



ASmallWorld

ANNUAL REPORT 2020



# OVERVIEW

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# ASMALLWORLD

ASMALLWORLD is the world’s leading travel & lifestyle community, focusing on experiences, the modern-day definition of luxury.

Centred around the ASMALLWORLD social network, the company operates a digital travel & lifestyle ecosystem which inspires members to travel better, experience more and make new connections. Members of the ASMALLWORLD social network connect through its app and website, where they can meet other members, book hotels, receive travel and lifestyle inspiration, and enjoy a wealth of travel privileges. Members also meet in person at over 1’000 global ASMALLWORLD events every year, ranging from casual get-togethers in major cities around the world to flagship weekend experiences hosted in iconic destinations such as Saint-Tropez and Gstaad.

Besides the ASMALLWORLD social network, other businesses of the ASMALLWORLD travel & lifestyle ecosystem include:

- **ASMALLWORLD Collection**, an online hotel booking engine focused on the world’s best hotels, offering customers the exclusive “ASMALLWORLD Preferred Rate” with extraordinary benefits at no additional cost
- **ASMALLWORLD Private**, a high-end travel agency offering personalised travel curation service
- **ASW Hospitality**, a hotel management company that operates and manages the iconic North Island resort in the Seychelles
- **First Class & More**, a subscription-based smart luxury travel service that allows members to enjoy luxury travel at insider prices
- **The World’s Finest Clubs**, the world’s leading nightlife concierge offers its members VIP access to the most exclusive nightlife venues around the world

## THE ASMALLWORLD TRAVEL & LIFESTYLE ECOSYSTEM



## BUSINESS MODEL

ASMALLWORLD operates an ecosystem of businesses in the travel & lifestyle space, centred around the ASMALLWORLD social network, the world’s leading travel & lifestyle community.

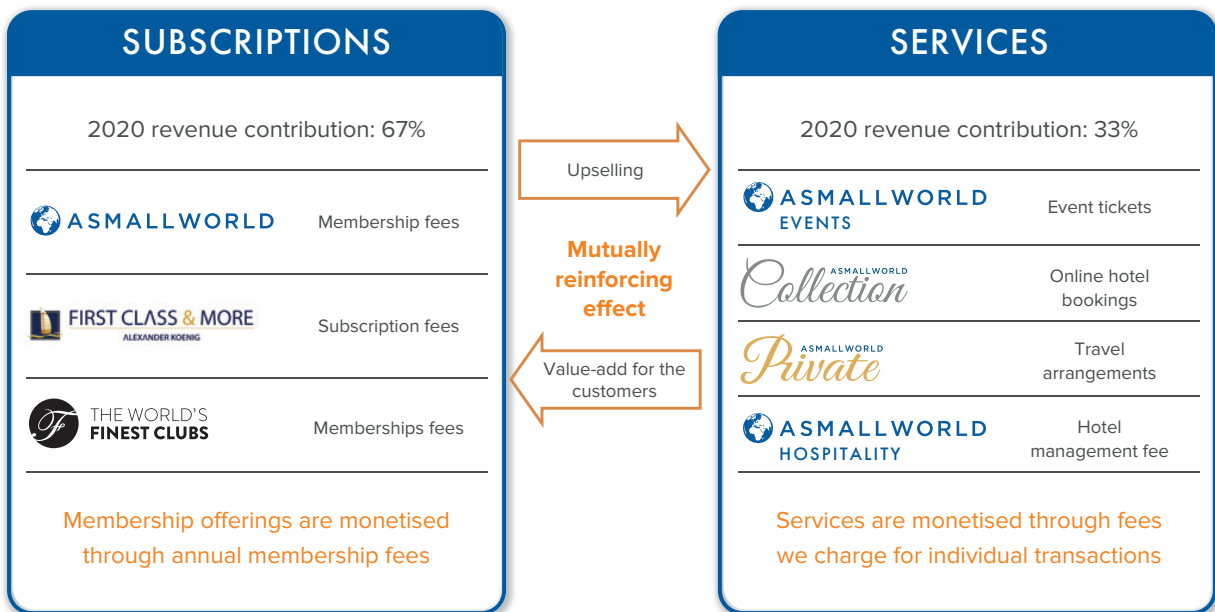
All businesses cater to the needs of the discerning traveller and aim to inspire and enable their customers to travel better, experience more and make new connections.

ASMALLWORLD reports in two business units: Subscriptions and Services. These segments serve their own strategic purposes and offer different business economics.

The Subscription businesses allow members to use one of our services for a predefined period time (usually a year), for which members will pay a membership fee. Subscription businesses are characterised by high fixed and low variable cost and offer attractive economies of scale with membership growth. ASMALLWORLD’s subscription businesses are the ASMALLWORLD social network, First Class & More and The World’s Finest Clubs.

The Service segment is characterised by traditional cost-plus economics, where margins related to scale are more stable. For ASMALLWORLD, the most important service businesses are ASMALLWORLD events, the ASMALLWORLD Collection and Private travel businesses and the hotel management and consulting business ASMALLWORLD Hospitality, which includes North Island.

## OUR BUSINESS SEGMENTS



## STRATEGY 2022

Our current strategic framework, Strategy 2022, was defined in 2017 as a 5-year plan for the ASMALLWORLD group. The strategy aims to grow the member base to 100'000 members and at least CHF 20M in revenue by 2022.

We aim to achieve these goals through a combination of organic and inorganic growth initiatives across all our business and through a combination of growth in both, our Subscriptions and Services segments. We intend to grow the Subscriptions segment by growing our core markets, expanding our geographic reach, and increasing the adoption rate of our premium memberships.

At the same time, we aim to expand our service offering with new services which are relevant to our community, like events, travel services and other related offerings. The revenue growth from the Services segment should grow in line with the Subscriptions segment.

By the end of 2020, ASMALLWORLD has completed the first 3 years of the outlined 5-year plan. With the launch of the ASMALLWORLD Collection in July 2020, all businesses which were part of Strategy 2022 are now in place, allowing the Services business to grow over the coming years.

Strategy 2022 also allowed the company to successfully move from its investment phase in 2017 and 2018 to its break-even in 2019.

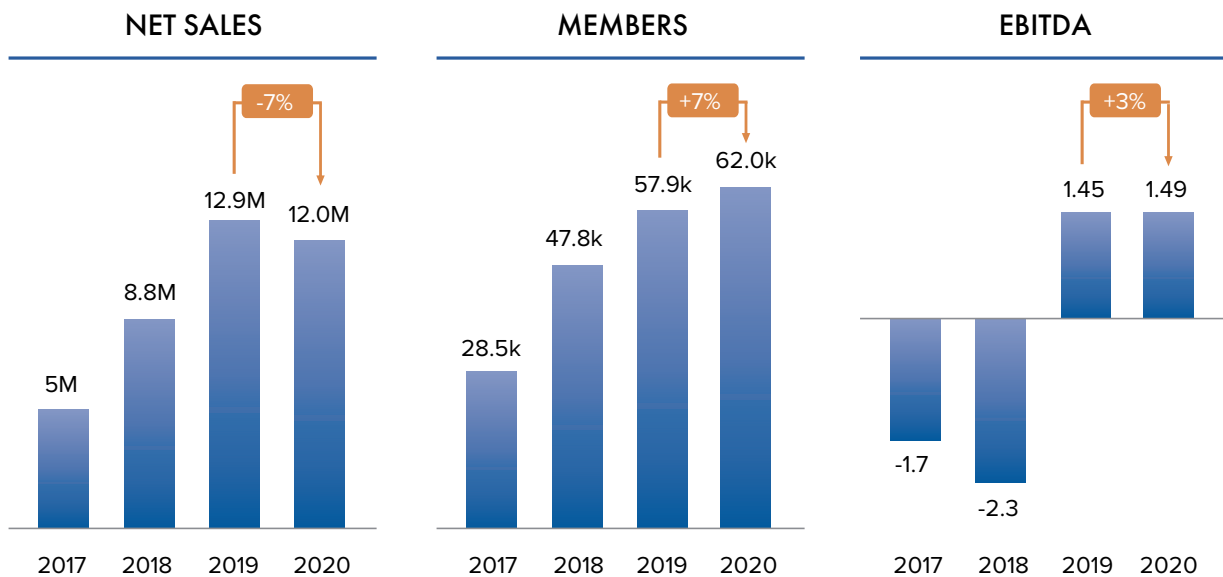
Although sales have slightly declined in 2020 due to the global pandemic, ASMALLWORLD managed to grow its EBITDA further. The company also expects to resume its sales growth in the second half of 2021 to bring it back on track to achieve the financial goals as part of Strategy 2022.

### 4 PRIMARY GROWTH INITIATIVES

	CORE MARKETS	GEOGRAPHIC EXPANSION	PREMIUM MEMBERSHIPS	SERVICE OFFERING
<b>STARTING POINT 2017</b>	Top 30 markets make up 70% of revenue and offer further potential for growth	ASW present in over 150 cities but many cities are sub-scale for a local community	Traditionally, ASW offered one membership level to all members	Service offering focussed on events and bespoke travel arrangements
<b>GOALS BY 2022</b>	Double down on core markets and grow member base by 25–30% per year	Bring select cities to scale; maintain a contribution of 30% from cities outside core markets	Launch travel-focused premium memberships; target 0.5% adoption rate	Expand service offering and grow it in line with subscriptions business

# HIGHLIGHTS 2020

- Grew EBITDA by 2.7% despite difficult market environment
- Increased member base by 7% to 62,000 members
- Grew operating cash flow by 66.9%
- Launched the ASmallWorld Collection, our online hotel booking engine
- Introduced online events for the ASmallWorld social network



## DEAR SHAREHOLDERS,

After reaching our milestone of achieving break-even last year, we started 2020 with enthusiasm and positive momentum. Unfortunately, the global pandemic put quite a damper on our ambitions and 2020 turned out to be one of the most difficult years for ASmallWorld, as it has been for many other businesses around the world.

The global pandemic created two main challenges for our businesses in the short-term. First, global travel restrictions directly impacted the demand for our travel businesses as travel came to a virtual standstill. This adversely affected ASmallWorld Private, our high-end travel agency and the launch of the ASmallWorld Collection, our online hotel booking engine in July. North Island, our hotel in the Seychelles, also saw a drop in revenues throughout the year as guests were barred from travel or struggled to reach the destination.

The second challenge came in the form of social distancing rules. Our ASmallWorld community holds over 1'000 in-person events per year, which is a major selling point for our community. Unfortunately, this year we were only able to host about 300 in-person events, or about 30% of what we offered in 2019, which resulted in a notable drop in event ticket sales for the year. Further, The World's Finest Clubs, our global nightlife concierge, saw a significant drop in demand as nightclubs were forced to close their doors around the world.

In short, the global pandemic impacted virtually all our businesses and created an environment which severely limited our ability to continue our path of profitable growth for this year. Ultimately, we ended the year with a sales decline of 7% across the board.



Despite these challenges, I believe that ASmallWorld did a good job at navigating this perfect storm. When the pandemic started, we were quick to assess the implications for our businesses and moved from a growth mindset to resource conservation. We reduced our discretionary spend, applied strict cost control measures, and took advantage of government support programs where available.

With this prudent approach, we managed bring down our cost position even faster than our sales declined, which led to a situation where we were able to grow our EBITDA by 2.7%, despite an extremely challenging market environment. This outcome demonstrates two important things: the resilience of the business model and the ability of the management team to quickly adapt to new challenges.

Despite a clear focus on costs, ASMALLWORLD continued to invest in the long-term growth potential of the business to create value for our shareholders. This was clearly demonstrated with the launch of the ASMALLWORLD Collection in July. Based on technology we had obtained with the acquisition of LuxuryBARED in early 2019, we built our very own online hotel booking engine. The environment was clearly less than ideal for the launch of a new travel service, but we are confident that travel will resume and that the ASMALLWORLD Collection will give us new ways both to monetise our current member base and acquire new customers. The ASMALLWORLD Collection currently offers 800 of the world's best hotels which can be booked with highly attractive extraordinary benefits such as room upgrades or USD 100 hotel credit. The product we have created is highly competitive and we are looking forward to growing this business over the coming years to make it one of the most important pillars of the group.

The launch of the ASMALLWORLD Collection marked another important milestone: our travel & lifestyle ecosystem, first planned in 2017 as part of our ambitious 5-year strategy, now has all businesses in place and is fully operational. This will allow our management team to turn its attention from building new businesses to refining our existing businesses, making them more effective and efficient.

To summarise, 2020 was an extremely challenging year for ASMALLWORLD with a market environment that put a temporary halt on our growth. Despite this, the company adjusted quickly and still managed to grow its overall profitability. We are confident that once the environment starts to improve, we will return to our path of profitable growth, greatly enhanced by the fully operational ASMALLWORLD Collection.

On behalf of the Board of Directors, I would like to thank our employees for their extraordinary efforts in this demanding business year and all our shareholders for their trust in our company.



**Michael Manz**  
Chairman of the Board



# “ASMALLWORLD’S BUSINESS MODEL HAS PROVEN TO BE ROBUST IN THE FACE OF THE COVID-19 PANDEMIC.”

## Jan Luescher, how do you as CEO sum up the 2020 financial year?

The year 2020 presented us with a difficult environment due to Corona. The Corona-related restrictions slowed down our travel business and social distancing did not allow any in-person events. In short: our radius of activity was severely limited. And this, in turn, slowed down the demand for memberships in ASMALLWORLD, First Class & More and The World’s Finest Clubs, as well as the service business. But despite the tough environment, we as a company made the best of the situation and performed well.



## And even increased profits. What was key to this?

Two factors in particular: Firstly, we introduced rigorous cost controls early on. Non-essential investments were postponed, supplier contracts renegotiated, the team downsized and the possibilities for short-time work were used. On the other hand, a clever sales strategy for the products that continued to be in demand, such as the Prestige membership with ASMALLWORLD and the top offers with First Class & More, helped. Thanks to these two factors, we managed to improve our margins and increase profit compared to the previous year despite lower revenues.

**With the COVID-19 situation and lockdowns imposed worldwide, there were some setbacks for ASMALLWORLD as a travel and lifestyle-oriented community – were**

## there also highlights in 2020?

Absolutely, in addition to the mentioned increase in profits and growth in higher-priced memberships with ASMALLWORLD and First Class & More, we successfully launched the ASMALLWORLD Collection, our online hotel booking portal. We have been preparing this product for over a year. The portal has been launched smoothly, is fully functional, and opens up an additional revenue stream for us as soon as the travel environment improves.

## How satisfied are you with the launch of the “ASMALLWORLD Collection”?

We are very satisfied with the product. In terms of user interface and user experience, the ASMALL-

WORLD Collection is one of the best portals in the industry. We have partnered with top hotel brands such as Hyatt, Hilton, Marriott, Shangri-La, and Virtuoso, and can therefore offer a high-quality hotel portfolio. We also offer customers exclusive benefits such as room upgrades, complimentary breakfast, or early check-in/late check-out, which they would not otherwise receive. Despite all these positive aspects, launching a hotel portal at a time of travel restrictions is still a major challenge. As expected, bookings in the first few months after launch were below our initial targets. On the positive, we used the slow start to improve and expand our offering even further, and as soon as travel activity picks up again, we will be ready.



## How did the core business, the social network ASmallWorld, develop last year?

There are two sides to the coin here. One thing is clear: the environment did not help us. The growth targets we set ourselves at the beginning of the year in terms of member growth could not be achieved against these headwinds. Despite this slowdown in signups, the subscription segment still grew 10 percent in monetary terms, mainly due to the positive development in Prestige memberships, as previously mentioned. Further, we managed to keep the membership renewal rate at the previous year's level. This means: Once you are a ASmallWorld member, you stay with us – even in a year with reduced activity.

## How did the redesigned ASmallWorld apps perform which were launched last year?

We had developed the iOS and Android apps on a new, modern platform and implemented a complete redesign in terms of functionalities and user interface in 2019. The new apps are now truly state-of-the-art. Our members really appreciate the apps, which paid off in the last year when most activities took place online instead of offline. But of course, apps like ours are never finished, and we continued to work on improving the user experience over the past year. Further updates are planned throughout 2021, which will make the app even more attractive.

## ASmallWorld had to rely more on online events this year. How did your community accept that?

In 2019, ASmallWorld had held over 1100 physical events; in 2020, we were only able to hold around 300. Despite social distancing restrictions, we wanted to offer our members a diverse and interesting programme; that's why we introduced our first online events in April. This format was new territory for us, but the extremely positive response from members, and the stable membership renewal rate, reinforced our belief that our online events were well received and appreciated by our members. Therefore, we will continue to offer online events, even once physical events are possible again.

## "First Class & More" saw strong growth with its smart luxury travel offering in 2020, which seems surprising given the severely limited travel activity. What were the reasons for this?

Whenever conditions change, new opportunities open up. In terms of First Class & More, this meant that we offered our higher-priced memberships jointly with strategies that allowed customers to achieve frequent flyer status at a low cost – something that is extremely popular with our members. As a result, many customers upgraded to higher-priced memberships, allowing us to expand our share of wallet. Ultimately, this was a critical factor for the growth in the Subscriptions segment.

## What else is worth mentioning that happened in 2020?

Firstly, the Annual General Meeting in April appointed Michael Manz as the new Chairman of the Board of Directors. I greatly appreciate working with him and he is very committed to our current strategy which brings continuity. And secondly, in December we announced that ASmallWorld has been appointed sole sales coordinator for a new luxury wellness resort in the Middle East. We will handle all sales and marketing activities for the apartments and villas of the luxury resort. Based on an estimated market value of USD 600 million for these units, ASmallWorld may receive a sales commission of USD 10 to 15 million.

## After a long period of relative calm for ASmallWorld shares, trading volumes and share price picked up significantly at the turn of the year 20/21. How can this be explained?

I believe this is due to a sum of factors. Certainly, the market had not anticipated that ASmallWorld's business model would prove so robust against the impact of the COVID-19 pandemic, or even that ASmallWorld would be able to increase its profits. I believe this created a lot of confidence. In addition, in the wake of the worldwide vaccination campaigns, a return to normality and thus to travel and events is foreseeable and ASmallWorld is believed to benefit substantially from such a change. Finally, the

“buy” recommendations of our two research banks and the news of the sales agreement for the luxury wellness resort in the Middle East brought ASmallWorld back into focus towards the end of the year.

## The five-year strategy defined in 2017 targets 100,000 members and revenues of at least CHF 20 million by 2022. Is ASmallWorld on track to achieve these goals?

Yes, these targets still apply. However, the slowdown effect of the Corona pandemic may lead to a certain delay in reaching those goals.

## What will 2021 bring for ASmallWorld and where are your priorities in the current year?

We are optimistic that ASmallWorld will benefit greatly when travel and social restrictions are eased. As soon as travel restrictions are relaxed, people will want to travel again which will help our travel business. At that point, people will also want to meet again, which will help our events business and bring back demand for the ASmallWorld membership. In terms of priorities, it is all about improving the effectiveness of our businesses. With the launch of the “ASmallWorld Collection” we have set the final building block of our Travel & Lifestyle ecosystem. Now we can turn our attention from creating new businesses to refining them to drive growth.



## IMPROVED PROFITABILITY DESPITE COVID-19

In 2020, the COVID-19 pandemic created a difficult market environment for ASmallWorld, which limited the company's ability to continue its path of profitable growth. The reduced demand for travel services and events led to an overall sales decline of 7.2%, from CHF 12.9M to CHF 12.0M.

Despite the adverse market environment and a corresponding decline in sales, the company still managed to increase its EBITDA by 2.7%, from CHF 1.45M to CHF 1.49M. The overall EBITDA margin increased by 1.8%-pts., from 10.6% to 12.4%.

ASmallWorld also increased its operating cash flow by an impressive 66.9%, from CHF 0.4M to 0.6M, demonstrating that the company managed to generate more cash from its business than in the previous year.

The improved profitability in the face of a challenging market environment demonstrated the resilience of the company's business model and supports a positive outlook for the company once travel and social distancing restrictions will be eased.

In terms of business unit performance, the two segments developed in opposite directions this year. While the Subscriptions business grew by 10.5%, the Services business declined by 29.9% due to a lack of travel and event revenue. The revenue contribution from Subscriptions was 67% of the company's total revenues, compared to 56% last year, whereas Services contributed 33% compared to 44% in the previous year.

In terms of profitability, Subscriptions still contributed the vast majority of the company's earnings, with CHF 1.2M, while Services contributed CHF 0.3M of a total of CHF 1.5M in EBITDA.

### SUBSCRIPTIONS BUSINESS

The Subscriptions segment increased its revenues by 10.5% to CHF 8.0M, compared to CHF 7.2M in the previous year. The EBITDA margin slightly declined from 19% to 15% due to a shift in the ASmallWorld product mix, from the Access Membership to the Prestige Membership, which has higher costs of goods sold.

The ASmallWorld social network experienced slower demand from new customers due to travel restrictions, a lack of events and social distancing restrictions. As a result, new signups were lower than anticipated at the beginning of the year. At the same time, renewal rates were comparable to 2019, indicating a certain loyalty among existing members, even in difficult times.

