



AYONDO LTD.

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

**SALE AND PURCHASE AGREEMENT IN RELATION TO THE DISPOSAL OF THE
ENTIRE ISSUED SHARES OF AYONDO MARKETS LIMITED**

The Board of Directors (the “**Board**”) of ayondo Ltd. (“**ayondo**” or the “**Company**” together with its subsidiaries, the “**Group**”) refers to the Company’s announcement on 14 February 2019 (“**Announcement**”) in relation to the entering into a non-binding heads of terms with BUX Holdings B.V. (the “**Purchaser**”) for the disposal of the entire issued shares of ayondo Markets Limited (“**AML**”) held by Sycap Group (UK) Limited (“**Sycap**”) to the Purchaser (“**Proposed Disposal**”). The Board wishes to announce that the Company and Sycap, a 99.91%-owned subsidiary of ayondo Holding AG (“**AHAG**”), which in turn is a 99.97%-owned subsidiary of the Company, have, on 7 May 2019 entered into a sale and purchase agreement with the Purchaser for the Proposed Disposal. The Proposed Disposal will result in AML ceasing to be an indirect subsidiary of the Company.

The Proposed Disposal constitutes a “major transaction” under Chapter 10 of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited and is subject to the approval of the shareholders of the Company (the “**Shareholders**”) being obtained at an extraordinary general meeting (“**EGM**”) to be convened. Please refer to paragraph 2 of this announcement for further details on the relative figures in respect of the Proposed Disposal computed on the bases set out in Rule 1006 of the Catalist Rules.

A circular setting out further details of the Proposed Disposal, together with a Notice of the EGM, will be dispatched to the Shareholders in due course.

1. PROPOSED DISPOSAL

1.1 Information about AML

The Company owns 99.97% of AHAG, a Swiss-incorporated entity, which in turn holds 99.91% of Sycap, an English-incorporated entity, which in turn wholly owns AML. AML is incorporated in the United Kingdom (“**UK**”) and carries on activities which are regulated by the Financial Conduct Authority in the UK (“**FCA**”) as a 730K investment firm, and such activities include dealing in contract for differences (CFDs) as a principal and spread betting.

AML has a branch in Spain under the registered name of Ayondo Markets Limited Sucursal en España (“**ayondo Spain**”), which was set up on 9 May 2016, to support the promotion of the Group’s services in Spain. ayondo Spain has the status of a Spanish branch of AML, and has no distinct corporate personality.

1.2 Information about the Purchaser

The Purchaser is a company incorporated in the Netherlands and is one of the white label partners of the Group. The shareholders of the Purchaser consist of 4 funds holding aggregate 49.47%, a limited company owned by Nick Bortot (the Chief Executive Officer and founder of BUX) holding 24.65% and minority shareholders holding an aggregate of 25.88%. The Purchaser offers a trading application for smartphones that simplifies trading of instruments in financial markets for

social and casual usage, where all transactions from the Purchaser are processed via the Group's TradeHub platform. For real money trading, the Purchaser currently offers its services through the tied agent arrangement with AML.

The Purchaser has confirmed that the directors and/or substantial shareholders of the Purchaser are not related to the directors and/or substantial shareholders of the Company. The directors and/or substantial shareholders of (a) the Company, (b) AHAG, (c) Sycap and (d) AML confirmed that they are not related to the directors and/or substantial shareholders of the Purchaser.

1.3 Sale Consideration

The aggregate sale price for the sale of the entire issued shares of AML ("**Sale Shares**") is £5,700,001 (the "**Sale Consideration**"), which is comprised as follows:

- (i) £1 (one pound) in cash; and
- (ii) a cash amount of £5,700,000, being an amount owing to AML (including all interest accrued and any other amounts payable in connection with the repayment of such indebtedness) from the remaining entities of the Group (the "**Receivables Balance**") which is agreed to be applied to discharge the amounts owed by the relevant remaining entities of the Group. Please refer to the table below on the respective inter-company indebtedness outstanding owing to AML.

The Sale Consideration was arrived at on a willing buyer and willing seller basis between the Company, Sycap and the Purchaser and on the basis of the Receivables Balance referred to in paragraph 1.3(ii) above. The parties also took into account, *inter alia*, the net liabilities position of AML and an independent valuation of AML as at 31 December 2018 prepared by KPMG LLP on 6 March 2019 which concluded that the 100% equity value of AML was negative.

