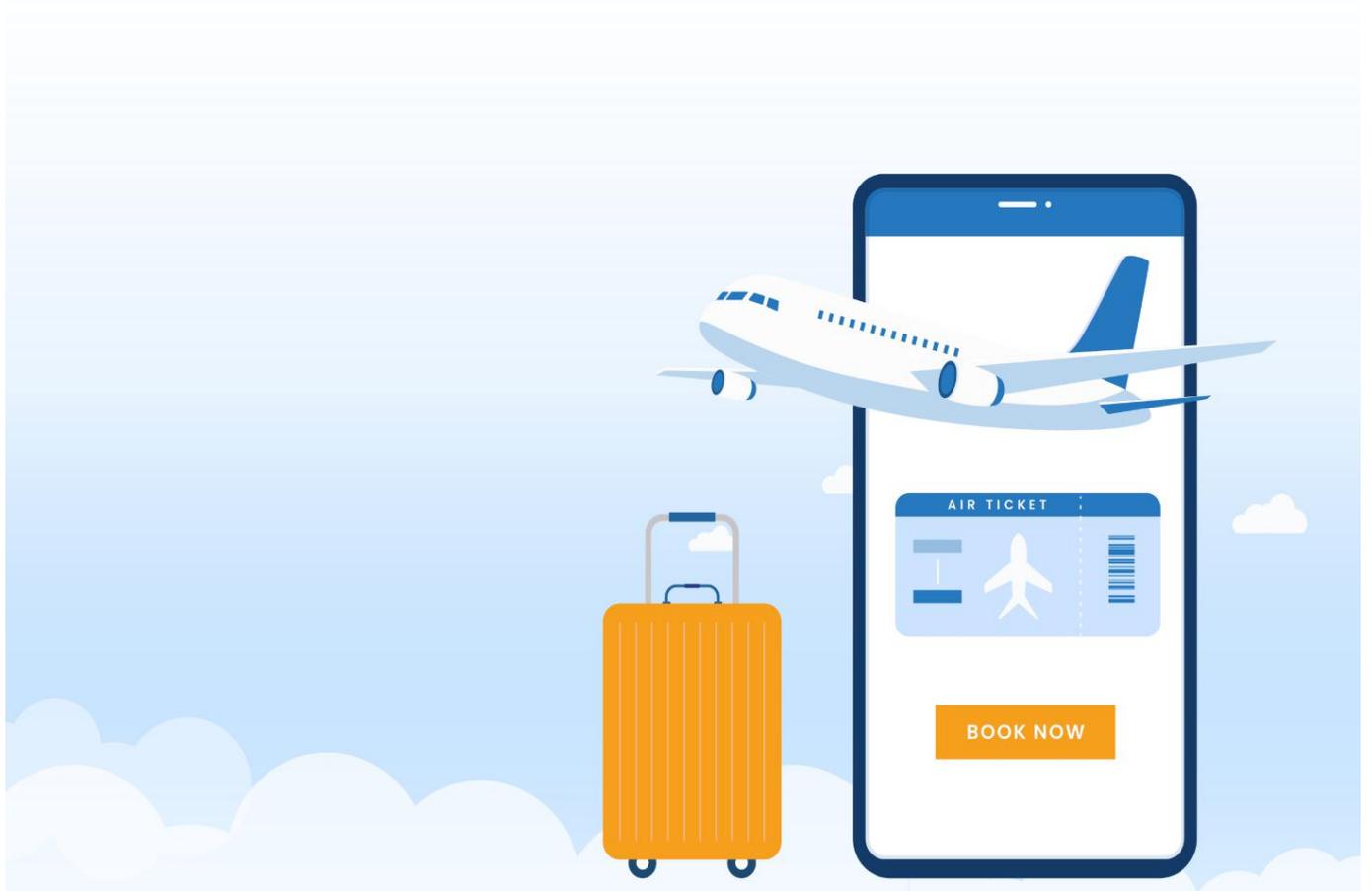


Travala.com

Q2 2021 REPORT

CAPITALISING ON THE TRAVEL REBOUND



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A Note From the CEO

The start of July wraps up a busy Q2 for Travalacom where a range of new strategic initiatives, optimisations and partnerships took center stage. As a result of these improvements alongside a rebounding travel market we are extremely pleased to report three consecutive months of record results.

Peak travel season is typically represented by bookings that occur between late spring and early fall. As witnessed in Travalacom booking numbers, it's clear we are tapping into this demand.

