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## YUUZOO 2015 RESULTS: STRONG GROWTH IN ALL AREAS. TOP LINE REVENUE GROWS BY 73% TO SGD 95.1 MILLION EBITDA 605% TO SGD 44 MILLION REVENUE GROWTH EXPECTED TO ACCELERATE IN 2016

#### Key 2015 Highlights:

- Top line revenue grows by 73% year-on-year to SGD 95.1 million (USD 65.4 million)
- EBITDA margin of 46%. EBITDA grows year-on-year by 605% to SGD 44 million (USD 31.4 million), with EBIT at SGD 33.3 million (USD 23.8 million)
- YuuZoo expects revenue growth to further accelerate in 2016, supported by the launch of several franchise and partnership businesses in major markets

# Summary of financial results of YuuZoo's business for financial year ended 31 December 2015:

	2015	2014	Variance (%)
	SGD	SGD	
Revenue (m)	95.1	52.8	73%
EBITDA (m)	44.0	6.2	605%
EBIT (m)	33.3	(1.0)	n.m.

#### Segmental Reporting:

	2015 SGD	2014 SGD	Variance (%)
Network & franchisee license sales (m)	55.8	12.2	357%
E-Commerce (m)	35.7	40.7	(12%)

**Singapore, 25 February 2016**: Singapore mainboard-listed YuuZoo Corporation Limited ("<u>YuuZoo</u>") (SGX: <u>AFC</u>) is pleased to announce its 2015 annual results. The results show strong and continued growth in YuuZoo's global expansion, its top line revenue and its bottom line.

The company's top line revenue grew by 73% to SGD 95.1 million (USD 65.4 million). EBITDA grew 605% to SGD 44 million (USD 31.4 million) and EBIT turned from negative in 2014 to SGD 33.3 million positive (USD 23.8 million) in 2015.



YuuZoo's revenue grew in spite of the company's loss of all its 2015 gaming revenue (which in 2014 accounted for SGD 25.3 million (USD 18.1 million)). This loss in gaming revenue was due to the prolonged discussions on the acquisition of IAH Games. The discussions were recently concluded in early 2016, with YuuZoo's purchase of a 30% stake in IAH Games. This purchase will also result in IAH Games conducting all its business in games through YuuZoo's platform from 2016 onwards.

James Sundram, CEO of YuuZoo said, 'I am extremely pleased to announce YuuZoo's strong growth in all key areas, and the strong results for the financial year 2015.

'EBIDTA has increased more than 600% to SGD 44 million. The loss in 2014 has been reversed into an EBIT of SGD 33.3 million. As such, YuuZoo is one of the few companies in the social media and e-commerce space that continues to show a strong and growing bottom line.

'With the exception of 2014, when the one-time RTO expenses diminished YuuZoo's results, the company has shown growing profits every year since 2010', Sundram added.

#### **Operational Highlights**

In 2015, YuuZoo continued its growth through acquisitions, investments and forming joint ventures and partnerships in key markets.

YuuZoo acquired 30% of IAH Games. IAH Games is a leading Singapore-based game distributor in Southeast Asia with 37 million users.

YuuZoo also acquired key assets from Camigo LLC, a leading China-based developer of mobile games, with more than 26 million users and 11 games. 3 of Camigo's games have been number 1 in China.

In China, YuuZoo formed YuuGames, a joint venture with XG AMA, a leading provider and organiser of e-sport events and related gaming activities. YuuGames has quickly become a leading organiser of e-sport events in China. In 2015, YuuGames organised major e-sport competitions and events reaching out to the more than 450 million gamers in China. Events organised by YuuGames include the 2015 ESCC Online Gaming Clubs Invitational, managed by the Ministry of Culture, China Animation Group. This competition is considered the top e-sport event in China in terms of prize money, coverage, and influence. It is also the country's first e-sport event in China to be orgainsed across more than 140,000 Chinese online gaming cafes.

In China, YuuZoo also became a minority shareholder in Beijing-headquartered RS Media & Entertainment Group ("**RSMEG**"). RSMEG aims to become one of the premier facilitators for Chinese film and television co-production. RSMEG will do this through its unique combination of privileged access to talent, properties, financing and distribution. This investment offers YuuZoo a major advantage, a presence on all 4 screens in China: the movie screen, the TV screen, the computer screen and the mobile screen.



In Nigeria, YuuZoo acquired a full gaming licence that enables YuuZoo to offer lotto gaming in Nigeria. Lotto is the world's most popular form of lottery, and is growing rapidly on mobile in Nigeria. YuuZoo's sees online and mobile games and gaming as a key revenue generator in social networking worldwide.

In Q3/2015 YuuZoo signed a distribution agreement with Circle of Champions ("**CoC**"), the world's leading developer of mobile games for leading football clubs. YuuZoo will distribute CoC-developed games for clubs that have more than 1 billion fans worldwide. These football clubs include the world's leading names, such as F.C. Barcelona, Real Madrid, Chelsea F.C., Manchester City F.C., Arsenal F.C. and Liverpool F.C..

In September 2015, YuuZoo signed an agreement with GEM Global Yield Fund Limited, a New York based private alternative investment group, which provides the company with up to SG\$30 million over the next three years.

In October 2015, YuuZoo appointed James Sundram as Chief Executive Officer (CEO). James joined YuuZoo from the acclaimed leading Southeast Asian online property site PropertyGuru where he was the Managing Director (International). At PropertyGuru, James successfully oversaw the growth strategy and profitability for Malaysia, Indonesia, and Thailand.

#### Outlook for FY2016

Says James Sundram, YuuZoo's CEO: 'On the back of investments made and franchise, partnership and distribution agreements signed for over 60 countries, and with territorial coverage allowing access to a combined population of almost 3 billion consumers, I expect YuuZoo's strong growth to continue in 2016 and beyond. We are currently positioned to continue to improve YuuZoo's top line revenue in 2016, with continued strong EBITDA margins, this is provided that our scheduled launches with our franchisees and partners run as planned.

'Through YuuZoo's discussions with leading TV networks, multimedia companies, traditional media companies and potential franchisees in several new markets, YuuZoo is continuing to expand its reach. In 2015, we expanded from a pure B2B model to a combination of B2B and B2C.

'In 2016 and beyond, our global platform of franchisees and partners are expected to generate strongly growing recurring consumer revenue in e-commerce, advertising, gaming and payments. Similar to the proactive business model of TenCent in China, YuuZoo will continue to add new revenue streams that can grow on the back of YuuZoo's huge consumer reach. In respect of these new revenue streams, YuuZoo will continue to look at M&A opportunities', Sundram concludes.

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### ABOUT YUUZOO:

Headquartered in Singapore and listed on the SGX mainboard (SGX: <u>AFC</u>), with access to over 118 million registered users and hundreds of millions of TV viewers across 164 countries, YuuZoo uniquely combines social networking, e-commerce, gaming and payments in a mobile-optimised, fully localised 'Tribal Marketplace', where the consumer can choose the Tribe to join and access hundreds of tribal and targeted social networks, shops and entertainment through one single login. All networks are by franchisees localised for each market as comes to language as well as merchandise and design. Based on this business model, unique in the digital space, YuuZoo is able to grow internationally at a very low cost. The model has consistently generated strong margins. To see the networks, log into: <u>www.yuuzoo.com</u>. For more information about YuuZoo, please log on to: <u>www.yuucorp.com</u>

A translation rate of USD1:SGD1.4 has been adopted for the conversion of USD to SGD.