

For Immediate Release

mm2 ASIA REPORTS 3Q FY2023 FINANCIALS - REVENUES UP 76% YOY, GROSS PROFITS UP 97% YOY

[Singapore, 14 February 2023] mm2 Asia Ltd. (“mm2 Asia”, “mm2 全亚影视娱乐有限公司” or collectively with its subsidiaries, “the Group”) today reported its financial results for the third quarter ending on 31 December 2022 (“3Q FY2023”).

“We are very pleased with the performance of the Group’s business through the first three quarters of the financial year, as we continue to report strong growth numbers fueled by our post-pandemic recovery. Revenue across all segments continue to improve; with special mention of our concert business which recently reported the completion of several sold-out performances in the region,” says Executive Chairman of mm2 Asia, Mr Melvin Ang (洪伟才).

3Q FY2023 YTD Financial Summary

- Revenue for the Group was S\$141.3 million, an increase of 76% compared to S\$80.2 million in 3Q FY2022
- Gross profit was S\$39.5 million, an increase of 97% compared to S\$20.1 million in 3Q FY2022
- EBITDA was S\$26.8million, compared to S\$23.4 million in 3Q FY2022
- Net current asset position is S\$35.1 million, as at 31 December 2022

S\$' Million	As at 31 Dec 2022	As at 31 Mar 2022
Current Assets	237.5	208.3
Current Liabilities	202.4	284.6
Net Current Assets / (Liabilities)	35.1	(76.3)
Current Ratio [^]	1.17	0.73

[^] The Current Ratio is current assets divided by current liabilities

“One of the key concerns of the last two years has been the shortfall of the Group’s current assets relative to its current liabilities. This quarter we are delighted to report that this issue has been addressed through a combination of debt restructuring and an overall improvement in our financials. We are confident of our strategy to improve on this position and an eventual return to profitability.”

The Group's total revenues grew by 76% YoY to S\$141.3 million across all segments, with gross profit up by \$19.4 million or 97% compared to the same period last year. All segments improved, although the Cinema business is still lagging behind in profitability. This was due mainly to the lack of strong blockbuster film content in the third quarter.

S\$' Million	3Q FY2023 (YTD)	3Q FY2022 (YTD)	\$ change	% Change
Revenue	141.3	80.2	+61.1	+76%
Gross Profit	39.5	20.1	+19.4	+97%
Gross Profit Margin (%)	28%	25%	N/A	+3%
EBITDA *	26.8	23.4	+3.4	+15%
EBITDA margin	19%	29%	N/A	-10%
Net (Loss)/Profit Before Tax	(9.1)	(14.4)	+5.3	N/A
Net (Loss)/Profit Attributable To Shareholders	(8.9)	(11.8)	+2.9	N/A

* The reported EBITDA (Earnings before interest, taxes, depreciation, and amortization) is based on the adoption of SFRS(I)16

Group losses before tax for the 9 months ended 31 December 2022, improved by S\$5.3 million to S\$9.1 million compared to the same period in FY2022. Similarly, losses attributable to shareholders improved by S\$2.9 million to S\$8.9 million. Group profitability for the period was impacted by the reduction in government grants and rental support of S\$4.9 million, and increase in unrealised foreign translation losses of S\$3.4 million and an increase in interest costs of S\$1.4 million.

Segment Revenue*	3Q FY2023 (YTD)	3Q FY2022 (YTD)	% Change
Core	76.0	51.1	49%
Post-Production	2.2	1.7	29%
Cinema	37.6	21.4	76%
Concert and Events	23.2	3.2	624%
Others	3.6	3.3	11%
Elimination	(1.4)	(0.5)	187%
Total	141.3	80.3	76%

*Sales to external parties

Core business revenues increased 49% YOY to S\$76 million, fuelled by strong demand for Asian content in cinemas and online streaming platforms. Profits for the segment were lower in 3Q FY2023 at S\$0.6 million compared to S\$4.3 million in the last period due to higher interest costs of S\$1.4 million and higher amortisation costs of S\$0.6 million.

Cinema revenues in the first nine months of FY2023 were 76% higher at S\$37.6 million compared to \$21.4 million in the first three-quarters of FY2022. Despite a lack of strong films playing in the period under review, the Cinema business reduced its losses YTD by S\$1.9 million to S\$11.6 million. This is after a one-time expense of S\$0.6 million in relation to the closure of a cinema outlet (The Cathay Cineplex), and unrealised forex translation loss of S\$2.6 million in Q3 FY2023.

Additionally in this quarter, the Group raised S\$54 million through the completed issuance of exchangeable bonds with UOB Kay Hian. The bonds are exchangeable for the shares of mm Connect Pte Ltd, which is engaged in the management and operation of cinemas under the Cathay Cineplexes and mmCineplexes brand in Singapore and Malaysia, coupled with detachable warrants.

Concerts revenues were up by 624% in the first nine months of FY2023 at S\$23.2 million. Net profits were at S\$1.1 million, up S\$4.0 million from a loss of S\$2.9 million in the same period last year.

Post-production revenues were up by 29% in the same period at S\$2.2 million. Its net loss was reduced by S\$0.1 million to S\$0.9 million.

Revenues from other business lines were up 11% YOY to S\$3.6 million. Higher direct operating costs and continued investments in new businesses push net losses in this segment higher by S\$0.9 million to S\$1.9 million.

Lastly, the Group disposed of the majority of its 51% stake in AsiaOne Online Pte Ltd in December 2022. AsiaOne was a joint venture with partner SPH Media, who initiated the disposal of their stakes. The Group, which relies on SPH to provide news content for AsiaOne, decided to divest its shareholdings together with SPH. The Group presently retains a 10% stake in AsiaOne.

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About mm2 Asia

Headquartered in Singapore, mm2 Asia Ltd. (“mm2 Asia”, or together with its subsidiaries, the “Group”) champions “Content and Media for Asia”, with integrated businesses across the content, entertainment, cinema, event and concert industries in Singapore, Malaysia, Hong Kong, Taiwan, China and the United States of America.

Since our listing on the Catalist Board of SGX-ST in December 2014, and the successful transfer to the Mainboard of SGX-ST in August 2017, mm2 Asia has strengthened its competitive advantage through its acquisitions of a majority stake in an award-winning virtual reality, visual effects and computer-generated imagery studio, Vividthree Holdings Ltd. (SGX Stock Code: OMK), and an event production and concert promotion company, UnUsUaL Limited (SGX Stock Code: 1D1). With the establishment

of mmCineplexes and the acquisition of Cathay Cineplexes Pte. Ltd., mm2 Asia is currently one of the key cinema operators in Malaysia and Singapore. (www.mm2asia.com)

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