



**AYONDO LTD.**

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

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**UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED  
30 SEPTEMBER 2018**

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*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 (“**IPO**”) 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 September 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 third quarter ended 30 September 2018. Accordingly, the assets and liabilities of the entities transferred have been included in the Group’s balance sheet as of 30 September 2018 at their carrying amounts.

**Summary of business performance – Q3 2018 v Q3 2017**

The third quarter ended 30 September 2018 (“**Q3 2018**”) results show a very small fall in the number of active clients (down 1%) from 25,377 in the third quarter ended 30 September 2017 (“**Q3 2017**”) to 25,237 in Q3 2018. Despite the stability in the number of active clients, trading revenue decreased by 23% from CHF 5.17 million in Q3 2017 to CHF 4.00 million in Q3 2018. Average trading revenue per client fell by 23% from CHF 204 in Q3 2017 to CHF 158 in Q3 2018. The decrease in revenue was attributable to a change in the mix of clients with a higher number of B2B clients who have lower average revenues than other clients and a reduction in other clients who have higher average revenues than B2B clients. Q3 2018 also saw extremely low volatility which reduced trading opportunities while regulatory changes from 1 August 2018 led to temporary uncertainties and lower levels of activity.

|  | Quarter ended |               | +/-%        |
|--|---------------|---------------|-------------|
|  | 30.09.2018    | 30.09.2017    |             |
| <b>Number of active clients</b>                | <b>25,237</b> | <b>25,377</b> | <b>-1%</b>  |
| <b>Trading revenue (CHF '000s)</b>             | <b>3,997</b>  | <b>5,171</b>  | <b>-23%</b> |
| <b>Average revenue per active client (CHF)</b> | <b>158</b>    | <b>204</b>    | <b>-23%</b> |

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

Loss before tax, excluding non-recurring costs such as costs of financing debt and IPO costs, increased only CHF 0.51 million from CHF 1.21 million in Q3 2017 to CHF 1.72 million in Q3 2018, despite a CHF 1.17 million fall in trading revenue reflecting recent tighter control of costs.

|   | Quarter ended  |                |
|---|----------------|----------------|
|   | 30.09.2018     | 30.09.2017     |
|   | CHF ('000)     | CHF ('000)     |
| <b>Loss before tax</b>                    | <b>(1,728)</b> | <b>(2,540)</b> |
| <b>Add back:</b>                          |                |                |
| Cost of financing debt                    | 6              | 500            |
| IPO costs expensed                        | -              | 835            |
| <b>Loss before tax before above items</b> | <b>(1,722)</b> | <b>(1,205)</b> |

- Costs of financing debt of CHF 0.50 million in Q3 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 IPO.
- IPO expenses of CHF 0.84 million were incurred in Q3 2017.

## 1(a)(i) Consolidated income statement – Q3 2018 v Q3 2017

|   | Group<br>Quarter ended               |                                      | Increase/<br>(Decrease)<br>% |
|---|--------------------------------------|--------------------------------------|------------------------------|
|   | 30.09.2018<br>(unaudited)<br>CHF'000 | 30.09.2017<br>(unaudited)<br>CHF'000 |                              |
| Trading revenue   | 3,997                                | 5,171                                | (23%)                        |
| Fees, rebates, client bonuses and betting duty tax            | (1,769)                              | (2,724)                              | (35%)                        |
| <b>Net operating income</b>                                   | <b>2,228</b>                         | <b>2,447</b>                         | <b>(9%)</b>                  |
| Other income  | 14                                   | 91                                   | (85%)                        |
| Staff expenses  | (1,615)                              | (1,540)                              | 5%                           |
| Marketing expenses  | (369)                                | (805)                                | (54%)                        |
| Other operating expenses                                      | (1,980)                              | (1,399)                              | 42%                          |
| IPO costs   | -                                    | (835)                                | n.m.                         |
| <b>Operating loss</b>   | <b>(1,722)</b>                       | <b>(2,041)</b>                       | <b>(16%)</b>                 |
| Net finance costs   | (6)                                  | (499)                                | (99%)                        |
| <b>Loss before tax</b>  | <b>(1,728)</b>                       | <b>(2,540)</b>                       | <b>(32%)</b>                 |
| Income tax credit   | 141                                  | 254                                  | (44%)                        |
| <b>Loss for the quarter, net of tax</b>                       | <b>(1,587)</b>                       | <b>(2,286)</b>                       | <b>(31%)</b>                 |
| <b>Loss for the quarter, net of tax, attributable to:</b>     |                                      |                                      |                              |
| Equity holders of the Company                                 | (1,582)                              | (2,285)                              | (31%)                        |
| Non-controlling interests                                     | (5)                                  | (1)                                  | 400%                         |
|   | <b>(1,587)</b>                       | <b>(2,286)</b>                       | <b>(31%)</b>                 |
| <b>1(a)(i) Consolidated statement of comprehensive income</b> |                                      |                                      |                              |
| <b>Other comprehensive loss:</b>                              |                                      |                                      |                              |
| Foreign currency translation                                  | (251)                                | (1,014)                              | (75%)                        |
| Actuarial losses on defined benefit plans                     | (3)                                  | (37)                                 | (92%)                        |
| <b>Total comprehensive loss for the quarter, net of tax</b>   | <b>(1,841)</b>                       | <b>(3,337)</b>                       | <b>(45%)</b>                 |
| <b>Total comprehensive loss, attributable to:</b>             |                                      |                                      |                              |
| Equity holders of the Company                                 | (1,836)                              | (3,334)                              | (45%)                        |
| Non-controlling interests                                     | (5)                                  | (3)                                  | 67%                          |
|   | <b>(1,841)</b>                       | <b>(3,337)</b>                       | <b>(45%)</b>                 |

