

September 29, 2023



# Treasure Global Reports Fourth Quarter & Fiscal Year 2023 Results

*Achieved ZCITY User Milestone Reaching Over 2.6 Million Registered Users as of September 25, 2023*

*Reported Gross Profit of Approximately \$0.52 Million for Fiscal 2023, up 9.9% Year-Over-Year*

*Active User Retention Rate up 280% Year-Over-Year*

*41% Of Paid Users Transacted Three or More Times a Quarter over Fiscal 2023, an Increase of Approximately 24% Year-Over-Year*

NEW YORK and KUALA LUMPUR, Sept. 29, 2023 (GLOBE NEWSWIRE) -- Treasure Global Inc (NASDAQ: TGL) ("TGL", or the "Company"), an innovative technology solutions provider, today reported its financial results for the fourth quarter and fiscal year ended June 30, 2023.

"TGL has made great headway in growing our reach across Malaysia, through strategic partnerships and new innovative enhancements made to our key product ZCITY," said Sam Teo, Chief Executive Officer of TGL. "Through our powerful technology platform, we have recruited a large and growing number of users, reaching over 2.6 million registered users to date. We believe we are positioned to capture additional market share as we roll out new technologies into ZCITY, such as our recently integrated AI technology with a user-friendly chatbot powered by our data analysis engine and ChatGPT."

"As we move forward in fiscal 2024, we can increase the accuracy and effectiveness of our app, offering consumers a more personalized and targeted rewards experience," Mr. Teo continued. "TGL is also continually expanding our market reach, growing into new categories such as travel, health & wellness, and events ticketing. We have already taken major steps to enter the Indonesian market, recently signing a Letter of Intent to form an e-commerce venture in Indonesia with Harmoni Bagi Dunia ("HBD"), granting HBD exclusive rights to promote and operate ZCITY in Indonesia, which has ten times the population of Malaysia."

"In addition, we are entering the next stage of our growth plans of expanding further into the F&B industry in Malaysia, through TAZTE and Foodlink, as well as South-East Asia more broadly. We are excited to announce that we are well underway developing TAZTE 2.0, which will increase functionality on both the merchant and customer sides. TGL expects this upgrade, expected to launch next month, to attract new merchants and users to the platform, as well as increasing retention of current ones. In line with our expansion in the F&B industry, we advanced our position as a master franchisor, securing licensing agreements with popular brands Morganfields and Abe Yus that will provide new revenue streams and rapidly increase the uptake of TAZTE by new merchants. TGL also signed an

agreement with the Malaysia Retail Chain Association for TAZTE to become its exclusive partner as the recommended digital F&B management solution to its members in Malaysia. Each of these advancements support our committed effort to increase user engagement to grow gross profit through fiscal 2024,” concluded Mr. Teo.

## Recent Business Highlights

- Over 2.6 million Registered Users as of September 25, 2023;
- Active User Retention Rate increased 280% year-over-year;
- Quarterly Active Users for the fourth quarter were 378,414;
- Paid Users increased by 4.3% year-over-year;
- 41% of Paid Users transacted three or more times in a quarter, an increase of approximately 24% year-over-year;
- 1.4 million total transactions by Registered Users for fiscal year 2023;
- Integrated next-gen, personalized AI-powered chatbot assistant, Jojo, into the Company’s proprietary ZCITY app, leveraging ChatGPT to intelligently customize the user experience resulting in stronger customer retention and user acquisition metrics;
- Signed a licensing agreement with Morganfield’s granting TGL an exclusive worldwide license to grant sub-licenses to third parties to use Morganfield’s trademarks for the restaurant business. Morganfield’s will also adopt TAZTE in its nine franchisees in Malaysia, China, and Singapore, accelerating the rollout of TAZTE across the region;
- Secured a licensing agreement with fast-growing Malaysian F&B Brand, Abe Yus, granting exclusive sub-licensing of its brands, progressing TGL’s strategic plan to become a master franchisor of F&B companies in Southeast Asia;
- Signed a Letter of Intent (LOI) to form an e-commerce venture in Indonesia, known as PT Harmoni Bagi Dunia (“HBD”). TGL will hold a 70% major stake in HBD and grant HBD exclusive rights to promote and operate its proprietary app, ZCITY, in Indonesia, marking the beginning of the Company’s expansion into the Indonesian market;
- Signed a collaboration agreement with VCI Global Limited, a multi-disciplinary consulting group focused on business and technology, for the development of AI-powered travel platform, utilizing the latest advanced technologies to provide relevant travel recommendations in real time;
- Announced an exclusive partnership with enogy, a health and wellness brand, to expand the range of products available on its e-commerce marketplace, Zstore;
- Partnered with the Malaysia Ministry of Domestic Trade and Cost of Living for the launch of the ‘Package Rahmah’ program, which offered various financial saving initiatives to reduce the cost of living for lower-income groups, with a package of reduced price living essential e-vouchers on ZCITY; and
- Collaborated with Borderland Music Festival 2023 to provide the first cashless and ticketing platform-powered music festival in Malaysia, providing significant exposure and market penetration in Sarawak, Borneo.

