AYONDO LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 201728417D)

UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2018

*Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as ascribed to them in the Offer Document of the Company dated 15 March 2018 (the "**Offer Document**").*

ayondo Ltd. (the "**Company**") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 26 March 2018. The initial public offering of the Company was sponsored by UOB Kay Hian Private Limited (the "**Sponsor**").

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact persons for the Sponsor are Mr Lan Kang Ming, Vice President, and Mr Gregory Wee Toon Lee, Assistant Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.

Background

The Company was incorporated in Singapore on 4 October 2017 under the Companies Act as a private company limited by shares under the name of "ayondo Pte. Ltd.". The Company was subsequently renamed to "ayondo Ltd." on 23 February 2018 in connection with the conversion to a public company limited by shares.

Prior to the listing on the Catalist of the SGX-ST on 26 March 2018, the Company undertook a corporate restructuring (the "**Restructuring Exercise**") to rationalise and streamline the Company corporate structure. Please refer to the Offer Document for further details on the Restructuring Exercise.

The consolidated financial statements presented for the year/period ended 31 December 2017 and 30 June 2017 are a continuation of the existing ayondo Holding AG Group, comprising the financial position and the results of ayondo Holding AG and its subsidiaries. Pursuant to this, assets, liabilities, reserves, revenue and expenses of ayondo Holding AG and its subsidiaries are consolidated at their existing carrying amounts. For the purpose of the preparation of the consolidated financial statements, the share capital as at 31 December 2017 represents the issued and paid up share capital of ayondo Holding AG unless indicated otherwise.

The above Restructuring Exercise has been accounted for by applying the pooling of interests method for the purposes of the financial statements for the second quarter ended 30 June 2018. Accordingly, the assets and liabilities of the entities transferred have been included in the Group's balance sheet as of 30 June 2018 at their carrying amounts.

Summary of business performance – Q2 2018 v Q2 2017

The second quarter ended 30 June 2018 ("**Q2 2018**") results show continued growth in the number of active clients (up 6%) from 22,821 in the second quarter ended 30 June 2017 ("**Q2 2017**") to 24,246 in Q2 2018. Despite an increase in the number of active clients, trading revenue decreased by 9% from CHF 5.14 million in Q2 2017 to CHF 4.69 million in Q2 2018. Average trading revenue per client fell by 9% from CHF 226 in Q2 2017 to CHF 193 in Q2 2018 (down 15%). The decrease in revenue was mainly attributable to a change in the mix of clients with an increase in the number of B2B clients who have lower average revenues than other clients.

We remain vigilant around cost management while investing in product innovation, marketing and customer acquisition.

	Quarter ended		
	30.06.2018	**30.06.2017**	**+/-%**
Number of active clients	**24,246**	**22,821**	**6%**
Trading revenue (CHF '000s)	**4,685**	**5,147**	**(9%)**
Average revenue per active client (CHF)	**193**	**226**	**(15%)**

Loss before tax, excluding non-recurring costs such as IPO costs and costs of financing debt, increased from CHF 1.04 million in Q2 2017 to CHF 3.78 million in Q2 2018.

	Quarter ended	
	30.06.2018 CHF ('000)	**30.06.2017 CHF ('000)**
Loss before tax	**(3,142)**	**(1,627)**
Add back:		
Cost of financing debt	4	490
IPO costs capitalised/(expensed)	(644)	98
Loss before tax before above items	**(3,782)**	**(1,039)**

- Costs of financing debt of CHF 0.49 million in Q2 2017 relate to the financing charges associated with convertible bonds and loans from related parties, the significant majority of which were converted to equity or repaid after the recent IPO.
- Certain IPO costs were capitalised in Q2 2018 with completion of the IPO and finalisation of accounting treatments. IPO expenses of CHF 0.98 million were incurred in Q2 2017.

1(a)(i) Consolidated income statement – Q2 2018 v Q2 2017

	Group Quarter ended 30.06.2018 (unaudited) CHF'000	30.06.2017 (unaudited) CHF'000	Increase/ (Decrease) %
Trading revenue	4,685	5,147	(9%)
Fees, rebates, client bonuses and betting duty tax	(2,464)	(2,534)	(3%)
Net operating income	**2,221**	**2,613**	**(15%)**
Other income	-*	17	n.m.
Staff expenses	(2,135)	(1,665)	28%
Marketing expenses	(874)	(825)	6%
Other operating expenses	(2,994)	(1,179)	154%
IPO costs capitalised/(expensed)	644	(98)	n.m.
Operating loss	**(3,138)**	**(1,137)**	**176%**
Finance costs	(4)	(490)	(99%)
Loss before tax	**(3,142)**	**(1,627)**	**93%**
Income tax credit	148	103	44%
Loss for the quarter, net of tax	**(2,994)**	**(1,524)**	**97%**
Loss for the quarter, net of tax, attributable to:			
Equity holders of the Company	(2,988)	(1,522)	96%
Non-controlling interests	(6)	(2)	200%
	(2,994)	**(1,524)**	**97%**

1(a)(i) Consolidated statement of comprehensive income

Other comprehensive income:			
Foreign currency translation	210	(143)	n.m.
Actuarial losses on defined benefit plans	(9)	(45)	(80%)
Total comprehensive loss for the quarter, net of tax	**(2,793)**	**(1,712)**	**63%**
Total comprehensive loss, attributable to:			
Equity holders of the Company	(2,787)	(1,710)	63%
Non-controlling interests	(6)	(2)	200%
	(2,793)	**(1,712)**	**63%**

