

share the good life

H1 2018 RESULTS
AUGUST 30TH 2018

A group of people in formal attire socializing at a party. The scene is dimly lit with warm, ambient lighting. People are seen in profile and from the back, engaged in conversation. Some are holding drinks. The background shows a chandelier and a doorway.

AS SMALL WORLD THE WORLD'S LEADING LIFESTYLE COMMUNITY

We combine the traditions of a country club with the power of a digital platform to **connect our members**, both online, and more importantly, **in real life**

OUR COMMUNITY HAS 33'000 MEMBERS

57%
Europe

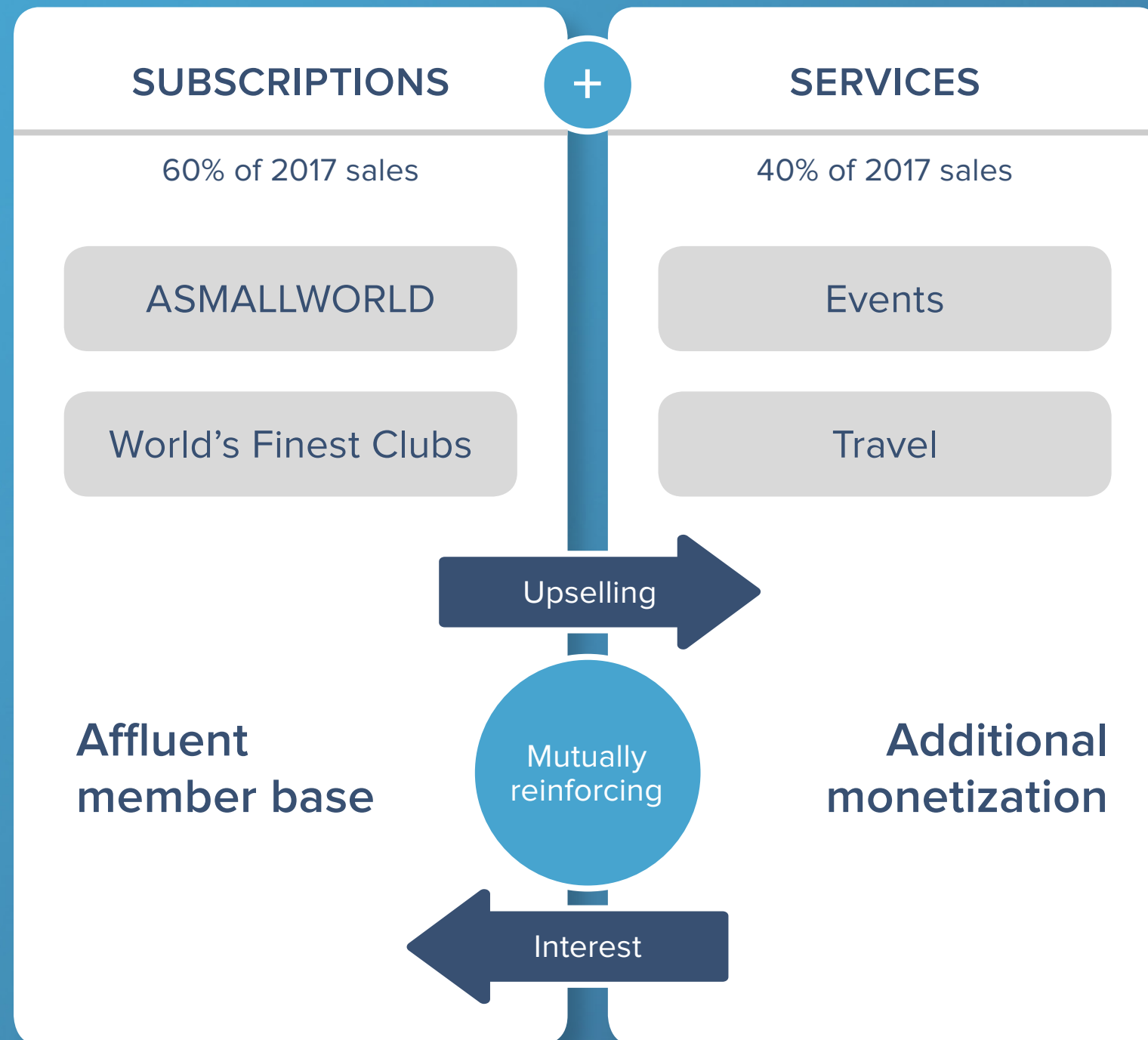
19%
U.S.A. and Canada

23%
Others

TOP 15 ASW CITIES

- London
- New York
- Zurich
- Dubai
- Paris
- Los Angeles
- Milan
- Miami
- Geneva
- Munich
- San Francisco
- Istanbul
- Rome
- Sydney
- Singapore

