



YY Group Reports Full-Year 2023 Financial Results

May 14, 2024

Revenue totaled \$31.8 million, a 59% increase year-over-year

Gross Profit was \$3.7 million, a 42% increase year-over-year

SINGAPORE, May 14, 2024 (GLOBE NEWSWIRE) -- YY Group Holding Limited (NASDAQ: YYGH) ("YY Group", "YYGH", or the "Company"), a data and technology-driven company that specializes in creating enterprise intelligent labor matching services and smart cleaning solutions, today announced its financial results for the full year ended December 31, 2023.

"We are pleased to report growing revenues and increased gross profits for 2023, up 59% and 42% year-over-year, respectively," said Mike Fu, Founder and Chief Executive Officer of YY Group. "With our recent IPO on the Nasdaq and expansion into new countries, we continue to successfully execute our strategic plan, to grow the Company and create value for our shareholders."

Full Year 2023 and Subsequent Operational Highlights:

- Completed initial public offering of 1,125,000 Class A Ordinary Shares at \$4.00 per share, for aggregate gross proceeds of approximately \$4.5 million
- Expanded into Australia, Vietnam and Cambodia hotel and hospitality markets

Full Year 2023 Financial Highlights:

All numbers below as of December 31, 2023

- Revenue totaled \$31.8 million, a 59% increase from \$20.0 million, year-over-year
- Cost of Revenue totaled \$28.1 million, a 61% increase from \$17.5 million, year-over-year
- Gross Profit totaled \$3.7 million, a 42% increase from \$2.6 million, year-over-year
- Operating profit and net profit of \$1.4 million and \$864,000, respectively

Total revenues increased by \$11.8 million or approximately 59%, from \$20.0 million for the year ended December 31, 2022, to \$31.8 million for the year ended December 31, 2023. Total revenues increased due to an approximately 41% increase in cleaning services and an approximately 94% increase in manpower outsourcing services.

Gross profit increased by \$1.1 million, from \$2.6 million to \$3.7 million or approximately 42% primarily due to the increase in gross profit from both cleaning and manpower services.

For the year ended December 31, 2023, we generated operating profit and net profit of \$1.4 million and \$864,000, respectively.

The total cost of revenue increased by \$10.6 million or 61%, from \$17.5 million for the year ended December 31, 2022, to \$28.1 million for the year ended December 31, 2023. The approximately 61% overall increase in cost of revenue is primarily driven by an increase in manpower cost incurred in both cleaning services and manpower outsourcing services, primarily due to an increase in hourly charging rate of casual labors, increase in customers demand and orders fulfilled as a result of expansion of business.

General and administrative expenses increased by \$937,200, or approximately 31%, from \$2.9 million for the year ended December 31, 2022, to \$3.8 million for the year ended December 31, 2023, mainly due to an increase in staff expenses resulted from increased number of employees and administrative expenses to support expanded business.

As of December 31, 2023, the Company had cash balances of \$467,235, current assets of \$10.2 million and current liabilities of \$6.0 million, which resulted in a positive working capital of \$4.2 million.

About YY Group Holding Limited

YY Group Holding Limited is a Singapore-based company dedicated to redefining digital interactions and creating impactful connections in the ever-evolving digital landscape. Rooted in innovation and a commitment to user-centric experiences, YY Circle leverages cutting-edge technology to foster engagement, collaboration, and community building. For more information, please visit <https://yygroupholding.com/>.

Forward Looking Statements

This press release contains statements that constitute "forward-looking statements," including with respect to the proposed initial public offering and the anticipated use of the net proceeds. No assurance can be given that the offering discussed above will be completed on the terms described, or at all, or that the net proceeds of the offering will be used as indicated. Forward-looking

statements are subject to numerous conditions, 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 offering filed with the SEC. Copies of these documents are available on the SEC's website, www.sec.gov. 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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YY GROUP, CONDENSED CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31 2023

