

May 9, 2023



Treasure Global Reports Third Quarter Fiscal Year 2023 Results

Total Quarterly Revenues of \$18.2 Million

Quarterly Gross Profit of \$0.1 Million, Increased 853% Year-Over-Year

Expanded Businesses With Signing of Morganfield's Licensing Agreement Granting Treasure Global Exclusive Sub-licensing of the Morganfield's Brand As Part Of Strategy To Become The Biggest F&B Chain In Southeast Asia

NEW YORK and KUALA LUMPUR, Malaysia, May 09, 2023 (GLOBE NEWSWIRE) -- Treasure Global Inc (NASDAQ: TGL) ("Treasure Global," or the "Company"), an innovative technology company focused on providing seamless solutions for lifestyle needs, today reported its financial results for the third quarter of the fiscal year 2023 ended March 31, 2023.

"Since its inception Treasure Global has sought to provide seamless technology enabled solutions. With the ZCITY app, we were able to amass a large and growing user base by providing them with solutions to simplify their lifestyle needs with instant rebates and affiliate cashback programs. Next, we developed TAZTE, a transformational solution to improve efficiency of the front and back operations of the food & beverage ("F&B") industry. As we increased our understanding of the F&B industry, we identified a symbiotic opportunity to generate additional revenue streams by acting as a master franchisor of Southeast Asian F&B chains," commented Sam Teo, Chief Executive Officer of Treasure Global. "Our first step in executing this new arm of the business was the recent signing of a licensing agreement with Morganfield's, a Southeast Asian restaurant chain with nine franchisees, granting Treasure Global the exclusive right to sub-license the Morganfield's brand. Treasure Global will act as the master franchisor for F&B companies holding all brand royalties and related IP, and as part of these partnerships, retailers will be required to adopt TAZTE. Not only does this raise the brand awareness and credibility of TAZTE, but it will also provide valuable data insights, and accelerate our regional expansion in Southeast Asia. We look forward to providing updates as we progress this business."

"In addition, we remain committed to our technology business which enabled us to achieve quarterly revenue of approximately \$18.2 million and successfully grow gross profit by 853 percent year-over-year. During the quarter, we signed an MOU with a leading regional fintech provider, Boost, increasing our brand exposure and extending our reach to F&B businesses through the onboarding of Boost Credit's digital financing solutions to TAZTE. Treasure Global is well positioned to become a leader in the Southeast Asian F&B industry through its solutions and partnerships," concluded Mr. Teo.

Financial Highlights for the Third Quarter, Fiscal Year 2023

- Total revenues of approximately \$18.2 million
- Gross profit of approximately \$0.1 million
- Net loss of approximately \$2.9 million
- Cash and cash equivalents of approximately \$4.1 million as of March 31, 2023

Recent User Highlights as of March 31, 2023

- Over 2.4 million Registered Users
- Over 449,000 Quarterly Active Users
- 58% of Paid Users transacted 3 or more times in a quarter, which is an increase of approximately 327% year-over-year
- Quarterly Active Users were similar year-over-year
- Active User Retention Rate was up 288% year-over-year
- Approximately 1.0 million total transactions by Registered Users in the third quarter fiscal year 2023

Recent Business Highlights

- Signed a strategic partnership MOU in Malaysia with Boost, a leading regional full spectrum fintech player.
- Closed an unsecured convertible debt facility of up to \$5.5 million, to be drawn in tranches with a single institutional investor.
- Appointed Ho Yi Hui to its Board of Directors, bringing more than 20 years of experience in tax advisory and compliance.
- Signed a licensing agreement with Morganfield's, a restaurant chain specializing in comfort food and American-style barbecue, in which Morganfield's has granted Treasure Global an exclusive worldwide license to grant sub-licensees to third parties to use Morganfield's trademarks for the restaurant business. Additionally, Morganfield's will adopt TAZTE in its nine franchisees in Malaysia, China, and Singapore, accelerating the rollout of TAZTE in the region.

Financial Results for the Third Quarter Fiscal Year 2023

Total revenues for the third quarter of fiscal year 2023 were approximately \$18.2 million, compared to approximately \$21.1 million for the third quarter of fiscal year 2022. The decrease was mainly attributable to the decrease in voucher product revenue as part of the corporate strategy to improve margin by allocating resources to membership subscriptions.

