

White Pearl Technology Group - growth scenario with the addition of Ayima in the company group

On 20 February 2024, White Pearl Technology Group (WPTG) announced a takeover offer for Ayima Group, which was accepted by the founders and a majority of shareholders. The acquisition is due to be completed on 27 March at the conclusion of the acceptance period, as per the offer documents published previously and are available at www.whitepearltech.com.

In 2023, Ayima reported revenue of approximately 130 MSEK, and while it also reported a loss for the full year, it is clear from the positive Q4 EBITDA result (0.3 MSEK) that the company has gone a long way to reversing that situation and 2024 is expected to be profitable. Further, with its planned acquisition of Linkology, the combined Ayima Group presents pro forma revenue of approximately 190 MSEK while Linkology alone reported EBITDA of approximately 18 MSEK in 2023. With the addition of the two companies, WPTG combined pro forma revenue for 2023 would have been approximately 430 MSEK, representing an 80% increase. Further to the expected financial gain, WPTG would like to explain the rationale and the process behind the investment.

Ayima is a leader in the Digital Marketing field and has an unparalleled reputation in the SEO/SEM sector. Ayima boasts an enviable client list, composed largely of household name brands, FTSE100 and NYSE Fortune 500 companies. Following a careful analysis of the company and its operations, and a lengthy round of discussions with Ayima's management, it became clear to WPTG that Ayima was a significantly undervalued entity with massive growth potential that had become hamstrung by the impact of macro-events such as the covid19-pandemic, the inflation-related downturn and the resulting lack of investment capital.

WPTG recognised many synergies in terms of product offering, geographic location and diversification that fit neatly into WPTG's existing strategy, combined with a Swedish presence and a seasoned professional management team. It is envisaged that Ayima will form an entirely new business division within WPTG - Digital Innovation. Existing WPTG assets will be added to this unit to form a line of business that is expected to significantly grow over the coming years.

WPTG and Ayima have discussed an aggressive growth strategy, centred around acquisitions, cross-selling and geographic expansion. Ayima has previously announced the signing of an LOI regarding the acquisition of Linkology, a successful UK-based content-marketing company. This acquisition represents a strategic shift for Ayima to diversify its customer base from primarily large multinationals to more dynamic smaller companies as well.

Combined, Ayima and Linkology will present annual revenue in excess of 190 MSEK, (based on pro forma 2023 results) . The group also expects that cross-selling opportunities and other efficiencies resulting from the acquisition will increase those numbers significantly in the coming two years. While the Ayima acquisition is all-shares, WPTG expects that the Linkology acquisition will be largely funded through cash reserves, combined with bank borrowings. The Linkology acquisition is not expected to result in a significant equity dilution to WPTG's current shareholders.

Additionally, Ayima will expand its service offerings outside of the core US/UK markets in which it currently operates. The UK and US are seen as mature and extremely competitive markets and this has

resulted in a severe slowdown in the new business acquisition process. Meanwhile, WPTG's core markets in the Middle East, Asia and Latin America are far less mature, far more fragmented and possess far more growth potential.

This combined with further organic growth initiatives already underway across the group, including a "bulking up" of IT assets, continued expansion into certain key geographies like Latin America and a planned service diversification into Business Process Outsourcing (BPO) will ensure WPTG is properly focussed on continuing the growth trajectory that has been established in the group over recent years.

"The White Pearl Technology Group continues to make progress in its strategic positioning and goals of being the ICT services provider of choice to customers in the new Digital Age. The plans outlined here and through the acquisition strategy gives the market and our shareholders a clear view of our plans and progress," commented Group CEO Marco Marangoni.

About Linkology

Linkology is a leading UK-based Content Marketing Agency with over a decade of experience delivering high-quality content services to businesses and agencies globally. Boasting a portfolio of 1,400+ satisfied clients, Linkology's proven track record of success is evident in its ability to drive significant improvements in organic traffic and search engine rankings.

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About White Pearl Technology Group

White Pearl Technology Group, based in Stockholm and listed on Nasdaq First North Growth Market as WPTG, comprises of 28 companies, operating in the information technology space. They are diversified IT companies selling their own solutions and products, as well as services and products of third-party vendors. The group has a presence in thirty countries throughout the world. The current focus of the group's business is emerging markets and specifically Africa, Asia, the Middle East, and to a lesser extent, Latin America. www.whitepearltech.com

Forward-looking statements

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