



PRESS RELEASE

LAUSANNE, MARCH 29th, 2019, PERFECT HOLDING SA RELEASES ITS CONSOLIDATED ANNUAL ACCOUNTS AS OF DECEMBER 31, 2018

For the year 2018, the audited consolidated results of Perfect Holding SA were revenues of CHF 16.2 million (CHF 17.6 million in 2017), net operating loss of CHF 0.8 million (CHF 0.5 million in 2017) and negative net operating cash flow of CHF 0.7 million (positive net operating cash flow of CHF 0.1 million in 2017).

As a result of the continued intense competition in the business aircraft charter industry, of the excess capacity in the business jet resale market and of the political situation in some of Oxygen Aviation's key markets, sales to existing clients have decreased compared to 2017. Fortunately, the Group's UK subsidiary was able to partly compensate this decrease and to further reduce its dependence to the Russian market through the continued diversification of its client base, in particular thanks to the hiring of new staff to focus on previously unexplored or under developed markets, such as the Commercial Aircraft Charter business (flights for large passenger numbers), and the launch of a loyalty program.

As announced on January 25th, 2019, the Board of directors of Perfect Holding SA has decided to change the Group's accounting standard from IFRS to Swiss GAAP FER starting with the 2018 consolidated financial statements. The main effect of this changeover concerns the accounting policy on goodwill. Under IFRS, goodwill is capitalised and tested annually for its recoverable value (impairment test). Under Swiss GAAP FER, goodwill is amortised over a specific period (5 years in principle). As a result of the change of accounting standard, the Group's consolidated financial statements require a restatement as of January 1, 2017 with regard to the goodwill recorded in connection with the acquisition of Oxygen Aviation in 2012. The impact of this restatement on the consolidated equity as of December 31, 2017 is a decrease of approximately CHF 3.5 million.

With the change to Swiss GAAP FER, the shares of Perfect Holding SA will remain listed on the SIX Swiss Exchange, but under the Swiss Reporting Standard. The change of regulatory standard (from International to Swiss) becomes effective today, date of publication of the company's 2018 annual report under Swiss GAAP FER.

The net operating loss incurred in 2018 as well as the reduction of the value of the investment in Oxygen Aviation resulted in a situation of loss of capital in the statutory accounts of Perfect Holding SA (with accumulated losses of approx. CHF 5.5 million for a share capital of approx. CHF 7.2 million), which requires the Board of directors to propose recapitalisation measures to the shareholders. The Board of directors will therefore submit at the forthcoming shareholders' meeting of 24 May 2019 a proposal to vote in favour of a declaratory reduction of the company's share capital to absorb a large portion of the accumulated losses appearing in the balance sheet.

The Board of directors has continued throughout the entire year 2018 its active search and evaluation of potential acquisition targets with the objective of growing the Group's activities. The Board intends to pursue these efforts during the coming months, with the firm intention of trying to come up with an attractive project before the end of the year 2019.

Next release – Interim Half-Year 2019 Report – 27.09.2019

Perfect Holding SA – Avenue de Florimont 3 – 1006 Lausanne – Switzerland – Tel. +41 21 552 60 16

Annual Report 2018 is now published and can be found on www.perfect.aero, following the path:
<http://www.perfect.aero/en/investor-relations/annual-and-interim-reports>

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