## Financial Results for the Fourth Quarter and Fiscal Year 2023

Total revenues for the fiscal year ended June 30, 2023, were \$69.4 million, compared with \$79.7 million for the fiscal year 2022. For the fourth quarter 2023, total revenues were \$15.1 million, compared to \$16.2 million for the same period last year. The decrease in revenues was primarily due to the Company’s focus on increasing growth in higher margin revenue channels.

Gross profit for the fiscal year 2023 was approximately \$0.52 million, a 9.9% improvement year-on-year, from approximately \$0.5 million for the fiscal year 2022. The increase in gross profit was primarily due to initiatives mentioned above that the Company is implementing to grow gross margins.

Net loss of approximately \$11.7 million for the fiscal year 2023, remains the same compared to fiscal year 2022.

Cash and cash equivalents were approximately \$4.6 million as of June 30, 2023, compared to approximately \$1.8 million as of June 30, 2022.

### **Outlook for Fiscal Year 2024**

We believe that TGL is well-placed to capitalize on the economic growth of South-East Asia, executing on its plans to expand further into Indonesia and the region more broadly.

For fiscal 2024, the Company is focused on increasing gross profit, by increasing user engagement through the development of new products and services to grow engagement and stickiness of users, thereby generating higher profit and margins.

### **Conference Call and Webcast Information**

The Company will host a conference call and audio webcast today, Friday, September 29<sup>th</sup> at 8:30 a.m. Eastern Time featuring remarks by Sam Teo, CEO and Michael Chan, CFO.

**Event:** Treasure Global Fourth Quarter & Fiscal Year 2023 Results Conference Call  
**Date:** Friday, September 29, 2023  
**Time:** 8:30 a.m. Eastern Time  
**Live Call:** +1-877-704-4453 (Toll Free) or +1-201-389-0920 (International)  
**Webcast:** [https://viaavid.webcasts.com/starthere.jsp?ei=1634514&tp\\_key=e0df02540a](https://viaavid.webcasts.com/starthere.jsp?ei=1634514&tp_key=e0df02540a)

For interested individuals unable to join the conference call, a replay will be available through October 13, 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: 13741227. An archived version of the webcast will also be available on TGL's Investor Relations site: <https://ir.treasureglobal.co/>.

### **About Treasure Global Inc**

Treasure Global is a Malaysian solutions provider developing innovative technology platforms. 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 September 25, 2023, ZCITY had over 2,600,000 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 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](http://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 SUBSIDIARIES CONSOLIDATED BALANCE SHEETS

	June 30, 2023	June 30, 2022
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 4,593,634	\$ 1,845,232
Accounts receivable, net	163,169	-
Inventories	400,543	216,069
Other receivables and other current assets	613,125	8,780
Other receivable, a related party	12,379	-
Prepayments	248,551	203,020

