



ASMALLWORLD

HALF-YEAR RESULTS 2019

3RD SEPTEMBER 2019



THE ASMALLWORLD GROUP

Our vision is to build the world's leading **TRAVEL & LIFESTYLE COMMUNITY**, focusing on **EXPERIENCES**: the modern-day definition of luxury.

Centred around the ASMALLWORLD social network, we operate a digital **TRAVEL & LIFESTYLE ECOSYSTEM** which inspires and enables our members to **MAKE NEW CONNECTIONS, TRAVEL BETTER, AND EXPERIENCE MORE.**

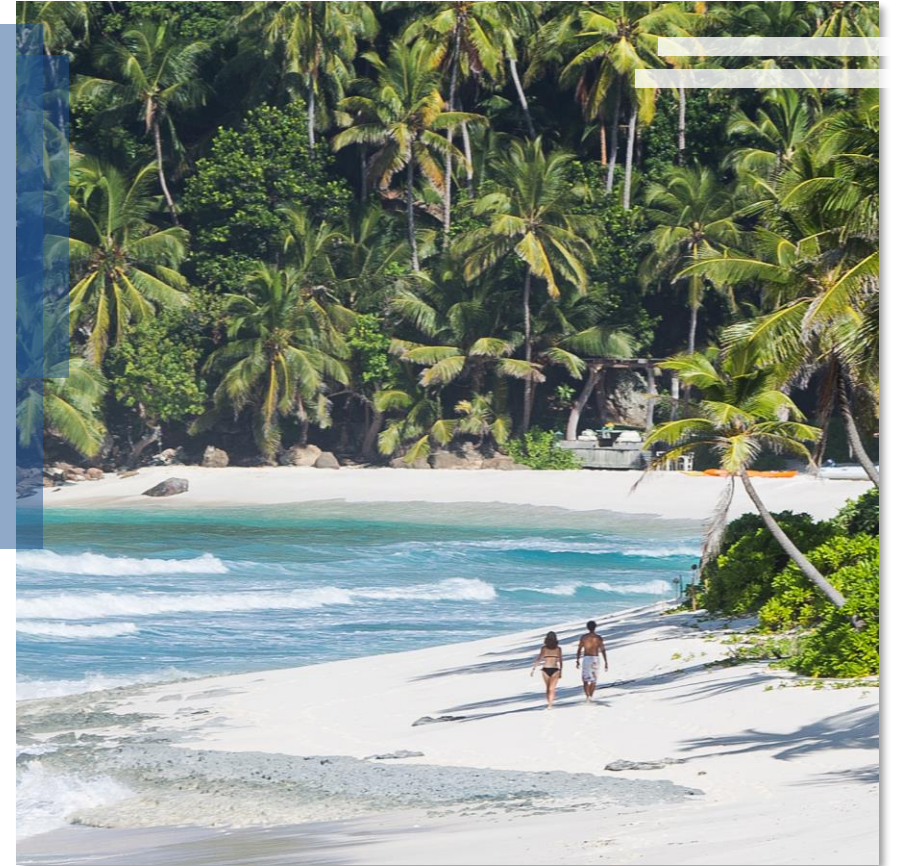
THE ASW TRAVEL & LIFESTYLE ECOSYSTEM

CENTRED AROUND THE ASW SOCIAL NETWORK, OUR GROUP OFFERS A WEALTH OF TRAVEL & LIFESTYLE SERVICES



AGENDA

- OVERVIEW OF H1 PERFORMANCE
- SUBSCRIPTIONS SEGMENT
- SERVICES SEGMENT
- CONSOLIDATED FINANCIALS
- OUTLOOK



OPERATIONAL HIGHLIGHTS H1

WE CONTINUED TO EXPAND THE ASMALLWORLD TRAVEL & LIFESTYLE ECOSYSTEM

- Introduced a brand new ASMALLWORLD **iOS APP** to increase user engagement and member retention
- Launched **FIRST CLASS & MORE INTERNATIONAL** to bring the smart luxury travel service to an English-speaking audience
- Acquired **LUXURYBARED**, a travel agency focused on luxury travel on 1st February, to provide online hotel booking to our members (in development)
- Took over the management of the iconic **NORTH ISLAND** resort in the Seychelles with the newly created subsidiary **ASW HOSPITALITY AG**

