



Ayima Group AB (publ) Interim Report

January - March 2018

AYIMA

CONSOLIDATED FINANCIAL OVERVIEW

Consolidated Financial Overview Q1 January - March 2018

- Total Revenue amounted to 41.0 MSEK (24.8) an increase of 66% from the same period in 2017.
- Gross Profit amounted to 22.1 MSEK, (14.6) an increase of 52% from the same period in 2017
- A net positive result. Profit for the period after tax amounted to 0.2 MSEK (-5.9)
- Total Comprehensive Income amounted to 2.3 MSEK (-5.8)
- Balance Sheet assets amounted to 83.1 MSEK (66.9)
- Net cash increased by 1.4 MSEK in the period to 2.3 MSEK
- Earnings per share was 0.4 SEK (-1.2) in the period
- Strong Sales growth in the quarter, with several big new client wins, particularly in San Francisco, the newest office
- Establishment of new Training and Development program and Employee Share Options Scheme to attract and retain talent



A Message from the CEO

Dear Shareholders and Investors

The 1st Quarter of 2018 continued the dramatic turnaround in the business that began with the decision to IPO in May 2017. As expected, the overall result for the quarter was positive, with Gross revenues showing a remarkable increase of 66% from the same period in 2017 and Net Profit after tax increasing to 0.2 MSEK. A satisfying result after a tough year in 2017, and the 4th straight quarter of double-digit revenue increases. The trend in EBITDA shown in the chart below is clear. Gross Revenue for the period was 41.0 MSEK, against 24.8 MSEK in the corresponding period of the previous year.

Major events in the quarter have included some very large client wins, particularly driven by our newest office in San Francisco, which is growing rapidly. Our reputation for excellence in SEO has seen us win several Fortune 500 household name clients in competitive tender processes against the biggest global media groups. Whilst new business growth has continued to be extremely strong for our biggest revenue stream, SEO, our newer services such as Paid Media and Analytics will be the focus of our business development efforts in the remainder of 2018.

Another major event during the quarter was the securing of 8.5MSEK in additional long-term funding through a convertible loan arrangement that will enable us to maintain a safe and healthy cash position for the remainder of the year, while margins gradually recover and operational cashflow turns positive.

Whilst the company is transitioning towards less human-capital intensive services such as AI-optimised display advertising and PPC, people continue to be by far the largest operational overhead. Our sector is booming and the highly skilled staff that we require are in short supply throughout the world. We are under pressure to increase salaries in order to attract and retain the best people while still delivering strong growth and profit margins to the shareholders. To this end we have planned for two major programs that we expect will increase staff retention, loyalty, motivation and skills, while stabilising salary costs for the long term:

1. An internal training and development program, involving graduate recruitment and the development of a formal training curriculum. And increased investment into personalised skills development, including the creation of a new department and recruitment of a new senior position “Head of Training and Development” that will be filled in the coming weeks or months.
2. An employee options scheme that embraces the concept of “staff ownership” that the founders of the company believe in deeply. The aim is to eventually make all long-term, full-time staff members become shareholders of the company. We have made a proposal for the issuance of 300,000 warrants to be allocated amongst all staff who have greater than one full year of service, through an options agreement that allows a gradual vesting over a 4-year period and eventual conversion to fully-paid shares. This is discussed in greater detail in this report.

In summary, it has been a good quarter for the company, which has strengthened its financial position considerably over the past year and set the stage for continued growth and a profitable 2018. Our focus continues to be growth over margin, however we expect margin to continue to improve gradually as a natural consequence of revenue growth against a stable central cost base. We have also continued to work on an acquisition strategy and we expect to be able to make an announcement in the fairly near future about the first of a small series of strategic acquisitions aimed at accelerating growth and profitability and a diversification of our service offering.

Yours Sincerely

Mike Jacobson

CEO

FINANCIAL INFORMATION

FINANCIAL INFORMATION

MSEK

	Jan- Mar 2018	Jan - Mar 2017
REVENUE	41.0	24.8
PROFIT AFTER TAX	0.2	-5.9

In the first quarter of 2018 the result is positive again, thus showing the company has indeed turned a corner, and is starting to reap the benefits of the growth strategy implemented in 2017.

The improvement in performance from the same period last year is significant with an increase in revenue of 66%. This is a result of the strong focus on winning new business and expanding services with existing clients.

