



Business and Trading Update

Marimedia (AIM: MARI), a provider of proprietary technology solutions for optimising online advertising revenue for website owners globally, provides the following update on trading.

As stated in the interim results on 3 September 2014, the first half was characterised by a significant increase in the number of business partners and connections with online digital advertising platforms, which generated higher levels of volume and impressions for publishers. In the second half of the year, the Company has begun to diversify the market segments it serves as well as move aggressively into the mobile space through the acquisition of Taptica.

In the second half of 2014, through increased investment in Taptica, the Company has continued to develop a technology that offers Marimedia’s clients (publishers) automated mobile advertising solutions via a single agnostic platform that is capable of handling various media formats in a real-time bidding (RTB) marketplace. The Company believes that ‘mobile’ advertising represents the biggest dynamic shift in the industry, which is resulting in a proliferation of different eco-systems, and which is set to increase with the growth in portable devices. Marimedia is at the forefront of this transition in establishing a single platform for publishers to engage with, which will lead to greater customer retention as well as the Company gaining market share.

To lead the integration of the new mobile offering as well as the development of the future product line, Marimedia appointed Raz Bar Haim as Chief Technology Officer. Mr. Bar Haim joined the Company from 888.com where, over the last ten years, he focused on product R&D, project management, development and delivery.

As a result of this enhanced focus on mobile advertising, the Company has already experienced a growth in sales in this segment and, in line with the Company’s strategy, it is expected to be a substantial contributor to total revenues in the second half of 2014 and beyond. Additionally, the Company was successful in diversifying its market segments. As expected, it is experiencing increasing revenue contribution from the video advertising portion of display revenues. The approximate percentage revenue contribution to total revenue can be summarised as below:

H1 2014 Revenue		Q3 2014 Revenue		Oct 2014 Revenue	
<i>Display</i>	<i>Mobile</i>	<i>Display</i>	<i>Mobile</i>	<i>Display</i>	<i>Mobile</i>
97%	3%	73%	27%	72%	28%

The Company expects that revenues generated from the mobile segment will enter 2015 at a higher run rate than 28%. The video advertising portion of display revenue increased from 0% in H1 2014 to 11% in October 2014. It is expected that the video advertising portion will also be at a higher run rate entering 2015.

The Board is pleased that, despite the dynamic shift towards mobile and video advertising, the Company has been able to adapt very quickly and generate revenues from these segments in H2 2014. As a result, the Board of Marimedia remains confident of delivering significant revenue and profit growth for full year 2014, compared with the previous year, in line with market expectations.

Further evidence of the strength of Taptica’s offering has been provided by the inclusion by TUNE (the creators of MobileAppTracking.com, which provides attribution analytics to measure the value of advertising partners) of the business in its latest ‘Top 25 Advertising Partner’ global rankings. To identify the top advertising partners, TUNE analysed more than 500 MobileAppTracking integrated partners and generated scores based on revenue per install, install volume and client adoption (with the data being based on results from MobileAppTracking), ranking Taptica as 18th out of 500 partners. The Company continues to develop Qadabra, its principal technology platform, by enhancing the complex analytical algorithms that analyse past performance data, to improve the hosting infrastructure and strengthening fraud detection capabilities.

Looking ahead, the Company is well-positioned to build on the strong foundations that were established during the first nine months of the year, including the changes implemented to the organisational and management structure; the new campaign management tools to increase process automation and enhance efficiency; and the investment in the business development and sales & marketing functions to enhance Marimedia’s brand recognition.

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