Peak travel season this year is particularly interesting because of the range of macroeconomic events occurring in the backdrop. Many markets are still recovering from strict lockdowns and restrictions on travel, vaccine roll-outs have staggered timelines, and some flare ups of covid-19 virus variants are occurring. All together, it's safe to say that compared to previous years, travel demand in Q2 2021 is still rebounding.

There are strong pockets of demand that are starting to appear in certain markets. For example, the United States is both our largest market by destination and booking origin. We expect this to continue as it is considered one of the most "open" markets.

Despite these challenges Travalacom has managed to grow extremely fast and we still haven't even reached our full potential. We have recently added some key distribution channels, and had an increase in both the variety of travel products and new payment options.

In June we launched the Mini-App Program with Binance being the first user of a wholly integrated Travalacom platform within the Binance exchange. We have already received interest from a number of other exchanges to do a similar integration.

We also added more hotel and flight options, activities through a partnership with Viator, private jets through the Concierge offering and 8 new token payment options including the ability to pay with WeChat.

These updates only scratch the surface of what we have been heads down working on. We've also come up with some improvements to back-end infrastructure to ensure we can scale to multiples of the revenues we are doing today.

We are very happy with our progress and truly believe that our Q2 update is a reflection of the hard work we have been doing. Keep reading on for more updates!

- Juan Otero, CEO

Financial Metrics

Travala.com revenue continues to grow at an incredible rate.

| REVENUE | | | | | |
|-------------------------|---------------|-------------|-------------|-------------|---------------|
| MONTHLY | Q2 2020 Total | April 2021 | May 2021 | June 2021 | Q2 2021 Total |
| Revenue | \$274,718 | \$2,832,389 | \$3,404,245 | \$3,588,647 | \$9,825,281 |
| Revenue, Growth % M-o-M | | 63.3% | 20.2% | 5.4% | |
| Revenue, Growth & Y-o-Y | | 12,624.1% | 4,894.3% | 1,847.2% | |
| QUARTERLY | | Q3 2020 | Q4 2020 | Q1 2021 | Q2 2021 |
| Revenue | | \$1,301,810 | \$2,587,122 | \$4,065,340 | \$9,825,281 |
| Revenue, Growth % M-o-M | | 373.9% | 98.7% | 57.1% | 141.7% |
| Revenue, Growth & Y-o-Y | | | | | 3,476.5% |

Total Revenue for Q2 2021 was \$9.8 million, comprising hotels, flights, activities, and integration fees. This represents 141% growth over the previous quarter and 3,476% growth over the same period in 2020, which reflects how far Travala.com's product offering has come in the last year.

Hotels

Hotels continued to be Travalta.com's leading vertical.

| HOTELS | | | | | |
|-----------------------------|---------------|------------|----------|-----------|---------------|
| MONTHLY | Q2 2020 Total | April 2021 | May 2021 | June 2021 | Q2 2021 Total |
| Room Nights | 1,893 | 4,243 | 5,426 | 6,559 | 16,228 |
| Average Room Night Price | \$133.79 | \$521 | \$380 | \$427 | \$435.86 |
| Room Nights, Growth % M-o-M | | 13.1% | 27.9% | 20.9% | |
| Room Nights, Growth % Y-o-Y | | 1,043.7% | 903% | 568.6% | |
| QUARTERLY | Q3 2020 | Q4 2020 | Q1 2021 | Q2 2021 | |
| Room Nights | | 5,860 | 5,386 | 8,382 | 16,228 |
| Room Nights, Growth % M-o-M | | 209.6% | -8.1% | 55.6% | 93.6% |
| Room Nights, Growth % Y-o-Y | | | | | 757.3% |

Hotels were the primary driver of growth in Q2 2021, with room nights more than tripling from Q4 2020. This growth can partly be attributed to the gradual loosening of COVID restrictions, however many key markets have been slow to open.

More important for Travalta's growth were some of our strategic initiatives:

- We reinforced our already strong partnership with Expedia, giving us access to the majority of their property inventory.
- We pushed to make it as easy as possible for our users to book travel the way they want to book, adding multiple payment options and launching our first on-exchange mini-app.
- With feedback from the Travalta.com community we devoted considerable development resources to booking engine optimization.

These initiatives have helped us grow the whole way through the pandemic, and have positioned us to capitalize on huge pent-up travel demand as the world continues to open up.

