



ANNUAL REPORT 2023



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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 that enables and 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, engage in online discussions, receive travel and lifestyle inspiration, and enjoy a wealth of travel privileges. They also meet at over 800 global ASMALLWORLD events every year, ranging from casual get-togethers in major cities around the world, access to exclusive launches, shows, galas, soirées, exhibitions, major global sporting events, and larger flagship weekend experiences hosted in iconic destinations such as Saint-Tropez.

Other businesses in the ASMALLWORLD travel & lifestyle ecosystem include:

- **ASMALLWORLD Collection**, a high-end online hotel booking engine focused on the world’s most admired hotels, offering the unique “ASMALLWORLD VIP Rate,” which allows customers to enjoy exclusive travel benefits at no extra cost
- **ASMALLWORLD Private**, a high-end travel agency offering personalised travel curation services
- **ASW Hospitality**, a hotel management and consulting 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
- **ASMALLWORLD DISCOVERY**, provides independent hotels with the opportunity to join the GHA DISCOVERY loyalty platform
- **Jetbeds**, a booking tool for First- and Business-Class flights from the world’s leading airlines

THE ASMALLWORLD TRAVEL & LIFESTYLE ECOSYSTEM



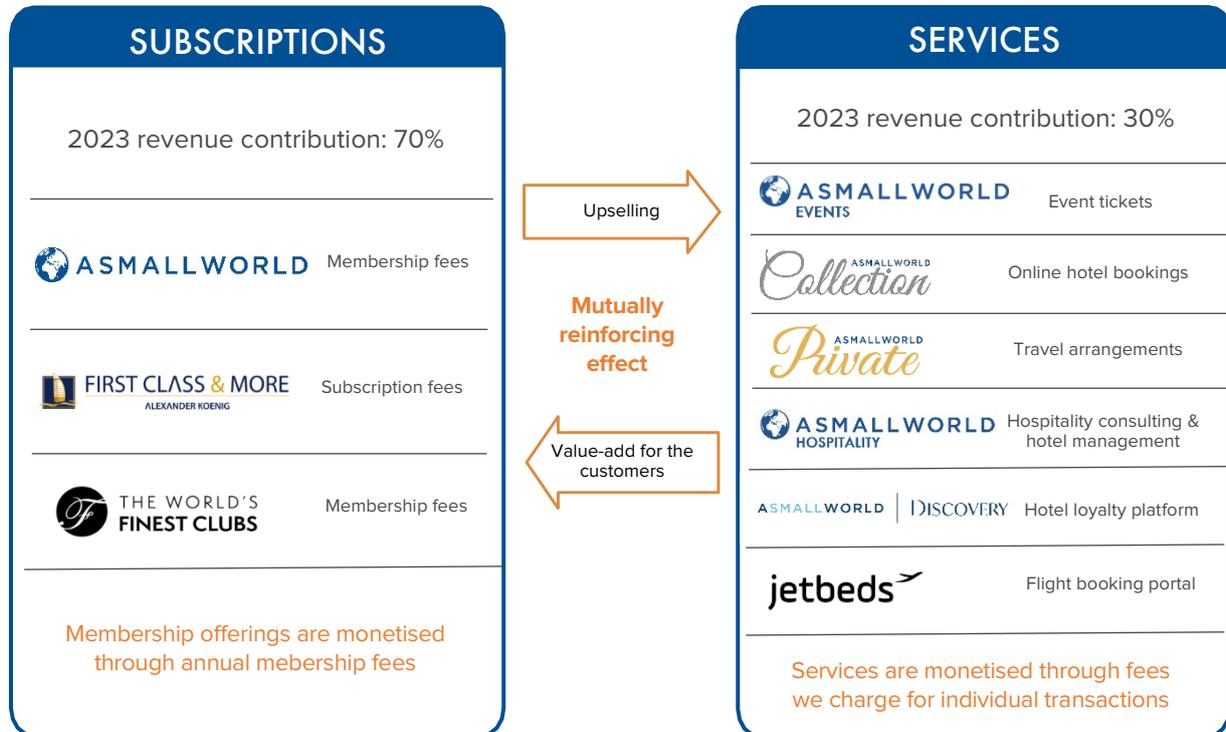
BUSINESS MODEL

ASMALLWORLD reports on 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 of time (usually a year), for which members will pay a membership fee. Subscription businesses are characterised by high fixed and low variable costs 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.

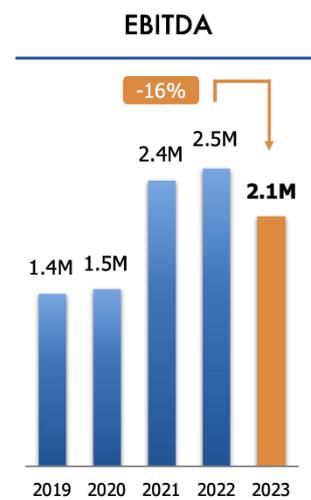
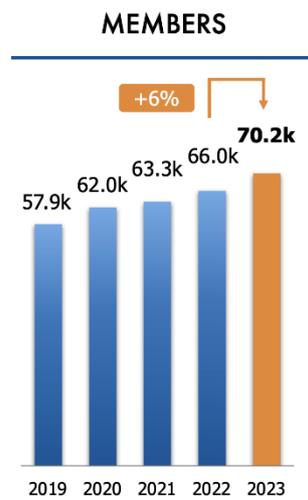
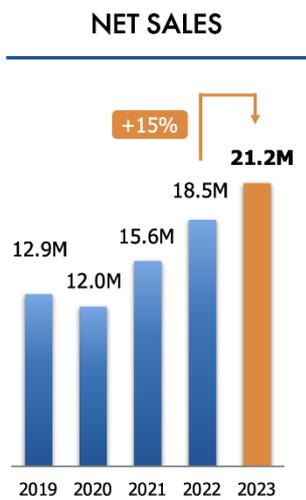
The Service segment is characterised by traditional cost-plus economics, where margins related to scale are more stable. For ASMALLWORLD, the most important service businesses are ASMALLWORLD Events, the ASMALLWORLD Collection, ASMALLWORLD Private travel businesses, and the hotel management and consulting business ASMALLWORLD Hospitality, which includes North Island. In 2023, we have also added ASMALLWORLD DISCOVERY and Jetbeds.

OUR BUSINESS SEGMENTS



HIGHLIGHTS 2023

- **Net Sales increased by 15%**, driven primarily by strong ASmallWorld Prestige and Signature membership sales
- **Net profit increased by 5.5%**
- **Debt reduced** from 9.1M to 4.2M
- **Cash position of CHF 3.0M** by the end of 2023
- **Increased share capital** from 11.7M to 14.5M shares
- Launched **ASmallWorld DISCOVERY**
- Acquired **Jetbeds.com**, online flight booking portal



DEAR ESTEEMED SHAREHOLDERS,

As we reflect on ASmallWORLD's 2023 results, it is my pleasure to share with you the factors that contributed to our continued success and growth in this post-pandemic era.

The world of travel has transitioned to a new normal, with travel now surpassing pre-pandemic levels and contributing to our robust growth on the back of ASmallWORLD's diverse product offering. We managed to keep the momentum that we built in 2022 and carried it over into 2023.

One of the key events of 2022 was to become fully self-funding, a milestone in our company's history. In 2023, we further improved our financial standing by strengthening our balance sheet. We did so through a capital increase and debt repayments, which led to a reduction of more than CHF 5 million or 54% of our debt. Our balance sheet now has only CHF 4.2 million of debt left, which is less than our combined cash and investments, essentially giving us the option to make the company debt-free whenever we choose to do so. To summarise, the financial health of the business has never been better than today.

2023's robust revenue growth and our improved financial health were the result of all of the hard work of the entire ASmallWORLD team and our partners. This is why I wish to express my sincere appreciation to our dedicated employees, loyal members, valued customers, supportive partners, and, of course, you, our esteemed shareholders, for your unwavering commitment and invaluable contributions to our continued success.

Delving into the details of our performance, the "Prestige" and "Signature" memberships with air miles from Miles & More, Emirates, and Etihad, along with many other travel benefits, have continued to exhibit strong sales growth and are the clear cornerstones of our product offering and our growth today.

The ASmallWORLD Collection, our online hotel booking platform, witnessed remarkable growth, boasting a 29% increase in bookings from the previous year, and we are proud to report a 27% increase in customers choosing ASmallWORLD for their travel needs. We are confident that, given our continual efforts to improve upon and expand the Collection, it will continue to experience significant growth and contribute positively to our bottom line for years to come.



For the ASmallWORLD community, the number of events has gradually increased this year, growing by 31% year-on-year to a total of 856 events, yet we are still working towards reaching pre-pandemic levels. The pandemic's impact on our ambassador network persists, but we are implementing initiatives to rebuild and strengthen it in the coming years.

One significant achievement was the completion of our acquisition of a 10% stake in Global Hotel Alliance (GHA). The strategic partnership with GHA is going well so far, with ASmallWORLD DISCOVERY, our GHA soft brand, already signing 14 hotels. GHA DISCOVERY's elite members continue to receive complimentary ASmallWORLD memberships, further contributing to the growth of the ASmallWORLD community with interesting frequent travellers. In 2023, we also received our first dividend payment from GHA in the amount of CHF 270'000, demonstrating that the investment is also lucrative from a pure financial point of view.

Looking into the future, our board of directors has decided to focus the company's attention on two goals: growth and diversification. Growth is important in our industry because margins are thin and new market competitors enter the market daily to challenge existing players. Only growth will assure that we can build a sustainable position as the world's leading luxury travel and lifestyle community. Diversification, on the other hand, is also important for two reasons: to manage risks and to increase share of wallet with our existing customers. The implication of this strategy is that we may have to sacrifice short-term profitability in the coming years to set ourselves up for long-term success. This is also why we are forecasting a lower EBITDA for next year. However, we are confident that this strategy will pay off in the long run and will create value for the benefit of all stakeholders.

To summarise, 2023 was another record year in terms of sales and the company's balance sheet has never been healthier. For 2024, we aim to continue on this growth path and will further diversify our product portfolio to create a healthy foundation for ASmallWorld's future.

On behalf of the Board of Directors, I extend our heartfelt gratitude for your unwavering dedication, support, and invaluable contributions. Together, we continue to shape a sustainable and profitable future for ASmallWorld.

Sincerely,



Michael Manz,
Chairman of the Board

ANOTHER RECORD YEAR

In 2023, the travel industry saw another year of solid growth. As a result, demand for ASMALLWORLD's products and services increased as well, leading to a record year in terms of sales, crossing the CHF 20M mark for the first time in the company's history.

Net sales increased by 15%, from CHF 18.5M to 21.2M, driven by strong demand for the company's Prestige and Signature memberships with Emirates and Miles & More air miles. Additional revenue drivers were First Class & More's travel services, ASMALLWORLD Collection bookings, and fees from the collaboration with Global Hotel Alliance.

