



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

January - June 2020

Highlights

YTD: Jan - Jun 2020

- A positive EBITDA result of 2.2 MSEK (4.6)
- Profit after tax for the period was -4.4 MSEK (-4.2)
- Total Revenue amounted to 61.6 MSEK (76.9) a decrease of 20% from the corresponding period in 2019
- Gross Profit amounted to 42.0 MSEK (53.2) a decrease of 21% from the corresponding period in 2019
- Revenue reductions in the period are entirely Covid-19 related and are considered temporary. Revenue is expected to increase in Q3 and Q4 as the economy reopens
- Operating costs amounted to 39.8 MSEK (48.7), a reduction of 18.3%

Q2: Apr - Jun 2020

- EBITDA for the quarter amounted to 1.8 MSEK (4.0) a 300% increase of 1.4 MSEK from the previous quarter (0.4)
- Profit after tax for the period was -1.4 MSEK (1.2)
- Revenue for the quarter amounted to 27.8 MSEK (40.5), a decrease of 31% from the previous year and 1.8% from the previous quarter
- Gross Profit amounted to 18.3 MSEK (27.1) a decrease of 32% the corresponding period in 2019 and a decrease of 22% from the previous quarter
- Operating costs amounted to 16.6 MSEK (23.1) a reduction of 28% compared with the same period last year. Cost Cutting measures introduced in the quarter achieved savings of 6.5 MSEK
- Significant cost-cutting measures have been implemented to counteract the temporary Covid-19 related revenue reduction. While revenue is expected to improve in Q3 and Q4 as the economy reopens, the cost savings will remain for the long term



Key Events in the Quarter:

- New client contracts signed during Q2 2020 amounted to a total value of 10.8 MSEK over 12 months
- Further new client wins announced so far in Q3 total over 13 MSEK annually
- The cost saving initiatives and internal restructuring measures implemented during Q2 achieved a saving of 28% in operating costs when compared to the same period in 2019
- The company continues to take advantage of the UK government's Coronavirus Job Retention Scheme (CJRS) and is receiving grant payments for several UK employees on furlough
- The US subsidiary Ayima Incorporated received approximately 3.9 MSEK in funding under the US government Coronavirus Aid, Relief, and Economic Security (C.A.R.E.S.) Act in the form of a loan granted under the Payroll Protection Program (PPP) Scheme. These funds will be used to support the US operation and if used solely for the purpose of funding payroll and utilities in the US, the loan may be forgiven in its entirety
- The AGM was held on 12 June, all the board proposals were unanimously approved
- An Extraordinary General Meeting (EGM) was held on 03 July, the board's proposal was unanimously approved
- The UK subsidiary Ayima Limited received 0.6 MSEK through the UK government's Bounce Back Loan Scheme (BBLS), this loan is 100% guaranteed to the lender by the UK government's British Business Bank. The loan is interest and repayment free for the first 12 months. The loan is then repayable over the following 5 years at 2.5% APR. The funds must be used to support operations in the UK
- As restrictions on movement are eased in some local areas Ayima's offices have begun to reopen. Management are keeping a close eye on developments and following local government guidance. To ensure the continued safety of staff and clients the majority of Ayima's staff continue to work remotely with no impact on productivity



A MESSAGE FROM THE CEO

Dear Shareholders and Investors

The second quarter of the year has produced a mixed result for Ayima. However considering the financial crisis that the world is currently experiencing, it feels that we have weathered the worst effects and there is much cause for optimism.

As per previously published expectations, we experienced a fairly significant revenue decrease in the quarter, when compared to the corresponding period in 2019. On the other hand, many of the clients that had cut budgets in response to Covid-19 have already begun to restart marketing activities and like the Global Financial Crisis of 2007/2008, it seems extremely likely that in an era of tighter budgets, more emphasis will be placed on "organic" channels such as SEO rather than traditional TV and banner advertising. As such we expect our own sector to recover extremely quickly and perhaps come out stronger as a result.

In terms of confronting the pandemic and resulting financial shockwaves, Ayima has met the challenge head-on. All of our offices have been operating a full remote working policy and this has resulted in total continuity of service to our clients. Additionally, the temporary revenue impact has forced us to look for long term cost cutting and lasting efficiencies in our operations. Whilst we have taken advantage of the various government job-protection schemes, we have also made cuts to operations that we deemed to be inefficient or insufficiently competitive.

In terms of management of operations, the crisis has forced us to improve our reporting and analysis abilities and to look for efficiencies and savings across the board. This deep analysis has resulted in some tough decisions being made. We have said goodbye to some members of staff, and brought some teams together to work more closely. The total cost savings achieved amount to approximately 12 MSEK annually and as a result we should see a significant increase in margin as revenues begin to return to normal levels.

Also a great cause for optimism has been our sales performance in Q2 and in the weeks since. While many SMEs have paused their procurement process, we have actually picked up some really significant new business wins. This does indeed bode well for the future of our industry, which has traditionally prospered in difficult economic times.

