

iClick Interactive Asia Group Limited Reports Second Quarter 2018 Unaudited Financial Results

Hong Kong, August 23, 2018 (GLOBE NEWSWIRE) -- iClick Interactive Asia Group Limited (“iClick” or the “Company”) (NASDAQ: ICLK), a leading independent online marketing and data technology platform in China, today announced its unaudited financial results for the second quarter ended June 30, 2018.

Second Quarter 2018 Financial and Operational Highlights:

	Three Months Ended June 30,		Percentage change
	2017 (US\$ in thousands)	2018 (US\$ in thousands)	
	<i>(Unaudited)</i>		
Financial Metrics:			
Net revenues			
Net revenues from mobile audience solutions	24,092	37,812	56.9%
Net revenues from other solutions	5,765	4,885	(15.3%)
Total net revenues	29,857	42,697	43.0%
Adjusted EBITDA ¹	30	851	
Adjusted net loss ¹	(2,123)	(1,138)	
Diluted adjusted net loss per ADS ¹	(0.10)	(0.02)	
Operating Metrics:			
Gross billing			
Gross billing from mobile audience solutions	38,038	88,898	133.7%
Gross billing from other solutions	18,503	16,491	(10.9%)
Total gross billing	56,541	105,389	86.4%

“We are pleased to announce another quarter of strong growth and encouraging development with historical record highs in many key financial and operational metrics. During the second quarter of 2018, total gross billing and net revenues reached new highs of \$105.4 million and \$42.7 million and achieved solid organic growth by increasing 86.4% and 43.0%, respectively from the second quarter of 2017,” said Mr. Sammy Hsieh, Chief Executive Officer and Co-Founder of iClick. “During the second quarter, our mobile audience solutions continued robust growth momentum with gross billing and net revenues realizing 133.7% and 56.9% year-over-year growth. More excitingly, with our efficient operational management, our adjusted EBITDA increased significantly to \$0.85 million from \$0.03 million for the same period last year. As a result, our adjusted net loss was further narrowed during the quarter. In addition, we have announced engagements with Ctrip and Bilibili to further enrich our audience profiles, and we remained active in our international expansion by engaging with MezzoMedia, a leading digital marketing company in Korea, which set the foundation for the opening of our new Korean Office. We have also been promoting our newly launched Business Intelligence solutions to clients in industries including retail, online education, and real estate. These achievements reaffirmed our confidence in driving efficient growth for the second half of 2018 as we continue the extension of our sophisticated data technology and expand collaboration with our existing and new clients,” Mr. Hsieh concluded.

¹ For more details on these non-GAAP financial measures, please see the tables captioned “Unaudited Reconciliations of GAAP and Non-GAAP Results” set forth at the end of this press release.

Second quarter 2018 Financial and Operational Updates:

Net revenues for the second quarter of 2018 increased by 43.0% to US\$42.7 million from US\$29.9 million in the second quarter of 2017, primarily as a result of an increase in net revenues from mobile audience solutions and partially offset by a decrease in net revenues from other solutions.

Net revenues from mobile audience solutions for the second quarter of 2018 increased by 56.9% to US\$37.8 million from US\$24.1 million in the second quarter of 2017, primarily as a result of the strategic focus shifting to capture more market demand in mobile audience solutions.

Net revenues from other solutions for the second quarter of 2018 decreased by 15.3% to US\$4.9 million from US\$5.8 million in the second quarter of 2017, primarily as a result of the continued strategic shift away from other solutions.

Gross profit for the second quarter of 2018 increased by 42.6% to US\$9.9 million from US\$7.0 million in the second quarter of 2017, primarily as a result of an increase in gross profit from mobile audience solutions.

Total operating expenses increased by 20.5% to US\$11.1 million for the second quarter of 2018 from US\$9.2 million for the second quarter of 2017. The increase was primarily due to increased marketing activities and use of professional services after the Company's IPO.

Operating loss for the second quarter of 2018 was US\$1.2 million, decreased by 48.2% from US\$2.2 million during the second quarter of 2017, as a result of the above.

Net loss totaled US\$2.6 million for the second quarter of 2018, decreasing from US\$10.2 million for the second quarter of 2017. Net loss attributable to the Company's shareholders per diluted ADS was US\$0.05, compared with US\$0.40 in the second quarter of 2017.