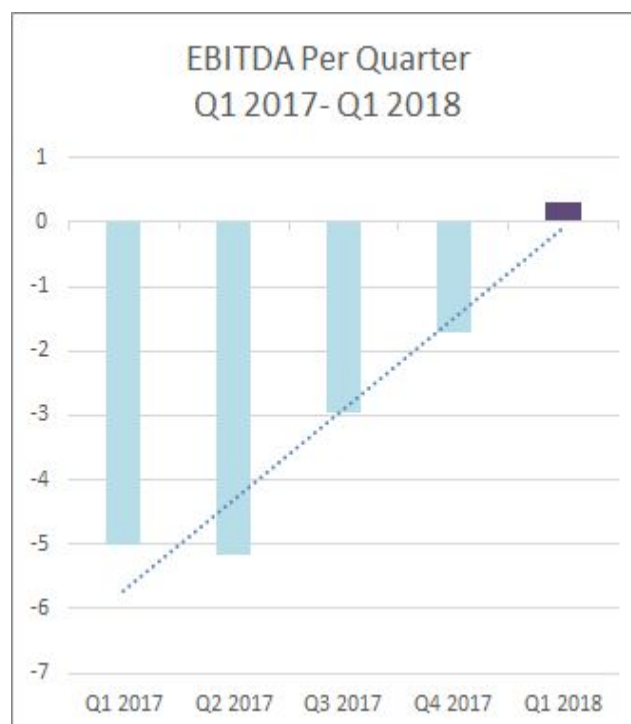
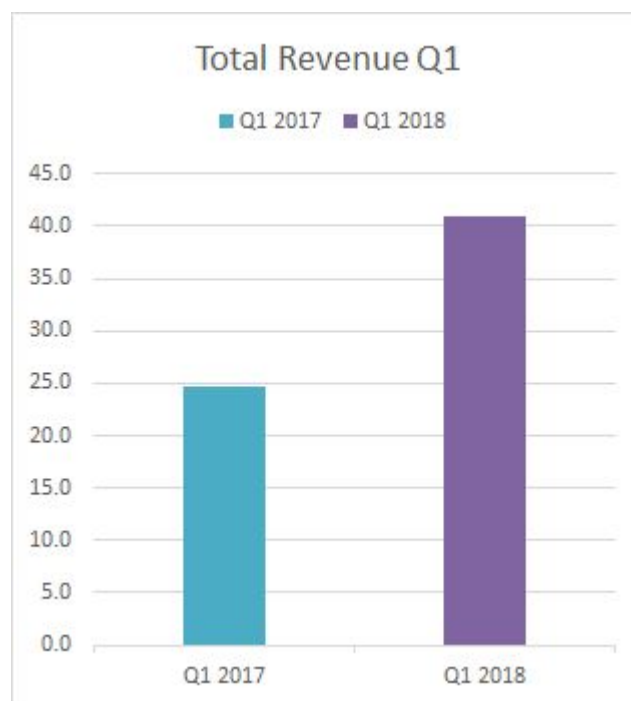
The return to profitability which started during Q4 2017 continues with a profitable quarter.

We continue to drive growth through investing in developing our unique technology solutions, hiring expert staff and providing training and development programs to maintain a high level of staff retention.

FINANCIAL POSITION AND LIQUIDITY

Liquid assets at the end of the period amounted to 23.1 MSEK (17.1). Cash and cash equivalents amounted to MSEK 2.3 (1.2) and accounts receivable 20.8 MSEK (15.9).

Total equity amounted to 48.6 MSEK, including issued share capital 5.2 MSEK. Return on equity was positive and equity ratio was 71 (52) percent.



CASH FLOW

Cash flow from operating activities before changes in working capital amounted to 2.2 MSEK. The change in working capital was -5.4 MSEK. Investments in tangible and intangible fixed assets amounted to -2.2 MSEK during the quarter. Cash flow from financing activities amounted to 6.9 MSEK. Net cash increased by 1.4 MSEK in the period. Careful management of cash is a point of focus in 2018.

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 31 March 2018.

Ayima recently announced plans for the issue of up to 300 000 warrants to the EBT, this plan will be proposed by the board at the upcoming AGM on 2018-05-14. The warrants owned by the EBT will be transferred to staff who have been employed by the company for a minimum of 12 months at 2018-05-24 with the following conditions and limitations:

- Employees that have been employed within the Company's group for at least 12 months but less than 4 years as of 24 May 2018 shall be entitled to options over warrants corresponding to 25 % of their gross annual salary.
- Employees that have been employed within the Company's group for more than 4 years as of 24 May 2018 shall be entitled to warrants corresponding to 40 % of their gross annual salary.
- When calculating the number of warrants that each employee is entitled to, the average trading price of the Company's shares in April 2018 shall be used.
- Key personnel within the Company's group might be offered more warrants.
- Warrants that are not transferred to employees shall be kept by Ayima Employee Benefit Trust 2011 for later transfer to future employees, in accordance with instructions from the board of directors.
- The options will vest at a rate of 25% per year for 4 years.
- Holders of warrants are entitled to subscribe for one new share of class B in the Company for each warrant at a subscription price of 1 SEK. during the month of May in years 2019, 2020, 2021 and 2022