ASmallWorld's premium memberships, Prestige and Signature, which come with many travel benefits like air miles from Miles & More or Etihad, and hotel status levels from Jumeirah and Discovery, experienced strong demand during the year and significantly contributed to the growth of the segment.

First Class & More, the group's smart luxury travel business, experienced a similar dynamic as the ASmallWorld community, with slightly lower demand for its entry-level memberships but higher sales of its more expensive Diamant Membership, offered at EUR 999. With clever marketing campaigns, First Class & More managed to sell its higher-price memberships in combination with loyalty and status strategies, which gave members access to in-demand airline status levels.

The World's Finest Clubs, the world's leading nightlife concierge, experienced a challenging year as global nightlife came to a virtual standstill during the pandemic. The company therefore focused on the improvement of its CRM system and a website redesign which will be launched in Q2 2021 to offer customers a higher service level once nightlife activities resume.

## SERVICES BUSINESS

The Services segment saw a decline in revenue by 29.9% from CHF 5.7M to CHF 4.0M. The primary reason was a reduced demand for the company's travel services and drastically reduced event activity due to social distancing restrictions.

Despite the reduction in sales, the EBITDA margins improved for the segment, from 1% to 7%, due to a reduction in cost for the company's travel department. These cost reductions are permanent and will also increase the company's profit in the future.

ASMALLWORLD Private, the company's personalised luxury travel service, saw a significant decline in travel revenue due to global travel restrictions. The business is expected return to higher sales volumes once global travel restrictions will be lifted.

The newly launched ASMALLWORLD Collection experienced a slow start as well. As a new business, however, it did not have any negative impact on the year-on-year comparison. The ASMALLWORLD Collection is expected to grow in revenue and contribution once travel restrictions are lifted.

The number of in-person events for the ASMALLWORLD social network decreased by 73% from over 1'000 events in 2019 to just over 300 in 2020. Attendance declined in a similar fashion. In April, the company introduced multiple online events to make up for the loss in in-person events. In total, close to 400 online events took place over the course of 2020. Members have embraced the new online format and ASMALLWORLD will keep online events in its offering, even when in-person events will return more broadly.

First Class & More managed to grow its services business with the sale of loyalty strategies and travel services as the pandemic created multiple opportunities for its customers to save on travel costs with the right travel strategies.

# CORPORATE GOVERNANCE

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# CORPORATE GOVERNANCE REPORT

Effective corporate governance ensures fairness and transparency towards all stakeholders and particularly shareholders. ASmallWorld AG is committed to protecting the interests of actual and potential investors and to disclosing all relevant information.

The information in this report is based on ASmallWorld AG's articles of association (Articles of Association) and the Directive on Information relating to Corporate Governance

of the SIX Swiss Exchange (Corporate Governance Directive). The information is structured according to the Corporate Governance Directive.

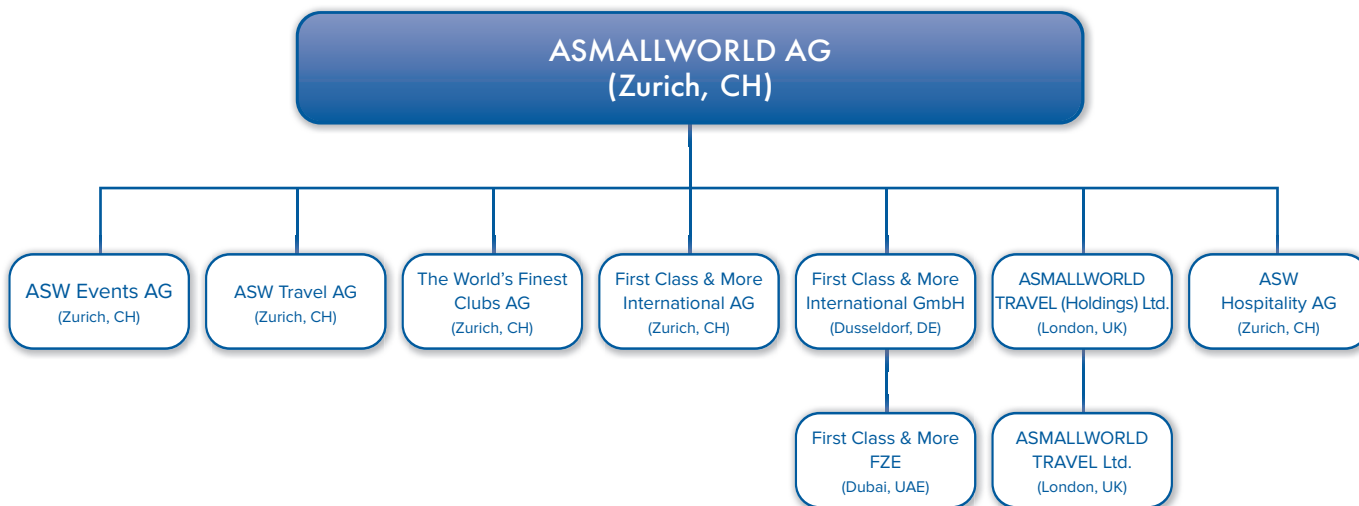
All information on ASmallWorld AG in general as well as ASmallWorld AG's board of directors (the Board of Directors) and ASmallWorld AG's compensation in particular in this report is as of December 31, 2020, unless stated otherwise.

## 1. GROUP STRUCTURE AND SHAREHOLDERS

### 1.1 GROUP STRUCTURE

#### 1.1.1. OVERVIEW

ASSmallWorld AG owns the following legally independent companies (each a Group Company, and all group companies together the ASSmallWorld Group):



Entity	Ownership (%)	Share Capital	Currency
ASW Events AG, Zurich (CH)	100%	100'000	CHF
The World's Finest Clubs AG, Zurich (CH)	100%	150'000	CHF
ASW Travel AG, Zurich (CH)	100%	100'000	CHF
First Class & More International AG, Zurich (CH)	100%	100'000	CHF
First Class & More International GmbH, Dusseldorf (DE)	100%	25'100	EUR
First Class & More FZE, Dubai, (UAE) – indirect participation	(indirect)	100'000	AED
ASMALLWORLD TRAVEL (HOLDINGS) Ltd., London (UK)	100%	241	GBP
ASMALLWORLD TRAVEL Ltd., London (UK) – indirect participation	(indirect)	793'125	GBP
ASW Hospitality AG, Zurich (CH)	100%	100'000	CHF

### 1.1.2. LISTED COMPANIES BELONGING TO THE ASMALLWORLD GROUP

ASMALLWORLD AG, with its registered seat in Zurich, is the only listed company within the scope of consolidation. Its entire share capital is listed on SIX Swiss Exchange (Valor: ASWN; ISIN: CH0404880129). ASMALLWORLD AG reports under SWISS GAAP FER. The market capitalization amounted to CHF 39.6 million as of December 31, 2020.

### 1.1.3. NON-LISTED COMPANIES BELONGING TO THE ASMALLWORLD GROUP

The scope of consolidation comprises the following subsidiaries (unless stated otherwise, ASMALLWORLD AG is the sole shareholder of these Group Companies).

#### ASW Events AG, Zurich, Switzerland

Organization, management and execution of events around the world  
Share capital: CHF 100'000  
Website: [www.asw.com](http://www.asw.com)

#### The World's Finest Clubs AG, Zurich, Switzerland

Awarding the most exclusive nightlife venues, providing concierge service and issuance of a member card  
Share capital: CHF 150'000  
Website: [www.finestclubs.com](http://www.finestclubs.com)

#### ASW Travel AG, Zurich, Switzerland

Organization of bespoke luxury travel arrangements  
Share capital: CHF 100'000

#### First Class & More International AG, Zurich, Switzerland

Subscription based luxury travel information services for English speaking clients  
Share capital: CHF 100'000  
Website: [www.first-class-and-more.com](http://www.first-class-and-more.com)

#### First Class & More International GmbH, Dusseldorf, Germany

Holding company owning First Class & More FZE Dubai  
Share capital: EUR 25'100  
Website: [www.first-class-and-more.de](http://www.first-class-and-more.de)

#### First Class & More FZE, Dubai, United Arab Emirates

Subscription based luxury travel information services in German for DACH region  
Share capital: AED 100'000  
Website: [www.first-class-and-more.de](http://www.first-class-and-more.de)

#### ASMALLWORLD TRAVEL (HOLDINGS) Ltd., London, United Kingdom

Holding company owning ASMALLWORLD TRAVEL Ltd.  
Acquired on February 1, 2019  
Share capital: GBP 241  
Websites: [www.asmallworldprivate.com](http://www.asmallworldprivate.com) & [www.asmallworldcollection.com](http://www.asmallworldcollection.com)

#### ASMALLWORLD TRAVEL Ltd., London, United Kingdom

Luxury travel agency with online booking portal  
Acquired on February 1, 2019  
Share capital: GBP 793'125  
Websites: [www.asmallworldprivate.com](http://www.asmallworldprivate.com) & [www.asmallworldcollection.com](http://www.asmallworldcollection.com)

#### ASW Hospitality AG, Zurich, Switzerland

Management of management of international luxury hotels and resorts  
Founded on February 18, 2019  
Share capital: CHF 100'000  
Website: [www.asmallworldhospitality.com](http://www.asmallworldhospitality.com)

ASMALLWORLD AG is the sole shareholder of these companies.



## 1.2. SIGNIFICANT SHAREHOLDERS

The Federal Act on Financial Market Infrastructures and the Market Conduct in Securities and Derivatives Trading (Financial Market Infrastructure Act; Finanzmarktinfrastrukturgesetz) requires that shareholders and holders of rights to acquire or sell shares or rights relating to shares disclose their direct and indirect holdings if those holdings meet, exceed or fall below certain thresholds of the company's voting rights. The relevant provisions are designed to ensure that material changes in the company's ownership structure and voting rights are transparent for all market participants.

### 1.2.1. SIGNIFICANT SHAREHOLDERS AS OF DECEMBER 31, 2020

As of December 31, 2020, the following entities were significant shareholders of ASmallWorld AG:

• Patrick Liotard-Vogt (directly, indirectly & option rights)	63.78%
• Alexander Koenig (Fabian von Loewenfeld / directly, indirectly & option rights)	9.25%
• HANSAINVEST Hanseatische Investmentgesellschaft GmbH	7.76%

Patrick Liotard-Vogt holds 63.78% of the shares both directly and indirectly through Pellegrino Capital AG (former ASW Capital AG), a company he controls. Furthermore, he has option rights to acquire shares (refer to remuneration report on page 29). The founder of First Class & More, Alexander Koenig (Dr. Fabian Höffer von Loewenfeld), holds 9.25% of the shares directly and indirectly through First Class & More Knowledge GmbH, Dusseldorf, Germany. Furthermore, he has option rights to acquire shares (refer to remuneration report on page 29.) Institutional Investor, HANSAINVEST Hanseatische Investmentgesellschaft GmbH, Hamburg, Germany, holds 7.76% (disclosure notice on January 5, 2019).

Reports of significant shareholders or groups of shareholders filed with the company and the Disclosure Office of SIX Swiss Exchange Ltd in accordance with article 120 or 121 of the Financial Market Infrastructure Act (FMIA) can be viewed on the Disclosure Office's publication platform at <https://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html>

## 1.3. CROSS-SHAREHOLDINGS

No cross-shareholdings of more than 5% of the capital and/or the voting rights exist.

## 2. CAPITAL STRUCTURE

### 2.1. ORDINARY SHARE CAPITAL

ASSmallWorld AG's nominal share capital amounts to CHF 11'367'153.00, divided into 11'367'153 fully paid-up registered shares with a nominal value of CHF 1.00 each. Each registered share carries one voting right.

### 2.2. AUTHORIZED AND CONDITIONAL CAPITAL

#### 2.2.1. AUTHORIZED CAPITAL

The authorized capital in the maximum amount of CHF 1'000'000.00 expired on November 28, 2020.

#### 2.2.2. CONDITIONAL CAPITAL

The conditional capital amounts to CHF 995'000.00. This corresponds to 8.8% of the share capital. The conditional capital is available to enable the members of the Board of Directors and employees of ASSmallWorld AG at all levels of seniority to exercise the option rights they have acquired within the framework of the participation plan. For this purpose, ASSmallWorld AG may issue a maximum of 995'000 shares with a nominal value of CHF 1.00 each. Only the bearers of such options shall be entitled to obtain such new registered shares. The advance subscription right and the pre-emptive right of the shareholders of ASSmallWorld AG shall be excluded. The conditions for the issuance, including the issue price, date of dividend rights, type of contribution and the participation plan are set by the Board of Directors. The shares may be issued below the market price.

### 2.3. CHANGES IN CAPITAL

There has been no change in the share capital of AS SMALL-WORLD AG in the reporting period. An overview of the changes in capital over the past three years is presented below:

<b>Date</b>	<b>Measure</b>	<b>Share capital</b>	<b>Share capital new</b>
December 20, 2017	Ordinary capital increase	CHF 200'000.00, divided into 2'000 shares with a nominal value of CHF 100.00 each	CHF 7'992'153.00, divided into 7'992'153 shares with a nominal value of CHF 1.00 each
January 16, 2018	Ordinary capital increase	CHF 7'992'153.00, divided into 7'992'153 shares with a nominal value of CHF 1.00 each	CHF 8'092'153.00, divided into 8'092'153 shares with a nominal value of CHF 1.00 each
February 20, 2018	Ordinary capital increase	CHF 8'092'153.00, divided into 8'092'153 shares with a nominal value of CHF 1.00 each	CHF 8'137'153.00, divided into 8'137'153 shares with a nominal value of CHF 1.00 each
May 31, 2018	Authorized capital increase	CHF 8'137'153.00, divided into 8'137'153 shares with a nominal value of CHF 1.00 each	CHF 8'862'153.00, divided into 8'862'153 shares with a nominal value of CHF 1.00 each
December 20, 2018	Authorized capital increase	CHF 8'862'153.00, divided into 8'862'153 shares with a nominal value of CHF 1.00 each	CHF 11'362'153.00, divided into 11'362'153 shares with a nominal value of CHF 1.00 each
December 31, 2018	Option Plan exercise	CHF 11'362'153.00, divided into 11'362'153 shares with a nominal value of CHF 1.00 each	CHF 11'367'153.00, divided into 11'367'153 shares with a nominal value of CHF 1.00 each

### 2.4. SHARES AND PARTICIPATION CERTIFICATES

The total number of registered shares at year end 2020 is 11'367'153 with a nominal value of CHF 1.00 each. There are no participation or profit-sharing certificates. Each registered share carries one voting right and entitles to a dividend. The registered shares are fully paid-up.

### 2.5. DIVIDEND-RIGHT CERTIFICATES

There were no dividend right certificates issued. No dividends have been paid in 2020 and there are no plans to pay out dividends for the period 2020 in 2021.

## 2.6. LIMITATIONS ON TRANSFERABILITY AND NOMINEE REGISTRATIONS

### 2.6.1. LIMITATIONS ON TRANSFERABILITY

The Board of Directors maintains a share register listing the surname and first name (in case of legal entities, the company name) and address of each holder and usufructuary of registered shares. Only those registered in the share register are recognized as shareholders or usufructuaries by ASMALLWORLD AG. Upon request, a shareholder's voting rights shall be recorded in the share register, provided the shareholder explicitly acknowledges to have acquired the shares in its own name and for its own account. 820'000 registered shares held directly or indirectly by Alexander Koenig (Fabian von Loewenfeld) were subject to a lock-up agreement until October 2020. No other lock-up arrangements are in place.

### 2.6.2. EXCEPTIONS

No exceptions have been granted during the year under report.

### 2.6.3. NOMINEES

ASMALLWORLD AG does not have any nominees.

## 3. BOARD OF DIRECTORS

### 3.1. MEMBERS OF THE BOARD OF DIRECTORS

#### 3.1.1. GENERAL RESPONSIBILITIES

The Board of Directors is responsible for the supervision and control of the executive management of ASMALLWORLD Group. It appoints and monitors the members of the executive management of ASMALLWORLD Group and periodically revises and signs off ASMALLWORLD Group's strategy. The Board of Directors acts as a collective body, issues the necessary directives and guidelines, establishes ASMALLWORLD Group's organization and risk policy and is briefed about the course of business on a regular basis. The Board of Directors has the necessary leadership skills, expertise and experience in digital business models, hospitality business models, and travel business models. In addition to the main business areas, all areas including finance and accounting as well as risk management are competently represented.

#### 3.1.2. INDIVIDUAL MEMBERS OF THE BOARD OF DIRECTORS

The following table sets forth name, year of birth, nationality, function, professional background, other activities and vested interests, and education of each member of the Board of Directors as of year-end 2020:

Name, year of birth, nationality	Function	Member since	Professional background, other activities, vested interests and education
Michael Manz, born 1980, CH	Chairman of the Board of Directors; Chairman of the Compensation Committee; Chairman of the Audit Committee	2018	Michael Manz is an entrepreneur and investor in hospitality and tourism. He was born in Switzerland in 1980 and represents a family tradition in hospitality of over 125 years. He holds a Masters of Music degree from Zurich Conservatory and an MBA from SDA Bocconi School of Management. As founding partner of the boutique hospitality firm 'Swiss Hospitality Partners' he strategically consults owners all over the world and as founder and board member of 'Swiss Hospitality Collection' he started a company that was able to sign over 40 hotels and became the largest in its field in the last four years. He is also member on the board of 'Oro Verde Hotels' in Ecuador, a company that manages a portfolio of seven hotels in South America. Finally, he is responsible for bringing the Ritz Carlton brand to Switzerland by opening their first hotel in Geneva, the Ritz Carlton hotel de la Paix. Michael Manz lives in Malta, is married and has three children. Michael Manz is a non-executive member of the Board of Directors and has never been a member of the Executive Management of ASMALLWORLD AG or any of its Group Companies. He has no material business relationship with the companies of ASMALLWORLD AG.

Name, year of birth, nationality	Function	Member since	Professional background, other activities, vested interests and education
Jan Luescher, born 1981, CH	Member of the Board; Member of the Audit Committee; Chief Executive Officer	2017	Jan Luescher is a member of the Board of Directors and also CEO of ASmallWorld AG. He joined ASmallWorld AG in November 2016. He was born in Zurich in 1981 and is a Swiss citizen. He holds a Master's degree in Business Administration (MBA) from the Nanyang Business School in Singapore and a Master from the University of St. Gallen in Switzerland. Before joining ASmallWorld AG, Jan Luescher worked at Bain & Company, a leading strategy consulting firm, for over ten years and was stationed in Zurich, Johannesburg and New York. He primarily focused on strategy definition and execution, consumer-centric organizational design and performance improvement. In his position as Chief Executive Officer (CEO) of ASmallWorld AG, Jan Luescher is in charge of executing the company's growth strategy and has ultimate responsibility for the brand and product strategy. Jan Luescher is a member of the Executive Management of ASmallWorld AG and an executive member of the Board of Directors. He has no material business relationship with the companies of ASmallWorld AG.
Alexander Koenig (Dr. Fabian Höffer von Loewenfeld), born 1975, DE	Member of the Board; Member of the Compensation Committee	2018	Alexander Koenig (Dr. Fabian Höffer von Loewenfeld) is the founder of First Class & More and a highly recognized expert in hospitality and tourism with a particular focus on loyalty programs. He was born in Munich in 1975 and is a German citizen. He holds a PhD and a Master in Business Management from the University of Mainz in Germany. He started his professional career in 2000 as a consultant at the Boston Consulting Group (BCG). In 2004, he joined McKinsey & Co, where he was part of the European Marketing Practice. In 2008, he moved to Dubai and worked several years as the Head of Branding and Market Research for Emirates NBD. During his time in Dubai he started his own company, First Class & More, in 2009 and finally left Emirates NBD in 2012 to build what is now the leading German insider portal for luxury travel. In 2018, First Class & More became a part of ASmallWorld Group and Alexander Koenig is an executive member of the Board of Directors of the First Class & More International AG and Managing Director of First Class & More FZE, both subsidiaries of ASmallWorld AG. Furthermore, Alexander Koenig is an executive member of the Board of Directors of ASmallWorld AG. He has no material business relationship with the Group Companies of ASmallWorld AG.

Name, year of birth, nationality	Function	Member since	Professional background, other activities, vested interests and education
Patrick Liotard-Vogt*, born 1984, CH	Until 17th April 2020: Chairman of the Board of Directors; Chairman of the Compensation Committee; Chairman of the Audit Committee	2012	Patrick Liotard-Vogt, born 1984, a Swiss citizen, began his career early on as entrepreneur and investor in 2002. He has been active in the digital media space ever since and served as member of the board of directors of Amiado AG (operator of www.students.ch) and chairman of the board of Avivum AG (operator of www.usgang.ch), both of which were sold to Axel Springer Schweiz AG in private M&A transactions. From 2012–2013 he served on the board of directors of Sallfort Privatbank AG, a private bank based in Zurich and between 2011 and 2014 on the board of directors of Diners Club Schweiz AG. Patrick Liotard-Vogt is also active in the real estate sector in Switzerland and the Caribbean; he co-founded and chairs REP Real Estate Projects AG since 2007. Furthermore, he acts as chairman of the board of directors of ASW Capital AG as well as chairman of the ASMALLWORLD Foundation since its inception in 2012. He holds a Bachelor of Science FH in Banking & Finance from PHW in Zurich. Patrick Liotard-Vogt is a non-executive member of the Board of Directors and has never been a member of the Executive Management of ASMALLWORLD AG or any of its Group Companies. He has no material business relationship with the companies of ASMALLWORLD AG.

