



AYONDO LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No. 201728417D)

UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 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 31 March 2017 are a continuation of the existing ayondo Holding AG Group, comprising the financial position and the results of the ayondo Holding AG and its subsidiaries. Pursuant to this, assets, liabilities, reserves, revenue and expense 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 first quarter ended 31 March 2018. Accordingly, the assets and liabilities of the entities transferred have been included in the Group’s balance sheet as of 31 March 2018 at their carrying amounts.

Summary of business performance

Q1 2018 results reflect strong revenue growth through our B2B and B2C channels, including expansion of the total number of active clients and revenue per active client. And we continue to maintain a stable cost base, confirming our Fintech growth strategy. We remain vigilant around cost management while investing in product innovation, marketing and customer acquisition.

	Qtr to Mar '18	Qtr to Mar '17	+/- %
Number of active clients	30,539	22,419	+36%
Trading revenue (CHF '000s)	7,293	4,343	+68%
Average revenue per active client	239	194	+23%

Trading revenue increased by 68% from CHF4.34 million for Q1 2017 to CHF7.29 million in Q1 2018 as a result of an increase in the number of active clients from 22,419 in Q1 2017 to 30,539 in Q1 2018.

Average revenue per active client increased from CHF194 in Q1 2017 to CHF239 in Q1 2018 due to increased trading activity as market volatility increased in Q1 2018.

Loss before tax, excluding IPO costs, accelerated employee share option costs and costs of financing debt reduced from CHF 2.3 million in Q1 2017 to CHF 1.2 million in Q1 2018.

CHF '000s	Q1 2018	Q1 2017
Loss before tax	(6,451)	(2,872)
<u>Add back:</u>		
Cost of financing debt	2,957	552
IPO costs	1,882	-
Employee share option costs accelerated into Q1	398	-
Loss before tax before above items	(1,214)	(2,320)

- Costs of financing debt of CHF 3.0 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 recent IPO.
- IPO costs of CHF 1.9million relate to costs incurred as a direct consequence of work on the IPO transaction and are therefore one-off in nature.
- The vesting period of options granted to employees in the employee share option scheme was accelerated to March 2018 due to the modification of the employee share option scheme as part of the IPO. As a consequence, share option costs of CHF 0.4 million originally due to be expensed in future reporting periods were accelerated into Q1 2018.

1(a)(i) Consolidated income statement

	Group		Increase/ (Decrease) %
	Quarter ended		
	31.03.2018	31.03.2017	
	(unaudited)	(unaudited)	
	CHF'000	CHF'000	
Trading revenue	7,293	4,343	67.9%
Fees, rebates, client bonuses and betting duty tax	(4,160)	(2,145)	93.9%
Net operating income	3,133	2,198	42.5%
Other income	15	1	1,400.0%
Staff expenses	(2,087)	(1,607)	29.9%
Marketing expenses	(445)	(609)	-26.9%
Other operating expenses	(2,228)	(2,303)	-3.3%
IPO costs	(1,882)	-	100.0%
Operating loss	(3,494)	(2,320)	50.6%
Finance costs	(2,957)	(552)	435.5%
Loss before tax	(6,451)	(2,872)	124.6%
Income tax credit	145	77	88.3%
Loss for the period, net of tax	(6,306)	(2,795)	125.6%
Loss for the period, net of tax, attributable to:			
Equity holders of the Company	(6,302)	(2,793)	125.6%
Non-controlling interests	(4)	(2)	100.0%
	(6,306)	(2,795)	125.6%
1(a)(i) Consolidated statement of comprehensive income			
Other comprehensive income:			
Foreign currency translation	(4)	(36)	-88.9%
Actuarial losses on defined benefit plans	5	(41)	-112.2%
Total comprehensive loss for the period, net of tax	(6,305)	(2,872)	119.5%
Total comprehensive loss, attributable to:			
Equity holders of the Company	(6,300)	(2,870)	119.5%
Non-controlling interests	(5)	(2)	150.0%
	(6,305)	(2,872)	119.5%

1(a)(ii) Notes to consolidated statement of comprehensive income

	Group		
	Quarter ended		
	31.03.2018	31.03.2017	Increase/ (Decrease)
	CHF ('000)	CHF ('000)	%
Depreciation of property, plant and equipment	23	20	15%
Amortisation of intangibles	304	160	90.0%
IT costs	423	364	16.2%
Operating lease expenses	229	182	25.8%
Net foreign exchange loss	242	431	(43.9%)
Finance costs on loan from related parties	14	54	(74.1%)
Convertible bond finance cost	2,943	498	490.9%
Issuance of adjustment shares for CB conversion	1,869	-	100%
Changes in fair value of embedded derivatives of convertible bonds	(2,197)	57	(3,954)%
Legal, other professional fees and consultancy fees	547	446	22.6%
IPO costs	1,882		100%

Amortisation of Intangibles

The amortisation of intangibles increased during the period, due to an increased investment in the Group's WeTrade, Tradehub and Account Management System.