EBITDA decreased by 16%, from CHF 2.5M to 2.1M but the net result was still up by 5%, from CHF 1.45M to 1.53M, due to the dividend contribution from the Global Hotel Alliance investment, favourable FX conditions and lower interest payments. Operating cash flow totalled CHF 1.9M, down by 19%, primarily due to changes in working capital.

After becoming self-funding in 2022, ASMALLWORLD further improved its financial health by reducing its debt by 54% year-on-year. The company now holds only CHF 4.2M in debt, compared to CHF 9.1M at the end of 2022, which is less than the sum of its cash and short-term investment positions, giving the company the option to be debt-free if it chooses to do so.

Much of the funding for the debt repayment came from a capital increase that took place in October. 2.7M new shares were created, bringing the number of outstanding shares to 14.4M.

In terms of business unit performance, most of the growth came from the Subscriptions segment, which grew by 13%, while Services grew faster at 20% but from a smaller base. Subscriptions contributed 70% of the company's total revenues, compared to 71% last year, whereas Services contributed 30%, compared to 29% in the previous year.

The Subscriptions segment grew primarily thanks to increased demand for ASMALLWORLD's Prestige and Signature memberships, especially those with Emirates miles. In terms of profitability, the Subscriptions segment still contributed the majority of the company's earnings with CHF 1.2M, while Services contributed CHF 0.8M of a total of CHF 2.1M in EBITDA.

SUBSCRIPTIONS BUSINESS

The Subscriptions segment increased net sales by 13% to CHF 14.8M, compared to CHF 13.0M in the previous year. The EBITDA margin decreased by 4.6 percentage points, from

13.0% to 8.4%, due to a change in product mix, higher COGS and investments in staff.

ASMALLWORLD's premium memberships, Prestige and Signature, which come with many travel benefits like air miles from Miles & More, Etihad, or Emirates, as well as hotel status levels from Jumeirah and GHA DISCOVERY, continued to experience strong demand in 2023. At the end of 2022, ASMALLWORLD partnered with Emirates to offer Emirates Skywards miles as the third miles option for its memberships. This new customer offering significantly contributed to the strong sales growth in 2023.

The ASMALLWORLD social network and First Class & More continued to add members, and the company's overall member base grew by 6% to 70'200 members. At the same time, renewal rates were comparable to the previous year, not indicating any major shifts in consumer demand.

First Class & More, the group's smart luxury travel business, experienced solid demand for its entry-level Gold and Platinum memberships but struggled to convert members to its top-tier Diamond Membership this year.

The World's Finest Clubs, the world's leading nightlife concierge, is increasing its customer base again after losing nearly all its customers during the pandemic. The website was fully redesigned, and new clubs were added to the network of global nightclubs.

SERVICES BUSINESS

After limited growth in 2022, the Services segment grew by a strong 20% in 2023 to CHF 6.5M. The ASMALLWORLD Collection and ASMALLWORLD Hospitality saw a 29% increase in bookings, while First Class & More's business and first-class flight package sales picked up steam again. The EBITDA margin for the segment decreased slightly, from 14.4% to 13.1%.

ASMALLWORLD continued to improve the functionality and reliability of its online hotel booking platform, the ASMALLWORLD Collection. Customers booking their hotels with the Collection benefit from extraordinary VIP benefits, like room upgrades or USD 100 hotel credit during their stay. Further, they also have the ability to earn loyalty points with five of the world's leading loyalty programmes: World of Hyatt, Marriott Bonvoy, Hilton Honors, IHG and Shangri-La Golden Circle. The Collection saw an increase in bookings of 29% year-on-year, and customer loyalty also proved strong, with 43% of customers booking at least twice during 2023, if not more. ASMALLWORLD is committed to further improving its online hotel booking platform and believes it can significantly contribute to the company's success going forward.

ASMALLWORLD Hospitality managed to score an important win for its client, Murbee Resorts, which has signed a deal with Rosewood Hotels & Resorts® to bring the first Rosewood hotel and residences to the island of Barbuda. ASMALLWORLD has been advising Murbee Resorts on this project for over a year and has played a vital role in brokering this deal with Rosewood Hotels & Resorts. Going forward, ASMALLWORLD will coordinate the development of the resort and oversee the sale of all residential units. A legal dispute with MAG of Life is still ongoing after they unexpectedly terminated the consulting contract for the Ritz-Carlton Residences in Dubai.

Regarding event activity, the number of in-person events for the ASMALLWORLD social network increased by 31%, from 654 events in 2022 to 856 events in 2023. Event attendance increased proportionately. Online events, which were introduced during the pandemic, were purposefully reduced further to allow the team to focus on in-person events again.

GLOBAL HOTEL ALLIANCE COLLABORATION GOING WELL

ASMALLWORLD acquired a 10% stake in Global Hotel Alliance (GHA) in late 2021 and completed this deal in 2022. GHA operates the GHA DISCOVERY hotel loyalty programme and is the world's largest alliance of independent hotel brands with over 800 hotels. GHA offers a source of growth for ASMALLWORLD, as GHA's highest two status levels receive complimentary access to ASMALLWORLD's community.

Further, ASMALLWORLD DISCOVERY went live with its website and first hotels in April last year. ASMALLWORLD's newly created service business allows independent hotels to join the GHA DISCOVERY loyalty platform for the first time. As a service partner to independent hotels, this newly created business added another revenue stream, further diversifying and expanding ASMALLWORLD's long-term earning potential. By the end of 2023, 18 hotels had signed up for the service.

In addition to the operational collaboration with GHA, the financial investment in GHA was also paying off, as GHA was paying out CHF 270'000 in dividends to ASMALLWORLD in 2023.

ACQUISITION OF JETBEDS.COM

In November, ASMALLWORLD acquired the online flight booking site Jetbeds.com, which offers customers a unique tool to find and book First and Business Class flights from the world's leading airlines. This acquisition will further expand ASMALLWORLD's online travel booking capabilities, next to its existing hotel booking platform, ASMALLWORLD Collection. The company plans to continue to operate the standalone website Jetbeds.com but will also leverage the newly acquired booking platform to offer flight bookings from within the ASMALLWORLD and First Class & More apps and websites in the future, further diversifying its revenue streams.



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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, 2023, unless stated otherwise.

1. GROUP STRUCTURE AND SHAREHOLDERS

1.1 GROUP STRUCTURE

1.1.1 OVERVIEW

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



Entity	Currency	Share Capital	Ownership (%)		Segment
			2023	2022	
ASW Events AG, Zurich (CH)	CHF	100'000	100%	100%	Services
The World's Finest Clubs AG, Zurich (CH)	CHF	100'000	100%	100%	Subscriptions
ASW Travel AG, Zurich (CH)	CHF	100'000	100%	100%	Services
First Class & More International AG, Zurich (CH)	CHF	100'000	100%	100%	Subscriptions & Services
First Class & More International GmbH, Starnberg (DE)	EUR	25'100	100%	100%	Subscriptions & Services
First Class & More FZE, Dubai, (UAE)	AED	100'000	100%	100%	Subscriptions & Services
			(indirect)	(indirect)	
ASW Hospitality AG, Zurich (CH)	CHF	100'000	100%	100%	Services

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 23.9 million as of December 31, 2023.

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

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

ASW Travel AG, Zurich, Switzerland

Luxury travel agency with online booking portal

Share capital: CHF 100'000

Websites:

www.asmallworldprivate.com

www.asmallworldcollection.com

www.asmallworlddiscovery.com

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

First Class & More International GmbH, Starnberg, Germany

Holding company owning First Class & More FZE Dubai
Share capital: EUR 25'100

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

ASW Hospitality AG, Zurich, Switzerland

Consulting services for the development and management of luxury hotels and resorts

Share capital: CHF 100'000

Website: www.asmallworldhospitality.com

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, 2023

As of December 31, 2023, the following people/entities were significant shareholders of ASmallWorld AG:

• Patrick Liotard-Vogt (directly, indirectly & option rights)	69.01%
• Alexander Koenig (Dr. Fabian Höffer von Loewenfeld/indirectly and option rights)	7.74%
• HANSAINVEST Hanseatische Investmentgesellschaft GmbH	7.03%

Patrick Liotard-Vogt holds 69.01% of the shares both directly and indirectly through Pellegrino Capital AG, a company he controls. Furthermore, he has option rights to acquire shares. The founder of First Class & More, Alexander Koenig (Dr. Fabian Höffer von Loewenfeld), holds 7.74% of the shares directly and indirectly through First Class & More Knowledge GmbH, Starnberg, Germany. Furthermore, he has option rights to acquire shares (refer to remuneration report on page 26) Institutional Investor HANSAINVEST Hanseatische Investmentgesellschaft GmbH, Hamburg, Germany, holds 7.03%.

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.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html>

1.3 CROSS-SHAREHOLDINGS

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

2. CAPITAL STRUCTURE

2.1 ORDINARY SHARE CAPITAL

ASSmallWorld AG's nominal share capital amounts to CHF 14'461'457.00, divided into 14'461'457 fully paid-up registered shares with a nominal value of CHF 1.00 each. Each registered share carries one voting right.

2.2 CONDITIONAL CAPITAL

2.2.1 CONDITIONAL SHARE CAPITAL (EQUITY INCENTIVE PLAN)

The conditional capital for the equity incentive plan amounts to CHF 995'000.00. This corresponds to 6.9% 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.

2.2.2 CONDITIONAL SHARE CAPITAL (FOR FINANCING PURPOSES)

The conditional capital for financing purposes amounts to CHF 1'000'000.00. This corresponds to 6.9% of the share capital. These registered shares are issued upon the exercise or mandatory exercise of conversion, exchange, option, warrant or similar rights for the subscription of shares granted to shareholders or third parties alone or in connection with bonds, notes, loans, options, warrants or other securities or contractual obligations of the company or any of its group companies (collectively the Financial Instruments). The Board of Directors shall determine the conditions of the financial instruments. The respective holders of financial instruments are entitled to acquire the new shares. Shareholders' pre-emptive rights are excluded.