At Completion, Sycap shall direct the Purchaser to immediately apply the amount of the Receivables Balance, on behalf of and in discharge of the amounts owed by the relevant remaining entities of the Group to AML as follows:

Member of the Group	Outstanding balances owing to AML as at 31 December 2018	Amount to be discharged against the amount owed to AML
The Company	£944,409.44	£776,655.03
Ayondo Holding AG	£2,154,001.30	£2,145,541.45
Ayondo GmbH	£2,105,045.74	£2,105,045.74
Ayondo Asia Pte. Ltd.	£672,757.78	£672,757.78
Total	£5,876,214.26	£5,700,000

Further details on how the inter-company indebtedness had arisen are provided in paragraph 1.5 below.

Due to the poor performance of AML in January and February 2019 and adjustments to withdrawal of client bonuses which were granted to clients in AML for FY2018 which aggregated to a further loss as at 28 February 2019 of £1.8 million, the Group and the Purchaser have agreed to share equally this further loss of £1.8 million. In this regard, the Company and the Purchaser have agreed that the Company shall enter into a white label agreement ("**WLA**") with AML, which will take effect upon Completion. Pursuant to the WLA, AML may withhold up to £900,000 from the rebates payable to the Group as full settlement of the Group's share of the further loss and the amount in excess of the Receivables Balance.

1.4 Rationale for and benefits of the Proposed Disposal

The financial performance of the Group in FY2018, in particular, during the second half of 2018 was negatively impacted by regulatory changes relating to product intervention imposed by the European and UK regulators (including ESMA) in 2018, unfavourable trading conditions in the Group's core contract for difference (CFD) markets, particularly during Q22018 and Q32018, and the Group's reduced marketing expenditure. The Group faced working capital deficiency due to continued losses.

Low Volatility

Following the Company's initial public offer in March 2018, the Group observed that there was a declining implied volatility in the CFD markets since April 2018 particularly between January 2019 and March 2019. When the volatility improved in certain months during the last quarter of 2018, the Group was not able to capitalize on this volatility due to a tighter regulatory capital position as a result of the Group's declining cash situation. In connection with the Group's declining cash situation, the marketing spend had been reduced significantly as part of the Group's cost-cutting efforts which had an adverse impact on client acquisition. Lower marketing expenditure meant that the Group could not replace trading clients following large drawdowns.

A decline can be seen below in the comparison of the quarter on quarter trading revenue and average revenue per active client for Q1 to Q4 of 2017 versus the corresponding periods in 2018:

Financial Periods	Trading Revenue (CHF'000)			Average Revenue per Active Client (CHF)		Net Losses ¹ (CHF'000)	
	2018	2017	Variance (%)	2018	2017	2018	2017
Q1	7,293	4,343	68	239	194	(1,214)	(2,430)
Q2	4,865	5,147	(9)	193	226	(3,782)	(1,039)
Q3	3,997	5,171	(23)	371	393	(1,722)	(1,205)
Q4	4,826	6,094	(21)	197	174	(2,853) ⁽²⁾	(3,044)

Notes:

(1) Excluding IPO costs

(2) This excludes the impairment of CHF37.1 million.

In addition, the Group faced large drawdowns by the clients during Q42018 due to losses suffered by the clients and this was followed by reluctance by existing clients to continue trading.

Unfavourable Trading Conditions

The unfavourable trading conditions were due mainly to tightening measures implemented by European and UK regulators including the European Securities and Markets Authority (ESMA) in August and December 2018, resulting in lower revenue in the second half of FY2018 as compared to the first half of FY2018. These measures mainly relate to limiting leverage of CFD products, introducing negative balance protection, closing customer positions if their funds fall to 50% of margin, a ban on firms offering inducements to encourage trading, standard risk warnings about retail investor losses clearly displayed on all websites and the banning of binary options.

The measures hit the Group harder than expected even though the Group had already operated in compliance with some of the new restrictions, such as (i) having in place negative balance protection for several years, (ii) providing less aggressive levels of leverages when compared to its competitors and (iii) having never offered binary products. The measures that have the most significant impact on the Group's trading volumes was due to the ban on firms offering inducements to encourage trading and the limitations of leverages of CFD products which were implemented by the Group from 1 August 2018. The Group used to offer client bonuses prior to 1 August 2018 in order to incentivise new clients to open accounts and the limitation of leverages of

CFD products have correspondingly reduced the notional trade size executed by clients. Since then, volumes of traded CFD's have declined significantly across the market as a whole.