In summary, these are difficult times for everyone but we are more than just surviving the downturn. With the changes we are making we expect to not only continue to survive, but to prosper in the future.

Yours Sincerely

Mike Jacobson
CEO



OPERATIONS

REVENUE BY QUARTER AND YTD MSEK

	Apr - Jun 2020	Apr - Jun 2019	Jan - Jun 2020	Jan - Jun 2019	Jan - Dec 2019
OPERATING REVENUE	27.8	40.5	61.6	76.9	169.3
GROSS PROFIT	18.3	27.1	42.0	53.2	114.9
GROSS MARGIN	66%	67%	68%	69%	68%

Despite strong sales performance with 10 new client wins announced in Q2, revenue for the quarter shows a 31% drop from the same period in 2019. Several existing clients have continued with reduced budgets for the foreseeable future. These had been expected to rebound more quickly, however economic recovery in general has been slow and marketing budgets have not yet been reinstated as clients continue to be very cautious about their marketing spend going forward. A number of new contracts have been announced to date in Q3, with an annual value over 13 MSEK, these will begin to positively impact revenue in Q3 and Q4.

During Q2, management implemented several cost saving initiatives to mitigate the impact of the Covid-19 pandemic on the group's operations and profitability. These included a reduction in global personnel costs through a voluntary salary reduction for all employees in Q2, as well as the UK government Coronavirus Job Retention Scheme (CJRS) which allows employers to claim a grant for up to 80% of the salary costs for staff members who would otherwise be made redundant due to the impact of the pandemic, these actions resulted in a saving of approximately 27% compared with Q1. The CJRS scheme is in operation until October 2020. Unfortunately, the government scheme has not prevented a small number of redundancies from going ahead as the impact of the pandemic on operations means that resource requirements have been reduced in the medium to long term.

Extraordinary costs in Q2 included provisions for staff costs associated with the EMI 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 24.2 MSEK (28.8). Cash and cash equivalents amounted to 8.2 MSEK (2.4) and accounts receivable 16.0 MSEK (26.4). 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. The Invoice Discounting facility had an amount of 1.2M SEK available but not in use at 2020-06-30.

Total equity amounted to 45.8 MSEK, including issued share capital 7.1 MSEK. Equity ratio was 37 (36) percent. 16.8 MSEK of the liabilities relate 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 1.0 MSEK. The change in working capital was 3.7 MSEK. Investments in tangible and intangible fixed assets amounted to -4.9 MSEK during the year to date. Cash flow from financing activities amounted to 3.7 MSEK. Net cash increased by 2.7 MSEK in the period.



During Q2, the UK subsidiaries Ayima Limited and LeapThree Limited received a total of 0.8 MSEK in grants from the UK government CJRS scheme. These payments are a grant from the UK government to companies that have been negatively impacted by Covid-19 to help them to retain employees who would otherwise be made redundant as a result of the pandemic. The scheme continues until October 2020 with some phased reductions to the scheme from August onwards.

The US subsidiary Ayima Incorporated successfully applied for funding in the amount equivalent to 3.9 MSEK through the US government Payroll Protection Program (PPP) Scheme. Under this scheme companies can apply for a business loan to the value of 2.5 times their average monthly payroll costs in 2019. The funds must be used for US operations only and the loan may be forgiven in its entirety if certain conditions are met including the following: a minimum of 60% of the funds must be used for payroll and the remainder used solely for rent and utilities payments, the company must also maintain its number of employees. If these conditions are met then the loan may be forgiven in whole or in part. Any part of the loan that is not forgiven is repayable over 5 years at 1% APR with repayments deferred for the first 6 months. Ayima expects that 90% of the loan will be forgiven.

The UK subsidiary Ayima Limited successfully applied for support under the British government Bounce Back Loan Scheme (BBLS). This scheme allows companies that have been negatively affected by Covid-19 to access unsecured lending up to GBP £50,000 (approximately 0.6 MSEK) in the form of a term loan at a fixed rate of 2.5% APR. The government pays the first 12 months of interest to the lender on behalf of the company and the loan is subsequently repaid over the following 5 years. The government provides a 100% guarantee to the lender, thereby reducing their risk level. The company is liable for all repayments of the loan received.

Ayima continues to work closely with its banking partners to ensure adequate cashflow is available in the medium to long term.

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). 333,687 shares were owned by the EBT at 2020-06-30.

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 (106 469 total). During the year to June 2020 a further 13 410 share options were forfeit. 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. During the year to June 2020 a total of 6 130 of these share options were forfeit. The remaining warrants will vest over the periods to May 2023. No additional share options were awarded in 2020.

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 Q2 2020 has been recognised in the financial statements.