Flights

Flights were a focus for our platform development efforts in Q2 2021.

| FLIGHTS | | | | |
|-------------------------|------------|----------|-----------|---------------|
| MONTHLY | April 2021 | May 2021 | June 2021 | Q2 2021 Total |
| Flights | 685 | 940 | 1,044 | 2,669 |
| Average Flight Price | \$560 | \$1,291 | \$592 | \$831.51 |
| Flights, Growth % M-o-M | 80.7% | 37.2% | 11.1% | |
| QUARTERLY | | Q4 2020 | Q1 2021 | Q2 2021 |
| Flights | | 219 | 576 | 2,669 |
| Flights, Growth % Q-o-Q | | | | 363.4% |

When Travalat.com merged with TravelbyBit in May 2020, we leveraged their existing infrastructure in order to get online and improve our product offering as quickly as possible. We always had the intention of integrating the flight vertical into Travalat's own backend, however, and this work was completed in Q2 2021.

A streamlined backend has allowed us to accelerate product development and improve our flight search functionality, and the results are already starting to show. Number of Flights Booked in Q2 grew 363% over the previous quarter, and we're expecting Flights to play a larger role in our overall revenue mix going forward.

Activities

Activities were brought online in March, and Q2 was the first full quarter for this exciting new vertical.

| ACTIVITIES | | | | |
|----------------------------|------------|----------|-----------|---------------|
| MONTHLY | April 2021 | May 2021 | June 2021 | Q2 2021 Total |
| Activities | 17 | 25 | 16 | 58 |
| Average Activities Price | \$307 | \$269 | \$434 | \$325.66 |
| Activities, Growth % M-o-M | 112.5% | 47.1% | -36% | |

Our key Activities partner is Viator, which boasts the world's largest selection of high-quality experiences and is a part of the Tripadvisor family. While the Activities vertical is just getting started, we have had some great feedback from travellers who have taken advantage of this new offering.

As we further develop the product we see Activities becoming an important part of our offering, and they also form an integral part of our Packages strategy.

Packages

With strong and growing inventory of hotels, flights, and activities, Travalacom will be launching our new Travel Packages products in Q3 2021. Packages will allow travellers to build their own dream vacations within the Travalacom platform, mixing and matching hotels, flights, and activities and booking everything seamlessly in one place.

Concierge Service

Another key strategic initiative for Q3 will be building on our nascent Concierge Service. Travalacom has already had success providing personalized service to select customers looking for high-end luxury travel experiences, and we're preparing to take it to the next level. We're currently developing a comprehensive strategy and preparing to build a world-class team to bring premium curated, one-of-a-kind travel experiences to Travalacom users.

We are particularly excited to build this service for the crypto community. The pace of cryptocurrency adoption has exploded in the past year, with an increasing number of people becoming crypto-native. Travalacom is perfectly positioned to serve this market and we look forward to building a great luxury travel service with them.

Platform Metrics

Users

Monthly Active Users (“MAUs”) is a key performance indicator that refers to the number of unique users who interacted with Travala.com over a given month.

| MONTHLY ACTIVE USERS | | | | |
|---------------------------|------------|----------|-----------|----------------|
| MONTHLY | April 2021 | May 2021 | June 2021 | Q2 2021 Avg |
| MAU | 152,155 | 183,608 | 153,277 | 163,013 |
| MAU, Growth % M-o-M | -3.4% | 20.7% | -16.5% | |
| QUARTERLY | | | Q1 2021 | Q2 2021 |
| MAU (Average For Quarter) | | | 133,068 | 163,013 |
| MAU, Growth % Q-o-Q | | | | 22.5% |

Average MAU over Q2 2021 grew 22.5% over the previous quarter, and we have maintained at least 150,000 MAUs over the past three months. This indicates a persistent strength in the business and on-going success in attracting and retaining users, and also highlights revenue growth potential for the months ahead.

Total followers on social channels at the end of June was 211,703 representing an increase of 22% from Q1 2021 (173,318). The increase was mainly driven by more Twitter followers.

Payment Options

Travala.com is the undisputed leader in cryptocurrency-based travel booking. In Q2, 70% of bookings on the platform were paid in cryptocurrency. This figure has remained fairly consistent over time, indicating that Travala.com users are undaunted by fluctuations in the crypto markets.

| BOOKINGS BY PAYMENT OPTION | | | |
|----------------------------|------------|----------|-----------|
| | April 2021 | May 2021 | June 2021 |
| AVA | 20% | 17% | 17% |
| BTC | 9% | 9% | 7% |
| Other Cryptocurrencies | 39% | 46% | 46% |
| Traditional Currencies | 32% | 28% | 30% |
| Total | 100% | 100% | 100% |

The native token of the Travalacom platform, AVA, is consistently the preferred payment option, followed by Bitcoin. It's no surprise that the AVA token continues to be our users' favourite as there are great advantages to paying with AVA including additional discounts above and beyond the Smart Program incentives described in more detail below.