* Less than CHF 1,000

n.m. – not meaningful

1(a)(ii) Notes to consolidated statement of comprehensive income – Q2 2018 v Q2 2017

The following items have been included in arriving at loss before tax:

	Group Quarter ended		
	30.06.2018 CHF'000	**30.06.2017 CHF'000**	**Increase/ (Decrease) %**
Depreciation of property, plant and equipment	24	19	26%
Amortisation of intangibles	248	199	25%
IT costs	593	469	26%
Operating lease expenses	118	133	(11%)
Net foreign exchange loss/(gain)	491	(541)	n.m.
Finance costs on loans from related parties	4	84	(95%)
Finance costs on convertible bonds	-	406	n.m.
Changes in fair value of embedded derivatives of convertible bonds	-	(79)	n.m.
Legal, regulatory, consultancy and other professional fees	562	399	41%

n.m. – not meaningful

Summary of business performance – H1 2018 v H1 2017

The 6 months ended 30 June 2018 ("**H1 2018**") results reflect strong revenue growth through our B2B and B2C channels, including an expansion of the total number of active clients and increased revenue per active client. Trading revenue increased by 26% from CHF 9.49 million in the 6 months ended 30 June 2017 ("**H1 2017**") to CHF 11.98 million in H1 2018 as a result of an increase in the number of active clients from 29,416 in H1 2017 to 36,580 in H1 2018. Average revenue per active client increased by 1% from CHF 323 in H1 2017 to CHF 327 in H1 2018.

We remain vigilant around cost management while investing in product innovation, marketing and customer acquisition.

	Six months ended		
	30.06.2018	**30.06.2017**	**+/-%**
Number of active clients	**36,580**	**29,416**	**24%**
Trading revenue (CHF '000s)	**11,978**	**9,490**	**26%**
Average revenue per active client (CHF)	**327**	**323**	**1%**

The Group spent additional resources around the IPO process to ensure that the Company was prepared for being listed. The Company also incurred costs due to European regulatory changes (ESMA, MiFID2, GDPR and PSD2). These costs will not recur in the second half of 2018.

Loss before tax, excluding non-recurring costs such as IPO costs, accelerated costs arising from the 2018 ayondo employee share option scheme ("**ESOS**") and costs of financing debt increased from CHF 3.36 million in H1 2017 to CHF 5.00 million in H1 2018.

	Six months ended	
	30.06.2018 CHF ('000)	**30.06.2017 CHF ('000)**
Loss before tax	**(9,593)**	**(4,499)**
Add back:		
Cost of financing debt	2,961	1,042
IPO costs	1,238	98
ESOS accelerated into Q1	398	0
Loss before tax before above items	**(4,996)**	**(3,359)**

- Costs of financing debt of CHF 2.96 million relate to the financing charges associated with convertible bonds and loans from related parties, the significant majority of which were converted to equity or repaid after the IPO.
- IPO costs relate to costs incurred for the purpose of IPO and are therefore one-off in nature.
- The vesting period of options granted to employees under the ESOS was accelerated to March 2018 due to the modification of the ESOS as part of the IPO. As a consequence, share option costs of CHF 0.40 million originally due to be expensed in future reporting periods were accelerated into H1 2018.

1(a)(i) Consolidated income statement – H1 2018 v H1 2017

	Group Six months ended 30.06.2018 (unaudited) CHF'000	30.06.2017 (unaudited) CHF'000	Increase/ (Decrease) %
Trading revenue	11,978	9,490	26%
Fees, rebates, client bonuses and betting duty tax	(6,624)	(4,679)	42%
Net operating income	**5,354**	**4,811**	**11%**
Other income	15	19	(21%)
Staff expenses	(4,222)	(3,272)	29%
Marketing expenses	(1,283)	(1,434)	(11%)
Other operating expenses	(5,258)	(3,483)	51%
IPO costs	(1,238)	(98)	1163%
Operating loss	**(6,632)**	**(3,457)**	**92%**
Finance costs	(2,961)	(1,042)	184%
Loss before tax	**(9,593)**	**(4,499)**	**113%**
Income tax credit	293	180	63%
Loss for the period, net of tax	**(9,300)**	**(4,319)**	**115%**
Loss for the period, net of tax, attributable to:			
Equity holders of the Company	(9,290)	(4,315)	115%
Non-controlling interests	(10)	(4)	150%
	(9,300)	**(4,319)**	**115%**

1(a)(i) Consolidated statement of comprehensive income

	Group Six months ended 30.06.2018 (unaudited) CHF'000	30.06.2017 (unaudited) CHF'000	Increase/ (Decrease) %
Other comprehensive income:			
Foreign currency translation	206	(179)	n.m.
Actuarial losses on defined benefit plans	(4)	(82)	(95%)
Total comprehensive loss for the period, net of tax	**(9,098)**	**(4,580)**	**99%**
Total comprehensive loss, attributable to:			
Equity holders of the Company	(9,087)	(4,576)	99%
Non-controlling interests	(11)	(4)	175%
	(9,098)	**(4,580)**	**99%**

n.m. – not meaningful

1(a)(ii) Notes to consolidated statement of comprehensive income – H1 2018 v H1 2017

The following items have been included in arriving at loss before tax:

