

Artivision's Media Solutions Business Gains Traction With Revenue At 21% of Group's Total Revenue For Nine Months Ended 31 December 2015; Group May Expand Business Beyond Israel

SINGAPORE, 12 FEBRUARY 2016 – About a year after it signed its first contract in Israel to roll out its proprietary advertising technology for online videos, Artivision Technologies Ltd. (“Artivision” or the “Company”, and together with its subsidiaries, the “Group”) said today it has made significant inroads, with revenue from its media solutions business accounting for more than 20% of the Group’s overall revenue for the nine months ended 31 December 2015 (“9MFY2016”).

Artimedia Technologies Ltd. (“Artimedia”), the Group’s media solutions subsidiary, serves advertisements (“ads”) to viewers of online videos based on their Internet-usage habits. Using artificial intelligence to monitor, on a real-time basis, viewers’ online behaviour, Artimedia identifies ads that appeal to viewers’ interests and strategically places ads in the videos without disrupting the viewing experience.

The Group, through Artimedia, signed a number of contracts in 2015 with certain leading publishers, advertisers and advertising agencies to deploy its technology in Israel. It secured its first three contracts in January 2015, and has since added more users to its network. These include Procter & Gamble’s exclusive media buyer in Israel, as well as the Israeli government’s marketing and advertising agency.

For 9MFY2016, Artimedia generated revenue of S\$1.56 million, accounting for 21% of the Group’s overall revenue of S\$7.53 million. For the same period in the previous year (“9MFY2015”), Artimedia achieved revenue of S\$0.02 million, which accounted for only 0.4% of the Group’s overall 9MFY2015 revenue of S\$6.03 million.

Artimedia’s approach to serving ads in online videos is quite unlike the conventional approach in digital advertising, where viewers are often fed ads that may not be relevant or appealing to them and which usually end up being skipped or closed after the first few seconds of their appearance in a video.

Artimedia’s customised approach enables advertisers to reach their target audience more effectively. For online publishers, the technology allows them to monetise their existing video inventories and increase advertising revenue at no extra costs.

The rest of the Group’s revenue for 9MFY2016 came from its contract manufacturing subsidiary, Colibri Assembly (Thailand) Co. Ltd. (“CAT”), which generated S\$5.96 million in revenue, almost similar to its contribution in 9MFY2015. CAT, which the Group acquired in December 2013, makes disk drive technology products for a US-based multinational corporation, which is also a contract manufacturer.

Despite the 25% increase in revenue for 9MFY2016 compared to 9MFY2015, the Group incurred a net loss of S\$4.96 million for 9MFY2016 (net loss of S\$2.24 million for 9MFY2015). This was mainly due to higher interest expenses for loans, higher headcount costs, increased promotional expenses for Artimedia, and lower foreign-exchange gains.

For the three months ended 31 December 2015 ("3QFY2016"), the Group generated revenue of S\$3.25 million – the highest in any quarter since the public listing of Singapore-based Artivision in 2008 – compared to S\$2.01 million for the previous comparative period ("3QFY2015"). It incurred a net loss of S\$2.55 million for 3QFY2016, compared to a net loss of S\$0.74 million for 3QFY2015.

Having made a name for itself in Israel's online-video advertising market, the Group expects revenue from Artimedia to increase further in the quarters ahead. The Group is also exploring opportunity to deploy the technology in other markets.

"Although the Group is not profitable yet, it is making significant headway with its media solutions business, which we believe has a lot more potential for growth. The fact that leading advertising agencies and publishers, as well as global brands like Procter & Gamble, are working with us speaks volumes about our technology, which we hope to roll out in other countries besides Israel," said Mr. Kenneth Goh, Chief Executive Officer of Artivision.

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Issued on behalf of the Group by WeR1 Consultants Pte Ltd.

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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 optimise 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.



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

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

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