



IMMEDIATE RELEASE

Vividthree reports FY2021 Fiscal Performance; Reflects the Lingered Impacts Caused by the COVID-19 Pandemic

Singapore, 25 May 2021 - Vividthree Holdings Ltd. (SGX: OMK) (“Vividthree”, the “Company”, or together with its subsidiaries, the “Group”), a diversified entertainment company across the Digital Entertainment chain, today announced its financial results for the financial year ended 31 March 2021 (“FY2021”).

As the pandemic continues to create disruptions across the global economy, Vividthree is actively adapting measures to navigate in the current environment. The Group’s fiscal performance in both the Post-production and Content Production continue to be affected by factors beyond its control, including the impact of border closures and venues restrictions.

Whilst the Group reported net loss of \$4.51 million and Loss Before Interest, Tax, Depreciation and Amortisation (“LBITDA”) of \$2.63 million, the Group registered a positive operating cashflow of \$0.73 million in the current financial year.

Financial Highlights

\$'000	FY2021	FY2020	Y-o-Y change
<i>Revenue</i>	2,027	6,137	-67.0%
<i>Gross profit/ (loss)</i>	(1,630)	2,055.6	-179.3%
<i>Gross profit/ (loss) margin (%)</i>	-80.4%	33.5%	
<i>Net loss</i>	(4,506)	(760)	492.8%

FY2021 revenue declined 67.0% year-on-year to \$2.03 million on lower Post-Production and Content Production revenue. Post-Production revenue declined 43.6% year-on-year to S\$1.99 million, due to lesser projects completed as compared to the previous financial year. Content Production revenue, which includes events and immersive tour show projects was hit harder by

the COVID-19 pandemic due to the control measures implemented in the countries which the Group operates in and recorded a revenue of \$41,640 in FY2021 as compared to \$2.62 million in FY2020. Consequently, the Group recorded a gross loss of \$1.63 million after taking into account recurring fixed costs and direct staff costs. The Group's financial performance was also affected by an increase in amortisation costs of \$0.79 million with the acquisition of intangible assets during the financial year, as well as the provision for expected credit losses of S\$1.30 million on financial assets attributable to debtors for outdoor show related projects that were affected by the COVID-19 pandemic. Finance expenses also increased by \$0.16 million mainly due to an increase in bank borrowings. This was partially offset by a decrease in administrative expenses by 16.3% year-on-year to \$2.39 million as the Group implemented some cost-saving measures. For FY2021, the Group recorded a net loss of \$4.51 million for the year ended 31 March 2021.

Business Outlook

Due to COVID-19 related disruptions, V&N Entertainment Pte. Ltd., the Group's joint venture with Quebec Leisure International Pte Ltd (Quebec), the events and entertainment arm of NTUC Club have to postpone their plans. Nevertheless, the Group continues to explore various means to improve its performance and capabilities. In February 2021, during the Chinese New Year period, the Group received very positive feedback for its 3D visual portrayal of the realistic golden bull charge project at Pavilion KL, which has helped to generate several new project opportunities.

Managing Director of Vividthree, Mr Charles Yeo said, ***"It has been more than a year since COVID-19 wreaked havoc on the economy, adversely impacting businesses across most industries to different degrees. Vividthree has not been spared, and we have to stay resilient and position ourselves for the eventual recovery. We will adapt to the evolving landscape to successfully implement our long-term strategy and build on our strengths to develop new exciting projects. The immersive positive feedback that we have received for our '3D golden-bull charge' Project at Pavilion KL is a great validation of the Group's expertise in the creation of special effects and computer-generated imagery. We will continue to work to create and produce exceptional projects for our customers and audiences."***

Riding on the positive momentum of the project, the Group expects Post-Production to be its primary source of income till the COVID-19 pandemic is effectively contained and will focus on securing more projects around the region. This includes the co-production of two local animation projects with Mirage works—Tiga Adiwira and Panic Room, which was announced on 12

November 2020. Tiga Adiwira is Malaysia's first time travel animated film, where three rivals in silat are transported to a different world in another dimension and must fight off the evil forces to rebuild peace in their world. Panic Room is an adaptation of the highly popular thriller web comic by workbox Studio, which has gained over 1.5 million views.

For Content Production, the Group will actively take part in various projects where it is permitted by the local authorities. On 19 September 2020, the Group inaugurated The Beethoven Experience 《真情无界：纪念贝多芬诞辰 250周年声音交互艺术体验大展》 at the Shanghai Concert Hall in China. This exhibition is co-presented with UnUsUaL Entertainment Pte Ltd, in partnership with global IP owners, Dezign Format Pte. Ltd. and the Metropolitan Festival Orchestra, and is an exhibition celebrating the 250th anniversary of the birth of Beethoven. The exhibition will tour around other China provinces, with safety measures in place. The Group will also continue to build on its portfolios of IPs by sourcing for quality content from renowned creators such as Darkbox Studios, to prepare not only for the eventual recovery of our Content Production segment but also for the development of our online digital platform, ComicVid.

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About Vividthree Holdings Ltd.

Headquartered in Singapore with subsidiaries in Malaysia and China, Vividthree Holdings Ltd. specialises in Visual Effects ("VFX"), animation and Virtual Reality ("VR") for content creation and services across the Digital Entertainment and Out-of-Home Entertainment sectors, as well as collaborations in Meetings, Incentives, Conferences, Exhibitions ("MICE") projects.

Since its establishment in 2006, Vividthree has secured its position as Singapore's leading 3D animation and VFX studio with its multi-award-winning track record. In 2017, the Company expanded into the immersive media space with virtual reality (VR) and augmented reality (AR) capabilities. The Vividthree brand of excellence can be found in many works, including Singapore's box-office breaking trilogy Ah Boys to Men, SG50 Future of Us Exhibition, NS50 Home Team parade and Train to Busan VR Tour show.

More recently, Vividthree has announced securing the exclusive rights to develop a VR tour show for *Peninsula*, the sequel to the 2016 Korean box office hit, Train to Busan, the proposed acquisition of popular web comic, *Silent Horror*, as well as signed a MOU to develop the *Doraemon Experience Show* based on the popular Japanese manga series of the same name.

Vividthree is a subsidiary of SGX Mainboard-listed mm2 Asia Ltd. (SGX Stock Code: 1B0), producer of film, television and online content. In September 2018, Vividthree debuted on the SGX Catalist board (SGX Stock Code: OMK)

For more information on Vividthree Holdings: <https://www.vividthreeholdings.com>

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