	Group Six months ended		**Increase/ (Decrease)**
	30.06.2018 CHF'000	**30.06.2017 CHF'000**	**%**
Depreciation of property, plant and equipment	47	39	21%
Amortisation of intangibles	552	359	54%
IT costs	1,016	833	22%
Operating lease expenses	347	315	10%
Net foreign exchange loss/(gain)	733	(110)	766%
Finance costs on loans from related parties	18	138	(87%)
Finance costs on convertible bonds	2,943	904	226%
Issuance of adjustment shares for CB conversion	1,869	-	n.m.
Changes in fair value of embedded derivatives of convertible bonds	(2,197)	(22)	n.m.
Legal, regulatory, consultancy and other professional fees	1,109	845	31%

n.m. – not meaningful

1(b)(i) Balance Sheets

	Group		Company	
	30.06.2018 (unaudited) CHF'000	**31.12.2017 (audited) CHF'000**	**30.06.2018 (unaudited) CHF'000**	**31.12.2017 (audited) CHF'000**
ASSETS				
Non-current assets				
Property, plant and equipment	115	119	-	-
Intangible assets	36,699	36,477	-	-
Investment in subsidiaries	-	-	12,314	-
Total non-current assets	36,814	36,596	12,314	-
Current assets				
Trade and other receivables	43,352	51,569	20,102	-
Derivative financial instruments	66	170	-	-
Cash and bank balances	3,239	929	145	-*
Investment securities	628	932	-	-
Total current assets	47,285	53,600	20,247	-*
Total assets	**84,099**	**90,196**	**32,561**	**-***
LIABILITIES AND EQUITY				
Current liabilities				
Convertible bonds	-	13,593	-	-
Trade and other payables	48,976	55,895	1,982	-
Loans from related parties	288	1,933	-	-
Derivative financial instruments	1,159	9,055	-	-
Bank overdraft	28	47	-	-
Total current liabilities	50,451	80,523	1,982	-
Non-current liabilities				
Employee benefit liabilities	822	797	-	-
Total non-current liabilities	822	797	-	-
Total liabilities	**51,273**	**81,320**	**1,982**	**-**
Equity				
Equity attributable to owners of the Company:				
Share capital	32,450	50,006	32,450	-*
Merger reserve	50,536	-	-	-
Other reserves	(449)	(1,028)	2,988	-
Accumulated losses	(49,677)	(40,079)	(4,859)	-
	32,860	8,899	30,579	-*
Non-controlling interests	(34)	(23)	-	-
Total equity	**32,826**	**8,876**	**30,579**	**-***
Total liabilities and equity	**84,099**	**90,196**	**32,561**	**-***

* Less than CHF 1,000

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable by the Group in one year or less, or on demand

As at 30 June 2018 CHF'000		As at 31 December 2017 CHF'000	
Secured	**Unsecured**	**Secured**	**Unsecured**
-	316	-	15,573

Amount repayable by the Group after one year

As at 30 June 2018 CHF'000		As at 31 December 2017 CHF'000	
Secured	**Unsecured**	**Secured**	**Unsecured**
-	-	-	-

For details of the convertible loans in issuance, please refer to 1(d)(ii).

Details of collateral

There were no secured borrowings as at 30 June 2018 and 31 December 2017.

1(c) Consolidated statement of cash flows

	Group Second quarter ended 30.06.2018 (unaudited) CHF'000	Group Second quarter ended 30.06.2017 (unaudited) CHF'000	Group 6 months ended 30.06.2018 (unaudited) CHF'000	Group 6 months ended 30.06.2017 (unaudited) CHF'000
Cash flows from operating activities				
Loss before tax	**(3,142)**	**(1,627)**	**(9,593)**	**(4,499)**
Adjustments for:				
Depreciation of property, plant and equipment	24	19	47	39
Amortisation of intangibles	248	199	552	359
Employee share based payments	-	130	464	260
Changes in fair value of embedded derivatives of convertible bonds	-	(79)	(2,197)	(26)
Unrealised (gain)/loss on derivatives	(740)	1,053	(889)	1,018
Pension costs	15	14	30	29
Interest income on loans and receivables	-*	-*	(1)	-*
Finance costs	4	490	2,961	1,042
Issuance of adjustment shares for CB conversion	-	-	1,869	-
IPO costs capitalised	(644)	-	(895)	-
Unrealised exchange loss/(gain)	338	(849)	144	(680)
Operating cash flows before changes in working capital	**(3,897)**	**(650)**	**(7,508)**	**(2,458)**
Decrease/(increase) in trade and other receivables	1,921	(3,907)	8,328	(7,443)
Decrease in receivables from and payable to associates and related parties	-	1,722	-	1,798
(Decrease)/increase in trade and other payables	(961)	1,911	(5,795)	4,946
Cash flows used in operations	**(2,937)**	**(924)**	**(4,975)**	**(3,157)**
Interest paid	(1)	-	(1)	-
Interest received	-*	-*	1	-*
Net cash used in operating activities	**(2,938)**	**(924)**	**(4,975)**	**(3,157)**
Cash flows from investing activities				
Purchase of property, plant and equipment	(7)	(3)	(42)	(13)
Capitalisation of internally generated intangibles	(432)	(393)	(800)	(1,099)
Net cash used in investing activities	**(439)**	**(396)**	**(842)**	**(1,112)**
Cash flows from financing activities				
Proceeds from issue of new shares	-	-	15,179	-
Repayment of convertible bonds	(2,621)	-	(5,383)	-
Repayment of loans from related parties	(368)	-	(1,645)	-
Proceeds from short-term loans	-	1,667	-	1,667
Net cash (used in)/generated from financing activities	**(2,989)**	**1,667**	**8,151**	**1,667**
Net (decrease)/increase in cash and cash equivalents	(6,366)	347	2,334	(2,602)
Effects of exchange rate changes on cash and cash equivalents	(93)	(4)	(5)	-*
Cash and cash equivalents at the beginning of the period	9,670	844	882	3,789
Cash and cash equivalents at the end of the period	**3,211**	**1,187**	**3,211**	**1,187**