(\*) Patrick Liotard-Vogt has decided not to stand for re-election to the Board of Directors at the Annual General Meeting (AGM) held on 17th April 2020.

### 3.2. COMPENSATION, SHAREHOLDING AND LOANS

No loans have been granted to members of the Board of Directors or ASMALLWORLD AG's executive management (Executive Management). For additional information please refer to section 5 below and to the Remuneration Report on page 29.

### 3.3. RESTRICTIONS OF ADDITIONAL ACTIVITIES

Issuers that are subject to the Swiss Ordinance against Excessive Compensation at Listed Joint-Stock Companies (OaEC or VegüV; Verordnung gegen übermässige Vergütungen bei börsenkotierten Aktiengesellschaften) are required to provide information on the number of permitted activities for members of the Board of Directors and for members of ASMALLEWORLD AG's executive management (the Executive Management).

Members of the Board of Directors may exercise functions on senior management level or as members of boards of other entities that are obliged to be entered into the Swiss commercial register or a comparable foreign register only if these activities are compatible with their workloads and responsibilities at ASMALLWORLD AG. The number of such additional functions is limited to 25, of which no more than five may be functions with listed companies, ten may be functions with non-listed other entities, and ten may be non-remunerated functions. Functions at companies that are part of the same group of companies are deemed to constitute one function. Excluded from these limitations are functions that members of the Board of Directors exercise based on the direction of ASMALLWORLD AG.

### 3.4. ELECTION AND TERM OF OFFICE

The Shareholders Meeting elects all members of the Board of Directors individually for a term of one year. The term of office of the members of the Board of Directors and the chairman of the Board of Directors (Chairman) expires not later than together with the closure of the following ordinary Shareholders Meeting. There are no further restrictions on the term of office or re-election of members of the Board of Directors.

The rules in the Articles of Association governing the appointment of the chairman, the members of ASMALLWORLD AG's compensation committee (Compensation Committee) and the independent voting proxy comply with the standard laid down by the OaEC. If the Chairman of the Board of Directors does not exercise his or her office until the end of the term of office, the Board of Directors shall elect a replacement from amongst its members for the period until the following Shareholders Meeting.

The Board of Directors consists of two or more members. Decisions are taken by the entire Board of Directors, based on the majority of the votes present. If a vote results in a tie, the Chairman takes the final decision. In the case of routine matters and in urgent cases, the Board of Directors may accept or reject applications in writing, unless at least one member requests a meeting. For support and in order to ease its own workload, the Board of Directors has established an audit committee (Audit Committee) as well as a compensation committee (Compensation Committee). These committees prepare decisions relating to their topics, and also submit motions to the Board of Directors. In view of the number of directors, no further committees are required. The entire Board of Directors decides whether or not a committee is necessary. Members of the Board of Directors abstain from voting on matters that directly conflict with their own interests or the interests of natural persons or legal entities with which they are associated.

### 3.5. INTERNAL ORGANIZATIONAL STRUCTURE AND DIVISION OF RESPONSIBILITIES

#### 3.5.1. BOARD OF DIRECTORS

Pursuant to the Swiss Code of Obligations as well as to the Articles of Association and internal organizational regulations, the Board of Directors has the following duties:

- the ultimate direction of the business of ASMALLWORLD AG and the issuance of the necessary instructions;
- the determination of the organization of ASMALLWORLD AG;
- the regulation of accounting, financial control and financial planning;
- the appointment and removal of the persons entrusted with the management and representation of ASMALLWORLD AG;
- the ultimate supervision of the persons entrusted with the management of ASMALLWORLD AG, specifically in view of their compliance with law, these Articles of Association, the regulations and directives;
- the preparation of the business report and the remuneration report as well as the preparation of the Shareholders Meeting and the implementation of their resolutions;
- the adoption of resolutions concerning an increase in share capital to the extent that such power is vested in the Board of Directors (art. 651 para. 4 of the Swiss Code of Obligations) and of resolutions concerning the confirmation of capital increases and corresponding amendments of the Articles of Association, as well as making the required report on the capital increase;
- the examination of the professional qualifications of the qualified auditors;
- the notification of the court if liabilities exceed assets.

The Board of Directors meets as often as business requires, at least four times per year. These meetings usually take half a day.

In 2020, the Board of Directors had four ordinary meetings. In the year under report, the Board of Directors has met with all members present. If required, the Board of Directors has invited members of the Executive Management and external consultants to join meetings in the year under report.

### 3.5.2. CHAIRMAN OF THE BOARD OF DIRECTORS

The Chairman of the Board of Directors, Michael Manz, has the following duties:

- the chairmanship of the Board of Directors as a whole;
- the preparation of the agenda for the Shareholders Meetings and the meetings of the Board of Directors;
- the convening of the meetings of the Board of Directors;
- the chairing of the Shareholders Meetings and the meetings of the Board of Directors;
- the monitoring of the implementation of the decisions taken by the Board of Directors;
- the keeping of the share register, whereas the administration of the register may be delegated to a suitable service provider;
- the keeping of ASMALLWORLD AG's records, documents and minutes;
- the internal and external representation of the Board of Directors;
- the shaping of ASMALLWORLD AG's strategy, communication and culture.

### 3.5.3. COMPENSATION COMMITTEE

According to the Articles of Association, the Shareholders Meeting elects a Compensation Committee consisting of two or more members. The members of the Compensation Committee are elected individually. Only members of the Board of Directors are eligible for election. The ordinary term of office for the members of the Compensation Committee ends at the latest with the closing of the ordinary Shareholders Meeting following their election. Re-election is admissible. The Compensation Committee constitutes itself. If the Compensation Committee is not fully staffed, the Board of Directors elects the missing members for the rest of the ordinary term.

The task of the Compensation Committee is to prepare the information relevant for the resolution of the Board of Directors concerning the compensation of members of the Board of Directors and members of the Executive Management, and to submit a corresponding proposal to the Board of Directors. Based on the information provided by the Compensation Committee and the proposal of the Compensation Committee, the Board of Directors resolves on the compensation of the members of the Board of Directors and the members of Executive Management, and submits these resolutions to the Shareholders Meeting, which will vote on the

matter in accordance with art. 26d of the Articles of Association. To fulfil its duties, the Compensation Committee may consult other persons and external consultants and have them participate in its meetings. In particular, the chair of the Compensation Committee may invite other persons to the meetings of the committee. Such additional attendees do not have any voting rights. The Board of Directors may assign further tasks to the Compensation Committee.

The Compensation Committee meets at least once a year. These meetings usually take two to four hours.

Michael Manz and Alexander Koenig (Dr. Fabian Höffer von Loewenfeld) were members of the Compensation Committee for 2020. Patrick Liotard-Vogt has resigned with effect as of April 17, 2020 from his role as Chairman of the Board and thereof as Chairman of the Compensation Committee. In 2020, the Compensation Committee had two meetings.

### 3.5.4. AUDIT COMMITTEE

The tasks of the Audit Committee are to review and assess the effectiveness of the statutory auditors, in particular, their independence from ASMALLWORLD AG. In connection therewith, the Audit Committee reviews, in particular, additional assignments given by ASMALLWORLD AG or its subsidiaries to the statutory auditors, which may compromise the auditors' independence. The Audit Committee may issue binding regulations or directives in connection with such additional assignments. Further, the Audit Committee reviews and assesses the scope and plan of the audit, the examination process and the results of the audit, and examines whether the recommendations issued by the auditors have been implemented by management. It also reviews the auditors' reports in order to discuss their contents with the auditors and with the Executive Management, and approves the terms and conditions of the engagement of the auditors.

The Audit Committee meets at least once a year. The meetings usually take two to four hours.

Michael Manz and Jan Luescher were members of the Audit Committee for 2020. Patrick Liotard-Vogt has resigned with effect as of April 17, 2020 from his role as Chairman of the Board and thereof as Chairman of the Audit Committee. In 2020, the Audit Committee had three meetings.

### 3.6. INFORMATION AND CONTROL INSTRUMENTS VIS-À-VIS EXECUTIVE MANAGEMENT

#### 3.6.1. DUTY TO REPORT

The Chief Executive Officer of ASmallWorld AG regularly reports to the Board of Directors about the performance of the companies in the ASmallWorld Group and the fulfilment of the Chief Executive Officer's tasks. The Chief Executive Officer may inform all of the members of the Board of Directors in writing or orally on the occasion of a board meeting. The Chief Executive Officer also provides reports on ASmallWorld AG's financial situation to the other members of the Board of Directors on a regular basis, and unsolicited points out unforeseen financial liabilities. Irrespective of the regular reporting, the Chief Executive Officer also immediately informs the members of the Board of Directors about events that might have a substantial impact on the course of business, such as in particular:

- planned changes in the Executive Management;
- events that might significantly impair the financial situation of Group Companies (e.g. impending lawsuits, hacking attacks, etc.); and/or
- significant irregularities in the management of ASmallWorld AG.

#### 3.6.2. RISK MANAGEMENT SYSTEM

An impeccable reputation among ASmallWorld members, investors, creditors, business partners and the public is a core asset for the ASmallWorld Group. Managing risks effectively contributes to build a reputation and is essential for sound and efficient business operations. Therefore, the correct assessment, the careful and conscious handling and the systematic monitoring of all important risks is crucial for ASmallWorld AG's long-term success. No business activity is free of risks. In the fields in which ASmallWorld AG operates directly or indirectly through a Group Company, we are exposed to very particular and complex risks, especially in connection with technology, digital services, cyberattacks, underlying travel service providers, etc. ASmallWorld Group generally avoids activities with an unfavorable risk/return ratio and enters a business field only if it believes it has the human and technical resources to adequately control the risks.

In the area of community management, operations of online luxury travel booking platforms and subscription-based information services, we are exposed to many different technical risks relating to the underlying technology we use. Furthermore, we are confronted with potential cyberattacks and identity theft, which forces us to take the right measures to protect our various platforms. The overall responsibility for

the risk management lies with ASmallWorld AG's Board of Directors. It defines the risk policy, issues organizational, business and competence regulations and draws up a risk analysis every year.

#### 3.6.3. INTERNAL AUDIT

ASmallWorld AG does not have an internal audit function.

#### 3.6.4. RIGHT TO REQUEST INFORMATION

Insofar as this is necessary to fulfill their duties, each member of the Board of Directors may inspect the financial records and documents, and the Chairman of the Board of Directors may demand information from the Chief Executive Officer about the performance of the business and about individual transactions. If the Chairman or the Chief Executive Officer rejects a request for information, for a hearing or an inspection, then this matter shall be decided by the Board of Directors.

## 4. EXECUTIVE MANAGEMENT

### 4.1. RESPONSIBILITIES

#### 4.1.1. EXECUTIVE MANAGEMENT

The Executive Management of ASmallWorld AG is responsible for the management of the entire company. Together with the Board of Directors it is responsible for developing the business strategy of ASmallWorld AG and its companies. It discusses the focus of the subsidiary companies and of the business units in terms of strategy, corporate culture and business philosophy as well as inter-departmental projects of personnel, risk policy or market profile nature. The Executive Management has the necessary leadership skills, expertise and experience in the sector ASmallWorld AG operates in.

#### 4.1.2. CHIEF EXECUTIVE OFFICER

In accordance with the law and the Articles of Association as well as the internal organizational regulations, the Chief Executive Officer is responsible for the management and representation of ASmallWorld AG externally. The responsibilities of the Chief Executive Officer include in particular:

- organizing, managing and monitoring the business activities at the operative level;
- submitting proposals to the Board of Directors concerning the appointment of members of the Executive Management;
- organizing, managing and monitoring the accounting system, the financial controls and the financial reporting; and
- preparing the passing of resolutions by the Board of Directors.



## 4.2. INDIVIDUAL MEMBERS OF THE EXECUTIVE MANAGEMENT

The following table sets forth the name, year of birth, nationality and function, professional background, other activities and vested interests, and education of each member of the Executive Management as of year-end 2020:

<b>Name, year of birth, nationality</b>	<b>Function</b>	<b>Member since</b>	<b>Professional background, other activities, vested interests and education</b>
Jan Luescher, born 1981, CH	Chief Executive Officer (CEO)	2016	Jan Luescher holds a Master's degree in Business Administration (MBA) from the Nanyang Business School in Singapore and a Master from the University of St. Gallen in Switzerland. Before joining ASMALLWORLD AG, Jan Luescher worked at Bain & Company, a leading strategy consulting firm, for over ten years and was stationed in Zurich, Johannesburg and New York.
Daniel Sutter, born 1985, CH	Head of Finance & Controlling	2019	Daniel Sutter is a Swiss Certified Public Accountant and holds a Bachelor's degree in Business Administration from the University of St. Gallen. Before joining ASW, Daniel worked as an auditor at PwC for 8 years where he was leading audits of national and international SMEs and large listed international corporations. Furthermore, he specialised in the area of consolidated financial statements in accordance with Swiss GAAP FER.
Alexander Koenig (Dr. Fabian Höffer von Loewenfeld), born 1975, DE	Managing Director of the First Class & More International AG	2019	Alexander Koenig is founder of First Class & More and an expert in hospitality and tourism with a focus on loyalty programs. He was born in Munich in 1975 and is a German citizen. Alexander holds a PhD and Master in Business Management from the University of Mainz in Germany. He started his professional career in 2000 as a consultant at the Boston Consulting Group. In 2004 he joined McKinsey & Co. where he was part of the European Marketing Practice. In 2008, he moved to Dubai and worked several years as the Head of Branding and Market Research for Emirates NBD. During his time in Dubai, Alexander started his own company First Class & More which became the leading German insider portal for smart luxury travel. In 2018, First Class & More became part of the ASW Group and Alexander Koenig is now Managing Director of the First Class & More International AG.

The members of the Executive Management do not hold any public or political office or a permanent management or advisory function for important Swiss or foreign interest groups. For reasons of materiality, the term 'other activities' as used herein only covers activities for entities which are subject to a regular audit.

#### 4.3. RESTRICTION OF ADDITIONAL ACTIVITIES

Members of the Executive Management may occupy positions or exercise functions in the highest managing or supervising body of other entities that are obliged to be entered into the Swiss commercial register or a comparable foreign register only if these additional activities are compatible with their workloads and responsibilities at ASMALLWORLD AG. Additional remunerated activities are subject to the approval of the Board of Directors. The number of additional functions is limited to 25, of which no more than five may be functions with listed companies, ten may be functions with non-listed other entities, and ten may be non-remunerated functions. Functions at companies that are part of the same group of companies are deemed to constitute one function. Excluded from these limitations are functions that members of the Executive Management exercise based on the direction of ASMALLWORLD AG.

#### 4.4. CHANGES DURING THE REPORTING PERIOD

In the year under report, there were no changes in the Executive Management.

#### 4.5. MANAGEMENT CONTRACTS

ASMALLWORLD AG has no management contracts.

### 5. COMPENSATION, SHAREHOLDINGS AND LOANS

This information is provided in sections 1 and 2 of the Remuneration Report on page 29.

### 6. SHAREHOLDERS' PARTICIPATION RIGHTS

#### 6.1. RESTRICTIONS ON VOTING RIGHTS AND REPRESENTATION

##### 6.1.1. RESTRICTIONS ON VOTING RIGHTS

The Board of Directors maintains a share register, where the surname and first name (in case of legal entities, the company name) and address of each holder and usufructuary of registered shares are registered. Each share listed in the share register entitles the holder to one vote. Entry in the share register is contingent upon proof that the share has been acquired for ownership or for the establishment of a usufruct. Vis-à-vis ASMALLWORLD AG, shareholders or usu-

fructuaries' shall be deemed to be only those persons who are recorded in the share register. Further information about the registration conditions is set out in the section "Limitations on transferability and nominee registrations".

If an entry in the share register was based on false information by the shareholder, ASMALLWORLD AG may cancel the entry after a hearing with the nominee. The shareholder must be notified immediately after the cancellation.

Changes to the statutory provisions and restrictions on the transferability of shares are subject to the approval of two thirds of the represented votes and the absolute majority of the represented nominal share values at the Shareholders Meeting. Shareholders may only exercise their voting rights if they are recorded as shareholders with voting rights in the share register of ASMALLWORLD AG. No exemptions to these provisions were granted during the year under report. The rules pertaining to participation at the Shareholders Meeting correspond to the rules of the Swiss Code of Obligations.

#### 6.1.2. INSTRUCTIONS ISSUED TO THE INDEPENDENT VOTING RIGHTS PROXY

Shareholders may issue powers of attorney and instructions to the independent voting rights proxy up to ten days before the start of the Shareholders Meeting. Specific instructions may be issued in respect of motions that are listed in the invitation to the Shareholders Meeting, as well as general instructions on unannounced motions or new agenda items. The Board of Directors defines the rules that are to be used for the issue of powers of attorney and instructions.

#### 6.2. QUORUMS PURSUANT TO THE ARTICLES OF ASSOCIATION

The conversion of registered shares into bearer shares as well as the liquidation and dissolution of ASMALLWORLD AG are only possible with the consent of the Shareholders Meeting. The minimum quorum required is two thirds of the represented voting rights as well as the absolute majority of the nominal share value represented. All other arrangements correspond to the provisions of art. 703 and 704 of the Swiss Code of Obligations.

#### 6.3. CONVENING SHAREHOLDERS MEETINGS

ASMALLWORLD AG's procedures to convene the Shareholders Meetings are in line with the provisions of the Swiss Code of Obligations.

## 6.4. AGENDA

The agenda for the Shareholders Meetings is set by the Board of Directors. One or more shareholders with the registered right to vote who own shares of ASmallWORLD AG representing at least one million Swiss Francs of the share capital of ASmallWORLD AG may request no later than 30 days prior to the day of the Shareholders Meeting that an item be included in the agenda. Such request must be made in writing and specify the proposed motions.

## 6.5. ENTRY IN THE SHARE REGISTER

The Board of Directors sets the deadline for entries in the share register and notifies the shareholders in the invitation to the annual Shareholders Meeting. The share register typically closes 23 days prior to the annual Shareholders Meeting.

## 7. CHANGES OF CONTROL AND DEFENCE MEASURES

### 7.1. MANDATORY PUBLIC TAKE-OVER OFFER – OPTING OUT

According to art. 30 of the Articles of Association, a person who acquires shares in ASmallWORLD AG is not required to make a public offer pursuant to the relevant provisions of the Financial Market Infrastructure Act.

### 7.2. CHANGES OF CONTROL

No change-of-control clauses are included in the Articles of Association, in agreements or plans in favor of members of the Board of Directors, the Executive Management and/or the management.

## 8. AUDITORS

### 8.1. DURATION OF THE MANDATE AND TERM OF OFFICE OF THE HEAD AUDITOR

The Shareholders Meeting held on April 17, 2020, elected PricewaterhouseCoopers Ltd (PwC) as external auditor of ASmallWORLD Group for the 2020 financial year. PwC has held this mandate since 2012, and Thomas Wallmer has been the head auditor in charge since 2016. This makes him

eligible for another two years until the legally required rotation is due. Swiss law states a maximum statutory period of seven years for companies with registered offices in Switzerland. After this period the head auditor must be changed.

### 8.2. AUDITING FEES

The fees charged by PwC for the performance of their legally prescribed duties in connection with the audit amounted to CHF 85'000 for the financial year 2020 (2019: CHF 95'000).

### 8.3. ADDITIONAL FEES

In 2020, PwC did not perform any additional services and therefore, did not charge any additional fees.

### 8.4. INFORMATION INSTRUMENTS EXERCISED BY EXTERNAL AUDITORS

The Audit Committee oversees the external auditing in terms of performance, amount of audit fees and independence. It acknowledges the audit objectives and the audit plan, where these are not defined by supervisory authorities. It peruses the auditors' findings, recommendations and reports and monitors the scope and organization of the audit activities. Finally, it assesses the quality of the audit, the compensation and the conditions of the auditors. In order to assess the work of the external auditors, the Audit Committee holds meetings with the Head of Finance & Controlling, the responsible head auditor and the senior auditor. Evaluation criteria include qualifications, expertise, independence and achievements of the various audit teams as well as of the head auditor. These criteria are also relevant for the procedure regarding the selection of the external audit firm. The Audit Committee identifies potential conflicts of interests with the auditors, especially where they take on additional consultancy mandates. The external auditors review the annual statements with the members of the Audit Committee and attend additional meetings upon request. The members of the Audit Committee discuss their feedback on the auditors' work as well as on the cooperation with the head auditor in charge on a regular basis via meetings in person or over conference calls. The Audit Committee reports to the Board of Directors on a yearly basis. During the year under report, the external auditors attended one meetings of the Audit Committee. The Head of the Audit Committee briefs the members of the Board of Directors on the auditing activities on an as needed or required basis.