2.3 CAPITAL BAND

The floor of the capital band is CHF 9'000'000.00; the ceiling is CHF 15'000'000.00. Within the capital Band, the Board of Directors is authorised to increase or decrease the share capital at any time up to 27 April 2028, or the expiry of the capital range if earlier, by issuing up to 3'281'285 fully paid-up registered shares with a nominal value of CHF 1 each respectively voiding up to 2'718'715 registered shares with a nominal value of CHF 1 each. The General Meeting of Shareholders may exclude shareholders' subscription rights or delegate this right to the Board of Directors, provided that the reasons for the exclusion of subscription rights are expressly stated in the Articles of Incorporation

2.4 CHANGES IN CAPITAL

An overview of the changes in capital over the past five years is presented below:

Date	Measure	Share capital	Share capital new
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
May 12, 2022	Authorized capital increase	CHF 11'367'153.00, divided into 11'367'153 shares with a nominal value of CHF 1.00 each	CHF 11'718'715.00, divided into 11'718'715 shares with a nominal value of CHF 1.00 each
October 31, 2023	Capital increase within capital band	CHF 11'718'715.00, divided into 11'718'715 shares with a nominal value of CHF 1.00 each	CHF 14'461'457.00, divided into 14'461'457 shares with a nominal value of CHF 1.00 each

2.5 SHARES AND PARTICIPATION CERTIFICATES

The total number of registered shares at year-end 2023 is 14'461'457 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 it to a dividend. The registered shares are fully paid up.

2.6 DIVIDEND-RIGHT CERTIFICATES

There were no dividend right certificates issued. No dividends have been paid in 2023 and there are no plans to pay out dividends for the period 2023 in 2024.

2.7 LIMITATIONS ON TRANSFERABILITY AND NOMINEE REGISTRATIONS

2.7.1 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 their own name and for their own account. There are no lock-up arrangements in place.

2.7.2 EXCEPTIONS

No exceptions have been granted during the year under report.

2.7.3 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, accounting, and 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 2023:

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 Zürich 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 group companies of ASmallWorld AG.
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 group companies of ASmallWorld AG.

Name, year of birth, nationality	Function	Member since	Professional background, other activities, vested interests and education
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. Alexander Koenig is an executive member of the Board of Directors of 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.
Christopher Hartley, born 1968, UK	Member of the Board	2022	In 2004 Chris Hartley was one of the pioneers behind the launch of Global Hotel Alliance (GHA), and since 2006, has led its growth in forging a unique collaborative alliance, which enables independent, privately-owned hotel brands to compete with the world's largest hotel companies. Today GHA represents a collection of 40 brands with over 800 hotels in 100 countries and offers a shared loyalty platform to 22 million customers. From 2001-05, Chris was SVP Sales & Marketing for Kempinski Hotels based in Geneva. Chris had joined Kempinski in 1996 and held several Marketing roles during a period of significant growth for the company, after it was sold by Lufthansa. Chris started his career in 1991 doing management training for Forte Hotels in various luxury hotels in Milan, Paris, New York, Toronto and London, but he quickly migrated into corporate marketing, moving to Forte's headquarters in London, where he was responsible for marketing and distribution for Forte Exclusive Hotels from 1992-96. Chris is a graduate of London University, where he obtained his Bachelors' degree in French and German, before going on to complete his post-graduate studies in hotel business administration at Manchester University. He also holds an MBA from NEOMA Business School. Chris has lived and worked in Dubai since 2013. He was born in 1968 and he is a UK citizen He has no material business relationship with the group companies of ASMALLWORLD AG.

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 26.

3.3 RESTRICTIONS OF ADDITIONAL ACTIVITIES

Listed Joint-Stock Companies are required to provide information on the number of permitted activities for members of the Board of Directors and for members of ASmallWorld AG's executive management (the Executive Management).

Members of the Board of Directors may exercise functions on a 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.

Please refer to the Remuneration Report on page 26 for the disclosure of functions of all board members in other companies.

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 Swiss Code of Obligations. 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 makes 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 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 2023, 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. Reelection 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 2023. In 2023, the Compensation Committee had one meeting.

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 auditor's 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 2023. In 2023, the Audit Committee had four 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 building 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 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 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 the business units in terms of strategy, corporate culture and business philosophy, as well as interdepartmental 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. 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 2023:

Name, year of birth, nationality	Function	Member since	Professional background, other activities, vested interests and education
Jan Luescher, born 1981, CH	Chief Executive Officer (CEO)	2018	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	Chief Financial Officer (CFO)	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 First Class & More	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.

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 that 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 26.

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 usufructuaries 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 QUORUM 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 the Swiss Code of Obligations.

6.3 CONVENING SHAREHOLDERS MEETING

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 are 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 30 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 28, 2023, elected PricewaterhouseCoopers Ltd (PwC) as the external auditor of ASmallWorld Group for the 2023 financial year. PwC has held this mandate since 2012. Thomas Wallmer served as the head auditor in charge from 2016. Patrick Balkanyi took over the position as head auditor, starting with the 2023 financial audit. According to Swiss law, companies with registered offices in Switzerland are subject to a maximum statutory period of seven years for the head auditor. 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 100'000 for the financial year 2023 (2022: CHF 100'000).

8.3 ADDITIONAL FEES

In 2023, PwC charged additional fees for audit-related services amounting to CHF 3'045. This amount was in connection with the capital increase which took place in October 2023. The additional services by the auditors are compatible with their auditing services. In 2022, PwC charged additional fees for audit-related services amounting to CHF 8'500. This amount

was in connection with the capital increase which took place in May 2022. Furthermore, PwC has conducted a gap analysis on the Money Laundering Directive. The additional services by the auditors are compatible with their auditing services.

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 Chief Financial Officer (CFO), 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 interest 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 two 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

ASSmallWorld 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, ASSmallWorld 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, ASSmallWorld 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. Under the section “Corporate News” (www.asmallworldag.com/ir-news), interested parties can put their names on a mailing list if they want to be kept informed auto-matically about our corporate news.

9.3 CONTACT ADDRESSES

The main contact address is ASMALLWORLD AG, Seidengasse 20, 8001 Zurich, Switzerland. The corporate website is available at www.asmallworldag.com. The phone number is +41 (44) 215 50 25 and the e-mail is 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.CH0404880129CHF4.html#/>

9.4 RELEVANT CHANGES SINCE BALANCE SHEET DATE

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

9.5 FINANCIAL AGENDA

Annual report:	March 14, 2024
Earnings call:	March 14, 2024
Annual General Meeting:	April 26, 2024
H1 Results:	August 22, 2024
Closing of exercise	December 31, 2024

Latest dates and further calendar information is available on www.asmallworldag.com.

10. GENERAL BLACKOUT PERIODS

It is prohibited for Insiders to trade the company’s securities during the ordinary blocked period, regardless of whether the insider has insider information or not. The ordinary blocked period begins ten days before the closing date of the reporting period for the company’s financial statements and ends one trading day after the public disclosure of that financial information. There are no exceptions to the general blackout periods.

Every member of the company’s Board of Directors and Management, any other person with an executive or non-executive position in the Company and persons who, by reason of their activities or participation, have direct access to insider information, such as external independent property appraisers, attorneys or auditors should be considered insiders. Such persons may be characterized as primary insiders according to FMIA Art. 154 (1). The Company’s Board of Directors may also name individuals as primary insiders for certain projects (“Ad hoc-Insider”). According to FMIA Art. 154 (3), individuals who receive insider information directly or actively from a primary insider or by means of a felony or misdemeanour are considered to be secondary insiders. All other persons who accidentally gain knowledge of insider information are considered to be accidental insiders according to FMIA Art. 154 (4). This includes trainees or family members, for example.

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REMUNERATION REPORT

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, 2023, unless stated otherwise.

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 provisions of the Swiss Code of Obligations (26th Title; Section Four: Remuneration in Companies whose Shares are Listed on a Stock Exchange). The remunerations also comply with the recommendations of the Directive on Information relating to Corporate Governance of the SIX Swiss Exchange (Corporate Governance Directive). The Swiss Code of Obligations 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 PROGRAMS

The responsibilities and procedures for determining the compensation and share ownership programs 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.19) 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), 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 programs 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 once. No external advisors were consulted on the determination of the compensation and share ownership programs.

2. RULES IN THE ARTICLES OF ASSOCIATION

2.1.1 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 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 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.

2.1.2 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.

2.1.3 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 a 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.

2.1.4 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 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. 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 approval regarding the period during which the compensation is paid.

3. REMUNERATION

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 Articles 732 to 735d of the Swiss Code of Obligations (Remuneration in Companies whose Shares are Listed on a Stock Exchange). Sections 3.1 to 3.6 of this Remuneration report have been audited by the auditors in

accordance with the Swiss Code of Obligations. ASMALLWORLD AG's compensation periods correspond with the respective financial year of ASMALLWORLD AG.

3.1 REMUNERATION 2023 (AUDITED)

3.1.1 BOARD OF DIRECTORS (AUDITED)

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
Christopher Hartley	Member of the Board	CHF 0	CHF 0	CHF 0	CHF 0	CHF 0
Total		CHF 0	CHF 0	CHF 0	CHF 0	CHF 0

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

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

3.1.2 EXECUTIVE MANAGEMENT (AUDITED)

The Executive Management consists of three members. The highest compensation per member amounts to CHF 468'088. The total compensation amounts to CHF 1'013'983. Of the total amount, CHF 0 was paid in the form of shares and CHF 43'849 in the form of options.

Name	Functions	Variable salary			Social contributions*	Total
		Base salary	Bonus (cash)	Options		
Jan Luescher	Chief Executive Officer	CHF 307'000	CHF 45'000	CHF 43'849	CHF 72'239	CHF 468'088
Other Members		CHF 405'000	CHF 85'000	CHF 0	CHF 55'895	CHF 545'895
Total		CHF 712'000	CHF 130'000	CHF 43'849	CHF 128'134	CHF 1'013'983

(*) 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.

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

3.2 REMUNERATION 2022 (AUDITED)

3.2.1 BOARD OF DIRECTORS (AUDITED)

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
Total		CHF 0	CHF 0	CHF 0	CHF 0	CHF 0

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

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

3.2.2 EXECUTIVE MANAGEMENT (AUDITED)

The Executive Management consists of three members. The highest compensation per member amounts to CHF 475'978. The total compensation amounts to CHF 1'061'011. Of the total amount, CHF 0 were paid in the form of shares and CHF 107'104 in the form of options.

Name	Functions	Variable salary			Social contributions*	Total
		Base salary	Bonus (cash)	Options		
Jan Luescher	Chief Executive Officer	CHF 303'250	CHF 45'000	CHF 64'289	CHF 63'439	CHF 475'978
Other Members		CHF 402'500	CHF 81'000	CHF 42'815	CHF 58'718	CHF 585'033
Total		CHF 705'750	CHF 126'000	CHF 107'104	CHF 122'157	CHF 1'061'011

(*) 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.

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

3.3 PARTICIPATION RIGHTS AND OPTIONS ON SUCH RIGHTS (AUDITED)

3.3.1 BOARD OF DIRECTORS (AUDITED)

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. 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; Finanzmarktinfrastrukturgesetz).

