



Marimedia Ltd.

("Marimedia" or "the Company")

Update on Taptica Acquisition

Further to the announcement of 31 July 2014, Marimedia Ltd. (AIM: MARI), a provider of proprietary technology solutions for optimising online advertising revenue for website owners globally, is pleased to announce that, in accordance with the terms of the Option Agreement dated 2 April 2014, the purchase price for the acquisition of 100 per cent of the issued share capital of Taptica Ltd. ("Taptica") has been set at \$13.6 million. In addition, the Company is adopting \$2.3 million of outstanding Taptica loans. The transaction is expected to be completed on 6 October 2014.

Under the terms of the acquisition, Marimedia will pay 50 per cent of the purchase price in cash (funded from its cash balances) and the remaining 50 per cent through the allotment of 2,619,137 newly issued ordinary shares ("New Ordinary Shares") of the Company.

The acquisition increases Marimedia's exposure to the rapidly growing mobile market which will allow the Company to take advantage of the changing dynamics in the industry which have accelerated towards mobile even quicker than previously anticipated. The acquisition will further differentiate the business offering, enhance its technological lead and create further barriers to entry for competition. The Board also believes that a combined business offering will allow up-selling of the Taptica offering to publishers, which will make Marimedia a more attractive partner for publishers and provide scale and value add to the Company. The Board is pleased to note that Taptica is on the shortlist of finalists for the "Best New Technology for Mobile" category at the prestigious Mobile Mafia Awards, organised by Mobile Media Summit. The finalists have been chosen for "top innovation in mobile technology".

Since exercising the option to acquire Taptica, Marimedia has commenced the integration process, with a particular focus on leveraging the respective technological skills and expertise of both companies. To accelerate the roll-out of this programme, the Board decided to transfer relevant employees from Marimedia to Taptica, which will result in some reorganisation costs within Taptica. The Company is also investing in providing additional capabilities to Taptica's technology as well as incorporating Marimedia's video mobile and display in order to build its own proprietary technology. As a result, the Company will be able to present a vastly enhanced offer to current customers as well as increase the number of customers it could approach.

The Board expects the investment in staff and Taptica's technology to total approximately \$2 million in 2014. Marimedia continues to trade in line with market expectations, but investment in Taptica will impact EBITDA in 2014 – an investment that the Board feels is absolutely necessary and beneficial at this time.

Application has been made for admission of the New Ordinary Shares to trading on AIM ("Admission"). It is expected that Admission will become effective and that dealings in the new Ordinary Shares will commence at 8.00a.m. on 6 October 2014. The new Ordinary Shares will be fully paid and will rank *pari passu* in all respects with the Company's existing ordinary shares. Following Admission, the total issued ordinary share capital of the Company will be 64,562,881 ordinary shares.

As previously announced, as certain of the Directors and Substantial Shareholders of Marimedia are also shareholders in Taptica, following Admission:

- Mr. Hagai Tal, Marimedia’s Director, Chief Executive Officer and significant shareholder (via his 50% ownership of Marimedia Holdings Ltd.), will hold 11,075,509 ordinary shares representing 17.2% of the total issued share capital of Marimedia
- Ms. Maia Shiran, Marimedia’s co-Founder, Director, co-Chief Operating Officer and significant shareholder (via Dooi Holding Ltd.), will hold 10,728,582 ordinary shares representing 16.6% of the total issued share capital of Marimedia
- Mr. Ariel Cababie, Marimedia’s co-Founder, co-Chief Operating Officer and significant shareholder (via Cababie Holdings Ltd.), will hold 10,728,582 ordinary shares representing 16.6% of the total issued share capital of Marimedia
- Mr. Ehud Levy (a 50% owner of Marimedia Holdings Ltd. (Marimedia’s significant shareholder)), will hold 11,075,509 ordinary shares representing 17.2% of the total issued share capital of Marimedia

Hagai Tal, Chief Executive Officer, commented: “Our intention was always to invest in mobile technologies to keep pace with the rapidly evolving digital media market in which we operate. We are excited by this acquisition which provides increased exposure to the mobile market, allowing the expansion of our market presence and cross selling opportunities across the businesses to further increase our competitive position in the industry. This brings us closer to developing a leading position in the mobile market using our own proprietary technology.”

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