## 9. INFORMATION POLICY

### 9.1. REGULAR PROVISION OF INFORMATION

ASMALLWORLD AG has a policy of communicating with shareholders, the capital market and the public in a transparent, comprehensive and regular, proactive manner. Regular reporting to shareholders includes publication of the annual and half-yearly reports, shareholder letters, the holding of media and analysts' conferences as well as of Shareholders Meetings. In addition, ASMALLWORLD AG takes part in conferences for financial analysts and investors on a regular basis. Such information dates are public and announced well in advance. In accordance with the SIX Listing Rules and the Financial Market Infrastructure Act, ASMALLWORLD AG discloses any price-relevant or current information to all investors. These services comply with the requirements of the Directive on Ad hoc Publicity of SIX Swiss Exchange. Ad hoc notices are distributed to the following: SIX Exchange Regulation, at least two electronic information systems widely used by professional market participations, at least two Swiss newspapers of national importance, all interested parties upon request.

### 9.2. PERMANENT SOURCE OF INFORMATION

ASMALLWORLD AG publishes information simultaneously for all market participants and interested parties on [www.asmallworldag.com](http://www.asmallworldag.com). Under the section "IR NEWS" ([www.asmallworldag.com/ir-news](http://www.asmallworldag.com/ir-news)), interested parties can put their names on a mailing list if they want to be kept informed automatically about our corporate news.

### 9.3. CONTACT ADDRESSES

The main contact address is ASMALLWORLD AG, Löwenstrasse 40, 8001 Zurich, Switzerland. The corporate website is available at [www.asmallworldag.com](http://www.asmallworldag.com). The phone number is +41 (44) 215 5025 and the e-mail is [info@asmallworldag.com](mailto:info@asmallworldag.com). Further contact details are found on the website of SIX Swiss Exchange:

<https://www.six-group.com/en/products-services/the-swiss-stock-exchange/market-data/shares/share-explorer/share-details.html?valord=CH0404880129CHF4#/>

### 9.4. RELEVANT CHANGES SINCE BALANCE SHEET DATE

There are no relevant changes since balance sheet date to be reported.

### 9.5. FINANCIAL AGENDA

<b>Annual report:</b>	<b>March 18, 2021</b>
<b>Earnings call:</b>	<b>March 18, 2021</b>
<b>Annual General Meeting:</b>	<b>April 30, 2021</b>
<b>Closing of exercise:</b>	<b>December 31, 2021</b>

Latest dates and further calendar information is available on [www.asmallworldag.com](http://www.asmallworldag.com).

## REMUNERATION REPORT

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# REMUNERATION REPORT

## 1. COMPENSATION, SHAREHOLDINGS AND LOANS

In this Remuneration report, all information on ASmallWorld AG, in general, as well as on ASmallWorld AG's board of directors (the Board of Directors) or executive management (the Executive Management) and ASmallWorld AG's compensation, in particular, is as of December 31, 2020, unless stated otherwise.

No loans have been granted to members of the Board of Directors or to members the Executive Management.

### 1.1. CONTENT AND METHOD OF DETERMINING THE COMPENSATION AND THE SHAREHOLDING PROGRAMMES

#### 1.1.1. BASIC PRINCIPLES AND ELEMENTS OF THE COMPENSATION

The compensation is in line with ASmallWorld AG's articles of association (the Articles of Association) and regulations as well as with the Swiss Ordinance against Excessive Compensation at Listed Joint-Stock Companies (OaEC or VegüV; Verordnung gegen übermässige Vergütungen bei börsenkotierten Aktiengesellschaften). The remunerations also comply with the recommendations of the Directive on Information relating to Corporate Governance of the SIX Swiss Exchange (Corporate Governance Directive). OaEC specifically bans termination payments, advance remunerations and commissions for the takeover of companies. None of ASmallWorld AG's remunerations fall into any of these categories. FINMA's Circular 2010/1 "Remuneration Systems" has been in force since January 1, 2010. The circular is primarily relevant for banks, securities dealers and other financial institutions as defined in the circular. Although ASmallWorld AG does not fall under the definition of financial institutions as defined in the circular, it uses the recommendations as guidance for its remuneration principles.

The compensations of the members of the Board of Directors and the members of the Executive Management shall be adequate, competitive and performance-oriented and shall be set in line with the strategic goals as well as the success of ASmallWorld AG.

**Adequate:** Adequacy is the basis of a fair remuneration system and ensures that nobody is discriminated against. For this reason, the function of a person (skills and responsibility), and the level of effort and personal involvement required in the success of ASmallWorld AG are considered when determining compensation. In certain functions, experience or specific know-how are also important components.

**Competitive:** ASmallWorld AG needs a competitive compensation system to recruit and retain the best employees to accomplish its mission. For this reason, it is orientated towards the compensation models of companies that compete with ASmallWorld AG for talent. Companies in competition with ASmallWorld AG for talent include public and private Western European and North American firms in the technological sector, established companies or start-ups, with digital business models.

**Performance-oriented:** At ASmallWorld AG, compensation reflects first and foremost the performance of the employee. In addition to the individual performance, the work within a team and across departments is also encouraged and recognised. In addition to the fixed remuneration, compensation may also contain variable components – above all where the individual performance is measurable and contributes directly towards the success of the business. Performance metrics include qualitative metrics like co-worker reviews, client feedback, overall commitment to the company, personal exposure in the role, level of responsibility. Further quantitative metrics support the assessment, and metrics include but are not limited to revenue growth, member growth, success in reaching pre-defined technological milestones etc.

In line with strategic goals: Corporate culture at ASmallWORLD AG is based on long-term success. This is demonstrated by the continuous success of our services, events, platforms and products, as well as by the development of the employees in particular. The compensation system is therefore designed to support ASmallWORLD AG's long-term development, and for this reason, the variable components in particular are structured in such a way that members of the Executive Committee receive a part of their variable compensation in the form of options on shares in ASmallWORLD AG vesting over a certain time period. This supports their long-term commitment and brings their interests into line with those of ASmallWORLD AG and its investors.

Note that no member of the Board of Directors received a 'golden handshake', and no additional compensation is to be received by members of the Board of Directors in the event of a change of control.

## 1.1.2. RESPONSIBILITIES AND PROCEDURES FOR DETERMINING THE COMPENSATION AND SHARE OWNERSHIP PROGRAMMES

The responsibilities and procedures for determining the compensation and share ownership programmes for members of the Board of Directors and Executive Management are also mentioned under section 3.5.3. COMPENSATION COMMITTEE of ASmallWORLD AG's Corporate Governance Report (p. 23) pursuant to the Corporate Governance Directive (the Corporate Governance Report).

The Articles of Association state that the shareholders meeting of ASmallWORLD AG (the Shareholders Meeting) elects the compensation committee (Vergütungsausschuss) (the Compensation Committee), which consists of two members or more. The members of the Compensation Committee are elected individually. Only members of the Board of Directors are eligible for election. The ordinary term of office for the members of the Compensation Committee ends at the latest with the closing of the ordinary Shareholders Meeting following their election. Re-election is admissible. If the Compensation Committee is not fully staffed, the Board of Directors elects the missing members for the rest of the ordinary term.

The task of the Compensation Committee is to prepare the resolution of the Board of Directors concerning compensations of members of the Board of Directors and members of Executive Management and to submit a corresponding proposal to the Board of Directors. The Board of Directors resolves based on the proposal of the Compensation Committee on the compensation of the members of the Board of Directors and the members of Executive Management and submits these resolutions to the Shareholders Meeting to be voted on in accordance with art. 26d of the Articles of Association. The compensation and share ownership programmes are determined every year by the Compensation Committee. All members of the Compensation Committee and of the Board of Directors, respectively, have the right to participate in discussions and votes on their own compensation. To fulfil its duties, the Compensation Committee may consult other persons and external consultants and have them participate in its meetings. The Board of Directors may assign further tasks to the Compensation Committee.

In the year under report, the Compensation Committee met twice. No external advisors were consulted on the determination of the compensation and share ownership programmes.

## 1.1.3. CHANGES DURING THE YEAR UNDER REPORT

Patrick Liotard-Vogt has resigned with effect as of April 17, 2020 from his role as Chairman of the Board and thereof as Chairman of the Compensation Committee and as Chairman of the Audit Committee. Michael Manz was appointed as Chairman of the Board and Chairman of the Compensation and Audit Committee. In the year under report, there were no changes in the Executive Management.

## 1.2. RULES IN THE ARTICLES OF ASSOCIATION ON COMPENSATION AND STOCK OPTION PLANS

### 1.2.1. PRINCIPLES ON PERFORMANCE-RELATED COMPENSATION AND THE ADDITIONAL AMOUNT FOR PAYMENTS TO MEMBERS OF THE EXECUTIVE MANAGEMENT

The Articles of Association state that the compensations of the members of the Board of Directors and the members of Executive Management shall be adequate, competitive and performance-oriented and shall be set in line with the strategic goals as well as the success of ASmallWORLD AG, as outlined in more detail in section 1.1.1 above.

ASMALLWORLD AG may pay to the members of the Board of Directors and the members of Executive Management a performance-related compensation. Such compensation is dependent on the qualitative and quantitative goals and parameters determined by the Board of Directors, as outlined in more detail in section 1.1.1 above. The performance-related compensation may be paid in cash or by allocating equity securities, conversion rights, option rights or other rights with equity securities as underlying. The performance-related compensation of a member of the Board of Directors or a member of the Executive Management shall, as a rule, not exceed 200% of the fixed compensation of such member.

If the total amount approved for the compensation of the Executive Management is insufficient to compensate members of the Executive Management nominated after the resolution of the Shareholders Meeting until the beginning of the following approval period, ASMALLWORLD AG may use per person an additional amount of not more than 50% of the previously approved total compensation of the Executive Management during the respective approval period. The Shareholders Meeting does not vote on the used additional amount.

### 1.2.2. PRINCIPLES FOR THE ALLOCATION OF EQUITY SECURITIES AND STOCK OPTION PLANS

As part of the compensation of a member of the Board of Directors or a member of the Executive Management, ASMALLWORLD AG may allocate equity securities, conversion rights, option rights or other rights with equity securities as underlying. In case of allocation of equity securities, conversion rights, option rights or other rights with equity securities as underlying, the amount of the compensation is equal to the value of the securities or, respectively, the rights allocated determined as at the time of the allocation, whereby conditions precedent and subsequent are not taken into account to determine the time of allocation. The Board of Directors may determine blocking periods for holding the securities or, respectively, the rights and may determine when and to what extent entitled persons acquire an entitlement that is neither subject to conditions nor requirements and under what terms and conditions blocking periods laps and entitled persons acquire promptly an entitlement that is neither subject to conditions nor requirements (e.g. in case of a change of control, a material restructuring, or the termination of an employment agreement). Details are to be determined by the Board of Directors, as outlined in more detail in section 1.1.1 above.

The allocation of equity securities, conversion rights, option rights or other rights with equity securities as underlying that members of the Board of Directors or members of the Executive Management receive in their function as shareholders of ASMALLWORLD AG (e.g. subscription rights within a capital increase or option rights within a capital reduction) shall not be regarded as compensations and is not subject to the aforementioned provisions on compensations.

### 1.2.3. EMPLOYMENT AGREEMENTS, LOANS, CREDIT FACILITIES AND PENSION PAYMENTS OUTSIDE THE OCCUPATIONAL PENSION, FURTHER ASSIGNMENTS

The Articles of Association state that employment agreements with members of the Executive Management and agreements with members of the Board of Directors that form the basis of the compensation for the respective members are entered into for a fixed term of not more than one year or for an indefinite term with a termination period of not more than twelve months as per the end of each calendar month.

Loans and credits may only be granted to the members of the Board of Directors or the members of the Executive Management at market terms. Outstanding loans and credits to such members shall not exceed the amount of CHF 3'000'000 in total.

If they are subject to mandatory occupational pension or if they join the pension fund, members of Executive Management shall be subject to the pension fund and shall receive pension payments in accordance with the pension regulations, including any supplementary pension payments. The members of the Board of Directors may join the pension fund if this is possible based on the pension regulations. ASMALLWORLD AG shall make the pension contributions in accordance with the pension regulations. In case of sickness or accident of a member of the Board of Directors or a member of the Executive Management, ASMALLWORLD AG may continue to pay the salary of such member in accordance with regulations issued by the Board of Directors or, respectively, in accordance with insurance payments.



Pension payments by ASmallWorld AG or an affiliate of ASmallWorld AG, be it directly or by third parties, to the members of the Board of Directors or the members of the Executive Management that, according to the law or regulations, may not or do not have to join the pension fund and in fact do not join the pension fund, shall in each year not exceed 40% of the yearly compensation of the person concerned. Pension payments by ASmallWorld AG, an affiliate of ASmallWorld AG or a third party to the persons mentioned for which ASmallWorld AG or an affiliate of ASmallWorld AG made contributions or set up accruals, in each case approved by the Shareholders Meeting, are at the time of the payment no compensation subject to approval.

#### 1.2.4. VOTING PROCEDURE BY THE SHAREHOLDERS MEETING

The Articles of Association state that at least once a year, the Shareholders Meeting votes separately and in a binding manner on the approval of the total compensation that the Board of Directors has resolved for:

1. the compensation of the Board of Directors (including a possible additional compensation for work in committees) for the business year following the ordinary Shareholders Meeting;
2. the fixed compensation of the Executive Management for the business year following the Shareholders Meeting;
3. the variable compensation of the Executive Management for the current business year;
4. the discretionary compensation (gratification) for the Executive Management for the business year that ended prior to the ordinary Shareholders Meeting.

If, within the binding vote in accordance with art. 26d sec. 1 of the Articles of Association, the Shareholders Meeting refuses the approval of a total amount for the members of the Board of Directors or the members of the Executive Management, the Board of Directors may, at the same Shareholders Meeting submit new motions (even several times). If no new motions are submitted or if all motions are dismissed, the Board of Directors may at any time, observing the legal and statutory requirements, call a new Shareholders Meeting.

Expense recovery is no compensation. ASmallWorld AG may grant the members of the Board of Directors and the members of the Executive Management approved lump sum expense recovery.

Members of the Board of Directors and members of the Executive Management may receive compensations for services rendered or work performed for companies that are directly or indirectly controlled by ASmallWorld AG, insofar such compensations would be admissible if they were paid directly by ASmallWorld AG and insofar they were approved by the Shareholders Meeting of ASmallWorld AG. The compensations approved by the Shareholders Meeting in accordance with art. 26d sec. 1 of the Articles of Association may be paid by ASmallWorld AG and/or one or several affiliates of ASmallWorld AG.

The compensation periods of ASmallWorld AG correspond to ASmallWorld AG's business year in terms of time. A compensation for a particular period that is covered by an approval by the Shareholders Meeting may partly or entirely be paid also after the end of such period, provided it is paid for the period to which the approval relates. In this case the compensation does not have to be subject to an approval regarding the period during which the compensation is paid.

#### 1.3. COMPENSATION OF THE BOARD OF DIRECTORS

##### 1.3.1. DETERMINATION METHOD

The Compensation Committee has the responsibility to review and assess the compensation of the Board of Directors. When reviewing and assessing the compensation of the Board of Directors, the Compensation Committee takes into account the remuneration of comparable listed companies as well as the actual and necessary involvement of the member in question. Comparable companies include public Western European and North American firms in the technological sector, established companies or start-ups, with analogous digital business models relating to virtual social networking and events management. Based on the Compensation Committee's proposal, the Board of Directors shall stipulate the compensation of its members and shall submit the maximum remuneration of the Board of Directors to the Shareholders Meeting for approval. More details on the basic principles of compensation are outlined in section 1.1.1 above.

## 1.3.2. FIXED COMPENSATION

ASMALLWORLD AG has paid the following fixed compensation in the following form and amount for 2020:

Name	Functions	Cash compensation	Option compensation (excluding social security contributions)
Michael Manz	Chairman of the Board of Directors; Chairman of the Compensation Committee; Chairman of the Audit Committee	CHF 0	0 options
Jan Luescher	Member of the Board; Member of the Audit Committee; Chief Executive Officer	CHF 0	0 options
Alexander Koenig (Dr. Fabian Höffer von Loewenfeld)	Member of the Board; Member of the Compensation Committee	CHF 0	0 options
Patrick Liotard-Vogt*	Until 17th April 2020: Chairman of the Board of Directors; Chairman of the Compensation Committee; Chairman of the Audit Committee	CHF 0	0 options
Total		CHF 0	0 options

(\*) Patrick Liotard-Vogt has decided not to stand for re-election to the Board of Directors at the Annual General Meeting (AGM) held on 17th April 2020.

## 1.3.3. VARIABLE COMPENSATION

The members of the Board of Directors did not receive any variable compensation for the year under report.

## 1.3.4. OTHER COMPENSATION

Salary components such as public transport season tickets and private use of company cars are reported under the heading "other compensation" of this section. During the year under report, as well as in the previous year, the members of the Board of Directors did not receive any compensation that falls into this category.

## 1.3.5. SOCIAL INSURANCE

The reported employer social insurance contributions encompass payments for AVS when members of the Board of Directors exercise their options. They correspond to the contributions stipulated by law. ASMALLWORLD AG does not make any contributions on behalf of members of the Board of Director exceeding these.

## 1.3.6. LOANS AND CREDITS

No loans and credits were extended in 2020 to members of the Board of Directors, and there were neither loans nor credit facilities outstanding at the start of the period.

## 1.3.7. ADDITIONAL FEES AND REMUNERATION

There were no additional fees and remuneration.

## 1.4. PROPOSAL TO THE SHAREHOLDERS MEETING OF APRIL 30, 2021

The Board of Directors proposes to the Shareholders Meeting of April 30, 2021 to approve a maximum fixed compensation for the Board of Directors in the amount of CHF 1'000'000 and in the form of options (including the corresponding employer social insurance contributions) for the compensation period 2022.

## 1.5. COMPENSATION OF THE EXECUTIVE MANAGEMENT

### 1.5.1. DETERMINATION METHOD

The compensations of the members of the Board of Directors and the members of the Executive Management shall be adequate, competitive and performance-oriented and shall be set in line with the strategic goals as well as the success of ASMALLWORLD AG. Criteria are further detailed in section 1.1.1 above.

ASMALLWORLD AG has paid the following compensation in the following forms and amounts for 2020:

Compensation for 2020 period	Fixed (cash)	Gratification (cash)	Social contributions	Other compensation	Variable (options)
Total Executive Management	CHF 545'488	CHF 0	CHF 61'283	CHF 0	163'606, valued at CHF 381'945

The options granted have a maturity of ten years and may only be redeemed in exchange for common shares of ASMALLWORLD AG with a conversion ratio of 1:1. The exercise price is CHF 1.00. There were two grants during the year, with either six-month, twelve-month or fifteen-month vesting period.

### 1.5.2. FIXED COMPONENTS

The Chief Executive Officer and the remaining members of the Executive Management received a basic salary. The level of the basic salary is based above all on the function (responsibilities and skills) as well as on the experience and qualifications of the relevant member of the Executive Management. The compensation is also based on current executive salary statistics for executive salaries comparable companies. Comparable companies include public and private Western European and North American firms in the technological sector, established companies or start-ups, with digital business models. Criteria are further detailed in section 1.1.1 above. The payment of the fixed components is performed monthly in cash.

### 1.5.3. VARIABLE COMPONENTS AND GRATIFICATION

The bonus paid to the Chief Executive Officer and the remaining members of the Executive Management consists of two components, reflecting on the one hand the consolidated results of ASMALLWORLD group and on the other hand the individual achievement of objectives. The criteria for variable components and for the gratification are further detailed in section 1.1.1 above. If the financial or individual targets have not been achieved, the Board of Directors may reduce or suspend the bonus components at its own discretion.

## 1.6. PROPOSALS TO THE SHAREHOLDERS MEETING OF APRIL 30, 2021

### 1.6.1. PROPOSAL FOR THE BUSINESS YEAR 2022

The Board of Directors proposes a maximum fixed compensation for the Executive Management in the amount of CHF 1'000'000 and the corresponding employer social insurance contributions for the business year following the ordinary Shareholders Meeting of April 30, 2021.

### 1.6.2. PROPOSAL FOR THE BUSINESS YEAR 2020

The Board of Directors proposes a discretionary compensation for the Executive Management in the amount of CHF 0 for the 2020 business year that ended prior to the ordinary Shareholders Meeting of 2021. The variable compensation of the members of the Executive Management varies from 0% to 200% of their fixed compensation, depending on the individual achievement of their objectives. The Board of Directors also proposes a variable remuneration in options (163'606 options) in the amount of CHF 381'945 in accordance with the share-based management benefit program of ASMALLWORLD AG, a program which provides for options to be granted to ASMALLWORLD AG's senior employees (the Employee Share Option Plan).

## 1.6.3. PROPOSAL FOR THE BUSINESS YEAR 2021

For the current business year, the Board of Directors proposes a maximum variable remuneration for the Executive Management in the form of options in the amount of CHF 1'500'000 following the Employee Share Option Plan. The Board of Directors also proposes a maximum variable compensation in cash for the Executive Management in the amount of CHF 200'000 for the current 2021 business year. The cash variable compensation of the members of the Executive Management would vary from 0 to 200% of their fixed compensation, depending on the individual achievement of their objectives.

