17LIVE

MEDIA RELEASE

17LIVE Reports FY2023 Operating Revenue of US$278.9 Million and Gross Profit of US$114.9 Million as Gross Profit Margin increases to 41.2% and Operating Profit increases by 35.8% YoY

- FY2023 revenue was US$278.9 million compared to US$363.7 million in FY2022 as the Group continued to shift its focus towards higher margin revenue
- In line with the shift, FY2023 Gross Profit Margins improved to 41.2% from 34.7% in FY2022
- FY2023 Operating income increased 35.8% to US$13.8 million as operating profit margin improved to 4.9% from 2.8% in FY2022
- FY2023 Net loss of US$247.9 million, weighed down by non-operating expenses of US$258.7 million due mainly to non-cash revaluation loss on the financial liabilities at fair value through profit or loss (comprising preference shares and warrants) and one-off De-SPAC related expenses
- Excluding the net effects of one-offs, FY2023 Adjusted Operating Income increased 40.1% year-on-year (yoy) to US$15.4 million, FY2023 Adjusted EBITDA increased 26% yoy to US$20.0 million and Adjusted Net Profit increased 93.9% yoy to US$11.0 million
- Strong balance sheet with no borrowings and cash and cash Equivalents of US$102.7 million as at 31 December 2023 positions the Group well for acquisitive growth

The table below presents the Group's adjusted financials excluding non-operating expenses primarily associated with De-SPAC and losses due to non-cash revaluation for the periods indicated:

(in US$'000)	FY2023 Actual	Share-based payment	De-SPAC	Revaluation	**FY2023 Adjusted**	FY2022 Actual	**FY2022 Adjusted**	Variance	%Variance
Operating revenue	278,927	0	0	0	**278,927**	363,718	**363,718**	(84,791)	-23.3%
Operating income	13,750	1,609	0	0	**15,359**	10,124	**10,964**	**4,395**	**40.1%**
EBITDA	18,369	1,609	0	0	**19,978**	15,016	**15,856**	**4,122**	**26.0%**
Net income	(247,915)	1,609	11,609	245,681	**10,984**	(51,017)	**5,683**	**5,301**	**93.3%**

SINGAPORE, 28 February 2024 -17LIVE Group Limited ("17LIVE", "the Company" or "the Group") today announced its financial results for the full year ended 31 December 2023 ("FY2023").

The Group reported FY2023 operating revenue of US$278.9 million as it transitions towards a new phase of growth as a listed company, armed with a strong balance sheet and a war chest of US$102.7 million in cash and cash equivalents to pursue both organic and inorganic growth through acquisitions.

FY2023 revenue was US$278.9 million compared to US$363.7million a year ago as the Group shifted its focus toward higher margin revenues and returns on investment.

FY2023 revenue from Real Liver live streaming and V-liver live streaming were US$265.8 million and US$5.0 million respectively whilst revenue from others which include live commerce and other new businesses were US$8.1 million, an increase of 35% from the US$6.0 million a year ago reflecting the success of the Group's new revenue streams in live commerce and in-app game. Importantly, the

Group's e-commerce offering OrderPally, which staged a strong performance last year with almost a doubling of annualized GMV, turning in a solid segmental profit for the Group in FY2023. With its successful growth, plans are well underway to further roll out OrderPally across South East Asia through organic and inorganic ways including but not limited to partnerships and acquisitions in the near term.

FY2023 Gross Profit was US$114.9 million and gross profit margins improved to 41.2% from 34.7% a year ago as the Group continued its strategic shift to focus on profitability by targeting quality users over scale. FY2023 Gross Margin expansion was also driven largely by the increasing contribution from the Group's high-margin in-app game revenue. Segmental profits from live streaming and others were US$32.8 million and US$0.5 million respectively reflecting corresponding healthy margins of 12% and 7% for the year.

FY2023 Operating Expenses declined 12.8% from US$116.0 million in FY2022 to US$101.2 million, reflecting the Group's continued focus on cost containment and enhancing operating efficiencies through economies of scale. 2H2023 Operating Expenses were US$51.1 million compared to US$51.7 million in the corresponding period a year ago.

The Group recorded a 35.8% increase in operating income of US$13.8 million in FY2023, as compared to an operating income of US$10.1 million in FY2022.

Including expenses related to the Group's initial public offering ("IPO" or "De-SPAC") amounting to US$11.6 million as well as its non-cash revaluation loss on financial liabilities amounting to US$245.7 million, the Group recorded non-operating expenses of US$258.7 million compared to US$53.0 million in FY 2022. IPO related expenses and the revaluation loss on the financial liabilities at fair value through profit or loss (comprising preference shares and warrants) have been largely accounted for in FY2023 and all future recurrences are not expected to be significant going forward.

