

WeTrade Group Inc. Reports Third Quarter 2021 Unaudited Financial Results

BEIJING, Nov. 22, 2021 /PRNewswire/ -- WeTrade Group Inc. ("Wetrade" or the "Company") (US: WETG), an emerging growth company engaged in the business of providing software-as-a-services (SAAS) and cloud intelligent systems for micro-businesses, today reports its unaudited financial results for the third quarter ended September 30, 2021.

Mr. Pijun Liu, Chief Executive Officer of Wetrade, commented, "With the cost of public domain traffic continues to rise, seek maximizing inventory value has become a natural choice for merchants to achieve the growth of private domain user pool and user repurchase rate. Wetrade is helping micro-business merchants to solve this issue. For the third quarter of 2021, the Company's performance still maintained a momentum of growth, which demonstrated the correctness of the Company's corporate strategy. Looking forward, the Company expects to continue leveraging the dual drive force of technological innovation and talent strategy to further realize breakthroughs and innovations in the field of e-commerce retail SAAS, as well as promote the sustainable development of capabilities for the corporate services."

Mr. Kean Tat Che, Chief Financial Officer of Wetrade, commented, "We continued to see sustained growth pathway in the third quarter by achieving 128.6% year-over-year top-line growth and 90.3% year-over-year bottom-line growth. The robust growth of our key metrics is driven by our continued efforts of implementing corporate strategy. Reinforcing our competitive advantages of SAAS services and cloud intelligent systems for micro-businesses is pivotal to our continuing success in light of the dynamic business environment and pressures from the current macroeconomic uncertainties. Going forward, we will continue to serve our customers by offering them innovative and quality products and services and we believe our strategic actions will be validated by our customers."

Third Quarter of 2021 Financial Results

(\$ millions, except per share data)	For the Three Months Ended September 30,		
	2021	2020	% Change
Revenue	4.60	2.01	128.6%
Gross Profit	2.49	1.58	57.4%
Gross Margin	54.2%	78.7%	-24.5pp*
Operations Profit	1.45	1.18	23.5%
Net Income	1.41	0.74	90.3%
Earnings Per Share	0.01	0.00	NM

*Notes: pp represents percentage points

Revenue

Total revenue were \$4.60 million and \$2.01 million from services revenue from customers and related party for the three months ended September 30, 2021 and 2020, respectively, the increase was mainly due to the service revenue generated from new customers during the period.

Cost of Revenue

Cost of revenue was \$2.11 million for the three months ended September 30, 2021, compared with \$0.43 million for the same period of last year. The increase was in line with the increase in revenue and was mainly due to more staffs were recruited during the period.

Gross profit and gross margin

Gross profit increased by \$0.91million, or 57.4% to \$2.49 million for the three months ended September 30, 2021, from \$1.58 million for the same period of last year.

Gross margin was 54.2% for the three months ended September 30, 2021, compared with 78.7% for the same period of last year.

Operations Profit

General and administrative expenses increased by \$0.63 million, or 155.3%, to \$1.04 million for the three months ended September 30, 2021, from \$0.41 million for the same period of last year. The increase was mainly due to increase in the payroll expenses as a result of new staffs were recruited for software development during the period as compared to no such software development in prior period.

Operations profit increase by \$0.27 million, or 23.5% to \$1.45 million for the three months ended September 30, 2021, from \$1.18 million for the same period of last year.

Net Income

Net income increased by \$0.67 million, or 90.3% to \$1.41 million for the three months ended September 30, 2021, from \$0.74 million for the same period of last year. Basic and diluted earnings per share was 0.01 for the three months ended September 30, 2021, compared with nil for the same period of last year.

Nine months ended September 30, 2021 Financial Results

(\$ millions, except per share data)	For the Nine Months Ended September 30,		
	2021	2020	% Change
Revenue	11.26	2.89	289.9%
Gross Profit	8.82	2.37	271.7%
Gross Margin	78.3%	82.2%	-3.9pp*
Operations Profit	4.12	1.76	134.9%
Net Income	3.90	1.31	198.7%
Earnings Per Share	0.01	0.00	NM

*Notes: pp represents percentage points

Revenue

Total revenue were \$11.26 million and \$2.89 million from service revenue from customers and related party for the nine months ended September 30, 2021 and 2020, respectively, the increase was mainly due to the service revenue generated from new customers during the period.

Cost of Revenue

Cost of revenue was \$2.44 million for the nine months ended September 30, 2021, compared with \$0.52 million for the same period of last year. The increase was in line with the increase in revenue and was mainly due to more staffs were recruited during the period.

Gross profit and gross margin

Gross profit increased by \$6.45 million, or 271.7% to \$8.82 million for the nine months ended September 30, 2021, from \$2.37 million for the same period of last year.