## 1.7. OTHER COMPENSATION

Salary components such as public transport season tickets and private use of company cars are reported under the heading "other compensation". During the year under report as well as in the previous year, there was no compensation that falls into this category.

## 1.8. SOCIAL INSURANCE

The reported employer social insurance contributions encompass all mandatory payments (including administrative costs) and correspond to the contributions stipulated by law. ASMALLWORLD AG does not make any contributions on

behalf of the Executive Management members exceeding these contributions stipulated by law.

## 1.9. LOANS AND CREDITS

No loans and credits were extended in 2020 to members of the Executive Management. There were neither loans nor credits granted at the start of the period.

## 1.10. ADDITIONAL FEES AND REMUNERATION

No additional fees or remuneration were paid to members of the Executive Management for the financial year 2020.

## 1.11. SHARE OWNERSHIP

### 1.11.1. BOARD OF DIRECTORS

The table below shows the number of existing shares that are held by the individual members of the Board of Directors and the rights to receive shares (directly or indirectly) held by such persons as of year-end 2020. None of the members of the Board of Directors holds any rights that would qualify as 'sale positions' under the Federal Act on Financial Market Infrastructures and the Market Conduct in Securities and Derivatives Trading (Financial Market Infrastructure Act; Finanzmarktinfrakturgesetz).

Name	Shares held – purchase position for shares	% of the capital registered in the Commercial Register	% of voting rights
Michael Manz	0 existing shares; rights to acquire 10'000 shares in accordance with the Employee Share Option Plan	0.09%	0.09%
Jan Luescher	0 existing shares; rights to acquire 287'388 shares in accordance with the Employee Share Option Plan	2.5%	2.5%
Dr. Fabian Höffer von Loewenfeld (Alexander Koenig)*	916'000 existing shares; rights to acquire 135'620 shares in accordance with the Employee Share Option Plan	9.25%	9.25%
Patrick Liotard-Vogt**	7'162'078 existing shares; rights to acquire 88'336 shares in accordance with the Employee Share Option Plan	63.78%	63.78%

(\*) As of year-end 2020, Dr. Fabian Höffer von Loewenfeld (Alexander Koenig) is the controlling shareholder and beneficial owner of First Class & More Knowledge GmbH, through which most of the ASMALLWORLD AG shares are held.

(\*\*) As of year-end 2020, Patrick Liotard-Vogt is the controlling shareholder and beneficial owner of Pellegrino Capital AG (former ASW Capital AG), the majority shareholder of ASMALLWORLD AG. Patrick Liotard-Vogt has decided not to stand for re-election to the Board of Directors at the Annual General Meeting (AGM) held on 17th April 2020.

## 1.11.2. EXECUTIVE MANAGEMENT

The table below shows the number of existing shares that are held by the individual members of the Executive Management and the rights to receive shares (directly or indirectly) held by such persons as of year-end 2020. None of the members of the Executive Management holds any rights that would qualify as 'sale positions' under the Financial Market Infrastructure Act.

<b>Name</b>	<b>Shares held – purchase position for shares</b>	<b>% of the capital registered in the Commercial Register</b>	<b>% of voting rights</b>
Jan Luescher	See section 1.11.1 above	See above under Board of Directors	See above under Board of Directors
Dr. Fabian Höffer von Loewenfeld (Alexander Koenig)	See section 1.11.1 above	See above under Board of Directors	See above under Board of Directors
Daniel Sutter	No existing shares; No rights to acquire shares in accordance with the Employee Share Option Plan	0%	0%

## 2. ADDITIONAL INFORMATION REQUIRED BY VEGÜV / Oaec

This section of the Remuneration report provides quantitative information on the individual components of the compensation of the Board of Directors and of the Executive Management, as stipulated by art. 14 to 16 of the Oaec. Sections 2.1, 2.2 and 2.3 of this Remuneration report have been reviewed by the auditors in accordance with the Oaec.

## 2.1. COMPENSATION PAID DURING THE COMPENSATION PERIOD 2020 – AUDITED INFORMATION

The Remuneration report and the information provided herein refer to the compensation period 2020. ASmallWORLD AG's compensation periods correspond with the respective financial year of ASmallWORLD AG.

### 2.1.1. COMPENSATION PAID TO EXISTING MEMBERS OF THE BOARD OF DIRECTORS

The total compensation amounts to CHF 0.

Name	Functions	Cash	Shares	Options	Social contributions*	Total
Michael Manz,	Chairman of the Board of Directors; Chairman of the Compensation Committee; Chairman of the Audit Committee	CHF 0	CHF 0	CHF 0	CHF 0	CHF 0
Jan Luescher	Member of the Board; Member of the Audit Committee; Chief Executive Officer	CHF 0	CHF 0	CHF 0	CHF 0	CHF 0
Alexander Koenig (Dr. Fabian Höffer von Loewenfeld)	Member of the Board; Member of the Compensation Committee	CHF 0	CHF 0	CHF 0	CHF 0	CHF 0
Patrick Liotard-Vogt**	Until 17th April 2020: Chairman of the Board of Directors; Chairman of the Compensation Committee; Chairman of the Audit Committee	CHF 0	CHF 0	CHF 0	CHF 0	CHF 0
<b>Total</b>		<b>CHF 0</b>	<b>CHF 0</b>	<b>CHF 0</b>	<b>CHF 0</b>	<b>CHF 0</b>

(\*) Social contributions include the employer's social security contributions.

(\*\*) Patrick Liotard-Vogt has decided not to stand for re-election to the Board of Directors at the Annual General Meeting (AGM) held on 17th April 2020.

### 2.1.2. COMPENSATION PAID TO FORMER MEMBERS OF THE BOARD OF DIRECTORS

No compensation was paid to former members of the Board of Directors.

## 2.1.3. COMPENSATION PAID TO EXISTING MEMBERS OF THE EXECUTIVE MANAGEMENT

The total compensation amounts to CHF 988'716. Of the total amount, CHF 0 were paid in the form of shares and CHF 381'945 in the form of options. The Executive Management consists of three members.

The highest compensation per member amounts to CHF 468'122.

Name	Functions	Cash*	Options	Social contributions*	Other compensation	Total
Jan Luescher	Chief Executive Officer	CHF 241'062	CHF 203'267	CHF 23'792	CHF 0	<b>CHF 468'121</b>
Other members		CHF 304'426	CHF 178'678	CHF 37'491	CHF 0	<b>CHF 520'595</b>
<b>Total</b>		<b>CHF 545'488</b>	<b>CHF 381'945</b>	<b>CHF 61'283</b>	<b>CHF 0</b>	<b>CHF 988'716</b>

(\*) Pension and social security benefits include the employer's social security and pension fund contributions as well as contributions for accident and illness insurance. Employees' contributions are included within the different compensation categories.

## 2.1.4. COMPENSATION PAID TO FORMER MEMBERS OF THE EXECUTIVE MANAGEMENT

No compensation was paid to former members of the Executive Management.

## 2.2. LOANS AND CREDIT FACILITIES – AUDITED INFORMATION

### 2.2.1. EXISTING MEMBERS OF THE BOARD OF DIRECTORS

No loans or credit facilities were granted to existing members of the Board of Directors.

### 2.2.2. FORMER MEMBERS OF THE BOARD OF DIRECTORS OR EXECUTIVE MANAGEMENT

No loans or credit facilities were granted to former members of the Board of Directors.

## 2.3. RELATED PARTIES – AUDITED INFORMATION

### 2.3.1. COMPENSATION MADE TO RELATED PARTIES

No compensation was made to related parties to the Board of Directors or the Executive Management.

### 2.3.2. LOANS AND CREDIT FACILITIES GRANTED TO RELATED PARTIES

No loans or credit facilities were granted to related parties to the Board of Directors or the Executive Management.

# Report of the statutory auditor

## to the General Meeting of ASMALLWORLD AG

### Zurich

We have audited the accompanying remuneration report of ASMALLWORLD AG for the year ended 31 December 2020. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in the tables labeled 'audited' on pages 38 to 39 of the remuneration report.

#### **Board of Directors' responsibility**

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14–16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14–16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



**Opinion**

In our opinion, the remuneration report of ASMALLWORLD AG for the year ended 31 December 2020 complies with Swiss law and articles 14–16 of the Ordinance.

PricewaterhouseCoopers AG



Thomas Wallmer  
Audit expert  
Auditor in charge



Remo Hegner  
Audit expert

Zurich, 16 March 2021

# FINANCIAL REPORT

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# CONSOLIDATED INCOME STATEMENT

in TCHF	Note	2020	2019
Net sales	3	12'005.1	12'939.2
Other operating income	14	0.0	730.3
<b>Total operating income</b>		<b>12'005.1</b>	<b>13'669.5</b>
Direct expenses for services rendered	4	-5'127.1	-5'007.8
Personnel expenses	5	-2'488.3	-3'432.4
Research and development expenses		-251.2	-309.5
Other operating expenses	6	-2'647.5	-3'467.9
<b>EBITDA<sup>1)</sup></b>		<b>1'491.1</b>	<b>1'451.8</b>
Depreciation of fixed assets	12	-43.4	-41.4
Amortization of intangible assets	14	-709.8	-716.5
<b>Operating result</b>		<b>737.8</b>	<b>693.9</b>
Financial income	7	212.4	438.9
Financial expenses	7	-239.8	-163.8
<b>Ordinary result</b>		<b>710.4</b>	<b>969.1</b>
Income taxes	8	-54.4	319.6
<b>Net result</b>		<b>656.1</b>	<b>1'288.7</b>
Earnings per share (basic/diluted in CHF)	21	0.06	0.11

<sup>1)</sup> Earnings before interest (including all financial income and expenses), taxes, depreciation and amortisation

# CONSOLIDATED BALANCE SHEET

in TCHF	Note	December 31, 2020	December 31, 2019
<b>ASSETS</b>			
Cash	2.4	2'918.6	6'889.1
Receivables from services	9	557.9	650.9
Other short-term receivables	10	839.4	881.4
Prepayments and accrued income	11	339.8	669.4
<b>Total current assets</b>		<b>4'655.7</b>	<b>9'090.7</b>
Tangible fixed assets	12	38.5	80.5
Financial assets	13	401.7	513.7
Intangible assets	14	1'706.6	1'924.5
<b>Total non-current assets</b>		<b>2'146.8</b>	<b>2'518.7</b>
<b>Total Assets</b>		<b>6'802.5</b>	<b>11'609.3</b>
<b>LIABILITIES AND EQUITY</b>			
Short-term financial liabilities	15	0.0	12.6
Payables from goods and services	16	126.9	1'058.5
Other short-term liabilities	17	302.2	4'589.1
Short-term provisions	18	2'003.4	2'128.3
Accrued liabilities and deferred income	19	2'838.6	3'155.4
<b>Total current liabilities</b>		<b>5'271.1</b>	<b>10'943.8</b>
Long-term financial liabilities	15	4'506.8	2'769.0
Long-term provisions	18	3'706.2	5'611.8
<b>Total non-current liabilities</b>		<b>8'213.1</b>	<b>8'380.8</b>
<b>Total liabilities</b>		<b>13'484.2</b>	<b>19'324.6</b>
Share capital		11'367.2	11'367.2
Capital reserves		16'785.0	16'785.0
Retained earnings		-34'833.8	-35'867.5
<b>Total equity</b>	20	<b>-6'681.7</b>	<b>-7'715.3</b>
<b>Total liabilities and equity</b>		<b>6'802.5</b>	<b>11'609.3</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in TCHF	Retained earnings						
	Share capital	Capital reserves	Currency translation effects	Goodwill offset with equity	Other retained earnings	Total retained earnings	Total equity
<b>Opening as per 1 Jan 2019</b>	<b>11'367.2</b>	<b>16'785.0</b>	<b>-33.4</b>	<b>-30'042.4</b>	<b>-6'621.7</b>	<b>-36'697.4</b>	<b>-8'545.2</b>
Group result 2019					1'288.7	1'288.7	1'288.7
Share-based compensation					591.3	591.3	591.3
Goodwill offset with equity				-876.6		-876.6	-876.6
Currency translation adjustments			-173.5			-173.5	-173.5
<b>Closing as per 31 Dec 2019</b>	<b>11'367.2</b>	<b>16'785.0</b>	<b>-206.9</b>	<b>-30'918.9</b>	<b>-4'741.7</b>	<b>-35'867.5</b>	<b>-7'715.3</b>
<b>Opening as per 1 Jan 2020</b>	<b>11'367.2</b>	<b>16'785.0</b>	<b>-206.9</b>	<b>-30'918.9</b>	<b>-4'741.7</b>	<b>-35'867.5</b>	<b>-7'715.3</b>
Group result 2020					656.1	656.1	656.1
Share-based compensation					403.0	403.0	403.0
Currency translation adjustments			-25.4			-25.4	-25.4
<b>Closing as per 31 Dec 2020</b>	<b>11'367.2</b>	<b>16'785.0</b>	<b>-232.3</b>	<b>-30'918.9</b>	<b>-3'682.7</b>	<b>-34'833.8</b>	<b>-6'681.7</b>

# CONSOLIDATED CASH FLOW STATEMENT FOLLOWING THE INDIRECT METHOD

in TCHF	Notes	2020	2019
<b>OPERATING ACTIVITIES</b>			
Net result		656.1	1'288.7
Depreciation of tangible fixed assets	12	43.4	41.4
Amortization of intangible assets	14	709.8	716.5
Decrease of provisions that do not affect the fund		-86.8	-190.0
Other expense/income that do not affect the fund		486.0	135.3
Profit from the disposal of intangible assets	14	0.0	-727.0
Loss from the disposal of tangible fixed assets		0.1	0.0
<b>Operating cash flow before change in operating working capital</b>		<b>1'808.5</b>	<b>1'264.9</b>
Decrease of receivables from services		92.9	55.7
Decrease/increase of other receivables and prepayments and accrued income		371.5	-621.7
Decrease/increase of payables from goods and services		-931.6	168.7
Decrease of other short-term liabilities and accrued liabilities and deferred income		-731.4	-502.0
<b>Operating cash flow</b>		<b>610.0</b>	<b>365.6</b>
<b>INVESTING ACTIVITIES</b>			
Outflows for investment (purchase) of tangible fixed assets	12	-2.1	-12.6
Inflows from divestment (selling) of tangible fixed assets	12	0.6	0.0
Outflows/Inflows from acquisition of subsidiaries <sup>1)</sup>	17/18/26	-5'607.8	76.0
Outflows for investment (purchase) of intangible assets	14	-491.9	-559.5
Outflows for investment (purchase) of financial assets	13	-2.2	-3.2
Inflows from divestment (selling) of financial assets	13	24.0	0.0
<b>Cash drain from investing activities</b>		<b>-6'079.4</b>	<b>-499.2</b>
<b>FINANCING ACTIVITIES</b>			
Repayment of short-term financial liabilities	15	0.0	-48.3
Issuance of long-term financial liabilities	15	1'543.9	1'212.4
<b>Cash inflow from financing activities</b>		<b>1'543.9</b>	<b>1'164.2</b>
Currency translation effects		-32.5	-202.8
<b>Net change in net cash</b>		<b>-3'957.9</b>	<b>827.7</b>
Opening balance of net cash 1 January		6'876.5	6'048.8
Closing balance of net cash as of 31 December		2'918.6	6'876.5
<b>Net change in net cash</b>		<b>-3'957.9</b>	<b>827.7</b>

<sup>1)</sup> There was no acquisition in 2020. The cash outflow in 2020 is due to the partial settlement of outstanding liabilities related to the acquisition of First Class & More International GmbH in 2018. Refer to Notes 17 and 18.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 GENERAL INFORMATION

These consolidated financial statements include the financial statements of ASMALLWORLD AG and of all companies controlled by ASMALLWORLD AG (see note 26 for a list of the consolidated companies).

ASMALLWORLD AG is the Group's parent company, a limited company under Swiss law, which is registered and domiciled in Zurich, Switzerland. ASMALLWORLD AG (ASWN) is listed on SIX Swiss Exchange.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 BASIS OF PREPARATION

These consolidated financial statements comprise the results of ASMALLWORLD AG and its subsidiaries for the financial year 2020 and have been prepared in accordance with entire Swiss GAAP FER (including the provisions of Swiss GAAP FER 31 "Complementary Recommendation for Listed Companies").

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been applied consistently in all the years presented, unless otherwise stated.

#### Definition of Non-Swiss GAAP FER measures:

Where relevant for the reader, specific subtotals were added, which can be found directly in the tables.

#### Liquidity risk:

The group has a history of losses and operating cash outflows. From the current cash position, a significant portion will be used to compensate liabilities related to the acquisition of First Class & More International GmbH. To cover upcoming anticipated operating and investing cash outflows, the group plans to partly utilise the credit line granted by the majority shareholder Pellegrino Capital AG (former ASW Capital AG) of up to TCHF 5'000, of which as per 31 December 2020, TCHF 3'588 (2019 TCHF 2'769) were used (see note 15). The credit line was granted at the beginning of

2018 to the company to finance the 5-year growth strategy. The board of directors is of the view that Pellegrino Capital AG is able to fulfil its commitments and the going concern assumption for the group is appropriate.

### 2.2 PRINCIPLES OF CONSOLIDATION

Assets and liabilities as well as expenses and income of the fully consolidated companies are included in their entirety. All intercompany transactions and relations between the consolidated companies are offset against each other and eliminated. Profits on intercompany transactions are eliminated. The assets and liabilities of companies included in consolidation for the first time are measured at fair value. Goodwill arising from this revaluation is offset against equity. First time consolidations are included from the date on which control is acquired. Control is assumed if ASMALLWORLD AG holds directly or indirectly more than half of the voting rights of a subsidiary or if control can be exercised in another manner.

### 2.3 FOREIGN CURRENCY TRANSLATION

#### 2.3.1 FUNCTIONAL AND PRESENTATION CURRENCY

The presentation currency of these consolidated financial statements is CHF, which is also the functional currency of all entities except First Class & More GmbH and its subsidiary (EUR as functional currency) and ASMALLWORLD TRAVEL (HOLDINGS) Ltd. and its subsidiary (GBP as functional currency).

#### 2.3.2 TRANSACTIONS AND BALANCES

Transactions in foreign currency are recorded and translated into CHF using the actual exchange rate (monthly average rates). The resulting translation differences are included in the income statement as exchange gains or losses.

Monetary assets and liabilities in foreign currencies are translated into the functional currency on the balance sheet date at the year-end rates of exchange. Non-monetary items are translated using the exchange rate prevailing on the transaction date. Translation differences are recorded in the income statement.

### 2.3.3 FOREIGN CURRENCY TRANSLATION

The financial statements of the Group companies which use EUR as their functional currency were translated into CHF (presentation currency of ASmallWORLD Group) as follows:

- balance sheets at EUR/CHF year-end exchange rates (2020: 1.0946/2019: 1.0874)
- income statements at EUR/CHF average rates for the reporting period (2020: 1.0705/2019: 1.1122)
- cash flow statements at EUR/CHF average rates for the reporting period (2020: 1.0705/2019: 1.1122)

The financial statements of the Group companies which use GBP as their functional currency were translated into CHF (presentation currency of ASmallWORLD Group) as follows:

- balance sheets at GBP/CHF year-end exchange rates (2020: 1.2130/2019: 1.2735)
- income statements at GBP/CHF average rates for the reporting period (2020: 1.2039/2019: 1.2687)
- cash flow statements at GBP/CHF average rates for the reporting period (2020: 1.2039/2019: 1.2687)

The resulting translation differences are taken directly to the consolidated shareholders' equity.

## 2.4 CASH

Cash includes money the Group holds with financial institutions that can be withdrawn without notice. The remaining term to maturity does not exceed 3 months. Bank current accounts with credit balances (see note 15) will be deducted from cash in the consolidated cash flow statement in order to indicate the change in the net cash amount in the reporting period.

## 2.5 RECEIVABLES FROM SERVICES AND OTHER SHORT-TERM RECEIVABLES

Receivables from services are short-term receivables resulting from normal business activities. Other short-term receivables are all other receivables that have a remaining life of up to one year as of the balance sheet date.

All receivables are stated at nominal value less provision for bad debt, which is calculated based on an individual assessment of the receivables. Each receivable is valued individually (single allowance for doubtful accounts). There is no general allowance for doubtful accounts.

## 2.6 PREPAYMENTS AND ACCRUED INCOME

Prepayments and accrued income are expenses that belong to the new financial year but which have been paid in the prior financial year (deferred expense; e.g. rent) and income that belongs to the previous financial year but which is received only in the new financial year (accrued income; e.g. subscription income).

Accruals and deferrals are recorded at nominal or actual values.

## 2.7 TANGIBLE FIXED ASSETS

Tangible fixed assets are valued at acquisition or production cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful life of the asset. Estimated useful lives are as follows:

Asset class	useful lifetime
Hardware and equipment	3 years
Furniture (other tangible fixed assets)	5 years
Works of art (other tangible fixed assets)	10 years

In exchange of media services, the Group received in 2014 product supplies which were classified as works of art (useful lifetime 10 years).