A UNIQUE BUSINESS MODEL



- **Unique positioning:** the world's leading lifestyle community
- **Strong brand** recognition and global lifestyle authority
- **Quality-controlled**, curated member base
- **Affluent target segment:** 37y average high income
- **Subscription-based** membership model
- **Services** as additional growth driver

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HIGHLIGHTS H1 2018

- **Went public on SIX Swiss Exchange** as first listed social media company in Switzerland on March 20th
- **Grew member base by 16%** to 33,074 members
- **Launched premium membership tiers** on May 3rd to broaden service offering
- **Raised CHF 8.3M of equity capital** with institutional investors on May 30th
- Implemented **multiple product improvements** including event rating system and updated City Guides
- Implemented technical changes to be **fully GDPR compliant** (i.e. deleting user data on request)
- **Announced potential acquisition** of a luxury travel community on April 26th (call option agreement until November 30th)

FINANCIAL SUMMARY H1 2018

- **Sales grew by 112%** due to robust growth in both business segments
 - Subscriptions: 48% growth
 - Services: 339% growth
- **EBITDA margin improved from -45% to -36%** but was impacted by the cost for the going public and costs related to M&A
 - Listing and M&A activity increased H1 cost by ~380k
 - **Adjusted EBITDA margin -27%**
- **Earnings per share: CHF -0.23**
- **Strong cash position of CHF 9.4M** due to recent capital increase
- **Reaffirming full year revenue guidance** at higher end of previously stated range of CHF 6.5 to 7.0M

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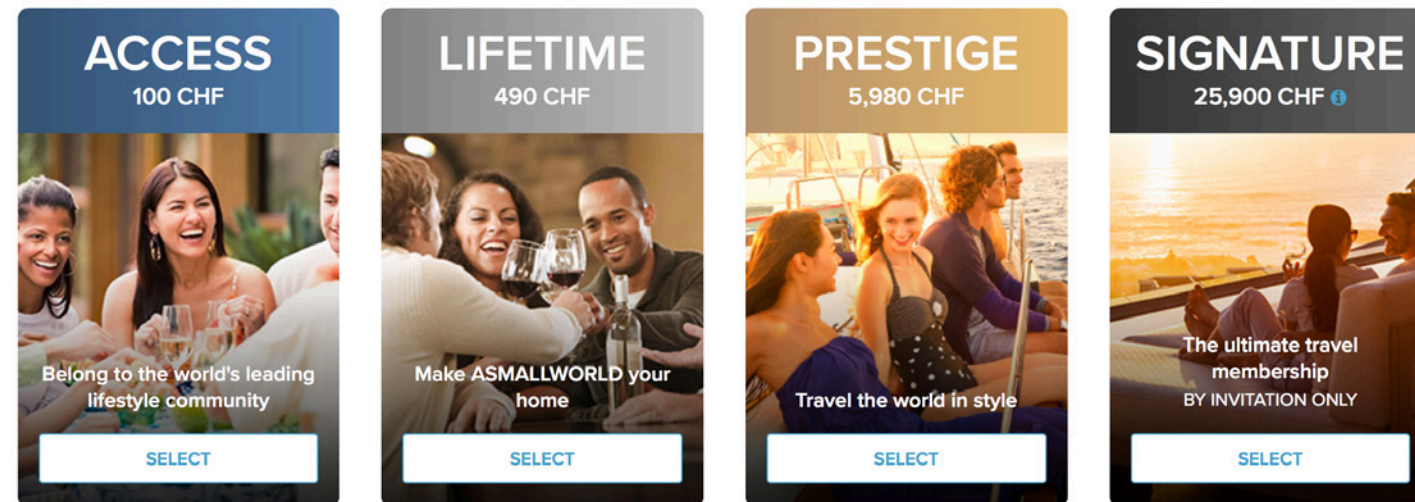
SUBSCRIPTIONS SEGMENT WITH ROBUST GROWTH

IN CHF '000	H1 2018	H1 2017	IN %
Revenue	2,144.3	1,444.2	+48%
EBITDA	-982.7	-687.5	+43%
EBITDA margin	-46%	-48%	+2%-pt.
EBITDA margin adjusted*	-36%	N/A	+12%-pt

*Adjusted for listing and M&A-related cost

- Subscription revenue **grew by 48% YoY**
- Member base at the end of June at **33,074 members**
- Robust sales growth driven by
 - **Member base increase of 16%** for first 6 months
 - Launch of premium membership tiers
- **Adjusted EBITDA margin* improved to -36%** from -48%