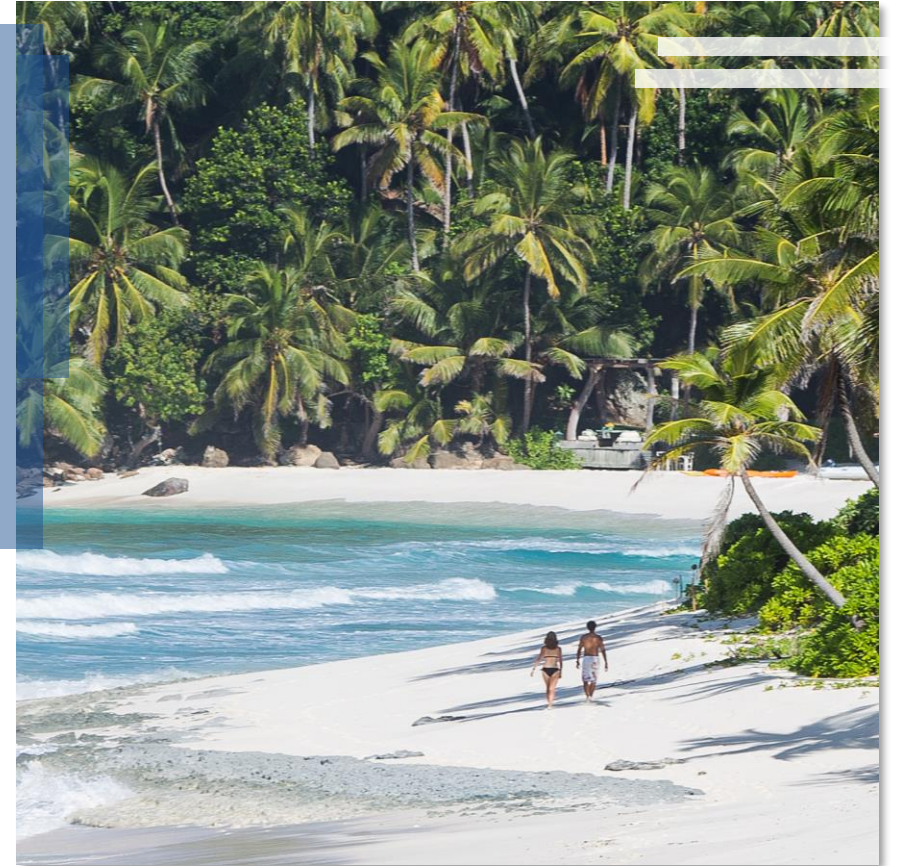
FINANCIAL RESULTS H1

STRONG REVENUE GROWTH ACCOMPANIED BY SIGNIFICANT PROFITABILITY IMPROVEMENT

- **STRONG REVENUE GROWTH OF 45%** for first half of the year, from CHF 3.9M in H1 2018 to CHF 5.7M in H1 2019
- **EBITDA MARGIN TURNED POSITIVE:** +9% vs. -36% in previous year despite ongoing investments into the business (app, LuxuryBARED, FCAM Intl. etc.)
- **NET INCOME ALSO TURNED POSITIVE**, coming in at CHF 0.3M vs. CHF -1.9M
- **MEMBER GROWTH** from 47'800 to 54'900 during the first 6 months of the year
- **CASH** position of CHF 6.3M per end of June

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SUBSCRIPTIONS BUSINESS

STRONG GROWTH AND PROFITABLE SEGMENT FOR FIRST TIME SINCE LISTING

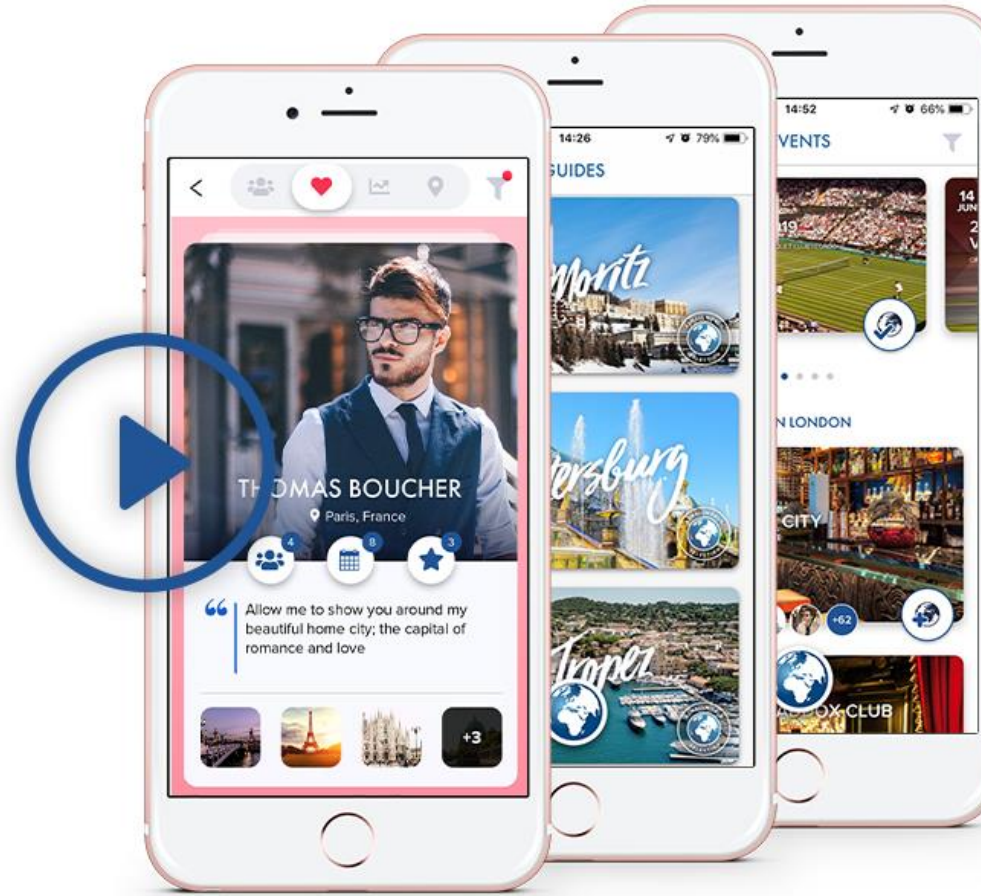
In CHF	2018 H1	2019 H1	CHANGE
REVENUE	2.1M	3.9M	+80%
EBITDA	-1.0M	0.9M	N/A
EBITDA MARGIN	-46%	22%	+68%-pt.