n.m. – not meaningful

**1(a)(ii) Notes to consolidated statement of comprehensive income – Q3 2018 v Q3 2017**

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

|   | <b>Group</b>                                    |                               | <b>Increase/<br/>(Decrease)<br/>%</b> |
|---|---|-------------------------------|---------------------------------------|
|   | <b>Quarter ended<br/>30.09.2018<br/>CHF'000</b> | <b>30.09.2017<br/>CHF'000</b> |                                       |
| Depreciation of property, plant and equipment                                   | 26  | 25                            | 4%                                    |
| Gain on disposal of property, plant and equipment                               | (9)   | -                             | n.m.                                  |
| Amortisation of intangibles   | 300   | 224                           | 34%                                   |
| IT costs and research expenses  | 477   | 450                           | 6%                                    |
| Operating lease expenses - premises   | 164   | 163                           | 1%                                    |
| Operating lease expenses - IT   | 82  | 49                            | 67%                                   |
| Net foreign exchange gain   | (157)   | (795)                         | (80%)                                 |
| Finance costs on loans from related parties                                     | 6   | 118                           | (95%)                                 |
| Finance costs on convertible bonds  | -   | 382                           | n.m.                                  |
| Interest income on loans and receivables  | -*  | (1)                           | n.m.                                  |
| Changes in fair value of embedded derivatives of convertible bonds              | -   | (4)                           | n.m.                                  |
| Legal, regulatory, consultancy and other professional fees, net of<br>IPO costs | 534   | 589                           | (9%)                                  |

n.m. – not meaningful

\* Less than CHF 1,000

**Summary of business performance – 9M 2018 v 9M 2017**

The 9 months ended 30 September 2018 (“**9M 2018**”) results show strong trading revenue growth driven by an expansion of the total number of active clients. Trading revenue increased by 9% from CHF 14.66 million in the 9 months ended 30 September 2017 (“**9M 2017**”) to CHF 15.98 million in 9M 2018 as a result of an increase in the number of active clients from 37,316 in 9M 2017 to 43,008 in 9M 2018. Average revenue per active client decreased slightly by 6% from CHF 393 in 9M 2017 to CHF 371 in 9M 2018 due to the mix effect of more B2B clients with their lower average revenue in comparison to other clients.

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

|  | Nine months ended |               | +/-%       |
|--|-------------------|---------------|------------|
|  | 30.09.2018        | 30.09.2017    |            |
| <b>Number of active clients</b>                | <b>43,008</b>     | <b>37,316</b> | <b>15%</b> |
| <b>Trading revenue (CHF '000s)</b>             | <b>15,975</b>     | <b>14,661</b> | <b>9%</b>  |
| <b>Average revenue per active client (CHF)</b> | <b>371</b>        | <b>393</b>    | <b>-6%</b> |

The Group spent additional resources in the first 3 months of 2018 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 were not recurring in Q3 2018 and will not recur in the remainder of 2018.

Loss before tax, excluding non-recurring costs such as costs of financing debt, IPO costs and accelerated costs arising from the 2018 ayondo employee share option scheme (“**ESOS**”), increased from CHF 4.57 million in 9M 2017 to CHF 6.72 million in 9M 2018.

|   | Nine months ended |                |
|---|-------------------|----------------|
|   | 30.09.2018        | 30.09.2017     |
|   | CHF ('000)        | CHF ('000)     |
| <b>Loss before tax</b>                    | <b>(11,321)</b>   | <b>(7,039)</b> |
| <b><u>Add back:</u></b>                   |                   |                |
| Cost of financing debt                    | 2,966             | 1,541          |
| IPO costs expensed                        | 1,238             | 933            |
| ESOS accelerated into Q1                  | 398               | -              |
| <b>Loss before tax before above items</b> | <b>(6,719)</b>    | <b>(4,565)</b> |

- Costs of financing debt 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 in 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 9M 2018.

## 1(a)(i) Consolidated income statement – 9M 2018 v 9M 2017

|   | Group                                |                                      | Increase/<br>(Decrease)<br>% |
|---|--------------------------------------|--------------------------------------|------------------------------|
|   | Nine months ended                    |                                      |                              |
|   | 30.09.2018<br>(unaudited)<br>CHF'000 | 30.09.2017<br>(unaudited)<br>CHF'000 |                              |
| Trading revenue   | 15,975                               | 14,661                               | 9%                           |
| Fees, rebates, client bonuses and betting duty tax            | (8,393)                              | (7,403)                              | 13%                          |
| <b>Net operating income</b>                                   | <b>7,582</b>                         | <b>7,258</b>                         | <b>4%</b>                    |
| Other income  | 29                                   | 110                                  | (7%)                         |
| Staff expenses  | (5,837)                              | (4,812)                              | 21%                          |
| Marketing expenses  | (1,652)                              | (2,239)                              | (26%)                        |
| Other operating expenses                                      | (7,239)                              | (4,882)                              | 48%                          |
| IPO costs   | (1,239)                              | (933)                                | 33%                          |
| <b>Operating loss</b>   | <b>(8,356)</b>                       | <b>(5,498)</b>                       | <b>52%</b>                   |
| Net finance costs   | (2,965)                              | (1,541)                              | 92%                          |
| <b>Loss before tax</b>  | <b>(11,321)</b>                      | <b>(7,039)</b>                       | <b>61%</b>                   |
| Income tax credit   | 434                                  | 434                                  | -                            |
| <b>Loss for the period, net of tax</b>                        | <b>(10,887)</b>                      | <b>(6,605)</b>                       | <b>65%</b>                   |
| <b>Loss for the period, net of tax, attributable to:</b>      |                                      |                                      |                              |
| Equity holders of the Company                                 | (10,872)                             | (6,600)                              | 65%                          |
| Non-controlling interests                                     | (15)                                 | (5)                                  | 200%                         |
|   | <b>(10,887)</b>                      | <b>(6,605)</b>                       | <b>65%</b>                   |
| <b>1(a)(i) Consolidated statement of comprehensive income</b> |                                      |                                      |                              |
| <b>Other comprehensive loss:</b>                              |                                      |                                      |                              |
| Foreign currency translation                                  | (44)                                 | (1,193)                              | (96%)                        |
| Actuarial losses on defined benefit plans                     | (7)                                  | (123)                                | (94%)                        |
| <b>Total comprehensive loss for the period, net of tax</b>    | <b>(10,938)</b>                      | <b>(7,921)</b>                       | <b>38%</b>                   |
| <b>Total comprehensive loss, attributable to:</b>             |                                      |                                      |                              |
| Equity holders of the Company                                 | (10,922)                             | (7,914)                              | 38%                          |
| Non-controlling interests                                     | (16)                                 | (7)                                  | 129%                         |
|   | <b>(10,938)</b>                      | <b>(7,921)</b>                       | <b>38%</b>                   |