SIGNIFICANT EVENTS DURING AND AFTER THE PERIOD

Ayima is certainly feeling the impact of the pandemic on its clients, as evidenced by the reduction in sales in the first half of the year. However there is some good news, businesses still need to attract customers, and in a world of lockdowns and restricted movement the best way to generate income is through online sales. Digital marketing is very much at the forefront of business owners' minds when considering where to spend their marketing budgets. Ayima continues to attract new clients with 10 new contracts signed in Q2 alone at an annual value of 10.8 MSEK. To date in Q3 additional new business wins valued at over 13 MSEK annually have been announced after the conclusion of some lengthy sales processes.

The pandemic has forced management to take a much closer look at financial performance on a more granular level than ever before. As a result of this comprehensive analysis further measures taken in Q3 include a restructuring of lower margin parts of the business and consolidation of teams across geographical areas to drive efficiencies and maximise profitability. A small number of high salaried staff as well as some more junior team members have been made redundant, achieving significant cost savings without affecting overall operational effectiveness. The total savings achieved in staff costs through this action amount to approximately 12 MSEK annually. The impact of these cost savings on the remaining half of 2020 is an expected reduction of approximately 4.2 MSEK versus estimated costs at the beginning of the year.

All of Ayima's staff continue to work remotely with great success, there has been no change in productivity, and in some cases productivity has actually improved. As lockdown restrictions are eased in some areas, demand for services has increased and some staff have been brought back from furlough.

Ayima's Paid Media team received a prestigious award from The Drum Search Awards 2020 for Best Search Campaign - Not for Profit. This was awarded for their work on the British Red Cross's first aid campaigns. Ayima have worked alongside the British Red Cross for almost 2 years now and in this instance, partnered with the Red Cross to drive first aid awareness across a multitude of paid search campaigns, across platforms and supporting both personal and workplace first aid training, including app campaigns through both Apple and Android devices. In awarding the prize, the judges were impressed by the innovative use of custom scripts and automation to funnel audiences to the right places in the right moments; "This was smart usage of automation through local feeds and ad customisers."

The Group's Annual Report was published on 17 April 2020 and is available on the company website.
www.ayimagroup.com

Ayima's AGM took place in Stockholm on 12 June 2020, all of the board's proposals were accepted unanimously.

An Extraordinary General Meeting (EGM) was announced on 18 June 2020, and took place in Stockholm on 03 July 2020, the board's proposal was unanimously approved. The outcome of the meetings are available on the company website www.ayimagroup.com.

MARKET TRENDS

Ayima's team of digital marketers have published some insightful articles on the impact of Covid-19 on consumer behaviour, and on the digital marketing landscape.

In the e-commerce sphere, there has been both a shift in consumer search trends as well as a rise in questions around the impact of Covid-19 on various retailers/stores. These changes can also bring about several opportunities. By using the data and tools at hand, we can uncover valuable information about trends and changes in performance. The Covid-19 lockdown has had a big impact on search behaviour. In the retail/e-commerce space, search trends for 'online shopping' saw a rising interest according to a search insights report from Google. Other related terms such as online delivery & click and collect have also seen notable spikes during this period. This kind of information is relevant to any e-commerce client but especially so if they are retailers that have physical stores and or provide straight to door delivery services in conjunction. Armed with this basic insight, businesses can use tools such as Google Search Console (GSC) and Google Trends to start analysing how they may have been impacted by this change and gain insights allowing them to alter their marketing strategies accordingly.

Despite Covid-19, luxury fashion is experiencing increased online interest, and luxury brands should consider investing in SEO to be visible to an expanded audience. A reduced physical store presence means luxury retail brands need to find a new way to reach their customers, and search volumes show that those customers are ready to be found online. A thorough and future-focused strategy is key to ensuring users searching for designer and luxury products are captured and converted; there has never been a better time to invest in digital for luxury brands.





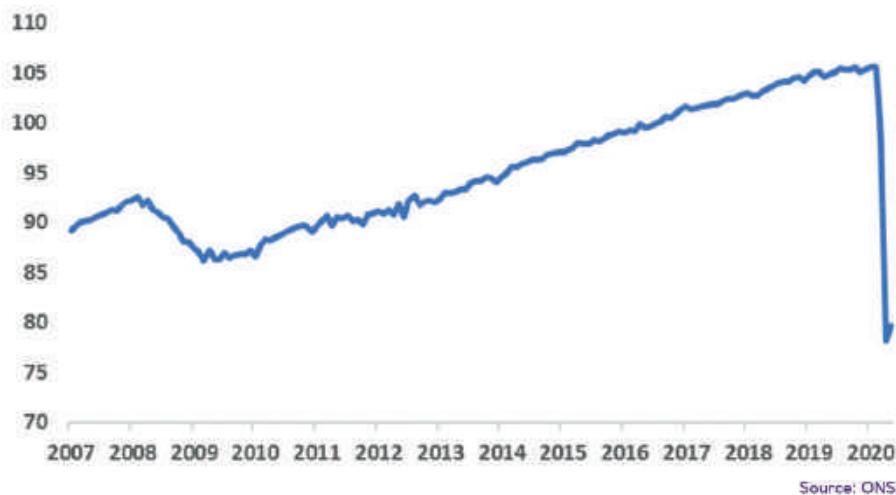
RISKS AND UNCERTAINTIES

RISK MANAGEMENT OBJECTIVES AND POLICIES

The Covid-19 pandemic continues to have a significant impact on the global economy. As infection rates stabilised somewhat in the latter part of Q2 and some regions were able to relax the strict lockdowns that had been imposed, local economies experienced a small bounce back, however this was not enough to mitigate the severe economic impact that the pandemic had in the earlier months of the year. Since the limited recovery seen in May, the UK government announced on 12th August that the country is entering a recession. With infection rates rising again across Europe and a potential second wave on the horizon,

