



IMMEDIATE RELEASE

Vividthree Reports 41% Increase in FY2022 Revenue;

Post-Production will continue to be the key revenue contributor to the Group in FY2022

Singapore, 29 May 2022 - Vividthree Holdings Ltd. (SGX: OMK) (“Vividthree”, the “Company”, or together with its subsidiaries, the “Group”), a diversified entertainment group across the Digital Entertainment chain, today announced its financial results for the financial year ended 31 March 2022 (“FY2022”).

FY2022 Review

\$'000	FY2022	FY2021	Y-o-Y change
Revenue	2,861.0	2,027.2	41.1%
Gross loss	(1,870.8)	(1,629.9)	14.8%
Gross loss margin (%)	-65.4%	-80.4%	
Net loss	(5,833.1)	(4,504.8)	29.5%

The Group has seen an improvement in the Post-Production segment. Post-Production contributed significantly to FY2022's revenue growth of 41.1%, from S\$2.0 million in FY2021 to S\$2.9 million in FY2022, as the Group secured and completed more projects with higher value. This was partially offset by the content production segment, as some projects are put on hold due to COVID-19 travel restrictions and safe distancing measures. With the increase in revenue, the Group narrowed its gross loss by 14.8% y-o-y to S\$1.9 million.

Other income decreased by S\$0.5 million from the previous corresponding period, mainly due to lower relief received in relation to the COVID-19 relief support from the Singapore government. The Group has also recorded other losses of S\$0.6 million due to inventory write-down of S\$0.8 million, which is partially offset by a reversal of expected credit losses on trade receivable of S\$1.3 million.

Together with a rise in administrative expenses as the Group restored staff salary following a group-wide salary reduction and amortisation expenses, the Group recorded a net loss of S\$5.83 million in FY2022.

Commenting on the Group's FY2022 results, Managing Director of Vividthree, Mr Charles Yeo said, ***"The Group is observing signs of recovery and seeing improvement in the Post-Production segment. We have been working on our roadmap to recover from the COVID-19 impact and we need to take the right steps to strengthen the company and position it to continue to scale, innovate, and grow after the Pandemic and in the years ahead."***

Business Outlook

The Group is cautiously optimistic about its recovery, especially in the post-production segment and is also exploring opportunities such as the blockchain gaming sector.

Blockchain games have seen a surge in popularity, partly due to the ongoing COVID-19 pandemic. According to data compiled by Blockchain Game Alliance (BGA) ¹, NFT games generated US\$2.32 billion in revenue in the third quarter, accounting for about 22% of all NFT trading volumes industry-wide during the period, as blockchain games gathered steam.

The Group's infrastructure and expertise in content production, IP management, and ability to scale concepts into reality through MICE activities are key drivers that enable it to leverage on accelerating growth in the global gaming industry.

Managing Director of Vividthree, Mr Charles Yeo added, ***"We remain keenly focused on delivering innovation-driven growth in fast-growing markets, and we're committed to creating strong shareholder value through strategic capital allocation. As part of our long-term strategy to beef up our intellectual properties, we have been exploring opportunities within the digital assets metaverse to boost revenue streams. "***

The Group will continue to be prudent and manage its cash flow carefully, while optimising production.

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¹ "Blockchain Game Alliance: NFT games generated \$2.32B in Q3" dated 16 December 2021: <https://venturebeat.com/2021/12/16/blockchain-game-association-nft-games-generated-2-32b-in-q3/>

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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