## 2.8 FINANCIAL ASSETS

Financial assets consist of a rent deposit, deposit on notary escrow account and deferred tax assets.

Deferred income tax is recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying value for reporting purposes, using the currently enacted tax rates on an entity level. Movements in the deferred tax provision are included in the tax position in the income statement (see note 8). Deferred taxes for temporary differences are only capitalized when it is probable that future taxes on profits can be offset. No deferred tax assets are recognized for tax losses carried forward.



## 2.9 INTANGIBLE ASSETS

This line item includes intellectual property rights as well as capitalized development cost for ASmallWORLD, World's Finest Clubs and First Class and More web platforms as well as Android and iOS mobile applications.

Capitalized development costs of web platforms and ASW mobile apps are based on the work effort supplied by contractors or other third-party suppliers. This work effort must be directly linked to the development of a certain platform module or app release. There is no capitalization of administration hours nor efforts spending in bug fixing and maintenance.

Capitalized and identifiable intangible assets are measured at historical cost less amortization required.

Amortization must be applied on a straight-line basis over the useful economic life. The usual, uniformly, established useful lives are as follows:

Asset class	useful lifetime
Development Cost	5 years
Intellectual property rights (trademarks and customer lists)	5 years

The carrying amount of the intangible assets is subject to an impairment test at least once a year, provided that the asset has not yet been used or if there are any indications of impairment over the course of the year. Intangible assets are tested for impairment as soon as there are any indications of impairment. The amortization period, the residual values and amortization method of an intangible asset are reviewed regularly, at least at the end of each financial year.

## 2.10 BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition method. Consideration transferred comprises payments in cash as well as the fair value of the assets transferred, the obligations entered or assumed, and the equity instruments transferred. Transaction costs are recognized directly in profit or loss.

Any surplus of acquisition cost over the newly valued net assets are offset with equity.

In case of an acquisition of an entity under common control there is no revaluation of the Swiss GAAP FER book values.

## 2.11 LIABILITIES

Liabilities are recognized at their nominal values.

## 2.12 PROVISIONS

Provisions are recognized if an event in the past gives rise to a justified, likely obligation which is of uncertain timing and amount, but which can be estimated reliably. Provisions are measured based on the estimated amount of money required to satisfy the obligation.

## 2.13 CONTINGENT LIABILITIES

The probability and the potential economic impact of contingent liabilities are assessed at each balance sheet date. Based on that assessment, contingent liabilities are evaluated and disclosed in the notes. There are no contingent liabilities as per balance sheet date.

## 2.14 LEASING

**Operating Lease:** A lease contract is classified as an operating lease when a significant part of the risks associated with the ownership remains with the lessor. Payments for operating lease contracts will be booked evenly in the income statement as an expense over the term of the contract. Operating lease contracts which cannot be terminated within one year are disclosed in the notes to these consolidated financial statements.

There are no finance leases in place.

## 2.15 REVENUE RECOGNITION

In general, income is recognized, if a service has been performed or a tangible or intangible asset has been delivered and benefits and risks as well as the authority to dispose of the property have been assigned to the purchaser.

Revenues from the sale of services are recorded in the accounting period in which the service is provided. If a service is rendered over a certain contractual duration, revenue is recognized on a straight-line basis over this period.

Overview of the main revenue streams and corresponding recognition:

### 2.15.1 INCOME FROM SALE OF MEMBERSHIPS AND REVENUE FROM PARTNERSHIPS (SUBSCRIPTION SEGMENT)

**(Standard) ASMALLWORLD subscription income:** Sale of ASW membership fees valid for one year (for approx. CHF 100). Sales are realized monthly over 12 months. The Membership allows to use the web platform and mobile app of ASW including all services, benefits and privileges. Besides the standard 1-year membership there is also a lifetime membership. Revenue for such memberships are realized monthly over 36 months.

**Premium membership income:** Sale of premium memberships. In case of delivery of goods (as part of a package), revenue will be recognized when risks and rewards as well as the power of disposition are transferred to the purchaser. In case of rendered services, revenue will be recognized when services are provided (at a certain time or straight-line over a contractual duration).

In May 2018 ASMALLWORLD introduced two new membership levels (Signature and Prestige). They include a certain amount of frequent flier miles and exclusive status privileges at hotels, car rental companies and airlines as well as an unlimited access to airport lounges and nightlife venues.

**First Class & More subscription income:** Sale of subscriptions (membership fees), typically valid for one year. Sales are realized linear over such period. The Membership allows subscribers to get advise and insights regarding favorable luxury travel deals through newsletters and other online publications.

**The World's Finest Clubs Membercard private & corporate:** Revenue from The World's Finest Clubs membercards is realized over the period for which the card is valid (straight-line, usually over one year).

### 2.15.2 INCOME FROM SERVICES, E.G. EVENTS AND TRAVEL ORGANIZATION (SERVICES SEGMENT)

**Event ticketing & event ticketing fee:** Tickets for ASW events (including a fee if tickets are sold through the ASW platform) are related to specific, single events and revenue is recognized when the event took place.

**Event sponsorship:** Sponsorship in this category is clearly allocated to one event and revenue is recognized when the event took place.

**Travel arrangements:** Revenue relating to tailor-made travel arrangements by the Group's travel designers are taken to the income statement on the date of holiday and flight departure. Monies received by the balance sheet date relating to holidays commencing and flights departing after the period end are included within current liabilities as deferred income.

Commission-based revenues from individual travel modules booked directly by customers with airlines, hotel companies or incoming agencies are recognised when the traveller makes use of the service (e.g. Hotel Check-in, flight departure). Monies received by the balance sheet date relating to individual travel modules after the period end are included within current liabilities as deferred income.

**Partnership income:** Provider of benefits and privileges on the ASW website have the possibility to present their products or services (regarded as sponsored content and not as advertisement in a narrow sense). Revenue is recognized on a straight-line basis over the contractual duration.

**Sponsoring (non-event related):** Income is recognized on a straight-line basis over the contractual duration.

**Hospitality:** ASW Hospitality provides management services for hotels and consulting services for other third parties in the hospitality industry. These revenues are recognized when a service has been provided.

## 2.16 SHARE-BASED COMPENSATION

The Group operates an equity-settled, share-based compensation plan. Selected members of the Board of Directors and Management were entitled to participate in a stock option incentive plan. The eligible recipients are able to buy stocks at nominal value. As vesting condition there is only a service condition: The employee shall remain employed at ASMALLWORLD Group for a specific period.

ASMALLWORLD measures the fair value of the employee services received in exchange for the grant of the options by reference to the fair value of the options. The fair value of the options is measured at grant date using the Black-Scholes model. Based on a best estimate of the adherence of the service condition respectively the number of options that are going to vest, personal expenses are recognized over the vesting periods with a corresponding change in equity.

### 3 SEGMENT INFORMATION

Top management level steers the business with two operating segments (following the legal entity structure):

- **Segment “Subscriptions”:** Consists of legal entities ASmallWORLD AG (excluding Partnership and non-event related sponsoring income), The World’s Finest Clubs AG, First Class & More FZE (memberships) and First Class & More International AG (memberships)
- **Segment “Services”:** Consists of the legal entities ASW Events AG, ASW Travel AG, ASmallWORLD TRAVEL LTD, ASW Hospitality, First Class & More FZE (service business) and First Class & More International AG (service business)

	<b>2020</b>	<b>2019</b>
	<b>TCHF</b>	<b>TCHF</b>
<b>Net revenues by segment</b>		
Subscriptions	8'020.3	7'256.3
Services	3'984.8	5'682.9
<b>Net sales</b>	<b>12'005.1</b>	<b>12'939.2</b>

	<b>2020</b>	<b>2019</b>
	<b>TCHF</b>	<b>TCHF</b>
<b>EBITDA result by segment</b>		
Subscriptions	1'196.6	1'367.6
Services	294.5	84.2
<b>EBITDA<sup>1)</sup></b>	<b>1'491.1</b>	<b>1'451.8</b>

<sup>1)</sup> Earnings before interest (including all financial income and expenses), taxes, depreciation and amortisation

### 4 DIRECT EXPENSES FOR SERVICES RENDERED

	<b>2020</b>	<b>2019</b>
	<b>TCHF</b>	<b>TCHF</b>
Cost for member privileges	4'562.6	2'928.0
Event costs/event sponsorship	144.2	1'324.9
Travel services costs	210.8	564.0
Merchant account fees & commissions	129.7	172.4
Other direct expenses for services rendered	79.9	18.5
<b>Total direct expenses for services rendered</b>	<b>5'127.1</b>	<b>5'007.8</b>

The breakdown of direct expenses for services rendered has been modified in 2020 to enhance the informative value of the disclosure. To enable an accurate comparison, prior year figures were reclassified correspondingly.

## 5 PERSONNEL EXPENSES

	<b>2020</b>	<b>2019</b>
	<b>TCHF</b>	<b>TCHF</b>
Wages and salaries	1'836.2	2'473.3
Share-based compensation	403.0	591.3
Social security expenses	218.9	239.3
Other personnel expenses	30.2	128.4
<b>Total personnel expenses</b>	<b>2'488.3</b>	<b>3'432.4</b>

The short-time working compensation received in Switzerland amounted to TCHF 390 for 2020. The compensation received in the UK from coronavirus furlough scheme amounted to TCHF 71 for 2020.

### Additional information to share-based compensation:

Selected members of the Board of Directors and Management were entitled to participate in a stock option incentive plan. The eligible recipients are able to buy stocks at nominal value. As vesting condition there is only a service condition: The employee shall remain employed at ASmallWORLD Group for a specific period.

In 2020 there were two grant dates when options were granted (1 January 2020 and 1 July 2020). The valuation of the options is calculated using the financial option pricing model Black-Scholes. The used standard deviation was based on the ASmallWORLD share price.

Neither in 2020 nor in 2019 options were exercised.

### Share-based compensation 2020

Grant date	Number of granted options	Total value of granted options (in CHF)	Value of one option (in CHF)	Stock price at grant date (in CHF)	Exercise price of an option (in CHF)	Vesting date	Expiration date	Risk-free interest rate	Standard deviation
01.01.20	63'524	151'076.76	2.3783	2.70	1	30.06.20	01.07.28	-0.456%	81.15%
01.01.20	27'124	64'508.00	2.3783	2.70	1	31.12.20	01.07.28	-0.456%	81.15%
01.01.20	40'686	96'762.00	2.3783	2.70	1	31.03.21	01.07.28	-0.456%	81.15%
01.07.20	45'272	73'214.20	1.6172	1.81	1	31.12.20	01.07.28	-0.435%	92.91%
<b>Total</b>	<b>176'606</b>	<b>385'561</b>							

The personnel expenses for share-based compensation for the year 2020 amount to TCHF 403.0. Options granted in 2020 in the amount of TCHF 32.2 will vest in 2021 and are therefore personnel expenses in 2021.

### Share-based compensation 2019

Grant date	Number of granted options	Total value of granted options (in CHF)	Value of one option (in CHF)	Stock price at grant date (in CHF)	Exercise price of an option (in CHF)	Vesting date	Expiration date	Risk-free interest rate	Standard deviation
01.01.19	86'026	315'013.26	3.6618	3.95	1	30.06.19	01.07.28	-0.15%	90.00%
01.01.19	27'124	99'323.69	3.6618	3.95	1	31.12.19	01.07.28	-0.15%	90.00%
01.01.19	40'686	148'985.53	3.6618	3.95	1	31.03.20	01.07.28	-0.15%	90.00%
01.07.19	41'438	77'678.02	1.8746	2.1	1	31.12.19	01.07.28	-0.49%	90.00%
<b>Total</b>	<b>195'274</b>	<b>641'000</b>							

The personnel expenses for share-based compensation for the year 2019 amount to TCHF 591.3. Options granted in 2019 in the amount of TCHF 49.7 will vest in 2020 and are therefore personnel expenses in 2020.

## 6 OTHER OPERATING EXPENSES

	<b>2020</b>	<b>2019</b>
	<b>TCHF</b>	<b>TCHF</b>
Digital marketing <sup>1)</sup>	517.8	646.6
M&A and listing/being public cost	115.7	191.1
Consulting fees	853.1	1'055.3
Advertising and public relations <sup>1)</sup>	232.1	400.5
Rent	255.5	284.7
IT expenses	248.6	276.7
Public fees and charges	55.4	54.8
Audit, book keeping and legal fees	163.1	228.5
Maintenance, office supplies, postage	40.3	64.3
Agency affiliate	59.1	53.8
Travel and representation cost	67.0	159.4
Insurance	28.1	25.7
Other operating expenses	11.7	26.6
<b>Total other operating expenses</b>	<b>2'647.5</b>	<b>3'467.9</b>

<sup>1)</sup> Other digital marketing expenses were shifted from "Advertising and public relations" to "Digital marketing" in 2020. In order to enable an accurate comparison, TCHF 288.3 were reclassified correspondingly in the prior year figures.

## 7 FINANCIAL RESULT

	<b>2020</b>	<b>2019</b>
	<b>TCHF</b>	<b>TCHF</b>
Valuation gain <sup>1)</sup>	16.0	62.4
Foreign currency gains <sup>1)</sup>	193.6	376.5
Default interest	2.8	0.0
<b>Total financial income</b>	<b>212.4</b>	<b>438.9</b>
Interest expense third parties and bank charges	48.9	55.5
Interest expense related parties	93.7	51.6
Foreign currency losses	97.2	56.7
<b>Total financial expenses</b>	<b>239.8</b>	<b>163.8</b>
<b>Total financial result</b>	<b>-27.4</b>	<b>275.2</b>

<sup>1)</sup> The valuation and foreign currency gains mainly result from revaluation of liabilities relating to the acquisitions of First Class & More International GmbH and ASMALLWORLD TRAVEL (HOLDINGS) Ltd. There is no retrospective adjustment of goodwill according to the ASMALLWORLD Accounting Policy. Such adjustments are recognized in the financial result.

## 8 INCOME TAX EXPENSE AND TAX LOSSES CARRYFORWARD

### 8.1 INCOME TAX EXPENSE

	<b>2020</b>	<b>2019</b>
	<b>TCHF</b>	<b>TCHF</b>
Current income taxes	2.0	17
Deferred income taxes	52.4	-321.3
<b>Total income taxes</b>	<b>54.4</b>	<b>-319.6</b>

In 2019, the intellectual property (IP) rights for the international business of First Class & More were transferred from First Class & More International GmbH to First Class & More International AG. The IP is still not capitalized in the consolidated financial statements but only under local GAAP. As this asset was shifted into a different tax jurisdiction, the difference between local GAAP and Swiss GAAP FER changed from a permanent into a temporary difference, for which deferred taxes must be recognised. This leads to a positive one-off tax effect in the amount of TCHF 400 in 2019. The IP will be depreciated under local GAAP over 5 years in accordance with the accounting policy of ASmallWORLD. As a result, the recognized deferred tax asset on that temporary difference will be reduced over 5 years as deferred income tax expense.

### 8.2 ANALYSIS OF INCOME TAX EXPENSE

The Group's weighted average applicable tax rate is based on the result for the period before tax and the tax rate pertaining to each individual subsidiary at the respective fiscal year. Some subsidiaries within the Group have profits and others have losses. In order to get a meaningful tax rate, the calculation of the weighted average tax rate based on absolute values. The position "Other" mainly results from the deviation from the weighted average tax rate to the local applicable tax rate.

	<b>2020</b>	<b>2019</b>
	<b>TCHF</b>	<b>TCHF</b>
Result for the period before tax	710.4	969.1
<b>Weighted average applicable tax rate</b>	<b>12%</b>	<b>8%</b>
<b>Tax expense at weighted average applicable tax rate</b>	<b>87.9</b>	<b>78.3</b>
Use of unrecognised tax losses carryforward	-235.9	-6.2
Other	202.4	-391.6
<b>Effective tax expense</b>	<b>54.4</b>	<b>-319.6</b>
<b>Effective tax rate</b>	<b>8%</b>	<b>-33%</b>

The analysis of income tax expense has been modified in 2020 to enhance the informative value of the disclosure. To enable an accurate comparison, prior year figures were reclassified correspondingly.

### 8.3 TAX LOSSES CARRYFORWARD

No deferred tax assets are recognized for tax losses carried forward. The average tax rate used to calculate unrecognized deferred taxes on tax losses carried forwards was 19% (2019: 19%).

	<b>2020</b>	<b>2019</b>
	<b>TCHF</b>	<b>TCHF</b>
<b>Unrecognized deferred taxes on tax losses carried forward</b>	<b>2'565.0</b>	<b>2'660.4</b>

## 9 RECEIVABLES FROM SERVICES

	<b>2020</b>	<b>2019</b>
	<b>TCHF</b>	<b>TCHF</b>
From third parties	557.9	624.1
From related parties	0.0	26.8
<b>Total receivables from services</b>	<b>557.9</b>	<b>650.9</b>

## 10 OTHER SHORT-TERM RECEIVABLES

	<b>2020</b>	<b>2019</b>
	<b>TCHF</b>	<b>TCHF</b>
From third parties <sup>1)</sup>	838.5	870.2
From related parties	0.9	11.2
<b>Total other short-term receivables</b>	<b>839.4</b>	<b>881.4</b>

<sup>1)</sup> In 2019, ASMALLWORLD sold some of its IP to a third party with a gain of TCHF 727 which was disclosed under other operating income in the 2019 consolidated financial statements. Due to COVID-19 the buyer had to delay the project for which the IP was bought and therefore a deferred payment agreement was issued. Payments are due in 2021. Management and the Board of Directors are of the view that the recoverability of the receivable is not impaired as of December 31, 2020 and the buyer is able to fulfil its commitments.

## 11 PREPAYMENTS AND ACCRUED INCOME

	<b>2020</b>	<b>2019</b>
	<b>TCHF</b>	<b>TCHF</b>
Prepaid expenses for travel arrangements	146.3	33.0
Prepaid expenses for member privileges, events & sponsoring	178.9	371.8
Other accrued income/prepaid expenses	14.5	264.6
<b>Total prepayments and accrued income</b>	<b>339.8</b>	<b>669.4</b>

## 12 TANGIBLE FIXED ASSETS

in TCHF	Hardware & Equipment	Other tangible fixed assets	Total tangible fixed assets
<b>Purchase cost 1 January 2020</b>	<b>189.3</b>	<b>196.2</b>	<b>385.3</b>
Additions	2.1	0.0	2.1
Disposal	-0.6	0.0	-0.6
Removals	-8.6	-2.1	-10.8
<b>Purchase cost 31 December 2020</b>	<b>182.1</b>	<b>194.0</b>	<b>376.1</b>
<b>Cumulative depreciation 1 January 2020</b>	<b>-178.3</b>	<b>-126.5</b>	<b>-304.8</b>
Scheduled depreciation	-5.7	-25.6	-31.3
Impairments	-3.8	-8.3	-12.1
Removals	8.6	2.1	10.7
<b>Cumulative depreciation 31 December 2020</b>	<b>-179.2</b>	<b>-158.3</b>	<b>-337.5</b>
<b>Net carrying amount 31 December 2020</b>	<b>2.9</b>	<b>35.7</b>	<b>38.5</b>
Of which, financial leasing	0.0	0.0	0.0

The impairments on tangible fixed assets of TCHF 12.1 in the reporting year are related to ASmallWORLD Travel Ltd. From January 1st, 2021, the travel business of ASmallWORLD (ASmallWORLD Private & ASmallWORLD Collection) will be managed by the existing company ASW Travel AG in Zurich (Switzerland). The office in the UK was therefore closed. The reorganisation was done to reduce costs in the light of the COVID-19 pandemic and its negative impact on the travel business. The UK companies will formally apply to be struck off the register and dissolved in 2021.

in TCHF	Hardware & Equipment	Other tangible fixed assets	Total tangible fixed assets
<b>Purchase cost 1 January 2019</b>	<b>200.1</b>	<b>169.2</b>	<b>369.2</b>
Changes in the scope of consolidation	10.2	20.5	30.7
Additions	6.1	6.5	12.6
Removals	-27.1	0.0	-27.1
<b>Purchase cost 31 December 2019</b>	<b>189.3</b>	<b>196.2</b>	<b>385.3</b>
<b>Cumulative depreciation 1 January 2019</b>	<b>-190.8</b>	<b>-99.8</b>	<b>-290.6</b>
Scheduled depreciation	-14.6	-26.8	-41.4
Removals	27.1	0.0	27.1
<b>Cumulative depreciation 31 December 2019</b>	<b>-178.3</b>	<b>-126.5</b>	<b>-304.8</b>
<b>Net carrying amount 31 December 2019</b>	<b>11.0</b>	<b>69.6</b>	<b>80.5</b>
Of which, financial leasing	0.0	0.0	0.0



### 13 FINANCIAL ASSETS

	<b>2020</b>	<b>2019</b>
	<b>TCHF</b>	<b>TCHF</b>
Deferred tax assets <sup>1)</sup>	349.5	439.6
Rent deposits	50.0	74.0
Notary escrow account	2.2	0.0
<b>Total</b>	<b>401.7</b>	<b>513.7</b>

<sup>1)</sup> Please refer to note 8 “income taxes” for further explanation on the movement in deferred tax assets.

