



## **Wednesday's INVESTOR Q&A:**

**Question Topic: Share Price Performance**

**Date: 18 October 2023**

**1. Given AGBA's optimistic outlook for its business, why has the stock price not responded. What factors have influenced the stock price's performance despite positive prospects and growth potential?**

Following our business combination, a variety of factors limited our ability to engage with investors globally and present our investment case effectively and triggered a material sell-off in our shares. These factors are described in more detail in our presentation 'Comments on AGBA's Share Price' (published on June 5, 2023 on our website: [https://www.agba.com/media/2023/06/AGBA-IR-Price-20230605\\_u.pdf](https://www.agba.com/media/2023/06/AGBA-IR-Price-20230605_u.pdf))

As time went on, we continued to be restricted in our investor outreach and could make only limited information available to the public beyond the information contained in our Definitive Proxy Statement. The uncertainty this created in the market drove continued downward pressure on our share price.

Finally, a limited public float and moderate market capitalization limited may have contributed to unexpected volatility in our share price. This limited the ability of interested shareholders who were aligned with our vision and impressed with our operational performance and growth to participate in size in our company.

We continue to work hard to address all (technical) factors that we believe may hamper our share price performance, so that our continued operational performance and growth track record will be communicated to the market and properly reflected in our share price.

**2. What Steps are taken to address the share price / valuation gap?**

We agree that there is a meaningful valuation gap for our company. For more details, please visit our presentation 'Comparable and Valuation Comparison' which was filed on Aug 30, 2023. <https://www.agba.com/media/2023/08/AGBA-Review-of-Comparable-Companies-August-2023.pdf>

In our efforts to bridge the share price/valuation gap, we have undertaken various strategic actions.



We are proactively educating the investment community by consistently releasing comprehensive disclosures that delve into the intricacies of our business. These disclosures emphasize our well-established and leading position within the financial services market. Recognizing the importance of expanding our presence globally, we are actively working to establish ourselves among international investors, acknowledging that it takes time to showcase our value proposition and build trust.

Notably, we recently published our last two quarterly results, which demonstrates exceptional revenue increase. These positive outcomes reinforce our confidence in the current state of our business and its promising growth prospects.

**3. How do you think the equity purchase agreement with Williamsburg Venture Holdings will contribute to your plans to become profitable? Has the decline in the stock price affected fund raising?**

The equity purchase agreement with Williamsburg Venture Holdings provides a clear access to funding (if needed) and significantly reduces any potential capital uncertainty. It has provided us with the necessary financial flexibility to confidently execute our strategies effectively.

One of our key strategic objectives is to achieve operational break-even, and we have a clear path to reaching this milestone. We have already made impressive progress in our revenue recovery, surpassing pre-pandemic levels. At the same time, we have streamlined our workforce and prioritized essential projects to reduce material costs significantly.

At the same time, the funding flexibility will allow us to continue to invest selectively in core technology. As technology drives all aspects of our business operations. In the B2C realm, we are committed to upgrading our technology to ensure seamless customer journeys. By enhancing our digital platforms and systems, we aim to deliver exceptional user experiences and meet the evolving needs of our customers.

The volatility in our share price has not deterred partners such as Williamsburg Venture Holdings from aligning themselves with us. As we engage with the investor community, we believe there are many other potential investing partners that similarly believe in our vision and that are interested in becoming partners with us.



**4. How has the worsening sentiment around China's economic outlook throughout the year impacted AGBA in terms of its revenue, profits, and overall financial performance as a growth stock?**

The Hong Kong recovery experienced a short-lived "easy recovery" phase following the reopening of the borders in Q1 2023. Since then, a global slowdown, coupled with weak external demand, has had a significant impact on Hong Kong's GDP growth. Hong Kong's GDP only increased by 1.5% in the second quarter of 2023 compared to the same period in 2022.

Given the economic environment in 1H 2023, we reluctantly decided in August 2023 to revise our 2023 budget and forecast downward to reflect the new economic reality. We now expect we will be able to deliver revenues of US\$ 104m for 2023. US\$104m of revenue is in line with revenues we experienced in the three COVID years of 2020 to 2022.

We are optimistic that the economic recovery will resume later this year. To support the economic recovery, the Hong Kong government has implemented measures and initiatives aimed at improving labor market conditions and providing support to businesses. These efforts are crucial to stimulate economic growth and navigate through the challenges posed by the ongoing global and regional economic slowdown.

As we have disclosed in the 2023 – 2026 Financial Projection – August 30, 2023 (which can be found on our website of [www.agba.com/ir](http://www.agba.com/ir)), our breakeven annual revenue is approximately US\$206m. In other words, we will make money as soon as our revenue exceeds US\$17m per month. While the delay in the economic recovery has slowed down our path to this break-even level of revenue, we are confident that we continue to be on the right track to achieve it.

**5. Can you elaborate on any upcoming strategic initiatives or partnerships that could potentially impact AGBA's share price in the future?**

While specific details may be subject to confidentiality or market sensitivities, we can provide a general overview.

One of these initiatives is the continued expansion of OnePlatform's product offering. Especially on the investment side, we are aggressively expanding our product range, which now already includes many 'alternative investment' assets ranging from private equity to global hedge funds. We expect another major announcement in this area within the next few weeks.



In addition, AGBA has engaged Atlas Merchant Capital as its strategic advisor for the forthcoming phase of expansion. Atlas Merchant Capital, led by Mr. Bob Diamond, has a wealth of experience and expertise in the financial industry. Mr. Diamond's appointment as Chairman of AGBA Board, in addition to being the Founding Partner and CEO of Atlas Merchant Capital, further solidifies the partnership. This strategic advisory relationship can provide valuable insights, guidance, and potential growth opportunities for AGBA.

In addition, AGBA is focused on expanding its global presence, which involves exploring international markets and establishing distribution channels. AGBA remains committed to pursuing opportunities that create long-term value for shareholders and closely monitoring initiatives that may influence the share price.

**6. Are there any plans to enhance the transparency and disclosure practices of AGBA to address investor concerns and potentially boost the share price?**

As part of our ongoing commitment to strong corporate governance and investor confidence, we are determined to enhance our transparency and disclosure practices. Central to this effort is providing regular and timely updates on our financial performance, growth strategies, and market developments.

We actively engage with our investors, customers and the wider public through impactful traditional media and social media campaigns, and also participation in investor conferences and organizing roadshows. These avenues enable us to present our investment case, showcase our achievements, and address any inquiries or concerns from the investment community.

The Investor Relations Team at AGBA has been diligently collecting questions during our AGBA Journey since our listing in November 2022. We update the Investor Relations FAQ on a weekly basis. For more details please visit the IR FAQ section on our website at: <https://www.agba.com/ir/investor-faqs/>



**About AGBA Group:**

Established in 1993, AGBA Group Holding Limited (NASDAQ: “AGBA”) is a leading one-stop financial supermarket based in Hong Kong offering the broadest set of financial services and healthcare products in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) through a tech-led ecosystem, enabling clients to unlock the choices that best suit their needs. Trusted by over 400,000 individual and corporate customers, the Group is organized into four market-leading businesses: Platform Business, Distribution Business, Healthcare Business, and Fintech Business.

For more information about AGBA Investor Relations, please visit [www.agba.com/ir](http://www.agba.com/ir)

**Investor Relations Contact:**

Ms. Bethany Lai  
[ir@agba.com](mailto:ir@agba.com)

**Social Media Channels:**

agbagroup  
[LinkedIn](#) | [Twitter](#) | [Instagram](#) | [Facebook](#) | [YouTube](#)