

August 9, 2017

# Provision Holding, Inc. Issues Letter to Shareholders

CHATSWORTH, Calif., Aug. 09, 2017 (GLOBE NEWSWIRE) -- Provision Holding, Inc. (OTCQB:PVHO) announced today that it has issued a shareholder update letter from Curt Thornton, Chairman and Chief Executive Officer, to the Company's shareholders.

Dear Provision Shareholder,

We are pleased to update you, our valued shareholder, on the exciting events occurring throughout our business and steps we are taking to provide additional visibility into our progress going forward. The rapid pace at which we are expanding our retail channel and advertising agency partner networks has further validated our proprietary 3D holographic display platform and provided the company significant operating momentum, as we move into the second half of the year, and positions Provision for an exciting 2018 and beyond.

While we believe our stock price has not yet begun to reflect these recent achievements and the tremendous opportunities they represent, we wanted to provide some additional context to these recent announcements, as part of our commitment to transparency and communication with our shareholders and building long-term shareholder value.

We acknowledge that our stock and the perception of our company has been hampered over the past few years by the pace and scale of the commercial rollout into the Rite Aid chain of pharmacy stores. Although our agreements with Rite Aid called for us to install Provision 3D Savings Center kiosks across its more than 4,500 U.S. retail location footprint, the rollout stalled in 2016, as Rite Aid's focus was on their acquisition by Walgreens.

As a result of the recent termination of their merger, and the subsequent agreement for Walgreens to acquire about half of the Rite Aid store portfolio, Provision continues to explore all avenues towards fulfilling its Rite Aid contract. While there is not yet a clear understanding of the outcome, Provision remains committed to servicing the installed base of approximately 700 Rite Aid stores across the top 10 demographics in the United States.

The location base within Rite Aid remains significant, as it positions Provision on a path to reach "critical mass" with advertisers, who tend to participate in national ad campaigns with companies with around 1,000 outlets, and that provide a high level of visibility for the advertiser. Against this backdrop, we are encouraged by our prospects for reaching, and soon, far exceeding this threshold. Ahead of this expected milestone, we have been laying the groundwork with leading advertisers such as PRN, a leading provider of in-store shopper marketing solutions, with whom we announced a new partnership in July.

To reach the goal of 1,000 stores, Provision has been working diligently to diversify its retail channel footprint. Our results in this regard have been extremely fruitful thus far in 2017, with recently announced deals that will provide Provision access to the grocery and convenience store channels, respectively.

As we mentioned in the June SEC filing, Provision entered into a five-year strategic alliance with Coinstar, which owns and operates approximately 17,000 self-service coin counting kiosks and is a ubiquitous presence at grocery store locations across the United States, in retailers including Walmart, Albertsons/Safeway, Kroger, and others.

Under the agreement, Provision and Coinstar will integrate Provision's patented 3D "Hologram" display systems into Coinstar kiosks nationwide. The Provision 3D holographic display will "bolt-on" to the top of the existing Coinstar kiosk as an attractive "topper". Our couponing and loyalty card system software will be integrated into the Coinstar touch-screen interface. The firms will evenly divide the monthly net advertising revenues, after deducting promotional retailer commissions. Provision believes that the monthly advertising revenue potential in this channel should exceed that of a retail pharmacy chain. Initial internal pro-forma forecasts suggest that at critical mass, the gross monthly advertising revenue pool could potentially exceed \$20 million.

We are pleased with the initial progress towards moving to the deployment phase for Coinstar. The Provision "topper" has been designed by an award winning industrial designer, and we plan to assemble the prototype this month. The software teams have begun the required integration work, and we anticipate a working prototype in October. We have targeted up to 300 locations for rollout by the end of 2017, with broader deployment scheduled for 2018. We have not been able to disclose much detail on this transformational agreement thus far, due to tactical and strategic decisions made by our partners. We look forward to sharing updates and the announcement of key milestones in the agreement as it advances.

Last week, Provision announced a multi-year agreement with Prosperity Investments, under its Joyful ATM brand, that provides entry into the global convenience store and ATM market. Similar to the Coinstar deal, Provision's 3D holographic display and coupon/loyalty card software platforms will be integrated into Joyful ATMs to drive in-store engagement and purchases at point-of-sale. Like Coinstar, Provision will design an attractive 'topper' assembly for the 3D holographic display which will be integrated on top of the ATM, and also develop the software integration platform for the coupon and loyalty application. We expect engineering efforts to begin in September.