Shareholdings of the Board of Directors as of year-end 2023:

Name	Shares held - purchaseposition for shares	% of the capital registered in the Commercial Register	% of voting rights
Michael Manz	No existing shares; rights to acquire 10'000 shares in accordance with the Employee Share Option Plan	0.07%	0.07%
Jan Luescher	No existing shares; rights to acquire 286'476 shares in accordance with the Employee Share Option Plan	1.98%	1.98%
Dr. Fabian Höffer von Loewenfeld (Alexander Koenig)*	916'000 existing shares; rights to acquire 203'430 shares in accordance with the Employee Share Option Plan	7.74%	7.74%
Christopher Hartley	No existing shares; No rights to acquire shares in accordance with the Employee Share Option Plan	0.00%	0.00%

(*) As of year-end 2023, 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.

Shareholdings of the Board of Directors as of year-end 2022:

Name	Shares held - purchaseposition 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 254'204 shares in accordance with the Employee Share Option Plan	2.17%	2.17%
Dr. Fabian Höffer von Loewenfeld (Alexander Koenig)*	916'000 existing shares; rights to acquire 203'430 shares in accordance with the Employee Share Option Plan	9.55%	9.55%
Christopher Hartley	No existing shares; No rights to acquire shares in accordance with the Employee Share Option Plan	0.00%	0.00%

(*) As of year-end 2022, 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.

3.3.2 EXECUTIVE MANAGEMENT (AUDITED)

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 2023 and 2022. None of the members of the Executive Management holds any rights that would qualify as 'sale positions' under the Financial Market Infrastructure Act.

Name	Shares held – purchase position for shares	% of the capital registered in the Commercial Register	% of voting rights
Jan Luescher	See section 3.3.1 above	See above under Board of Directors	See above under Board of Directors
Dr. Fabian Höffer von Loewenfeld (Alexander Koenig)	See section 3.3.1 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%

3.4 LOANS AND CREDIT FACILITIES (AUDITED)

In the years 2023 and 2022, loans or credit facilities were neither granted to existing nor to former members of the Board of Directors or members of the Executive Management.

3.5 RELATED PARTIES (AUDITED)

In the years 2023 and 2022, no compensation was made to related parties to the Board of Directors or the Executive Management.

3.6 DISCLOSURE OF FUNCTIONS OF ALL BOARD MEMBERS IN OTHER COMPANIES (AUDITED)

The table below illustrates the number of functions that members of the board of directors may perform in comparable positions in other companies with commercial objectives for the years 2023 and 2022.

Name	Company Name	Function
Michael Manz	Oro Verde Hotels, HOTVER, Ecuador	Board member
	Swiss Hospitality Partners AG, Switzerland	Board member
Jan Luescher	GHA Holdings (Cayman) Ltd., Cayman Islands	Board member
Dr. Fabian Höffer von Loewenfeld (Alexander Koenig)*	First Class & More Knowledge GmbH, Germany	Managing Director
Christopher Hartley	GHA Holdings (Cayman) Ltd., Cayman Islands	Board member
	GHA Loyalty DMCC (Dubai), UAE	Board member
	UHC Holdings (Cayman) Ltd., Cayman Islands	Board member

Report of the statutory auditor

to the General Meeting of ASMALLWORLD AG

Zurich

Report on the audit of the remuneration report

Opinion

We have audited the remuneration report of ASMALLWORLD AG (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to article 734a-734f CO in the tables marked 'audited' on pages 30 to 33 of the remuneration report.

In our opinion, the information pursuant to article 734a-734f CO in the accompanying remuneration report (pages 30 to 33) complies with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the remuneration report' section of our report. We are independent of the Company 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.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked 'audited' in the remuneration report, the financial statements and our auditor's reports thereon.

Our opinion on the remuneration report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the remuneration report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the remuneration report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the remuneration report

The Board of Directors is responsible for the preparation of a remuneration report 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 a remuneration report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's responsibilities for the audit of the remuneration report

Our objectives are to obtain reasonable assurance about whether the information pursuant to article 734a-734f CO is 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 SA-CH 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 this remuneration report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the remuneration report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

PricewaterhouseCoopers AG



Patrick Balkany
Licensed audit expert
Auditor in charge



Sabrina Brugnoli
Licensed audit expert

Zurich, 13 March 2024

FINANCIAL REPORT

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CONSOLIDATED INCOME STATEMENT

in TCHF	Note	2023	2022
Net sales	3	21'241.9	18'454.7
Other operating income	2.2/10	52.9	-250.0
Total operating income		21'294.9	18'204.7
Direct expenses for services rendered	4	-13'482.8	-10'721.0
Personnel expenses	5	-2'238.4	-2'181.7
Research and development expenses		-290.4	-250.7
Other operating expenses	6	-3'200.3	-2'581.4
EBITDA¹⁾	3	2'082.9	2'469.9
Depreciation of fixed assets	12	-9.2	-24.4
Amortization of intangible assets	14	-490.9	-620.8
Operating result		1'582.8	1'824.7
Financial income	7	633.5	96.4
Financial expenses	7	-520.8	-325.3
Ordinary result		1'695.5	1'595.8
Income taxes	8	-162.7	-142.4
Net result		1'532.8	1'453.5
Basic earnings per share (in CHF)	21	0.13	0.13
Diluted earnings per share (in CHF)	21	0.12	0.12

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

CONSOLIDATED BALANCE SHEET

in TCHF	Note	December 31, 2023	December 31, 2022
ASSETS			
Cash		3'029.2	4'013.6
Receivables from services	9	206.6	1'402.1
Other short-term receivables	10	164.0	225.9
Prepayments and accrued income	11	1'293.5	839.9
Total current assets		4'693.4	6'481.5
Tangible fixed assets	12	26.1	30.7
Financial assets	13	5'823.0	4'678.4
Intangible assets	14	1'252.6	1'111.5
Total non-current assets		7'101.7	5'820.6
Total assets		11'795.1	12'302.1
LIABILITIES AND EQUITY			
Short-term financial liabilities	15	543.1	543.1
Payables for goods and services	16	1'188.7	1'549.2
Other short-term liabilities	17	193.6	145.8
Short-term provisions	18	101.1	35.7
Accrued liabilities and deferred income	19	2'737.9	3'642.9
Total current liabilities		4'764.4	5'916.6
Long-term financial liabilities	15	3'629.1	8'589.7
Long-term provisions	18	29.9	0.0
Total non-current liabilities		3'659.1	8'589.7
Total liabilities		8'423.4	14'506.3
Share capital	20	14'461.5	11'718.7
Capital reserves	20	18'732.1	17'407.4
Retained earnings	20	-29'821.9	-31'330.3
Total equity		3'371.7	-2'204.2
Total liabilities and equity		11'795.1	12'302.1

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in TCHF	Retained earnings						Total retained earnings	Total equity
	Share capital	Capital reserves	Currency translation effects	Goodwill offset with equity	Other retained earnings			
Opening as per 1 Jan 2022	11'367.2	16'785.0	-354.5	-30'918.9	-1'640.4	-32'913.8	-4'761.7	
Group result 2022	0.0	0.0	0.0	0.0	1'453.5	1'453.5	1'453.5	
Capital increase	351.6	622.4	0.0	0.0	0.0	0.0	973.9	
Share-based compensation	0.0	0.0	0.0	0.0	158.9	158.9	158.9	
Currency translation adjustments	0.0	0.0	-32.6	0.0	3.7	-28.9	-28.9	
Closing as per 31 Dec 2022	11'718.8	17'407.4	-387.1	-30'918.9	-24.3	-31'330.3	-2'204.2	
Opening as per 1 Jan 2023	11'718.8	17'407.4	-387.1	-30'918.9	-24.3	-31'330.3	-2'204.2	
Group result 2023	0.0	0.0	0.0	0.0	1'532.8	1'532.8	1'532.8	
Capital increase	2'742.7	1'324.7	0.0	0.0	0.0	0.0	4'067.5	
Share-based compensation	0.0	0.0	0.0	0.0	79.2	79.2	79.2	
Currency translation adjustments	0.0	0.0	-103.5	0.0	0.0	-103.5	-103.5	
Closing as per 31 Dec 2023	14'461.5	18'732.1	-490.6	-30'918.9	1'587.6	-29'821.9	3'371.7	

CONSOLIDATED CASH FLOW STATEMENT FOLLOWING THE INDIRECT METHOD

in TCHF	Note	2023	2022
OPERATING ACTIVITIES			
Net result		1'532.8	1'453.5
Depreciation of tangible fixed assets	12	9.2	24.4
Amortization of intangible assets	14	490.9	620.8
Loss from impairment	10	0.0	250.0
Other non-cash items		270.9	197.5
Operating cash flow before change in operating working capital		2'303.9	2'546.2
Decrease/increase of receivables from services		1'195.6	-828.7
Increase of other receivables and prepayments and accrued income		-391.8	-808.6
Decrease/increase of payables for goods and services		-360.5	920.3
Decrease/increase of other short-term liabilities and accrued liabilities and deferred income		-845.1	505.0
Decrease in provisions		-5.5	0.0
Operating cash flow		1'896.6	2'334.2
INVESTING ACTIVITIES			
Outflows for investment (purchase) of tangible fixed assets	12	-4.7	-2.1
Outflows from acquisition of subsidiaries	18	0.0	-3'515.1
Outflows for investment (purchase) of intangible assets	14	-632.9	-382.6
Outflows for investment (purchase) of financial assets	13	-1'254.3	-3'336.7
Inflows for divestment (selling) of financial assets	13	14.9	0.0
Cash drain from investing activities		-1'877.0	-7'236.5
FINANCING ACTIVITIES			
Inflows/outflows from capital increase	20	265.1	-24.5
Repayment of financial liabilities	15	-1'158.2	-273.1
Issuance of financial liabilities	15	0.0	4'000.0
Cash inflow from financing activities		-893.1	3'702.5
Currency translation effects		-110.8	-12.6
Net change in net cash		-984.4	-1'212.4
Opening balance of net cash 1 January		4'013.6	5'226.0
Closing balance of net cash as of 31 December		3'029.2	4'013.6
Net change in net cash		-984.4	-1'212.4

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

These consolidated financial statements include the financial statements of ASmallWORLD AG and all companies controlled by ASmallWORLD AG (see note 25 for a list of the consolidated companies).

ASSmallWORLD AG is the Group's parent company, a limited company under Swiss law, which is registered and domiciled in Zurich, Switzerland. ASSmallWORLD 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 ASSmallWORLD AG and its subsidiaries for the financial year 2023 and have been prepared in accordance with the 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.

2.2 DEVIATION FROM CONSISTENT APPLIED ACCOUNTING PRINCIPLES

2.2.1 CHANGE IN ACCOUNTING ESTIMATES

Starting from January 1st, 2023, the useful life of capitalized development costs of web platforms and mobile apps was reduced from 5 to 3 years. It resulted from management's periodic assessment of information used in the preparation of its financial statements. The change considers the increasingly shorter innovation cycles for digital technologies. The change in accounting estimates has no material impact on the 2023 numbers.