n.m. – not meaningful

**1(a)(ii) Notes to consolidated statement of comprehensive income – 9M 2018 v 9M 2017**

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

|   | <b>Group</b>  |                               | <b>Increase/<br/>(Decrease)<br/>%</b> |
|---|---|-------------------------------|---------------------------------------|
|   | <b>Nine months ended<br/>30.09.2018<br/>CHF'000</b> | <b>30.09.2017<br/>CHF'000</b> |                                       |
| Depreciation of property, plant and equipment                                   | 73  | 64                            | 14%                                   |
| Gain on disposal of property, plant and equipment                               | (9)   | -                             | n.m.                                  |
| Amortisation of intangibles   | 852   | 583                           | 46%                                   |
| IT costs & research expenses  | 1,670   | 1,602                         | 4%                                    |
| Operating lease expenses - premises   | 514   | 445                           | 16%                                   |
| Operating lease expenses - IT   | 236   | 123                           | 92%                                   |
| Net foreign exchange loss/(gain)  | 576   | (905)                         | n.m.                                  |
| Finance costs on loans from related parties                                     | 23  | 256                           | (91%)                                 |
| Finance costs on convertible bonds  | 2,943   | 1,286                         | 129%                                  |
| Interest income on loans and receivables  | (1)   | (1)                           | 0%                                    |
| Issuance of adjustment shares for CB conversion                                 | 1,869   | -                             | n.m.                                  |
| Changes in fair value of embedded derivatives of convertible bonds              | (2,197)   | (26)                          | n.m.                                  |
| Legal, regulatory, consultancy and other professional fees, net of<br>IPO costs | 1,643   | 1,336                         | 23%                                   |

n.m. – not meaningful

## 1(b)(i) Balance Sheets

|  | Group                                |                                    | Company                              |                                    |
|--|--------------------------------------|------------------------------------|--------------------------------------|------------------------------------|
|  | 30.09.2018<br>(unaudited)<br>CHF'000 | 31.12.2017<br>(audited)<br>CHF'000 | 30.09.2018<br>(unaudited)<br>CHF'000 | 31.12.2017<br>(audited)<br>CHF'000 |
| <b>ASSETS</b>  |                                      |                                    |                                      |                                    |
| <i>Non-current assets</i>                            |                                      |                                    |                                      |                                    |
| Property, plant and equipment                        | 110                                  | 119                                | -                                    | -                                  |
| Intangible assets                                    | 36,748                               | 36,477                             | -                                    | -                                  |
| Investment in subsidiaries                           | -                                    | -                                  | 12,314                               | -                                  |
| <b>Total non-current assets</b>                      | <b>36,858</b>                        | <b>36,596</b>                      | <b>12,314</b>                        | <b>-</b>                           |
| <i>Current assets</i>                                |                                      |                                    |                                      |                                    |
| Trade and other receivables                          | 45,465                               | 51,569                             | 20,061                               | -                                  |
| Derivative financial instruments                     | 40                                   | 170                                | -                                    | -                                  |
| Cash and bank balances                               | 883                                  | 929                                | -                                    | -*                                 |
| Investment securities                                | 628                                  | 932                                | -                                    | -                                  |
| <b>Total current assets</b>                          | <b>47,016</b>                        | <b>53,600</b>                      | <b>20,061</b>                        | <b>-*</b>                          |
| <b>Total assets</b>                                  | <b>83,874</b>                        | <b>90,196</b>                      | <b>32,375</b>                        | <b>-*</b>                          |
| <b>LIABILITIES AND EQUITY</b>                        |                                      |                                    |                                      |                                    |
| <i>Current liabilities</i>                           |                                      |                                    |                                      |                                    |
| Convertible bonds                                    | -                                    | 13,593                             | -                                    | -                                  |
| Trade and other payables                             | 51,521                               | 55,895                             | 3,611                                | -                                  |
| Loans from related parties                           | 287                                  | 1,933                              | -                                    | -                                  |
| Derivative financial instruments                     | 210                                  | 9,055                              | -                                    | -                                  |
| Bank overdraft                                       | 37                                   | 47                                 | -                                    | -                                  |
| <b>Total current liabilities</b>                     | <b>52,055</b>                        | <b>80,523</b>                      | <b>3,611</b>                         | <b>-</b>                           |
| <i>Non-current liabilities</i>                       |                                      |                                    |                                      |                                    |
| Employee benefit liabilities                         | 834                                  | 797                                | -                                    | -                                  |
| <b>Total non-current liabilities</b>                 | <b>834</b>                           | <b>797</b>                         | <b>-</b>                             | <b>-</b>                           |
| <b>Total liabilities</b>                             | <b>52,889</b>                        | <b>81,320</b>                      | <b>3,611</b>                         | <b>-</b>                           |
| <i>Equity</i>  |                                      |                                    |                                      |                                    |
| <i>Equity attributable to owners of the Company:</i> |                                      |                                    |                                      |                                    |
| Share capital  | 32,450                               | 50,006                             | 32,450                               | -*                                 |
| Merger reserve                                       | 50,536                               | -                                  | -                                    | -                                  |
| Other reserves                                       | (700)                                | (1,028)                            | 2,988                                | -                                  |
| Accumulated losses                                   | (51,262)                             | (40,079)                           | (6,674)                              | -                                  |
|  | 31,024                               | 8,899                              | 28,764                               | -*                                 |
| Non-controlling interests                            | (39)                                 | (23)                               | -                                    | -                                  |
| <b>Total equity</b>                                  | <b>30,985</b>                        | <b>8,876</b>                       | <b>28,764</b>                        | <b>-*</b>                          |
| <b>Total liabilities and equity</b>                  | <b>83,874</b>                        | <b>90,196</b>                      | <b>32,375</b>                        | <b>-*</b>                          |