The present difficult environment facing the European CFD market can be seen in the following:

- CMC Markets PLC, one of the leading CFD brokers in the UK, had on 22 November 2018 announced a net profit decline of 76% for the half year period ended 30 September 2018 which it attributed the regulatory tightening measures as a reason¹
- Listed CFD companies in the UK have been issuing profit warnings. Plus 500 PLC, one of the several CFD companies listed in the UK issuing profit warnings, had on 12 February 2019 cited in Reuters the new regulatory measures as the reason and reported that its active clients had more than halved in the last quarter of 2018. The market capitalisation of Plus 500 PLC fell by a third immediately following this announcement.²
- A representative of Saxo Capital Markets, as reported in LeapRate.com on 11 March 2019, indicated that the CFD industry will undergo major consolidation.³

Taking into consideration the above, the Board believes that the impact of the regulatory changes has surprised industry players and the Board is of the view that the prospects for the European CFD market will not improve in the short term. In addition, the ongoing developments around Brexit add to uncertainties in the industry.

The financial performance of the Group in FY2018 was also negatively affected by certain business initiatives by the Group, namely the Group's collaboration with its B2B partners such as KGI and TradeHero, etc. which did not perform as expected hence the Group fell short of expected revenues and did not receive the returns on investments on these initiatives. Other business initiatives including the Group's collaboration with Huanying International Limited and Phnom Penh Derivative Exchange Plc have also taken longer to materialize than originally expected due to the complications regarding the collaboration model and IT delivery.

AML's business carries high operating costs and is heavily regulated. The Group is not able to fund the costs in the immediate term (due to its current financial position (as can be seen from the announcement of the FY2018 unaudited financial results on 2 May 2019)). The Proposed Disposal will significantly reduce the Group's cost base and regulatory capital requirements (as further elaborated in paragraph 1.5 below). The Proposed Disposal will also remove volatility to earnings caused by reliance on brokerage income and exposure to market risk and allow the Group to focus on developing its social trading products, and further develop its strategy of increasing market share in Asia, in collaboration with the Purchaser and other strategic Business-to-Business (B2B) partners. In this connection, both the Purchaser and the Group will enter into mutually beneficial commercial arrangements.

With the Proposed Disposal, the Group will be able to focus on further enhancing and increasing market share of its social trading platform and related products in Europe and through strategic partnership focus on Asia, including China, to drive revenue growth and achieve profitability.

¹ Source: Information extracted from CMC website found at: <https://assets.cmcmarkets.com/pdfs/CMC-Markets-H1-FY19-RNS-Results-Announcement.pdf>

² Source: Information extracted from a news article entitled "Update 1 – online trading platform Plus500 slumps on profit warning" published on Reuters' website found at <https://www.reuters.com/article/plus500-results/update-2-online-trading-platform-plus500-slumps-on-profit-warning-idU5L3N2072F2>

³ Source: Information extracted from a news article entitled "Saxo Capital Markets CEO comments on the impact of ESMA rules on responsible leverage" published on Leaprate.com found at <https://www.leaprate.com/financial-services/rules-and-regulation/saxo-bank-ceo-comments-on-the-impact-of-esma-rules-on-responsible-leverage/>

The Company has not sought consent from each of the above organisations or corporations (as the case may be) to the inclusion of the above information in this announcement. While our Directors have taken reasonable action to ensure that the information is extracted accurately and fairly, and has been included in this announcement in its proper form and context, they, nor any party, have not independently verified the accuracy of the relevant information.

The overall size of China and the wider Asia Pacific region in comparison with Europe offers more opportunities to the Company and in addition, the CFD market, outside Singapore and Australia where regulations allow for CFD trading, is still in its early stage and is primarily active in offshore foreign exchange trading. The Company sees business-to-business (“**B2B**”) opportunities to promote social trading to onshore and offshore market participants through software licensing and other partnerships. The Company believes the Group’s next generation social trading technology will offer greater flexibility in connecting B2B partners and will also facilitate the deployment of its technology. As announced on 20 February 2019, the Group had entered into a non-binding strategic alliance with Golden Nugget Jinzhuang Limited (“**iMaibo**”), which offers a cost-efficient social investing platform for Asian and other global CFDs to facilitate investment-related business, via its network of social media influencers and key opinion leaders (“**KOLs**”), followers of such KOLs, and third-party service and product providers. Together with iMaibo, the Company intends to relaunch its business focussed primarily in Asia and social trading and to combine the elements of KOLs and the Group’s social trading technology to create new social trading market place with other strategic partners in the region.

Due to the regulatory changes in Europe as highlighted above, social trading is becoming more compelling to industry providers who are looking for ways to differentiate and also undertake higher margin business. There is also increased interest in social trading in Asia from onshore and offshore providers whom we have already been in direct discussions with, and as our strategic alliance with iMaibo reflects, there is real interest. Our historic social trading platform WeTrade will be supplemented by the launch of our next generation software Tradestac, and there is already interest being expressed in this from B2B partners who eagerly await its launch. The evolution of social trading is considered to offer enormous potential and may be something also that exchanges consider in order to boost trading interest.