The founders of Ayima are believers in the concept of "Employee Ownership" and the purpose of this scheme is to increase staff loyalty and motivation, and therefore retention. The goal will be to make all long serving staff shareholders of the company and share in the value that their work helps to create. Additionally, it will provide a powerful tool for attracting new talent and ultimately stabilise salary costs, which currently make up 75% of the company's operating expenditure and are the key to strong profit margins in the future.

In summary, the scheme will provide long term value to the company and its shareholders.

SIGNIFICANT EVENTS DURING AND AFTER THE PERIOD

On 2018-02-05 Ayima Group AB signed an agreement with a small group of investors for a loan instrument to provide 8.5Msek in additional working capital funding. The lenders are Göran Månsson (3Msek), Gerhard Dal (3Msek) and Ayima Employee Benefit Trust 2011 (2.5Msek).

The reason for the loan is that the board recognised a need for additional working capital due to the recent robust growth in customer acquisition and associated staff recruitment. It was decided that a loan was the best method of achieving this funding due to the relatively short-term nature of the requirement and the lower cost compared with a share issue.

Further information regarding the terms of the loans are available in the investors section of Ayima's website: www.ayima.com/investors

Ayima continues to expand its Analytics and Data Science offering with the addition of its first in-house Data Scientist in January 2018. By allocating time and focus on research and development instead of standardised requests, innovative solutions will continue to drive the organisation forward.

Ayima have expanded their existing e-commerce offering with the addition of its Conversion Rate Optimisation (CRO) service. Aiming to amplify the results achieved for leading global clients, the CRO service has already grown quickly, taking on a range of Ayima's mid-size clients with this expected to increase throughout 2018. Focusing on website testing, user research and behaviour, analytics review and conversion funnel implementation, Ayima expect to achieve uplift in conversions and increasing revenue for their clients.

Ayima have launched their new training course programme, Ayima Insights Training. Insights Training offers technical training for companies and digital marketers straight from Ayima's award-winning team of experts. Initially offering courses in SEO and Paid Social in Q3 2018, courses in Content Marketing, Data Science, Conversion Rate Optimisation and Paid Search will be offered shortly after.

As part of the Company's growth strategy for 2018 and continuous investment in its staff, Ayima have announced the launch of a digital marketing graduate programme. Offering placements in all departments of the Company including SEO, Paid Media, Content, Web Development, Analytics, Data Science, CRO and Design, graduates will undertake a 12-month, full-time contract position designed to launch their career in digital marketing. Mentored by Ayima's industry experts, the programme offers graduates the opportunity to learn while building a professional portfolio of real client projects with exposure to additional projects within the Company's other service areas and foreign offices.

MARKET TRENDS

As well as responding to increased demand for data-based information with developing innovative tools, Ayima have grown over almost 11 years to include experts across a range of technical services like Paid Media, Content, Data Science and CRO. Over the past few years we've received a massive

influx of requests for insights into the areas we specialise in and have created The Insights Training programme to reflect that and to share our breadth of digital knowledge with our audience on a more personalised level.

Data science has already driven results for clients which has allowed Ayima to offer our clients the insights and results they strive for. Ayima's vision for ML and AI implementation in the 2018 year will continue to drive industry-leading results for its clients. Aiming to make data science a core component of day-to-day operations internally, Ayima are developing a bespoke AI platform that enables Ayima's specialists to make more informed decisions based on powerful insights from data science with the click of a button.

As users shift their browsing habit to mobile devices, businesses are finding it harder to maintain the same conversion rates. When considering the different objectives users have when they are browsing on mobile vs desktop, this makes perfect sense. With competition for desktop and mobile site traffic becoming more fierce, CRO enables businesses to increase their revenue per visitor, acquire more customers and, ultimately, see more value from their visitors. For Ayima, we expect CRO to grow rapidly as more and more companies see the benefits and ROI they're receiving through testing. Therefore, we will continue to focus on our optimisation process, which has shown to be very effective in improving revenue for our clients.



RISKS AND UNCERTAINTIES

RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to various risks in relation to financial instruments. The main types of risks are political risk, currency variance risk and liquidity risk.