2.2.2 BALANCE SHEET RECLASSIFICATION

On 1 February 2019, ASSmallWORLD AG completed the acquisition of LuxuryBARED. In connection with the transaction, certain former equity and debt holders of LuxuryBARED were awarded shares in ASSmallWORLD AG, facilitated through Pellegrino Capital AG, the majority shareholder. In compensation for the share transfer, ASSmallWORLD AG remunerated Pellegrino Capital based on the share price as of the transfer date. These shares were subject to an 18-month lock-up period concluding on 1 August 2020. As of 31 December 2023, not all allocated shares have been claimed. The likelihood of the outstanding shares being fully or partially claimed remains uncertain. As a result, TCHF 29 are newly classified as long-term provisions instead of a short-term liability. The general statute of limitations for contractual claims stands at ten years, thus terminating the contractual obligation on 1 August 2030. Shares unclaimed by this date will be forfeited, and any associated liabilities will be discharged.

2.2.3 OFFSETTING EXPENSES AND INCOME

In the presentation of the production income statement, internally generated work capitalized should not be treated as a deduction from expenses. In alignment with these principles, an amount of TCHF 53 has been reclassified from personnel expenses to other operating income. Given the immaterial nature of the transaction and its lack of impact on equity, the financial statements for the previous year have not been restated.

2.3 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 ASSmallWORLD AG holds directly or indirectly more than half of the voting rights of a subsidiary or if control can be exercised in another manner.

2.4 FOREIGN CURRENCY TRANSLATION

2.4.1 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).

2.4.2 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.

2.4.3 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 (2023: 0.9287 / 2022: 0.9938)
- income statements at EUR/CHF average rates for the reporting period (2023: 0.9717 / 2022: 1.0048)
- cash flow statements at EUR/CHF average rates for the reporting period (2023: 0.9717 / 2022: 1.0048)

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

2.5 CASH

Cash includes money the Group holds with financial institutions that can be withdrawn without notice. The remaining term to maturity does not exceed three 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.

2.6 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.

2.7 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.

2.8 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). Those product supplies are fully depreciated as of 31 December 2023.

2.9 FINANCIAL ASSETS

Shares in companies that represent less than 20% are valued at historical costs less impairment charges.

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.

2.10 INTANGIBLE ASSETS

This line item includes purchased software as well as capitalized development costs 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 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 spent on bug fixing and maintenance.

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

Asset class	Useful lifetime
Development cost	3 years
Purchased software	3 years
Intellectual property rights (trademarks and customer lists)	5 years

Starting from January 1st, 2023, capitalized development costs for web platforms and mobile apps are amortized over 3 instead of 5 years (refer to note 2.2.1 above).

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.

2.11 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 is 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.

2.12 LIABILITIES

Liabilities are recognized at their nominal values.

2.13 PROVISIONS

Provisions are recognized if an event in the past gives rise to a justified, likely obligation that 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.

2.14 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 (see note 24).

2.15 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 that cannot be terminated within one year are disclosed in the notes to these consolidated financial statements.

There are no finance leases in place.

2.16 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:

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

ASMALLWORLD standard membership 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.

ASMALLWORLD premium membership income: 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).

First Class & More subscription income: Sale of subscriptions (membership fees), typically valid for one year. Sales are realized linearly over such period. The Membership allows subscribers to get advice 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).

2.16.2 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 takes 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 recognized 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: Providers 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.

2.17 SHARE-BASED COMPENSATION

The Group operates an equity-settled, share-based compensation plan. Selected members of the Board of Directors, Management and Consultants were entitled to participate in a stock option incentive plan. The eligible recipients are able to buy stocks at nominal value. As a vesting condition, there is only a service condition: The employee shall remain in the ASMALLWORLD Group's employ for a specific period of time. 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 the 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, ASW Hospitality AG, First Class & More FZE (service business) and First Class & More International AG (service business)

	2023	2022
	TCHF	TCHF
Net revenues by segment		
Subscriptions	14'777.9	13'057.7
Services	6'464.0	5'397.0
Net sales	21'241.9	18'454.7
	2023	2022
	TCHF	TCHF
EBITDA result by segment		
Subscriptions	1'237.1	1'691.5
Services	845.8	778.4
EBITDA¹⁾	2'082.9	2'469.9

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

4. DIRECT EXPENSES FOR SERVICES RENDERED

	2023	2022
	TCHF	TCHF
Cost for member privileges	-10'654.3	-8'608.3
Event costs/event sponsorship	-664.0	-732.0
Travel services costs	-1'349.4	-681.1
Hospitality services costs	-282.3	-369.3
Merchant account fees & commissions	-416.3	-238.3
Other direct expenses for services rendered	-116.5	-92.0
Total direct expenses for services rendered	-13'482.8	-10'721.0

5. PERSONNEL EXPENSES

	2023	2022
	TCHF	TCHF
Wages and salaries	-1'924.5	-1'792.0
Share-based compensation	-79.2	-158.9
Social security expenses	-179.0	-150.2
Other personnel expenses	-55.7	-80.7
Total personnel expenses	-2'238.4	-2'181.7

Additional information to share-based compensation

Selected members of the Board of Directors, Management and Consultants 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 2023 there were two grant dates when options were granted (1 January 2023 and 1 July 2023). 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 2023 nor in 2022 options were exercised.

Share-based compensation 2023

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
01.01.23	29'136	39'096	1.3418	1.95	1	30.06.23	01.07.28	1.57%	59.92%
01.07.23	29'136	40'080	1.3756	1.9	1	31.12.23	01.07.28	0.97%	74.39%
Total	58'272	79'176							

Share-based compensation 2022

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
01.01.22	29'136	67'545	2.3183	3.06	1	30.06.22	01.07.28	-0.13%	55.60%
01.07.22	29'136	48'538	1.6659	2.35	1	31.12.22	01.07.28	0.99%	54.57%
Total	58'272	116'083							

The personnel expenses for share-based compensation for the year 2022 amount to TCHF 158.9. Options granted in 2021 in the amount of TCHF 42.8 vested in 2022 and are therefore personnel expenses in 2022.

6. OTHER OPERATING EXPENSES

	2023	2022
	TCHF	TCHF
Consulting fees	-1'647.0	-1'176.0
Digital marketing	-481.7	-392.0
Advertising and public relations	-70.9	-130.3
Audit, book keeping and legal fees	-406.1	-304.8
Rent	-151.7	-130.2
M&A and listing/being public cost	-113.4	-115.1
IT expenses	-97.3	-104.0
Maintenance, office supplies, postage	-27.5	-27.3
Public fees and charges	-90.4	-66.9
Travel and representation cost	-103.4	-101.6
Insurance	-10.8	-12.1
Agency affiliate	0.0	-21.1
Total other operating expenses	-3'200.3	-2'581.4

7. FINANCIAL RESULT

	2023	2022
	TCHF	TCHF
Valuation gain	5.8	22.0
Foreign currency gains	357.6	72.7
Default interest	1.9	1.8
Dividend income	268.1	0.0
Total financial income	633.5	96.4
Interest expense third parties and bank charges	-181.1	-100.9
Interest expense related parties	-118.1	-122.8
Foreign currency losses	-221.7	-101.5
Total financial expenses	-520.8	-325.3
Total financial result	112.7	-228.8

In 2023, ASMALLWORLD received dividend payments from GHA Holdings Limited.

8. INCOME TAX EXPENSE AND TAX LOSSES CARRYFORWARD

8.1 INCOME TAX EXPENSE

	2023	2022
	TCHF	TCHF
Current income taxes	-52.9	-118.5
Deferred income taxes	-109.8	-23.9
Total income taxes	-162.7	-142.4

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 recognized. This led to a positive one-off tax effect in the amount of TCHF 400 in 2019. The IP will be amortized under local GAAP over five 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 five 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 is based on absolute values. The position "Other" mainly results from previous year adjustments and from the deviation from the weighted average tax rate to the local applicable tax rate.

	2023	2022
	TCHF	TCHF
Result for the period before tax	1'695.5	1'595.8
Weighted average applicable tax rate	4%	8%
Tax expense at weighted average applicable tax rate	75.9	124.9
Use of unrecognised tax losses carryforward	0.0	-3.4
Other	86.8	20.9
Effective tax expense	162.7	142.4
Effective tax rate	10%	9%

The reduction in the weighted average applicable tax rate is due to shifts in the result for the period before tax of each individual subsidiary and the applicable tax rate applied.

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% (2022: 19%).

	2023	2022
	TCHF	TCHF
Unrecognized deferred taxes on losses carried forward	2'916.0	3'091.8

9. RECEIVABLES FROM SERVICES

	2023	2022
	TCHF	TCHF
From third parties	131.8	1'344.1
From related parties	74.8	58.0
Total receivables from services	206.6	1'402.1

10. OTHER SHORT-TERM RECEIVABLES

	2023	2022
	TCHF	TCHF
From third parties	163.8	218.7
From related parties	0.3	7.2
Total other short-term receivables	164.0	225.9

In 2022, a receivable in the amount of TCHF 250 from an IP sale in 2019 was impaired. By mutual agreement, it was decided to stop the project and the IP was returned to ASMALLWORLD.

11. PREPAYMENTS AND ACCRUED INCOME

	2023	2022
	TCHF	TCHF
Prepaid expenses for travel arrangements	602.3	289.1
Prepaid expenses for member privileges, events & sponsoring	502.6	328.3
Other accrued income/prepaid expenses	188.6	222.5
Total prepayments and accrued income	1'293.5	839.9

12. TANGIBLE FIXED ASSETS

in TCHF	Hardware & Equipment	Other tangible fixed assets	Total tangible fixed assets
Purchase cost 1 January 2023	186.5	226.6	413.2
Additions	4.7	0.0	4.7
Removals	0.0	-18.7	-18.7
Foreign currency effect	-0.1	-0.7	-0.8
Purchase cost 31 December 2023	191.1	207.2	398.3
Cumulative depreciation 1 January 2023	-182.8	-199.7	-382.5
Scheduled depreciation	-2.5	-6.7	-9.2
Removals	0.0	18.7	18.7
Foreign currency effect	0.0	0.7	0.7
Cumulative depreciation 31 December 2023	-185.3	-187.0	-372.3
Net carrying amount 31 December 2023	5.9	20.2	26.1
Of which, financial leasing	0.0	0.0	0.0
Purchase cost 1 January 2022	184.5	227.6	412.1
Additions	2.1	0.0	2.1
Foreign currency effect	0.0	-0.6	-0.6
Adjustment	0.0	-0.4	-0.4
Purchase cost 31 December 2022	186.5	226.6	413.2
Cumulative depreciation 1 January 2022	-180.8	-178.2	-359.0
Scheduled depreciation	-2.2	-22.2	-24.4
Foreign currency effect	0.0	0.5	0.5
Adjustment	0.2	0.2	0.4
Cumulative depreciation 31 December 2022	-182.8	-199.7	-382.5
Net carrying amount 31 December 2022	3.7	27.0	30.7
Of which, financial leasing	0.0	0.0	0.0

13. FINANCIAL ASSETS

	2023	2022
	TCHF	TCHF
Investment Global Hotel Alliance (10%)	4'320.2	4'320.2
GE Super Prime Hospitality Holdings	1'254.0	0.0
Deferred tax assets	63.3	157.9
Travel insurance deposits	185.6	200.3
Total	5'823.0	4'678.4

Please refer to note 8 “income taxes” for further explanation on the movement in deferred tax assets.