NEW MEMBERSHIP TIERS



SELECTION OF PRIVILEGE PARTNERS

Partner of
Miles & More

ETIHAD
GUEST

THE WORLD'S
FINEST CLUBS

DRAGONPASS

SIXT
rent a car

global
hotel
alliance

Smith
Mr & Mrs Smith

- Introduced **four membership tiers** on May 3rd
 - **Access:** Basic membership for the ASW community
 - **Lifetime:** 'Access' for a lifetime with one-off payment
 - **Prestige:** Exclusive travel privileges and 250,000 airmiles
 - **Signature:** Ultimate travel privileges and 1M Etihad Guest airmiles
- **Strong partners** for Signature and Prestige memberships:
 - **Airlines:** Miles & More and Etihad Guest
 - **Hotels:** Global Hotel Alliance, Mr. & Mrs. Smith
 - **Mobility:** Sixt
 - **Airport lounges:** DragonPass
- **On track** to reach sales target of 0.5% of member base for 2018 with premium memberships

PRESTIGE WITH MILES & MORE OPTION

THE EXCLUSIVE ASMALLWORLD

PRESTIGE MEMBERSHIP

- 250,000 Miles & More Award Miles
- World's Finest Clubs 'Premium' membership
- DragonPass airport lounge access - 'Prestige' membership
- Global Hotel Alliance 'Discovery Black' status
- Mr & Mrs Smith 'SilverSmith' status
- Jumeirah 'Silver' status
- SIXT 'Platinum' status
- ASMALLWORLD membership

TRAVEL THE WORLD IN STYLE

- Prestige membership with 250,000 Miles & More Award Miles **best-performing premium membership**
- ASW only M&M partner to ever offer such a **large amount of M&M Award Miles** to members
- ASW is directly **connected to M&M system** with instant crediting ability
- Price for annual membership CHF 5,980

NEW CITY GUIDES WITH 'ASMALLWORLD SELECTION'

ASMALLWORLD GUIDE TO LONDON ▾

RESTAURANTS 🍴 ACCOMMODATION 🏠 NIGHTLIFE 🌃

NOBU BERKELEY +	
BOB BOB RICARD +	
FOLEY'S +	
DINNER BY HESTON BLUMENT... +	
LE DAHU +	

ASMALLWORLD GUIDE TO LONDON ▾

RESTAURANTS 🍴 NIGHTLIFE 🌃 ACCOMMODATION 🏠

MANDARIN ORIENTAL HYDE PARK -

Elegance, comfort and charm... the Mandarin Oriental represents the highest standard in travel accommodation, with beautifully appointed rooms facing two iconic landmarks in London: Hyde Park or Knightsbridge. Home of a state of the art spa and fine dining.

<https://www.mandarinoriental.com/london/hyde->



- Improved design of City Guides (web version) to provide a more visual experience
- 'ASMALLWORLD Selection' a curated list of venues, tailored to our members' needs for each city
- Each city guide with **three sections**
 - Restaurants
 - Nightlife
 - Accommodation
- **Content update ongoing**, prioritised based on priority of cities (member base and member visits)

GDPR COMPLIANCE ACHIEVED

GDPR OVERVIEW

- GDPR came into effect in **May 2018**
- **Users have the right to** (most relevant):
 - Request that personal **data be erased** when it's no longer needed
 - Obtain **access to personal data**
 - Receive **personal data in a machine-readable format** and send it to another controller (**'data portability'**)
 - Ask for incorrect, inaccurate or incomplete personal data to be **corrected**
 - **Object to** the processing of personal data for **marketing purposes**
- Rights **apply across the EU**, regardless of where the company is established

IMPLEMENTATION AT ASW

- **GDPR technically implemented** and compliance achieved
- **Significant project** due to data consistency challenges (e.g. discussions)
- **Member data deletion** and anonymisation mechanisms in place
- Members can get **access to all their data** upon request

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SERVICES SEGMENT WITH SUBSTANTIAL SALES INCREASE

IN CHF '000	H1 2018	H1 2017	IN %
Revenue	1,759.7	400.9	+339%
EBITDA	-436.8	-148.4	+194%
EBITDA margin	-25%	-37%	+12%-pt.
EBITDA margin adjusted*	-15%	N/A	+22%-pt

- Services revenue **grew by 339% YoY**
- High growth rate due to two reasons
 - Full effect of **ASW Travel business** (operations started in H2 2017)
 - **More paid events**
- **Adjusted EBITDA margin* improved to -15% from -37%**

*Adjusted for listing and M&A-related cost

EVENT KPIS HAVE IMPROVED DUE TO STRENGTHENED AMBASSADOR NETWORK

KPI	H1 2018 VS 2017
# of Ambassadors	+14%
# of events	+26%
Share of paid events	+10.6%-pt.
RSVPs from members	+10%