The Group's risk management is coordinated at its head office, in close cooperation with the board of directors, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to volatile financial markets.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

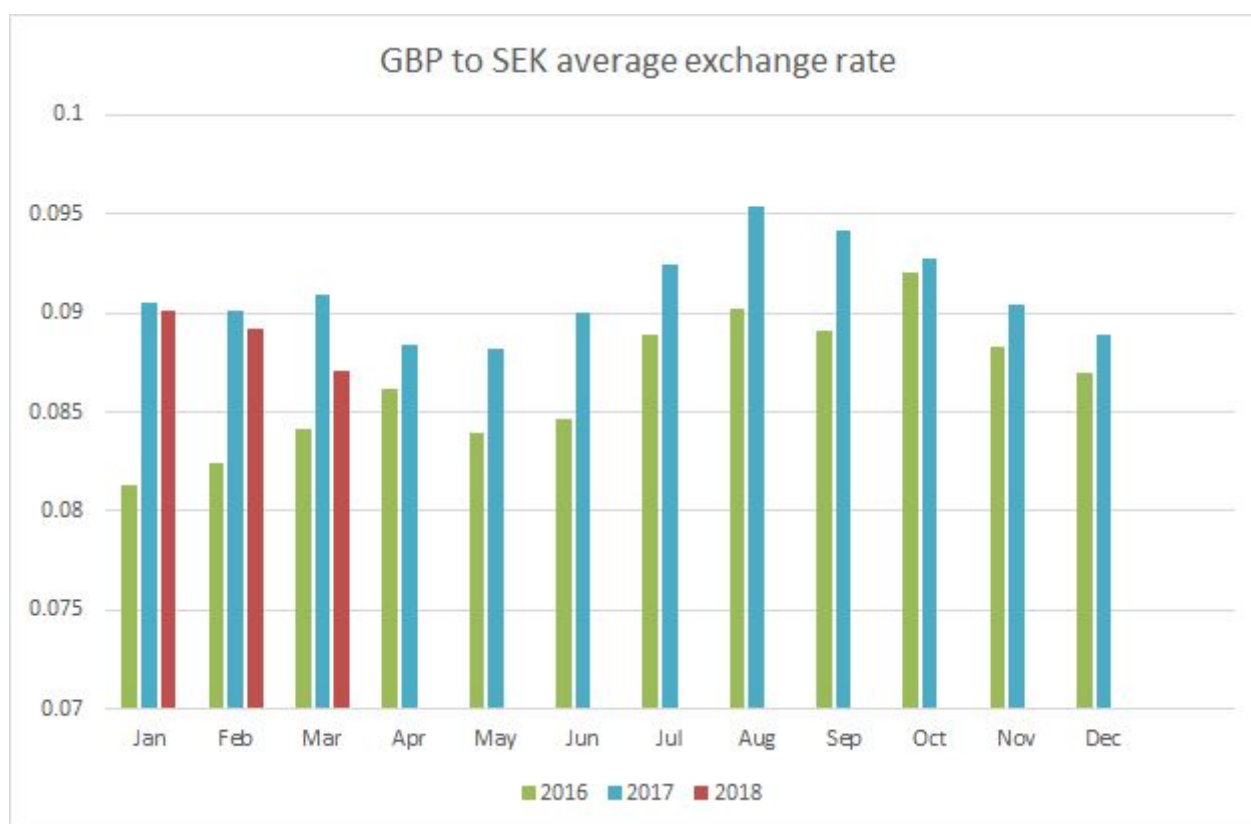
POLITICAL DECISIONS

In common with most companies operating in Britain, the company is exposed to a considerable degree of uncertainty in connection with Brexit and it can only respond to developments as and when they occur. It will do this promptly and effectively.

The chart below shows the fluctuation in exchange rates from GBP to SEK from January 2016 to March 2018 this demonstrates the continued impact of Brexit on the exchange rates. Although GBP has slightly recovered recently it is still remarkably different from the rates in effect before the UK referendum in June 2016.

EXCHANGE RATE VARIANCES

Currency risks refer to the risks that exchange rate fluctuations affect the consolidated income statement, balance sheet and cash flow. Currency risks exist both in terms of transactions and currency translation. Ayima is exposed to currency risks in 5 countries with 5 different currencies, most in British pounds (GBP) and US dollars (USD). Of the Group's sales in the first quarter of 2018, about 70 percent in GBP and 25 percent in USD. Of the Group's costs, approximately 75 percent was GBP and 18 percent was USD. Exposure attributable to exchange rate fluctuations on customer and supplier invoices is limited because billing to customers and suppliers is mainly in local currency for all companies in the Group.