Gross margin was 78.3% for the nine months ended September 30, 2021, compared with 82.2% for the same period of last year.

Operations Profit

General and administrative expenses increased by \$4.08 million, or 660.8%, to \$4.70 million for the nine months ended September 30, 2021, from \$0.62 million for the same period of last year. The increase was mainly due to increase in the payroll expenses as a result of new staffs were recruited for software development during the period as compared to no such software development in prior period.

Operations profit increased by \$2.36 million, or 134.9% to \$4.12 million for the nine months ended September 30, 2021, from \$1.76 million for the same period of last year.

Net Income

Net income increased by \$2.59 million, or 198.7% to \$3.90 million for the nine months ended September 30, 2021 from \$1.31 million for the same period of last year. Basic and diluted earnings per share was 0.01 for the nine months ended September 30, 2021, compared with nil for the same period of last year.

Financial Condition

As of September 30, 2021, the Company had cash and cash equivalents for \$1.40 million, compared to \$4.64 million as of December 31, 2020. Net cash used in operating activities was \$2.81 million for the period ended September 30, 2021, compared to \$1.04 million for the same period of last year. Net cash used in investing activities was \$0.14 million for the period ended September 30, 2021, compared to nil for the same period of last year. Net cash provided by financing activities was nil for the period ended September 30, 2021, compared to \$0.84 million for the same period of last year.

About WeTrade Group Inc.

WeTrade Group Inc. is a world's leading technical service provider of SAAS and Cloud Intelligent System for micro-businesses, and is a pioneering internationalized system in the global micro-business cloud intelligence field and the leader, innovator and promoter of the world's cloud intelligent system for micro-businesses. WeTrade Group independently developed the cloud intelligent system for micro-businesses (Abbreviation: YCloud). YCloud can strengthen users' marketing relationship and CPS commission profit management through leading technology and big data analysis. It also can help increase the payment scenarios to increase customers' revenue by multi-channel data statistics, AI fission and management as well as improved supply chain system. Up to now, YCloud's business has successfully landed in mainland China and Hong Kong, covering the micro business industry, tourism industry, hospitality industry, livestreaming and short video industry, aesthetic medical industry and traditional retail industry. For more information, please visit <https://ir.wetg.group>.

Forward-Looking Statements

This press release contains information about the Company's view of its future expectations, plans and prospects that constitute forward-looking statements. Actual results may differ materially from historical results or those indicated by these forward-looking statements as a result of a variety of factors including, but not limited to, risks and uncertainties associated with its ability to raise additional funding, its ability to maintain and grow its business, variability of operating results, its ability to maintain and enhance its brand, its development and introduction of new products and services, the successful integration of acquired companies, technologies and assets into its portfolio of products and services, marketing and other business development initiatives, competition in the industry, general government regulation, economic conditions, dependence on key personnel, the ability to attract, hire and retain personnel who possess the technical skills and experience necessary to meet the requirements of its clients, and its ability to protect its intellectual property. The Company's encourages you to review other factors that may affect its future results in the Company's annual reports and in its other filings with the Securities and Exchange Commission.

WETRADE GROUP INC BALANCE SHEETS

(All amounts shown in U.S. Dollars)	September 30, 2021 (unaudited)	December 31, 2020
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 1,395,025	\$ 4,640,603
Accounts Receivables	6,680,260	2,609,520
Note receivable	3,713,228	3,097,981
Other receivables	39,242	5,771
Prepayments	2,941,094	61,707
Total current assets	<u>14,768,849</u>	<u>10,415,582</u>
Non current Assets:		
Property and equipment, net	138,339	-
Right of use assets	2,436,890	2,813,186
Intangible asset, net	41,841	49,029
Rental deposit	268,225	264,910
Total non-current assets	<u>2,885,295</u>	<u>3,127,125</u>
Total Assets:	<u>\$ 17,654,144</u>	<u>\$ 13,542,707</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Account payables	226,850	8,176
Accrued expenses	172,086	263,355
Tax payables	150,709	828,695
Amount due to related parties	668,501	416,500
Lease liabilities, current	569,060	569,865
Other payables	851,195	90,633
Total Current Liabilities	<u>2,638,401</u>	<u>2,177,224</u>
Lease liabilities, non current	2,087,480	2,471,598
Total Liabilities	<u>\$ 4,725,881</u>	<u>\$ 4,648,822</u>
Stockholders' Equity:		
Common Stock; \$0.00 per share par value; 305,451,498 issued and outstanding at September 30, 2021 and December 31, 2020	-	-
Additional Paid in Capital	6,057,520	6,057,520
Accumulated other comprehensive income	708,728	578,735
Retained Earning	6,162,015	2,257,630
Total Stockholders' Equity	<u>\$ 12,928,263</u>	<u>\$ 8,893,885</u>
Total Liabilities and Stockholders' Equity	<u>\$ 17,654,144</u>	<u>\$ 13,542,707</u>