Gross billing² reached US\$105.4 million during the second quarter of 2018, an increase of 86.4% from the second quarter of 2017, primarily as a result of significant growth in mobile audience solutions. Gross billing from mobile audience solutions was US\$88.9 million during the second quarter of 2018, an increase of 133.7% from the second quarter of 2017, as a result of clients generating larger mobile marketing spend. Gross billing from other solutions was US\$16.5 million during the second quarter of 2018, a decrease of 10.9% from the second quarter of 2017, primarily as a result of the strategic focus shifting to mobile audience solutions.

Adjusted EBITDA for the second quarter of 2018 was US\$0.85 million, compared with US\$0.03 million during the second quarter of 2017, primarily as a result of a substantial increase of the gross profit. For a reconciliation of the Company's adjusted EBITDA to net loss, its most comparable GAAP measure, please refer to "Unaudited Reconciliations of GAAP and Non-GAAP Results."

Adjusted net loss for the second quarter of 2018 attributable to the Company's shareholders, which excludes share-based compensation expenses, fair value loss on derivative liabilities, and other losses/(gains), decreased to US\$1.1 million from US\$2.1 million in the second quarter of 2017. For a reconciliation of the Company's adjusted net loss to net loss, its most comparable GAAP measure, please refer to "Unaudited Reconciliations of GAAP and Non-GAAP Results."

² Gross billing is defined as the aggregate dollar amount that clients pay the Company after deducting rebates paid and discounts given to clients.

As of June 30, 2018, the Company's cash and cash equivalents amounted to US\$26.1 million, compared with US\$19.4 million cash and cash equivalents and US\$25.0 million time deposit as of December 31, 2017.

Outlook

Based on the information available as of the date of this press release, the Company provides the following outlook:

- Net revenues are estimated to be between US\$175 million and US\$180 million for the full year 2018, representing a growth between 39.7% to 43.7% from the full year 2017.
- Gross billing is estimated to be between US\$380 million and US\$420 million for the full year 2018, representing a growth between 53.1% to 69.2% from the full year 2017.

The above outlook is based on the current market conditions and reflects the Company's preliminary estimates of market and operating conditions, and customer demand, which are all subject to change.

Conference Call

The Company's management will host an earnings conference call at 8:00 AM U.S. Eastern Time on August 23, 2018 (8:00 PM Beijing/Hong Kong time on August 23, 2018).

Dial-in details for the earnings conference call are as follows:

United States: +1-845-675-0437
International: +65-6713-5090
Hong Kong: +852-3018-6771
China: 400-620-8038
Conference ID: 2783225

Participants should dial-in at least 5 minutes before the scheduled start time and ask to be connected to the call for "iClick Interactive."

Additionally, a live and archived webcast of the conference call will be available on the Company's investor relations website at <http://ir.i-click.com>.

A replay of the conference call will be accessible approximately one hour after the conclusion of the live call until August 30, 2018, by dialling the following telephone numbers:

United States: +1-855-452-5696
International: +61-2-8199-0299
Hong Kong: 800-963-117
China: 400-632-2162
Replay Access Code: 2783225

About iClick Interactive Asia Group Limited

iClick Interactive Asia Group Limited (NASDAQ:ICLK) is an independent online marketing and data technology platform that connects worldwide marketers with audiences in China. Built on cutting-edge technologies, our proprietary platform possesses omni-channel marketing capabilities and fulfills various marketing objectives in a data-driven and automated manner, helping both international and domestic marketers reach their target audiences in China. Headquartered in Hong Kong, iClick was established in 2009, currently operating in nine locations worldwide including Asia and London.

For more information, please visit <http://ir.i-click.com>.

Non-GAAP Financial Measures

The Company uses adjusted EBITDA, adjusted net loss, and diluted adjusted net loss per ADS, each a non-GAAP financial measure, in evaluating the Company's operating results and for financial and operational decision making purposes.