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

CLIENTS

Customers of Ayima can contribute risk factors of various kinds. If a client represents a high proportion of revenue for the group, there is a risk that the business will be impacted if that client cancels their agreement. Ayima distributes revenue from many different clients of varying sizes, on long term contracts, with a review and risk assessment if a client represents more than 10% of the total fee income for the group. Ayima teams have regular meetings with clients for both agreeing and setting out tasks and roadmaps for future work to be undertaken and reporting on work completed. We communicate with most clients on a daily basis providing updates and answering questions. With good communication Ayima is constantly aware of the status of all clients and ensures that the good relationships are maintained and any issues addressed and resolved with minimum delays.

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, there are minimum notice periods in every contract.

STAFF

At the end of the quarter, the Group had approximately 150 employees. This includes both full-time permanent and part-time employees and consultants on longer contracts. To build a strong culture around the company, Ayima has developed strong management systems and evaluation systems for the Company employees and the company has very low staff turnover for the industry, which means that Ayima loses very little expertise and knowledge through employee losses. As part of the Company's growth strategy for 2018 and continuous investment in its staff, in February Ayima have announced the launch of a digital marketing graduate programme offering new graduates a 12-month, full-time contract position designed to launch their career in digital marketing.

CONTRACT DISPUTES

Ayima is careful when establishing customer agreements. The agreements are based on email conversations, meetings and telephone calls and scope of work is agreed in writing according to customer needs. Standard legal templates for client contracts have been developed with external legal advice in the appropriate jurisdictions. Throughout Ayima's over 10-year history, the Company has never been had action taken against it for failure to deliver on a contract.

LIABILITY RISKS

Ayima is certified ISO 27001, which confirms that there are policies and procedures that apply to all aspects of the work being carried out, we are also PCI-compliant and guarantee the highest level of security for all data on our systems.

Ayima has robust insurance policies in place for all of its subsidiaries covering Professional Indemnity, and Errors and Omissions.

Ayima have prepared for the incoming GDPR Legislation which comes into effect on 2018-05-25 by undertaking 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.

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.

In 2018 Ayima agreed a loan with the Ayima Employee Benefit Trust 2011, the trust is a shareholder in the company, the trustees are Michael Nott and Timothy Webb. The loan agreed is to the value of 2.5 MSEK for a term of 12 months with the following conditions:

- Interest of 12% per annum payable quarterly
- Loan is convertible to equity after 30 days in full or in part for not less than 1.0 MSEK
- Any conversion into shares will be at 15% discount of weighted average price from previous 10 trading days
- 90 days' notice is required if the lender will decide to call in loan at the end of the term.

ACCOUNTING PRINCIPLES

Ayima 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. The impact of IFRS standards with effect from 2018 have been evaluated and any resulting changes to accounting policies are outlined below.

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) new data protection law that comes into effect on 25 May 2018. Implemented throughout the EU, it will govern all businesses operating within the union and embed a more consistent approach to data protection. Companies that trade with EU based businesses will also be impacted and will need to know what's changing and how to comply. Penalties for noncompliance can now be up to €20 million or 4% of annual global turnover – whichever is greater.

GDPR supersedes all existing data protection acts, and that it increases businesses' obligations around data protection and their accountability for failure. It also applies across the full spectrum of data engagement – from the collection of personal data through to its use and disposal. Every organisation needs to embed policies and procedures to ensure that it monitors its GDPR controls and documents its compliance. The new rules apply to organisations of any size that process personal data. Ayima has 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.

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.

FINANCIAL OBJECTIVES

The board of Ayima Group AB announced in January that it has entered discussions with potential strategic acquisition targets. Any potential acquisitions will add complimentary services to Ayima's range of services as well as increasing profit margins and cashflows for the group.

The board has determined that an acquisition strategy, combined with the successful sales focus will accelerate growth and provide the best return for the company's investors.

The areas that the company will be looking at are for Ayima's current non-core services, including Programmatic Advertising, Analytics, CRO and Web Design and Development.

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 0.04 SEK (-1.3). Price per share at closing at the end of the period (2018-03-29) was 30.5 SEK.

FURTHER REPORTS

The Annual General Meeting will be held in Stockholm on 14 May 2018.