To learn more about the AVA token benefits and use cases please see our website ([LINK](#)).

Booking Channels

We strive to provide as many booking channels and touchpoints as possible in order to optimize user experience and drive better engagement.

| BOOKINGS BY PLATFORM | June 2021 | Q2 2021 Total |
|-----------------------------|------------------|----------------------|
| Desktop | 51.2% | 51% |
| Mobile Apps | 30.7% | 34% |
| Mobile Web | 10.1% | 10% |
| Binance Mini-App | 8% | 5% |
| Total | 100% | 100% |

Desktop booking currently remains the preferred option, but we expect this to evolve. The Binance Mini-App in particular is growing rapidly. Launched in March 2021, the Mini-App already made up 8% of June Hotel bookings by volume. We expect to further diversify this booking mix as the Mini-app program grows and Travalacom continues to add distribution channels.

AVA Token Updates

Smart Program

The [Smart Program](#) reached a record number of members in Q2 as travellers continue to enjoy our unparalleled cashbacks, discounts and bonuses.

| SMART MEMBERS | | | | | |
|-------------------------------|---------------|------------|----------|-----------|---------------|
| MONTHLY | Q2 2020 Total | April 2021 | May 2021 | June 2021 | Q2 2021 Total |
| Total Members | 1,602 | 5,753 | 5,899 | 6,069 | 6,069 |
| Smart Members, Growth % M-o-M | | 11.6% | 2.5% | 2.9% | |
| Smart Members, Growth % Y-o-Y | | 346% | 295.4% | 278.8% | |
| QUARTERLY | | Q3 2020 | Q4 2020 | Q1 2021 | Q2 2021 |
| Total Members | | 1,882 | 2,590 | 5,157 | 6,069 |
| Smart Members, Growth % Q-o-Q | | 17.5% | 37.6% | 99.1% | 17.7% |
| Smart Members, Growth % Y-o-Y | | | | | 278.8% |

As of July 1, a total of 9,513,000 AVA has been locked, representing ~19% of the circulating supply. During Q2, 18,067 AVA tokens were issued for standard booking givebacks, Smart loyalty and invite program rewards which was equivalent to US \$63,476. This represented an increase of 66.2% in USD value from Q1 2021.

In Q2 we also added Smart Program benefits for flight bookings. Depending on the Smart Member tier, different discounts and givebacks apply to the booking value.

The booking is paid in AVA by a Smart Member, they are entitled to an even bigger discount.

| SMART BENEFITS - FLIGHTS | | | | | |
|--------------------------|---------|---------|---------|---------|---------|
| | Smart 1 | Smart 2 | Smart 3 | Smart 4 | Smart 5 |
| Discount | 0.2% | 0.4% | 0.6% | 0.8% | 1.0% |
| Giveback | 0.5% | 0.7% | 0.8% | 0.9% | 1.0% |
| AVA Payment Discount | 0.75% | | | | |

AVA Token Burn

Travala.com has completed the 6th quarterly AVA token burn. Reducing the active supply of AVA provides additional value to our existing token holders. In Q2, we burned 12,588 AVA, equivalent to \$81,306.80 USD worth of tokens at the time of the burn.