In 2023, ASMALLWORLD AG has invested in a luxury hotels fund. The fund is valued at historical costs less impairment charges. In 2022, ASMALLWORLD AG acquired a 10% stake in Global Hotel Alliance (GHA) in the amount of USD 4.5 Mio. The purchase price for the stake was USD 3.5 million in cash plus a 3% share of ASMALLWORLD AG.

14. INTANGIBLE ASSETS

in TCHF	Intellectual property	Development costs	Total intangible assets
Purchase cost 1 January 2023	1'128.9	2'277.4	3'406.4
Additions	161.6	471.3	632.9
Foreign currency effect	0.0	-3.0	-3.0
Purchase cost 31 December 2023	1'290.5	2'745.8	4'036.3
Cumulative amortization 1 January 2023	-1'128.9	-1'165.9	-2'294.8
Scheduled amortization	-13.5	-477.4	-490.9
Foreign currency effect	0.0	2.1	2.1
Cumulative amortization 31 December 2023	-1'142.5	-1'641.2	-2'783.7
Net carrying amount 31 December 2023	148.1	1'104.6	1'252.6
Of which, acquired intangible assets	148.1	1'051.7	1'199.7
Purchase cost 1 January 2022	1'128.9	2'415.2	3'544.1
Additions	0.0	382.6	382.6
Removals	0.0	-517.6	-517.6
Foreign currency effect	0.0	-2.0	-2.0
Adjustment	0.0	-0.8	-0.8
Purchase cost 31 December 2022	1'128.9	2'277.4	3'406.4
Cumulative amortization 1 January 2022	-912.4	-1'281.0	-2'193.4
Scheduled amortization	-216.6	-404.3	-620.8
Removals	0.0	517.6	517.6
Foreign currency effect	0.0	1.0	1.0
Adjustment	0.0	0.8	0.8
Cumulative amortization 31 December 2022	-1'128.9	-1'165.9	-2'294.8
Net carrying amount 31 December 2022	0.0	1'111.5	1'111.5
Of which, acquired intangible assets	0.0	1'111.5	1'111.5

In 2023, ASMALLWORLD AG completed the acquisition of the online flight booking portal Jetbeds.com, along with its intellectual property. Additionally, internally generated work in the amount of TCHF 53 has been capitalized.

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. There were no acquisitions in the years 2023 and 2022.

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

	2023	2022
	TCHF	TCHF
Reconciliation of theoretical capitalization of goodwill		
Cost 1 January	27'392.4	28'672.6
Foreign currency effect	-1'552.9	-1'280.2
Cost 31 December	25'839.4	27'392.4
Cumulative amortization 1 January	-26'593.4	-21'398.6
Scheduled amortization	0.0	-5'194.8
Foreign currency effect	754.0	0.0
Cumulative amortization 31 December	-25'839.4	-26'593.4
Net carrying amount 1 January	799.0	7'274.0
Net carrying amount 31 December	0.0	799.0

	2023	2022
	TCHF	TCHF
Theoretical impact on income statement		
Group result	1'532.8	1'453.5
Amortization and impairment of goodwill	0.0	-5'194.8
Theoretical group result, incl. amortization of goodwill	1'532.8	-3'741.3
Theoretical impact on balance sheet		
Equity as per 31 Dec	3'371.7	-2'204.2
Theoretical capitalization of net book value of goodwill	0.0	799.0
Theoretical equity as per 31 Dec, incl. net book value of goodwill	3'371.7	-1'405.2

15. FINANCIAL LIABILITIES

	2023	2022
	TCHF	TCHF
Short-term loans from third parties	543.1	543.1
Short-term loans from related parties	0.0	0.0
Total current financial liabilities	543.1	543.1
Long-term loans from related party	0.0	4'417.5
Long-term loans from third parties	3'629.1	4'172.2
Total non-current financial liabilities	3'629.1	8'589.7
Total financial liabilities	4'172.2	9'132.7

	2023	2022
	TCHF	TCHF
Remaining life		
2-5 years	3'629.1	2'689.7
More than 5 years	0.0	5'900.0
Total non-current financial liabilities	3'629.1	8'589.7

Conditions:
Long-term loan from related party:

The loan in CHF from Pellegrino Capital AG (majority shareholder) was settled in 2023. During a capital increase in October 2023, CHF 3.8 million of the outstanding loan from Pellegrino Capital AG was converted into newly issued shares, while the remaining CHF 0.6 million was settled in cash.

Long-term loans from third parties:

In 2022, ASMALLWORLD AG acquired a 10% stake in Global Hotel Alliance (GHA) for USD 4.5 Mio. The acquisition was financed with a long-term bank loan of CHF 4 Mio. which must be amortized until 31 March 2027. The interest rate consists of a base interest rate and a bank margin. The bank margin is based on senior debt/EBITDA ratio and lies between 1.85 – 2.45%. The base interest rate is based on the money market conditions, depends on the chosen term and is at least 0.00%. Repayments are due in March every year. As a result, TCHF 400 were reclassified from long-term to short-term interest-bearing liabilities.

To secure liquidity, the ASMALLWORLD Group has drawn on guaranteed COVID-19 loans in Switzerland in 2020. The loans drawn amount to TCHF 858. The Federal Council has increased the interest rates on outstanding COVID-19 loans from 0% to 1.5% effective as of March 31, 2023. 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. Repayments are due in March & September every year. As a result, TCHF 143 were reclassified from long-term to short-term loans from third parties.

16. PAYABLES FOR GOODS AND SERVICES

	2023	2022
	TCHF	TCHF
From third parties	1'188.7	1'549.2
From related parties	0.0	0.0
Total payables for goods and services	1'188.7	1'549.2

Payables for goods and services primarily consist of supplier invoices for air miles.

17. OTHER SHORT-TERM LIABILITIES

	2023	2022
	TCHF	TCHF
From third parties	130.0	137.6
From related parties	63.6	8.2
Total other short-term liabilities	193.6	145.8

18. PROVISIONS

in TCHF	Provisions for deferred taxes	Other provisions	Total provisions
Carrying amount as of 1 January 2023	0.3	35.4	35.7
Creation	15.2	92.3	107.5
Utilisation	0.0	-5.7	-5.7
Release	-0.3	-1.4	-1.7
Foreign currency effect	0.0	-4.8	-4.8
Carrying amount as of 31 December 2023	15.2	115.8	131.0
Of which, short-term provisions	15.2	85.9	101.1
Of which, long-term provisions	0.0	29.9	29.9

in TCHF	Provisions for deferred taxes	Other provisions	Total provisions
Carrying amount as of 1 January 2022	50.3	3'625.1	3'675.4
Creation	0.3	0.0	0.3
Utilisation	0.0	-3'515.1	-3'515.1
Release	-50.3	-15.0	-65.3
Foreign currency effect	0.0	-59.6	-59.6
Carrying amount as of 31 December 2022	0.3	35.4	35.7
Of which, short-term provisions	0.3	35.4	35.7
Of which, long-term provisions	0.0	0.0	0.0

The increase in other provisions is attributable to balance sheet reclassifications, which have no impact on the result. Allocations for capital taxes were disclosed under accrued expenses in the prior year. The long-term provisions include possible liabilities from the acquisition of LuxuryBARED in 2019. The likelihood of having to settle these liabilities, either partially or in full, remains uncertain. Consequently, TCHF 29.9 are now classified as long-term provisions instead of short-term liabilities (see note 1.1.2).

The decrease in other provisions in 2022 resulted from the completion of earn-out payments associated with the acquisition of First Class & More International GmbH in 2018, which were included in the purchase price. For further details on the impact of foreign currency effects in 2022, refer to Note 7, "Financial Income".

19. ACCRUED LIABILITIES AND DEFERRED INCOME

	2023	2022
	TCHF	TCHF
Deferred income subscriptions revenue	2'117.1	3'095.2
Deferred income events & travel	191.0	110.0
Personnel expenses related accruals	190.0	152.9
Other	239.9	284.8
Total accrued liabilities and deferred income	2'737.9	3'642.9

20. EQUITY

Share capital:

The share capital of ASMALLWORLD AG consists of 14'461'457 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.

Capital Band

During the Annual General Meeting held on 23 April 2023, the shareholders granted the Board of Directors the discretion to adjust the company's share capital within a predefined capital band. The established parameters for this band are set with a minimum (floor) of CHF 9 Mio. and a maximum (ceiling) of CHF 15 Mio. Within these boundaries, the Board of Directors possesses the authority to either augment or diminish the share capital at their discretion until 27 April 2028, or until an earlier termination of the capital band, whichever occurs first. This adjustment can be effected through the issuance of up to 3'281'285 fully paid registered shares, each with a nominal value of CHF 1, or by the cancellation of up to 2'718'715 registered shares, also with a nominal value of CHF 1 per share.

On 31 October 2023, ASMALLWORLD AG successfully executed a capital increase within the designated capital band, issuing 2'742'742 shares with a nominal value of CHF 1.00 each. The issuing price was CHF 1.50. As part of the capital increase, CHF 3.8 Mio. of the outstanding loan from Pellegrino Capital AG was converted into newly issued shares.

Conditional capital:

In connection with the employee stock option plan there is a conditional capital of TCHF 995 as per 31 December 2023 (2022: TCHF 995). The conditional capital for financing purposes amounts to TCHF 1'000 (2022: TCHF 1'000).

Capital reserves:

In the course of a capital increase in 2023, equity transaction cost of TCHF 46.6 (2022: TCHF 24.5) were recognized as a reduction of capital reserves.

Legal Reserves:

The equity comprises TCHF 62.2 (2022: TCHF 54.1) in non-distributable reserves. The amount is determined by summing up all non-distributable reserves of each company, according to the statutory individual financial statements.

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.

	2023	2022
	TCHF	TCHF
Group result (in TCHF)	1'532.8	1'453.5
Weighted-average number of outstanding shares	12'175'839	11'601'528
Basic earnings per share (in CHF)	0.13	0.13

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.