### 14 INTANGIBLE ASSETS

in TCHF	Intellectual property	Development costs	Total intangible assets
<b>Purchase cost 1 January 2020</b>	<b>1'128.9</b>	<b>4'439.1</b>	<b>5'568.0</b>
Additions	0.0	491.9	491.9
Removals	0.0	-2'518.4	-2'518.4
<b>Purchase cost 31 December 2020</b>	<b>1'128.9</b>	<b>2'412.6</b>	<b>3'541.5</b>
<b>Cumulative amortization 1 January 2020</b>	<b>-460.8</b>	<b>-3'182.7</b>	<b>-3'643.5</b>
Scheduled amortization	-225.8	-484.0	-709.8
Removals	0.0	2'518.4	2'518.4
<b>Cumulative amortization 31 December 2020</b>	<b>-686.6</b>	<b>-1'148.4</b>	<b>-1'834.9</b>
<b>Net carrying amount 31 December 2020</b>	<b>442.4</b>	<b>1'264.2</b>	<b>1'706.6</b>
Of which, acquired intangible assets	442.4	1'264.2	1'706.6
<b>Purchase cost 1 January 2019</b>	<b>1'152.0</b>	<b>3'879.6</b>	<b>5'031.6</b>
Additions	0.0	559.5	559.5
Disposal <sup>1)</sup>	-23.0	0.0	-23.0
<b>Purchase cost 31 December 2019</b>	<b>1'128.9</b>	<b>4'439.1</b>	<b>5'568.0</b>
<b>Cumulative amortization 1 January 2019</b>	<b>-230.4</b>	<b>-2'696.6</b>	<b>-2'927.0</b>
Scheduled amortization	-230.4	-486.1	-716.5
<b>Cumulative amortization 31 December 2019</b>	<b>-460.8</b>	<b>-3'182.7</b>	<b>-3'643.5</b>
<b>Net carrying amount 31 December 2019</b>	<b>668.1</b>	<b>1'256.4</b>	<b>1'924.5</b>
Of which, acquired intangible assets	668.1	1'256.4	1'924.5

<sup>1)</sup> In 2019, ASmallWORLD sold some of its IP to a third party with a gain of TCHF 727 which is disclosed under other operating income

**Goodwill**

The goodwill resulting from acquisitions is offset against equity at the time of acquisition. For the shadow accounting in accordance with Swiss GAAP FER, the goodwill is amortized in principle on a straight-line basis over its estimated useful life of five years.

No acquisitions took place in 2020. The goodwill addition in 2019 is resulting from the acquisition of ASmallWORLD TRAVEL (HOLDINGS) Ltd.

Theoretical capitalization of goodwill would have the following effects on the consolidated financial statements:

	<b>2020</b>	<b>2019</b>
	<b>TCHF</b>	<b>TCHF</b>
<b>Reconciliation of theoretical capitalization of goodwill</b>		
<b>Cost 1 January</b>	<b>29'367.7</b>	<b>29'735.8</b>
Additions	0.0	876.6
Foreign currency effect	432.6	-1'244.8
<b>Cost 31 December</b>	<b>29'800.2</b>	<b>29'367.7</b>
<b>Cumulative amortization 1 January</b>		
Scheduled amortization	-6'169.2	-6'035.3
Impairment <sup>1)</sup>	-700.2	0.0
<b>Cumulative amortization 31 December</b>	<b>-15'396.1</b>	<b>-8'671.7</b>
<b>Net carrying amount 1 January</b>	<b>20'695.9</b>	<b>27'099.5</b>
<b>Net carrying amount 31 December</b>	<b>14'259.1</b>	<b>20'696.0</b>

<sup>1)</sup> The goodwill from the acquisition of ASmallWORLD TRAVEL (HOLDINGS) Ltd. was fully impaired in 2020 (-TCHF 555). From January 1st, 2021, the travel business of ASmallWORLD (ASmallWORLD Private & ASmallWORLD Collection) will be managed by the existing company ASW Travel AG in Zurich (Switzerland). The reorganisation was done to reduce costs in the light of the COVID-19 pandemic and its negative impact on the travel business. Both companies in the UK (ASmallWORLD TRAVEL (HOLDINGS) Ltd. & ASmallWORLD Travel Ltd) will formally apply to be struck off the register and dissolved in 2021. Due to the negative impact of the COVID-19 pandemic, the goodwill from The World's Finest Clubs AG was impaired in 2020 (-TCHF 145). In 2019, no indicators exist which resulted in an impairment of goodwill.

	<b>2020</b>	<b>2019</b>
	<b>TCHF</b>	<b>TCHF</b>
<b>Theoretical impact on income statement</b>		
Group result	656.1	1'288.7
Amortization and impairment of goodwill	-6'869.3	-6'035.3
<b>Theoretical group result, incl. amortization of goodwill</b>	<b>-6'213.3</b>	<b>-4'746.6</b>
<b>Theoretical impact on balance sheet</b>		
Equity as per 31 Dec	-6'681.7	-7'715.3
Theoretical capitalization of net book value of goodwill	14'259.1	20'696.0
<b>Theoretical equity as per 31 Dec, incl. net book value of goodwill</b>	<b>7'577.5</b>	<b>12'980.7</b>

## 15 FINANCIAL LIABILITIES

	<b>2020</b>	<b>2019</b>
	<b>TCHF</b>	<b>TCHF</b>
Bank current account	0.0	12.6
Short-term loans from related parties	0.0	0.0
<b>Total current financial liabilities</b>	<b>0.0</b>	<b>12.6</b>
Long-term loans from related party	3'587.9	2'769.0
Long-term loans from third parties	918.9	0.0
<b>Total non-current financial liabilities</b>	<b>4'506.8</b>	<b>2'769.0</b>
<b>Total financial liabilities</b>	<b>4'506.8</b>	<b>2'781.6</b>

	<b>2020</b>	<b>2019</b>
	<b>TCHF</b>	<b>TCHF</b>
Remaining life		
2–5 years	0.0	0.0
More than 5 years	4'506.8	2'769.0
<b>Total non-current financial liabilities</b>	<b>4'506.8</b>	<b>2'769.0</b>

**Conditions:**

**Bank current account:** Credit line with a major Swiss bank at an interest rate of 6.5%.

**Long-term loan from related party:** Loan in CHF from Pellegrino Capital AG (majority shareholder) at an interest rate of 2.75% as part of a credit line of TCHF 5'000. Repayment is due in 2025.

**Long-term loans from third parties:** To secure liquidity, the ASmallWORLD Group has drawn on guaranteed COVID-19 loans in Switzerland and the UK. The loans drawn in Switzerland amount to TCHF 858. The interest rate is at 0.0%. The interest terms can be adjusted based on the requirements of the Federal Department of Finance. The term of the loan is 8 years. In cases of hardship, an extension to 10 years is possible. For the duration of the COVID-19 loans, the company may not distribute dividends and royalties and may not repay capital contributions. There are also further restrictions regarding the granting and repayment of loans to group companies and owners. Furthermore, it is not allowed to transfer funds to a foreign company and to reschedule existing debts. The loan drawn in the UK amounts to TGBP 50. The Interest is 2.5% and the first 12 months interest are paid by the UK Government. The maximum term of the loan is 5 years. The loan in the UK was settled in February 2021. The UK companies will formally apply to be struck off the register and dissolved in 2021.

## 16 PAYABLES FROM GOODS AND SERVICES

	<b>2020</b>	<b>2019</b>
	<b>TCHF</b>	<b>TCHF</b>
From third parties	126.9	1'058.5
From related parties	0.0	0.0
<b>Total payables from goods and services</b>	<b>126.9</b>	<b>1'058.5</b>

## 17 OTHER SHORT-TERM LIABILITIES

	<b>2020</b>	<b>2019</b>
	<b>TCHF</b>	<b>TCHF</b>
From third parties	285.2	540.1
From related parties	17.0	4'049.0
<b>Total other short-term liabilities</b>	<b>302.2</b>	<b>4'589.1</b>

In 2019, other short-term liabilities to related parties in the amount of TCHF 3'856 were related to the acquisition of First Class & More International GmbH, Dusseldorf (excess cash compensation as part of the purchase price). The excess cash compensation was settled in 2020.

## 18 PROVISIONS

in TCHF	Provisions for deferred taxes	Other provisions	Total provisions
<b>Carrying amount as of 1 January 2020</b>	<b>79.2</b>	<b>7'660.9</b>	<b>7'740.1</b>
Creation	0.0	0.0	0.0
Utilisation	0.0	-1'923.8	-1'923.8
Release	-37.7	-49.1	-86.8
Foreign currency effect <sup>1)</sup>	0.0	-19.9	-19.9
<b>Carrying amount as of 31 December 2020</b>	<b>41.5</b>	<b>5'668.1</b>	<b>5'709.6</b>
Of which, short-term provisions	41.5	1'961.9	2'003.4
Of which, long-term provisions	0.0	3'706.2	3'706.2

in TCHF	Provisions for deferred taxes	Other provisions	Total provisions
<b>Carrying amount as of 1 January 2019</b>	<b>4.2</b>	<b>7'926.0</b>	<b>7'930.1</b>
Creation	75.0	49.1	124.1
Release	0.0	-37.6	-37.6
Foreign currency effect <sup>1)</sup>	0.0	-276.5	-276.5
<b>Carrying amount as of 31 December 2019</b>	<b>79.2</b>	<b>7'660.9</b>	<b>7'740.1</b>
Of which, short-term provisions	79.2	2'049.1	2'128.3
Of which, long-term provisions	0.0	5'611.8	5'611.8

<sup>1)</sup> Refer to Note "7 Financial Income" for explanation of foreign currency effect

Other provisions (2020 TCHF 5'668.2/2019 TCHF 7'611.8) are staged purchase price payments (which are conditional on the future success of First Class & More Group) and an earn-out which are both related to the acquisition of First Class & More International GmbH, Dusseldorf in 2018 and were part of the purchase price. Possible payments are dependent on and financed through future results of First Class & More GmbH. The results from the business years 2019 to 2021 of First Class & More are the basis for the calculation of these liabilities. First payments were made in 2020 and further payments are due in 2021 and 2022. As a result, TCHF 1'962.0 (2019: TCHF 2'000) were reclassified from long-term to short-term provisions.

## 19 ACCRUED LIABILITIES AND DEFERRED INCOME

	<b>2020</b>	<b>2019</b>
	<b>TCHF</b>	<b>TCHF</b>
Deferred income (subscriptions revenue recognition)	2'477.3	2'644.5
Advance payments from clients (events & travel)	162.4	53.5
Consulting and audit fees	117.9	206.1
Personnel expenses related accruals	14.1	13.0
Issuance stamp	0.0	66.0
Taxes	67.0	72.1
Other	0.0	100.3
<b>Total accrued liabilities and deferred income</b>	<b>2'838.6</b>	<b>3'155.4</b>

The breakdown of accrued liabilities and deferred income has been modified in 2020 to enhance the informative value of the disclosure. To enable an accurate comparison, prior year figures were reclassified correspondingly.

## 20 EQUITY

### Share capital:

The share capital of ASMALLWORLD AG consists of 11'367'153 registered shares with a par value of CHF 1. Each outstanding share grants the owner one vote at the Annual General Meeting of the shareholders. All shares issued by the company were fully paid in.

### Authorized Capital:

The authorized capital in the maximum amount of CHF 1'000'000.00 expired on November 28, 2020.

### Conditional capital:

In connection with the employee stock option plan there is a conditional capital of TCHF 995 as per 31 December 2020 (2019: TCHF 995).

### Legal Reserves:

The equity comprises TCHF 53.5 (2019: TCHF 53.3) in non-distributable reserves.

## 21 EARNINGS PER SHARE

Earnings per share are calculated by dividing the Group result for the period attributable to owners of the parent by the time-weighted number of shares outstanding during the financial year.

	<b>2020</b>	<b>2019</b>
Group result (in TCHF)	656.1	1'288.7
Weighted-average number of outstanding shares	11'367'153	11'367'153
<b>Basic earnings per share (in CHF)</b>	<b>0.06</b>	<b>0.11</b>

For the purpose of calculating diluted earnings per share, the weighted-average number of ordinary shares is adjusted by the number of ordinary shares which would be issued on the conversion of all potential dilutive options into ordinary shares.

	<b>2020</b>	<b>2019</b>
Group result (in TCHF)	656.1	1'288.7
Weighted-average number of outstanding shares	11'367'153	11'367'153
Adjustment for the dilutive number of outstanding share options	534'344	357'738
Weighted-average number of diluted shares	11'901'497	11'724'891
<b>Diluted earnings per share (in CHF)</b>	<b>0.06</b>	<b>0.11</b>

## 22 PENSION FUND

The employees of Swiss-based Group companies are insured under collective pension plans. Consequently, due to its joint and several nature, the information to be disclosed cannot be determined on the basis of the individual participation agreement. The level of coverage of the collective plan, however, amounted to 111% as per 31 December 2020 (2019: 112%).

ASSmallWORLD TRAVEL LIMITED operates a defined contribution plan for its employees. The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds. The People's Pension is a trust-based defined contribution scheme, registered with HMRC and The Pensions Regulator.

	<b>2020</b>	<b>2019</b>
	<b>TCHF</b>	<b>TCHF</b>
Surplus/Deficit according Swiss GAP FER 26	0.0	0.0
Economic benefit/obligation at balance sheet date	0.0	0.0
Change to prior year or charge to income current year	0.0	0.0
Contributions for the period	62.7	52.9
Pension plan expenses in personnel expenses	62.7	52.9

There is no pension benefit obligation plan for employees of First Class & More FZE, Dubai.

## 23 TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties consist of normal business transactions under normal market conditions.

	<b>2020</b>	<b>2019</b>
	<b>TCHF</b>	<b>TCHF</b>
<b>Transactions with related parties</b>		
Sale of services to related parties	182.9	252.2
Consulting services from related parties	142.5	119.7

The corresponding balances from receivables and payables are disclosed separately in the accompanying financial statements.

Not to be disclosed as related party transactions are ordinary compensation of related parties from their activities as employees or as specifically appointed bodies. Disclosures of compensation and shareholdings in accordance with the Swiss Code of Obligations may be found in the Remuneration Report and in the notes to the financial statements of ASmallWORLD AG which are part of the ASmallWORLD annual report 2020.

For the acquisition of ASmallWORLD TRAVEL (HOLDINGS) Ltd. and its subsidiary in 2019, Pellegrino Capital AG provided ASmallWORLD AG shares on behalf of ASmallWORLD AG in the amount of TCHF 480.5. These shares are valued at fair value at the date of delivery (stock exchange price).

## 24 OFF-BALANCE SHEET LEASING (RENTAL OBLIGATION)

	<b>2020</b>	<b>2019</b>
	<b>TCHF</b>	<b>TCHF</b>
1 to 2 years	120.5	281.2
3 to 5 years	0.0	0.0
<b>Total off-balance sheet leasing/ rental obligation</b>	<b>120.5</b>	<b>281.2</b>

## 25 FIXED PURCHASE COMMITMENTS

In connection with the Prestige Membership there is an existing contract with a supplier which includes fixed purchase commitments of TCHF 1'094.6 for the year 2021 (for the year 2020: TCHF 228).

## 26 SCOPE OF CONSOLIDATION

The consolidated financial statements include ASMALLWORLD AG and the companies under its control (as per 31 December 2020).

Company	balance sheet date
ASW Events AG, Zurich, Switzerland	31.12.
The World's Finest Clubs AG, Zurich, Switzerland	31.12.
ASW Travel AG, Zurich, Switzerland	31.12.
First Class & More International GmbH, Dusseldorf, Germany	31.12.
First Class & More FZE, Dubai, United Arab Emirates – indirect participation	31.12.
First Class & More International AG, Zurich, Switzerland	31.12.
ASMALLWORLD TRAVEL (HOLDINGS) Ltd., London, United Kingdom	31.12.
ASMALLWORLD Travel Ltd, London, United Kingdom – indirect participation	31.12.
ASW Hospitality AG, Zurich, Switzerland	31.12.

As per 31 December 2020 and 2019, ASMALLWORLD AG owns 100% of all subsidiaries shown above.

ASW Hospitality AG was founded through ASMALLWORLD AG on 18 February 2019.

### Acquisitions

No acquisitions took place in the year under reporting.

On 1 February 2019 ASMALLWORLD AG acquired ASMALLWORLD (HOLDINGS) LTD. and its subsidiary ASMALLWORLD Travel Ltd – former LuxuryBARED Ltd. and LuxuryBARED Holdings Ltd. The purchase price for ASMALLWORLD Travel Ltd amounted to TCHF 480.5. The transaction cost related to this acquisition were recorded in the income statement as other operating expenses.

### Most important parts of the Balance sheets as of the date of acquisition

	2020	2019
	TCHF	TCHF
<b>Assets</b>		
Cash	0.0	76.0
Other current assets	0.0	8.8
Fixed assets	0.0	31.3
Financial assets	0.0	20.9
<b>Total assets</b>	<b>0.0</b>	<b>137.0</b>
<b>Liabilities</b>		
Payables from goods and services	0.0	164.8
Other short-term liabilities	0.0	240.6
Long Term Liabilities	0.0	127.7
<b>Total liabilities</b>	<b>0.0</b>	<b>533.1</b>
<b>Net assets</b>	<b>0.0</b>	<b>-396.1</b>
Purchase price	0.0	480.5
Net assets	0.0	-396.1
<b>Goodwill</b>	<b>0.0</b>	<b>876.6</b>

In 2019, the goodwill of TCHF 876.6 was offset against equity as per date of acquisition.



## Components of purchase price

	<b>2020</b>	<b>2019</b>
	<b>TCHF</b>	<b>TCHF</b>
Purchase price settled in cash	0.0	0.0
Purchase price settled in shares	0.0	480.5
<b>Total purchase price</b>	<b>0.0</b>	<b>480.5</b>

## Cash flows resulting from the acquisitions

	<b>2020</b>	<b>2019</b>
	<b>TCHF</b>	<b>TCHF</b>
Purchase price settled in cash	0.0	0.0
Less cash acquired	0.0	76.0
<b>Net cash outflow – net cash from investing activities</b>	<b>0.0</b>	<b>-76.0</b>

## 27 IMPACT OF COVID-19 PANDEMIC

Throughout the reporting year, the Group was impacted by the global recession triggered by the COVID-19 pandemic. Especially affected was the service segment of ASmallWORLD Group (events and travel), on which the ecosystem of ASmallWORLD is based. There were cancellations of events worldwide and travel was heavily limited by governmental restrictions. It impacted the subscription segment as well, as the benefits of the membership are driven by the service segment. To secure liquidity, the ASmallWORLD Group has drawn on guaranteed COVID-19 loans in Switzerland and the UK (refer to note 15). Furthermore, short-time working compensation in Switzerland and compensation received in the UK from coronavirus furlough scheme helped to preserve cash drain (refer to note 5). As a result of the pandemic, the travel business of ASmallWORLD (ASmallWORLD Private & ASmallWORLD Collection) will be managed by the existing company ASW Travel AG in Zurich (Switzerland) from January 1, 2021. The reorganisation was completed by December 31, 2020. This resulted in impairments of tangible fixed assets and goodwill (refer to Note 12 & 14). Both companies in the UK (ASmallWORLD TRAVEL (HOLDINGS) Ltd. & ASmallWORLD Travel Ltd) will formally apply to be struck off the register and dissolved in 2021. Further governmental support in Switzerland for the events business is currently under assessment by the local authorities.

## 28 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The COVID-19 pandemic has a negative impact on the entire global economy. The impact on the business year 2021 of the ASmallWORLD Group cannot be estimated reliably as of March 16, 2021 and depends heavily on how long and to what extent the measures to contain the coronavirus will be sustained worldwide. Management does currently not expect a significant impact on the liquidity situation of the group.

No other significant events occurred after the balance sheet date of 31.12.2020. Events after the balance sheet date were considered until 16 March 2021. On this date, the financial statements were approved by the Board of Directors of ASmallWORLD AG.

# Report of the statutory auditor

to the General Meeting of ASMALLWORLD AG

Zurich

## Report on the audit of the consolidated financial statements

### Opinion

We have audited the consolidated financial statements of ASMALLWORLD AG and its subsidiaries (the Group), which comprise the consolidated income statement for the period 1 January to 31 December 2020, consolidated balance sheet as at 31 December 2020, consolidated statement of changes in equity and consolidated cash flow statement following the indirect method for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 43 to 65) give a true and fair view of the consolidated financial position of the Group as at 31 December 2020 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

### Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the “Auditor’s responsibilities for the audit of the consolidated financial statements” section of our report.

We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Our audit approach

#### Overview



Overall Group materiality: CHF 120'000

We concluded full scope audit work at two reporting units. These Group companies represented 87% of sales and 82% of the assets of the Group.