1.5 Other information on AML and Update on the Financial Conduct Authority

As announced by the Company on 14 February 2019, following feedback from one of the Group’s employees on the calculation of the CET1 ratio, KPMG LLP in the UK (“**KPMG**”) was engaged to assess the appropriate accounting and regulatory treatment of certain items including the treatment of software costs, inter-company loan balances, and the scope of regulatory consolidation related to the determination of AML’s regulatory capital position under European Capital Requirements Regulation.

KPMG has, in its report to AML, expressed its views on the accounting treatment adopted by AML in relation to two items on the financial statements of AML, relevant to the computation of the CET1 ratio, namely (a) technology software expenditures (“**Tech Expenditures**”); and (b) inter-company balances and transactions (“**Inter-Company Balances**”) (collectively, the “**Balances**”). KPMG’s views which were based on International Financial Reporting Standards (“**IFRS**”) are different from the accounting treatment adopted by AML under United Kingdom Generally Accepted Accounting Practice (“**UK GAAP**”) in the past.

Tech Expenditures

Based on KPMG’s views, the Tech Expenditures are to be classified as intangible assets rather than tangible assets pursuant to IFRS. If such views of KPMG were adopted by AML, it will have a negative impact on AML’s CET1 ratio. However, KPMG has further stated that its analysis is based solely on the discussion, documents and information provided by the management of AML, and to the extent that the actual facts differ from those described, the accounting treatment may differ from the opinion provided.

Noting that KPMG’s views are different from the position adopted by AML in the past, the Company’s audit and risk committee (“**ARC**”) has sought views of Blick Rothenberg Audit LLP (“**BR**”), AML’s statutory auditors in England, and Ernst & Young LLP (“**EY**”), the Company’s auditors, on KPMG’s suggested accounting treatment. The ARC noted the following:

- (i) BR had explained that under section 17 of FRS 102, the Tech Expenditures meet the criteria for property, plant and equipment and are not specifically exempted. They are also not exempted or prescribed as intangible assets in section 18 of FRS 102 (Intangible Assets). As such, in BR's opinion, AML has a choice and it had taken the view that the Tech Expenditures can be classified as tangible assets.
- (ii) BR had also opined that AML's financial statements gave a true and fair view of the state of the company's affairs as at 31 December 2014, 31 December 2015, 31 December 2016 and 31 December 2017 respectively and had been properly prepared in accordance with UK GAAP prior to 1 January 2015 and FRS102 thereafter and the requirements of the Companies Act 2006 and the Tech Expenditures had consistently been classified as tangible assets.
- (iii) In addition, during the initial public offering exercise of the Company in March 2018, its independent auditors and reporting accountant, EY audited the Company and its subsidiaries including AML, and issued an unqualified opinion on the consolidated financial statements of the Group in accordance with IFRS for the financial years ended 31 December 2014, 31 December 2015 and 31 December 2016 and the financial periods ended 30 September 2016 and 30 September 2017 respectively.
- (iv) In accordance with IAS 38, the trading platform was classified as intangible assets in the consolidated financial statements audited by EY. EY was of the view that KPMG's regulatory treatment of own funds only indicated the appropriate treatment to apply for tangible and intangible assets but KPMG did not conclude that it was not appropriate to record the trading platform as tangible assets in accordance with FRS 102. Nevertheless, EY noted that there are companies similar to AML which have had their trading platform classified as tangible assets and recommended the Company to engage the FCA for discussion and seek clarifications.
- (v) Further, as part of EY internal audit review to understand the processes and assess the design of the controls, EY noted that the quarterly report to be submitted to the FCA is a protected excel template provided by the FCA where figures inserted were based on the management accounts, and the formulas applied could not be amended. EY had agreed the financial numbers in the protected excel template to the management accounts of AML, which was prepared based on the accounting policies used in its statutory financial statements. EY performed re-computation of the CET1 ratios and noted no exceptions to AML's historical compliance with the CET1 ratio.