	2023	2022
	TCHF	TCHF
Group result (in TCHF)	1'532.8	1'453.5
Weighted-average number of outstanding shares	12'175'839	11'601'528
Adjustment for the dilutive number of outstanding share options	809'242	750'970
Weighted-average number of diluted shares	12'985'081	12'352'498
Diluted earnings per share (in CHF)	0.12	0.12

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 109% as per 31 December 2023 (2022: 101%). There is no pension benefit obligation plan for employees of First Class & More FZE, Dubai.

	2023	2022
	TCHF	TCHF
Contributions for the period	85.3	69.3
Pension plan expenses in personnel expenses	85.3	69.3

23. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties consist of normal business transactions under normal market conditions. Normal business transactions are transactions which are normally undertaken for the purpose of operating the business (selling products or services).

	2023	2022
	TCHF	TCHF
Transactions with related parties		
Sale of services to related parties	713.3	311.1
Consulting services from related parties	190.0	502.9

The majority of sales to related parties are attributed to travel. The consulting services acquired from related parties are associated with the hospitality operations of the ASmallWORLD Group.

The corresponding balances from receivables and payables are disclosed separately in the accompanying financial statements. Financial income and expense from related parties are disclosed in note 7.

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 2023.

24. OFF-BALANCE SHEET TRANSACTIONS

	2023	2022
	TCHF	TCHF
Long-term rental obligations		
1 to 2 years	221.9	211.2
3 to 5 years	92.4	193.6
Total off-balance sheet leasing/rental obligation	314.3	404.8

Fixed purchase commitments

In connection with the Prestige Membership there are contracts with two supplier which include fixed purchase commitments of TCHF 1'181.1 for the year 2023 (2022: TCHF 1'273.6).

	2023	2022
	TCHF	TCHF
Collateral for third-party liabilities		
Sureties	250.0	250.0
Rent guarantee	50.1	50.1
Total collateral for third-party liabilities	300.1	300.1

25. SCOPE OF CONSOLIDATION

The consolidated financial statements include ASMALLWORLD AG and the companies under its control (as per 31 December 2023).

Company	balance sheet date
The World's Finest Clubs AG, Zurich, Switzerland	31.12.
ASW Events AG, Zurich, Switzerland	31.12.
ASW Travel AG, Zurich, Switzerland	31.12.
First Class & More International GmbH, Starnberg, Germany	31.12.
First Class & More FZE, Dubai, UAE - indirect participation	31.12.
First Class & More International AG, Zurich, Switzerland	31.12.
ASW Hospitality AG, Zurich, Switzerland	31.12.

As per 31 December 2023 and 2022, ASMALLWORLD AG owns 100% of all subsidiaries shown above

Change in scope of consolidation

The scope of consolidation remained unchanged in both 2022 and 2023

26. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

In March 2023, ASMALLWORLD AG invested TEUR 1'250 in a luxury hotels fund (GE Super Prime Hospitality Holdings; see Note 13). Subsequently after year-end, at the beginning of March 2024, the company sold its stake in the fund at cost. As a result of this transaction, the company decided to use the proceeds from this sale to fully repay all remaining COVID-19-related loans within the group.

No other significant events occurred after the balance sheet date of 31.12.2023. Events after the balance sheet date were considered until 13 March 2024. 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 year ended 31 December 2023, the consolidated balance sheet as at 31 December 2023, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements (pages 37 to 59) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 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 Standards on Auditing (SA-CH). 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 212'000



We concluded full scope audit work at two reporting units. These Group companies represented 84% of sales and 59% 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.

Overall Group materiality	CHF 212'000
Benchmark applied	Consolidated revenue
Rationale for the materiality benchmark applied	We chose revenue as the benchmark because, in our view, it is the benchmark against which the performance of the Group is commonly measured. In addition, the Group has shown historically 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 16'000 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 2023 consolidated financial statements, we performed the audit of the two most significant Group companies.

Key audit matters

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 form 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 income (membership fees) and services (travel organisation and event sponsorship).</p> <p>Please refer to note 2.16 "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"> • We tested the revenue transactions during the year on a sample basis by comparing invoices and bank receipts. • 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. • We tested whether credit notes raised after year-end were appropriately issued and recognized. • We examined the existence of revenues and their recognition in the correct reporting period using a sample of in-invoices and payments received from the customer. <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>

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of 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 SA-CH 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.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them regarding all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the consolidated financial statements.

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

PricewaterhouseCoopers AG



Patrick Balkanyi
Licensed audit expert
Auditor in charge



Sabrina Brugnoli
Licensed audit expert

Zurich, 13 March 2024

BALANCE SHEET AS OF 31 DECEMBER

	Note	2023	2022
		TCHF	TCHF
ASSETS			
Cash		682.3	2'234.6
Trade accounts receivables			
- from third parties		0.0	61.5
- from shareholders		0.0	62.6
Other short-term receivables			
- from third parties		4.7	37.0
- from shareholders		150.1	174.3
- from group entities		1'538.4	1'346.0
Prepaid expenses and accrued income		417.5	198.5
Total current assets		2'793.0	4'114.5
Financial assets			
- from third parties	2.1	5'574.2	4'320.2
- from group entities	2.1	90.0	90.0
Investments	2.2	18'672.2	18'672.2
Property, plant and equipment			
- Furniture	1.5	20.2	27.0
- Other equipment	1.5	0.0	130.0
- Hardware	1.5	5.6	4.9
Intangible assets	1.6	1'154.4	993.4
Total non-current assets		25'516.7	24'237.7
Total assets		28'309.7	28'352.2

BALANCE SHEET AS OF 31 DECEMBER

	Note	2023	2022
		TCHF	TCHF
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Trade accounts payable			
- to third parties		1'148.0	1'357.6
Short-term interest-bearing liabilities			
- to third parties	2.3	483.3	483.3
Other short-term liabilities			
- to third parties		101.8	95.4
- to group entities		2'245.3	201.3
Short-term provisions	2.4	9.8	0.0
Accrued expenses and deferred income	2.5	1'392.0	1'941.3
Total short-term liabilities		5'380.3	4'078.9
Long-term interest-bearing liabilities			
- to third parties	2.3	3'450.0	3'933.3
- to shareholders	2.3	0.0	4'417.5
Long-term Provisions	2.4	63.2	0.0
Total long-term liabilities		3'513.2	8'350.9
Total liabilities		8'893.5	12'429.8
EQUITY			
Share capital	2.6	14'461.5	11'718.7
Legal capital reserves			
- Reserves from capital contributions ("KER")	2.7/2.6	19'204.6	17'840.5
- Other capital reserves		2.0	2.0
Legal retained earnings		50.0	50.0
Accumulated losses		-13'688.8	-14'808.8
Net result for the year		-613.0	1'120.0
Total shareholders' equity		19'416.2	15'922.5
Total liabilities and shareholders' equity		28'309.7	28'352.2

INCOME STATEMENT

	Note	2023	2022
		TCHF	TCHF
Net Sales from services	1.9	12'752.2	10'927.3
Other operating income	1.10	593.3	85.0
Total operating income		13'345.5	11'012.3
Direct expenses for services rendered		-9'697.8	-8'264.7
Personnel expenses		-1'683.1	-1'004.6
Other operating expenses		-2'104.7	-1'632.5
Depreciation and impairment losses on			
- fixed assets	1.5	-138.6	-8.4
- intangible assets	1.6	-459.8	-626.3
Total operating expenses		-14'084.1	-11'536.5
Operating result		-738.5	-524.2
Financial income	2.8	593.3	1'967.3
Financial expenses		-426.5	-296.1
Result for the year before taxes		-571.7	1'147.0
Direct taxes		-41.3	-27.0
Net result for the year		-613.0	1'120.0

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 to Swiss GAAP FER. As a result, these financial statements and notes do not include additional disclosures, cash flow statement, and management report.

1.1 DEVIATION FROM CONSISTENT APPLIED ACCOUNTING PRINCIPLES

1.1.1 CHANGE IN ACCOUNTING ESTIMATES

Starting from January 1st, 2023, the useful life of capitalized development costs of web platforms and mobile apps was reduced from 5 to 3 years. The same applies for hardware and equipment. It resulted from management's periodic assessment of information used in the preparation of its financial statements. The change considers the increasingly shorter innovation cycles for digital technologies. Furthermore, ASMALLWORLD AG no longer has its own server infrastructure, but uses a hardware-as-a-service model, which is much more flexible. Hardware and equipment mainly consist of office equipment. The change in accounting estimates has no material impact on the 2023 numbers.

1.1.2 BALANCE SHEET RECLASSIFICATION

On 1 February 2019, ASMALLWORLD AG completed the acquisition of LuxuryBARED. In connection with the transaction, certain former equity and debt holders of LuxuryBARED were awarded shares in ASMALLWORLD AG, facilitated through Pellegrino Capital AG, the majority shareholder. In compensation for the share transfer, ASMALLWORLD AG remunerated Pellegrino Capital based on the share price as of the transfer date. These shares were subject to an 18-month lock-up period concluding on 1 August 2020. As of 31 December 2023, not all allocated shares have been claimed. The likelihood of the outstanding shares being fully or partially claimed remains uncertain. As a result, TCHF 63 are newly classified as long-term provisions instead of a short-term liability. The general statute of limitations for contractual claims stands at ten years, thus terminating the contractual obligation on 1 August 2030. Shares

unclaimed by this date will be forfeited, and any associated liabilities will be discharged.

1.1.3 OFFSETTING EXPENSES AND INCOME

In the presentation of the production income statement, internally generated work capitalized should not be treated as a deduction from expenses. In alignment with these principles, an amount of TCHF 53 has been reclassified from personnel expenses to other operating income. Given the immaterial nature of the transaction and its lack of impact on equity, the financial statements for the previous year have not been restated in 2023.

1.2 TRADE ACCOUNTS RECEIVABLES 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.

1.3 FINANCIAL ASSETS

Shares in companies that represent less than 20% are valued at historical costs less impairment charges.

1.4 INVESTMENTS

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

1.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment 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

Starting from January 1st, 2023, hardware and equipment are depreciated over 3 instead of 5 years (see note 1.1.1).

In exchange of media services, the Group received in 2014 product supplies which were classified as works of art. These

product supplies were fully impaired in 2023 as they no longer provide any benefit to the business.

1.6 INTANGIBLE ASSETS

This line item includes purchased software as well as capitalized development costs for ASMALLWORLD web platforms, as well as Android and iOS mobile applications.

Capitalized development costs of web platforms and 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 spent on bug fixing and maintenance.

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

Asset class	Useful lifetime
Development cost	3 years
Purchased software	3 years
Intellectual property rights	5 years

Starting from January 1st, 2023, capitalized development costs for web platforms and mobile apps are amortized over 3 instead of 5 years (see note 1.1.1 above).

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.

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.

1.7 LIABILITIES

Liabilities are recognized at their nominal value.