Net foreign exchange loss

The loss decreased in Q1 2018 compared to Q1 2017 due to foreign exchange revaluations on intercompany loans to subsidiaries being recognised in other comprehensive income with effect from January 2018.

Finance costs on loan from related parties

The reduction in finance cost on loans from related parties is due to a large number of related party loans being converted to convertible bonds on 1 October 2017.

Convertible bond finance cost

This increased due to the acceleration of the finance costs associated with the convertible bonds, as a result of the IPO as well as the overall notional value of convertible bonds increasing year on year.

Changes in fair value of embedded derivatives of convertible bonds

This is due to a change in the underlying fair value of the embedded derivatives on the convertible bonds in issuance by the Company.

Legal, other professional fees and consultancy fees

The legal, other professional fees and consultancy fees increased due to an increase in FCA UK regulatory fees as well as increased costs relating to client sanctions checking for new clients

IPO costs

IPO costs of CHF 1.88 million were incurred during Q1 2018. No IPO expenses were incurred in Q1 2017.

Issuance of adjustment shares for CB conversion

This is the cost of issuing adjustment shares relating to the full and final settlement of the convertible bond conversions to equity during Q1 2018.

1(b)(i) Balance Sheets

	Group		Company	
	31.03.2018 (unaudited) CHF'000	31.12.2017 (audited) CHF'000	31.03.2018 (unaudited) CHF'000	31.12.2017 (audited) CHF'000
ASSETS				
<i>Non-current assets</i>				
Property, plant and equipment	134	119	-	-
Intangible assets	36,581	36,477	-	-
Investment in Subsidiaries	-	-	12,314	-
Total non-current assets	36,715	36,596	12,314	-
<i>Current assets</i>				
Trade and other receivables	45,073	51,569	18,536	-
Derivative financial instruments	-	170	-	-
Cash and bank balances	9,869	929	1,636	-*
Investment securities	932	932	-	-
Total current assets	55,874	53,600	20,172	-*
Total assets	92,589	90,196	32,486	-*
LIABILITIES AND EQUITY				
<i>Current liabilities</i>				
Convertible bonds	-	13,593	-	-
Trade and other payables	50,809	55,895	469	-
Loans from related parties	3,196	1,933	-	-
Derivative financial instruments	1,831	9,055	-	-
Bank overdraft	199	47	-	-
Total current liabilities	56,035	80,523	469	-
<i>Non-current liabilities</i>				
Employee benefit liabilities	809	797	-	-
Total non-current liabilities	809	797	-	-
Total liabilities	56,844	81,320	469	-
<i>Equity</i>				
<i>Equity attributable to owners of the Company:</i>				
Share capital	32,272	50,006	32,272	-*
Merger reserve	50,536	-	-	-
Other reserves	(659)	(1,028)	2,988	-
Accumulated losses	(46,376)	(40,079)	(3,243)	-
	35,773	8,899	32,017	-*
Non-controlling interests	(28)	(23)	-	-
Total equity	35,745	8,876	32,017	-*
Total liabilities and equity	92,589	90,196	32,486	-*

* 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 31 March 2018 (CHF'000)		As at 31 December 2017 (CHF'000)	
Secured	Unsecured	Secured	Unsecured
-	3,395	-	15,573

Amount repayable by the Group after one year

As at 31 March 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 31 March 2018 and 31 December 2017.