The Company believes that adjusted EBITDA, adjusted net loss, and diluted adjusted net loss per ADS help identify underlying trends in the Company's business that could otherwise be distorted by the effect of the expenses and gains that the Company includes in net loss. The Company believes that adjusted EBITDA and adjusted net loss provide useful information about the Company's operating results, enhance the overall understanding of the Company's past performance and future prospects and allow for greater visibility with respect to key metrics used by the Company's management in its financial and operational decision-making.

Adjusted EBITDA, adjusted net loss, and diluted adjusted net loss per ADS should not be considered in isolation or construed as an alternative to net loss or any other measure of performance or as an indicator of the Company's operating performance. Investors are encouraged to review the historical non-GAAP financial measures to the most directly comparable GAAP measures. Adjusted EBITDA, adjusted net loss, and diluted adjusted net loss per ADS presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to the Company's data. The Company encourages investors and others to review the Company's financial information in its entirety and not rely on a single financial measure.

For more information on these non-GAAP financial measures, please see the table captioned "Unaudited Reconciliations of GAAP and Non-GAAP results" set forth at the end of this press release.

Statement Regarding Preliminary Unaudited Financial Information

The unaudited financial information set out in this press release is preliminary and subject to potential adjustments. Adjustments to the consolidated financial statements may be identified when audit work has been performed for the Company's year-end audit, which could result in significant differences from this preliminary unaudited financial information.

Safe Harbor Statement

This announcement contains forward-looking statements. These statements constitute "forward-looking" statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates," "confident" and similar statements. Such statements are based upon management's current expectations and current market and operating conditions, and relate

to events that involve known or unknown risks, uncertainties and other factors, all of which are difficult to predict and many of which are beyond the Company's control. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: the Company's fluctuations in growth; its success in implementing its mobile strategies; relative percentage of its gross billing recognized as net revenues under the gross and net models; its ability to retain existing clients or attract new ones; its ability to retain content distribution channels and negotiate favourable contractual terms; market competition, including from independent online marketing technology platforms as well as large and well-established internet companies; market acceptance of online marketing technology solutions; effectiveness of its algorithms and data engines; its ability to collect and use data from various sources; and general economic conditions in China. Further information regarding these and other risks is included in the Company's filings with the SEC. All information provided in this press release and in the attachments is as of the date of this press release, and the Company undertakes no obligation to update any forward-looking statement, except as required under applicable law.

For investor and media inquiries, please contact:

In China:

iClick Interactive Asia Group Limited

Jie Jiao

Phone: +852-3700-9065

E-mail: ir@i-click.com

The Piacente Group, Inc.

Ross Warner

Tel: +86 (10) 5730-6200

E-mail: iclick@tpg-ir.com

In the United States:

The Piacente Group, Inc.