- Segment turned **PROFITABLE**
- **GREW MEMBERSHIP** from 47'800 to 54'900 since beginning of the year
- Sold more **PREMIUM MEMBERSHIPS**
- **FIRST CLASS & MORE** subscription growth contributed to result
- Introduced brand new **ASW IOS APP** to drive engagement
- Launched English-speaking **FIRST CLASS & MORE INTERNATIONAL**

NEW ASW iOS APP TO DRIVE ENGAGEMENT

AFTER 12 MONTHS OF DESIGN AND DEVELOPMENT, WE INTRODUCED A NEW iOS APP IN JUNE

A BRAND NEW
iOS APP!

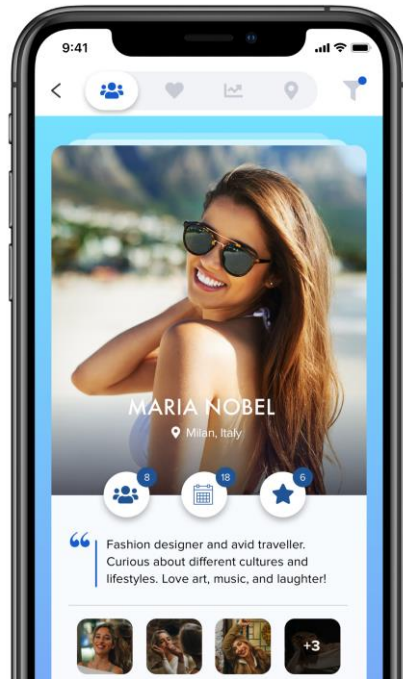


MODERN DESIGN AND EXTENSIVE FUNCTIONALITY

WE COMPLETELY REDESIGNED THE LOOK AND FEEL OF THE APP AND EXPANDED ITS FUNCTIONALITY

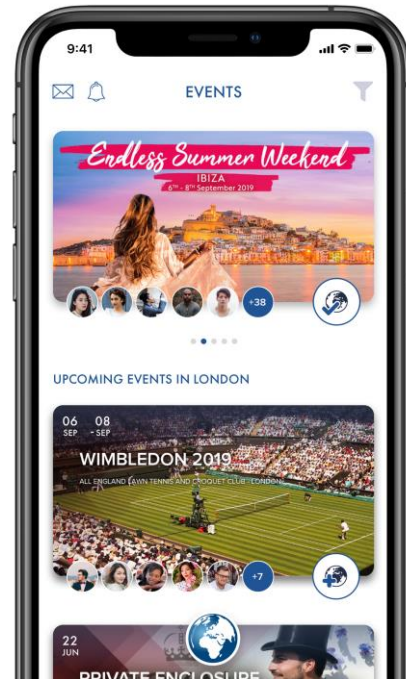
MEET MEMBERS FROM AROUND THE WORLD

Make new connections for social, romantic or business purposes



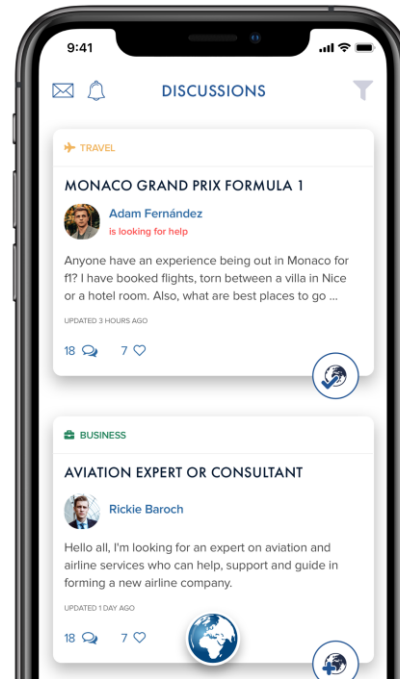
GET ACCESS TO EXCLUSIVE EVENTS

Attend 1000+ exclusive events each year with fellow members



ENGAGE IN TRAVEL & LIFESTYLE DISCUSSIONS

Get insider advice from a discerning global community



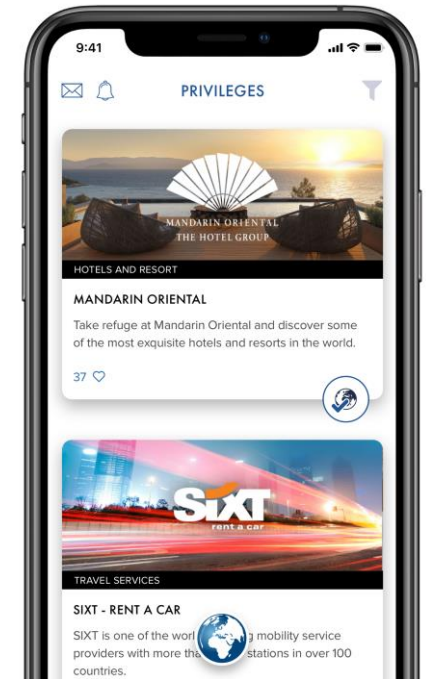
TRAVEL BETTER WITH ASW CITY GUIDES

Get recommendations for the world's top destinations



ENJOY TRAVEL & LIFESTYLE PRIVILEGES

Enjoy upgrades, discounts and more from international partners



INITIAL FEEDBACK ON NEW APP VERY POSITIVE!