Consequently, the Group reported a net loss of US$247.9 million and Basic Earnings Per Share of US$(6.14) for FY2023.

Non-IFRS Financial Measures

The Group's FY2023 financial statements are prepared and presented in accordance with International Financial Reporting Standards[1](IFRS), and included various one-offs and non-cash items that are not indicative of the performance of the Group's business.

To supplement the Group's consolidated financial statements, the Group also uses adjusted net loss, EBITDA[2] and adjusted EBITDA as an additional financial measure, which is not required by, or presented in accordance with, IFRS. These non-IFRS financial measures eliminate the impact of items that are not indicative of the performance of the Group's business and provide useful information to shareholders in understanding and evaluating the Group's consolidated financial performance in the same manner as they help its management in the running of the business.

Adjusted EBITDA for FY2023 increased 26.0% to US$20.0 million from US$15.9 million in FY2022 while adjusted net income grew and 93.3% to US$11.0 million from US$5.7 million in FY2022.

The Group continues to demonstrate strengthened capability in net cash flows from operating activities as demonstrated by a positive cash flow from operations of US$12.6 million in FY2023. With the cash injection from its IPO on the SGX-ST in December 2023, 17LIVE has a ready war chest of cash

[1] Non-IFRS financial measures have limitations as an analytical tool, and should not be considered in isolation from, or as a substitute for an analysis of the Group's results of operations or financial condition as reported under IFRS.

[2] EBITDA is defined by the Group as operating income before depreciation and amortisation. The Group defines adjusted EBITDA as EBITDA net of share-based payment. The Group defines adjusted net profit/(loss) as profit/(loss) for the year, excluding the revaluation (loss)/gain on financial liabilities as they are not expected to recur after FY2023. The changes in the valuation of the Group's financial liabilities in its financial statements were primarily attributable to changes in valuation of its preference shares, Which was calculated using the market approach. Presentation of adjusted net income/loss, EBITDA and adjusted EBITDA may not be comparable to similarly titled measures presented by other companies.

proceeds in which the Group will continue to strategically deploy across its core growth drivers of V-Liver, live commerce, and regional expansion. The Group is also well positioned to pursue growth opportunities through acquisitions as it extends its presence across Asia and leverage on the growth of the livestreaming industry as well as work closely with its live streamers and V-Livers to fortify 17LIVE as the top live streaming platform in Asia.

"Whilst the Group's transition into a listed entity has created complexities due to one-offs and non-cash items in our FY2023 financial results, it has spearheaded our growth trajectory in 2024 as we execute business strategies to emerge the undisputed leader of live streaming entertainment in Asia. Importantly, gross margins have continued to increase and impressive EBITDA growth reflects the strong cashflow we continue to achieve in our business. Fortified by our listing on the SGX-ST, the Group's strong balance sheet has given us a strong foundation to build from as we continue to grow in the region, ready to seize new opportunities in live streaming amid this rising trend in digital entertainment as the Group continues to invest and harness new technologies and extract economies of scale across its operations," said Joseph Phua, Executive Chairman and CEO of 17LIVE,

"We are confident that 17LIVE is on the right path to grow and will continue to adhere to prudent financial management, implement measures to realise cost and operational efficiencies as well as explore strategic alternatives to tap on the Group's inherent strengths and war chest for exponential growth going forward to create value for our stakeholders," he added.

-END-

This press release is to be read in conjunction with further disclosures as detailed in 17LIVE Group Ltd's SGX announcements, which are available on the SGX-ST website and the Company's website.

DBS Bank Ltd. acted as the sole issue manager for the business combination of Vertex Technology Acquisition Corporation Ltd with 17LIVE Inc.

About 17LIVE

17LIVE is the top pure-play live-streaming platform (by revenue) in Japan and Taiwan combined. Its business lines include Liver live-streaming, V-Liver live-streaming, and other businesses such as in-app games and live commerce. 17LIVE is accessible globally, and its key markets of operations include Japan and Taiwan, with a presence in Hong Kong, Singapore, the United States, the Philippines, India, and Malaysia. It has fostered a diverse live-streaming ecosystem with a loyal and engaged user community, as well as a deep pool of live streamers.

For more information, please visit: https://about.17.live

Contacts
Joji Koda
Head of Strategic Initiatives
Investor@17.live