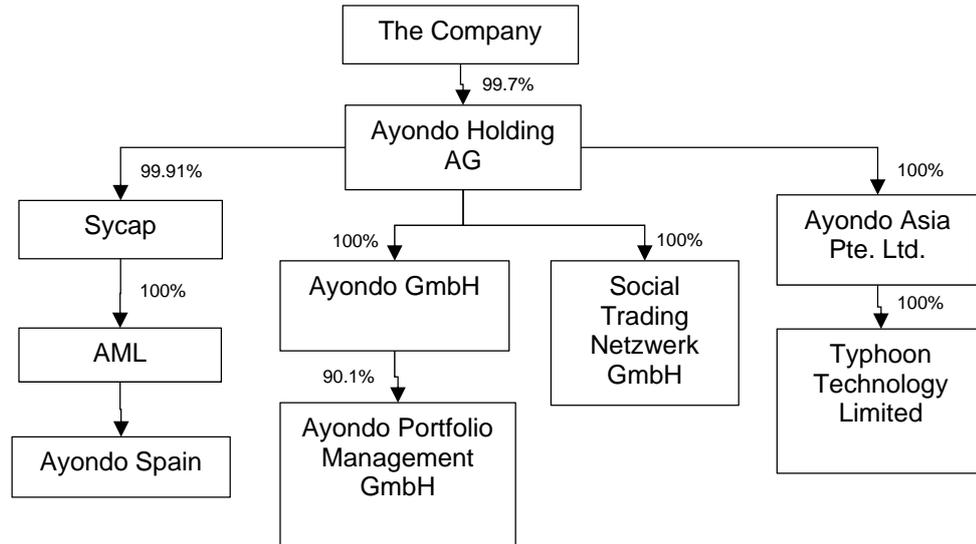
The Board has confirmed that the capital ratio figures submitted to the FCA in AML's quarterly COREP reports were in line with market practice and noted that the FCA has not raised any concerns on the computation of the CET1 ratio.

Following the receipt of the KPMG report, AML notified the FCA that it adopted KPMG's suggested accounting treatment and accordingly, following from the notification by AML, the Tech Expenditures will be classified as intangibles instead of tangible assets. Following consultation by the Board with the FCA, it is noted that going forward, AML is expected to comply with the amended accounting treatment of the Tech Expenditures based on KPMG's suggested accounting treatment.

Given the differing views of KPMG and BR on the treatment of the Tech Expenditures, as directed by the SGX, the Board has also sought clarification from the FCA in respect of the FCA's position with regard to AML's compliance with the CET1 ratio in the past, and whether AML is able to continue with such past treatment of Tech Expenditures in computing the CET1 ratio going forward. The FCA's response is still pending as at the date of this announcement. Notwithstanding this, the Company intends to undertake the Proposed Disposal for the reasons set out in paragraph 1.4.

Inter-Company Balances

For ease of reference, below is the organizational structure of the Group before the completion of Proposed Disposal.



There are outstanding Inter-Company Balances owing by the members of the Group as described below to AML.

Member of the Group	Reasons for amounts owing to AML	Reasons for impairment
The Company	Amounts owing represent central costs paid by AML on behalf of the group. Following the Company's initial public offering in March 2018, the Company made loans to Ayondo Holding AG, Ayondo GmbH, AML and AAPL from its IPO proceeds and is not independently cash generative.	The Company's ability to repay the amounts owing to AML are reliant on the trading performance of group companies. As at 31 December 2018, there appeared to be reasonable doubt as to the ability of AML to recover the receivables owing.
Ayondo Holding AG	Amounts owing represent interest free cash flow loans drawn down throughout 2018. Ayondo Holding AG has itself made loans to other group companies and accrues interest income on those loans.	Ability to repay the amounts owing to AML is entirely reliant on the trading performance of group companies, which to date has not generated cash inflows. As at 31 December 2018 there appears to be reasonable doubt as to the ability of AML to recover the receivables owing.
Ayondo GmbH	Historically AML have aided the group's funding of GmbH losses through advanced rebate payments and, more recently,	During FY2018, Ayondo GmbH has continued to generate losses despite heavy investment in marketing. In the absence of

	interest free cash flow loans.	evidence of future earnings growth, as at 31 December 2018 there appears to be reasonable doubt as to the ability of AML to recover the receivables owing from Ayondo GmbH.
Ayondo Asia Pte. Ltd. (“ AAPL ”)	Amounts owing to AML are in the form of advances to cover costs.	Performance in AAPL has been relatively poor during FY2018 with very limited income being generated. The balance sheet of AAPL is weak and already heavily geared, with inter-group debt and third party payables funding the losses to date of over £5 million. In the absence of evidence of future earnings growth, as at 31 December 2018 there appears to be reasonable doubt as to the ability of AML to recover the receivables owing.

In light of the above, AML will be impairing the Inter-company Balances as advised by its statutory auditors. EY has also concurred with this treatment.

As a result of the weak business performance, the consequent impairment of the Inter-Company Balances and change in accounting treatment for the Tech Expenditures, there is a negative impact on AML’s CET1 ratio and AML will require capital injection to meet the regulatory capital requirements. Notwithstanding the above, AML continues to be authorized by the FCA as a 730K investment firm in the UK and operates its business as usual.