MEMBERS APPRECIATE THE NEW DESIGN AND FUNCTIONALITY



Laurent

Just downloaded—Nice one ASW! I see you've taken many user comments seriously. Looking forward to exploring further and provide feedback. Thanks!

25 JUN 2019, 10:46 AM | [UNLIKE](#) | [REPLY](#) | [REPORT](#)



Asher

Congratulations ASW! The new app looks very nice! Fresh and the UX is much better! Much more interactive! Well done!

25 JUN 2019, 11:24 AM | [UNLIKE](#) | [REPLY](#) | [REPORT](#)



Fred

Great job. Much better user experience.

25 JUN 2019, 11:32 AM | [UNLIKE](#) | [REPLY](#) | [REPORT](#)



Naomé

Awesome! I love it already, so much better to use! Great work!

25 JUN 2019, 11:43 AM | [UNLIKE](#) | [REPLY](#) | [REPORT](#)

LAUNCHED FIRST CLASS & MORE INTERNATIONAL

BRINING A GREAT SERVICE TO A MUCH LARGER AUDIENCE

FIRST CLASS & MORE
ALEXANDER KOENIG

ABOUT US BLOG INSIDER NEWS CONTACT US

FIRST CLASS & MORE
The Art of Smart Luxury Travel

SAVE UP TO 70% AND GET YOUR DESIRED AIRLINE STATUS

For more than 10 years, First Class & More has been the leading portal for SMART LUXURY TRAVEL and the best usage of loyalty programs of airlines and hotels.

"You don't need to be rich to travel in Business or First Class and get a top airline/hotel status and stay in the best hotels world wide with VIP treatment. However, if you don't have the money you need to be SMART." (Alexander Koenig, Founder)

80,000+
Happy customers

550,000+
Social media followers

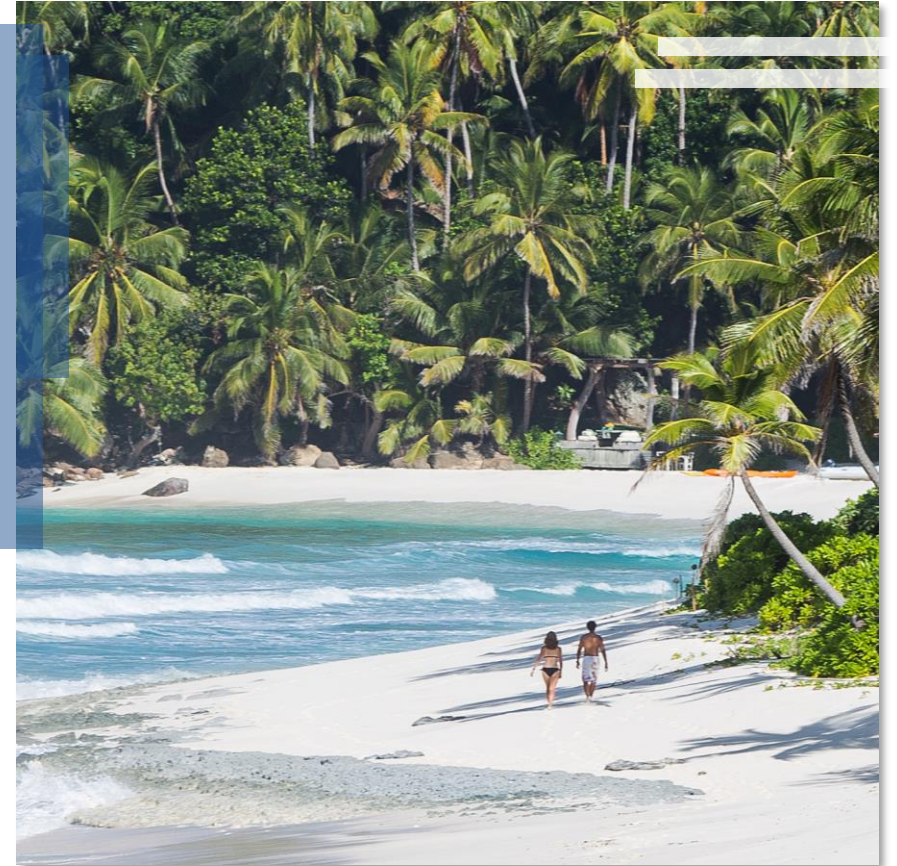
2.1 million+
Readers of #1 blog post

<https://www.first-class-and-more.com/>

- Launched **ENGLISH LANGUAGE** website of FCAM on 5th June
- Access to a **LARGER AUDIENCE** leading to member growth
- Allows for **INTEGRATION AND CROSS-SELLING** with ASW
- Introduction of **PAID MEMBERSHIPS** planned for September