\* 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**

| <b>As at 30 September 2018</b> |                  | <b>As at 31 December 2017</b> |                  |
|--------------------------------|------------------|-------------------------------|------------------|
| <b>CHF'000</b>                 |                  | <b>CHF'000</b>                |                  |
| <b>Secured</b>                 | <b>Unsecured</b> | <b>Secured</b>                | <b>Unsecured</b> |
| -                              | 324              | -                             | 15,573           |

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**Amount repayable by the Group after one year**

| <b>As at 30 September 2018</b> |                  | <b>As at 31 December 2017</b> |                  |
|--------------------------------|------------------|-------------------------------|------------------|
| <b>CHF'000</b>                 |                  | <b>CHF'000</b>                |                  |
| <b>Secured</b>                 | <b>Unsecured</b> | <b>Secured</b>                | <b>Unsecured</b> |
| -                              | -                | -                             | -                |

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

**Details of collateral**

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

## 1(c) Consolidated statement of cash flows

|   | Group<br>Third<br>quarter<br>ended<br>30.09.2018<br>(unaudited)<br>CHF'000 | Group<br>Third<br>quarter<br>ended<br>30.09.2017<br>(unaudited)<br>CHF'000 | Group<br>9 months<br>ended<br>30.09.2018<br>(unaudited)<br>CHF'000 | Group<br>9 months<br>ended<br>30.09.2017<br>(unaudited)<br>CHF'000 |
|---|--|--|--|--|
| <b><u>Cash flows from operating activities</u></b>  |  |  |  |  |
| Loss before tax   | (1,728)  | (2,540)  | (11,321)   | (7,039)  |
| <b><u>Adjustments for:</u></b>  |  |  |  |  |
| Depreciation of property, plant and equipment   | 26   | 25   | 73   | 64   |
| Gain on disposal of property, plant and equipment   | (9)  | -  | (9)  | -  |
| Amortisation of intangibles   | 300  | 224  | 852  | 583  |
| Employee share based payments   | -  | 130  | 464  | 390  |
| Changes in fair value of embedded derivatives of convertible bonds  | -  | (4)  | (2,197)  | (26)   |
| Unrealised gain on derivatives  | (910)  | (1,039)  | (1,799)  | (21)   |
| Pension costs   | 15   | 15   | 45   | 44   |
| Interest income on loans and receivables  | -*   | (1)  | (1)  | (1)  |
| Finance costs   | 6  | 500  | 2,967  | 1,542  |
| Issuance of adjustment shares for CB conversion   | -  | -  | 1,869  | -  |
| IPO costs capitalised   | -  | -  | (895)  | -  |
| Unrealised exchange gain  | (342)  | (737)  | (198)  | (1,421)  |
| <b>Operating cash flows before changes in working capital</b>   | <b>(2,642)</b>   | <b>(3,427)</b>   | <b>(10,150)</b>  | <b>(5,885)</b>   |
| (Increase)/decrease in trade and other receivables  | (3,383)  | (4,574)  | 4,945  | (12,017)   |
| Decrease in receivables from and payable to associates and related parties  | -  | (1,798)  | -  | -  |
| <b>Increase/(decrease) in trade and other payables</b>  | <b>4,122</b>   | <b>9,746</b>   | <b>(1,673)</b>   | <b>14,692</b>  |
| <b>Cash flows used in operations</b>  | <b>(1,903)</b>   | <b>(53)</b>  | <b>(6,878)</b>   | <b>(3,210)</b>   |
| Interest paid   | -*   | (7)  | (1)  | (7)  |
| Interest received   | -*   | 1  | 1  | 1  |
| Income tax refund   | -  | 422  | -  | 422  |
| <b>Net cash used in operating activities</b>  | <b>(1,903)</b>   | <b>363</b>   | <b>(6,878)</b>   | <b>(2,794)</b>   |
| <b><u>Cash flows from investing activities</u></b>  |  |  |  |  |
| Purchase of property, plant and equipment & intangibles   | (10)   | (16)   | (52)   | (29)   |
| Disposal of property, plant and equipment   | 9  | -  | 9  | -  |
| Capitalisation of internally generated intangibles  | (440)  | (443)  | (1,240)  | (1,542)  |
| <b>Net cash used in investing activities</b>  | <b>(441)</b>   | <b>(459)</b>   | <b>(1,283)</b>   | <b>(1,571)</b>   |
| <b><u>Cash flows from financing activities</u></b>  |  |  |  |  |
| Proceeds from issue of new shares   | -  | -  | 15,179   | -  |
| Repayment of convertible bonds  | -  | -  | (5,383)  | -  |
| Proceeds from/(repayment of) loans from related parties   | -  | 295  | (1,645)  | 1,962  |
| Repayment of shareholder's loan   | -  | (115)  | -  | (115)  |
| <b>Net cash generated from financing activities</b>   | <b>-</b>   | <b>180</b>   | <b>8,151</b>   | <b>1,847</b>   |
| Net (decrease)/increase in cash and cash equivalents  | (2,344)  | 84   | (10)   | (2,518)  |
| Effects of exchange rate changes on cash and cash equivalents   | (21)   | 42   | (26)   | 42   |
| Cash and cash equivalents at the beginning of the period  | 3,211  | 1,187  | 882  | 3,789  |
| <b>Cash and cash equivalents at the end of the period</b>   | <b>846</b>   | <b>1,313</b>   | <b>846</b>   | <b>1,313</b>   |
| <b><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></b> |  |  |  |  |
| Cash and bank balances  | 883  | 1,446  | 883  | 1,446  |
| Less: Bank overdraft  | (37)   | (133)  | (37)   | (133)  |
| <b>Total cash and cash equivalents</b>  | <b>846</b>   | <b>1,313</b>   | <b>846</b>   | <b>1,313</b>   |