1.6 Conditions Precedent

The completion of the Proposed Disposal (“**Completion**”) is conditional upon the fulfilment of the following conditions precedent within 6 months from the date of the SPA or such other time and date the Purchaser and Sycap may agree in writing (“**Long Stop Date**”):

- (i) the approval of the shareholders of the Company for the Proposed Disposal being obtained at an EGM;
- (ii) the announcement by the Company of the Group’s audited financial statements and annual report for the financial year ended 31 December 2018 via SGXNET prior to the EGM;
- (iii) there being no material adverse change prior to the time of completion which has not been waived. A material adverse change means occurrence of any of the following matters:
 - (a) any investigation or enforcement action being undertaken by or at the request of the FCA against, or into any affairs or conduct of, AML;
 - (b) any steps taken by the FCA to cancel, suspend, vary or impose any requirement or limitation in respect of, or which indicate a material prospect or possibility that the FCA is reasonably likely to cancel, suspend, vary, or impose any requirement or limitation in respect of, (i) the authorization given to AML; or

- (ii) AML's ability to hold or control client money other than, in each case, as a result of any change in laws or regulations;
- (c) any other matter or circumstance which has or is reasonably likely to have a negative monetary impact exceeding £500,000 on the business, operations, assets, financial position, or profits of AML, excluding in each case, any event, circumstance or change to the extent resulting from:
 - (i) the United Kingdom's withdrawal from the European Union pursuant to Article 50 of the Treaty on European Union (2007);
 - (ii) changes in stock markets, interest rates, exchange rates, commodity prices or other general economic conditions;
 - (iii) changes in conditions generally affecting the business of CFD and stock broking in the United Kingdom and/or the European Union; or
 - (iv) changes in laws, regulations or accounting standards or practices or the enforcement or interpretation thereof; and
- (d) any material suit, investigation, action or other proceeding or claim (including any application for an injunction or other equitable remedy) existing, pending or threatened in writing against Sycap, AML or the Purchaser before any court or governmental agency which has resulted in or specifically requires the restraint or prohibition of the consummation of the acquisition by the Purchaser of AML, as contemplated by the SPA; and
- (e) an insolvency event occurring in respect of Sycap or the Company.

1.7 Other Material Terms

- (i) In relation to the approval of the shareholders of the Company for the Proposed Disposal, the Company shall, amongst other:
 - (a) submit the shareholders' circular to the Company's sponsor for approval in accordance with the applicable law and regulation within five business days of the date the SPA;
 - (b) obtain explicit confirmation from the FCA in relation to the compliance by AML with its CET1 requirements or otherwise, disclose in the shareholders' circular details of the efforts expended by the Company to obtain clarification from the FCA in relation to the compliance by AML with its CET1 requirements and the amount of shortfall in regulatory capital requirements;
 - (c) should the Company or AML be unable to obtain such confirmations from FCA, deliver to the SGX and disclose to shareholders as soon as reasonably practicable details of the efforts expended by the Company to obtain clarification from the FCA in relation to compliance by AML prior to the date of the SPA with its CET1 Requirements. The Company and/or AML must also quantify the shortfall in regulatory capital based on (i) its existing computation and (ii) KPMG's opinion;
 - (d) following the date of the SPA, promptly announce its audited financial statements and annual report via SGXNET and such announcement shall (notwithstanding the foregoing) be made in good time prior to the EGM. For the avoidance of doubt, should the audited financial statements are available before the despatch of the Circular, the audited financial statements shall be included into the Circular;