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SERVICES BUSINESS

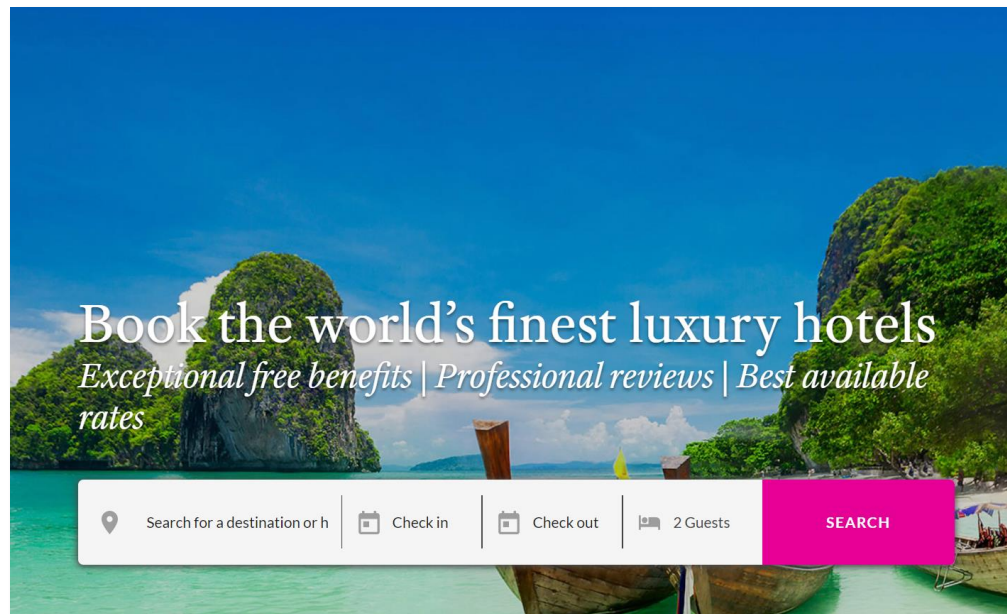
INVESTMENT PERIOD: EXPANDING AND IMPROVING TRAVEL SETUP WITH INTEGRATION OF LUXURYBARED

In CHF	2018 H1	2019 H1	CHANGE
REVENUE	1.8M	1.8M	+2%
EBITDA	-0.4M	-0.4M	N/A
EBITDA MARGIN	-25%	-20%	+5%-pt.

- Segment **GREW** as budgeted
- **PROFITABILITY INCREASED** by 5%-pt.
- Focus on building a more comprehensive **TRAVEL SETUP**, with online and offline services
- Acquisition and integration of **LUXURYBARED** required change of team structure and investment
- New travel setup will allow ASW to offer **ONLINE HOTEL BOOKINGS** directly in app and website

LUXURYBARED BRINGS ONLINE HOTEL BOOKING TO ASW

ONLINE TRAVEL OFFERING TO COMPLEMENT BESPOKE TRAVEL ARRANGEMENTS OF ASW PRIVATE



- Acquired LuxuryBARED, a UK-based **TRAVEL AGENCY**, in February
- LuxuryBARED owns an **ONLINE HOTEL BOOKING PLATFORM**, specialising in the world's best luxury hotels
- ASW is **INTEGRATING THIS PLATFORM** into the ASW app and website, currently investing heavily into technology and team
- Members will have the ability to **BOOK LUXURY HOTELS** directly from ASW, starting late 2019
- Further increases service revenue potential and **COMPLEMENTS ASW PRIVATE** with its bespoke travel arrangement offering

TARGETING ASW MEMBERS' TRAVEL SPEND

WE WANT TO CAPTURE A PORTION OF OUR MEMBERS' CHF 680M ANNUAL LEISURE SPEND

ANNUAL HOTEL SPEND OF CHF 1.1B

680M ADDRESSABLE
LEISURE SPEND

Weekend
trips

320M

430M

Business
trips

Longer trips /
vacation

360M

- ASW community with a **LEISURE HOTEL SPEND OF CHF ~680M** per year
- ASW to **CAPTURE A MEANINGFUL PORTION** of its members leisure hotel spend:
 - **INTEGRATION OF LUXURYBARED BOOKING PLATFORM** into ASW app and website for convenient, end-to-end hotel booking with tailored privileges (upgrade, late check-out, etc.)
 - Positioning of **ASW PRIVATE** as high-end travel agency for bespoke luxury travel
 - **ASW EDITORIALS AND EVENTS** to feature hotels to create travel demand within ASW

