



Q4 and Full Year Report, 2018

Full Year: 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)

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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About Ayima

Originally founded in 2007, Ayima is a digital marketing agency with around 150 employees across its offices in London, New York, San Francisco, Stockholm and Vancouver. Ayima have created a number of market-leading software tools that are used in by clients and agencies around the world, including 'Updatable', 'Redirect Path', 'Page Insights', 'Pulse' and 'Appotate'.

[Ayima](#) is listed at Nasdaq First North under the "Ayima B" ticker. Certified Adviser is:

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