economists are anticipating a global recession far beyond that experienced in 2008. Unemployment is expected to rise as the economy shrinks and government support schemes such as the UK's CJRS scheme close. Particular industries such as events and travel will suffer longer term impacts from the social distancing and lockdown restrictions, those industries will undoubtedly be changed at a fundamental level. To demonstrate the impact that Covid-19 has had on the UK economy, the graph below shows the UK's monthly Gross Domestic Product (GDP) since 2007.

UK GDP - Monthly



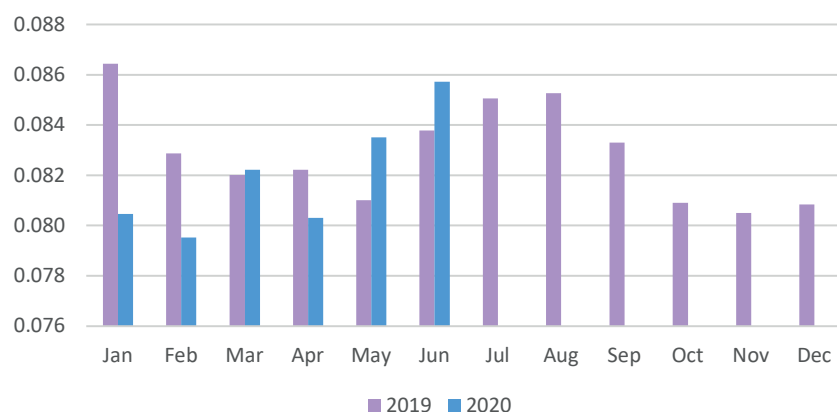
As the impact of the pandemic on the group continues to take effect, Ayima's management examines and updates its forecasting on a continuous basis in line with developments at an operational level. Management reporting has been expanded and is now more detailed than before and monthly reporting deadlines are shorter, thus enabling the management team to make decisions and react quickly to any changes.

Client onboarding and risk management has become a particularly important factor in recent months, as businesses work hard to conserve their cash. Ayima has been successful in mitigating these risks with many new clients agreeing to pay in advance for services. Ayima's great customer relationships have meant that historically cash collection has never been an issue with no bad debts to write off. The finance team is paying close attention to developments and successfully working with clients to ensure cash collections remain within target.

Ayima has reduced the percentage of income from gaming clients in response to the volatility in the UK gaming industry experienced in 2018 and 2019 which was caused by the increased regulation and taxes in the gaming industry. Ayima continues to diversify its client portfolio to mitigate concentration risks.

Currency variance risks related to fluctuations in the exchange rate can have an impact on Ayima when reporting in SEK. Day to day operations are not significantly impacted as revenue and costs are mainly in the same currency in each market. The chart below shows the fluctuation in exchange rates from GBP to SEK from January 2019 to June 2020, 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.

Average Monthly Exchange Rate SEK to GBP



*source: oanda.com average monthly rate Jan 2019 - Jun 2020

RELATED PARTY TRANSACTIONS

Ayima no longer provides services to Gaming Realms or Tootsa MacGinty, there are no related party transactions to report.

