

FOR IMMEDIATE RELEASE

Synagie Corporation Sets New Revenue Record

- **FY2018 Revenue surged 100.0% Y-O-Y to S\$16.1 million**
- **Gross profit increased by 128.1% Y-O-Y and gross profit margin improved by 310 bps to 25.0% in FY2018**
- **New business segment, Insurtech, to offer revenue synergies as the Group introduces new service offerings**
- **Brand Partners portfolio surged over 45.2% Y-O-Y to more than 270 brands**
- **Awarded Number 1 fastest growing technology company in Singapore and Number 22 in Asia Pacific by Deloitte™ Fast 500 in 2018**

Singapore, 28 February 2019 – Synagie Corporation Ltd. (SGX: V2Y) (“Synagie”, “思騰控股有限公司”, the “Company”, or the “Group”), Southeast Asia’s leading E-Commerce enabler that assists brands execute their E-Commerce strategies, today announced its consolidated financial results for the full year ended 31 December 2018 (“FY2018”).

FY2018 Financial Highlights

S\$'000	FY2018	FY2017	Change %
Revenue	16,060	8,029	100.0
Gross profit	4,017	1,761	128.1
Gross profit margin (%)	25.0	21.9	
Net loss for the year	(7,378)	(3,383)	118.1
Adjusted operating loss *	(4,373)	(2,650)	65.0
Operating margin (%)	(27.2)	(33.0)	

* - excluding one-off and Listco expenses of S\$1.8 million and S\$1.2 million respectively

Excluding one-off expenses (IPO expenses, amortisation of Convertible Notes and professional fees incurred in connection with the acquisition of Insurtech Subsidiary) of S\$1.8 million and Listco expenses (including post IPO compliance cost) of S\$1.2 million, the adjusted operating loss would have been S\$4.4 million for FY2018 with operating margin improving by 580bps from -33.0% in FY2017 to -27.2% in FY2018. The increase in adjusted operating loss of S\$1.7 million as compared to FY2017 was mainly due to an increase in warehousing expenses of S\$1.7 million as a result of warehouse expansion in Singapore and Malaysia, from approximately 22,000 sqft in FY2017 to more than 64,000 sqft by end of FY2018 to cater to our business growth and in anticipation of higher order volumes in FY2019.

During FY2018, the Group recorded an increase of S\$8.1 million or approximately 100.0% in revenue to S\$16.1 million as compared to S\$8.0 million in FY2017. The revenue increase was mainly due to an increase in revenue from its E-Commerce business segment as a result of higher demand from online consumers for its Brand Partners' products; increase in number of Brand Partners from 186 brands in FY2017 to more than 270 brands in FY2018; business expansion into Malaysia completing its full year of operations in FY2018; and new revenue contribution from its Insurtech business segment.

Segmental Breakdown

Revenue (S\$'000)	FY2018	FY2017	Change %
E-Commerce	12,030	7,212	66.8
E-Logistics	952	817	16.5
Insurtech	3,078	-	N.M. ¹
Total	16,060	8,029	100.0

In tandem with its revenue growth, the Group's gross profit increased by \$2.2 million or approximately 128.1%, from S\$1.8 million in FY2017 to S\$4.0 million in FY2018. The Group's gross profit margin improved by 310 bps to 25.0% in FY2018 as compared to 21.9% in FY2017, mainly due to higher contribution of services revenue from our E-Logistics and new Insurtech

¹ N.M. – not meaningful

business segments, which has higher margins compared to distribution revenue from our E-Commerce business segment.

Annotating on the Group's FY2018 results, Executive Director and Chief Executive Officer of Synagie, Mr Clement Lee said, ***"2018 was a strong year as we set record revenue for the Group. We doubled our sales and achieved notable growth from our business expansion into Malaysia. Additionally, our partners grew significantly by more than 45.2% year-on-year to more than 270 brands. During the year, we also consolidated our Insurtech business segment, which is highly complementary to our core E-Commerce business, and we expect to see revenue growth as we introduce new service offerings for our Brand Partners going forward."***

Moving Forward

Southeast Asia's ("SE Asia") expanding middle class is expected to stimulate the E-Commerce market with their higher purchasing power, especially with the introduction of new banking models and greater access to loans and credit. The total gross merchandise value of SE Asia's E-Commerce industry² grew exponentially from US\$5.3 billion in 2014 to US\$16.6 billion in 2017 and is forecasted to reach US\$45.6 billion by 2022 with a revenue CAGR of 22.3%.