STATEMENTS OF OPERATIONS
Unaudited

	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue:				
Service revenue, related party	\$ -	\$ 1,493,829	\$ -	\$ 2,370,192
Service revenue	4,598,675	518,269	11,262,491	518,269
Total service revenue	<u>4,598,675</u>	<u>2,012,098</u>	<u>11,262,491</u>	<u>2,888,461</u>
Cost of revenue	(2,105,116)	(427,647)	(2,441,883)	(515,195)
Gross Profit	<u>2,493,559</u>	<u>1,584,451</u>	<u>8,820,608</u>	<u>2,373,266</u>
Operating expenses				
General and administrative expense	\$ 1,039,081	\$ 407,067	\$ 4,695,727	\$ 617,216
Total operating expenses	<u>(1,039,081)</u>	<u>(407,067)</u>	<u>(4,695,727)</u>	<u>(617,216)</u>
Profit from operations	<u>1,454,478</u>	<u>1,177,384</u>	<u>4,124,881</u>	<u>1,756,050</u>
Other revenue	59,902	38,939	258,501	39,060
Profit before provision for income taxes	<u>1,514,380</u>	<u>1,216,323</u>	<u>4,383,382</u>	<u>1,795,110</u>
Income tax provision	(104,109)	(475,431)	(478,997)	(487,984)
Net income	<u>\$ 1,410,271</u>	<u>\$ 740,892</u>	<u>\$ 3,904,385</u>	<u>\$ 1,307,126</u>
Comprehensive income				
Net income	\$ 1,410,271	\$ 740,892	\$ 3,904,385	\$ 1,307,126
Other comprehensive income				
Foreign currency translation adjustment	9,828	244,292	129,993	183,673
Total comprehensive income	<u>\$ 1,420,099</u>	<u>\$ 985,184</u>	<u>\$ 4,034,378</u>	<u>\$ 1,490,799</u>
Earning per share, basic and diluted	<u>\$ 0.01</u>	<u>\$ 0.00</u>	<u>\$ 0.01</u>	<u>\$ 0.00</u>
Weighted-average shares outstanding, basic and diluted*	<u>305,451,498</u>	<u>302,721,999</u>	<u>305,451,498</u>	<u>301,888,665</u>

*Share and per share amounts have been retroactively adjusted to reflect the increased number of shares resulting from a 1:3 stock split.

WETRADE GROUP INC
STATEMENTS OF CASH FLOWS

	For the Period September 30, 2021	From the period September 30, 2020
	(unaudited)	(unaudited)
Cash Flows from Operating Activities:		
Net Income	\$ 3,904,385	\$ 1,307,126
Adjustment to reconcile net income to cash flows from operating activities:		
Amortization of intangible asset	7,807	-
Changes in Operating Assets and Liabilities:		
Trade receivables, related party	-	(478,679)
Trade receivables, third party	(4,031,797)	(549,365)
Note receivable	(609,770)	-
Other receivables	766,002	(275,629)
Prepayments	(2,750,419)	(206,845)
Amount due to related parties	252,000	(1,560,020)
Intangible assets	-	(76,980)
Accounts payables	218,232	-
Accrued expenses	56,445	187,839
Right of use assets	411,515	(2,824,106)
Lease liabilities	(422,999)	2,878,801
Other payables	(610,232)	555,248
Net Cash Used in Operating Activities:	<u>\$ (2,808,831)</u>	<u>\$ (1,042,610)</u>
Cash flow from investing activity:		
Office equipment	(138,124)	-
Net cash provided by investing activity:	<u>(138,124)</u>	<u>-</u>
Cash flow from financing activities:		
Share issued for cash	-	835,500
Net cash provided by financing activities:	<u>-</u>	<u>835,500</u>
Effect of exchange rate changes on cash	(298,623)	403,517
Change in Cash and Cash Equivalents:	<u>(3,245,578)</u>	<u>196,407</u>
Cash and Cash Equivalents, Beginning of Period	\$ 4,640,603	\$ 6,591,128
Cash and Cash Equivalents, End of Period	<u>\$ 1,395,025</u>	<u>\$ 6,787,535</u>

Supplemental Cash Flow Information:

Cash paid for interest

\$ 1,078,125

-

\$

-

-

SOURCE WeTrade Group Inc.

For further information: Ascent Investor Relations LLC, Tina Xiao, +1-917-609-0333, tina.xiao@ascent-ir.com

<https://ir.wetg.group/2021-11-22-WeTrade-Group-Inc-Reports-Third-Quarter-2021-Unaudited-Financial-Results>