NORTH ISLAND NOW UNDER ASW MANAGEMENT

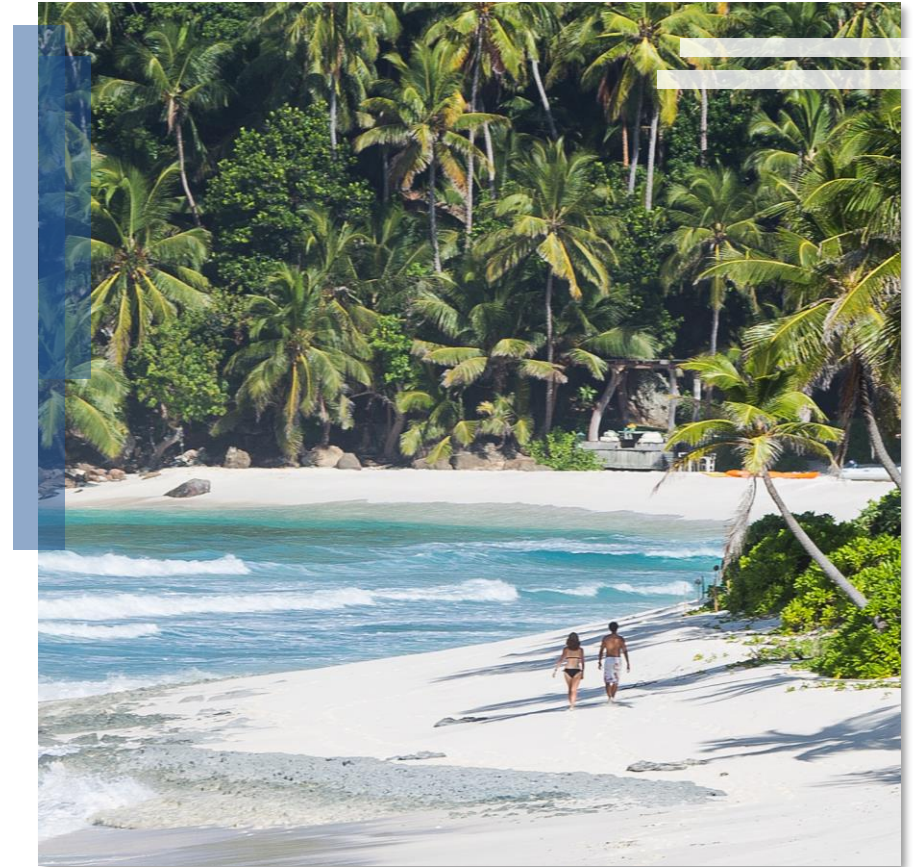
ASW HOSPITALITY TOOK OVER MANAGEMENT OF ICONIC NORTH ISLAND RESORT



- Founded **ASW HOSPITALITY** in February as hotel management company, running the hotel operations for the owner
- Iconic **NORTH ISLAND** resort in the Seychelles (www.north-island.com) became first hotel **UNDER ASW MANAGEMENT**
- **DARIO BERTUCCI**, seasoned hospitality expert, hired as Managing Director
- North Island expected to join Marriott's '**THE LUXURY COLLECTION**' portfolio in Oct 2019
- Goal to **EXPAND THE COLLECTION** by adding other extraordinary hotels in the future

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INCOME STATEMENT H1 2019

STRONG GROWTH AND SIGNIFICANTLY IMPROVED PROFITABILITY

In CHF '000	H1 2018	H1 2019	CHANGE
NET SALES	3,904.0	5,651.4	45%
DIRECT EXPENSES	-2,412.1	-1,781.1	-26%
PERSONNEL EXPENSES	-1,167.4	-1,647.5	41%
R&D EXPENSES	-248.0	-165.4	-33%
OTHER OPERATING EXPENSES	-1,496.0	-1,556.9	4%
EBITDA	-1,419.5	500.5	N/A
EBITDA MARGIN	-36%	9%	+45%-pt.
DEPRECIATION	-14.7	-23.6	61%
AMORTIZATION	-402.1	355.9	-12%
OPERATING RESULT	-1,836.3	121.0	N/A
FINANCIAL INCOME	35.3	360.3	920%
FINANCIAL EXPENSES	-34.0	-84.6	149%
ORDINARY RESULT	-1,834.9	396.7	N/A
INCOME TAXES	-33.1	-59.4	79%
NET RESULT	-1,868.0	337.3	N/A
EARNINGS PER SHARE (IN CHF)	-0.23	0.03	N/A

- **SALES INCREASED BY 45%** due to robust growth in Subscriptions segment
- **PERSONNEL EXPENSES** increased due additional staff, primarily for LuxuryBARED and First Class & More
- **OTHER OPERATING EXPENSES** impacted by acquisition costs related to LuxuryBARED
- **EBITDA MARGIN** improved by 45%-pt.
- **NET RESULT** improved by CHF 2.2M to CH 0.3M

BALANCE SHEET H1 2019 – PART 1

NO MAJOR CHANGES IN THE COMPANY'S BALANCE SHEET

In CHF '000	H1 2018	H1 2019
CASH	6,055.6	6,314.8
RECEIVABLES FROM SERVICES	706.5	569.7
OTHER SHORT-TERM RECEIVABLES	92.4	91.4
PREPAYMENTS AND ACCRUED INCOME	95.4	350.6
TOTAL CURRENT ASSETS	6,950.0	7,326.5
TANGIBLE FIXED ASSETS	78.7	88.8
FINANCIAL ASSETS	93.3	90.9
INTANGIBLE ASSETS	2,104.6	1,986.2
TOTAL NON-CURRENT ASSETS	2,276.6	2,165.8
TOTAL ASSETS	9,226.6	9,492.3

- **CASH POSITION** increased slightly to CHF 6.3M
- **SIZE OF BALANCE SHEET MAINTAINED**
Despite acquisition of LuxuryBARED

BALANCE SHEET H1 2019 – PART 2

NO MAJOR CHANGES IN THE COMPANY'S BALANCE SHEET

In CHF '000	H1 2018	H1 2019
SHORT-TERM FINANCIAL LIABILITIES	55.1	48.6
PAYABLES FROM GOODS AND SERVICES	725.0	721.2
OTHER SHORT-TERM LIABILITIES	4,274.8	4,315.3
SHORT-TERM PROVISIONS	41.8	89.3
ACCRUED LIABILITIES AND DEFERRED INCOME	3,605.5	3,020.9
TOTAL CURRENT LIABILITIES	8,702.2	8,195.4
LONG-TERM FINANCIAL LIABILITIES	1,181.4	2,259.5
LONG-TERM PROVISIONS	7,888.3	7,765.0
TOTAL NON-CURRENT LIABILITIES	9,069.7	10,024.4
TOTAL LIABILITIES	17,771.8	18,219.8
SHARE CAPITAL	11,367.2	11,367.2
CAPITAL RESERVES	16,785.0	16,785.0
RETAINED EARNINGS	-36,697.4	-36,879.7
TOTAL EQUITY / NET ASSETS	-8,545.2	-8,727.5
TOTAL LIABILITIES AND EQUITY	9,226.6	9,492.3