Brandi Piacente

Tel: +1-212-481-2050

E-mail: iclick@tpg-ir.com

ICLICK INTERACTIVE ASIA GROUP LIMITED
Unaudited Condensed Consolidated Statements of Comprehensive Loss
(US\$'000, except share data and per share data, or otherwise noted, unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2018	2017	2018
Net revenues³	29,857	42,697	55,741	77,926
Cost of revenues ³	<u>(22,904)</u>	<u>(32,785)</u>	<u>(42,431)</u>	<u>(59,891)</u>
Gross profit	<u>6,953</u>	<u>9,912</u>	<u>13,310</u>	<u>18,035</u>
Operating expenses				
Research and development expenses	(1,463)	(1,482)	(3,234)	(2,877)
Sales and marketing expenses	(5,588)	(6,276)	(12,205)	(12,167)
General and administrative expenses	<u>(2,135)</u>	<u>(3,311)</u>	<u>(4,509)</u>	<u>(5,875)</u>
Total operating expenses	<u>(9,186)</u>	<u>(11,069)</u>	<u>(19,948)</u>	<u>(20,919)</u>
Operating loss	(2,233)	(1,157)	(6,638)	(2,884)
Interest expense	(141)	(133)	(286)	(154)
Other gains/(losses), net	40	(744)	7	1,336
Fair value loss on derivative liabilities	<u>(7,297)</u>	<u>—</u>	<u>(14,727)</u>	<u>—</u>
Loss before income tax expense	(9,631)	(2,034)	(21,644)	(1,702)
Income tax expenses	<u>(610)</u>	<u>(572)</u>	<u>(601)</u>	<u>(1,016)</u>
Net loss	<u>(10,241)</u>	<u>(2,606)</u>	<u>(22,245)</u>	<u>(2,718)</u>
Accretion to convertible redeemable preferred shares redemption value	(201)	—	(401)	—
Accretion to redeemable ordinary shares redemption value	<u>(427)</u>	<u>—</u>	<u>(842)</u>	<u>—</u>
Net loss attributable to iClick Interactive Asia Group Limited's ordinary shareholders	<u>(10,869)</u>	<u>(2,606)</u>	<u>(23,488)</u>	<u>(2,718)</u>
Net loss	(10,241)	(2,606)	(22,245)	(2,718)
Other comprehensive loss:				
Foreign currency translation adjustment, net of US\$nil tax	<u>(162)</u>	<u>(1,319)</u>	<u>(171)</u>	<u>(1,534)</u>
Comprehensive loss attributable to iClick Interactive Asia Group Limited	<u>(10,403)</u>	<u>(3,925)</u>	<u>(22,416)</u>	<u>(4,252)</u>
Net loss per ADS attributable to iClick Interactive Asia Group Limited				
— Basic	(0.40)	(0.05)	(0.86)	(0.05)
— Diluted	(0.40)	(0.05)	(0.86)	(0.05)
Weighted average number of ADS used in per share calculation:				
— Basic	27,242,644	52,167,588	27,233,382	52,158,106
— Diluted	<u>27,242,644</u>	<u>52,167,588</u>	<u>27,233,382</u>	<u>52,158,106</u>

³ On January 1, 2018, the Company adopted ASC 606 "Revenue from Contracts with Customers" using the modified retrospective method. The adoption did not have any impact to the accumulated deficit as of January 1, 2018. As a result of the adoption, certain rebates to marketers are presented net of revenues, as opposed to being included in cost of revenues in prior periods.

ICLICK INTERACTIVE ASIA GROUP LIMITED
Unaudited Condensed Consolidated Balance Sheets
(US\$'000, except share data and per share data, or otherwise noted, unaudited)

	As of December 31, 2017	As of June 30, 2018
Assets		
Current assets		
Cash and cash equivalents	19,401	26,096
Time deposit	25,000	—
Accounts receivable, net of allowance for doubtful receivables of US\$1,478 and US\$1,476 as of December 31, 2017 and June 30, 2018, respectively	40,798	67,829
Rebates receivable	1,334	1,825
Prepaid media costs	37,784	19,377
Other current assets	3,107	2,741
Income tax receivable	3	-
Total current assets	<u>127,427</u>	<u>117,868</u>
Non-current assets		
Deferred tax assets	850	850
Property and equipment, net	1,165	653
Intangible assets, net	10,600	8,513
Goodwill	48,496	48,496
Other assets	284	643
Total non-current assets	<u>61,395</u>	<u>59,155</u>
Total assets	<u>188,822</u>	<u>177,023</u>
Liabilities, mezzanine equity and shareholders' equity		
Current liabilities		
Accounts payable (including accounts payable of the consolidated variable interest entity ("VIE") and its subsidiary without recourse to the Company of US\$29 as of December 31, 2017 and June 30, 2018, respectively)	3,904	4,692
Deferred revenue (including deferred revenue of the consolidated VIE and its subsidiary without recourse to the Company of US\$5,986 and US\$2,767 as of December 31, 2017 and June 30, 2018, respectively)	33,037	26,492
Accrued liabilities and other current liabilities (including accrued liabilities and other current liabilities of the consolidated VIE and its subsidiary without recourse to the Company of US\$804 and US\$374 as of December 31, 2017 and June 30, 2018, respectively)	16,129	11,631
Bank borrowings	10,486	10,443
Income tax payable	2,123	3,608
Total current liabilities	<u>65,679</u>	<u>56,866</u>
Non-current liability		
Deferred tax liabilities	3,159	2,611
Total non-current liability	<u>3,159</u>	<u>2,611</u>
Total liabilities	<u>68,838</u>	<u>59,477</u>

