

[Immediate Release]



DIGITAL DOMAIN HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 547)

Digital Domain Reports Strong Revenue Growth, Narrows Business Focus Emphasizing Profitability

August 31, 2022, Hong Kong – Los Angeles, -- Digital Domain Holdings Limited (“Digital Domain” or the “Company”), the global market leader in visual effects, post-production and metaverse technologies (listed in Hong Kong HKG: 547) reports strong growth across for its core visual effects and post-production business in each of North America, India and Greater China, benefitting from substantial investments in production capacity upgrades and continuous content production boom worldwide.

Digital Domain is reporting HKD 482,726,000 in revenues for the six months period ending June 30, 2022, 16% increase to the same period of 2021, with North America being the largest geographic segment with 90% of global revenues and 15% topline growth in the first half of 2022.

“Following new share issuances in 2021, our strategy was to invest in and focus on the core business of visual effects and post-production, and our market leading virtual humans technology, and now this strategy is paying off with six consecutive quarters of double-digit topline growth”, commented Mr. Daniel Seah, CEO of Digital Domain.

Digital Domain enjoys strong and growing pipeline of production contracts from the world’s leading content production companies from both Hollywood studios and streaming platforms, and continues to grow its production capacity in all of its key locations in the USA, Canada, India and Mainland of China. Canada is becoming the largest production hub in the industry given the consistent and competitive tax rebates policy that incentivizes North American studios to re-allocate their production budgets from the USA to Canada’s facilities. This trend well-fits Digital Domain’s global production capacity footprint.

“We are on schedule to have the record year in terms of revenue for 2022 in our 29 years of history, with the new scale and improved cost structure allowing Digital Domain to improve overall operating performance of its core business this year, thus making strides towards sustainable profitability”, commented Mr. Seah.

With strong performance of Digital Domain’s core business, the Company has managed to stabilize its net loss at HKD126,453,000 for the six months period ending June 30, 2022, only 3% increase to the same period of 2021.

About Digital Domain

Digital Domain Holdings Limited (“Digital Domain”) is the pioneer of creating transportive experiences. Throughout the last 29 years, Digital Domain has grown to lead the visual effects industry, expanding globally the arm of virtual humans and visualization. Digital Domain’s rich legacy consists of hundreds of feature films and episodes, thousands of advertising, game cinematics and experimental immersive experiences. A creative force in cutting-edge technologies, Digital Domain has brought exceptional artistry to Academy Award-winning blockbusters of “Titanic”, “What Dreams May Come” and “The Curious Case of Benjamin Button”, Marvel Cinematic Universe titles crushed all time worldwide box office, such as “Avengers” franchise, and “Stranger Things” made a splash with Season IV.

As the first independent visual effects studio to successfully enter the Greater China region, Digital Domain has further paved the way towards virtual race since 2016. Leaning into technologies of artificial intelligence and virtual reality allows Digital Domain to create photorealistic and emotionally expressive virtual humans, all in real time, as well as provides an advanced medium for human-computer and human-human interactions in diverse virtual scenarios.

Digital Domain Holdings Limited is listed on the Hong Kong Stock Exchange (Stock code: 547). Digital Domain has ten locations including Los Angeles, Vancouver, Montreal, Beijing, Shanghai and Hyderabad.

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