1(c) Consolidated statement of cash flows

	Group Three months ended 31.03.2018 (unaudited) CHF'000	Group Three months ended 31.03.2017 (unaudited) CHF'000
<u>Cash flows from operating activities</u>		
Loss before tax	(6,451)	(2,872)
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	23	20
Amortisation of intangibles	304	160
Employee share based payments	464	130
Changes in fair value of derivative liability component	(2,197)	57
Unrealised gain on derivatives	(149)	(35)
Pension costs	15	15
Interest income on loans and receivables	-*	-*
Finance costs	2,957	552
Issuance of adjustment shares for CB conversion	1,869	-
Unrealised exchange (gain)/loss	(192)	165
Operating cash flows before changes in working capital	(3,357)	(1,808)
Decrease/(increase) in trade and other receivables	6,407	(3,536)
Decrease in receivables from and payable to associates and related parties	-	76
(Decrease)/ increase in trade and other payables	(5,085)	3,035
Cash flows used in operations	(2,035)	(2,233)
Interest paid	(1)	-
Interest received	-*	-*
Net cash used in operating activities	(2,036)	(2,233)
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(35)	(10)
Capitalisation of internally generated intangibles	(368)	(706)
Net cash used in investing activities	(403)	(716)
<u>Cash flows from financing activities</u>		
Proceeds from issue of new shares	15,179	-
Repayment of convertible bonds	(4,039)	-
Net cash flows generated from financing activities	11,140	-
Net increase/(decrease) in cash and cash equivalents	8,701	(2,949)
Effects of exchange rate changes on cash and cash equivalents	88	4
Cash and cash equivalents at the beginning of the period	881	3,789
Cash and cash equivalents at the end of the period	9,670	844
<u>For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the statement of financial position date:</u>		
Cash and bank balances	9,869	849
Less: Bank overdraft	(199)	(5)
Total cash and cash equivalents	9,670	844
* Less than CHF 1,000		

ayondo Ltd.
Unaudited financial statements for the first quarter ended 31 March 2018

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

Group (unaudited)	Attributable to equity holders of the Company										
	Share capital CHF'000	Treasury shares 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 year	-	-	-	-	-	-	-	(2,793)	(2,793)	(2)	(2,795)
<u>Other comprehensive income</u>											
Actuarial losses on measurement of post-employment benefit plan, net of tax	-	-	-	-	-	-	-	(41)	(41)	-	(41)
Foreign currency translation	-	-	(36)	-	-	-	-	-	(36)	-*	(36)
Other comprehensive income for the period	-	-	(36)	-	-	-	-	(41)	(77)	-	(77)
<u>Contributions by and distributions to owners</u>											
Grant of share options to employees	-	-	-	-	130	-	-	-	130	-	130
Total contributions by and distributions to owners	-	-	-	-	130	-	-	-	130	-	130
At 31 March 2017	45,251	-	1,210	4,563	2,134	92	(3,153)	(33,172)	16,925	(14)	16,911

ayondo Ltd.

Unaudited financial statements for the first quarter ended 31 March 2018

Attributable to equity holders of the Company

Group (unaudited)	Share capital CHF'000	Merger Reserve 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
At 1 January 2018	50,006	-	(491)	2,524	92	(3,153)	(40,079)	8,899	(23)	8,876
Loss for the period	-	-	-	-	-	-	(6,302)	(6,302)	(4)	(6,306)
<u>Other comprehensive income</u>										
Actuarial gains on measurement of post-employment benefit plan, net of tax	-	-	-	-	-	-	5	5	-	5
Foreign currency translation	-	-	(3)	-	-	-	-	(3)	(1)	(4)
Other comprehensive income for the period	-	-	(3)	-	-	-	5	2	(1)	1
<u>Contributions by and distributions to owners</u>										
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 adjustment shares to CB conversion	1,869	-	-	-	-	-	-	1,869	-	1,869
Deferred 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	(17,734)	50,536	-	464	(92)	-	-	33,174	-	33,174
At 31 March 2018	32,272	50,536	(494)	2,988	-	(3,153)	(46,376)	35,773	(28)	35,745

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.

	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	Retained earnings CHF' 000	Total equity CHF' 000
Company (unaudited)				
At 1 January 2018	- *	-	-	- *
Loss for the year, representing total other comprehensive income for the period	-	-	(3,243)	(3,243)
<u>Contributions by and distribution to owners</u>				
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 adjustment shares to CB conversion	1,869	-	-	1,869
Deferred 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	32,272	2,988	(3,243)	32,017

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 December 2017	1	1
Issuance of shares pursuant to the restructuring exercise	714,066	16,944,811
Sub-division	384,882,114	-*
Conversion of Pre-IPO Convertible Loans	17,204,048	2,996,945
Issuance of shares pursuant to the IPO	83,318,658	21,662,850
Issuance of adjustment shares to CB conversion	10,000,000	-*
Conversion settlement with Starland Holdings Limited for the reimbursement of expenses	6,547,324	1,140,544
Balance as at 31 March 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 our Company has granted Pre-IPO options to replace the AG Options. As at 31 March 2018, there were Pre-IPO options granted on 51,445,800 ayondo Ltd shares. Please refer to page 205 to 208 for details on the pre-IPO options.

