

mm2 ASIA POSTS ROBUST TURNAROUND PERFORMANCE FOR Q4 FY2023 AND FULL FINANCIAL YEAR ENDED 31 MARCH 2023

[Singapore, 30 May 2023] mm2 Asia Ltd. (“mm2 Asia”, “mm2 全亚影视娱乐有限公司” or collectively with its subsidiaries, the “Group”), the leading producer of films and TV/online content in Asia, is proud to announce a resilient financial performance for the fourth quarter and the full fiscal year ended 31 March 2023.

Key Highlights:

Key Highlights for 4Q FY2023 for continuing operations:

- 1) **Expanding Revenue and Gross Profit:** Our revenue for the fourth quarter grew by an impressive 24% YoY to S\$30.6m, underscoring the strength across our diverse business segments. With a 17% reduction in cost of sales compared to 4Q FY2022, we achieved a successful turnaround, moving from gross loss to a notable gross profit of S\$6.7m.
- 2) **Strong Core and Events Business Performance:** Our primary contributor, the Core business, registered a healthy 8% YoY rise in sales from S\$22.0m in 4Q FY2022 to S\$23.8m in 4Q FY2023. Our Concert and Events segment also reported a surge in revenue from S\$0.4m to S\$6.0m, marking a positive trend for future growth.

Key Highlights for the Full Financial Year 2023 from continuing operations:

- 1) **Revenue Resurgence Amidst Pandemic Recovery:** Our total revenue for FY2023 soared by 61% YoY to S\$134.3m, largely driven by the gradual recovery from the COVID-19 pandemic and easing of government restrictions. Our diversified revenue streams showcased significant resilience, with our Core business growing by 38% to S\$101.3m and our Concert and Events segment growing revenues by more than 7 times to reach S\$29.2m, reflecting the gradual recovery of the live events industry.
- 2) **Impressive Gross Profit Growth:** Gross profit rose by a remarkable 216% YoY to S\$27.7m, with the gross profit margin improving from 10.5% to 20.6%, underscoring the superior performance of our Core and Event segments.
- 3) **Loss Before Income Tax:** The Group would be in a profitable position of approximately S\$1.4m if the non-operating expenses were excluded. The non-operating expenses are attributed to \$24.2m in fair value losses of financial instruments, which contributed to a loss before income taxes of S\$22.7m in FY2023.

- 4) **Improvements in Adjusted EBITDA:** Adjusted EBITDA increased by more than 60.8% YoY to reach S\$24.4m in FY2023 due to increased revenues from the core business and Concert and Event segment, as well as a reduction in amortisation expenses.
- 5) **Improved current liquidity:** The Group's net current assets increased to S\$21.6m in FY2023 from S\$76.3m in net current liabilities in FY2022. Our current assets increased by S\$19.4m, or 9%, from S\$208.3m in FY2022 to S\$227.7m in FY2023. Additionally, we reduced current liabilities by S\$78.5m, or 28%, from S\$284.6m in FY2022 to S\$206.1m in FY2023, further strengthening our financial position.
- 6) **Final Settlement of mm Connect Convertible Securities:** The company reached a full and final settlement of all principal amounts due under the outstanding mmConnect Convertible Securities. The agreement, totalling S\$58.8m, was achieved through a combination of cash and convertible bonds, a move that significantly alleviated financial pressure and cleared a path for future financial stability.
- 7) **Deconsolidation of Cinema Segment:** The cinema segment's financial results have been classified as "Discontinued Operation" as of 31 March 2023 as a result of the Exchangeable Bond Subscription Agreement announced on 30 December 2022, and deemed completed on 24 March 2023. While we retain 100% equity interest in mmConnect and its subsidiaries, on 31 March 2023, under the requirement of relevant accounting standards, the Group no longer consolidated the cinema segment in the Group's balance sheet. As a result, the Group recognised a decrease in the carrying value in the cinema segment, which includes its property, plant, and equipment of S\$42m, goodwill of S\$84m after an impairment loss of S\$117.6m and total liabilities of S\$89.1 million. For FY2023, mm2 Group reported a loss from discontinued operations amounting to S\$99m.

"Despite the challenging circumstances in the past years during COVID and post-COVID recovery, we've demonstrated significant resilience and an ability to adapt, enabling us to deliver improved financial results," said Mr. Melvin Ang, Executive Chairman of mm2 Asia.

"We will continue to navigate the ongoing challenges by divesting some of our businesses and focus on our content and live entertainment businesses moving ahead. These businesses have already demonstrated almost full recovery post-COVID globally and we will ride on the growth trend too. I would like to thank our shareholders for their continuing support and we will work hard to ride on the growth opportunities ahead."

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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)

For more information, please contact:

Bianca Leong
Director, Corporate Marketing & Business Development
mm2 Asia
Mobile and WhatsApp: (+65) 9455 8211
Email: biancaleong@mm2asia.com