\* Less than CHF 1,000

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

| Group (unaudited)   | Attributable to equity holders of the Company |   |  |  |  |  |                               |                  |                                      |                  |
|---|---|---|--|--|--|--|-------------------------------|------------------|--------------------------------------|------------------|
|   | Share capital<br>CHF'000                      | Foreign currency translation reserve<br>CHF'000 | Equity component of convertible bonds<br>CHF'000 | Employee share option reserve<br>CHF'000 | Gain on reissuance of treasury shares<br>CHF'000 | Premium paid on acquisition of non-controlling interest<br>CHF'000 | Accumulated losses<br>CHF'000 | Total<br>CHF'000 | Non-controlling interests<br>CHF'000 | Total<br>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 half   | -   | -   | -  | -  | -  | -  | (4,315)                       | (4,315)          | (4)                                  | (4,319)          |
| <u>Other comprehensive loss</u>   |   |   |  |  |  |  |                               |                  |                                      |                  |
| Actuarial losses on measurement of post-employment benefit plan, net of tax | -   | -   | -  | -  | -  | -  | (86)                          | (86)             | -                                    | (86)             |
| Foreign currency translation  | -   | (179)   | -  | -  | -  | -  | -                             | (179)            | -*                                   | (179)            |
| Other comprehensive loss for the first half                                 | -   | (179)   | -  | -  | -  | -  | (86)                          | (265)            | -                                    | (265)            |
| <u>Contributions by and distributions to owners</u>                         |   |   |  |  |  |  |                               |                  |                                      |                  |
| Conversion of debt instrument   | 4,755   | -   | (4,563)  | -  | -  | -  | -                             | 192              | -                                    | 192              |
| Grant of share options to employees   | -   | -   | -  | 260                                      | -  | -  | -                             | 260              | -                                    | 260              |
| Total contributions by and distributions to owners                          | 4,755   | -   | (4,563)  | 260                                      | -  | -  | -                             | 452              | -                                    | 452              |
| <b>At 30 June 2017</b>  | <b>50,006</b>                                 | <b>1,067</b>                                    | <b>-</b>   | <b>2,264</b>                             | <b>92</b>  | <b>(3,153)</b>   | <b>(34,739)</b>               | <b>15,537</b>    | <b>(16)</b>                          | <b>15,521</b>    |
| Loss for the third quarter  | -   | -   | -  | -  | -  | -  | (2,285)                       | (2,285)          | (1)                                  | (2,286)          |
| <u>Other comprehensive loss</u>   |   |   |  |  |  |  |                               |                  |                                      |                  |
| Actuarial losses on measurement of post-employment benefit plan, net of tax | -   | -   | -  | -  | -  | -  | (37)                          | (37)             | -                                    | (37)             |
| Foreign currency translation  | -   | (1,012)   | -  | -  | -  | -  | -                             | (1,012)          | (2)                                  | (1,014)          |
| Other comprehensive loss for the quarter                                    | -   | (1,012)   | -  | -  | -  | -  | (37)                          | (1,049)          | (2)                                  | (1,051)          |
| <u>Contributions by and distributions to owners</u>                         |   |   |  |  |  |  |                               |                  |                                      |                  |
| Grant of share options to employees   | -   | -   | -  | 130                                      | -  | -  | -                             | 130              | -                                    | 130              |
| <b>At 30 September 2017</b>   | <b>50,006</b>                                 | <b>55</b>                                       | <b>-</b>   | <b>2,394</b>                             | <b>92</b>  | <b>(3,153)</b>   | <b>(37,061)</b>               | <b>12,333</b>    | <b>(19)</b>                          | <b>12,314</b>    |

