



**17LIVE DELIVERS STRONG PROFITABILITY FOR 1H2024;
LAUNCHES "17LIVE FORWARD STRATEGY" TO DRIVE BUSINESS GROWTH;
DEVELOPING STRATEGIC INITIATIVES TO MAXIMISE SHAREHOLDER VALUE**

- Achieved strong profitability with US\$1.9 million net profit in 1H2024
 - 2Q2024 records US\$3.5 million in operating income reflecting positive upward growth momentum in profitability on a quarterly basis
 - Gross profit margin for 1H2024 maintained robust at 41.2% reflecting resilience in the Group's business model
- Strong balance sheet with US\$85.6 million in cash and cash equivalents as of 30 June 2024 for future acquisitive growth
- Unveiled "17LIVE Forward Strategy" comprising strategic pillars in platform strengthening, revenue diversification and strategic and business partnerships to drive growth
- Developing strategic initiatives to maximise shareholder value

Singapore, 13 August 2024 – SGX-listed leading live-streaming platform, **17LIVE Group Limited** ("17LIVE", "the **Company**" or "the **Group**") today announced its financial results for the six months ended 30 June 2024 ("1H2024"), achieving a significant milestone with a net profit of US\$1.9 million compared to a net loss of US\$118.2million in the six months ended 30 June 2023 ("1H2023").

Furthermore, the Group also unveiled its "17LIVE Forward Strategy" that will propel the Group into its next stage of growth, and is also in the midst of developing a capital market strategy to drive long-term shareholder value.

1H2024 Highlights

Financial Highlights

In 1H2024, the Group maintained a robust gross profit margin of 41.2% on the back of US\$101.1million operating revenue recorded. The Group continues in its efforts to optimise cost to drive operational efficiency, including optimisation in the areas of IT infrastructure, marketing and payment channels. As a result, the Group recorded a 19.3% decrease in operating expenses.

1H2024 operating income was recorded at US\$1.3million, enabling the Group to reverse its net loss in 1H2023 to a net profit of US\$1.9million in 1H2024.

On a quarter-on-quarter basis, operating income improved to US\$3.5million for the three months ended 30 June 2024 ("2Q2024") compared to an operating loss of US\$2.1million for the three months ended 31 March 2024 ("1Q2024"), further reflecting a positive growth momentum in the Group's operating income and favourable results from the Group's conscientious efforts to optimise cost and manage operating expenses.

As at 30 June 2024, the Group continues to hold a strong cash position of US\$85.6 million compared to US\$102.7million as at 31 December 2023, which is mainly attributable to the fees

incurred by the Group arising from one-off expenses related to the Group's initial public offering ("IPO" or "De-SPAC") in the financial year ended 31 December 2023 ("FY2023") as well as tax expenses. Notwithstanding, the Group's financial position remains strong with zero debt.

Mr Joseph Phua, Non-Executive Non-Independent Chairman of 17LIVE, commented: **"We delivered a stellar financial performance in 1H2024, with strong profitability coming as a result of our team's dedication and the effectiveness of our strategic initiatives. In particular, our second quarter, has shown significant progress and fruition of our efforts from the preceding months on our strategic focus to drive revenue growth, and optimise operational efficiencies."**

The Group's revenue from V-Liver live streaming more than tripled year-on-year ("y-o-y") from US\$1.5 million in 1H2023 to US\$4.8 million in 1H2024. This substantial increase highlights the growth potential of V-Liver live streaming as a significant revenue stream.

Business Updates

The Group has also announced today the appointment and promotion of Mr Jiang Honghui as its Executive Director and Chief Executive Officer ("CEO") effective 13 August 2024, and the redesignation of Mr Joseph Phua as Non-Executive Non-Independent Chairman,. Mr Jiang has over 12 years of experience in venture capital investment, with more than seven years at the Vertex Group. He was previously the CEO and Executive Director of Vertex Technology Acquisition Corporation Ltd, the first special purpose acquisition company listed on Singapore Stock Exchange, where he successfully led the business combination with 17LIVE Inc in December 2023. Thereafter, Mr Jiang was seconded to the Group from April 2024 to work closely with Mr Phua and the team to drive business improvement and various strategic initiatives.

With the appointment as Executive Director and CEO of 17LIVE, Mr Jiang will end his role as Managing Director, Investment at Vertex Holdings. He has been appointed as Venture Partner at Vertex Growth Management in the capacity of a non-executive advisor effective 13 August 2024.

Consequently, Mr Phua, in his role as Chairman of the Company, will continue to guide the Group on the overall strategic direction and work closely with Mr Jiang on providing advisory for the Group's daily operations.

"I am pleased with the progress we have made as a Company as we have successfully delivered strong profitability and generated positive business growth momentum. Having achieved what was set out when I took on the CEO role, I am thrilled to announce the appointment and promotion of Honghui as the CEO of 17LIVE. Honghui has worked closely with me and the team since the start of 2Q2024 through his secondment as our consultant and has demonstrated his exceptional leadership capability, where he was instrumental for our turnaround in 2Q2024. With his deep experience in venture capital, business and investment management, as well as his familiarity with our business during our business combination, I have full confidence that the Company will continue its positive momentum under his leadership. As I step into my role as Non-Executive Chairman, I look forward to supporting him in our continued success." Mr Joseph Phua remarked.