	As of December 31, 2017	As of June 30, 2018
Shareholders' equity		
Ordinary shares – Class A (US\$0.001 par value; 80,000,000 shares authorized as of December 31, 2017 and June 30, 2018, respectively; 21,238,825 and 21,327,628 shares issued and outstanding as of December 31, 2017 and June 30, 2018, respectively)	21	21
Ordinary shares – Class B (US\$0.001 par value; 20,000,000 shares authorized as of December 31, 2017 and June 30, 2018, respectively; 4,820,608 shares issued and outstanding as of December 31, 2017 and June 30, 2018, respectively)	5	5
Treasury shares (2,123,382 shares and 2,034,579 shares as of December 31, 2017 and June 30, 2018, respectively)	(2,093)	(806)
Additional paid-in capital	274,294	274,820
Statutory reserves	81	82
Accumulated other comprehensive losses	(3,320)	(4,854)
Accumulated deficit	<u>(149,004)</u>	<u>(151,722)</u>
Total shareholders' equity	<u>119,984</u>	<u>117,546</u>
Total liabilities and shareholders' equity	<u>188,822</u>	<u>177,023</u>

ICLICK INTERACTIVE ASIA GROUP LIMITED
Unaudited Reconciliations of GAAP and Non-GAAP Results

Adjusted EBITDA represents net loss before (i) depreciation and amortization, (ii) interest expense, (iii) income tax expenses, (iv) share-based compensation, (v) fair value loss on derivative liabilities, and (vi) other (gains)/ losses, net.

The table below sets forth a reconciliation of the Company's adjusted EBITDA to net loss for the periods indicated:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2018	2017	2018
<i>(Unaudited)</i>				
Net loss	(10,241)	(2,606)	(22,245)	(2,718)
Add / (less):				
Depreciation and amortization	1,402	1,284	2,834	2,646
Interest expense	141	133	286	154
Income tax expenses	610	572	601	1,016
EBITDA	<u>(8,088)</u>	<u>(617)</u>	<u>(18,524)</u>	<u>1,098</u>
Add / (less):				
Share-based compensation	861	724	1,923	1,498
Fair value loss on derivative liabilities	7,297	—	14,727	—
Other (gains)/ losses, net	(40)	744	(7)	(1,336)
Adjusted EBITDA	<u>30</u>	<u>851</u>	<u>(1,881)</u>	<u>1,260</u>

Adjusted net loss represents net loss before (i) share-based compensation, (ii) fair value loss on derivative liabilities, and (iii) other (gains)/losses, net.

The table below sets forth a reconciliation of the Company's adjusted net loss to net loss for the periods indicated:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2018	2017	2018
<i>(Unaudited)</i>				
Net loss	(10,241)	(2,606)	(22,245)	(2,718)
Add / (less):				
Share-based compensation	861	724	1,923	1,498
Fair value loss on derivative liabilities	7,297	—	14,727	—
Other (gains)/ losses, net	<u>(40)</u>	<u>744</u>	<u>(7)</u>	<u>(1,336)</u>
Adjusted net loss	<u>(2,123)</u>	<u>(1,138)</u>	<u>(5,602)</u>	<u>(2,556)</u>

The basic and diluted adjusted net loss per ADS for the periods indicated are calculated as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2018	2017	2018
<i>(Unaudited)</i>				
Numerator:				
Adjusted net loss	(2,123)	(1,138)	(5,602)	(2,556)
Accretion to convertible redeemable preferred shares redemption value	(201)	—	(401)	—
Accretion to redeemable ordinary shares redemption value	<u>(427)</u>	<u>—</u>	<u>(842)</u>	<u>—</u>
	<u>(2,751)</u>	<u>(1,138)</u>	<u>(6,845)</u>	<u>(2,556)</u>
Denominator:				
Denominator for basic and diluted net loss per ADS				
- weighted average ADS outstanding	<u>27,242,644</u>	<u>52,167,588</u>	<u>27,233,382</u>	<u>52,158,106</u>
Basic adjusted net loss per ADS	<u>(0.10)</u>	<u>(0.02)</u>	<u>(0.25)</u>	<u>(0.05)</u>
Diluted adjusted net loss per ADS	<u>(0.10)</u>	<u>(0.02)</u>	<u>(0.25)</u>	<u>(0.05)</u>