- **OTHER SHORT-TERM LIABILITIES**
obligations from FC&M acquisition
- **ACCRUED LIABILITIES** decreased slightly due to reduced travel activity during transition period
- **LONG TERM FINANCIAL LIABILITIES**
financing provided by ASW Capital
- **LONG TERM PROVISIONS** for performance-related earn-outs from FCAM and LuxuryBARED acquisition
- **NEGATIVE EQUITY** due to direct write-off of FCAM and LuxuryBARED goodwill
- Write off of LuxuryBARED acquisition led to **DECREASE IN EQUITY** despite profit

CASH FLOW STATEMENT H1 2019 – PART 1

IMPROVED OPERATING CASH FLOW

In CHF '000	H1 2018	H1 2019
NET RESULT	-1,868	337
DEPRECIATION OF TANGIBLE FIXED ASSETS	15	23
AMORTIZATION OF INTANGIBLE ASSETS	402	356
INCREASE OF PROVISIONS THAT DO NOT AFFECT THE FUND	0	-80
OTHER EXPENSE/INCOME THAT DO NOT AFFECT THE FUND	288	211
INCREASE OF RECEIVABLES FROM SERVICES	-49	135
+/- OF OTHER RECEIVABLES AND PREPAYMENTS AND ACCRUED INCOME	154	-259
+/- PAYABLES FROM GOODS AND SERVICES	608	-129
+/- OF OTHER SHORT-TERM LIABILITIES AND ACCRUED LIABILITIES AND DEFERRED INCOME	-658	-676
OPERATING CASH FLOW	-1,108	-76.2
OUTFLOWS FOR INVESTMENT (PURCHASE) OF TANGIBLE FIXED ASSETS	0	-4
OUTFLOWS FOR INVESTMENT OF FINANCIALS ASSETS	-12	13
ACQUISITION OF SUBSIDIARIES	0	72
OUTFLOWS FOR INVESTMENT (PURCHASE) OF INTANGIBLE ASSETS	-273	-237
CASH DRAIN FROM INVESTING ACTIVITIES	-285	-156

- **OPERATING CASH FLOW** improved to CHF -0.1M, vs. -1.1M in previous year
- Cash flow from **INVESTING ACTIVITIES** with little activity/changes

CASH FLOW STATEMENT H1 2019 – PART 2

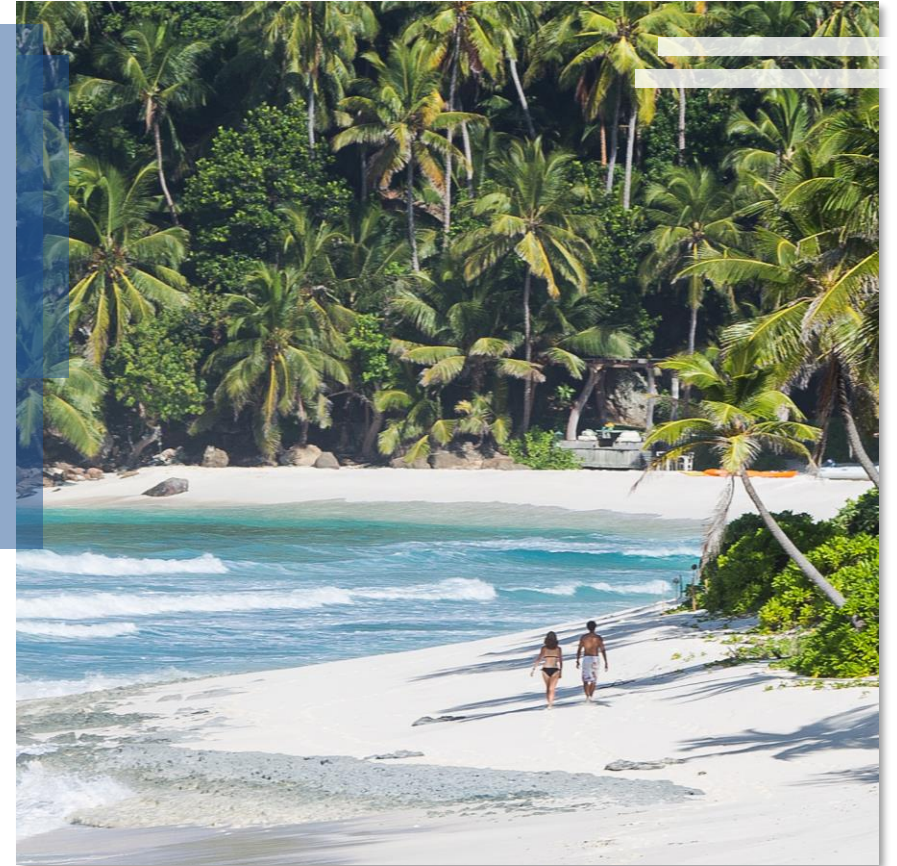
STRONG FINANCING ACTIVITIES IN 2018 DUE TO CAPITAL INCREASES

In CHF '000	H1 2018	H1 2019
INFLOWS FROM CAPITAL INCREASE (INCLUDING AGIO, DEDUCTING CAPITAL TRANSACTION COST)	9,409	0
ISSUANCE/REPAYMENT OF SHORT-TERM FINANCIAL LIABILITIES	-1,104	-6
ISSUANCE/REPAYMENT OF LONG-TERM FINANCIAL LIABILITIES	750	609
CASH INFLOW FROM FINANCING ACTIV.	9,055	603
CURRENCY TRANSLATION EFFECTS	0	-111
NET CHANGE IN NET CASH	7,662	259
OPENING BALANCE OF NET CASH 1 JANUARY	1,606	6,056
CLOSING BALANCE OF NET CASH AS OF 31 DECEMBER	9,268	6,315
NET CHANGE IN NET CASH	7,662	259