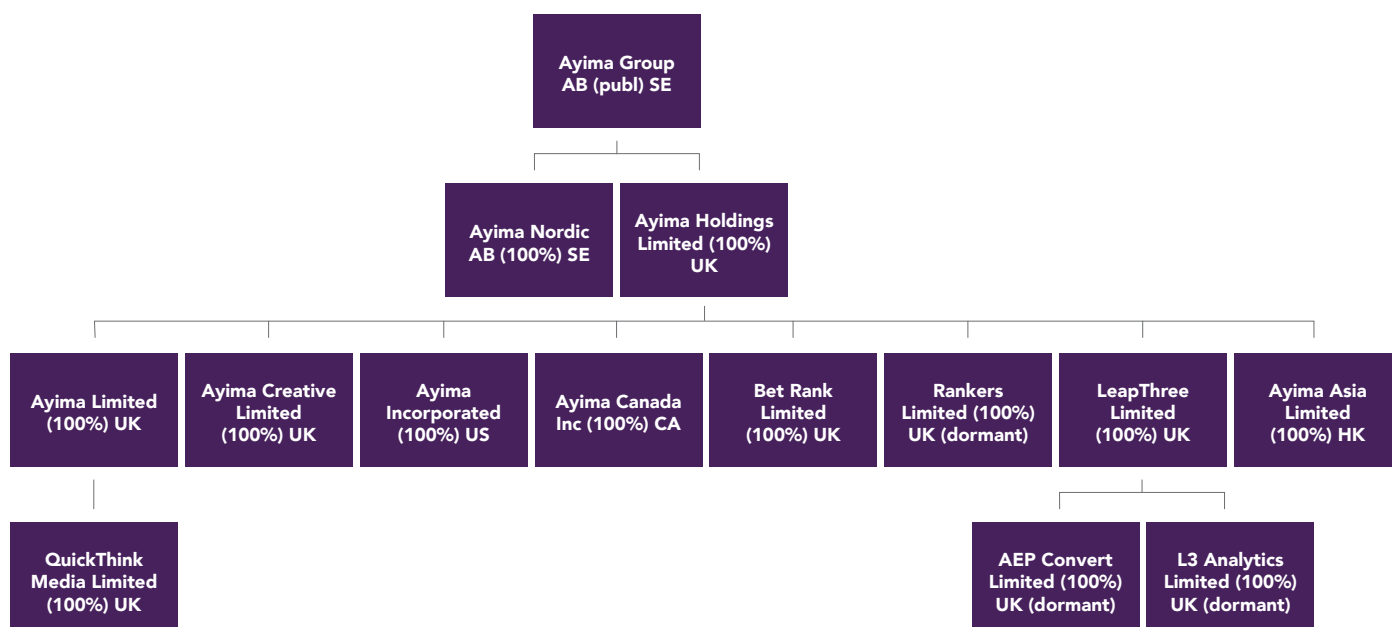
ACCOUNTING PRINCIPLES

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 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. 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.



FINANCIAL OBJECTIVES

In addition to the 1.3 MSEK of savings achieved in Q1, the cost saving plan that was implemented in Q2 2020 yielded approximately 6.5 MSEK (28%) in reduced costs when compared with both the same period last year and when compared with Q1 2020. The cost savings were achieved mainly through a reduction in staff costs with all staff accepting a voluntary reduction in salary for Q2. As most salaries were reinstated in Q3 these cost savings are expected to be less pronounced during the remainder of 2020. Ayima's founders will continue with their voluntary salary reduction for the rest of the year.

Ayima continues to monitor the evolving situation and is reassessing its short and medium term forecasts on a regular basis.

NUMBER OF SHARES, SHARE CAPITAL AND EARNINGS PER SHARE

At the end of the period, the company had 7 060 339 shares (A 226 800 B 6 833 539). The share capital was 7 060 339 SEK. Earnings per share for the quarter amounted to -0.98 SEK (-0.15). Price per share at closing at the end of the period (2020-06-30) was 8.74 SEK. The number of outstanding options granted to staff was 208 476. Earnings per share after dilution amounted to -0.98 SEK (-0.15).

Shareholding at 2020-06-30	No A Shares	No B Shares	Control %	Capital %
New Equity Ventures		929,741	10.2%	13.2%
Timothy Webb	66,667	870,837	16.9%	13.3%
Michael Jacobson	66,666	868,532	16.9%	13.2%
Michael Nott	66,667	784,975	15.9%	12.1%
Michael Feiner	15,000	390,731	5.9%	5.7%
Ayima EBT		333,687	3.7%	4.7%
Peter O'Neill	11,800	338,241	5.0%	5.0%
Gaming Realms PLC		347,487	3.8%	4.9%
Digital Spine AB		16,500	0.2%	0.2%
Employee Shares		10,855	0.1%	0.2%
Others		1,941,953	21.3%	27.5%
Total	226,800	6,833,539	100%	100%

FURTHER REPORTS

Q3 2020 Interim Report

2020-11-19

Year End Report

2021-02-25

CONSOLIDATED FINANCIAL STATEMENTS

SUMMARY CONSOLIDATED INCOME STATEMENT

	APR - JUN 2020	APR - JUN 2019	JAN - JUN 2020	JAN - JUN 2019	JAN- DEC 2019
MSEK					
<i>Operating income</i>					
Sales	27.8	40.5	61.6	76.9	168.5
Other income	0.0	0.0	0.0	0.0	14.8
TOTAL INCOME	27.8	40.5	61.6	76.9	183.4
<i>Direct expenses</i>					
Direct expenses	-9.4	-13.4	-19.6	-23.6	-68.5
GROSS PROFIT	18.3	27.1	42.0	53.2	114.9
<i>Operating expenses</i>					
Personnel costs	-13.7	-18.5	-32.7	-38.7	-78.7
Other operating expenses	-2.8	-4.6	-7.1	-10.0	-24.0
OPERATING EXPENSES	-16.6	-23.1	-39.8	-48.7	-102.6
EBITDA	1.8	4.0	2.2	4.6	12.2
Depreciation & Gortisation	-2.0	-2.3	-4.3	-4.8	-9.6
Exceptional Items	-0.2	-0.4	-0.5	-2.5	-2.6
OPERATING PROFIT	-0.4	1.3	-2.5	-2.8	0.0
FX gains/losses	0.1	0.0	0.0	0.0	-2.5
Interest paid/received	-0.9	-1.0	-1.6	-1.6	-4.3
Financing Costs	-0.1	-0.3	-0.3	-0.6	-1.1
R&D Tax Credit	0.0	1.1	0.0	0.8	2.3
Deferred tax	0.0	0.0	0.0	0.0	0.7
Minority share of profit for the period	0.0	0.0	0.0	0.0	0.0
PROFIT AFTER TAX	-1.4	1.2	-4.4	-4.2	-4.9

