

## mm2 ASIA ACHIEVES TURNAROUND TO PROFIT WITH 146.1% REVENUE GROWTH FOR HALF-YEAR ENDED 30 SEPTEMBER 2023

[Singapore, 14 November 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 half-year ended 30 September 2023. The Group experienced substantial revenue growth, demonstrating a strong recovery from the challenges posed by the COVID-19 pandemic.

### Key Highlights:

S\$' Million	1HFY2024	1HFY2023
Revenue	128.7	52.3
Gross Profit	39.3	12.8
Gross Margin (%)	30.5%	24.5%
EBITDA *	33.0	10.3
Net Profit/(Loss) After Tax	10.8	(6.2)
Net Margin (%)	8.4%	(11.9)%
Net Profit/(Loss) To Shareholders	3.0	(5.4)
Earnings/(Loss) per share (cents)	0.11	(0.21)

\* The EBITDA is defined as earnings before interest, taxes, depreciation, amortisation, gain/(loss) on fair value changes in financial instruments and gain/(loss) on unrealised foreign exchange. The EBITDA is based on the adoption of SFRS(I)16.

### 1) Expanding Revenue Resurgence

Our Group revenue for 1H FY2024 soared by 146.1% to S\$128.7 million, largely driven by the gradual recovery from the COVID-19 pandemic. Our resilient Content business grew by 36.0% to S\$58.5 million due to the demand for content in the region in which the Group operates and our Concert and Event business revenues grew by more than 9 times to reach S\$66.4 million, reflecting the strong recovery and robust demand of LIVE events industry.

### 2) Impressive Gross Profit Growth

Gross profit rose by S\$26.5 million to S\$39.3 million, with the gross profit margin improving from 24.5% to 30.5%, due to the resilient performance of our Content business and procuring and executing the right projects in Concert and Event business.

### 3) Net Profit After Tax

As a result of the surge in our revenue especially, in our Content and Concert and Event businesses, the Group profitability has turned to a net profit after tax of S\$10.8 million from a net loss after tax of S\$6.2 million.

#### 4) **Improvements in EBITDA**

EBITDA increased by 220.4% to reach S\$33.0 million in 1H FY2024 due to increased revenues from the Content and Concert and Event businesses.

#### 5) **Return to Profit After Minority Interest**

mm2 Asia successfully turned back to profit after minority interest, recording a notable gain of S\$3.0 million. This positive turnaround contrasts with a loss of S\$5.4 million previously. The Concert and Event business played a pivotal role in this achievement, surpassing all its historical full-year results in terms of revenue and profit after tax. However, it's important to note that the profit was impacted by a higher interest cost, reflecting the general increase in interest rates.

#### 6) **Improved Current Liquidity**

The Group's net current assets increased to S\$33.2 million in 1H FY2024 from S\$21.6 million in 31 March 2023. Our current assets increased by S\$42.7 million, or 18.8%, from S\$227.7 million in 31 March 2023 to S\$270.4 million in 1H FY2024. Additionally, we reduced short-term borrowings by S\$7.8 million, or 6.6%, from S\$117.6 million in 31 March 2023 to S\$109.8 million in 1H FY2024, due to the strong performance and fund-raising exercise.

#### 7) **Cinema Business Improvement**

Following the completion of the Exchangeable Bonds Subscription announced on 30 December 2022, whilst the Group retained 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 business in the Group's balance sheet as a subsidiary but rather accounts the Cinema business as an associated company.

As a result of the cost rationalizing exercise and to rights size its cinema portfolio to close non-performing sites in Singapore, the net loss in the Cinema business, which includes the cost of the closed sites, has seen a substantial reduction from S\$7.1 million to S\$4.6 million. The net loss, after excluding fair value loss on convertible securities and net foreign exchange difference, has seen a reduction from S\$5.2 million to S\$1.7 million and the unaudited EBITDA (pre-SFRS16) loss also decreased to S\$0.8 million from S\$1.5 million earlier.

Following the right sizing exercise in Singapore, the remaining operating cinema portfolio (excluding the results of the cease operation cinema sites), recorded an unaudited proforma positive EBITDA (pre-SFRS16) of S\$0.2 million. This is the first time the Group's remaining Cinema business operations have achieved a positive EBITDA since COVID-19 started.

The Group remains committed to growing its Cinema business with its new direction to identify strategic landlords who are committed to working on a strategic long-term win-win partnership. With this, the Group is in the process of opening 2 new sites in Malaysia, both located in the "Golden Triangle" region of Kuala Lumpur, with an expected soft opening at the end of 2023 and in 2025. The "Golden Triangle" is the main commercial shopping and entertainment hub in Kuala Lumpur. The Group's Cinema business in Singapore, Cathay Cineplexes, will be opening a new cinema outlet at the shopping mall Century Square in Tampines in November 2023.

The Group will continue to renew its relationship with its current landlord to explore possibilities to grow the cinema business.

"We are indeed happy that our hard work and perseverance have allowed us to achieve this growth across our business segments. We thank all our staff and stakeholders for their relentless support in this recovery journey. We are committed to further grow our business through business diversification and regional market expansion." said Mr. Melvin Ang, Executive Chairman of mm2 Asia.

mm2 Asia remains optimistic about the continued success of its diversified portfolio and is committed to delivering long-term value to its stakeholders.

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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](http://www.mm2asia.com))

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