



IMMEDIATE RELEASE

Vividthree Achieves Revenue Growth and Improved Financials in FY2023

- Digital & Live Experience Production segment played a significant role in driving revenue growth, with an increase of 40.3% compared to the previous year
- The Group's gross loss reduced significantly by 93.6% Y-o-Y, from \$1.87 million to \$0.12 million
- The Group's operating cashflows turned positive, amounting to S\$1.44 million, up from -\$1.30 million in FY2022

Singapore, May 28, 2023 - Vividthree Holdings Ltd. (SGX: OMK) ("Vividthree", the "Company", or together with its subsidiaries, the "Group"), a diversified entertainment company specialising in the production of immersive experiences with mixed technologies, announced today its financial results for the financial year ended 31 March 2023 ("FY2023").

FY2023 Review

\$'000	FY2023	FY2022	Y-o-Y change
<i>Revenue</i>	2,914.0	2,861.0	1.9%
<i>Gross profit/ (loss)</i>	(120.6)	(1,870.8)	-93.6%
<i>Gross profit/ (loss) margin (%)</i>	-4.1%	-65.4%	
<i>Net (loss)/profit</i>	(3,416.3)	(5,833.1)	-41.4%

Despite the challenging macroeconomic environment, the Group's revenue increased by 1.9% from \$2.86 million in FY2022 to \$2.91 million in FY2023. This growth can be attributed to the successful completion of a greater number of projects as well as the gradual relaxation of COVID-19 restrictions. Notably, the Group's Digital & Live Experience Production segment played a significant role in driving revenue growth, with an increase of 40.3% compared to the previous year.

Additionally, the Group achieved an impressive 35.9% Y-o-Y reduction in the cost of sales,

decreasing from \$4.73 million in FY2022 to \$3.03 million in FY2023. Consequently, the Group's gross loss narrowed by a significant 93.6%, reducing from \$1.87 million to \$0.12 million during the same period.

Along with a reduction in administrative and finance expenses, the Group made substantial progress in narrowing its net loss for the year by 41.4% Y-o-Y to \$3.42 million. This positive outcome exemplifies the Group's focus on improving its financial position and represents a significant step forward in its turnaround strategy.

Furthermore, the Group's efforts to manage working capital have yielded positive results, as operating cashflows turned positive, amounting to S\$1.44 million, compared to -\$1.30 million in FY2022. This improvement can be attributed mainly to the reduction in trade and other receivables.

Commenting on the Group's FY2023 results, Chief Executive Officer of Vividthree, Mr Jonathan Zhang, said, ***"FY2023 has been a year of significant progress for Vividthree, with our Digital & Live Experience Production segment driving remarkable revenue growth. Despite ending the year with a loss, our commitment to our turnaround strategy remains steadfast. Moving forward, we will maintain this momentum to drive further success and growth."***

Business Outlook

Looking ahead, the Group remains committed to its growth trajectory, leveraging its core competencies in digital content production to capitalize on emerging opportunities in the industry. Despite the challenges presented by the shifting macroeconomic environment, the Group's management remains optimistic about its prospects. In particular, the Group's strong core competencies position it well to further enhance its fundamentals and drive sustainable growth.

In line with its ambition to expand its footprint in the communications industry, the Group has recently announced the acquisition of Elliot Communications Pte. Ltd., a leading public relations firm. With unanimous approval received for the proposed business diversification and acquisition at the Extraordinary General Meeting (EGM)¹, the Group is on track towards realising this strategic move. This acquisition represents a highly synergistic addition that will broaden Vividthree's service portfolio and deliver enhanced value to its customers. The Group anticipates that this acquisition will contribute to its FY2024 financial performance, further propelling the Group's overall turnaround to profitability.

¹ The Extraordinary General Meeting ("EGM") of Vividthree Holdings Ltd. was held on 10 May 2023.

Mr Jonathan Zhang, Chief Executive Officer of Vividthree, added, ***“As we continue to strengthen our position in the market, we are excited about the opportunities that lie ahead. We remain focused on leveraging our core competencies and driving sustainable growth.”***

The Group will maintain its prudent approach in managing cash flow and optimizing production, positioning itself for continued success in the dynamic market landscape.

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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 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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