The Mini-App Program

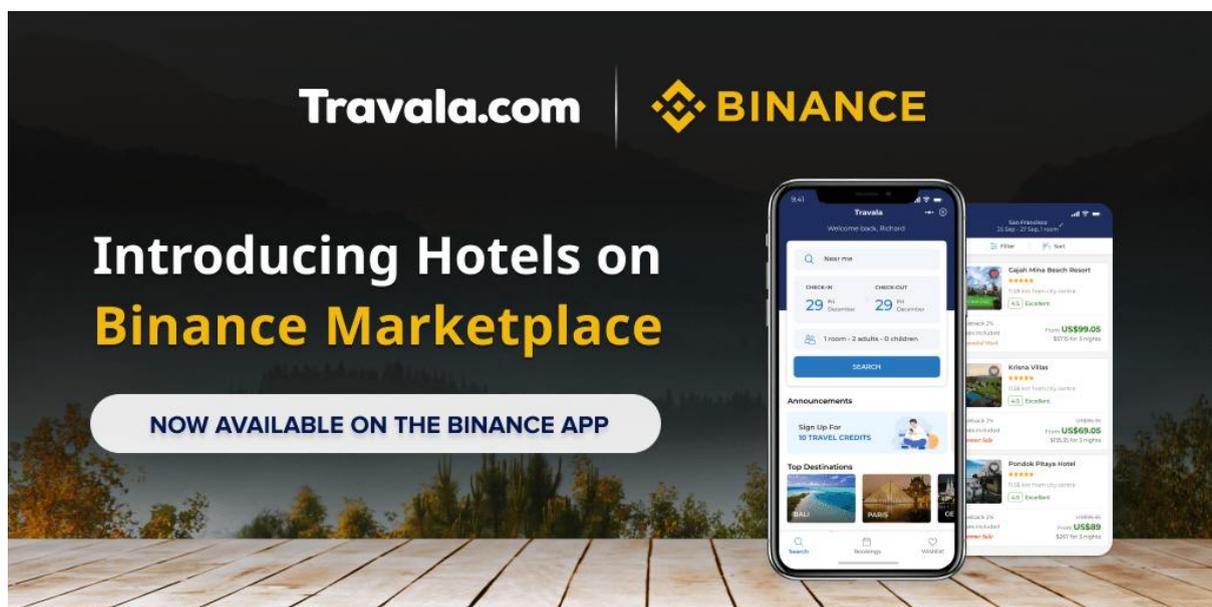
Travala.com has designed a mini application (“Mini-App”) that can be integrated into top-tier cryptocurrency exchanges, wallets and metaverses, allowing instant booking through existing wallets. The first integration of the Mini-App is with the world’s leading cryptocurrency exchange Binance.

The integration exposes Travala.com hotels to millions of Binance users and provides Binance users a way to seamlessly book travel without leaving the Binance ecosystem. So far the Mini-App has proven to be successful after only being live for less than 2 months

| BINANCE MINI-APP GROWTH | Bookings | Nights Booked | Revenue |
|-------------------------|----------|---------------|----------|
| Since Launch | 258 | 522 | \$95,161 |
| Growth % M-o-M | 127% | 126% | 76% |

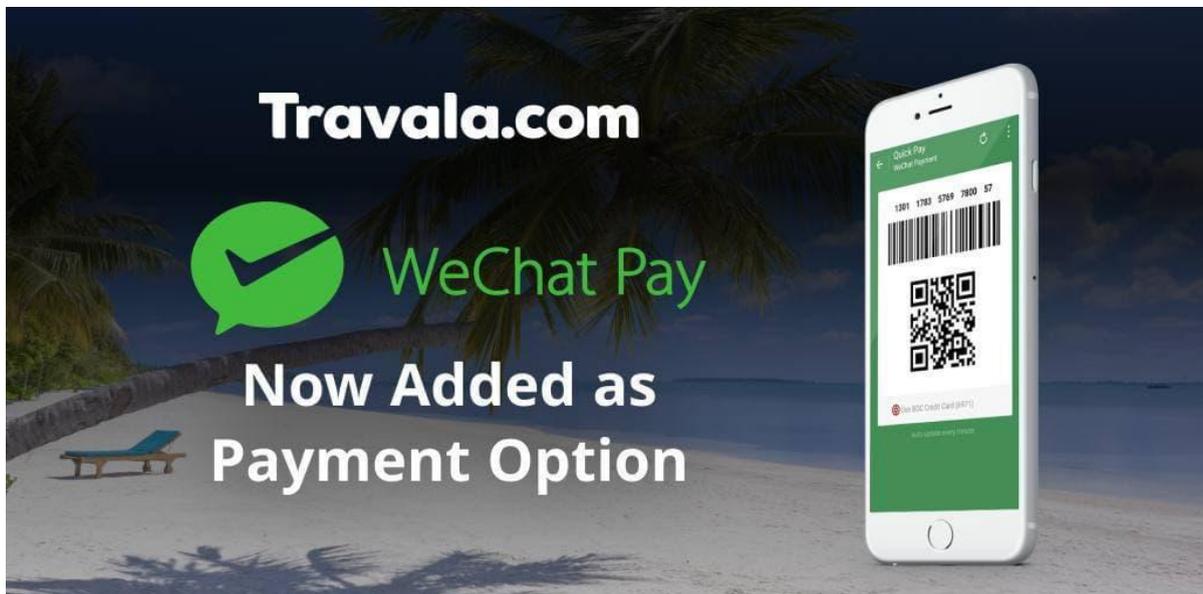
We expect the Mini-App to be a game changer for Travala.com as it significantly increases our distribution capabilities and gets us even closer to potential customers. We have already received interest from a number of other partners to integrate the Mini-App and will have more details on these developments in the coming weeks.

On-going improvements of the Mini-App will be a top priority for us going forward.