OTHER COMPREHENSIVE INCOME

<i>Items that could be reclassified to earnings</i>					
Exchange rate differences*	-5.5	-2.1	-3.8	0.3	4.7
TOTAL COMPREHENSIVE INCOME	-6.9	-0.9	-8.2	-4.0	-0.3
<i>Total profit for the period attributable to the parent company's shareholders:</i>	-6.9	-0.9	-8.2	-4.0	-0.3
EARNINGS PER SHARE - BEFORE DILUTION (SEK)	-0.98	-0.15	-1.17	-0.66	-0.04
EARNINGS PER SHARE - AFTER DILUTION (SEK)	-0.98	-0.15	-1.17	-0.66	-0.04

SUMMARY CONSOLIDATED BALANCE SHEET AT 30 JUNE 2020

	30 JUN 2020	30 JUN 2019	31 DEC 2019
MSEK			
ASSETS			
Fixed assets			
<i>Intangible assets</i>			
Goodwill	39.4	36.4	42.2
Other Intangible fixed assets	33.0	33.1	35.2
Total intangible fixed assets	72.5	69.5	77.4
<i>Tangible fixed assets</i>			
Property, plant and equipment	1.8	2.7	1.1
Total tangible fixed assets	1.8	2.7	1.1
<i>Financial assets</i>			
Shares in associated companies	0.0	2.9	0.0
Right of Use Assets	13.3	11.1	8.6
Deferred Tax	5.5	4.2	5.8
Total financial assets	18.8	18.3	14.5
Total fixed assets	93.1	90.6	93.0
Current assets			
Accounts receivable	16.0	26.4	23.1
Other receivables	3.7	10.2	7.4
Prepayments and accrued income	3.6	2.5	2.3
Total other current assets	23.3	39.2	32.8
<i>Cash and bank balances</i>	8.2	2.4	5.5
Total current assets	31.5	41.5	38.4
TOTAL ASSETS	124.6	132.1	131.3
EQUITY AND LIABILITIES			
Equity			
Share capital	-7.1	-6.0	-7.1
Other contributed equity	-42.6	-43.7	-47.2
Other equity incl. profit for the year	3.9	2.4	0.7
Total equity	-45.8	-47.3	-53.6
<i>Minority interest</i>	0.0	0.0	0.0
Long-term liabilities			
Other Provisions	-1.9	-2.3	-1.8
Lease Liabilities	-10.2	-11.4	-2.9
Other liabilities	-20.6	-27.0	-16.9
Total long-term liabilities	-32.7	-40.7	-21.6
Current liabilities			
Accounts payable	-13.0	-14.4	-24.1
Invoice Discounting Loan	-1.3	-8.4	-7.0
Current tax liabilities	0.0	0.0	0.0
Current Lease Liabilities	-3.6	0.0	-4.8
Other current liabilities	-23.7	-14.6	-12.2
Accrued expenses and prepaid income	-4.5	-6.6	-8.1
Total current liabilities	-46.1	-44.1	-56.2
TOTAL EQUITY AND LIABILITIES	-124.6	-132.1	-131.3

CONSOLIDATED CASH FLOW STATEMENT (SUMMARY)

	JAN - JUN 2020	JAN - JUN 2019	JAN- DEC 2019
The ongoing business			
Operating profit	-2.5	-2.8	0.0
Adjusted revenue			
<i>Adjustments for items not included in cash flow</i>			
Depreciation and write-downs	4.3	4.8	9.6
Exchange losses	0.0	0.0	0.0
Minority interests	0.0	0.0	0.0
Other non-cash items	-3.4	1.2	-8.6
	-1.7	3.3	1.0
Financial items	-0.3	-2.2	-2.8
Paid income tax	3.0	0.6	2.2
Cash flow from operating activities before changes in working capital	1.0	1.7	0.4
<i>Changes in working capital</i>			
Change in receivables	6.9	-0.9	4.2
Change in current liabilities	-4.2	-5.0	6.1
Cash flow from current operations	3.7	-4.3	10.7
<i>Investing activities</i>			
Acquisition of intangible fixed assets	-4.9	-5.3	-4.9
Acquisition of tangible fixed assets	0.1	-0.2	-0.3
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	-4.8	-5.3	-5.2
<i>Financing activities</i>			
Rights issue	0.0	7.9	11.5
Issuing Costs	0.0	0.0	-2.0
Borrowings	0.0	0.1	6.0
Repayments	3.7	0.0	-19.7
Transaction with minority shareholders	0.0	0.0	0.0
Cash flow from financing activities	3.7	8.1	-4.2
Cash flow for the period	2.7	-1.5	1.3
<i>Cash and cash equivalents at the beginning of the period</i>	5.5	3.9	3.9
<i>Exchange rate differences at the end of the period</i>			0.4
LIQUID FUNDS AT THE END OF THE PERIOD	8.2	2.4	5.5