\* Less than CHF 1,000

**ayondo Ltd.**  
**Unaudited financial statements for the third quarter ended 30 September 2018**

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

**Attributable to equity holders of the Company**

| Group (unaudited)   | Attributable to equity holders of the Company |  |   |  |  |  |                               |                  |                                      |                  |
|---|---|--|---|--|--|--|-------------------------------|------------------|--------------------------------------|------------------|
|   | Share capital<br>CHF'000                      | Merger Reserve <sup>(1)</sup><br>CHF'000 | Foreign currency translation reserve<br>CHF'000 | Employee share option reserve<br>CHF'000 | Gain on reissuance of treasury shares<br>CHF'000 | Premium paid on acquisition of non-controlling interest<br>CHF'000 | Accumulated losses<br>CHF'000 | Total<br>CHF'000 | Non-controlling interests<br>CHF'000 | Total<br>CHF'000 |
| 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 <sup>(2)</sup>                                 | -   | -  | -   | -  | -  | -  | (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 half   | -   | -  | -   | -  | -  | -  | (9,290)                       | (9,290)          | (10)                                 | (9,300)          |
| <u>Other comprehensive income/(loss)</u>                                    |   |  |   |  |  |  |                               |                  |                                      |                  |
| Actuarial losses on measurement of post-employment benefit plan, net of tax | -   | -  | -   | -  | -  | -  | (4)                           | (4)              | -                                    | (4)              |
| Foreign currency translation  | -   | -  | 207   | -  | -  | -  | -                             | 207              | (1)                                  | 206              |
| Other comprehensive income/(loss) for the first half                        | -   | -  | 207   | -  | -  | -  | (4)                           | 203              | (1)                                  | 202              |
| <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  | 16,001  | -  | -   | -  | -  | -  | -                             | 16,001           | -                                    | 16,001           |
| Issuance of adjustment shares to CB conversion                              | 1,869   | -  | -   | -  | -  | -  | -                             | 1,869            | -                                    | 1,869            |
| Capitalised IPO costs   | (895)   | -  | -   | -  | -  | -  | -                             | (895)            | -                                    | (895)            |
| 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                          | (17,556)                                      | 50,536                                   | -   | 464                                      | (92)   | -  | -                             | 33,352           | -                                    | 33,352           |
| <b>At 30 June 2018</b>  | <b>32,450</b>                                 | <b>50,536</b>                            | <b>(284)</b>                                    | <b>2,988</b>                             | <b>-</b>   | <b>(3,153)</b>   | <b>(49,677)</b>               | <b>32,860</b>    | <b>(34)</b>                          | <b>32,826</b>    |

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).

ayondo Ltd.  
 Unaudited financial statements for the third quarter ended 30 September 2018

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

| Group (unaudited)   | Attributable to equity holders of the Company |  |   |  |  |                               |                  |                                      |                  |
|---|---|--|---|--|--|-------------------------------|------------------|--------------------------------------|------------------|
|   | Share capital<br>CHF'000                      | Merger Reserve <sup>(1)</sup><br>CHF'000 | Foreign currency translation reserve<br>CHF'000 | Employee share option reserve<br>CHF'000 | Premium paid on acquisition of non-controlling interest<br>CHF'000 | Accumulated losses<br>CHF'000 | Total<br>CHF'000 | Non-controlling interests<br>CHF'000 | Total<br>CHF'000 |
| At 30 June 2018   | 32,450  | 50,536                                   | (284)   | 2,988                                    | (3,153)  | (49,677)                      | 32,860           | (34)                                 | 32,826           |
| Loss for the third quarter  | -   | -  | -   | -  | -  | (1,582)                       | (1,582)          | (5)                                  | (1,587)          |
| <u>Other comprehensive loss</u>   |   |  |   |  |  |                               |                  |                                      |                  |
| Actuarial losses on measurement of post-employment benefit plan, net of tax | -   | -  | -   | -  | -  | (3)                           | (3)              | -                                    | (3)              |
| Foreign currency translation  | -   | -  | (251)   | -  | -  | -                             | (251)            | -*                                   | (251)            |
| Other comprehensive loss for the quarter                                    | -   | -  | (251)   | -  | -  | (3)                           | (254)            | -*                                   | (254)            |
| <b>At 30 September 2018</b>   | <b>32,450</b>                                 | <b>50,536</b>                            | <b>(535)</b>                                    | <b>2,988</b>                             | <b>(3,153)</b>   | <b>(51,262)</b>               | <b>31,024</b>    | <b>(39)</b>                          | <b>30,985</b>    |

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.

\* Less than CHF 1,000

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

|                            | Share<br>capital<br>CHF'000 | Employee<br>share option<br>reserve<br>CHF'000 | Retained<br>earnings<br>CHF'000 | Total<br>Equity<br>CHF'000 |
|----------------------------|-----------------------------|--|---------------------------------|----------------------------|
| <b>Company (unaudited)</b> |                             |  |                                 |                            |
| At date of incorporation   | - *                         | -  | -                               | - *                        |
| At 31 December 2017        | - *                         | -  | -                               | - *                        |

\* Less than CHF 1,000

|   | Share<br>capital<br>CHF'000 | Employee<br>share option<br>reserve<br>CHF'000 | Accumulated<br>Losses<br>CHF'000 | Total<br>equity<br>CHF'000 |
|---|-----------------------------|--|----------------------------------|----------------------------|
| <b>Company (unaudited)</b>  |                             |  |                                  |                            |
| At 1 January 2018   | - *                         | -  | -                                | - *                        |
| Loss for the first half, representing total other comprehensive loss for the first half | -                           | -  | (4,859)                          | (4,859)                    |
| <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  | 16,001                      | -  | -                                | 16,001                     |
| Issuance of adjustment shares to CB conversion  | 1,869                       | -  | -                                | 1,869                      |
| Capitalised IPO costs   | (895)                       | -  | -                                | (895)                      |
| 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 30 June 2018   | 32,450                      | 2,988  | (4,859)                          | 30,579                     |
| Loss for the third quarter, representing total other comprehensive loss for the quarter | -                           | -  | (1,815)                          | (1,815)                    |
| <b>At 30 September 2018</b>   | <b>32,450</b>               | <b>2,988</b>                                   | <b>(6,674)</b>                   | <b>28,764</b>              |

\* Less than CHF 1,000

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 30 June 2018      | 502,666,210          | 42,745,151                             |
| Balance as at 30 September 2018 | 502,666,210          | 42,745,151                             |

Subsequent to 30 September 2018, the Company had on 3 October 2018 issued 7,119,360 new ordinary shares for the acquisition of shares in ayondo Holding AG. For more information, please refer to the Company's announcement dated 3 October 2018.

#### Details of convertibles

Options had been granted by ayondo Holding AG ("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. During Q3 2018, pre-IPO options on 3,888,000 ayondo Ltd. shares lapsed due to termination of Group's employees. As at 30 September 2018, there were pre-IPO options granted on 47,557,800 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 September 2018.

As at 30 September 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 CHF5.5 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 AG shares as at 30 September 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 September 2018 and 30 September 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<br>30 September 2018 | As at<br>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 September 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 September 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.