	Note	2023	2022 (As revised ²)
		USD	USD
Assets			
Current assets:			
Cash	5	467,235	161,022
Trade receivables	6	7,037,942	4,155,737
Prepayment and other current assets	7	2,667,166	425,649
Amount due from related parties	18	31,298	457,312
Total Current Assets		10,203,641	5,199,720
Non-current assets:			
Right-of-use assets	8	78,434	210,651
Property and equipment, net	9	368,621	278,866
Prepayment, non-current	7	18,656	-
Deferred tax assets	17	738	78,545
Total Non-current assets		466,449	568,062
Total Assets		10,670,090	5,767,782
Currents Liabilities:			
Trade and other payables	10	2,996,636	2,013,743
Amount due to related parties	18	67,521	74,292
Lease liabilities, current	11	69,135	147,474
Loans and borrowings, current	11	2,856,491	1,279,314
Total Current Liabilities		5,989,783	3,514,823
Non-current Liabilities:			
Loans and borrowings, non-current	11	523,607	503,286
Convertible notes – liability component	11	-	736,129
Lease liabilities, non-current	11	15,187	71,895
Total Non-current Liabilities		538,794	1,311,310
Total Liabilities		6,528,577	4,826,133
Equity			
Share Capital*	12	3,564,150	1,228,037
Reserves	12	20,667	20,825
Retained earnings (accumulated deficit)		545,797	(306,537)
Equity attributable to owners of the Company		4,130,614	942,325

Non-controlling interests	10,899	(676)
Total equity	4,141,513	941,649
Total liabilities and equity	10,670,090	5,767,782

YY GROUP CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AS OF DECEMBER 31 2023

	Note	2023	2022
		USD	(As revised ²) USD
Revenue	14	31,772,286	20,022,529
Cost of revenue	15	(28,120,506)	(17,450,131)
Gross profit		3,651,780	2,572,398
Other income	15	1,830,899	1,952,420
Selling and marketing expenses	15	(191,582)	(325,678)
General and administrative expenses	15	(3,846,367)	(2,909,167)
Other expenses		(27,781)	(57,113)
Operating profit		1,416,949	1,232,860
Finance cost	16	(328,610)	(329,370)
Profit before tax		1,088,339	903,490
Income tax (expenses) benefit	17	(224,302)	(142,150)
Profit for the year		864,037	761,340
Other comprehensive income (loss)			
Foreign currency translation differences - foreign operations		7,301	26,931
Total comprehensive income for the year		871,338	788,271
Profit (loss) attributable to:			
Equity owners of the Company		852,334	761,628
Non-controlling interests		11,703	(288)
Profit for the year		864,037	761,340
Total comprehensive income (loss) attributable to:			
Equity owners of the Company		859,763	788,947
Non-controlling interests		11,575	(676)
Total comprehensive income for the year		871,338	788,271
Basic earnings per share*	13	0.02	0.02
Diluted earnings per share*	13	0.02	0.02

YY GROUP CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS AS OF DECEMBER 31 2023

	2023	2022
	USD	(As revised ²) USD
Operating activities		
Profit for the year	864,037	761,340

Adjustments for:

Depreciation of property and equipment (Note 9)	122,695	213,206
Depreciation of right-of-use assets (Note 8)	165,862	127,352
Finance Cost (Note 16)	328,610	329,370
Loss on disposal of property and equipment	-	48,395
Gain on lease termination	(860)	-
Income tax expenses (benefit) (Note 17)	224,302	142,150
	<u>1,704,646</u>	<u>1,621,813</u>

Changes in operating assets and liabilities:

Trade receivables	(1,636,577)	(192,652)
Trade and other payables	879,705	(89,769)
Amount due to related parties	(285,927)	(22,083)
Prepayment and other assets	(182,850)	(121,436)

Cash provided by operations

	<u>478,997</u>	<u>1,195,873</u>
Interest paid	(308,651)	(225,193)
Income tax paid	(118,638)	(75,736)
Income tax refund	-	40,329
Net cash provided by operating activities	<u>51,708</u>	<u>935,273</u>

Investing activities

Purchase of property and equipment (Note 9)	(224,185)	(112,113)
Net cash used in investing activities	<u>(224,185)</u>	<u>(112,113)</u>

Financing activities

Issuance of Class A shares	-	212,450
Issuance of a convertible loan	-	743,273
Proceeds from guaranteed bank loans	931,862	1,603,768
Repayment from a shareholder's loan	1,852,945	-
Loan to a shareholder	(1,146,464)	(1,035,306)
Loan to a related party	-	(25,167)
Payment of lease liabilities	(178,040)	(133,382)
Payment of listing expenses	(439,513)	-
Repayment of guaranteed bank loans	(550,426)	(2,091,971)

Net cash provided by (used in) financing activities

	<u>470,364</u>	<u>(726,335)</u>
Effect of foreign exchange of cash	8,326	(1,796)
Net increase in cash	<u>306,213</u>	<u>95,029</u>
Cash balances at beginning of year	161,022	65,993
Cash balances at end of year (Note 5)	<u>467,235</u>	<u>161,022</u>

Source: YY Group Holding Limited

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