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the statement of financial position date:

Cash and bank balances	3,239	1,314	3,239	1,314
Less: Bank overdraft	(28)	(127)	(28)	(127)
Total cash and cash equivalents	**3,211**	**1,187**	**3,211**	**1,187**

* Less than CHF 1,000

1(d)(i) Statement of changes in equity

	Attributable to equity holders of the Company									
Group (unaudited)	**Share capital CHF'000**	**Foreign currency translation reserve CHF'000**	**Equity component of convertible bonds CHF'000**	**Employee share option reserve CHF'000**	**Gain on reissuance of treasury shares CHF'000**	**Premium paid on acquisition of non-controlling interest CHF'000**	**Accumulated losses CHF'000**	**Total CHF'000**	**Non-controlling interests CHF'000**	**Total CHF'000**
At 1 January 2017	45,251	1,246	4,563	2,004	92	(3,153)	(30,338)	19,665	(12)	19,653
Loss for the first quarter	-	-	-	-	-	-	(2,793)	(2,793)	(2)	(2,795)
Other comprehensive loss										
Actuarial losses on measurement of post-employment benefit plan, net of tax	-	-	-	-	-	-	(41)	(41)	-	(41)
Foreign currency translation	-	(36)	-	-	-	-	-	(36)	-*	(36)
Other comprehensive loss for the quarter	-	(36)	-	-	-	-	(41)	(77)	-	(77)
Contributions by and distributions to owners										
Grant of share options to employees	-	-	-	130	-	-	-	130	-	130
At 31 March 2017 / 1 April 2017	**45,251**	**1,210**	**4,563**	**2,134**	**92**	**(3,153)**	**(33,172)**	**16,925**	**(14)**	**16,911**
Loss for the second quarter	-	-	-	-	-	-	(1,522)	(1,522)	(2)	(1,524)
Other comprehensive loss										
Actuarial losses on measurement of post-employment benefit plan, net of tax	-	-	-	-	-	-	(45)	(45)	-	(45)
Foreign currency translation	-	(143)	-	-	-	-	-	(143)	-*	(143)
Other comprehensive loss for the quarter	-	(143)	-	-	-	-	(45)	(188)	-	(188)
Contributions by and distributions to owners										
Conversion of debt instrument	4,755	-	(4,563)	-	-	-	-	192	-	192
Grant of share options to employees	-	-	-	130	-	-	-	130	-	130
Total contributions by and distributions to owners	4,755	-	(4,563)	130	-	-	-	322	-	322
At 30 June 2017	**50,006**	**1,067**	**-**	**2,264**	**92**	**(3,153)**	**(34,739)**	**15,537**	**(16)**	**15,521**

1(d)(i) Statement of changes in equity (continued)

Group (unaudited)	Share capital CHF'000	Merger Reserve[1] CHF'000	Foreign currency translation reserve CHF'000	Employee share option reserve CHF'000	Gain on reissuance of treasury shares CHF'000	Premium paid on acquisition of non-controlling interest CHF'000	Accumulated losses CHF'000	Total CHF'000	Non-controlling interests CHF'000	Total CHF'000
	Attributable to equity holders of the Company									
At 1 January 2018 (as previously stated)	50,006	-	(491)	2,524	92	(3,153)	(40,079)	8,899	(23)	8,876
Effect of adoption of IFRS 9[2]	-	-	-	-	-	-	(304)	(304)	-	(304)
At 1 January 2018 (as restated)	50,006	-	(491)	2,524	92	(3,153)	(40,383)	8,595	(23)	8,572
Loss for the first quarter	-	-	-	-	-	-	(6,302)	(6,302)	(4)	(6,306)
Other comprehensive (loss)/income										
Actuarial losses on measurement of post-employment benefit plan, net of tax	-	-	-	-	-	-	5	5	-	5
Foreign currency translation	-	-	(3)	-	-	-	-	(3)	(1)	(4)
Other comprehensive (loss)/income for the quarter	-	-	(3)	-	-	-	5	2	(1)	1
Contributions by and distributions to owners										
Merger reserve arising from the restructuring exercise	(50,006)	50,098	-	-	(92)	-	-	-	-	-
Share swap pursuant to the restructuring exercise	12,314	(12,314)	-	-	-	-	-	-	-	-
Capital contribution	-	12,752	-	-	-	-	-	12,752	-	12,752
Conversion of debt instruments	3,161	-	-	-	-	-	-	3,161	-	3,161
Issuance of shares pursuant to IPO	15,179	-	-	-	-	-	-	15,179	-	15,179
Issuance of shares to Starland[3]	822	-	-	-	-	-	-	822	-	822
Issuance of adjustment shares to CB conversion	1,869	-	-	-	-	-	-	1,869	-	1,869
Capitalised IPO costs	(251)	-	-	-	-	-	-	(251)	-	(251)
Modification of employee share option scheme				398				398		398
Grant of share options to employees	-	-	-	66	-	-	-	66	-	66
Total contributions by and distributions to owners	(16,912)	50,536	-	464	(92)	-	-	33,996	-	33,996
At 31 March 2018	**33,094**	**50,536**	**(494)**	**2,988**	**-**	**(3,153)**	**(46,680)**	**36,291**	**(28)**	**36,263**