Interim report Q2 2018 - 2018-08-23

Interim report Q3 2018 - 2018-11-22

CONSOLIDATED FINANCIAL STATEMENTS

SUMMARY CONSOLIDATED INCOME STATEMENT

	JAN - MAR 2018	JAN - MAR 2017	FULL YEAR 2017
MSEK			
<i>Operating income</i>			
Sales	41.0	24.8	129.6
TOTAL INCOME	41.0	24.8	129.6
<i>Direct expenses</i>			
Direct expenses	-18.9	-10.1	-60.8

GROSS PROFIT	22.1	14.6	68.8
<i>Operating expenses</i>			
Personnel costs	-16.0	-14.1	-59.8
Depreciation	-0.5	-0.5	-2.1
Other operating expenses	-5.6	-5.8	-24.2
TOTAL OPERATING EXPENSES	-22.2	-20.5	-86.1
OPERATING PROFIT	0.0	-5.9	-17.2
<i>Profit from financial items</i>			
TOTAL FINANCIAL ITEMS	-0.2	0.0	-0.2
PROFIT AFTER FINANCIAL ITEMS	-0.2	-5.9	-17.5
Current tax	0.4	0.0	6.8
Minority share of profit for the period	0.0	0.0	0.0
PROFIT	0.2	-5.9	-10.7

OTHER COMPREHENSIVE INCOME

Items that could be reclassified to earnings

Exchange rate differences	2.1	0.1	-0.6
TOTAL COMPREHENSIVE INCOME	2.3	-5.8	-11.4
<i>Total profit for the period attributable to the parent company's shareholders:</i>			
Parent Company shareholders	2.3	-5.8	-11.4
<i>EARNINGS PER SHARE - BEFORE DILUTION (SEK)</i>	0.4	-1.2	-2.1
<i>EARNINGS PER SHARE - AFTER DILUTION (SEK)</i>	0.4	-1.2	-2.1

SUMMARY CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2017

	31 MAR 2018	31 MAR 2017	31 DEC 2017
MSEK			
ASSETS			
<i>Fixed assets</i>			
<i>Intangible assets</i>			
Goodwill	22.6	23.6	22.6
Other Intangible fixed assets	15.3	11.4	13.7
Total intangible fixed assets	38.0	35.0	36.3
<i>Tangible fixed assets</i>			
Property, plant and equipment	3.0	3.6	3.1
Total tangible fixed assets	3.0	3.6	3.1
<i>Financial assets</i>			
Shares in associated companies	2.9	3.4	2.8
Deferred Tax	4.1	0.0	3.5

Total financial assets	7.0	3.4	6.3
Total fixed assets	48.0	42.0	45.7
Current assets			
Accounts receivable	20.8	16.0	16.9
Other receivables	8.4	5.6	8.0
Prepayments and accrued income	3.6	2.2	1.4
Total other current assets	32.8	23.8	26.4
<i>Cash and bank balances</i>	2.3	1.2	0.9
Total current assets	35.1	24.9	27.3
TOTAL ASSETS	83.1	66.9	73.0

EQUITY AND LIABILITIES

Equity

Share capital	-5.2	-4.7	-5.2
Other contributed equity	-35.2	-25.6	-34.9
Other equity incl. profit for the year	-8.2	-13.6	-6.3

Total equity

	-48.6	-43.9	-46.4
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Minority interest

Long-term liabilities

Other liabilities	-0.6	-1.7	-1.5
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Total long-term liabilities

	-0.6	-1.7	-1.5
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Current liabilities

Accounts payable	-10.4	-15.7	-11.4
Invoice Factoring Loan	-3.5	-1.0	-4.6
Current tax liabilities	-0.0	-0.0	-0.0
Other current liabilities	-16.6	-3.3	-6.3
Accrued expenses and prepaid income	-3.4	-1.3	-2.8

Total current liabilities

	-33.9	-21.3	-25.1
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TOTAL EQUITY AND LIABILITIES

	-83.1	-66.9	-73.0
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CONSOLIDATED CASH FLOW STATEMENT (SUMMARY)

	JAN - MAR 2018	JAN - MAR 2017	JAN - DEC 2017
The ongoing business			
Operating profit	0.0	-5.9	-17.2
Adjusted revenue			
<i>Adjustments for items not included in cash flow</i>			
Depreciation and write-downs	0.5	0.5	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
	0.5	-5.4	-14.4
Financial items	-0.2	0.0	-0.2
Paid income tax	1.8	0.6	0.0

Cash flow from operating activities before changes in working capital*Changes in working capital*

Change in receivables	-9.2	-4.8	-3.9
Change in current liabilities	3.7	7.8	7.5

Cash flow from current operations

-3.3	-1.8	-11.0
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Investing activities

Acquisition of intangible fixed assets	-1.6	-0.4	-4.2
Acquisition of tangible fixed assets	-0.5	-0.3	-0.7
Acquisition of financial fixed assets	-0.2	-0.5	0.0
Sales of financial fixed assets	0.0	0.0	0.0

Cash flow from investing activities

-2.2	-1.2	-4.9
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Financing activities

