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Artivision Achieves Highest Revenue Since 2008 Listing As Media Solutions Business Gains Traction

SINGAPORE, 25 MAY 2016 – Artivision Technologies Ltd. ("Artivision" or the "Company", and together with its subsidiaries, the "Group") reported today its highest full-year revenue since its public listing in 2008 as it got more advertisers to use its online-video advertising technology, which it is now also rolling out for TV advertising to help brands reach consumers more effectively.

Revenue for the 12 months ended 31 March 2016 ("FY2016") rose 41% to S$11.3 million from S$8.0 million for the previous corresponding year ("FY2015"). Artimedia Technologies Ltd ("Artimedia"), the Company's wholly-owned media solutions subsidiary, accounted for 32% or S$3.7 million of the Group's total revenue for FY2016 compared with S$0.1 million for FY2015.

Working with various publishers and advertisers in Israel since January 2015, Artimedia serves advertisements ("ads") to viewers of online videos based on their personal interests and Internet-usage habits. This targeted approach significantly increases the likelihood of ads being viewed in their entirety, and enables publishers to increase advertising revenue at no extra costs. The publishers Artimedia works with collectively make up the vast majority of Israel's online premium-content video market.

The rest of Artivision's FY2016 revenue came from its wholly-owned contract manufacturing subsidiary, Colibri Assembly (Thailand) Co., Ltd ("CAT"). CAT, which manufactures disk drive technology products for a US-based multinational corporation, generated revenue of S$7.7 million in FY2016, almost similar to its S$7.9 million revenue contribution in FY2015.

Despite the increase in total revenue, the Group remained in the red in FY2016 with a net loss of S$7.8 million, compared to a net loss of S$5.6 million in FY2015. The wider loss was mainly attributable to higher cost of sales arising from Artimedia's acquisitions of video inventories from publishers. With these acquisitions, Artimedia is responsible for marketing the online videos of Israel-based publishers to advertisers.

Higher operating costs and interest expenses, as well as lower gross profit margins, also contributed to the Group's net loss in FY2016. The Group's gross profit margin declined to 17% in FY2016 from 38% in FY2015 as Artimedia, which ended the year with a loss of S$0.7 million, accounted for a bigger portion of total revenue, and as CAT incurred higher fixed costs, including direct labour and depreciation. Net loss per share for the Group amounted to 0.87 cent in FY2016, compared to a loss per share of 0.64 cent in FY2015.

In seeking to further expand its media solutions business, the Group has set its sights on television as the next medium for its ads delivery platform. As announced on 15 April 2016, Artimedia will introduce programmatic TV advertising to Israel through a pilot collaboration with a global advertising agency.

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With programmatic advertising, complex manual processes that advertisers and advertising agencies typically face in developing and monitoring their campaigns are fully automated. Besides making their job easier, Artimedia can also help them engage their intended audiences more effectively by using artificial intelligence to identify ads that are relevant to the personal interests of the consumers being targeted.

For the pilot collaboration, Artimedia will develop a programmatic TV buying system, in consultation with its counterparty, that enables advertisers to use specific audience data to plan and execute their TV advertising campaigns. Advertisers can also use Artimedia's technology to synchronise ads across TV, desktop computers and mobile devices to simultaneously reach consumers who are accustomed to using multiple devices at the same time.

The collaboration is expected to generate revenue of up to 20 million Israeli Shekels (approximately S$7.2 million) over a period of time to be agreed upon by both Artimedia and the counterparty. Three of Israel's leading TV network operators – Keshet Broadcasting Ltd, Reshet and Channel 10 Ltd – have agreed to participate in the pilot programme. The foray into TV advertising came after Artivision launched a rights issue in March 2016 to, among other things, strengthen its balance sheet and fund the growth of its media solutions business.

"Our media solutions business is gaining a lot of traction in Israel, where advertisers want a more effective and fuss-free approach to reach their target audience, and publishers of premium-content videos are looking for ways to boost advertising revenue," said Mr Kenneth Goh, Artivision's Chief Executive Officer.

"Having made a name for ourselves in the online-video advertising market, we now intend to use our technology for advertising on TV. Various advertisers and TV stations in Israel have already expressed keen interest in our programmatic TV advertising technology, which we believe will set the stage for Artivision's next phase of growth," he added.

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About Artivision Technologies Ltd.

Founded in 2004 and headquartered in Singapore, Artivision has two main businesses. Its media solutions subsidiary, Artimedia Technologies Ltd., provides advanced video advertising technologies and platforms that reach millions of viewers across the globe every day. Artimedia's video advertising platforms and innovative content-synchronized formats enable advertisers, agencies and advertising networks to deliver integrated video ads that optimize performance, engagement and reach, while maintaining the best user-viewing experience. Artimedia helps online video publishers to maximize monetization of their video assets without alienating users.

Artivision's wholly-owned contract manufacturing subsidiary, Colibri Assembly (Thailand) Co. Ltd., manufactures disk drive technology products for a large US-based multinational corporation.

For more information, visit www.arti-vision.com

This press release has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Canaccord Genuity Singapore Pte. Ltd. ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this press release.

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