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LiveWorld Reports Second Quarter Financial Results

- ***-Innovative Healthcare Digital Marketing Agency Delivers 14 Consecutive Quarters of Growth***

Campbell, California and New York City – August 9, 2023 – LiveWorld, Inc. (OTC Markets: LVWD), today announced financial results for the second quarter of 2023.

Q2 2023 Financial and Business Highlights

- Total revenues of \$3.1 million, up 13% year-over-year
- Healthcare revenues of \$2.7 million, up 13% year-over-year
- Net income from operations of \$164,000, or 5% of revenues
- Cash increased by \$1.2 million to \$5.0 million from December 31st 2022
- Recognized as top performing healthcare digital agency in North America by MM+M

Management Commentary

“Our second quarter results demonstrate that we are continuing to deliver valuable solutions to our clients, primarily in the healthcare arena, as well as expanding our client base,” said Peter Friedman, Chairman and CEO, LiveWorld. “We’ve just achieved reaching the MM&M (Medical Marketing + Media) annual list of the top 100 healthcare agencies by revenue. This recognition is prestigious in its own right and reflects that our core offerings, social media expertise creative campaigns, and compliance implementation, are being sought out by healthcare industry leaders, including pharmaceutical, medical device, and hospital companies.”

“We ended our second quarter of operations marking our 14th consecutive quarter over quarter revenue growth, while continuing to generate healthy profits and cash from operations,” remarked David Houston, Chief Financial Officer of LiveWorld. “We not only saw an increase in our top line revenue, we also experienced increases across the board growth in our creative services, moderation, and SaaS software license revenue. For the second half of 2023, we anticipate continued revenue growth while maintaining our profitability.”

Financial Review for the Three and Six Months Ended June 30, 2023

Total revenues were approximately \$3.1 million for the three months, as compared to the approximately \$2.7 million in total revenues reported for the same period in 2022. This was an increase of approximately \$345,000 or 13% when compared to the three months of 2022.

Total revenues were approximately \$5.8 million for the six months, as compared to the approximately \$5.2 million in total revenues reported for the same period in 2022. This was an increase of approximately \$642,000 or 12% when compared to the six months of 2022.

The company reported net income for the second quarter of approximately \$164,000 or 5% of total revenues. This compares to net income of approximately \$139,000 or 5% of total revenues reported for the second quarter of 2022.



The company reported net income for the six months of 2023 of approximately \$298,000 or 5% of total revenues. This compares to net income of approximately \$261,000 or 5% of total revenues reported for the six months of 2022.

The company finished the second quarter with approximately \$5.0 million in cash and cash equivalents, and approximately \$3.8 million compared to the end of 2022.

Detailed financial information may be downloaded at www.liveworld.com/ir (LiveWorld's Investor Relations page) or at www.otcmartets.com.

About LiveWorld

LiveWorld is a full-service, digital agency with deep social, creative, and compliance expertise that helps companies spark emotional connections, build stronger customer relationships, and drive behavior change. We operate at the intersection of bold creative rooted in strategy that captivates and resonates, social engagement that activates human interactions, and compliance to streamline processes, enabling innovative programs.

With over 27 years of making connections, we leverage our social media DNA and technology prowess to deliver emotion-driven behavior change through digital campaigns with a human touch. LiveWorld clients include the number one brands in pharmaceuticals, healthcare, and financial-travel services. LiveWorld is headquartered in Campbell, California, with an additional office in New York City. Learn more at www.liveworld.com and [@LiveWorld](https://twitter.com/LiveWorld).

"Safe Harbor" Statement Under The Private Securities Litigation Reform Act

This press release may contain forward-looking information concerning LiveWorld plans, objectives, future expectations, forecasts and prospects. These statements may include those regarding LiveWorld's current or future financial performance including but not limited to lists of clients, revenue and profit, use of cash, investments, relationships and the actual or potential impact of stock option expense, and the results of its product development efforts. Actual results may differ materially from those expressed in the forward- looking statements made as a result of, among other things, final accounting adjustments and results, LiveWorld's ability to attract new clients and preserve or expand its relationship with existing clients, LiveWorld's ability to retain and attract high quality employees, including its management staff, the ability to deliver new innovative products in a timely manner, changing accounting treatments, and other risks applicable to the Company. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof, and the Company undertakes no obligation to update these forward-looking statements to reflect subsequent events or circumstances.