As key audit matter the following area of focus has been identified:

Revenue recognition of subscription income and from the sales of services (cut-off)

### Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

<b>Overall Group materiality</b>	CHF 120'000
<b>How we determined it</b>	1% of the consolidated revenue
<b>Rationale for the materiality benchmark applied</b>	We chose revenue as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured. In addition, the company has shown strong fluctuations in terms of loss / profit which makes the benchmark profit before tax unsuitable.

We agreed with the Audit Committee that we would report to them misstatements above CHF 9'600 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

### Audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The main subsidiaries of the Group are audited by PwC Switzerland. As part of the audit of the 2020 consolidated financial statements, we performed the audit of the two most significant Group companies.

### Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Revenue recognition of subscription income and from the sales of services (cut-off)**

Key audit matter	How our audit addressed the key audit matter
<p>Revenue is a key factor at ASmallWorld AG and, due to its business model, the associated accruals and deferrals are an integral part of the balance sheet. The business model consists of the two revenue streams subscription in-come (membership fees) and services (travel organisation and event sponsorship).</p> <p>Please refer to note 2.15 “Revenue recognition” in the annual report for further details.</p> <p>Due to the business model, revenues must be deferred over a contractual duration or at a certain time. We see the risk that, in the event of an error in the accrual/deferral, revenue may not have been recognized correctly in the period and in accordance with Swiss GAAP FER requirements.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>- We tested the revenue transactions during the year on a sample basis by comparing invoices and bank receipts.</li> <li>- We tested the monthly accrual/deferral of sales transactions and their reversal in order to ensure that revenue recognition criteria are met at period-end and cut-off is correctly stated.</li> <li>- We tested whether credit notes raised after year-end were appropriately issued and recognized.</li> <li>- We examined the existence of revenues and their recognition in the correct reporting period using a sample of invoices and payments received from the customer.</li> </ul> <p>On the basis of our audit procedures, we have addressed the risk around revenue recognition from the sales of services and obtained sufficient audit evidence.</p>

**Responsibilities of the Board of Directors for the consolidated financial statements**

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

**Auditor’s responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the website of EXPERTsuisse: <http://expertsuisse.ch/en/audit-report-for-public-companies>. This description forms part of our auditor’s report.

## Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG



Thomas Wallmer  
Audit expert  
Auditor in charge



Remo Hegner  
Audit expert

Zurich, 16 March 2021

# BALANCE SHEET AS OF 31 DECEMBER

	Note	2020 TCHF	2019 TCHF
<b>ASSETS</b>			
Cash		32.5	27.5
Other short-term receivables			
– from third parties	17/2.2	815.2	843.5
– from shareholders and governing bodies		0.0	13.1
– from group entities		139.3	130.4
Prepaid expenses and accrued income		178.9	422.3
<b>Total Current assets</b>		<b>1'166.0</b>	<b>1'436.8</b>
Financial assets			
– from third parties		50.0	50.0
– from group entities	2.8	90.0	1'416.6
Investments	2.1/2.8	24'153.8	31'842.2
Property, plant and equipment			
– Furniture	1.3	2.8	6.5
– Other equipment	1.3	130.0	130.0
– Hardware	1.3	77	13.2
Intangible assets	1.3	1'547.7	1'811.7
<b>Total Non-current assets</b>		<b>25'982.0</b>	<b>35'270.2</b>
<b>TOTAL ASSETS</b>		<b>27'148.0</b>	<b>36'707.0</b>

# BALANCE SHEET AS OF 31 DECEMBER

	Note	2020 TCHF	2019 TCHF
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Trade accounts payable			
– to third parties		10.9	756.5
Other short-term liabilities			
– to third parties		207.8	338.3
– to shareholders	2.3	0.0	4'056.7
– to group entities		1'324.7	547.1
Short-term provisions	2.6	2'030.1	2'100.1
Accrued expenses and deferred income	2.4	1'046.9	1'215.3
<b>Total Short-term liabilities</b>		<b>4'620.4</b>	<b>9'014.0</b>
Long-term interest-bearing liabilities			
– to third parties	2.5	500.0	0.0
– to shareholders	2.5	3'587.9	2'769.0
Long-term Provisions	2.6	3'900.4	5'920.3
<b>Total Long-term liabilities</b>		<b>7'988.3</b>	<b>8'689.3</b>
<b>Total Liabilities</b>		<b>12'608.7</b>	<b>17'703.4</b>
Share capital		11'367.2	11'367.2
Legal capital reserves			
– Reserves from capital contributions ("KER")	2.7	17'204.6	17'204.6
– Other capital reserves		2.0	2.0
Legal retained earnings		50.0	50.0
Accumulated losses		-9'620.1	-8'835.6
Loss for the year		-4'464.3	-784.5
<b>Total Shareholders' equity</b>		<b>14'539.4</b>	<b>19'003.6</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>27'148.0</b>	<b>36'707.0</b>

# INCOME STATEMENT

	Note	2020 TCHF	2019 TCHF
Net Sales from services	1.6	5'110.7	4'106.5
Other operating income	1.7	459.8	1'447.0
<b>Total operating income</b>		<b>5'570.6</b>	<b>5'553.5</b>
Direct expenses for services rendered		-3'160.9	-1'667.2
Personnel expenses	2.9	-822.0	-1'271.2
Other operating expenses		-1'777.3	-2'468.7
Depreciation and impairment losses on			
– fixed assets	1.3/2.8	-11.3	-30.0
– intangible assets	1.3	-714.6	-682.8
– investments	2.8	-2'080.5	-100.0
– financial assets	2.8	-1'765.2	0.0
<b>Total operating expenses</b>		<b>-10'331.7</b>	<b>-6'219.8</b>
<b>Operating result</b>		<b>-4'761.2</b>	<b>-666.3</b>
Financial income	2.10	496.9	35.2
Financial expenses		-175.0	-121.0
<b>Loss for the year before taxes</b>		<b>-4'439.2</b>	<b>-752.1</b>
Direct taxes		-25.1	-32.5
<b>Loss for the year</b>		<b>-4'464.3</b>	<b>-784.5</b>



# NOTES TO THE FINANCIAL STATEMENTS

## 1 GENERAL ASPECTS AND APPLIED ACCOUNTING PRINCIPLES

ASMALLWORLD AG was incorporated on October 12, 2012, as a Swiss corporation headquartered in Zurich.

These financial statements were prepared according to the provisions of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below.

ASMALLWORLD AG is presenting consolidated financial statements according Swiss GAAP FER. As a result, these financial statements and notes do not include additional disclosures, cash flow statement and management report.

### 1.1 TRADE ACCOUNTS RECEIVABLE AND OTHER SHORT-TERM RECEIVABLES

All receivables are stated at nominal value less provision for bad debt, which is calculated on the basis of an individual assessment of the receivables. Each receivable are valued individually (single allowance for doubtful accounts). There is no general allowance for doubtful debts.

### 1.2 INVESTMENTS

Investments in subsidiaries and associates are carried at cost less impairment charges. Impairment charges are calculated on an individual basis.

### 1.3 PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS

**Tangible Assets:** Useful life of 5 years (except other equipment which contains works of art which are not depreciated)

**Intangible Assets:** Useful life of 5 years

Intangible assets include intellectual property rights as well as capitalized development cost for ASMALLWORLD.

The cost of maintenance and repairs is expensed as incurred. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from their respective accounts, and any gain or loss on such sale or disposal is reflected in the profit & loss statement.

### 1.4 LIABILITIES

Liabilities are recognized at their nominal value.

### 1.5 PROVISIONS

Provisions are recognized if an event in the past gives rise to a justified, likely obligation which is of uncertain timing and amount, but which can be estimated reliably. Provisions are measured on the basis of the estimated amount of money required to satisfy the obligation.

### 1.6 REVENUE RECOGNITION – SUBSCRIPTION INCOME

ASMALLWORLD members pay an annual membership fee (or equivalent in EUR, GBP, USD) by using debit and credit cards, PayPal, or other methods. Until the business year 2016 the membership was recognized as revenue when a customer successfully approved the payment transaction for the purchase of the membership on the ASMALLWORLD website. In the business year 2017 ASMALLWORLD AG changed the accounting policy: Sales of memberships are realized monthly over 12 months (in line with Swiss GAAP FER group accounting policy).

### 1.7 OTHER OPERATING INCOME

In 2019, ASMALLWORLD AG sold part of its IP to Prestige Media Group S.A in the amount of TCHF 750. This resulted in a net gain from disposal of intangible assets of TCHF 727. Due to COVID-19 the buyer had to delay the project for which the IP was bought and therefore a deferred payment agreement was issued. Payments are due in 2021 (Other short-term receivables from third parties). Management and the Board of Directors are of the view that the recoverability of the receivable is not impaired as of December 31, 2020 and the buyer is able to fulfil its commitments. Furthermore, intercompany charges relating to services provided to group companies by ASMALLWORLD AG are included in other operating income.

## 2 DISCLOSURE ON BALANCE SHEET AND INCOME STATEMENT ITEMS

### 2.1 INVESTMENTS

Company name, domicile	Voting rights and capital rights in %		Capital in 1'000	Capital in 1'000
	2020	2019	2020	2019
The World's Finest Clubs AG, Zurich (CH)	100	100	CHF 150	CHF 150
ASW Events AG, Zurich (CH)	100	100	CHF 100	CHF 100
ASW Travel AG, Zurich (CH)	100	100	CHF 100	CHF 100
First Class & More International GmbH, Dusseldorf (DE)	100	100	EUR 25.1	EUR 25.1
First Class & More International AG, Zurich (CH)	100	100	CHF 100	CHF 100
First Class & More FZE, Dubai (UAE) – indirect participation	100	100	AED 100	AED 100
ASMALLWORLD TRAVEL (HOLDINGS) Ltd., London (UK)	100	100	GBP 0.2	GBP 0.2
ASMALLWORLD Travel Ltd, London (UK) – indirect participation	100	100	GBP 793	GBP 793
ASW Hospitality AG, Zurich (CH)	100	100	CHF 100	CHF 100

In 2020, the reduction of investments in subsidiaries is mainly a result of payments related to the acquisition of First Class & More International GmbH in 2018 (excess cash compensation, staged purchase price payments and earn-outs; refer to notes 2.3 & 2.6).

On 1 February 2019 ASMALLWORLD AG acquired ASMALLWORLD Travel Ltd and ASMALLWORLD (HOLDINGS) LTD. - former LuxuryBARED Ltd. and LuxuryBARED Holdings Ltd.

ASW Hospitality AG was founded through ASMALLWORLD AG on 18 February 2019.

### 2.2 PENSION SCHEME LIABILITIES

	2020	2019
	TCHF	TCHF
NEST Sammelstiftung (BVG)	0.0	-4.2

In 2019, the pension scheme receivables are included in the balance sheet position "Other short-term receivables from third parties".

### 2.3 OTHER SHORT-TERM LIABILITIES TO SHAREHOLDERS

In 2019, other short-term liabilities to shareholders were mainly related to the acquisition of First Class & More International GmbH, Dusseldorf in 2018 (excess cash compensation as part of the purchase price). The excess cash compensation was settled in 2020.

### 2.4 ACCRUED EXPENSES AND DEFERRED INCOME

This balance sheet position consists mainly of deferred income due to revenue recognition of subscription income (2020 TCHF 889/2019 TCHF 939; see also note 1.6). The remainder are accrued expenses including capital taxes, audit costs and costs for preparation of the annual report.

## 2.5 LONG TERM INTEREST-BEARING LIABILITIES

The majority shareholder granted a credit line of up to TCHF 5'000 of which as per 31 December 2020 TCHF 3'588 (2019 TCHF 2'769) were used. Repayment is due in 2025.

To secure liquidity, ASMALLWORLD AG has drawn a guaranteed COVID-19 loan (TCHF 500). The interest rate is at 0.0%. The interest terms can be adjusted based on the requirements of the Federal Department of Finance. The term of the loan is 8 years. In cases of hardship, an extension to 10 years is possible. For the duration of the COVID-19 loans, the company may not distribute dividends and royalties and may not repay capital contributions. There are also further restrictions regarding the granting and repayment of loans to group companies and owners. Furthermore, it is not allowed to transfer funds to a foreign company and to reschedule existing debts.

## 2.6 PROVISIONS

Provisions are mainly staged purchase price payments and earn-outs which are both related to the acquisition of First Class & More International GmbH, Dusseldorf in 2018 and were part of the purchase price. Staged purchase price payments and earn-outs were partially settled in 2020.

## 2.7 RESERVES FROM CAPITAL CONTRIBUTIONS (“KAPITALEINLAGERESERVE”)

As of 31 December 2020, reserves from capital contributions amount to TCHF 17'205. They have been confirmed by the Federal Tax Administration. The distribution of these reserves as dividends is not subject to income taxes for individuals in Switzerland and can be effected free of Swiss withholding tax.

## 2.8 IMPAIRMENT LOSSES ON INVESTMENTS AND FINANCIAL ASSETS

ASMALLWORLD AG made impairments on investments in the amount of TCHF 2'081. Furthermore, ASMALLWORLD AG made an impairment on an intercompany loan of TCHF 1'765. Impairments were mainly due to the decision of closing the companies in the UK in 2021.

In 2019, ASMALLWORLD AG made an impairment on work of arts in the amount of TCHF 16. Furthermore, ASMALLWORLD AG made an impairment on one of its investments in the amount of TCHF 100.

## 2.9 PERSONNEL EXPENSES

The short-time working compensation received in 2020 amounted to TCHF 273.

## 2.10 FINANCIAL INCOME

The financial income mainly relates to realised FX gains from the settlement of liabilities in 2020 related to the acquisition of First Class & More International GmbH, Dusseldorf (excess cash compensation and earn-outs). The settlement is in EURO and the liabilities are valued in CHF based on the historic FX rate at the date of acquisition (5 October 2018).

### 3 OTHER INFORMATION

#### 3.1 FULL-TIME EQUIVALENTS

The annual average number of full-time equivalents for the reporting year did not exceed 50 (prior year: did not exceed 50).

#### 3.2 RESIDUAL AMOUNT OF LONG-TERM RENTAL OBLIGATIONS

	<b>2020</b>	<b>2019</b>
	<b>TCHF</b>	<b>TCHF</b>
Residual amount of rental obligation	120.5	281.2

#### 3.3 TOTAL AMOUNT OF ASSETS USED TO SECURE OWN LIABILITIES

	<b>2020</b>	<b>2019</b>
	<b>TCHF</b>	<b>TCHF</b>
Assets used to secure own liabilities	21'234.4	26'842.3

#### 3.4 REMUNERATION DISTRIBUTED TO CURRENT MEMBERS OF THE BOARD OF DIRECTORS AND TO THE EXECUTIVE MANAGEMENT

	<b>Number of granted options 2020</b>	<b>Value of granted options in 2020 (in TCHF)</b>	<b>Salaries and other compensation 2020 (in TCHF)</b>
Board of Directors	0	0.0	0.0
Executive management	163'606	364.5	606.8

	<b>Number of granted options 2019</b>	<b>Value of granted options in 2019 (in TCHF)</b>	<b>Salaries and other compensation 2019 (in TCHF)</b>
Board of Directors	31'668	99.6	0.0
Executive management	163'606	541.4	763.8

Value of options according valuation at grant date of options.

Salaries and other compensation includes the total compensation in cash (including social security cost).

## 3.5 SIGNIFICANT SHAREHOLDERS

	2020	2019
<b>Shareholder</b>		
Patrick Liotard-Vogt (directly, indirectly & option rights)	63.78%	67.08%
Alexander Koenig (directly, indirectly & option rights)	9.25%	8.65%
HANSAINVEST Hanseatische Investmentgesellschaft GmbH	7.76%	7.76%

## 3.6 SHARES HELD BY THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

	2020	2019
<b>Board of Directors</b>		
Patrick Liotard-Vogt* (directly & indirectly)	7'162'078	7'536'771
Michael Manz	0	0

\*Patrick Liotard-Vogt has decided not to stand for re-election to the Board of Directors at the Annual General Meeting (AGM) held on 17th April 2020.

	2020	2019
<b>Executive Management</b>		
Jan Luescher, Chief Executive Officer	0	0
Alexander Koenig (directly & indirectly), Managing Director of First Class & More	916'000	916'000
Daniel Sutter, Head of Finance	0	0

## 3.7 OPTIONS HELD BY THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

	2020	2019
<b>Board of Directors</b>		
Patrick Liotard-Vogt*	88'336	88'336
Michael Manz	10'000	10'000

\*Patrick Liotard-Vogt has decided not to stand for re-election to the Board of Directors at the Annual General Meeting (AGM) held on 17th April 2020.

	2020	2019
<b>Executive Management</b>		
Jan Luescher, Chief Executive Officer	287'388	191'592
Alexander Koenig, Managing Director of First Class & More	135'620	67'810
Daniel Sutter, Head of Finance	0	0

#### 4 IMPACT OF COVID-19 PANDEMIC

Throughout the reporting year, ASMALLWORLD AG was impacted by the global recession triggered by the COVID-19 pandemic. Especially affected was the service segment of ASMALLWORLD Group (events and travel), on which the ecosystem of ASMALLWORLD is based. There were cancellations of events worldwide and travel was heavily limited by governmental restrictions. It impacted the subscription segment as well, as the benefits of the membership are driven by the service segment. To secure liquidity, ASMALLWORLD AG has drawn a guaranteed COVID-19 loan (refer to note 2.5). Furthermore, short-time working compensation helped to preserve cash drain (refer to note 2.9). As a result of the pandemic, the travel business of ASMALLWORLD (ASMALLWORLD Private & ASMALLWORLD Collection) will be managed by the existing company ASW Travel AG in Zurich (Switzerland) from January 1, 2021. The reorganisation was completed by December 31, 2020. This resulted in impairments of investments and financial assets from group companies (refer to Note 2.8). Both companies in the UK (ASMALLWORLD TRAVEL (HOLDINGS) Ltd. & ASMALLWORLD Travel Ltd) will formally apply to be struck off the register and dissolved in 2021. Further governmental support in Switzerland for the events business is currently under assessment by the local authorities.

#### 5 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

No significant events occurred after the balance sheet date of 31.12.2020. Events after the balance sheet date were considered until 16 March 2021. On this date, the financial statements were approved by the Board of Directors of ASMALLWORLD AG.

# Report of the statutory auditor

to the General Meeting of ASMALLWORLD AG

Zurich

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of ASMALLWORLD AG, which comprise the balance sheet as at 31 December 2020, income statement and notes to the financial statements for the year then ended, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 70 to 78) as at 31 December 2020 comply with Swiss law and the company's articles of incorporation.

### Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Our audit approach

#### Overview



Overall materiality: CHF 55'700

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the entity, the accounting processes and controls, and the industry in which the entity operates.

As key audit matter the following area of focus has been identified:

Impairments of Investments

### Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

<b>Overall materiality</b>	CHF 55'700
<b>How we determined it</b>	1% of revenue
<b>Rationale for the materiality benchmark applied</b>	We chose revenue as the benchmark because, in our view, it is the benchmark against which the performance of the ASmallWorld AG is most commonly measured.

We agreed with the Audit Committee that we would report to them misstatements above CHF 4'400 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

### Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

### Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



**Impairments of Investments**

Key audit matter	How our audit addressed the key audit matter
<p>As at 31 December 2020, the book value of investments in group companies amount to CHF 24.2 Mio.</p> <p>We consider the valuation of investments in group companies to be a key audit matter owing to the magnitude of the balance in relation to the financial statements and the importance of management’s estimates of future cash flows to the assessment of potential impairment.</p> <p>Investments in group companies are carried at cost less impairment charges. Impairment charges are calculated on an individual basis.</p> <p>There is a risk that carrying investments are not recoverable. Further details about the investments in group companies can be found in note 1.2 “Investments”.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>- We obtained management’s memorandum addressing the recoverability of selected investments in subsidiaries.</li> <li>- We compared the book value of the investments with the net assets of the related investment.</li> <li>- In instances when the carrying value was either impaired or supported by a discounted cash flow of future earnings, we challenged management to substantiate its key assumptions in the cash flow projections and verified the mathematical integrity of the valuation model.</li> <li>- We checked whether the impairments were booked correctly.</li> <li>- We evaluated the estimates made by management and ensured that the process of determining estimates is appropriate.</li> </ul> <p>On the basis of audit procedures performed, we addressed the risk that investments in group companies might be overvalued and obtained adequate assurance.</p>

**Responsibilities of the Board of Directors for the financial statements**

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company’s articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the entity’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

**Auditor’s responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the website of EXPERT-suisse: <http://expertsuisse.ch/en/audit-report-for-public-companies>. This description forms part of our auditor’s report.

### Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG



Thomas Wallmer  
Audit expert  
Auditor in charge



Remo Hegner  
Audit expert

Zurich, 16 March 2021

## CONTACT AND AGENDA

**FOR MORE INFORMATION ABOUT  
THE ASMALLWORLD GROUP, PLEASE VISIT:**

[www.asmallworldag.com](http://www.asmallworldag.com)

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**FINANCIAL CALENDAR:**

18 March 2021: Results and Annual Report 2020

30 April 2021: General Assembly

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