During the period under review, 17LIVE has also signed two strategic Memorandums of Understanding (“**MOU**”) with key players in the region, namely Singapore's leading media entertainment and content company, mm2 Asia Limited (“**mm2**”) and Taiwan-based venture capital firm, AppWorks Ventures Co., Ltd. (“**AppWorks**”). The MOU with mm2 and AppWorks are slated to enhance entertainment offerings and production capabilities, as well as to facilitate increased investment opportunities in Southeast Asia respectively.

Internally, the Group has also focused its effort to generate operational efficiencies and drive revenue growth through various operational and commercial initiatives including technology stack optimisation, business units reorganisation to develop core business pillars in high-potential high-performing markets such as Japan, Taiwan, and Hong Kong, as well as strengthening middle and top level management within the organisation.

17LIVE Forward Strategy

The Group also unveiled the “17LIVE Forward Strategy”, which is a strategic framework anchored on three pivotal pillars comprising 1. Enhancing its established platform through advanced technology and a robust community of streamers; 2. Diversifying its revenue streams by developing new products and businesses stemming from its platform and; 3. Forging strategic and business partnerships to build a sustainable live streaming ecosystem across Asia. By focusing on these core areas, 17LIVE aims to solidify its position as a leader in the live streaming industry, delivering diverse and high-quality content that attracts both viewers and top-tier talents.

Mr. Jiang Honghui, Executive Director and CEO of 17LIVE, emphasised the strategic importance of these initiatives: ***"The launch of our '17LIVE Forward Strategy' is a balanced and comprehensive growth plan designed to elevate our Group to new heights. '17LIVE Forward Strategy' reflects our commitment to innovation and sustainable growth to maximise value for our shareholders. Through this strategy, 17LIVE is poised to enhance our unique value propositions and seize emerging opportunities at the same time, reinforcing our commitment to providing exceptional live streaming experiences and creating lasting value for our community and partners."***

Embodying the essence of the three strategic pillars under the "17LIVE Forward Strategy", the Group believes that its near-future growth will be driven by key growth business drivers including its core platform business driven by new user and streamer acquisition and retention, the development of a holistic V-Liver business model, and establishing more strategic and business partnerships in the region.

V-Liver Business: Catalyst for future business transformation

Under the 17LIVE Forward Strategy, 17LIVE identifies its V-Liver business to be one of its near-term growth drivers. 17LIVE's deepening of its V-Liver business is strategically astute, given the dynamic growth of the V-Liver market as well as the size of the growing global and Japanese anime sectors.

The global anime market, valued at US\$31.23 billion in 2023, is expanding at a robust compounded annual growth rate (“**CAGR**”) of 9.8%¹, with Japan dominating the space with over

¹ <https://www.grandviewresearch.com/industry-analysis/anime-market>

40%² of global anime revenue. Concurrently, the V-Tuber (an online entertainer who uses a virtual avatar generated using computer graphics for video and live streamings on Youtube) market in Japan, which is a subset of the V-Liver market, currently valued at approximately US\$500 million, is also growing at a rapid pace³.

By entrenching into this vibrant and high-growth virtual content sector, 17LIVE can leverage on its established platform as well as Japan's deep-rooted anime culture and the burgeoning interest in virtual content and position the Group for substantial growth in a promising and evolving market.

Furthermore, in the course of growing its V-Liver business, the Group's established platform will naturally be strengthened with technological advancements to position 17LIVE as a top-of-mind choice platform for both viewers and potential talents. This will in turn support the growth of an expansive virtual character intellectual properties ("IP") portfolio, tapping into the full spectrum of business potential in this fast-growing industry.

Enhancing Shareholder Value

In conjunction with the "17LIVE Forward Strategy", the Group is also exploring strategic initiatives to drive shareholder value through innovative and forward-thinking capital market initiatives. These initiatives include but are not limited to partnering with and reviewing strategic options from various financial institutions to develop a feasible and sustainable capital market strategy to drive long-term shareholder value.

"In our ongoing commitment to maximising shareholder value, 17LIVE is actively exploring various strategic initiatives to drive significant returns for all our shareholders. We are dedicated to taking comprehensive steps to evaluate and implement the most effective approaches for capital management, aiming to ensure that our strategic decisions align with the best interests of our shareholders," Joseph Phua added.

The details of various strategic initiatives under the capital market strategy are currently being reviewed and evaluated internally.

Outlook

Analysts project substantial growth potential in the global live streaming market with an expected CAGR of 23.0% from 2024 to 2030, fueled by technological advancements and innovations. In particular, Augmented Reality ("AR") and Virtual Reality ("VR") technologies are expected to further propel the live streaming market by creating immersive experiences⁴. Supported by such favourable technological and consumption trends, the Group believes that it is well-poised to capture growing demands and capitalise on flourishing opportunities with its '17LIVE Forward Strategy'

As part of its ordinary course of business, the Group enters into agreements relating to the payment of copyright fees with music copyright organisations in countries which it operates. It is currently engaged in discussions with one of such music copyright organisations in relation to the parties' different interpretation of certain terms of its existing agreement. The Group will make

² <https://www.researchnester.com/reports/anime-market/6101>

³ https://www.yanoresearch.com/en/press-release/show/press_id/3304

⁴ <https://www.grandviewresearch.com/industry-analysis/live-streaming-market-report>

further announcements as and when there are material developments on its discussions with such music copyright organisation.

This press release should be read in conjunction with other disclosures made by 17LIVE Group Limited dated 13 August 2024, which may be obtained from the SGXNet and the Company's corporate 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 a leading pure-play live-streaming platform in Japan and Taiwan. 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>

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