Notes:
(1) The merger reserve represents the difference between the consideration paid and the share capital of the subsidiaries under common control are accounted for by applying the pooling of interest method.
(2) The fair value adjustment to investment securities as a result of the initial application of IFRS 9 (see item 4 below for full details).
(3) There was an issuance of shares to Starland Holdings Limited for the reimbursement of expenses pursuant to the IPO.

1(d)(i) Statement of changes in equity (continued)

Group (unaudited)	Share capital CHF'000	Merger Reserve[1] CHF'000	Foreign currency translation reserve CHF'000	Employee share option reserve CHF'000	Premium paid on acquisition of non-controlling interest CHF'000	Accumulated losses CHF'000	Total CHF'000	Non-controlling interests CHF'000	Total CHF'000
	Attributable to equity holders of the Company								
At 1 April 2018	33,094	50,536	(494)	2,988	(3,153)	(46,680)	36,291	(28)	36,263
Loss for the second quarter	-	-	-	-	-	(2,988)	(2,988)	(6)	(2,994)
Other comprehensive income/(loss)									
Actuarial losses on measurement of post-employment benefit plan, net of tax	-	-	-	-	-	(9)	(9)	-	(9)
Foreign currency translation	-	-	210	-	-	-	210	-*	210
Other comprehensive income/(loss) for the quarter	-	-	210	-	-	(9)	201	-	201
Contributions by and distributions to owners									
IPO costs capitalised[2]	(644)	-	-	-	-	-	(644)	-	(644)
At 30 June 2018	**32,450**	**50,536**	**(284)**	**2,988**	**(3,153)**	**(49,677)**	**32,860**	**(34)**	**32,826**

Notes:

(1) The merger reserve represents the difference between the consideration paid and the share capital of the subsidiaries under common control are accounted for by applying the pooling of interest method.
(2) Certain IPO costs were capitalised in Q2 2018 with the completion of IPO and finalisation of accounting treatments.

1(d)(i) Statement of changes in equity (continued)

	Share capital CHF'000	Employee share option reserve CHF'000	Retained earnings CHF'000	Total Equity CHF'000
Company (unaudited)				
At date of incorporation	–*	–	–	–*
At 31 December 2017	–*	–	–	–*

	Share capital CHF'000	Employee share option reserve CHF'000	Accumulated Losses CHF'000	Total equity CHF'000
Company (unaudited)				
At 1 January 2018	–*	–	–	–*
Loss for the first quarter, representing total other comprehensive loss for the quarter	–	–	(3,243)	(3,243)
Contributions by and distribution to owners				
Share swap pursuant to the restructuring exercise	12,314	–	–	12,314
Conversion of debt instruments	3,161	–	–	3,161
Issuance of shares pursuant to IPO	15,179	–	–	15,179
Issuance of shares to Starland[(1)]	822	–	–	822
Issuance of adjustment shares to CB conversion	1,869	–	–	1,869
Capitalised IPO costs	(251)	–	–	(251)
Transfer of employee share option	–	2,524	–	2,524
Modification of employee share option scheme		398		398
Grant of share options to employee	–	66	–	66
At 31 March 2018 / 1 April 2018	33,094	2,988	(3,243)	32,839
Loss for the second quarter, representing total other comprehensive income for the quarter	–	–	(1,616)	(1,616)
Contributions by and distribution to owners				
Capitalised IPO costs[(2)]	(644)	–	–	(644)
At 30 June 2018	32,450	2,988	(4,859)	30,579

Note:

(1) There was an issuance of shares to Starland Holdings Limited for the reimbursement of expenses pursuant to the IPO.

(2) Certain IPO costs were capitalised in Q2 2018 with the completion of IPO and finalisation of accounting treatments.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Issued and fully paid ordinary shares of the Company

	No. of issued shares	Issued and paid-up share capital (S$)
Balance as at 31 March 2018	502,666,210	42,745,151
Balance as at 30 June 2018	502,666,210	42,745,151

Details of convertibles

Options had been granted by ayondo AG to employees, directors and consultants of ayondo AG and its subsidiaries and certain third parties, giving them the right to purchase 95,270 shares in ayondo AG ("**AG options**"). On 12 March 2018, the Company granted pre-IPO options to replace the AG options. As at 30 June 2018, there were pre-IPO options granted on 51,445,800 ayondo Ltd. shares. Please refer to page 205 to 208 of the Offer Document for details on the pre-IPO options.

Save for the above, the Group had no outstanding convertibles as at 30 June 2018.

As at 30 June 2017, the Group had the following outstanding convertibles:

S/N	Details of convertibles	No. of new shares to be issued upon conversion ('000)
1	13,205 free warrants arising from CHF5 million convertible bonds issued in January 2014	13
2	8,567 free warrants arising from S$5 million convertible bonds issued in July 2014	9

In addition, there were AG options granted on 95,270 ayondo Holding AG shares as at 30 June 2017.

