



For Immediate Release

MC Payment Unveils Operational Profit For 1H2021

- Reported net loss mainly due to one-time RTO expenses of S\$30.0 million, of which S\$26.4 million was a non-cash expense item relating to the write-off of “goodwill” for the reverse takeover of the Company
- Excluding such one-time RTO expenses and a one-time legal fee of S\$0.16m relating to the EGM on 30 June 2021, the adjusted net profit was S\$0.66 million; MC Payment is one of the few profitable companies in the payments industry
- Generated positive operating cash inflow of S\$6.7 million; strong cash and cash equivalents position of S\$12.9 million

SINGAPORE, August 14, 2021 – MC Payment Limited (SGX: TVV) (“MC Payment” or the “Company”, and together with its subsidiaries, the “Group”) today announced its financial results for the half year ended 30 June 2021 (“1H2021”). Excluding the one-time reverse takeover (“RTO”) expenses and a one-time legal fee of S\$0.16m relating to the EGM on 30 June 2021, the Group recorded an adjusted net profit of S\$0.66 million in 1H2021.

Financial Highlights

| S\$ (million) | 1H2021 | 1H2020 | Change |
|--------------------------------------------------|---------|--------|--------|
| Revenue | 5.86 | 6.01 | -2% |
| Gross Profit | 2.80 | 2.52 | 11% |
| Gross Profit Margin | 47.7% | 42.0% | |
| Net (Loss) Profit | (29.50) | 0.66 | N.M. |
| Adjusted Net Profit* | 0.66 | 0.66 | N.M. |
| Adjusted Net Profit Margin | 11.3% | 11.0% | |
| Net (Loss) Profit Attributable to Equity Holders | (29.42) | 0.67 | N.M. |

*Adjusted for one-time RTO expenses of S\$30.0 million and a one-time legal fee of S\$0.16m relating to the EGM on 30 June 2021.



Gross profit rose 11% to S\$2.8 million in 1H2021, despite a slight decrease in revenue, due to a better pricing strategy, as gross profit margin jumped by nearly 600 basis points to 47.7% in 1H2021. Administrative expenses increased by S\$4.2 million due mainly to the one-time RTO expense of S\$3.6 million, as well as higher legal fees of S\$0.1 million and expenses incurred due to a one-time legal fee of S\$0.16 million relating to the EGM on 30 June 2021. The Group also incurred a non-cash deemed RTO listing expense of S\$26.4 million, which relates to the write-off of goodwill following the RTO. Consequently, the Group reported a net loss to equity holders of S\$29.4 million for 1H2021.

The Group generated strong positive operating cashflow of S\$6.7 million for 1H2021, which helped boost its cash and cash equivalents to S\$12.9 million.

| S\$ (million) | 1H2021 |
|--------------------------------------------------------------------|--------------|
| Cash and cash equivalents | 12.94 |
| Loans and borrowings | (0.69) |
| Net Cash Position | 12.25 |
| Net cash generated from operating activities | 6.68 |
| Net cash generated from investing activities | 1.23 |
| Net cash generated from financing activities | 1.46 |
| Net increase in cash and cash equivalents during the period | 9.37 |

Segmental Performance

1H2021 revenue decreased slightly by 2% due to lower revenue from the Merchant Payment Services (“MPS”) segment, partially offset by an increase in revenue from the Digital Commerce Enabling Solutions (“DCES”) segment. The increase in DCES revenue was attributable mainly to a major project in Malaysia which started in July 2020.

| S\$ (million) | 1H2021 | 1H2020 | Change |
|-------------------------------------|-------------|-------------|------------|
| Merchant Payment Services | 3.08 | 5.08 | -39% |
| Digital Commerce Enabling Solutions | 2.78 | 0.93 | 199% |
| Total Revenue | 5.86 | 6.01 | -2% |



Outlook

Mr Henry Tan, Managing Director of MC Payment commented: “***Despite the turbulence generated by the COVID-19 pandemic, we have witnessed structural shifts and trends in our markets, which have accelerated the digital transformation of payments. The increased pace of digitisation, coupled with permanent shifts in consumer behaviour, have created a perfect storm of opportunities.***”

The key trends which pose significant opportunities for MC Payment include:

- Continued expansion of digital payments and its broader ecosystem, where ASEAN digital payments Total Payment Volume ("TPV") is expected to more than triple to US\$1.5 trillion by 2030, driven by the continued rise in e-commerce penetration, particularly mobile, and rapid adoption of cash-less and contact-less payments, which was further accelerated during the pandemic, according to data from a recent Worldpay Global Payments Report.
- The rapidly increasing user adoption of Buy Now, Pay Later ("BNPL") schemes over traditional payment methods, leveraging the large under-banked population and attractive demographic dividend across Southeast Asia; BNPL is now the fastest growing online payment method in Singapore, a recent Worldpay Global Payments Report showed.
- Advent of digital currencies and digital payment tokens, including Central Bank Digital Currencies ("CDBC"), which are accelerating modernisation of payments for the digital economy as well as promoting financial inclusion across Asia.

The Group will leverage on its listed platform to pursue the following growth strategies:

- Focus on merchant acquisitions to expand its reach, including B2B verticals in the Property/Facility Management sector and Merchant Capital Lending platform
- Expand its BNPL offering, where there is significant growth momentum in Singapore
- Explore opportunities around digital currencies and digital payment tokens
- Continue to evaluate potential M&A and inorganic growth opportunities to accelerate regional footprint and/or capabilities and adjacent service offerings



“While the outlook for the overall economy remains uncertain due to the COVID-19 pandemic, there are robust tailwinds propelling the digital payments industry, which MC Payment is in a prime position to ride on,” Mr Tan added.

#End#

About MC Payment

MC Payment is principally engaged in the provision of merchant payment services and digital commerce enabling services, offering online-to-offline (O2O) solutions through a fully integrated platform with a focus on servicing merchants in the retail, transportation and food and beverage industries. Its end-to-end payment platform offers comprehensive solutions for merchants, ranging from hardware and software to data analytics and other technology-driven value-added services tailored to specific industries. Its solutions cater to merchants with both on-line and off-line presences, provided through a unified platform digitalising engagements across all channels. MC Payment currently has a presence in four geographical markets - Singapore, Malaysia, Indonesia and Thailand - with ambitions to become a regional player.

For more information, please visit us at <http://mcpayment.com/>

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This press release has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "Sponsor"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst.

This press release has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this press release, including the correctness of any of the statements or opinions made or reports contained in this press release.

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