The investment in Oanda was sold in October 2018 for CHF 0.36 million. The price received was 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**

|   | <b>The Group</b>                          |                   |
|---|---|-------------------|
|   | <b>Third Quarter ended<br/>30.09.2018</b> | <b>30.09.2017</b> |
| Loss attributable to owners of the Company (CHF '000)               | (1,582)                                   | (2,285)           |
| Weighted average number of ordinary shares ('000)                   | 502,666                                   | 502,666           |
| Basic loss per share ("LPS") based on actual number of shares (CHF) | (0.003)                                   | (0.005)           |
| Diluted LPS based on actual number of shares <sup>(1)</sup>         | <u>(0.003)</u>                            | <u>(0.005)</u>    |

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:-**

|  | <b>The Group</b>  |                   | <b>The Company</b> |                   |
|--|-------------------|-------------------|--------------------|-------------------|
|  | <b>30.09.2018</b> | <b>31.12.2017</b> | <b>30.09.2018</b>  | <b>31.12.2017</b> |
| Net asset value (CHF'000)  | 30,985            | 8,876             | 28,764             | -*                |
| Number of ordinary shares in issue ('000) <sup>(1)</sup>               | 502,666           | 502,666           | 502,666            | 1                 |
| Net asset value per ordinary share based on issued share capital (CHF) | <u>0.06</u>       | <u>0.02</u>       | <u>0.06</u>        | <u>n.m.</u>       |

Note:

(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.

\* Less than CHF 1,000

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

**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 third quarter ended 30 September 2018 ("Q3 2018") as compared to the third quarter ended 30 September 2017 ("Q3 2017")*

**Trading revenue**

- Trading revenue decreased by 23% from CHF 5.17 million in Q3 2017 to CHF 4.00 million in Q3 2018 despite the number of active clients remaining relatively unchanged (25,377 in Q3 2017 and 25,237 in Q3 2018). The decrease in revenue was mainly attributable to a change in the mix of clients. There was a higher number of B2B clients who have lower average revenues than other clients and a reduction in other clients who have higher average revenues than B2B clients.

| Revenue by customer profile | Q3 2018      |             | Q3 2017      |             |
|-----------------------------|--------------|-------------|--------------|-------------|
|                             | CHF'000      | %           | CHF'000      | %           |
| Self-Directed               | 472          | 12%         | 642          | 12%         |
| Social                      | 728          | 18%         | 1,220        | 24%         |
| Casual                      | 2,119        | 53%         | 1,825        | 35%         |
| Introduced                  | 633          | 16%         | 1,622        | 31%         |
| Other                       | 45           | 1%          | (138)        | (2%)        |
| <b>Total</b>                | <b>3,997</b> | <b>100%</b> | <b>5,171</b> | <b>100%</b> |

The number of active B2B clients increased by 9% in Q3 2018 compared with Q3 2017 due mainly to increased clients from our white label partners. The number of active organic B2C clients reduced by 54% in Q3 2018 compared with Q3 2017 due to our decision to increase minimum trade sizes and due to the reduced marketing spend of the Group as noted on page 19.

- Average revenue per active client decreased by 23% from CHF 204 in Q3 2017 to CHF 158 in Q3 2018.
- There was a 1% decrease in active clients to 25,237 clients active during Q3 2018 compared to 25,377 active during Q3 2017. The Group remains focused on the continual acquisition of clients whilst seeking to maximise the average revenue per client.

|  | Quarter ended |               |             |
|--|---------------|---------------|-------------|
|  | 30.09.2018    | 30.09.2017    | +/-%        |
| <b>Number of active clients</b>                | <b>25,237</b> | <b>25,377</b> | <b>-1%</b>  |
| <b>Trading revenue (CHF '000s)</b>             | <b>3,997</b>  | <b>5,171</b>  | <b>-23%</b> |
| <b>Average revenue per active client (CHF)</b> | <b>158</b>    | <b>204</b>    | <b>-23%</b> |

**Fees, rebates client bonuses and betting duty tax**

Fees, rebates, client bonuses and betting duty tax decreased from CHF 2.72 million in Q3 2017 to CHF 1.77 million in Q3 2018, a decrease of 35%. This was predominantly due to the decrease in trading revenue in Q3 2018 plus a reduction in the amount of bonus earned by clients.

### **Other income**

Other income comprises of non-trading adjustments to rebates and profit from disposal of property, plant and equipment. Other income amounted to CHF 0.01 million for Q3 2018 compared to CHF 0.09 million for Q3 2017. The decrease in other income is due mainly to the reduction of CHF 0.09 million of non-trading adjustments to rebates, partially offset by a CHF 0.01 million increase in the profit from disposal of property, plant and equipment in Q3 2018.

### **Staff expenses**

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

Staff expenses accounted for 40% and 30% of the Group's trading revenue in Q3 2018 and Q3 2017 respectively. Staff expenses amounted to CHF 1.62 million for Q3 2018 compared to CHF 1.54 million for Q3 2017. The increase in staff expenses is attributable to a small increase in the number of employees.

### **Marketing expenses**

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

Marketing expenses accounted for 9% and 16% of the Group's trading revenue in Q3 2018 and Q3 2017 respectively. Marketing expenses amounted to CHF 0.37 million for Q3 2018 compared to CHF 0.81 million for Q3 2017. The decrease in marketing expenses is largely attributable to the re-allocation of net proceeds from IPO from marketing spend to general working capital purposes after a review of the Group's cash flow position and the immediate plans for business expansion. The reduction in marketing expenses is a major contributory factor in the reduction of trading revenues as they have a direct effect on the volume of clients acquired.