- (ii) The Purchaser shall be entitled to terminate the SPA at any time between the date of the SPA and up to and including the Long Stop Date (or if the Purchaser has elected to extend the Long Stop date in accordance with the SPA) if, amongst others:
 - (a) there is any breach of the undertakings by Sycap and/or AML relating to the carrying on of AML's business in the ordinary and usual course; or
 - (b) there is any breach of fundamental warranties relating to the capacity and authority of Sycap to dispose the entire issued shares of AML and that Sycap holds the entire issued shares of AML free from encumbrances; or
 - (c) any facts, circumstances or issues arise in connection with or arising from the investigation into any of a certain employee's complaints which (following consultation with Sycap and the Company) in the reasonable opinion of the Purchaser are detrimental to AML; or
 - (d) (i) the authorisation by the Spanish National Securities Market Commission has not been granted to AML and (ii) the United Kingdom withdraws from the European Union pursuant to Article 50 of the Treaty on European Union (2007) without having ratified the draft Agreement on the Withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community (as endorsed at the special meeting of the European Council on 25 November 2018); or
 - (e) the approval from the shareholders of the Company is not obtained by 21 May 2019 or such other date as the parties may agree in writing.
- (iii) Completion shall take place on the fourth business day following the date on which the last of the conditions precedent in the SPA has been satisfied.
- (iv) The Company undertakes to the Purchaser (and each member of its group including AML following Completion) that it shall not either directly or indirectly in any capacity in European Union and UK:
 - (a) During the 24 months following Completion, canvass or solicit any person who has been a customer of AML (save for the social trading business) at any time during 12 months period before Completion;
 - (b) During the 24 months following Completion, deal with any person who has been a customer of AML (save for the social trading business) at any time during 12 months period before Completion;
 - (c) During the 24 months following Completion, induce or solicit any person who was an employee of AML as at Completion who are likely in the opinion of the Purchaser to come into possession of confidential information during the course of their employment with AML or who have had material dealings with customers of AML in the course of such employment; and
 - (d) During the 24 months following Completion do or say anything which may cause a customer or supplier to cease to deal with AML or to deal with it on less advantageous terms.
- (v) The Purchaser undertakes to Sycap that it shall not either directly or indirectly in any capacity, during the 24 months following Completion induce, solicit or seek to induce away any employee of the Group, provided always that an advert placed as part of a general recruitment campaign shall not be deemed to be solicitation or inducement.

- (vi) Sycap warrants and undertakes to the Purchaser that it shall pay on demand to the Purchaser the equivalent amount to such payments, including payments of dividends, payments made for future benefits, and waivers, discount, deferral of any amount owing to AML by the Company or any other subsidiaries of Group, made by AML to the Group between 1 January 2019 until the date of Completion save for certain permitted payments (“**Leakage Claims**”) provided always that all Leakage Claims must be made within 6 months from the date of Completion and aggregate liability for all Leakage Claims shall not exceed £3,000,000.
- (vii) The Company also irrevocably and unconditionally:
 - (a) guarantees to the Purchaser the full, prompt and complete performance by Sycap of all its obligations to procure the Completion;
 - (b) undertakes to the Purchaser that whenever Sycap does not pay any amount when due under or in connection with the Leakage Claims or any breach of the Fundamental Warranties (as defined in the SPA), it shall indemnify and immediately on demand pay that amount to the person entitled to the payment as if it were the principal obligor provided that the amount of any such cost, loss or liability shall be equal to the amount which the Purchaser would otherwise have been entitled to recover from Sycap or the Company.

1.8 Other obligations of the Company

Pursuant to the Notice of Compliance issued by Singapore Exchange Regulation (“**SGX Regco**”) dated 16 April 2019 in relation to the Proposed Disposal, the Company shall, in addition to conditions / terms as stated in paragraphs 1.6 and 1.7 of this announcement:

- (i) submit the shareholders’ circular to the SGX Regco for clearance before it is despatched to shareholders;
- (ii) obtain the necessary approvals from all regulatory and other authorities, including but not limited to the FCA and the SGX-ST/SGX Regco, as required;
- (iii) provide details in the circular to shareholders, on the rationale for the Proposed Disposal and justifications from the Board on why the Proposed Disposal is in the best interest of the Group and shareholders;
- (iv) explain in detail in the circular to shareholders, developments in the Group since the IPO in March 2018 till date, leading to the Proposed Disposal; and
- (v) elucidate in the circular to shareholders, the Group’s business plans and directions going forward.

1.9 Value of the Sale Shares

Based on the Group’s unaudited financial statements for the fourth quarter ended 31 December 2018 (“**Q42018 Results**”), the net liabilities value (“**NLV**”) of AML as at 31 December 2018 was approximately £4,906,000. There is no open market value for the shares in AML as they are not publicly traded. Based on the NLV of AML as at 31 December 2018, the gain on the Proposed Disposal is approximately £4,730,179. The actual gain may differ based on the net liabilities position of AML on the date of Completion.

The net loss attributable to AML for the financial year ended 31 December 2018 was approximately £10,708,000.

An independent valuation of AML as at 31 December 2018 was prepared by KPMG LLP on 6 March 2019 which concluded that the 100% equity value of AML was negative.

1.10 Use of proceeds from the Proposed Disposal

The Receivables Balance of £5.7 million will be applied immediately upon Completion towards all interest accrued and any other amounts payable to AML by the remaining entities of the Group.

As such, the Company does not expect to receive any net proceeds from the Proposed Disposal.

2. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE CATALIST RULES

Rule	Basis	Relative Figure
1006(a)	NAV of the assets to be disposed of, compared with the Group's NAV	Approximately 74% ⁽¹⁾
1006(b)	Net losses attributable to the assets disposed of, compared with the Group's net losses	Approximately 27% ⁽²⁾
1006(c)	Aggregate value of the consideration received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	Approximately 41% ⁽³⁾
1006(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable.
1006(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	Not applicable.

