 -11.0

Share issue costs

0.0 0.0

Other equity incl. profit for the year

5.8 0.9

Total equity

-32.4 -15.4

Long-term liabilities

Other liabilities

-26.0

Total long-term liabilities

-26.0 0

Current liabilities

Other liabilities

-11.7 -0.3

Total current liabilities

-11.7 -0.3

TOTAL EQUITY AND LIABILITIES

-70.1 -15.7

PARENT COMPANY CASH FLOW ANALYSIS (SUMMARY)

	JAN - DEC 2018	JAN - DEC 2017
The ongoing business		
Operating profit	0.9	-0.9
Adjusted revenue		
Financial items	-0.6	0.2
Cash flow from operating activities before changes in working capital	0.0	0.0
Changes in working capital		
Change in receivables	-10.1	-12.1
Change in current liabilities	0.3	0.3
Cash flow from current operations	0.0	0.0
<i>Investing activities</i>		
Acquisition of financial fixed assets	-0.8	0.0
Sales of financial fixed assets	0.0	0.0
Cash flow from investing activities	0.0	0.0
<i>Financing activities</i>		
Rights issue	-0.8	0.0
Issuing Costs	0.0	-0.1
Borrowings	10.5	0.0
Cash flow from financing activities	0.0	0.0
Cash flow for the period	0.0	0.0
<i>Cash and cash equivalents at the beginning of the year</i>	0.8	0
LIQUID FUNDS AT THE END OF THE PERIOD	0.0	0.0

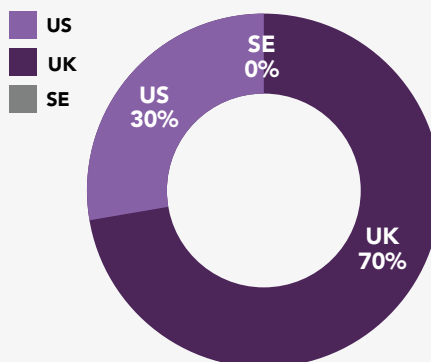


INCOME BY MARKET AND SERVICE

Maximising potential for growing the business in North America has been a point of focus for Ayima in 2018, in particular the West Coast offices have increased revenue, and on the East Coast there have also been some major client wins. Year on year the US operation has increased its revenue by 43%. The UK office has also significantly grown its revenue by 41% from 2017.

Looking at each quarter, the US operation has grown by 50% compared to the same period last year, while in the UK growth has been slightly lower at 18%. The lower growth in the UK for quarter 4 is linked to volatility in paid media.

REVENUE BY OPERATION 2018 YTD

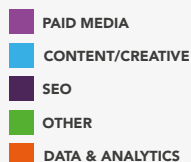


INCOME BY MARKET, MSEK

INCOME

	Oct - Dec 2018	Oct - Dec 2017	Jan - Dec 2018	Full Year 2017
GB	27.1	23.1	127.3	87.7
US & CA	17.1	11.4	55.3	41.3
SE	0.0	0.1	0.1	0.6
TOTAL INCOME	44.2	34.5	182.8	129.6

REVENUE BY SERVICE 2018 YTD



Traditionally Ayima's best performing service, SEO accounted for 47% of total income for 2018, an increase of 41% from 2017. For Q4 58% of income came from SEO. Ayima's sterling reputation in this sector of the market ensures that this service continues to show significant growth.

Paid Media has been a little volatile in the last quarter of 2018, and as a result income for the year has grown at a lower rate than expected. However, 42% growth year on year is still positive and significant. Paid Media was responsible for 47% of total income for 2018 and 30% of income in Q4.

Data and Analytics formed 2% of total income in 2018 and 7% of Q4 income, we expect this service to grow significantly in the coming year.

INCOME BY MARKET, MSEK

INCOME

	Oct - Dec 2018	Oct - Dec 2017	Jan - Dec 2018	Full Year 2017
SEO	25.5	18.1	85.2	60.3
PAID MEDIA	13.4	14.1	85.1	60.3
CONTENT/CREATIVE	2.0	2.2	8.4	7.3
DATA & ANALYTICS	3.0	0.0	3.2	0.0
OTHER	0.3	0.1	0.9	1.7
TOTAL INCOME	44.2	38.5	182.8	129.6

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).

ISO27001

An ISMS is a systematic approach to managing sensitive company information so that it remains secure. It includes people, processes and IT systems by applying a risk management process. It helps Ayima keep information assets secure.

ISMS

An information security management system (ISMS) is a set of policies and procedures for systematically managing an organisation's sensitive data. The goal of an ISMS is to minimise risk and ensure business continuity by pro-actively limiting the impact of a security breach.

DATA ANALYTICS

Data analytics refers to qualitative and quantitative techniques and processes used to enhance productivity and business gain. Data is extracted and categorised to identify and analyse behavioural data and patterns, and techniques vary according to organisational requirements.

ANALYTICS

Analytics is the discovery, interpretation, and communication of meaningful patterns in data; and the process of applying those patterns towards effective decision making. Organisations may apply analytics to business data to describe, predict, and improve business performance.

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.

CONTACT

For further information, contact the Company at:

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CEO Mike Jacobson

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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 February 28 2019 (2019-02-28).

BOARD

Michael Jacobson

Member & CEO

Michael Nott

Member & Chairman

Bjorn Mannerqvist

Member

Mark Segal

Member

Timothy Webb

Member

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





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