SUMMARY STATEMENT OF CHANGES IN EQUITY

	30 JUN 2020	31 MAR 2020	31 DEC 2019
MSEK			
Opening Balance	52.5	53.6	40.5
Issue of shares	0.2	0.2	12.0
Reverse acquisition	0.0	0.0	0.0
Other	0.0	0.0	1.3
Total Comprehensive Income	-6.9	-1.3	-0.3
Closing Balance	45.8	52.5	53.6

PARENT COMPANY FINANCIAL STATEMENTS

PARENT COMPANY INCOME STATEMENT

	APR - JUN 2020	APR - JUN 2019	JAN - JUN 2020	JAN - JUN 2019	JAN- DEC 2019
MSEK					
<i>Operating income</i>					
Revenue	0.0	0.0	0.0	0.0	0.0
Other operating income	0.5	0.0	0.5	0.0	1.1
TOTAL INCOME	0.5	0.0	0.5	0.0	1.1
<i>Operating expenses</i>					
Other operating expenses	-0.2	-0.2	-0.5	-0.5	-1.7
TOTAL OPERATING EXPENSES	-0.2	-0.2	-0.5	-0.5	-1.7
EBITDA*	0.3	-0.2	0.0	-0.5	-0.6
Financial items	-0.6	-0.5	-1.1	-0.8	-3.8
Result from participation in group companies	0.0	0.0	0.0	0.0	12.8
PROFIT BEFORE TAX	-0.3	-0.7	-1.1	-1.2	8.4
Current tax	0.0	0.0	0.0	0.0	0.0
PROFIT AFTER TAX	-0.3	-0.7	-1.1	-1.2	8.4

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	-0.3	-0.7	-1.1	-1.2	8.4
<i>Total profit for the period attributable to the parent company's shareholders:</i>					
Parent Company shareholders	-0.3	-0.7	-1.1	-1.2	8.4
EARNINGS PER SHARE - BEFORE DILUTION (SEK)	0.0	-0.1	-0.2	-0.2	1.2
EARNINGS PER SHARE - AFTER DILUTION (SEK)	0.0	-0.1	-0.2	-0.2	1.2

**PARENT COMPANY BALANCE SHEET (SUMMARY)
AT 31 MARCH 2020**

	30 JUN 2020	30 JUN 2019	31 DEC 2019
MSEK			
ASSETS			
<i>Fixed assets</i>			
<i>Financial assets</i>			
Shares in subsidiaries	7.9	7.1	7.1
Total financial assets	7.9	7.1	7.1
Total fixed assets	7.9	7.1	7.1
<i>Current assets</i>			
Receivables	70.1	74.3	70.4
Total other current assets	70.1	74.3	70.4
<i>Cash and bank balances</i>	0.2	0.9	0.2
Total current assets	70.3	75.2	70.6
TOTAL ASSETS	78.1	82.3	77.7
EQUITY AND LIABILITIES			
<i>Equity</i>			
Share capital A shares	-0.2	-0.2	-0.2
Share capital B shares	-6.8	-5.8	-6.8
Share premium	-45.0	-43.1	-41.7
Share issue costs	0.0	0.0	0.0
Other equity incl. profit for the year	-1.5	7.1	-5.4
Total equity	-53.5	-42.1	-54.2
<i>Long-term liabilities</i>			
Other liabilities	-15.5	-26.0	-15.5
Total long-term liabilities	-15.5	-26.0	-15.5
<i>Current liabilities</i>			
Other liabilities	-9.1	-14.2	-8.0
Total current liabilities	-9.1	-14.2	-8.0
TOTAL EQUITY AND LIABILITIES	-78.1	-82.3	-77.7

PARENT COMPANY CASH FLOW ANALYSIS (SUMMARY)