The deal calls for an initial 2,000 Joyful ATM units integrated with Provision's 3D technology to be deployed throughout the United States in the first half of 2018, and more than 48,000 units to be deployed across the United States and an additional 68 countries over the agreement period, at locations including banks, convenience stores, gas stations, and government buildings. The initial rollout of 200 systems will span the Arkansas, Mississippi, Florida, Illinois, and Texas markets. Upon mutual agreement, a tiered U.S. rollout schedule will then commence, with Prosperity installations at retail locations among its channel partners in the top 10 U.S. advertising markets, and progressing through each decile ranking, in consultation with Provision.

Utilizing a nominal initial internal advertising revenue forecast of \$500 per month/store and a 10,000 retail location footprint, at critical mass, gross advertising revenues would exceed \$5 million monthly.

Prosperity Investments has maintained public silence on its national media rollout campaign planned for the "Joyful ATM" brand in January 2018 for competitive reasons. However, the

official Joyful website is planned to be active on August 15<sup>th</sup> and provide basic information on Joyful Financial Services and new innovative features for its ATM and online clients. Later this month, Prosperity will publicly announce its primary supplier, a leader in the global ATM industry with well over 100,000 conventional ATMs actively operating in the global marketplace. Joyful's retail, fuel service station, and convenience store chain partners plan on issuing monthly joint press releases commencing January 2018, as additional U.S. States in the Joyful ATM network come online.

Although Joyful has limited name recognition and public presence compared with the likes of Coinstar or Rite Aid, we are excited by this opportunity to further expand Provision's customer reach which will, importantly, influence higher future advertising rates.

Lastly, I wanted to touch upon our other deal, announced in the second quarter, with Discount Drug Mart, a 70 store pharmacy chain located in the Midwestern United States. This will add to our pharmacy store locations. We also see opportunities to further broaden our pharmacy channel presence beyond Rite Aid, and have been actively discussing the Provision 3D platform with additional chains, both regional and national in scale.

In corporate marketing materials, we have posed the question, "If we build it, will they come?" taking inspiration from the classic film *Field of Dreams*. At Provision, we believe that recent events go a long way towards answering that question. We are gratified by the acceptance of our proprietary holographic display platform by our retail channel partners, advertising agency partners and consumers, which we believe represents a "Triple Win" in the retail channel. This can be further validated by the published case studies showing an average coupon redemption rate of 17%, with some brands enjoying redemption rates as high as 44%.

We remain firmly confident in our ability to execute on this growth strategy, and believe that the multiple commercial-stage announcements highlighted here that encompass multiple retail channels represent transformational achievements since our previous shareholder letter. We are also extremely proud to have been able to invest in R&D to secure new patents that we expect will ultimately position Provision to enter into partnerships for markets that do not yet exist today. Examples of the markets for which we see clear applicability for Provision's technology include at-home consumer products and telemedicine, two areas which industry research suggests will represent the fastest growing markets for holographic displays.

As we have hopefully been able to communicate in this letter, Provision is committed to sharing its progress and engaging its current and future shareholders. To that end, we have recently engaged an Investor Relations firm, KCSA Strategic Communications, to assist us in these regards.

In short, we have never been more confident in the future prospects for Provision, and will continue to work tirelessly, and will not stop even once the progress we have made is more fairly reflected in the Company's stock valuation.

Thank you for your interest in Provision and your continued support.

Best regards,

Curt Thornton  
Chairman and Chief Executive Officer  
Provision Holding, Inc.

### **About Provision Interactive Technologies, Inc.**

Provision Interactive Technologies, Inc., a subsidiary of Provision Holding, Inc. (OTCQB:PVHO), is the leading developer of intelligent, interactive 3D holographic display technologies, software, and integrated solutions used primarily in retail settings. Provision's 3D advertising displays are designed to increase in-store engagement, coupon redemption and point-of-purchase activity.

Provision's 3D holographic display systems represent a revolutionary technology that project full color, high-resolution videos into space detached from the screen, without the need for special glasses. Provision holds more than 10 patents related to its 3D holographic technology, for both consumer and commercial applications. For more information, visit [www.provision.tv](http://www.provision.tv).

### **Forward-Looking Statements**

This press release contains projections of future results and other forward-looking statements that involve a number of risks and uncertainties. Important factors that may cause actual results and outcomes to differ materially from those contained in the projections and forward-looking statements included in this press release are described in our publicly filed reports. Factors that could cause these differences include, but are not limited to, the acceptance of our products, lack of revenue growth, failure to realize profitability, inability to raise capital and market conditions that negatively affect the market price of our common stock. The Company disclaims any responsibility to update any forward-looking statements unless legally required.

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