

December 20, 2022



Treasure Global Reports First Quarter Fiscal Year 2023 Results

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Total Revenues of \$15.6 Million For Q1 2023

Launched Innovative Digital Food & Beverage Management System, TAZTE, Set To Modernize The F&B Industry

Over 2.3 Million Registered Users Reached On ZCITY As Of November 30, 2022

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NEW YORK and KUALA LUMPUR, Malaysia, Dec. 20, 2022 (GLOBE NEWSWIRE) -- Treasure Global Inc (NASDAQ: TGL) ("TGI" or the "Company"), an innovative e-commerce platform providing seamless payment solutions and rewards programs, today reported its financial results for the first quarter of the fiscal year 2023 ended September 30, 2022.

"A key milestone of the first quarter was the successful completion of our initial public offering raising gross proceeds of \$9.2 million, and listing on the Nasdaq Capital Market under 'TGL,'" commented Sam Teo, Chief Executive Officer of TGI. "During the quarter and subsequent months, we worked diligently to run the beta testing for our game-changing food and beverage ("F&B") management program, TAZTE. The beta test yielded encouraging metrics, in terms of both increasing user engagement and order frequency. We are confident that TAZTE will improve operational efficiencies in the sector while growing TGI's user base, increasing profit and driving margins."

"Post quarter end, we announced that TGI had partnered with Malaysia's leading payment gateway, iPay88, for secure and convenient transactions. Customers can now use our secure platform for cashless shopping experiences and rewards for spending on the ZCITY app. TGI has also secured several new strategic partnerships with several prolific brands across diverse lucrative sectors, including pharmaceuticals, travel, groceries and fashion. The collaborations are a key part of our strategic marketing program, helping us to penetrate new markets and allowing us to capitalize on current market trends taking place in Malaysia and South-East Asia, as the region continues to re-open to tourism and hospitality," concluded Mr. Teo.

Financial Highlights for the First Quarter Fiscal Year 2023

- Total revenues of approximately \$15.6 million
- Gross profit of approximately \$0.04 million
- Net loss was approximately \$3.7 million
- Cash and cash equivalents of \$7.0 million

Recent Business Highlights

- Over 2.3 million Registered Users as of November 30, 2022
- Over 234,000 Monthly Active Users as of November 30, 2022
- 47 percent year-over-year increase in Registered Users who transacted 3 or more times in a quarter as of September 30, 2022, which is approximately a 10-fold increase
- Quarterly Active Users were up 35% year-over-year as of September 30, 2022
- 0.7 million total transactions by Registered Users in the first quarter fiscal year 2023
- Launched TAZTE, an innovative automated management system for the F&B industry
- Signed a Memorandum of Understanding with iPay88 Holding Sdn Bhd (“iPay88”) to become TGI’s exclusive payment gateway partner for ZCITY and TAZTE
- Secured multiple new affiliate partnerships with several well-known brands across a variety of sectors, as part of the Company’s marketing strategy to drive user acquisition and revenue growth

Financial Results for the First Quarter Fiscal Year 2023

Total revenues for the first quarter of fiscal year 2023 were approximately \$15.6 million, compared to approximately \$20.4 million for the first quarter of fiscal year 2022. The decrease was mainly attributable to decrease in product and loyalty program revenue.

Gross profit was approximately \$0.04 million for the first quarter of fiscal year 2023, compared to \$0.07 million for the first quarter of fiscal year 2022. The decrease in gross profit was primarily due to a decrease in product and loyalty revenue as a result of the decrease in E-voucher sales.

The Company recorded gross margins of approximately 0.2% for the three months ended September 30, 2022, compared to 0.4% for same period in the prior year. The decrease was primarily due to management’s decision to reserve more working capital in developing TAZTE within the ZCITY platform.

Net loss was approximately \$3.7 million for the first quarter of fiscal year 2023, compared to \$2.8 million first quarter of fiscal year 2022.

As of September 30, 2022, the Company had approximately \$7.0 million in cash and cash equivalents, compared to approximately \$1.8 million as of June 30, 2022.

On August 15, 2022, TGI closed its initial underwritten public offering of 2,300,000 shares of common stock, par value \$0.00001 per share, at \$4.00 per share. The Company had received aggregate net proceeds from the closing of approximately \$8.2 million, after deducting underwriting discounts and commissions and fees, and other estimated offering expenses which amounted to approximately \$1.0 million.

After the completion of the underwritten initial public offering, following the conversion of convertible notes and convertible loans, net of unamortized discounts to equity, our working capital was able to change from a deficit of approximately \$15.9 million as of June 30, 2022 to a positive working capital of approximately \$6.7 million as of September 30, 2022.

Outlook for Fiscal Year 2023

The Company is focused on growing gross profit through fiscal year 2023 and beyond, through driving user engagement with new products and services, such as TAZTE, resulting

in increased profit and enhanced margins. TGI is on track with the next stage of its growth plans of expanding further into the Southeast Asia region and Japan. As the Southeast region continues to re-open after the COVID-19 pandemic, TGI is well placed to capitalize on these market trends. TGI's strong balance sheet and growth momentum will allow it to execute on regional expansion plans to its large total addressable market.

Conference Call and Webcast Information

The Company will host a conference call and audio webcast today, Tuesday, December 20, 2022 at 8:30 a.m. Eastern Time featuring remarks by Sam Teo, CEO and Jaylvyn Chan, CFO.