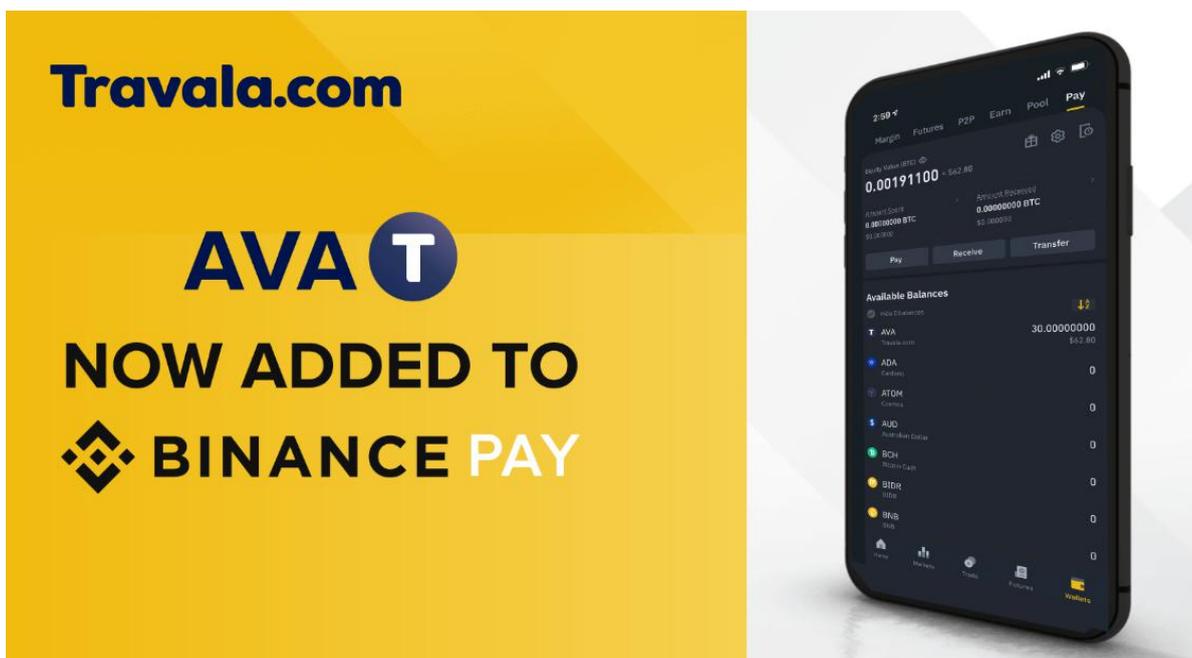


Payment Infrastructure

Travala.com already offers unrivalled payment method flexibility by accepting +45 cryptocurrencies and tokens on top of traditional currencies ([LINK](#)). We extended the options even further in Q2 by adding one of the worlds most commonly used payment networks - WeChat Pay.



In addition, to offer more payment utility for AVA, we recently had it integrated with Binance Pay, exposing AVA to an even larger network of merchants.



As a friendly reminder to travellers and gift givers, we accept a range of cryptocurrencies and tokens in exchange for gift cards ([LINK](#)) and Travel Credits ([LINK](#)) that maintain a fixed US Dollar exchange rate.

We will have more exciting news on additional payment options coming in Q3 soon!

Travel Supply

Travala.com is on a never ending quest to offer the most high-quality travel products out of any Online Travel Agency (“OTA”) on earth. This is why we are constantly expanding our offering of hotels, flights and activities by partnering with world leading travel suppliers.

In the not too distant future we will have travel packages and other travel verticals like car rentals - there is more exciting news to come on this.

Hotels

Most recently we were excited to announce that 100,000 new property listings were added along with “Reserve Now and Pay Later” booking options. This added flexibility ensures our users can secure a booking, without the stress of immediate payment for a future trip.

The screenshot displays two hotel room options on a booking website. Each option is presented in a card format with a header, a table of details, and a price section.

Standard Room

| Room choice | Sleeps | Rooms | Your choices | Refundability | Price |
|--------------------------------|--------|-------|-------------------------------|---|---|
| Best Price Room Only | 2, 3 | 1 | Payment: ✓ Pay at property | Cancellation Policy View all policy options Free cancellation until 11 December 2021 14:00 (GMT+03:00) | US\$59.59 Price per night, 1 room Taxes and Fees BOOK NOW Only 3 rooms left |

Room details and photos >

1 Double Bed or 2 Twin Beds
Room Size: 215 sq feet

- ✓ Air conditioning
- ✓ Television
- ✓ Minibar
- ✓ Daily housekeeping

Superior Room

| Room choice | Sleeps | Rooms | Your choices | Refundability | Price |
|-------------|--------|-------|-------------------------------|---|---|
| Room Only | 2, 3 | 1 | Payment: ✓ Pay at property | Cancellation Policy View all policy options Free cancellation until 11 December 2021 14:00 (GMT+03:00) | US\$73.68 Price per night, 1 room Taxes and Fees BOOK NOW Only 3 rooms left |

Activities

Travala.com also formed a partnership with Viator, a Tripadvisor company, providing access to more than 400,000 bookable activities, tours and experiences ([LINK](#)). Here are just a few examples of some of the activities you can book.