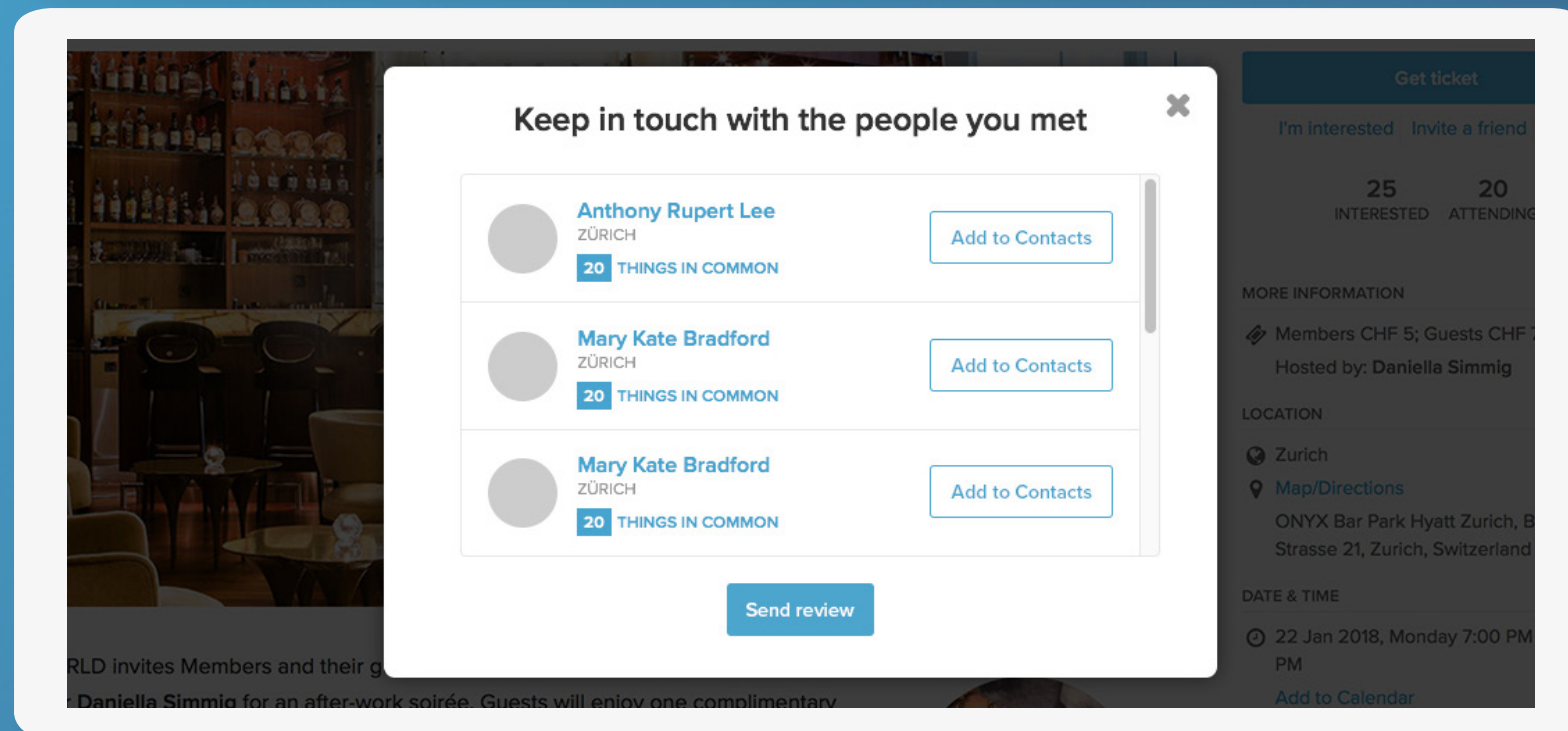
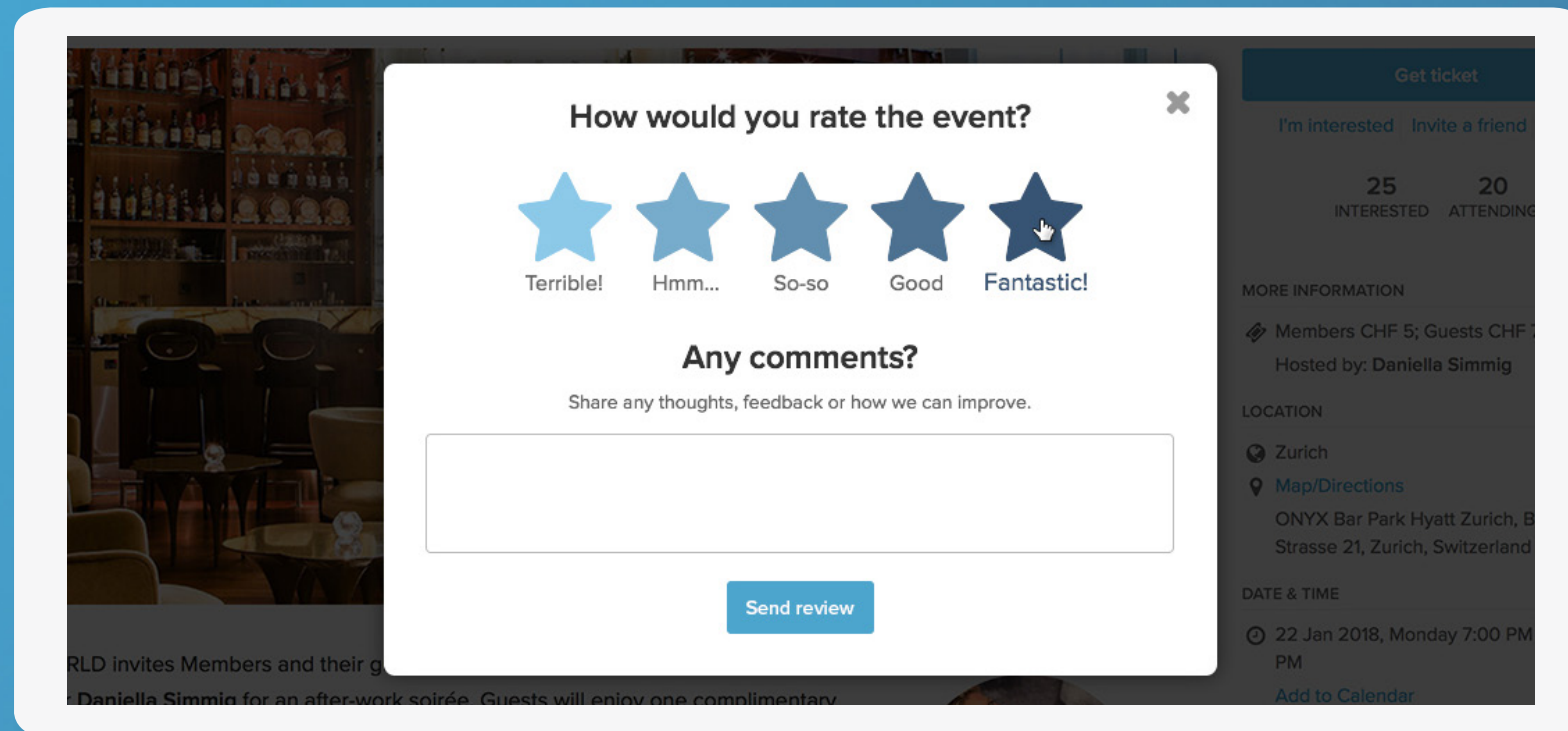
- **Ongoing effort to improve** quality and quantity of Ambassador network
- Improved Ambassador network organised **26% more events** in H1 compared to 2017
- **Share of paid events increased** by 10.6%-pt. over same period
- **Member RSVPs increased** by 10%
 - Slower RSVP growth due to increase in paid events which lowers RSVPs but increases attendance rate and revenue