Details of treasury shares and subsidiary holdings

The Company was only incorporated on 4 October 2017. The Company did not have any treasury shares and subsidiary holdings as at 30 June 2018 and 30 June 2017.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares (excluding treasury shares) as at the end of the current financial period and as at the end of the immediately preceding year are as follows:

	As at 30 June 2018	As at 31 December 2017
Total number of issued shares (excluding treasury shares) *	502,666,210	1

The Company did not have any treasury shares as at 30 June 2018 and 31 December 2017.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures presented above have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the preparation of the consolidated financial statements for the current reporting period compared with the audited financial statements as at 31 December 2017 except for the adoption of new or revised International Financial Reporting Standards ("**IFRS**") that are mandatory for financial years beginning on or after 1 January 2018. The Group has performed a preliminary impact assessment of adopting IFRS 9 based on currently available information. As at 30 June 2018 and 31 December 2017 the Group's investments in securities consist of available-for-sale unquoted equity investments in Oanda and MyHero. As at 31 December 2017 the Group measured its available-for-sale unquoted equity instruments at cost. However, under IFRS 9 the Group is required to measure the investments at fair value.

A formal offer to sell the investment in Oanda has been recently been received and has been used as an approximation for fair value at 1 January 2018. The investment in MyHero is illiquid and the Group expects no significant change to the carrying value of the investment in MyHero when it is re-measured to fair value. The difference between the current carrying amount and the fair value of the investment in Oanda as at 31 December 2017 is recognized in the opening retained earnings at 1 January 2018.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to item 4 above.

6. Loss per ordinary share

	The Group Second Quarter ended	
	30.06.2018	**30.06.2017**
Loss attributable to owners of the Company (CHF '000)	(2,988)	(1,522)
Weighted average number of ordinary shares ('000)	502,666	502,666
Basic loss per share ("**LPS**") based on actual number of shares (CHF)	(0.006)	(0.003)
Diluted LPS based on actual number of shares (1)	(0.006)	(0.003)

Notes:

(1) There is no change between basic and diluted LPS as the Group was loss-making for the respective periods

7. Net asset value per ordinary share:-

	The Group		The Company	
	30.06.2018	**31.12.2017**	**30.06.2018**	**31.12.2017**
Net asset value (CHF'000)	32,826	8,876	30,579	-*
Number of ordinary shares in issue ('000) (1)	502,666	502,666	502,666	1
Net asset value per ordinary share based on issued share capital (CHF)	0.07	0.02	0.06	n.m.

n.m. – Not meaningful as the Company was only incorporated on 4 October 2017 with $1 share capital.

(1) For comparative purposes, the NAV per share for the year ended 31 December 2017 has been computed based on the share capital of 502,666,210 shares assuming that the Restructuring Exercise had been completed as at 1 January 2017.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

REVIEW OF CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Review of Group's performance for the second quarter ended 30 June 2018 ("Q2 2018") as compared to the second quarter ended 30 June 2017 ("Q2 2017")

Trading revenue

- Trading revenue decreased by 9% from CHF 5.14 million for Q2 2017 to CHF 4.69 million in Q2 2018 despite an increase in the number of active clients from 22,821 in Q2 2017 to 24,246 in Q2 2018. The decrease in revenue was mainly attributable to a change in the mix of clients with an increase in the number of B2B client who have lower average revenues than other clients.
- Average revenue per active client decreased by 15% from CHF 226 in Q2 2017 to CHF 193 in Q2 2018.
- There was a 6% increase in active clients to 24,246 clients active during Q2 2018 compared to 22,821 active during Q2 2017. The Group remains focused on the continual acquisition of clients whilst seeking to maximise the average revenue per client.

	Quarter ended		
	30.06.2018	**30.06.2017**	**+/-%**
Number of active clients	**24,246**	**22,821**	**6%**
Trading revenue (CHF '000s)	**4,685**	**5,147**	**(9%)**
Average revenue per active client (CHF)	**193**	**226**	**(15%)**

Fees, rebates client bonuses and betting duty tax

Fees, rebates, client bonuses and betting duty tax decreased from CHF 2.53 million in Q2 2017 to CHF 2.46 million in Q2 2018, a decrease of 3%. This was predominantly due to the decrease in trading revenue in Q2 2018.

Other income

Other income comprises of non-trading adjustments to rebates. Other income amounted to CHF 0.00 million for Q2 2018 compared to CHF 0.02 million for Q2 2017.

Staff expenses

Staff expenses comprise mainly employee salary, social security, pension costs and performance related pay.

Staff expenses accounted for 46% and 32% of the Group's trading revenue in Q2 2018 and Q2 2017 respectively. Staff expenses amounted to CHF 2.14 million for Q2 2018 compared to CHF 1.67 million for Q2 2017. The increase in staff expenses is attributable to a small increase in the number of employees, an annual performance review and the accrual of a staff bonus.

Marketing expenses

Marketing expenses comprise mainly advertising expenses, event costs and other marketing costs.

Marketing expenses accounted for 19% and 16% of our Group's trading revenue in Q2 2018 and Q2 2017 respectively. Marketing expenses remained relatively stable with CHF 0.83 million in Q2 2017 and CHF 0.87 million in Q2 2018.