Gross profit was approximately \$0.15 million, or gross margin of approximately 0.8 percent, for the third quarter of fiscal year 2023, an increase of 853 percent compared to \$0.02 million, or gross margin of approximately 0.1 percent, for the third quarter of fiscal year 2022. The increase in gross profit was primarily due to an increase in member subscription revenue with more customers subscribed to the Company's Zmember program, as well as an increase in gross margins from product and loyalty program revenue as Treasure Global received more purchase discount from vendors.

Net loss was approximately \$2.9 million for the third quarter of fiscal year 2023, compared to \$3.2 million in the third quarter of fiscal year 2022.

Cash and cash equivalents were approximately \$4.1 million as of March 31, 2023, compared

to approximately \$4.7 million as of December 31, 2022.

Outlook for Fiscal Year 2023

For fiscal year 2023, Treasure Global continues to focus on increasing user engagement and margins, as well as expanding further into the digital F&B franchise space to gain additional revenue streams.

Conference Call and Webcast Information

The Company will host a conference call and audio webcast today, Tuesday, May 9th at 8:30 a.m. Eastern Time featuring remarks by Sam Teo, CEO and Jaylvyn Chan, CFO.

Event: Treasure Global Third Quarter Fiscal Year 2023 Results Conference Call

Date: Tuesday, May 9, 2023

Time: 8:30 a.m. Eastern Time

Live Call: + 1-844-826-3033 (Toll Free) or + 1-412-317-5185 (International)

Webcast: https://viaavid.webcasts.com/starthere.jsp?ei=1609924&tp_key=3f7b7500fa

For interested individuals unable to join the conference call, a replay will be available through May 23, 2023, at +1-844-512-2921 (U.S. Toll Free) or +1-412-317-6671 (International). Participants must use the following code to access the replay of the call: 10177883. An archived version of the webcast will also be available on Treasure Global's Investor Relations site: <https://ir.treasureglobal.co/>.

About Treasure Global Inc

Treasure Global is an innovative Malaysian technology company focused on providing seamless solutions for lifestyle needs and improving the F&B industry. Treasure Global has developed two technology solutions: the ZCITY App, a unique digital ecosystem that transforms and simplifies the e-payment experience for consumers, while simultaneously allowing them to earn rewards; and TAZTE, a digital F&B management system providing merchants with a one-stop management and automated solution to digitalize their businesses. Treasure Global also acts as a master franchiser in SEA for popular restaurant chains, while providing them with the TAZTE solution. As of March 31, 2023, ZCITY had over 2,400,000 registered users.

For more information, please visit <https://treasureglobal.co/>.

Forward Looking Statements

This press release may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements are characterized by future or conditional verbs such as "may," "will," "expect," "intend," "anticipate," "believe," "estimate" and "continue" or similar words. You should read statements that contain these words carefully because they discuss future expectations and plans, which contain projections of

future results of operations or financial condition or state other forward-looking information. Forward-looking statements are not guarantees of future performance, are based on certain assumptions and are subject to various known and unknown risks and uncertainties, many of which are beyond the control of the Company, including those set forth in the Risk Factors section of the Company's registration statement and preliminary prospectus for the Company's initial public offering filed with the SEC. Copies of these documents are available on the SEC's website, www.sec.gov. These forward-looking statements cannot be predicted or quantified and consequently, actual results may differ materially from those expressed or implied by such forward-looking statements. The Company undertakes no obligation to update these statements for revisions or changes after the date of this release, except as required by law.

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**TREASURE GLOBAL INC. AND SUBSIDIARY
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND
COMPREHENSIVE LOSS**

	For the Three Months Ended March 31,		For the Nine Months Ended March 31	
	2023	2022	2023	2022
REVENUES	\$ 18,152,113	\$ 21,096,379	\$ 54,152,621	\$ 63,440,380
COST OF REVENUES	<u>(18,004,280)</u>	<u>(21,080,872)</u>	<u>(53,700,540)</u>	<u>(63,213,814)</u>
GROSS PROFIT	147,833	15,507	452,081	226,566
SELLING	(1,174,925)	(1,405,495)	(3,734,255)	(5,022,545)