ASW SUMMER WEEKEND IN SAINT-TROPEZ FIRMLY ESTABLISHED AS 2ND FLAGSHIP EVENT



- Event took place for **second time** this May
- **Over 150 guests** participated, an **increase of almost 50%** from last year
- **Great member feedback**
- Event firmly **established as 2nd Flagship** event besides ASW Winter Weekend in Gstaad
- 2019 event in planning

EVENT RATING SYSTEM INTRODUCED TO IMPROVE EVENT QUALITY



- Automated event rating system **introduced in March**
- Trigger **sent after each event**
- Members can
 - **Rate the events:** members can rate events on a 5-point scale and leave feedback
 - **Connect with fellow attendees:** members can now more easily connect with other members who attended the event
 - **Invite non-members:** members can now more easily send invites to guests they brought to the event
- Supports ASW Experiences team with **quality-control**
- Drives **member connections**, a key retention factor
- Drives **acquisition**

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H1 2018 INCOME STATEMENT

IN CHF '000	1H 2018	1H 2017*
Net sales	3,904.0	1,845.1
Direct expenses for services rendered	-2,599.8	-826.6
Personnel expenses	-1,167.4	-1,015.2
Research and development expenses	-248.0	-262.9
Other operating expenses	-1,308.3	-576.3
EBITDA**	-1,419.5	-835.9
Depreciation of fixed assets	-14.7	-16.8
Amortization of intangible assets	-402.1	-308.6
Operation result	-1,836.3	-1,161.3
Financial income	35.3	2.8
Financial expenses	-34.0	-22.9
Ordinary result	-1,834.9	-1,181.4
Income taxes	-33.1	-224.3
NET RESULT	-1,868.0	-1,405.7
Earning per share (in CHF)	-0.23	N/A

- **Sales** grew by 112%
- **Direct expenses** increased by 215%, due to travel services sales cost, premium memberships introduction and event costs
- **Other operating expenses** increased by 127%, including listing and M&A-related cost of CHF ~380k
- **Adjusted EBITDA margin***** -27% vs. -45% in H1 2017 (-36% unadjusted)
- **Earnings per share: CHF -0.23**

