

Remark Holdings

Highlights from Remark Holdings' Fourth Quarter and Full Year 2017 Earnings Call

April 2, 2018

LAS VEGAS, April 2, 2018 /PRNewswire/ -- Remark Holdings, Inc. (NASDAQ: MARK), a diversified global technology company focused on providing artificial intelligence ("AI") solutions, is pleased to share some highlights from its earnings release and related conference call on March 29, 2018.

"We are issuing today's release to highlight the new and robust business developments within Remark Holdings and to clarify certain topics discussed on the earnings call," said Kai-Shing Tao, Chairman and CEO of Remark Holdings.

The company has set net revenue guidance for its KanKan AI business to exceed \$50.0 million for fiscal year 2018, representing an increase of approximately 800% over net revenue in fiscal year 2017.

- KanKan's FinTech product has, to date, achieved a default rate of less than one percent, which compares favorably to the company's internal goal of less than three percent and to competitors' similar products with higher default rates.
- KanKan has participated in the processing of loans resulting in more than USD\$100.0 million of loan principal outstanding.
- KanKan expects to place its AI solutions in the security, terrorism, public safety, retail, health services and restaurant sectors throughout Asia.
- Based upon KanKan's robust and diversified sales pipeline, the company has set its own internal revenue target at \$150.0 million for fiscal year 2019, or approximately three times the guidance for 2018.

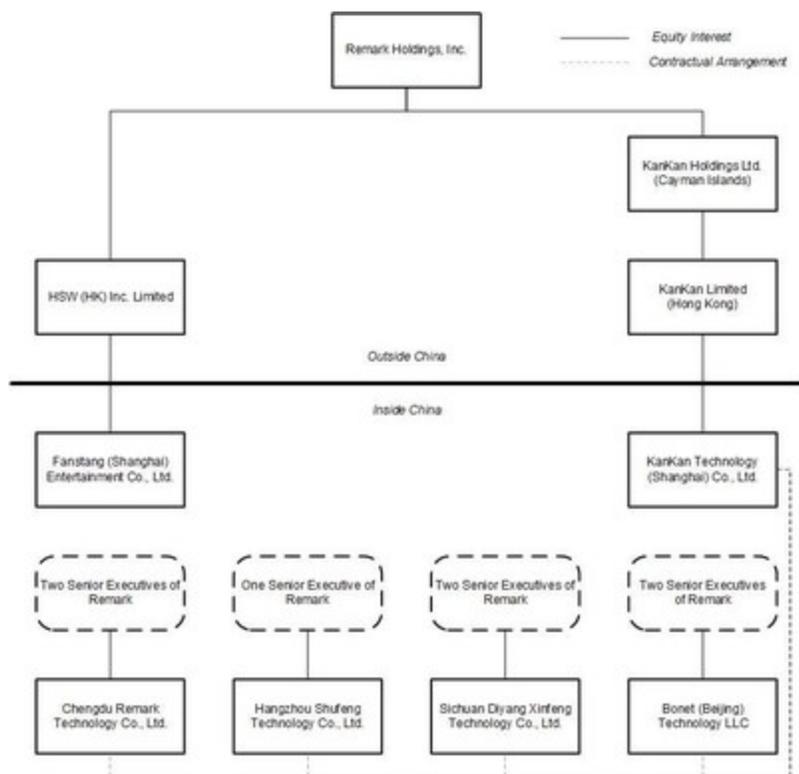
The company believes its Vegas.com business should generate net revenue between \$70.0 million and \$80.0 million for fiscal year 2018, representing a potential increase of as much as 14% over net revenue in fiscal year 2017.

- Remark expects that its Vegas.com business will generate Adjusted EBITDA between \$9.0 million and \$11.5 million, based on the midpoint of the net revenue guidance, representing a roughly 50% increase over 2017 Adjusted EBITDA.
- All of the top 20 show ticket sales days in Vegas.com's history have occurred since November 24, 2017.

Consolidated Adjusted EBITDA was negative \$7.7 million in fiscal year 2017.

- Net loss was \$89.2 million in the fourth quarter of 2017 and \$106.7 million in fiscal year 2017. The fourth quarter and fiscal year 2017 amounts included non-cash accounting charges of \$66.5 million and \$64.1 million, respectively, related to the change in the company's liability for outstanding warrants, as well as other non-cash charges of \$19.4 million and \$29.9 million, respectively. Investors can find a reconciliation of Adjusted EBITDA to operating loss in the [Financial Information](#) section of the company's website.
 - Outstanding warrants related to the purchase of Vegas.com were exercised on a cashless basis in the first quarter of 2018. The cashless exercises, at prices favorable to Remark, resulted in significantly less dilution, benefitting Remark shareholders.

The KanKan business utilizes a structure that is standard business and legal practice for foreign companies doing business in China (e.g., Alibaba, Sina, Baidu, et cetera). A detailed diagram of the organizational structure appears in this release and, for more detail, the company's Annual Report on Form 10-K can be found in the [SEC Filings](#) section of the company's website.



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About Remark Holdings, Inc.

Remark Holdings, Inc. (NASDAQ: MARK) primarily focuses on the development and deployment of artificial-intelligence-based solutions for businesses in many industries and geographies. Additionally, the company owns and operates digital media properties that deliver relevant, dynamic content. The company's U.S. operations are headquartered in Las Vegas, Nevada, with additional operations in Los Angeles, California, and its China operations are headquartered in Chengdu, China with additional operations in Beijing, Shanghai, and Hangzhou. For more information, please visit the company's website at www.remarkholdings.com.

Forward-Looking Statements

This press release may contain forward-looking statements, including information relating to future events, future financial performance, strategies, expectations, competitive environment and regulation. Words such as "may," "should," "could," "would," "predicts," "potential," "continue," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates," and similar expressions, as well as statements in future tense, identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors, including those discussed in Part I, Item 1A. Risk Factors in Remark Holdings' Annual Report on Form 10-K and Remark Holdings' other filings with the SEC. Any forward-looking statements reflect Remark Holdings' current views with respect to future events, are based on assumptions and are subject to risks and uncertainties. Given such uncertainties, you should not place undue reliance on any forward-looking statements, which represent Remark Holdings' estimates and assumptions only as of the date hereof. Except as required by law, Remark Holdings undertakes no obligation to update or revise publicly any forward-looking statements after the date hereof, whether as a result of new information, future events or otherwise.

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