GENERAL AND ADMINISTRATIVE	(1,369,369)	(822,644)	(3,035,688)	(1,888,511)
PROVISION FOR DOUBTFUL ACCOUNTS	-	-	-	-
RESEARCH AND DEVELOPMENT	(105,961)	(68,345)	(403,191)	(261,567)
STOCK-BASED COMPENSATION	(380,000)	(321,057)	(819,332)	(962,938)
TOTAL OPERATING EXPENSES	<u>(3,030,255)</u>	<u>(2,617,541)</u>	<u>(7,992,466)</u>	<u>(8,135,561)</u>
LOSS FROM OPERATIONS	<u>(2,882,422)</u>	<u>(2,602,034)</u>	<u>(7,540,385)</u>	<u>(7,908,995)</u>
OTHER (EXPENSE) INCOME				
Other (expense) income, net	1,329	24,295	37,695	61,444
Interest expense	(8,220)	(406,187)	(50,060)	(813,100)
Amortization of debt discount	(25,255)	(237,764)	(1,023,331)	(489,771)
TOTAL OTHER EXPENSE, NET	<u>(32,146)</u>	<u>(619,656)</u>	<u>(1,035,696)</u>	<u>(1,241,427)</u>
LOSS BEFORE INCOME TAXES	(2,914,568)	(3,221,690)	(8,576,081)	(9,150,422)
PROVISION FOR INCOME TAXES	<u>(11,500)</u>	<u>(3,900)</u>	<u>(34,500)</u>	<u>(12,600)</u>
NET LOSS	(2,926,068)	(3,225,590)	(8,610,581)	(9,163,022)
OTHER COMPREHENSIVE INCOME (LOSS)				
Foreign currency translation adjustment	<u>(24,621)</u>	<u>13,935</u>	<u>(109,899)</u>	<u>(23,139)</u>
COMPREHENSIVE LOSS	\$ (2,950,689)\$	(3,211,655)\$	(8,720,480)\$	(9,186,161)
LOSS PER SHARE				
Basic and diluted	\$ (0.17)\$	(0.31)\$	(0.53)\$	(0.87)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING				
Basic and diluted	17,319,862	10,545,251	16,164,236	10,544,402

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

TREASURE GLOBAL INC. AND SUBSIDIARY
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2023	June 30, 2022
	(Unaudited)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 4,094,673	\$ 1,845,232
Accounts receivable, net	43,271	-
Inventories	213,761	216,069
Other receivable and other current assets	486,105	8,780
Prepayments	381,519	203,020
Total current assets	5,219,329	2,273,101
OTHER ASSETS		
Property and equipment, net	337,198	337,645
Other asset, non-current	66,878	-
Operating lease right-of-use asset	63,179	-
Deferred offering costs	-	93,536
Total other assets	467,255	431,181
TOTAL ASSETS	\$ 5,686,584	\$ 2,704,282
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
CURRENT LIABILITIES		
Related party loan, current portion	\$ 4,728	\$ 4,505
Insurance loan	238,686	-
Convertible notes payable, net of unamortized discounts of \$70,868 and \$717,260 as of March 31, 2023 and June 30, 2022, respectively	1,862,307	10,954,042
Convertible notes payable, related parties	-	2,437,574
Loans from third parties	-	1,417,647
Account payable	-	25,397
Account payable, related parties	-	14,326
Customer deposits	134,452	73,317
Contract liability	44,347	56,757
Other payables and accrued liabilities	418,804	1,161,860
Other payables, related parties	14,612	-
Amount due to related parties	331,614	2,060,088
Operating lease liability	35,636	-

Income tax payables	4,495	16,445
Total current liabilities	<u>3,089,681</u>	<u>18,221,958</u>
NON-CURRENT LIABILITIES		
Operating lease liability, non-current	27,543	-
Related party loan, non-current portion	9,917	13,883
Senior note	-	65,000
Total non-current liabilities	<u>37,460</u>	<u>78,883</u>
TOTAL LIABILITIES	<u>3,127,141</u>	<u>18,300,841</u>

COMMITMENTS AND CONTINGENCIES

STOCKHOLDERS' EQUITY (DEFICIENCY)

Common stock, par value \$0.00001; 150,000,000 shares authorized, 17,573,830 and 10,545,251 shares issued and outstanding as of March 31, 2023 and June 30, 2022, respectively	176	105
Additional paid-in capital	30,896,963	4,020,552
Accumulated deficit	(28,326,321)	(19,715,740)
Accumulated other comprehensive income	(11,375)	98,524
TOTAL STOCKHOLDERS' EQUITY (DEFICIENCY)	<u>2,559,443</u>	<u>(15,596,559)</u>

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIENCY) \$ 5,686,584 \$ 2,704,282

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.



Source: Treasure Global Inc.