Other operating expenses

Other operating expenses comprise mainly legal, regulatory, consultancy and other professional fees, premises costs, IT costs, depreciation expense, amortisation expense, net foreign exchange gain/loss, and other administrative expenses. Other operating expenses accounted for 64% and 23% of our Group's trading revenue in Q2 2018 and Q2 2017 respectively. Other operating expenses increased from CHF 1.18 million in Q2 2017 to CHF 2.99 million in Q2 2018 due mainly to the following:

Legal, regulatory, consultancy and other professional fees

The legal, regulatory, consultancy and other professional fees increased by CHF 0.16 million due to an increase in Financial Conduct Authority UK regulatory fees as well as increased costs relating to client sanctions checking for new clients.

Premises costs

Premises costs increased by CHF 0.02 million in Q2 2018 due mainly to increased rent for the offices.

IT costs

IT costs increased by CHF 0.12 million in Q2 2018 due to higher costs incurred for trading platform maintenance.

Depreciation of property, plant and equipment

The depreciation of property, plant and equipment increased by CHF 0.005 million in Q2 2018, due to an increased investment in the Group's IT & office equipment.

Amortisation of intangibles

The amortisation of intangibles increased by CHF 0.05 million in Q2 2018, due to an increased investment in the Group's WeTrade, Tradehub and Account Management System.

Net foreign exchange loss/(gain)

There was a foreign exchange loss of CHF 0.49 million in Q2 2018 compared to a gain of CHF 0.54 million in Q2 2017 due to fluctuations in the global foreign currency exchange rates on assets and liabilities.

Other administrative expenses

Other administrative expenses increased by CHF 0.43 million in Q2 2018 due mainly to increased VAT and bank charges. The other administrative expenses in Q2 2017 included a CHF 0.10 million credit for a convertible bond derivative liability adjustment. The convertible bond liabilities were fully settled as part of the IPO in Q1 2018.

IPO costs

IPO costs of CHF 0.64 million costs were capitalised in Q2 2018 with the completion of the IPO and finalisation of accounting treatments. IPO expenses of CHF 0.98 million were incurred in Q2 2017.

Finance costs

Finance costs comprise mainly interest payable on convertible bonds issued and loans from related parties.

The decrease in finance costs on convertible bonds from CHF 0.41 million in Q2 2017 to CHF 0.00 million in Q2 2018 is due to the convertible bond liabilities being fully settled in Q1 2018 through the conversion of the convertible bonds into Company shares during the IPO. As such, there were no finance costs related to them in Q2 2018.

The decrease in finance costs on loans from related parties from CHF 0.08 million in Q2 2017 to CHF 0.004 million in Q2 2018 is due to the conversion of related party loans to redeemable convertible loans on 1 October 2017.

Income tax credit

Income tax credit relates to a tax credit received in compliance with the UK tax regulation, where certain expenditure on research and development qualifies for tax credit. The application is usually filed in the following year and payment is processed after examination.

Income tax credit amounted to CHF 0.15 million in Q2 2018 and CHF 0.10 million in Q2 2017. The increase in income tax credit is mainly due to increased development costs of our IT platform which attracts research and development tax credits.

<u>REVIEW OF FINANCIAL POSITION</u>

Review of the Group's financial position as at 30 June 2018 as compared to 31 December 2017

Non-current assets

The Group's non-current assets comprised property, plant and equipment, and intangible assets.

Intangible assets increased from CHF 36.48 million as at 31 December 2017 to CHF 36.70 million as at 30 June 2018. The intangible assets amounted to 99.7% of the total non-current assets and comprised CHF 3.34 million relating to the Group's WeTrade, Tradehub and Account Management System, and CHF 33.36 million relating to goodwill arising out of the acquisition of shares in the subsidiaries.

Current assets

The Group's current assets comprised trade and other receivables, derivative financial instruments, cash and cash equivalents, and investment securities.

Trade and other receivables decreased from CHF 51.57 million as at 31 December 2017 to CHF 43.35 million as at 30 June 2018 due to a decrease in client segregated funds. As at 30 June 2018, trade and other receivables comprised (i) segregated client funds of CHF 34.28 million; (ii) amount due from brokers of CHF 6.95 million; (iii) client fund asset of CHF 0.25 million, (iv) other receivables of CHF 1.24 million; and (v) prepayments and property rental deposits of CHF 0.63 million.

Cash and cash equivalents increased from CHF 0.93 million as at 31 December 2017 to CHF 3.24 million as at 30 June 2018.

Investment securities have decreased from CHF 0.93 million as at 31 December 2017 to CHF 0.63 million as at 30 June 2018 due to a fair value adjustment during H1 2018 due to the initial application of IFRS 9. The investment securities represent of investments in Oanda and MyHero.

Current liabilities

The Group's current liabilities comprised mainly convertible bonds, trade and other payables, loans from related parties, derivative financial instruments and bank overdraft.

Convertible bonds decreased by CHF 13.59 million as at 31 December 2017 to CHF nil as at 30 June 2018 due to the conversion of the convertible bonds to share capital as well as repayment of the loans in connection with the IPO.

Trade and other payables decreased by approximately CHF 6.92 million from CHF 55.90 million as at 31 December 2017 to CHF 48.98 million as at 30 June 2018 mainly due to the decrease in client funds through the period. As at 30 June 2018, trade and other payables comprised of (i) client funds of approximately CHF 43.14 million relating to amounts owed to clients; (ii) provision and accruals of CHF 3.48 million relating to amounts due to trading partners and general operating expense accruals in the ordinary course of business; (iii) trade payables of CHF 1.74 million and (iv) other payables of CHF 0.62 million;.