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

Date: Tuesday, December 20, 2022

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=1580986&tp_key=e3e38aa525

For interested individuals unable to join the conference call, a replay will be available through January 3, 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: 13734044. An archived version of the webcast will also be available on TGI's Investor Relations site: <https://ir.treasureglobal.co/>.

About Treasure Global Inc

TGI is an innovative Malaysian e-commerce platform providing seamless payment solutions for consumers and merchants with instant rebates and affiliate cashback programs. On a mission to bring together the worlds of online e-commerce and offline physical retailers, TGI is developing a portfolio of leading digital platforms for use throughout Southeast Asia and Japan. In June 2020, TGI launched its proprietary product, the ZCITY App, a unique digital ecosystem that transforms and simplifies the e-payment experience for consumers, while simultaneously allowing them to earn rewards. In the ZCITY ecosystem, users can utilize TAZTE, a revenue generating digital F&B management system providing merchants with a one-stop touchless management and automated solution to digitalize their businesses. As of November 30, 2022, ZCITY had over 2,300,000 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 OPERATION AND
COMPREHENSIVE LOSS**

	For the Three Months Ended September 30,	
	2022	2021
REVENUES	\$ 15,556,340	\$ 20,368,518
COST OF REVENUES	<u>(15,519,247)</u>	<u>(20,296,943)</u>
GROSS PROFIT (LOSS)	37,093	71,575
SELLING	(1,293,030)	(1,749,965)
GENERAL AND ADMINISTRATIVE	(810,746)	(509,055)
RESEARCH AND DEVELOPMENT	(129,297)	(68,373)
STOCK-BASED COMPENSATION	(439,332)	(320,823)
TOTAL OPERATING EXPENSES	<u>(2,672,405)</u>	<u>(2,648,216)</u>
LOSS FROM OPERATIONS	<u>(2,635,312)</u>	<u>(2,576,641)</u>

OTHER (EXPENSE) INCOME		
Other income, net	14,325	10,932
Interest expense	(41,785)	(73,680)
Amortization of debt discount	(998,076)	(130,152)
TOTAL OTHER EXPENSE, NET	<u>(1,025,536)</u>	<u>(192,900)</u>
LOSS BEFORE INCOME TAXES	(3,660,848)	(2,769,541)
PROVISION FOR INCOME TAXES	<u>(11,500)</u>	<u>(3,900)</u>
NET LOSS	(3,672,348)	(2,773,441)
OTHER COMPREHENSIVE LOSS		
Foreign currency translation adjustment	<u>(135,276)</u>	<u>(12,807)</u>
COMPREHENSIVE LOSS	\$ (3,807,624)	\$ (2,786,248)
LOSS PER SHARE		
Basic and diluted	\$ (0.26)	\$ (0.26)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING		
Basic and diluted	13,909,851	10,542,722

**TREASURE GLOBAL INC. AND SUBSIDIARY
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**

	September 30, 2022	June 30, 2022
	<u>(Unaudited)</u>	<u></u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 7,007,815	\$ 1,845,232
Accounts receivable, net	1,056	-
Inventories	141,467	216,069
Other receivable and other current assets	414,356	8,780
Prepayments	440,944	203,020
Total current assets	<u>8,005,638</u>	<u>2,273,101</u>
OTHER ASSETS		
Property and equipment, net	327,832	337,645

Operating lease right-of-use asset	76,671	-
Deferred offering costs	-	93,536
Total other assets	<u>404,503</u>	<u>431,181</u>

TOTAL ASSETS \$ 8,410,141 \$ 2,704,282

LIABILITIES AND STOCKHOLDERS' DEFICIENCY

CURRENT LIABILITIES

Related party loan, current portion	\$ 3,734	\$ 4,505
Convertible notes payable, net of unamortized discounts of \$717,260 as of June 30, 2022	-	10,954,042
Convertible notes payable, related parties	-	2,437,574
Loans from third parties	-	1,417,647
Account payable	130,162	25,397
Account payable, related parties	5,119	14,326
Customer deposits	88,462	73,317
Contract liability	165,579	56,757
Other payables and accrued liabilities	290,409	1,161,860
Other payables, related parties	90,270	-
Amount due to related parties	428,857	2,060,088
Operating lease liability	33,429	-
Income tax payables	27,945	16,445
Total current liabilities	<u>1,263,966</u>	<u>18,221,958</u>

NON-CURRENT LIABILITIES

Operating lease liability, non-current	43,326	-
Related party loan, non-current portion	12,585	13,883
Senior note	-	65,000
Total non-current liabilities	<u>55,911</u>	<u>78,883</u>
TOTAL LIABILITIES	<u>1,319,877</u>	<u>18,300,841</u>

COMMITMENTS AND CONTINGENCIES

STOCKHOLDERS' EQUITY (DEFICIENCY)

Common stock, par value \$0.00001; 150,000,000 shares authorized, 17,288,116 and 10,545,251 shares issued and outstanding as of September 30, 2022 and June 30, 2022, respectively	173	105
Additional paid-in capital	30,514,931	4,020,552
Accumulated deficit	(23,388,088)	(19,715,740)
Accumulated other comprehensive income (loss)	(36,752)	98,524
TOTAL STOCKHOLDERS' EQUITY (DEFICIENCY)	<u>7,090,264</u>	<u>(15,596,559)</u>

**TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY
(DEFICIENCY)**

\$ 8,410,141 \$ 2,704,282

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



Source: Treasure Global Inc.