As at 31 March 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 31 March 2017.

Details of treasury shares and subsidiary holdings

The Company was only incorporated on 4 October 2017 and did not have any treasury shares and subsidiary holdings as at 31 March 2018.

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 31 March 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 31 March 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. The Group currently measures its available-for-sale unquoted equity instruments at cost. Under IFRS 9, the Group will be required to measure the investments at fair value. The difference between the current carrying amount and the fair value as at 31 December 2017 would be recognized in the opening retained earnings with a corresponding tax impact when the Group applies IFRS 9. The Group expects an increase in the carrying amount and other comprehensive income when the unquoted equity instruments are re-measured to fair value. The Group expects no significant change from the re-measurement of the investment securities to fair value.

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

	Group	
	Quarter ended	
	<u>31.03.2018</u> CHF'000	<u>31.03.2017</u> CHF'000
Loss attributable to owners of the Company	(6,302)	(2,793)
Weighted average number of ordinary shares	167,555,404	167,555,404
Basic loss per share ("LPS") based on actual number of shares (CHF)	(0.04)	(0.02)
Diluted LPS based on actual number of shares (CHF) ⁽¹⁾	(0.04)	(0.02)

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	
	31.03.2018	31.12.2017	31.03.2018	31.12.2017
Net asset value (CHF'000)	35,745	8,876	32,017	-*
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.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Review of Group's performance for the period ended 31 March 2018 ("Q1 2018") as compared to the period ended 31 March 2017 ("Q1 2017")

Trading revenue

- Trading revenue increased by 68% from CHF4.34 million for Q1 2017 to CHF7.29 million in Q1 2018 as a result of an increase in the number of active clients from 22,419 in Q1 2017 to 30,539 in Q1 2018.
- Average revenue per active client increased from CHF194 in Q1 2017 to CHF239 in Q1 2018 due to increased trading activity as market volatility increased in Q1 2018.
- There was a significant increase in active clients was seen quarter on quarter with a 36% increase to 30,539 clients active during Q1 2018 compared to 22,419 active during Q1 2017. The Group remains focused on the continual acquisition of clients whilst seeking to maximise the average revenue per client.

	Qtr to Mar '18	Qtr to Mar '17	+/- %
Number of active clients	30,539	22,419	+36%
Trading reveue (CHF '000s)	7,293	4,343	+68%
Average revenue per active client	239	194	+23%

Fees, rebates client bonuses and betting duty tax

Fees, rebates, client bonuses and betting duty tax increased from CHF 2.1 million in Q1 2017 to CHF 4.2 million in Q1 2018, an increase of approximately 93.9%. This was predominantly due to increased rebates as a higher amount of our business was conducted with partners which has a lower profit margin.

Staff Expenses

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

Staff expenses amounted to CHF 2.1 million for Q1 2018 compared to CHF 1.6 million for Q1 2017. The increase in staff expenses is mainly attributable to the invest period of employee share scheme has been accelerated as a result of the IPO, the number of employees in March 2017 was 74, compared to 71 in March 2018.

Marketing Expenses

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

Marketing expenses accounted for 6.1% and 14.0% of our Group's trading revenue in Q1 2018 and Q1 2017 respectively. The decrease in marketing expenses from CHF 0.61 million in Q1 2017 to CHF 0.45 million in Q1 2018 is mainly due to lower marketing activity in Q1 2018.

Other Operating Expenses

Other operating expenses comprise mainly of legal and professional fees, IT costs, depreciation expense, and other administrative expenses. Other operating expenses accounted for 30.5% and 53.0% of our Group's trading revenue in Q1 2018 and Q1 2017 respectively. Other operating expenses reduced slightly from CHF 2.3 million in Q1 2017 to CHF 2.2 million in Q1 2018.

IPO Costs.

IPO costs of approximately CHF 1.9 million were incurred in Q1 FY2018.

Finance Costs

Finance costs comprise mainly of interest payable on convertible loans issued.

Finance costs accounted for 40.5% and 12.7% of our Group's trading revenue in Q1 2018 and Q1 2017 respectively. The increase in finance costs from CHF 0.55 million in Q1 2017 to CHF 2.96 million in Q1 2018 mainly due to the acceleration of the finance costs associated with the conversion of outstanding convertible bonds at the IPO in March 2018.

Income Tax Credit

Income tax credit relates to 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 145,000 in Q1 2018 and CHF 77,000 in Q1 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.