*Prior year figures are derived from a combined income statement

**Earnings before interest (including all financial income and expenses), taxes, depreciation and amortisation

***Adjusted for listing and M&A-related cost

BALANCE SHEET 1/2

ASSETS IN CHF '000	30 JUNE 2018	31 DEC 2017
Cash	9,365.8	1,634.3
Receivables from services	337.6	288.9
Other short-term receivables	173.7	38.1
Prepayments and accrued income	326.0	615.4
Total current assets	10,203.1	2,576.7
Tangible fixed assets	93.8	108.4
Financial assets	128.6	149.8
Intangible assets	2,216.6	2,346.0
Total non-current assets	2,439.0	2,604.3
TOTAL ASSETS	12,642.1	5,181.0

- **Substantial increase in cash position to CHF 9.4M**, primarily due to capital increase on May 30th (CHF 8.3M raised)

BALANCE SHEET 2/2

LIABILITIES AND EQUITY IN CHF '000	30 JUNE 2018	31 DEC 2017
Short-term financial liabilities	97.9	1,132.1
Payables from goods and services	789.9	181.8
Other short-term liabilities	83.1	207.2
Accrued liabilities and deferred income	1,922.8	2'456.7
Total current liabilities	2,893.7	3,977.8
Long-term financial liabilities	750.0	.0
Total non-current liabilities	750.0	.0
TOTAL LIABILITIES	3,643.7	3,977.8
Share capital	8,862.2	-
Capital reserves	9,538.5	-
Accumulated losses	-9,402.3	-
Net assets	-	1,203.2
Total equity/net assets	8,998.4	1,203.2
TOTAL LIABILITIES AND EQUITY	12,642.1	5,181.0

- **Short-term financial liabilities** from previous year fully repaid (before listing in March 2018)
- Financed operations with **CHF 750k of ASW Capital credit line** (long-term financial liabilities)
- **Total equity increased to CHF 9.0M** from CHF 1.2M at the beginning of the year

CASH FLOW STATEMENT 1/2

OPERATING ACTIVITIES IN CHF '000	1H 2018	1H 2017
Net result	-1,868.0	-1,405.7
Depreciation of tangible fixed assets	14.7	16.8
Amortization of intangible assets	402.1	308.6
+/- other expense/income that do not affect the fund	287.9	232.3
+/- receivables from services	-48.7	161.2
+/- other receivables and prepayments and accrued income	153.8	-22.0
+/- payables from goods and services	608.1	-140.5
+/- other short-term liabilities and accrued liabilities and deferred income	-657.9	-172.3
OPERATING CASH FLOW	-1,108.2	-1,021.6

INVESTING ACTIVITIES IN CHF '000	1H 2018	1H 2017
Outflows for investment (purchase) of tangible fixed assets	.0	-3.0
Outflows for investment of financial assets	-11.9	.0
Outflows for investment (purchase) of intangible assets	-272.2	-180.4
CASH DRAIN FROM INVESTING ACTIVITIES	-284.6	-183.4

- **CF from operating activities** comparable to same period last year
- Cash drain from investing activities increased slightly due to **investments into our technical platform**

CASH FLOW STATEMENT 2/2

FINANCING ACTIVITIES IN CHF '000	1H 2018	1H 2017
Inflows from capital increase (including agio,deducting capital transaction cost)	9,408.5	.0
Issuance/repayment of short-term financial liabilities	-1,104.0	33.0
Issuance of long-term financial liabilities	750.0	527.1
CASH INFLOW FROM FINANCING ACTIVITIES	9,054.5	560.1

NET CHANGE IN NET CASH IN CHF '000	1H 2018	1H 2017
Opening balance of net cash 1 January	1,606.2	853.3
Closing balance of net cash as of 30 June	9,267.9	208.5
NET CHANGE IN NET CASH	7,661.7	-644.8

- **CF from financing activities increased significantly** due to
 - Capital increase
 - Financing from ASW Capital AG
- As a combined result, **net change in cash position increased by CHF 7.7M** since beginning of the year