**Circle Island Adventure
with Waimea Waterfall
([LINK](#)).**



**New York in One Day
Guided Sightseeing Tour
([LINK](#)).**



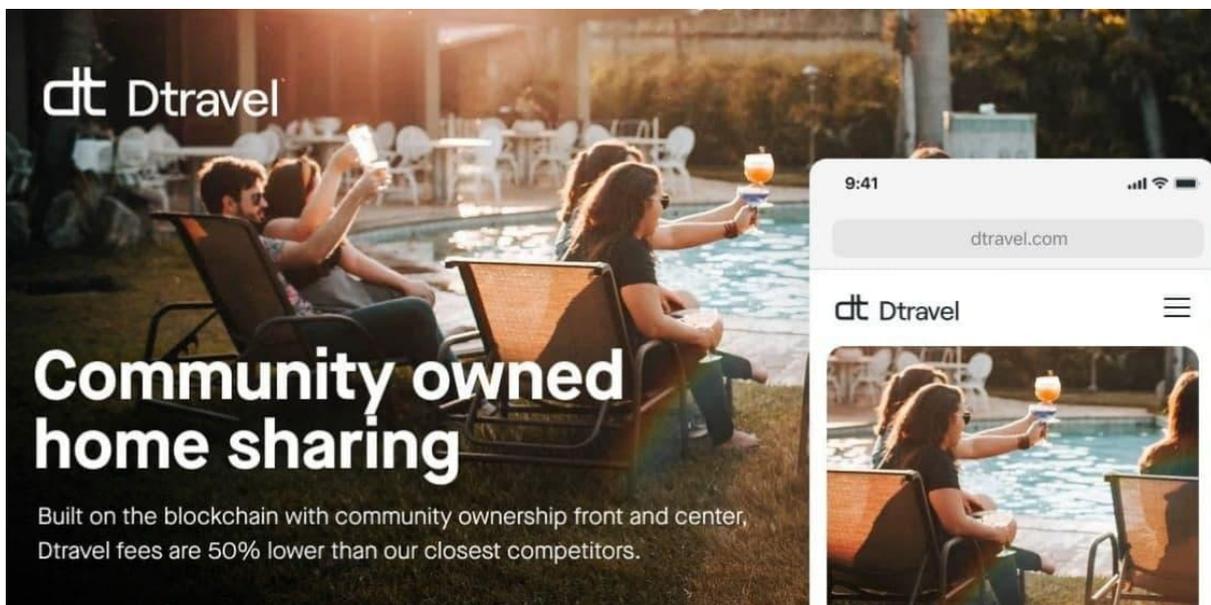
**Amazing Las Vegas
Helicopter Night Flight
([LINK](#)).**

Homes

In Q2, Travalab.com unveiled support for an up-and-coming home sharing network called Dtravel. Dtravel is a community owned and operated network that allows people to book homes for short and long-term stays using cryptocurrencies and traditional payment methods.

Home sharing is a fast growing travel vertical that performed better than hotels over the worst months of the covid-19 pandemic as less densely populated locations and longer-term stays were preferred by travellers.

Dtravel will power the Homes tab on Travalab.com and overall we expect the relationship with the Dtravel team to create a ton of value for Travalab.com and the AVA community. You can learn more about Dtravel by visiting this page ([LINK](#)).



