

The Native SA Announces Six Months Results, Doubles Revenue to CHF 98.1 Million, Enters Final Stage of De-Leverage and Reorganization, Approves CHF 8 Million Convertible

Basel, October 31, 2019, -- The Native SA, a Swiss-listed international ecommerce, digital media and technology company, is releasing its financial results for the six months period ending June 30, 2019 and announces the final stage of de-leverage and reorganization.

The Native SA reports TCHF 98'120 in revenues for the first six months of 2019 compared to TCF 50'201 for the same period in 2018. Our EBITDA for the period is negative of TCHF 676 (TCHF 14 for the same period in 2018), with the negative result predominantly explained by the integration costs and non-operating expenses at the level of The Native's subsidiaries. The Company's net loss driven by the restructuring, integration and financing expenses, had widened from TCHF 2'147 in the first six months of 2018 to TCHF 5'717 for the same period of 2019 and thus kept the company very dependent on its ability to finance its further growth, integration and streamlining of recently acquired assets with access to additional capital including refinancing of approximately CHF 26 million of financial debt (including approximately CHF 3 million short term portion of this debt).

While the high growth business strategy of The Native SA in just two years transformed the idle shell company 5EL SA into the international market leader in ecommerce services and digital marketplaces with nearly CHF 100 million in revenues in the first half of 2019, executing on our growth strategy entirely (currently only in the 2nd year of the three-year plan) was made impossible due to sudden collapse of our share price in the first half of 2019 and subsequent loss of confidence of our shareholders in our growth strategy. As a result, the board of The Native SA could not secure further long-term capital to finance the growth of our expanding business and move to profitability, and instead had been forced to look to scale-down and subsequently divesting its core assets to de-leverage and reduce loss.

In May 2019, unable to access new funding, The Native SA failed to execute on the call option to consolidate control in P8H Inc, and in June 2019 it commenced the process of divestment of its highly leveraged subsidiaries with an aim to significantly reduce debt and to keep the Company as the financially stable business going forward. This effort resulted in divestment of the Company's entire ownership interest in asknet AG (Nexway AG), sale of 70% ownership interest in Highlight Finance Corp and de-consolidation of EUR 22,500,000 in long term bond obligations issued on the level of those divested subsidiaries – this divestment, further detailed in the financial statements published today, took place after the reporting date, hence this six months report reflects operating results of these companies for the first six months of 2019.

Following completion of its divestments, The Native SA as of today has no operating activities, no employees and is reviewing its strategic options going forward. As the last step in the reorganization and restructuring process, the board of The Native SA has approved today the launch of a privately placed convertible bond facility with 18 months tenor to be issued at 95% (up to CHF 8 million) and placed as the zero coupon bond before or on November 30, 2019 with mandatory conversion into The Native shares upon approval of the new conditional capital or

share capital increase by the Company's shareholders meeting. This convertible bond facility will consolidate most of the remaining debts and accounts payables into this new facility and will allow The Native to work on its new business strategy which will be revealed at the beginning of 2020.

For more information and to download the full 6 months report go to www.thenative.ch