### **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 50% and 27% of the Group's trading revenue in Q3 2018 and Q3 2017 respectively. Other operating expenses increased from CHF 1.40 million in Q3 2017 to CHF 1.98 million in Q3 2018 due mainly to the following:

#### *Legal, regulatory, consultancy and other professional fees, net of IPO costs*

The legal, regulatory, consultancy and other professional fees decreased by CHF 0.06 million due mainly to the absence of one-off set-up fees of CHF 0.08 million incurred with the opening of the Spain office in Q3 2017. This was partially offset by an increase of CHF 0.02 million in Financial Conduct Authority UK regulatory fees and increased costs relating to client sanctions checking for new clients.

#### *Premises costs*

Premises costs increased by CHF 0.03 million in Q3 2018 due to increased rent, rates and related service fees.

#### *IT costs*

IT costs increased by CHF 0.06 million in Q3 2018 due mainly to higher costs incurred for trading platform maintenance and server costs.

#### *Depreciation of property, plant and equipment*

The depreciation of property, plant and equipment remained stable at CHF 0.03 million in Q3 2018 and Q3 2017.

*Amortisation of intangibles*

The amortisation of intangibles increased by CHF 0.08 million in Q3 2018, due to an increased investment in the Group's WeTrade, TradeHub and Account Management System.

*Net foreign exchange gain*

The largest variation was in net foreign exchange. There was a net foreign exchange gain of CHF 0.16 million in Q3 2018 compared to a gain of CHF 0.80 million in Q3 2017 due to fluctuations in the global foreign currency exchange rates on assets and liabilities.

*Other administrative expenses*

Other administrative expenses decreased by CHF 0.17 million in Q3 2018 due mainly to decreased VAT charges, along with the absence of travel and miscellaneous expenses supporting the IPO process.

**IPO costs**

IPO expenses of CHF 0.84 million were incurred in Q3 2017. Such expenses were non-recurring in nature.

**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 0.38 million in Q3 2017 to CHF nil in Q3 2018 is due to the convertible bond liabilities being fully settled in the first quarter of 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 Q3 2018.

The decrease in finance costs on loans from related parties from CHF 0.12 million in Q3 2017 to CHF 0.006 million in Q3 2018 is due to the conversion of certain 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 0.14 million in Q3 2018 and CHF 0.25 million in Q3 2017. The decrease in Q3 2018 is due to the absence of an under provision of income tax credit in respect of previous years of CHF 0.10 million recognised in Q3 2017.

**REVIEW OF FINANCIAL POSITION**

*Review of the Group's financial position as at 30 September 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 36.75 million as at 30 September 2018. The intangible assets amounted to 99.7% of the total non-current assets and comprised CHF 3.39 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 45.47 million as at 30 September 2018 due mainly to a decrease in segregated client funds. As at 30 September 2018, trade and other receivables comprised (i) segregated client funds of CHF 35.96 million; (ii) amount due from brokers of CHF 6.99 million; (iii) client fund asset of CHF 0.20 million; (iv) other receivables of CHF 1.70 million; and (v) prepayments and property rental deposits of CHF 0.62 million.

Derivative financial instruments decreased from CHF 0.17 million as at 31 December 2017 million to CHF 0.04 million as at 30 September 2018 due to an increase in the unrealised gain position on futures held to hedge client market exposures in accordance with the Group's market risk management policy.

Cash and cash equivalents decreased from CHF 0.93 million as at 31 December 2017 to CHF 0.88 million as at 30 September 2018. Subsequent to 30 September 2018, the Group received CHF 0.36 million following the sale of its investment in Oanda in October 2018.

Investment securities have decreased from CHF 0.93 million as at 31 December 2017 to CHF 0.63 million as at 30 September 2018 due to a fair value adjustment during 9M 2018 from the initial application of IFRS 9. The investment securities represent 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 from CHF 13.59 million as at 31 December 2017 to CHF nil as at 30 September 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 from CHF 55.90 million as at 31 December 2017 to CHF 51.52 million as at 30 September 2018 mainly due to the decrease in client funds through the period. As at 30 September 2018, trade and other payables comprised of (i) client funds of approximately CHF 45.77 million relating to amounts owed to clients; (ii) provision and accruals of CHF 2.78 million relating to amounts due to trading partners and general operating expense accruals in the ordinary course of business; (iii) trade payables of CHF 2.36 million; and (iv) other payables of CHF 0.61 million;

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

Derivative financial instruments decreased from CHF 9.06 million as at 31 December 2017 to CHF 0.21 million as at 30 September 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 0.83 million as at 30 September 2018 due to additional CHF 0.03 million pension costs in relation to the pension scheme incurred in 9M 2018.

### **Negative working capital**

Negative working capital improved from CHF 26.92 million as at 31 December 2017 to CHF 5.04 million as at 30 September 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 aims to 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 adequate 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 Q3 2018, the Group recorded a net cash outflow from operating activities of CHF 1.90 million, which comprised operating cash outflow before changes in working capital of approximately CHF 2.64 million and net working capital inflow of CHF 0.74 million.

#### **Net cash used in investing activities**

In Q3 2018, the Group 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 Account Management System of approximately CHF 0.44 million.

#### **Net cash used in financing activities**

In Q3 2018, the Group recorded no cash outflows or inflows from financing activities.

As at 30 September 2018, cash and cash equivalents amounted to CHF 0.85 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 monetising its pipeline, particularly its B2B business, whilst maintaining tight 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 (both B2C and B2B) 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.

Subsequent to 30 September 2018, the Group announced they are establishing collaborations to grow trading opportunities with Huanying International Limited's ("**Huanying**") clients in Asia, particularly China, and with Phnom Penh Derivative Exchange Plc's ("**PPDE**") clients in Cambodia.

## 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 Q3 2018.

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

Not applicable. No dividend has been recommended or declared for Q3 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 Q3 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 Q3 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 Q3 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.

## BY ORDER OF THE BOARD

Thomas Winkler  
Non-Executive Chairman  
14 November 2018