- Cash flow from **FINANCING ACTIVITY** with little activity during H1
- **NET CASH** increased by CHF 0.3M due to positive net result

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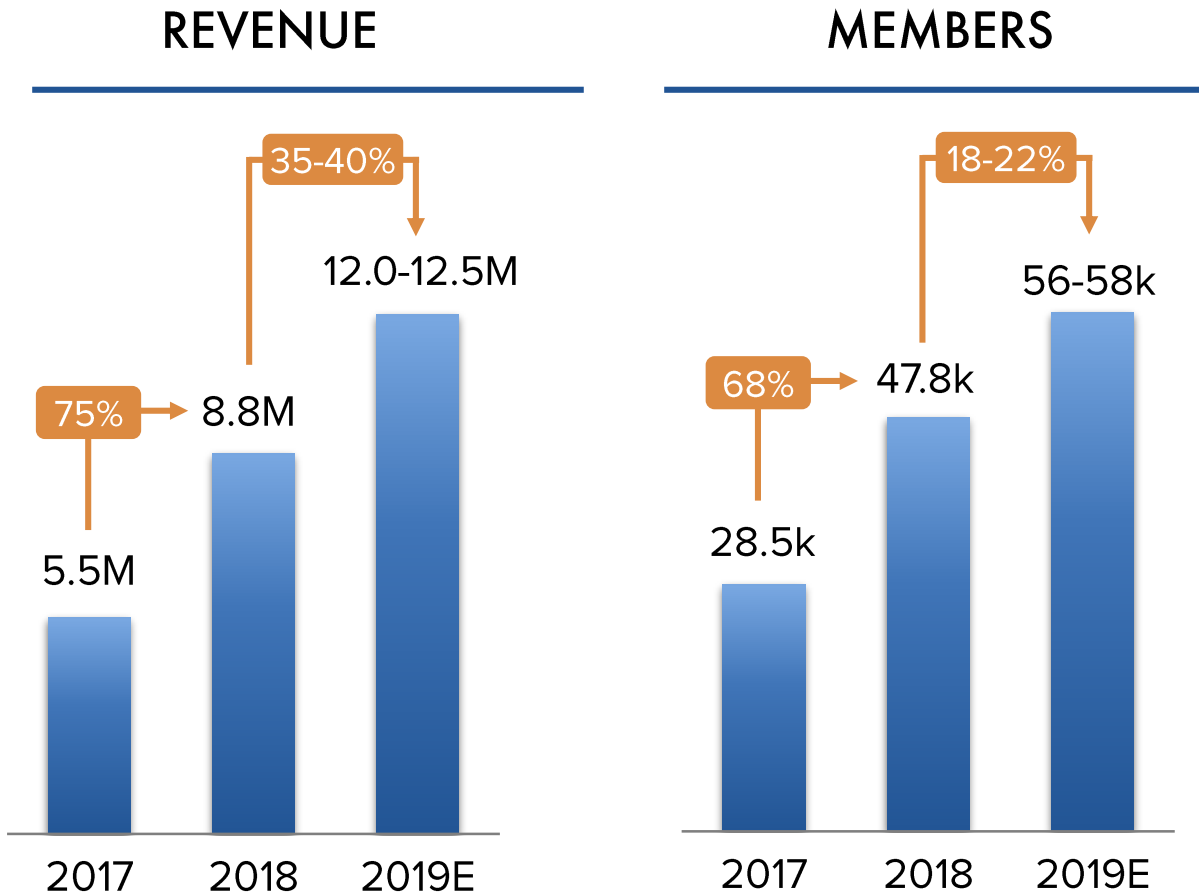
OPERATIONAL PRIORITIES FOR H2

WE WILL EXPAND OUR TRAVEL & LIFESTYLE OFFERING AND IMPROVE OUR TECH SETUP TO DRIVE GROWTH

- Develop and integrate **ONLINE HOTEL BOOKING** into ASW environment to offer online hotel bookings to member and non-members before the end of the year
- Launch paid memberships for **FIRST CLASS & MORE INTERNATIONAL** to capitalise on new English language website
- Develop ASW **ANDROID APP** to offer consistent user experience across platforms (development ongoing)
- Introduce **EDITORIAL CONTENT** to ASW platform to create original travel content for members and non-members (acquisition too)

WE REITERATE OUR 2019 FULL YEAR GUIDANCE

WE MAINTAIN OUR PREVIOUS GUIDANCE FOR REVENUE AND MEMBERS



- **MEMBERS** stood at 54'900 by end of June; on track to reach year-end target of 56-58'000
- **SALES** grew by 45% to CHF 5.7M for first half of year; on track to reach 12.0-12.5M for the full year



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