Rights issue	0.0	3.3	14.2
Issuing Costs	0.0	0.0	-1.5
Borrowings	6.9	-0.6	2.6
Transaction with minority shareholders	0.0	0.0	0.0

Cash flow from financing activities

6.9	2.7	15.3
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Cash flow for the period

1.4	-0.3	-0.6
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Cash and cash equivalents at the beginning of the period

0.9	1.5	1.5
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LIQUID FUNDS AT THE END OF THE PERIOD

2.3	1.2	0.9
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SUMMARY STATEMENT OF CHANGES IN EQUITY

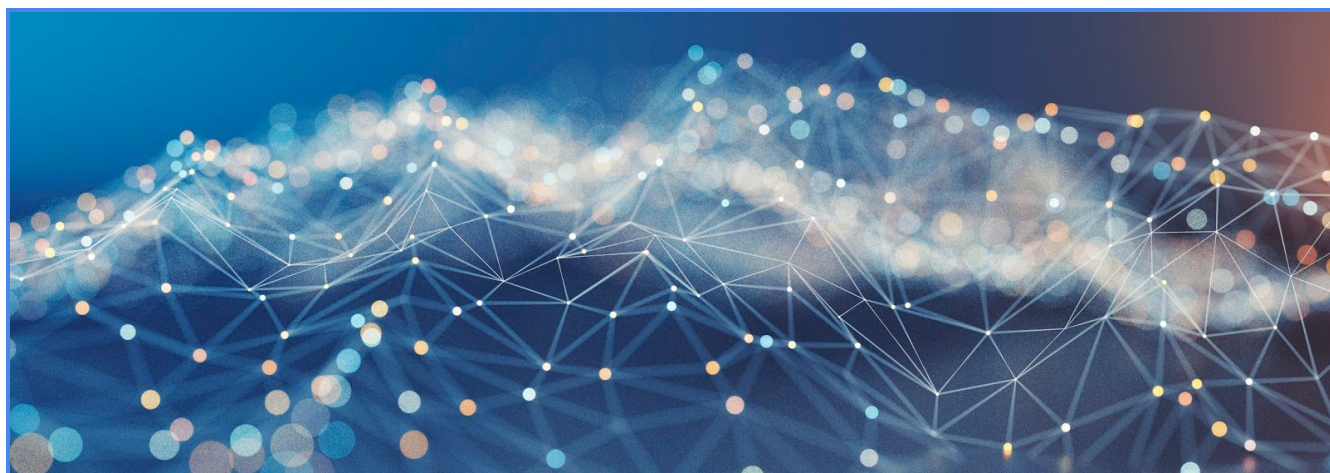
	UNRESTRI SHARE CAPITAL	CTED RESERVES	EQUITY
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MSEK

Balance at 01 Jan 2017	0.0	24.8	24.8
Issue of shares	5.2	11.0	16.2
Reverse acquisition	0.0	16.7	16.7
Exchange rate difference on consolidation	0.0	-0.6	-0.6
Profit/loss for the year	0.0	-10.7	-10.7
Balance at 31 Dec 2017	5.2	41.2	46.4
Balance at 01 Jan 2018	5.2	41.2	46.4
Exchange rate difference on consolidation	0.0	2.1	2.1
Profit/loss for the year	0.0	0.2	0.2
Balance at 31 Mar 2018	5.2	43.4	48.6

PARENT COMPANY FINANCIAL STATEMENTS

PARENT STATEMENT	COMPANY	INCOME	JAN- MAR 2018	JAN - MAR 2017	JAN - DEC 2017
MSEK					
<i>Operating income</i>					
Revenue			0.0	0.0	0.0
Other operating income			0.0	0.0	0.0
TOTAL INCOME			0.0	0.0	0.0
<i>Operating expenses</i>					
Other operating expenses			-0.3	-0.1	-0.9
TOTAL OPERATING EXPENSES			-0.3	-0.1	-0.9
OPERATING PROFIT			-0.3	-0.1	-0.9
<i>Financial items</i>					
TOTAL FINANCIAL ITEMS			-0.2	0.0	0.0
PROFIT AFTER FINANCIAL ITEMS			-0.5	-0.0	-0.8
Current tax			0.0	0.0	0.0
PROFIT			-0.5	-0.0	-0.8
OTHER COMPREHENSIVE INCOME					
<i>Items that could be reclassified to earnings</i>					
Exchange rate differences			0.0	0.0	0.0
TOTAL COMPREHENSIVE INCOME			-0.5	-0.0	-0.8
<i>Total profit for the period attributable to the parent company's shareholders:</i>					
Parent Company shareholders			-0.5	-0.0	-0.8
EARNINGS PER SHARE - BEFORE DILUTION (SEK)			-0.1	-0.0	-0.0
EARNINGS PER SHARE - AFTER DILUTION (SEK)			-0.1	-0.0	-0.0



