



IMMEDIATE RELEASE

**Vividthree Holdings' FY2020 Performance;
Focuses on Securing Projects for the New Fiscal Year**

Singapore, 25 May 2020 - Vividthree Holdings Ltd. (SGX: OMK), a diversified entertainment company specializing in the production of immersive experiences with mixed technologies ("Vividthree", the "Company" or the "Group") today announced its financial results for the financial year ended 31 March 2020 ("FY2020").

"Our current liquidity and government's several support schemes have provided us with flexibility to navigate the current situation. We are being proactive and taking actions to emerge stronger and focused on securing projects for the new fiscal year." said Managing Director of Vividthree, Mr Charles Yeo.

Full Year Performance

\$'000	FY2020	FY2019	Y-o-Y change
<i>Revenue</i>	6,136.5	9,284.4	-33.9%
<i>Gross profit</i>	2,054.6	6,483.7	-68.3%
<i>Gross profit margin (%)</i>	33.5%	69.8%	
<i>Net (loss)/profit</i>	(829.1)	3,267.7	-125.4%

The Group's revenue declined 33.9% year-on-year to \$6.14 million in FY2020 mainly due to the slowdown in sales from the Content Production segment, partially offset by an increase in revenue of \$0.98 million from the Post-Production segment. The Content Production segment has been adversely affected since 4QFY2020 due to the outbreak of COVID-19, as governments around the world impose travel restrictions, safe distancing measures and some finally resulted in lockdowns to curb the spread of the virus. Consequently, several of the Group's immersive tour shows have

been rescheduled resulting in a decline in sales contribution from the segment. Along with a drop in gross margins due to higher revenue contribution from the lower margin Post-Production segment, the Group's gross profit fell 68.3% year-on-year to \$2.05 million in FY2020.

Other income also decreased 72.4% year-on-year due to the absence of one-off income recognized last year. Consequently, Vividthree recorded a loss of \$0.83 million for FY2020. The Group ended the year with positive operating cashflow and a net cash position.

Moving Forward

Due to the travel restrictions and continuation of social distancing measures in place, the Group will face a slowdown in its commercial activities, with most of the projects in the Content Production segment being rescheduled. The Group will continue to closely monitor the evolving situation, and resume operations as soon as the situation permits, while implementing the necessary safety precautions such as proper social distancing and work from home when possible.

As the world enters a new digital normal during this global pandemic, Vividthree has been working to accelerate digital transformation, strengthen digital platforms and adopt new technologies to strengthen our portfolio of existing IPs, as well as extend into digital IPs. These will help to partially offset the impact of the COVID-19 and allow the Group to be well positioned in a longer term when this crisis eases to take advantage of the "digital revolution".

The Group remains optimistic that interest in the Company's flagship *Train to Busan* (the "TTB") show will pick up after the pandemic has come under control. *Train to Busan: Peninsula* ("TTB Peninsula"), the sequel to the 2016 Korean zombie box office hit, is scheduled for a global theatrical release in the summer of 2020, and the Group anticipates that it will help to drive the marketing efforts for the Company's previous created TTB show. The Group has also recently secured the exclusive rights to adapt and produce multisensory-format content for 'TTB Peninsula' and is in the midst of doing research & development for the IP.

As part of continuing efforts to expand our IP portfolio, in February 2020, the Group entered into a binding term sheet with Darkbox Studios Pte Ltd ("Darkbox") for the proposed acquisition of all IP rights, all published and unpublished works for the popular comic IP, "Silent Horror". 'Silent Horror' is a webcomic series with a supernatural horror theme and has amassed over 92 million views online since February 2015. The strong viewership of 'Silent Horror' is a testament to the popularity

of the IP. Plans to monetise the IP, including merchandising and media production spinoff are underway which the Group will announce when appropriate.

Since the launch of the Group's revolutionary OTT comic video platform, ComicVid, on both Google Play store (Android) and App Store (iOS) in December 2019, ComicVid has raked in commendable statistics. With the circuit breaker and lockdown situations around the world, the Group has seen a surge in users over the last two months by over 600% to more than 70,000 users as of April 2020. The Group envisions potential opportunities arising from the creation of new comic IPs and will commence to explore ways to monetise the platform.

Managing Director of Vividthree, Mr Charles Yeo added, ***“Many companies face headwinds during the pandemic including Vividthree. Some parts of our businesses are being affected by the outbreak; however, we are encouraged by the early signs of recovery in some markets that are beginning to open up. We are focusing on acquiring veritable IPs, enhance our existing platforms and technologies during this period. Our OTT ComicVid platform is gaining positive traction, validating our strategy to venture into this segment. We have a pipeline of potential projects, which our team look forward to pursue after these unprecedented series of events.”***

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About Vividthree Holdings Ltd.

Established in 2006, Vividthree is a diversified entertainment company specializing in the production of immersive experiences with mixed technologies that develops and creates digital intellectual property assets that primarily consists of storylines with accompanying characters and visual elements. Vividthree develops and/or acquires digital intellectual property assets to produce virtual reality products such as thematic tour shows including Train to Busan.

Vividthree has a network presence in Singapore and Malaysia, focusing primarily on two business segments, namely, Post-production and Content Production.

In 2015, Vividthree Productions Pte. Ltd., which is now a subsidiary of the Company, was acquired by mm2 Asia Ltd. (SGX: 1B0), a producer of films, TV and online content. Vividthree Holdings Ltd. (SGX: OMK) debuted on the Catalist board in September 2018.

<https://www.vividthreeholdings.com/>

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