Total current assets	<u>6,031,401</u>	<u>2,273,101</u>
<b>NON-CURRENT ASSETS</b>		
Property and equipment, net	279,600	337,645
Operating lease right-of-use assets	61,377	-
Deferred offering costs	-	93,536
Total non-current assets	<u>340,977</u>	<u>431,181</u>
<b>TOTAL ASSETS</b>	<b>\$ 6,372,378</b>	<b>\$ 2,704,282</b>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIENCY</b>		
<b>CURRENT LIABILITIES</b>		
Related party loan, current portion	\$ 5,323	\$ 4,505
Insurance loan	160,292	-
Convertible notes payable, net of unamortized discounts of \$358,284 and \$717,260 as of June 30, 2023 and 2022, respectively	4,791,716	10,954,042
Convertible notes payable, related parties	-	2,437,574
Loans from third parties	-	1,417,647
Accounts payable	42,853	25,397
Accounts payable, related parties	-	14,326
Customer deposits	161,475	73,317
Contract liabilities	157,080	56,757
Other payables and accrued liabilities	723,396	1,161,860
Other payables, related parties	1,660	-
Amount due to related parties	320,960	2,060,088
Operating lease liabilities	40,274	-
Income tax payables	67,546	16,445
Total current liabilities	<u>6,472,575</u>	<u>18,221,958</u>
<b>NON-CURRENT LIABILITIES</b>		
Operating lease liabilities, non-current	22,036	-
Related party loan, non-current portion	8,099	13,883
Senior note	-	65,000
Total non-current liabilities	<u>30,135</u>	<u>78,883</u>
<b>TOTAL LIABILITIES</b>	<u>6,502,710</u>	<u>18,300,841</u>
<b>COMMITMENTS AND CONTINGENCIES (Note 15)</b>		
<b>STOCKHOLDERS' DEFICIENCY</b>		
Common stock, par value \$0.00001; 170,000,000 shares authorized, 17,901,353 and 10,545,251 shares issued and outstanding as of June 30, 2023 and 2022, respectively	180	105

Additional paid-in capital	31,485,556	4,020,552
Accumulated deficits	(31,443,451)	(19,715,740)
Accumulated other comprehensive (loss) income	(172,617)	98,524
<b>TOTAL STOCKHOLDERS' DEFICIENCY</b>	<u>(130,332)</u>	<u>(15,596,559)</u>

<b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIENCY</b>	\$ 6,372,378	\$ 2,704,282
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The accompanying notes are an integral part of these consolidated financial statements.

**TREASURE GLOBAL INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

	<b>For the Years Ended June 30,</b>	
	<u>2023</u>	<u>2022</u>
Revenues	\$ 69,408,319	\$ 79,674,879
Cost of revenues	<u>(68,885,035)</u>	<u>(79,198,691)</u>
Gross profit	523,284	476,188
Selling	(4,721,723)	(6,282,465)
General and administrative	(4,670,030)	(2,819,811)
Research and development	(549,065)	(266,716)
Stock-based compensation	(819,332)	(1,283,994)
Total operating expenses	<u>(10,760,150)</u>	<u>(10,652,986)</u>
LOSS FROM OPERATIONS	<u>(10,236,866)</u>	<u>(10,176,798)</u>
OTHER (EXPENSE) INCOME		
Other (expense) income, net	(7,937)	54,854
Interest expense	(95,242)	(341,609)
Amortization of debt discount	(1,290,050)	(1,266,861)
TOTAL OTHER EXPENSE, NET	<u>(1,393,229)</u>	<u>(1,553,616)</u>
Loss before income taxes	(11,630,095)	(11,730,414)
Provision for income taxes	<u>(97,616)</u>	<u>(15,600)</u>
NET LOSS	(11,727,711)	(11,746,014)

OTHER COMPREHENSIVE INCOME (LOSS)		
Foreign currency translation adjustment	<u>(271,141)</u>	<u>154,104</u>
COMPREHENSIVE LOSS	\$ (11,998,852)	\$ (11,591,910)
LOSS PER SHARE		
Basic and diluted	\$ (0.70)	\$ (1.12)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING		
Basic and diluted	16,691,956	10,469,396

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



Source: Treasure Global Inc.