REVIEW OF FINANCIAL POSITION

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

Non-current assets

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

Intangible assets remained unchanged at approximately CHF 36.5 million. As at 31 March 2018, the intangible assets amounted to CHF 36.6 million or 99.7% of the total non-current assets and comprised of CHF 3.2 million relating to our Group's WeTrade, Tradehub and Account Management System, and CHF 33.4 million relating to goodwill arising out of the acquisition of shares in our subsidiaries.

Current assets

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

Trade and other receivables decreased from CHF 51.6 million as at 31 December 2017 to CHF 45.1 million as at 31 March 2018 due to a decrease in client segregated funds. As at 31 March 2018, trade and other receivables comprised of (i) segregated client funds of CHF 36.8 million; (ii) amount due from brokers of CHF 6.4 million; (iii) client fund asset of CHF 0.2 million, (iv) other receivables of CHF 1.3 million; and (v) prepayment of CHF 0.4 million comprising mainly property rental deposits.

Cash and cash equivalents increased from CHF 0.9 million as at 31 December 2017 to CHF 9.9 million as at 31 March 2018 mainly due to net proceeds received from the IPO.

Investment securities remain unchanged at approximately CHF 0.9 million and comprised of investments in Oanda and MyHero.

Current liabilities

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

Convertible bonds decreased by CHF 13.6 million as at 31 December 2017 to CHF nil as at 31 March 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 5.1 million from CHF 55.9 million as at 31 December 2017 to CHF 50.8 million as at 31 March 2018 mainly due to the decrease in client funds through the period. As at 31 March 2018, trade and other payables comprised of (i) client funds of approximately CHF 42.1 million relating to amounts owed to clients; (ii) provision and accruals of CHF 4.4 million relating to amounts due to trading partners and general operating expense accruals in the ordinary course of business; (iii) trade payables of CHF 3.3 million and (iv) other payables of CHF 1.0 million;

Loans from related parties increased from CHF 1.9 million as at 31 December 2017 to CHF 3.2 million as at 31 March 2018 mainly due to reclassification of convertible bonds to loans from related parties for the convertible bond holders that chose not to convert.

Derivative financial instrument decreased from CHF 9.1 million in FY2017 to CHF 1.8 million in Q1 2018 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 related to the mandatory pension scheme in Switzerland and remains unchanged at approximately CHF 0.8 million.

Negative working capital

Negative working capital improved from CHF 26.9 million as at 31 December 2017 to CHF 0.16 million as at 31 March 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 Company will increase revenues through acquisition of active clients and will continue its stringent cost management. The Board is, therefore, of the view that the Group is able to operate as a going concern for the next twelve months from the date of this announcement.

REVIEW OF THE GROUP'S CASHFLOW STATEMENT

Net cash used in operating activities

In Q1 2018, we recorded net cash outflow from operating activities of approximately CHF 2.0 million, which comprised operating cash outflow before changes in working capital of approximately CHF 3.4 million, net working capital outflow of CHF 1.4 million.

Net cash used in investing activities

In Q1 2018, we recorded a net cash outflow from investing activities of approximately CHF 0.4 million. This was mainly due to the investment in internally generated intangibles of WeTrade, TradeHub and ayondo AMS of approximately CHF 0.4 million.

Net cash generated from financing activities

In Q1 2018, CHF 15.2 million was generated following the IPO on 26 March 2018, and offset by an outflow of CHF 4.0 million in relation to the repayment of convertible loans, resulted in a net cash generated from financing activities of approximately CHF 9.7 million

As at 31 March 2018, our cash and cash equivalents amounted to approximately CHF 9.7 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.

We continue to focus on the growth of our B2B and B2C business 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 we continue to make strong progress in this regard. We closely monitor the regulatory environment that we operate within and seek to react as quickly and efficiently as possible to minimise any potential impact on our 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 Q1 2018.
- (b) **Amount per share (cents) and previous corresponding period (cents).**
Not applicable. No dividend has been recommended or declared for Q1 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 Q1 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 the quarter ended 31 March 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 the first quarter ended 31 March 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 \$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:

<u>Purpose</u>	<u>Amount allocated</u> <u>(\$S'000)</u>	<u>Amount utilised</u> <u>(\$S'000)</u>	<u>Balance</u> <u>(\$S'000)</u>
Platform enhancement	2,100	-	2,100
Marketing spend	5,250	-	5,250
General working capital purposes	2,600	-	2,600
Repayment of loans	8,500	8,500	-
Total	18,450	8,500	9,950

BY ORDER OF THE BOARD

Thomas Winkler
Executive Chairman
9 May 2018