Going forward, the Group plans to expand further into the SE Asia region beginning with Philippines and Vietnam. Philippines³ E-Commerce revenue is estimated to be US\$996.0 million in 2019 and is projected to grow at a CAGR of 8.5% from 2019 to 2023, resulting in a market volume of US\$1.4 billion by 2023. Vietnam⁴ E-Commerce market is estimated to generate revenue amounting to US\$2.8 billion and is projected to grow at a revenue CAGR of 12.0% from 2019 to 2023, resulting in a market volume of US\$4.5 billion by 2023.

The global Insurtech⁵ market is expected to grow at a 2018-2023 CAGR of 16.0% to US\$1,119.8 million. There is currently considerable room for SE Asia's insurance penetration rate to grow towards the global average of 6.1%⁶. According to UBS report 'Shifting Asia', Asia

² "Independent Market Research on the E-commerce Industry in Singapore and Southeast Asia" by Frost & Sullivan

³ <https://www.statista.com/outlook/243/123/e-commerce/philippines>

⁴ <https://www.statista.com/outlook/243/127/e-commerce/vietnam>

⁵ https://www.researchandmarkets.com/research/32cxqk/global_1_11?w=4

⁶ <https://www.eurochamvn.org/sites/default/files/uploads/pdf/InsuranceAdvocacyPaper.pdf>

is one of the most underpenetrated insurance markets in the world. Emerging Asia held 43.0% of the world's population and accounted for 13.0% of the insurance premiums in 2016.⁷

In 2017, SE Asia's life insurance premiums penetration (premiums as a share of GDP) still falls short of the global average (2.7% versus 3.3%) and non-life insurance premiums accounted for just 0.9% of GDP, about a third of the global average (2.8%).⁸

Mr Clement Lee added: ***“During FY2018, we were ranked Number 1 fastest growing technology company in Singapore and Number 22 in Asia Pacific on the Deloitte Technology Fast 500™ Asia Pacific 2018. We will continue to strengthen our value proposition as a leading E-Commerce enabler by constantly innovating and offering integrated solutions to help our Brand Partners effectively manage their online presence. As we expand into new markets such as Philippines and Vietnam, we look to continue growing and helping our Brand Partners realised the untapped potential from these markets.”***

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About Synagie Corporation Ltd.

Synagie is a Singapore-founded e-commerce solutions provider and one of SE Asia's leading e-commerce enablers that provides end-to-end solutions to help brands and businesses shift online. According to Frost & Sullivan, Synagie is the fastest growing e-commerce start-up in Singapore and one of the fastest growing in SE Asia. Synagie helps its Brand Partners which include SMEs and MNCs execute their e-commerce strategies by selling their goods or services to consumers online and providing one-stop services and integrated technology to manage their multi-channel e-commerce operations. The end-to-end commerce enablement and fulfilment solutions is achieved through the Group's cloud-based Synagie Platform which leverages on technology such as Cloud Computing, Big Data Analytics and Artificial Intelligence. This solution encompasses all aspects of the E-commerce value chain covering technology, online store operations, content and channel management, digital marketing, customer service to warehousing and fulfilment. Synagie has a platform-based, asset-light business model with three synergistic business segments, namely E-Commerce, E-Logistics

⁷ <http://fintechnews.sg/11521/insurtech/insurtech-set-change-asias-insurance-market/>

⁸ https://pulse.schanz-alm.com/files/media/files/db31b38b9be35551b807792b0d16b84a/Pulse_Asean18_Web2.pdf

and Insurtech that work together to offer innovative and efficiency driven solutions to its Brand Partners. Synagie is listed on Catalist of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 8 August 2018 (SGX:V2Y).

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