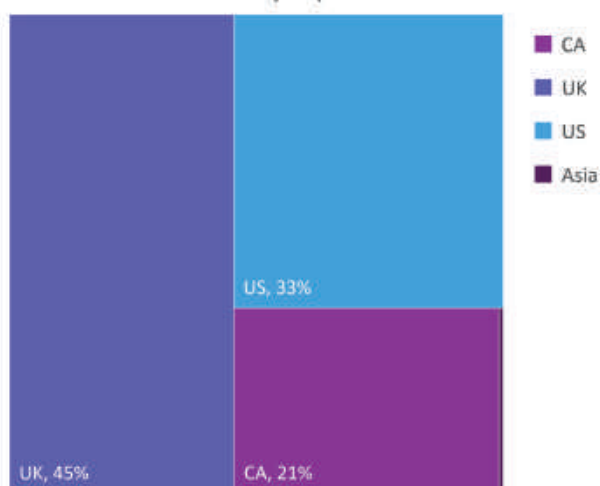
	JAN - JUN 2020	JAN - JUN 2019	JAN - DEC 2019
The ongoing business			
Operating profit	0.0	-0.5	-0.6
Adjusted revenue			
Financial items	0.0	-0.8	-1.3
Cash flow from operating activities before changes in working capital	0.0	-1.2	-1.9
Changes in working capital			
Change in receivables	0.4	-10.3	-6.5
Change in current liabilities	0.1	-0.4	0.1
Cash flow from current operations	0.5	-12.0	-8.2
Investing activities			
Acquisition of financial fixed assets	-0.3	0.0	0.0
Sales of financial fixed assets	0.0	0.0	0.0
Cash flow from investing activities	-0.3	0.0	0.0
Financing activities			
Rights issue	0.0	9.6	11.6
Issuing Costs	0.0	0.0	-2.0
Borrowings	-0.1	2.9	-1.5
Cash flow from financing activities	-0.1	12.5	8.0
Cash flow for the period	0.1	0.5	-0.2
<i>Cash and cash equivalents at the beginning of the year</i>	0.2	0.4	0.4
LIQUID FUNDS AT THE END OF THE PERIOD	0.2	0.9	0.2

INCOME BY MARKET AND SERVICE

The US and Canada offices accounted for 54% of operating income in the year to date for 2020, compared with 38% in the same period last year. Growth in the North American market has been increasing in line with expectations as several large new client contracts were signed so far this year.

In the UK total income for the year to date amounted to 28.0 MSEK (47.0) a decrease of 40% year on year, this reduction is mainly due to fluctuations in local Paid Media client revenues.

Revenue by Operation YTD



LOCATION	%
CA	21%
UK	45%
US	33%
Asia	0%
	100%

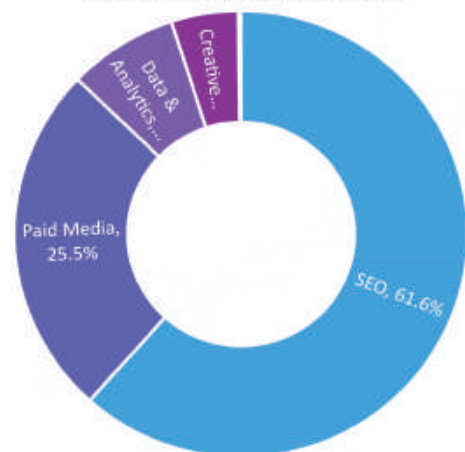
INCOME BY MARKET, MSEK	APR - JUN 2020	APR - JUN 2019	JAN - JUN 2020	JAN - JUN 2019	JAN - DEC 2019
INCOME					
GB	11.2	26.6	28.0	47.0	111.3
US & CA	16.6	13.9	33.4	29.9	57.7
ASIA	0.0	0.0	0.2	0.0	0.3
SE	0.0	0.0	0.0	0.0	0.0
TOTAL INCOME	27.8	40.5	61.6	76.9	169.3

Continued growth in SEO services means that the percentage of income from SEO remains high at 61.6% for the year to date in 2020.

Income from Paid Media for the year to date amounted to 15.7 MSEK (21.1) or 25.5% (27%) of total income, this reduction in proportion of income is in line with expectations for 2020.

Data and Analytics formed 7.8% of total income for the year to date in 2020, the same proportion of income as the same period in 2019.

Revenue by Service YTD



Service	%
Creative / Content	4.8%
Data & Analytics	7.8%
Other	0.2%
Paid Media	25.5%
SEO	61.6%
	100%

INCOME BY SERVICE, MSEK

	APR - JUN 2020	APR - JUN 2019	JAN - JUN 2020	JAN - JUN 2019	JAN - DEC 2019
INCOME					
SEO	16.5	22.4	38.0	45.8	87.3
PAID MEDIA	7.9	12.6	15.7	21.1	63.7
CONTENT/CREATIVE	1.4	1.7	2.9	3.4	6.8
DATA & ANALYTICS	1.9	3.3	4.8	6.0	10.7
OTHER INCOME	0.1	0.5	0.1	0.5	0.8
TOTAL INCOME	27.8	40.5	61.6	76.9	169.3

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.

GROSS DOMESTIC PRODUCT

Gross Domestic Product (GDP) is the monetary value of all finished goods and services made within a country during a specific period. GDP provides an economic snapshot of a country, used to estimate the size of an economy and growth rate.

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 today there are 208 476 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

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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 August 20 2020 (2020-08-20).

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





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