



IMMEDIATE RELEASE

**Vividthree Reports 54% Jump in 1HFY2023 Revenue;
Post-Production Continue to be the Key Revenue Contributor
to the Group**

Singapore, 13 November 2022 - Vividthree Holdings Ltd. (SGX: OMK) (“Vividthree”, the “Company”, or together with its subsidiaries, the “Group”), a diversified entertainment group across the Digital Entertainment chain, today announced its financial results for the half-year ended 30 September 2022 (“1HFY2023”).

1HFY2023 Performance

\$'000	1HFY2023	1HFY2022	Y-o-Y improvement
Revenue	1,830.8	1,191.7	+53.6%
Gross profit/ (loss)	437.8	(574.2)	N.M
Gross profit/ (loss) margin	23.9%	(48.2%)	
Net (loss)/profit	(1,335.1)	(1,806.0)	+26.1%
EBITDA¹ and before unrealised foreign exchange losses	(372.7)	(918.6)	+59.4%

¹ Earnings before interest, tax, depreciation, amortisation (“EBITDA”) and unrealised foreign exchange losses

1HFY2023 revenue grew 53.6% y-o-y to S\$1.8 million on a continued recovery in the post-production segment. The growth in post-production segment was driven by increased activity in post-production works.

For the first time since the impact of COVID-19, gross profit turned positive to S\$0.4 million in 1HFY2023 from a gross loss of S\$0.6 million in 1HFY2022, thus achieving a gross profit margin of 23.9%. This is mainly due to better project margins and lower amortisation expense from Group’s participation in projects.

Administrative expenses decreased 2.3% to S\$1.4 million from the previous corresponding period mainly due to lower depreciation in right-of-use. Excluding depreciation and amortisation, the administrative expenses remained relatively stable in 1HFY2023.

The Group narrowed its negative EBITDA-and-before unrealised foreign exchange to S\$0.4 million in 1HFY2023, from negative EBITDA of S\$1.0 million in 1HFY2022.

As a result of an improved operating environment, the Group narrowed its net loss by 26.1% y-o-y to S\$1.3 million in 1HFY2023.

The Group's balance sheet remains healthy, with aging trade receivables reducing significantly by 63.6% to S\$1.0 million in 1HFY2023, from S\$2.8 million in FY2022. Net gearing remains relatively stable at 28.1% in 1HFY2023.

Commenting on the Group's 1HFY2023 results, Group CEO of Vividthree, Mr Jonathan Zhang said, ***“With an improved operating environment, we are pleased to report continued recovery in financials for 1HFY2023 with increased project activities from post-production and 3D commercial advertisement. We will continue to work on our roadmap to recovery and take the right steps to scale, innovate, and grow our business in the years ahead.”***

Business Outlook

The Group is cautiously optimistic about its continued recovery in the post-production segment. Client interests in the Content Production business have improved meaningfully after the further easing of social distancing measures in August 2022. The Group is still in preliminary discussions with clients as the industry is taking a measured approach to crystallise its pipeline.

Going forward, the Group will step up its efforts through strategic acquisitions of complementary businesses to bolster its services and product offerings. In addition, the Group will accelerate its presence in its online digital platforms and digital assets and infrastructure.

Group CEO of Vividthree, Mr Jonathan Zhang said, ***“We have been encouraged by the healthy emerging trends in the content marketing space. As we start to get past the impact of the COVID-19 pandemic, we hope to capture the rising demand for sophisticated content production services, generate new value propositions as well as business models and enhance the long-term durability of our business.”***

The Group remains confident in its strategy to strengthen the Company and will remain vigilant in its management of cashflow, its fiscal responsibilities, and operating capital requirements.

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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.

Vividthree has secured the exclusive rights to develop a VR tour show for Peninsula, the sequel to the 2016 Korean box office hit, Train to Busan, as well as acquired the intellectual property rights to the popular web comic, Silent Horror.

Vividthree is a subsidiary of mm2 Asia Ltd., a company listed in SGX Mainboard, (SGX Stock Code: 1B0), a 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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