PARENT COMPANY BALANCE SHEET (SUMMARY) AT 31 DECEMBER 2017

31
MAR
2018

31
MAR
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

18.7 2.5 12.1

Total other current assets

18.7 2.5 12.1

Cash and bank balances

1.25 0.5 0.1

Total current assets

19.8 3.0 12.1

TOTAL ASSETS

24.2 6.5 15.7

EQUITY AND LIABILITIES

Equity

Share capital A shares

-0.2 -0.2 -0.2

Share capital B shares

-5.0 -4.5 -5.0

Share premium

-11.0 -1.8 -11.0

Share issue costs

0.0 0.0 0.0

Other equity incl. profit for the year

1.3 -0.0 0.9

Total equity

-14.9 -6.5 -15.4

Current liabilities

Other liabilities

-9.3 -0.1 -0.3

Total current liabilities

-9.3 -6.5 -0.3

TOTAL EQUITY AND LIABILITIES

-24.2 -6.5 -15.7



PARENT COMPANY CASH FLOW ANALYSIS (SUMMARY)

	JAN - MAR 2018	JAN - MAR 2017	JAN - DEC 2017
The ongoing business			
Operating profit	-0.5	-0.1	-0.9
Adjusted revenue			
Financial items	0.0	0.0	0.0
	-0.5	-0.1	-0.9
Paid income tax	0.0	0.0	0.0
Cash flow from operating activities before changes in working capital	-0.5	-0.0	-0.9
Changes in working capital			
Change in receivables	-6.6	-2.4	-12.1
Change in current liabilities	0.3	0.0	0.2
Cash flow from current operations	-6.8	-2.4	-12.7
<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
Cash flow from investing activities	-0.8	-3.5	0.0
<i>Financing activities</i>			
Rights issue	0.0	6.5	14.3
Issuing Costs	0.0	0.0	-1.5
Borrowings	8.7	0.0	0.0
Cash flow from financing activities	8.7	6.5	-12.8
Cash flow for the period	1.0	0.6	0.1
<i>Cash and cash equivalents at the beginning of the year</i>	<i>0.1</i>	<i>0.0</i>	<i>0.0</i>
LIQUID FUNDS AT THE END OF THE PERIOD	1.1	0.6	0.1

SUMMARY STATEMENT OF CHANGES IN EQUITY	SHARE CAPITAL	UNRESTRI CTED RESERVES	EQUITY
MSEK			
Balance at 01 Jan 2018	5.2	10.2	15.4
Registration, Ayima Group AB	0.0	0.0	0.0
Issue in kind	0.0	0.0	0.0
Rights issue	0.0	0.0	0.0
Issuing costs	0.0	0.0	0.0
Profit	0.0	-0.5	-0.5
Balance at 31 Mar 2018	5.2	9.6	14.9

INCOME BY MARKET AND SERVICE

Ayima has successfully grown its revenue across the UK and North America with increases of 85% in the UK and 34% in the US and Canada from the same period last year. With continued focus on expansion of the business across all territories Ayima hopes that this positive trend may continue.

INCOME BY MARKET, MSEK	JAN - MAR 2018	JAN - MAR 2017	FULL YEAR 2017
INCOME			
GB	29.6	16.0	87.7
US & CA	11.3	8.4	41.3
SE	0.1	0.3	0.6
TOTAL INCOME	41.0	24.8	129.6

Income from SEO accounted for 44% of income in Q1, revenue in this sector has increased by 35% from the same period in 2017. We continue to invest in this sector by recruiting talent and building expert teams across our offices worldwide as well as expanding our service offering in this area. The continued development of internal tools provides greater data driven insights and opportunities for success.

In the first quarter of 2018 income from Paid Media exceeded income from other services for the first time with 49% of income from Paid Media. This is an exciting time of growth in this sector for Ayima with clients increasing annual budgets in line with the success of the campaigns run by Ayima's team. The tools and platforms that Ayima develops are also a driving factor in the continued success of this service sector.

INCOME BY SERVICE, MSEK	JAN - MAR 2018	JAN - MAR 2017	FULL YEAR 2017
INCOME			
SEO	18.4	14.0	60.3
PAID MEDIA	20.1	8.8	60.3
CONTENT/CREATIVE	2.2	2.0	7.3
OTHER	0.2	0.0	1.7
TOTAL INCOME	41.0	24.8	129.6

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 comes 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 no 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 May 11 2018 (2018-05-11).



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