Notes:

- (1) Based on the pre-disposal NLV of AML being approximately £4,906,000 (equivalent to approximately CHF6,148,000 based on the exchange rate of GBP 1: CHF 1.2532 and the pre-disposal NLV of the Group of approximately CHF8,279,000 in the Q42018 Results.
- (2) Based on the pre-disposal net losses before tax attributable to AML of approximately £10,708,000 (equivalent to approximately CHF13,562,000 based on the exchange rate of GBP 1: CHF 1.2665) and the Group's pre-disposal net losses before tax of approximately CHF50,239,000 as at 31 December 2018.
- (3) Based on the Sale Consideration of £5,700,001 (equivalent to approximately S\$10,032,000 based on the exchange rate of GBP 1: S\$1.76) and the Company's market capitalization of approximately S\$24,469,000 (being the Company's issued ordinary share capital of 509,785,570 Shares (excluding treasury shares and subsidiary holdings) and the volume weighted average price of the Shares on the SGX-ST of S\$0.048 on 29 January 2019 (being the full market day on which the Shares were last traded prior to the suspension of trading of the Shares on the Catalist board of the SGX-ST).

Having regard to the above relative figures, the Proposed Disposal is a "major transaction" as defined in Rule 1014 of the Catalist Rules. Accordingly, the approval of Shareholders in an EGM is required for the Proposed Disposal. The Company will be issuing a circular to shareholders in due course which will contain more information in relation to the Proposal Disposal.

3. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The financial effects of the Proposed Disposal are purely for illustrative purposes only and do not reflect the future actual financial position of the Group after completion of the Proposed Disposal. The financial effects of the Proposed Disposal set out below have been prepared based on the Group's unaudited consolidated financial statements for the financial year ended 31 December 2018 ("FY2018"), and on the following bases and assumptions:

- (a) for the purposes of computing the net tangible assets ("NTA") per Share of the Company, assuming that the Proposed Disposal has been completed on 31 December 2018, being the end of FY2018; and
- (b) for the purposes of computing the loss per Share ("LPS") of the Company, assuming that the Proposed Disposal has been completed on 1 January 2018, being the beginning of FY2018

(i) NTA

As at 31 December 2018	Before the Proposed Disposal	After the Proposed Disposal
NTA (CHF'000)	(8,279)	(2,132)
NTA per share (CHF cents)	(0.0162)	(0.0042)

(ii) Loss per Share (EPS)

As at 31 December 2018	Before the Proposed Disposal	After the Proposed Disposal
Losses after tax and minority interests (CHF'000)	(50,239)	(41,325)
Loss per share (CHF cents)	(0.0996)	(0.0819)

4. SERVICE AGREEMENT

There are no directors proposed to be appointed to the Board in connection with the Proposed Disposal.

5. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors (other than in his capacity as a Director or Shareholder of the Company) and controlling shareholders has any interest, direct or indirect, in the Proposed Disposal.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company and directors of AML have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement are fair and accurate, and that there are no material facts not contained in this announcement, the omission of which would make any statement in this announcement misleading, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors of the Company has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, accurately reflected or reproduced in this announcement.

7. DOCUMENTS FOR INSPECTION

A copy of the SPA and the valuation report prepared by KPMG LLP on 6 March 2019 is available for inspection at the Company's registered office during normal business hours for 3 months from the date of this Announcement.

Shareholders and potential investors should note that the Proposed Disposal is subject to the fulfilment of, *inter alia*, the conditions set out above, including the obtaining of the relevant regulatory approvals, and accordingly should exercise caution when trading in the shares of the Company. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers. Further announcements will be made by the Company as and when appropriate.

By Order of the Board

Thomas Winkler
Non-Executive Chairman
8 May 2019

About ayondo Ltd.

SGX-listed global Financial Technology Group, with subsidiaries authorised and regulated in the UK (FCA) and Germany (BaFin), is considered as one of the FinTech pioneers in Europe which has capitalised on the opportunity arising from emerging digital technologies and changing trends in the financial industry. While having their core retail customer markets in Europe, the Group focusses on pursuing their Asian B2B strategy. With currently more than 25 B2B partners, ranging from white label partners to introducing brokers, ayondo provides self-directed trading as well as Social Trading services. In recent years, ayondo has won several accolades including Europe's leading Financial Technology providers ("FinTech 50"). Other honours include the International Financial Award Best Social Trading Platform and Broker of the Year.

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.

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