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LIVEWORLD, INC.
UNAUDITED CONDENSED BALANCE SHEETS
(In thousands, except share data)

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
ASSETS		
Current assets		
Cash and cash equivalent	\$ 4,962	\$ 3,801
Accounts receivable, net	2,107	2,583
Prepaid expenses	243	180
Total current assets	7,312	6,564
Property and equipment, net	48	43
Other assets	26	26
Total assets	\$ 7,386	\$ 6,633
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 330	\$ 203
Accrued employee expenses	598	791
Other accrued liabilities	91	52
Deferred revenue	1,690	1,326
Total current liabilities	2,709	2,372
Total liabilities	2,709	2,372
Stockholders' equity		
Common stock: \$0.001 par value, 100,000,000 shares authorized 45,633,442 issued and outstanding as of June 30, 2023 and December 31, 2022 respectively	34	34
Additional paid-in capital	144,001	143,883
Accumulated deficit	(139,358)	(139,656)
Total stockholders' equity	4,677	4,261
Total liabilities and stockholders' equity	\$ 7,386	\$ 6,633

LIVEWORLD, INC.
CONDENSED STATEMENT OF OPERATIONS
(In thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Total revenues	\$ 3,070	\$ 2,725	\$ 5,818	\$ 5,176
Cost of revenues	1,477	1,294	2,793	2,532
Gross Margin	1,593	1,431	3,025	2,644
Operating Expense				
Product development	272	243	531	445
Sales and marketing	451	391	881	792
General and administrative	606	609	1,213	1,091
Total operating expense	1,329	1,243	2,625	2,328
Income / (loss) from operations	264	188	400	316
Income / (loss) before tax	264	188	400	316
Other Income / Expense	1	-----	2	-----
Provision for income taxes	101	49	104	55
Net income / (loss)	164	139	298	261
Basic income / (loss) per share	\$ 0.00	\$ 0.00	\$ 0.01	\$ 0.01
Shares used in computing basic loss per share	45,633,442	45,633,442	45,633,442	45,633,442
Diluted net income (loss) per share	\$ 0.00	\$ 0.00	\$ 0.01	\$ 0.00
Shares used in computing diluted income (loss) per share	64,633,442	62,373,776	64,633,442	62,373,776
Departmental allocation of stock-based compensation:				
Cost of revenues	\$ 15	\$ 12	\$ 29	\$ 21
Product development	3	3	7	4
Sales and marketing	8	7	16	11
General and administrative	34	24	67	36
Total stock-based compensation	\$ 60	\$ 46	\$ 119	\$ 72

LIVEWORLD, INC.
CONDENSED STATEMENTS OF CASH FLOWS
(In thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Cash flows from operating activities:				
Net income (loss)	\$ 164	\$ 139	\$ 298	\$ 261
Adjustments to reconcile net income (loss) provided by (used in) operating activities:				
Depreciation of long-lived assets	8	6	15	12
Stock-based compensation	60	46	119	72
Changes in operating assets and liabilities:				
Accounts receivable	575	175	476	(703)
Other assets	46	153	(64)	(80)
Accounts payable	82	237	127	316
Accrued liabilities	87	(99)	(154)	(363)
Deferred revenue	(436)	(31)	364	494
Net cash provided by (used in) operating activities	586	626	1,181	9
Cash flows from investing activities:				
Purchase of property and equipment	(16)	(10)	(20)	(12)
Net cash provided by (used in) investing activities	(16)	(10)	(20)	(12)
Cash flows from financing activities:				
Proceeds from exercise of stock options	-----	-----	-----	-----
Net cash provided by (used for) financing activities	-----	-----	-----	-----
Change in cash and cash equivalent	570	616	1,161	(3)
Cash and cash equivalents, beginning of period	4,392	2,932	3,801	3,551
Cash and cash equivalents, end of period	\$ 4,962	\$ 3,548	\$ 4,962	\$ 3,548
Supplemental disclosure of non-cash financing and investing activities:				
Income taxes paid	\$ 101	\$ 49	\$ 104	\$ 55