Loans from related parties decreased from CHF 1.93 million as at 31 December 2017 to CHF 0.29 million as at 30 June 2018 mainly due to the repayment of loans in connection with the IPO.

Derivative financial instrument decreased from CHF 9.06 million as at 31 December 2017 to CHF 1.16 million as at 30 June 2018 mainly due to the conversion of the derivative liabilities component of issued convertible bonds to share capital in connection with the IPO.

Non-current liabilities

Employee benefit liabilities relate to the mandatory pension scheme in Switzerland and increased slightly from CHF 0.80 million as at 31 December 2017 to CHF 0.82 million as at 30 June 2018 due to additional CHF 0.02 million pension costs in relation to the pension scheme incurred in H1 2018.

Negative working capital

Negative working capital improved from CHF 26.92 million as at 31 December 2017 to CHF 3.17 million as at 30 June 2018. The significant improvement was due to the receipt of IPO proceeds in March 2018 as well as the conversion of convertible bonds into equity. Moving forward, the Group will increase revenues through the increased acquisition of active clients, a focus on acquiring white label partners and will continue its stringent cost management. The Board is, therefore, of the view that after having made due and careful enquiry and after taking into account recent financial forecasts, the Group has sufficient working capital and resources available to meet the present requirements and operate as a going concern for the next twelve months from the date of this announcement.

REVIEW OF THE GROUP'S CASH FLOW STATEMENT

Net cash used in operating activities

In Q2 2018, we recorded net cash outflow from operating activities of CHF 2.94 million, which comprised operating cash outflow before changes in working capital of approximately CHF 3.90 million and net working capital inflow of CHF 0.96 million.

Net cash used in investing activities

In Q2 2018, we recorded a net cash outflow from investing activities of approximately CHF 0.44 million. This was mainly due to the investment in internally generated intangibles of WeTrade, TradeHub and ayondo AMS of approximately CHF 0.43 million.

Net cash used in financing activities

In Q2 2018, we recorded a net cash outflow from financing activities of approximately CHF 2.99 million. This was mainly due to outflows of CHF 2.62 million in relation to the repayment of convertible bonds and CHF 0.37 million in relation to the repayment of loans from related parties.

As at 30 June 2018, cash and cash equivalents amounted to CHF 3.21 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. The Group has not previously disclosed any forecast or prospect statements to its shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group continues to focus on the growth of particularly its B2B business monetising its pipeline, whilst maintaining cost discipline. Whilst it is hard to predict revenues in the short term due to varying degrees of volatility in the global economy, scaling the business through client acquisition at low cost is at the heart of the Fintech model and the Group will continue to make strong progress in this regard. The Group will closely monitor the regulatory environment that it operates within and seek to react as quickly and efficiently as possible to minimise any potential impact on its business.

11. Dividend

If a decision regarding dividend has been made:-

(a) Whether an interim (final) dividend has been declared (recommended); and

No dividend has been recommended or declared for Q2 2018.

(b) Amount per share (cents) and previous corresponding period (cents).

Not applicable. No dividend has been recommended or declared for Q2 2017.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable

(d) The date the dividend is payable.

Not applicable

(e) The date on which Registrable Transfer receive by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable

12. If no dividend has been declared recommended, a statement to that effect.

No dividend has been declared for Q2 2018.

13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate from shareholders for IPTs. Save as disclosed in pages 219-231 of the Offer Document, there were no new IPT above S$100,000 for Q2 2018

14. Negative confirmation pursuant to Rule 705(5) of the Catalist Rules

The Board of Directors of the Company has confirmed that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results of the Company and the Group for Q2 2018 to be false or misleading in any material respect.

15. Confirmation pursuant to Rule 720(1) of the Catalist Rules

The Company confirms that it has procured the undertakings from all its Directors and executive officers pursuant to Rule 720 (1) of the Catalist Rules.

16. Use of IPO Proceeds

Pursuant to the Company's IPO, the Company received net proceeds from the IPO of approximately S$18.45 million (the "**Net Proceeds**"). Please refer to the Offer Document for further details.

As at the date of this announcement, the Net Proceeds have been utilised as follows:

Purpose	Amount allocated as disclosed in the Offer Document (S$'000)	Amount re-allocated (S$'000)	Revised allocation (S$'000)	Amount utilised as at the date of this announcement (S$'000)	Balance of IPO Net Proceeds as at the date of this announcement (S$'000)
Platform enhancement (1)	2,100	(1,511)	589	589	-
Marketing spend (1)	5,250	(3,938)	1,312	1,312	-
General working capital purposes (1)	2,600	5,449	8,049 (2)	8,049	-
Repayment of loans	8,500	-	8,500	8,500	-
Total	18,450	-	18,450	18,450	-

Note:

(1) During Q2 2018, the Group's financial performance was below its expectations at the time of the IPO. After a review of the Group's cash flow position and the immediate plans for business expansion the Company has re-allocated S$1.511 million of the IPO Net Proceeds from platform enhancement spend and S$3.938 million from marketing spend and utilised them for general working capital purposes.

(2) For payment of normal operational expenses (staff expenses, legal and professional costs and other operating expenses) in light of the shortfall in revenues.

BY ORDER OF THE BOARD

Thomas Winkler
Non-Executive Chairman
14 August 2018