Concierge Service

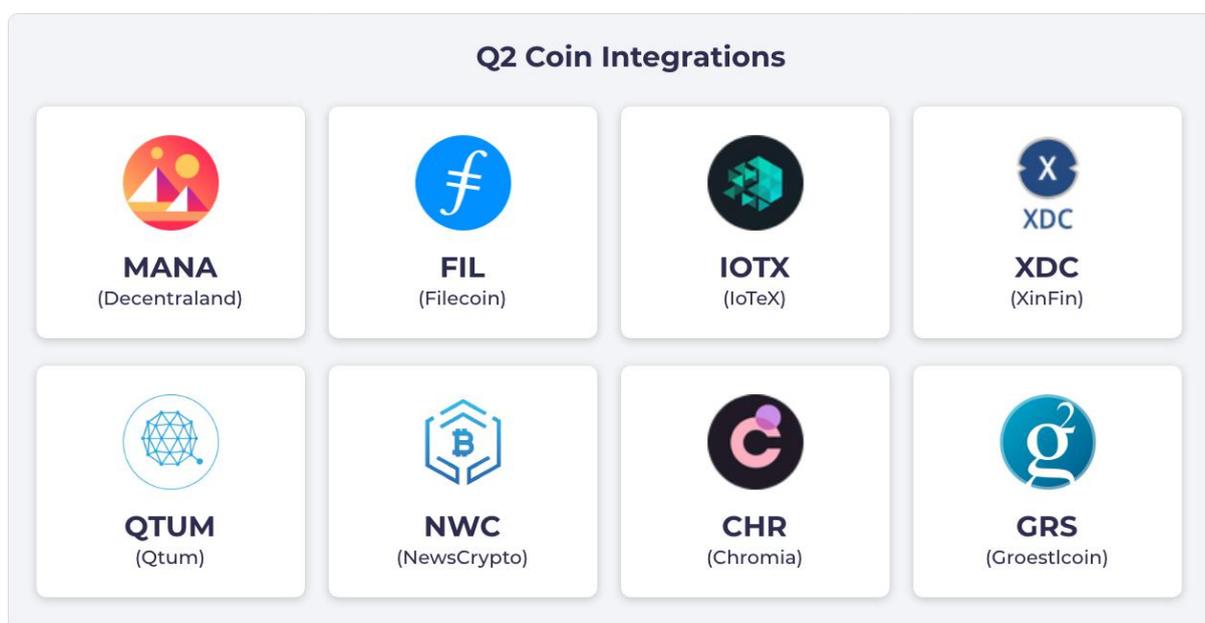
The Concierge Service continues to grow as crypto whales and crypto companies can now book tailor-made trips with our team. In Q2 we expanded the Concierge product offering with key two partnerships.

A leading international private jet rental company **AeroJet** has become a supplier to Travalab.com ([LINK](#)) and **Fast Private Jet** will also be supplying jets to bring Concierge users the ultimate luxury private flight experience.

Partnerships

Token Integrations

Travala.com partnered with some amazing token communities in Q2 which includes the likes of MANA, FIL, IOTX, XDC, QTUM, NMW, CHR and GRS. Each community can now use their token to pay for millions of travel products including hotels, flights, activities.



Also, as part of the Concierge offering, token communities can now book corporate travel services such as company retreats. See here for more information ([LINK](#)).

Strategic

Travala.com recently entered into a strategic partnership with Zomato that allows Smart Program members to receive a 12-month Zomato Pro subscription for use in Portugal while Zomato Pro members can receive 12-month access to travel discounts and loyalty rewards on Travala.com (read more [HERE](#)).

New Languages

Travala.com has recently added German and Korean language options. On top of other languages already available we are aiming to be the most accessible option for individuals looking to book travel regardless of where they are or what language they speak.



Look out for other languages coming soon!

Q3 Travel Outlook

Looking at both Travalta.com booking numbers and the broader market for travel we can conclude that travel is rebounding. Given how fast we've grown throughout the pandemic, we're confident our growth will only accelerate as we move towards a future without travel constraints.

We are extremely optimistic about the mid-to-long term future, but are cautiously optimistic about the next few months. Some signs point to a quicker than expected rebound, other signs are less optimistic - it really is jurisdiction dependent and reactive to news surrounding covid-19 concerns.

For example, the United States is currently leading the travel rebound (for Travalta.com and more broadly) and the expectation is that other markets will follow as both vaccines roll out and consumer demand for travel regardless of vaccine distribution grows.



This also points to the trend of “jurisdictional travel arbitrage” - a good amount of individuals are travelling to and within countries with fewer or no restrictions. This is especially true for a growing number of remote workers and luxury travellers.

While international travel has picked up, we still foresee the majority of trips for the remainder of the year to be domestic. Even still, domestic trips, including stays will likely be of higher value and longer term as travellers will typically drive to their destinations.

Book Travel With Travala.com Today!

Thinking of your next trip? Have a look at hotel, flight and activities options on Travala.com today!



Or maybe you want to join the Travala.com community? Please see the links below for more information:

- [Whitepaper](#)
- [Telegram](#)
- [Twitter](#)
- [Reddit](#)
- [LinkedIn](#)
- [Facebook](#)
- [Instagram](#)