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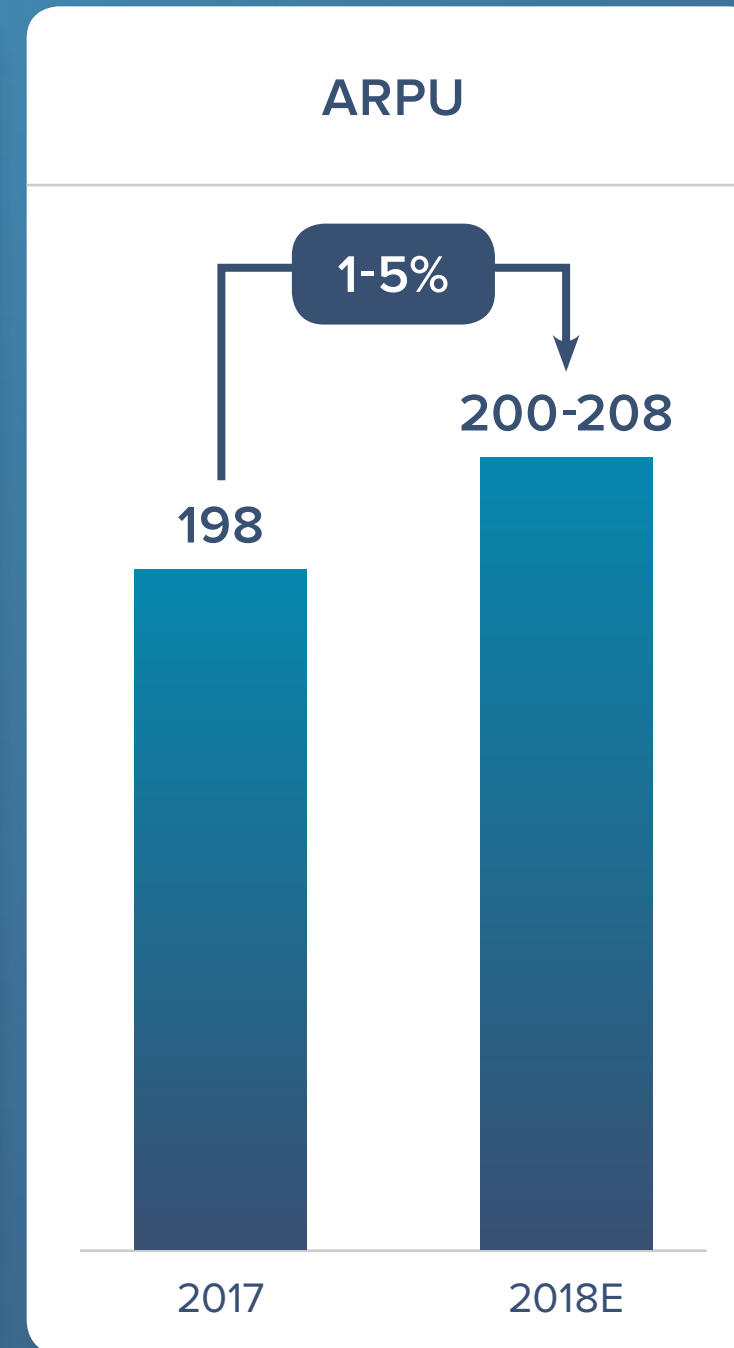
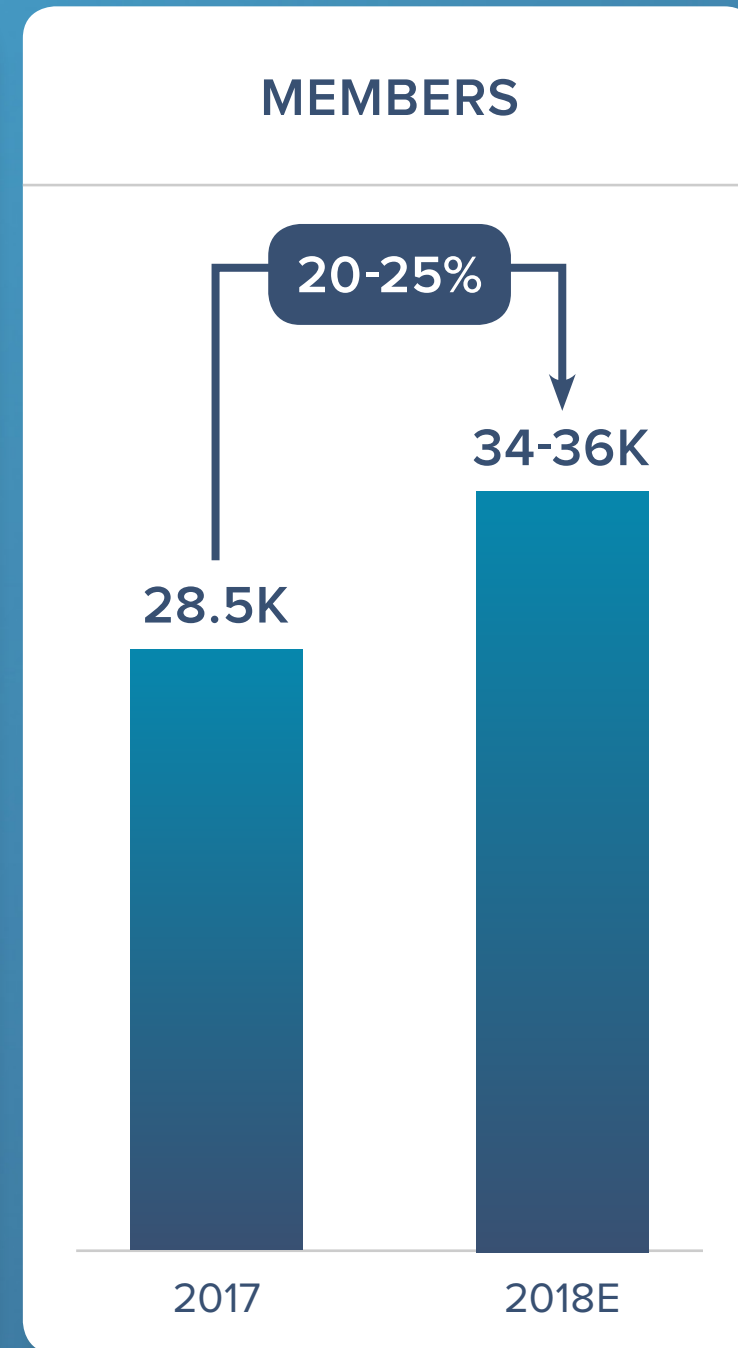
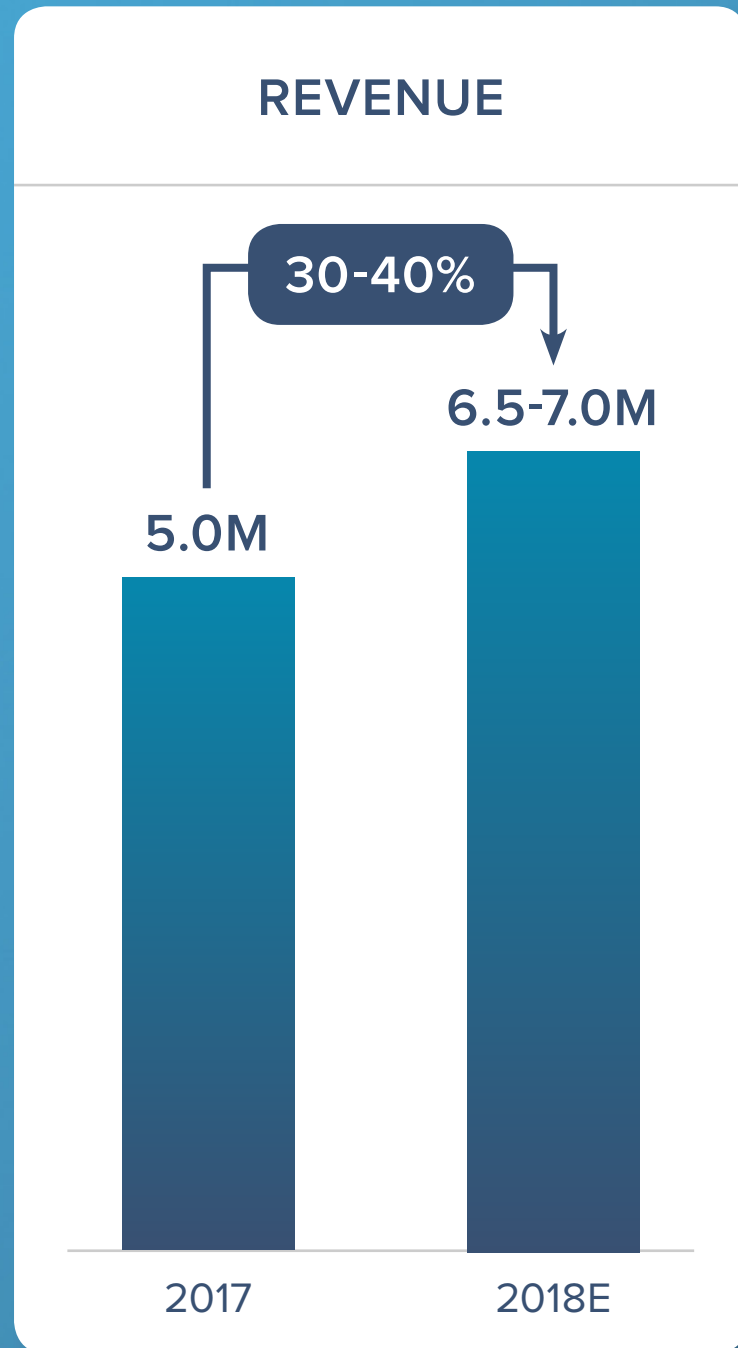
OUTLOOK



H2 OUTLOOK

- **Continue to execute ‘Strategy 2022’** as planned
 - Improve member experience and grow member base in **core markets**
 - Drive **Premium Membership sales**
 - Increase **Services revenue** through more paid events and travel services
- Focus on specific **product initiatives** for H2
 - Automated **single event email**
 - Streamlined and **visually-improved events section** for web
 - Overhaul of how we **connect members online**
 - Ongoing development of **iOS app version 3** (target launch H1 2019)
- **Complete due diligence process** for potential acquisition of a luxury travel community

FINANCIAL GUIDANCE FOR FULL YEAR



- **Reaffirming full year revenue guidance at higher end of previously stated range of CHF 6.5 to 7.0M**
- **Member base** expected to reach guidance of 34-36k for full year
- **ARPU growth** expected to reach 1-5% for full year

share the good life