1.8 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.

1.9 REVENUE RECOGNITION

Revenues are recognized when a service or product has been provided. As such, revenue is either directly recognized at the time of the sale or on a straight-line basis over the contractual duration.

ASMALLWORLD members pay an annual membership fee 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).

1.10 OTHER OPERATING INCOME

Intercompany charges relating to services provided to group companies by ASMALLWORLD AG are mainly included in other operating income.

In 2019, ASMALLWORLD AG sold part of its IP to Prestige Media Group S.A in the amount of TCHF 750. 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. In 2022, by mutual agreement, it was decided to stop the project and the IP was returned to ASMALLWORLD. The remaining receivable in the amount of TCHF 250 from the IP sale in 2019 was therefore impaired in 2022.

2. DISCLOSURE ON BALANCE SHEET AND INCOME STATEMENT ITEMS

2.1 FINANCIAL ASSETS

In March 2023, ASMALLWORLD AG invested TEUR 1'250 in a luxury hotels fund. In 2022, ASMALLWORLD AG acquired a 10% stake in the Global Hotel Alliance (GHA) for an amount of USD 4.5 Mio. The acquisition price for this stake was USD 3.5 Mio. in cash, plus a 3% share of ASMALLWORLD AG. Both assets are valued at historical cost, adjusted for any impairment charges.

The financial assets from group companies include an intercompany loan of TCHF 90, which is subordinated.

2.2 INVESTMENTS

Company name, domicile	Voting rights and capital rights in %		Capital in 1'000	Capital in 1'000
	2023	2022	2023	2022
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, Starnberg (DE)	100	100	EUR 25.1	EUR 25.1
First Class & More FZE, Dubai (UAE) - indirect participation	100	100	AED 100	AED 100
First Class & More International AG, Zurich (CH)	100	100	CHF 100	CHF 100
ASW Hospitality AG, Zurich (CH)	100	100	CHF 100	CHF 100

2.3 INTEREST-BEARING LIABILITIES

In 2022, ASMALLWORLD AG acquired a 10% stake in Global Hotel Alliance (GHA) for USD 4.5 Mio. The acquisition was financed with a long-term bank loan of CHF 4 Mio. which must be amortized until 31 March 2027. The interest rate consists of a base interest rate and a bank margin. The bank margin is based on senior debt/EBITDA ratio and lies between 1.85 – 2.45%. The base interest rate is based on the money market conditions, depends on the chosen term and is at least 0.00%. Repayments are due in March every year. As a result, TCHF 400 were reclassified from long-term to short-term interest-bearing liabilities.

The loan in CHF from Pellegrino Capital AG (majority shareholder) was settled in 2023. As part of a capital increase in October 2023, CHF 3.8 million of the outstanding loan from Pellegrino Capital AG was converted into newly issued shares. The remaining amount was settled in cash.

To secure liquidity, ASMALLWORLD AG has drawn a guaranteed COVID-19 loan in 2020. The Federal Council has increased the interest rates on outstanding COVID-19 loans from 0% to 1.5% effective as of March 31, 2023. The interest terms can be adjusted based on the requirements of the Federal Department of Finance. The term of the loan is eight 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. Repayments are due in March & September every year. As a result, TCHF 83 were reclassified from long-term to short-term interest-bearing liabilities.

2.4 PROVISIONS

Short-term provisions represent allocations for capital taxes for the current year. In the prior year, there was an outstanding receivable from the taxation authorities.

Long-term provisions represent potential obligations arising from the acquisition of LuxuryBARED in 2019 (see note 1.1.2)

2.5 ACCRUED EXPENSES AND DEFERRED INCOME

This balance sheet position consists mainly of deferred income due to revenue recognition of subscription income (2023 TCHF 1'163 / 2022 TCHF 1'831; see also note 1.9). The remainder are accrued expenses.

2.6 SHARE CAPITAL AND CAPITAL BAND

ASMALLWORLD AG's nominal share capital amounts to CHF 14'461'457.00, divided into 14'461'457 fully paid-up registered shares with a nominal value of CHF 1.00 each. Each registered share carries one voting right.

During the Annual General Meeting held on 23 April 2023, the shareholders granted the Board of Directors the discretion to adjust the company's share capital within a predefined capital band. The established parameters for this band are set with a minimum (floor) of CHF 9 Mio. and a maximum (ceiling) of CHF 15 Mio. Within these boundaries, the Board of Directors possesses the authority to either augment or diminish the share capital at their discretion until 27 April 2028, or until an earlier termination of the capital band, whichever occurs first. This adjustment can be effected through the issuance of up to 3'281'285 fully paid registered shares, each with a nominal value of CHF 1, or by the cancellation of up to 2'718'715 registered shares, also with a nominal value of CHF 1 per share.

On 31 October 2023, ASMALLWORLD AG successfully executed a capital increase within the designated capital band, issuing 2'742'742 shares with a nominal value of CHF 1.00 each. The issuing price was CHF 1.50.

2.7 RESERVES FROM CAPITAL CONTRIBUTIONS ("KAPITALEINLAGERESERVE")

As of 31 December 2023, reserves from capital contributions amount to TCHF 19'205. TCHF 17'205 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 FINANCIAL INCOME

The financial income 2023 mainly consists of dividend payments from Global Hotel Alliance (GHA) and realized FX gains on short term liabilities or current assets. In 2022, the financial income mainly consists of dividend payments (TCHF 1'552) from First Class & More International GmbH and realized FX gains (TCHF 414) from the settlement of liabilities in 2022 related to the acquisition of First Class & More International GmbH. The settlement was in EURO and the liabilities were 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 did not exceed 50 for both 2022 and 2023.

3.2 RESIDUAL AMOUNT OF LONG-TERM RENTAL OBLIGATIONS

	2023	2022
	TCHF	TCHF
Residual amount of rental obligation	314.3	404.8

3.3 LIABILITIES TO PENSION SCHEMES

	2023	2022
	TCHF	TCHF
Liabilities to pension schemes	18.7	0.0

3.4 COLLATERAL FOR THIRD-PARTY LIABILITIES

	2023	2022
	TCHF	TCHF
Sureties	250.0	250.0
Rent guarantee	50.1	50.1

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

	Number of granted options 2023	Value of granted options in 2023 (in TCHF)	Salaries and other compensation 2023 (in TCHF)
Board of Directors	0	0.0	0.0
Executive management	32'272	43.9	970.1

	Number of granted options 2022	Value of granted options in 2022 (in TCHF)	Salaries and other compensation 2022 (in TCHF)
Board of Directors	0	0.0	0.0
Executive management	32'272	64.3	953.9

Value of options according valuation at grant date of options.

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

3.6 SIGNIFICANT SHAREHOLDERS

	2023	2022
Shareholder		
Patrick Liotard-Vogt (directly, indirectly & option rights)	69.01%	63.56%
Alexander Koenig (directly, indirectly & option rights)	7.74%	9.55%
HANSAINVEST Hanseatische Investmentgesellschaft GmbH	7.03%	7.76%
GHA Holdings Limited	2.43%	3.00%

3.7 SHARES HELD BY THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

	2023	2022
Board of Directors		
Michael Manz	0	0

	2023	2022
Executive Management		
Jan Luescher, Chief Executive Officer	0	0
Alexander Koenig (directly & indirectly), Managing Director of First Class & More	916'000	916'000
Daniel Sutter, Chief Financial Officer	0	0

3.8 OPTIONS HELD BY THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

	2023	2022
Board of Directors		
Michael Manz	10'000	10'000

	2023	2022
Executive Management		
Jan Luescher, Chief Executive Officer	286'476	254'204
Alexander Koenig, Managing Director of First Class & More	203'430	203'430
Daniel Sutter, Chief Financial Officer	0	0

4. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

In March 2023, ASMALLWORLD AG invested TEUR 1'250 in a luxury hotels fund (GE Super Prime Hospitality Holdings; see Note 2.1). Subsequently after year-end, at the beginning of March 2024, the company sold its stake in the fund at cost. As a result of this transaction, the company decided to use the proceeds from this sale to fully repay the remaining COVID-19-related loans.

No other significant events occurred after the balance sheet date of 31.12.2023. Events after the balance sheet date were considered until 13 March 2024. On this date, the financial statements were approved by the Board of Directors of ASMALLWORLD AG.

PROPOSED APPROPRIATION OF AVAILABLE EARNINGS

The Board of Directors proposes to the Annual General Meeting on April 26, 2024 the following appropriation of available earnings:

	2023	2022
	TCHF	TCHF
Balance brought forward	-13'688.8	-14'808.8
Net result for the year	-613.0	1'120.0
Available for appropriation	-14'301.8	-13'688.8
Balance to be carried forward	-14'301.8	-13'688.8

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 (the Company), which comprise the balance sheet as at 31 December 2023, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements (pages 64 to 74) 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 Standards on Auditing (SA-CH). 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 Company 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 109'000



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 Company, the accounting processes and controls, and the industry in which the Company 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.

Overall materiality	CHF 109'000
Benchmark applied	Revenue
Rationale for the materiality benchmark applied	We chose revenue as the benchmark because, in our view, it is the benchmark against which the performance of the Company is commonly measured. In addition, the Company has shown strong fluctuations in terms of loss/profit which makes the benchmark loss/profit before tax unsuitable..

We agreed with the Audit Committee that we would report to them misstatements above CHF 8'700 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.

Key audit matters

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 2023, the book value of investments in group companies amounts to CHF 18.7 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 values of investments are not recoverable. Further details about the investments in group companies can be found in note 2.2 "Investments".</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> • We obtained management's memorandum addressing the recoverability of selected investments in subsidiaries. • We compared the book value of the investments with the net assets of the related investment. • In instances when the carrying value 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. • We evaluated the estimates made by management and ensured that the process of determining estimates is appropriate. <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>

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of 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 Company'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 Company 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 SA-CH 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.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them regarding all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved..

PricewaterhouseCoopers AG



Patrick Balkanyi
Licensed audit expert
Auditor in charge



Sabrina Brugnoli
Licensed audit expert

Zurich, 13 March 2024

CONTACT AND AGENDA

FOR MORE INFORMATION ABOUT THE ASMALLWORLD GROUP, PLEASE VISIT:

www.asmallworldag.com
www.asw.com
www.first-class-and-more.de
www.first-class-and-more.com
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www.asmallworldcollection.com
www.asmallworlddiscovery.com
www.jetbeds.com
www.finestclubs.com
www.asmallworldhospitality.com
www.north-island.com

CONTACT FOR MEDIA AND INVESTORS

Jan Luescher, CEO
info@asmallworldag.com

FINANCIAL CALENDAR:

14 March 2024:	Results and Annual Report 2023
26 April 2024:	General Assembly
22 August 2024:	2024 H1 Results

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