3 September 2015

Marimedia Ltd.
("Marimedia" or the "Company")

Interim Results 2015

Marimedia (AIM: MARI) (to be renamed Taptica), a proprietary marketing ad-technology solutions company that leverages big data to optimise mobile and online advertising spend, announces its interim results for the six months ended 30 June 2015.

To be re-named Taptica following transition to focus on higher-value mobile segment

- As a result of acceleration of industrywide structural shift away from display advertising, took strategic decision to transition the business fully to mobile, and focus the Company's resources into building mobile segment's capabilities
- Post period end, resolved to adopt the name of the mobile segment - Taptica Ltd - to reflect its increasing dominance

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Financial Highlights

Cash generative business with growing revenues

- Revenues increased by 10% to $33.9 million (H1 2014: $30.8 million)
- Gross profit of $9.0 million (H1 2014: $9.3 million)
- Adjusted EBITDA* of $2.8 million (H1 2014: $5.8 million)
- R&D expenses increased by 136% to $1.6 million (H1 2014: $0.7 million)
- Net cash flow from operating activities of $0.9 million (H1 2014: $3.8 million)
- Fully diluted earnings per share of $0.01 (H1 2014: $0.08)
- Cash and cash equivalents as at 30 June 2015 were $22.8 million (31 December 2014: $24.7 million)

*Adjusted EBITDA is defined as profit before interest, taxes, depreciation and amortisation and share-based payment expenses. Marimedia's management believes that this measure is a useful supplemental metric as it provides an indication of the results generated by the Company's principal business activities prior to how the results are affected by the accounting standards associated with the Company's share-based payment expenses.

Operational Highlights

Improvement in mobile technology and increased brand recognition

- Mobile segment accounted for 51% of revenues (18% of full year 2014 revenues and 28% of Q4 2014)
- Focus on tier 1* customer base with tier 1 clients accounting for 26% of H1 2015 revenues
- Launched publisher-focused SSP (Supply Side Platform) for mobile and video and advertiser/agency-focused data analytics tool to deliver unique opportunities
- 200m+ user profiles, growing daily, enabling quality targeting & retargeting via dynamic promotions
- Data gathered from more than 10,000 campaigns
- 15 billion requests handled per day
- Opened New York office to further advance sales initiatives in the U.S.

* Tier 1 customers are defined by the Company as blue chip global brands.

Hagai Tal, Chief Executive Officer, stated: "The first half of 2015 has been a transitional period marked by an acceleration of the shift from the display segment to the mobile segment. Our decision to transition the business fully to mobile is the foundation for generating value, and the significant increase in sales in our mobile business supports our decision.

"Looking ahead, the mobile segment continues to gain traction with household brand names and accelerate as demand for our solutions continue to increase. Consequently, the mobile segment revenues are expected to account for around three quarters of total full year 2015 revenues, resulting in high single digit percentage organic revenue growth compared with 2014. Trading for the full-year is currently in-line with market expectations."

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Operational Review

This has been a transitional period for the Company marked by an acceleration of the shift from the display segment to the mobile segment as well as being the first full six months period following the consolidation of Marimedia and Taptica operations after the acquisition in H2 2014. The Company continued to invest in improving the technology offering and increasing brand recognition under 'Taptica', which resulted in significant growth in the mobile segment revenues. This offset the managed decline in display sales with overall Company revenues growing by 10% to $33.9 million for the first six months of 2015 compared with $30.8 million for the same period of 2014.The increased investment in the mobile business to accelerate the transition to focus purely on the mobile segment, including the strengthening of the San Francisco office and opening an office in New York, positions the Company for growth, however it resulted in an adjusted EBITDA of $2.8 million compared with $5.8 million for the prior year, in-line with market expectations.

The Company made further business investment in the mobile segment, from R&D and marketing to developing its own proprietary technology. The increase in business development and sales & marketing efforts enabled the Company to enhance its brand recognition and, as a result, continue to expand its global customer base, which spans beyond 40 countries. Significantly, the Company was successful in growing the customer base to include a greater proportion of tier 1 clients (to 26% of total revenue in the period). This was complemented by the Company opening an office, through Taptica, in New York City thereby expanding its presence in the US and furthering the strategy of targeting ad agencies and brands that are located on the East Coast.

As a result, the Company now has an increasing number of supply & publishing partners and brand & app customers worldwide, and handles approximately 15 billion requests daily. In addition, its database of over 200 million user profiles is growing daily and, combined with data gathered from more than 10,000 campaigns to date, enables quality targeting and retargeting via dynamic promotions.

Transition to a pure mobile marketing ad-technology business

As noted in the Company's announcements of 28 May 2015 and 4 June 2015, the digital advertising market is undergoing a structural shift resulting in significant growth in advertising on mobile devices and targeted campaigns run by companies and agencies to reach their audiences who are increasingly using these devices to access the internet. In anticipation of this shift, the Company had been investing in developing its mobile capabilities, which was greatly advanced by the deployment of funds raised during the Company's IPO and the acquisition of Taptica. However, due to an acceleration of these industry developments, the Directors of the Company (the "Directors") took the strategic decision, during H1 2015, to transition the business fully to mobile whereby the focus of resources would be shifted from the display segment to the mobile business, thereby laying the foundations for a business of higher value.

As a result, the Directors decided to reallocate some of the remaining personnel into the mobile segment and initiate a headcount reduction from the display business that would result in net cost savings of approximately $1m in 2015. As of 30 June 2015, the Company had 122 employees. Post period end, the Company moved its headquarters and consolidated all its Israel-based staff members into one office in Tel Aviv, which has resulted in personnel and operational cost savings; the result of which will be seen going forward.

R&D

During the first six months of 2015, the Company continued to invest significantly in the development of its proprietary technology.

At the beginning of the period, the Company launched a data analytics tool that delivers advanced insights into mobile user behaviour and demographics for precise mobile ad campaign targeting for the benefit of advertisers. Unlike current solutions on the market, the Company's highly customisable analytics tool provides agencies, brands and app developers with an array of anonymised user behaviour data, including impressions, clicks, conversions, purchases and money spent, with key performance indicators being determined by the customer. When this behaviour data is combined with detailed demographic data – such as location, age, gender and operating system – advertising spend can be refined according to the customer's target, leading to higher user retention and increased return on investment.

A particularly significant development was the launch, in June 2015, of the Company's publisher-focused SSP (Supply Side Platform) for mobile and video. The SSP enables publishers to sell their advertising inventory via an auction mechanism in real time (via real time bidding), thereby enabling the publisher to auction a greater number of impressions at a higher price. The Company is now working on fully integrating the SSP with Taptica's DSP (Demand Supply Platform) for advertisers, which leverages Taptica's growing database of user profiles for the accurate targeting/retargeting of users. The Directors believe that this will be the industry's first integrated mobile SSP and DSP in one solution with a single platform.

With the full integration of the SSP and DSP, which is due to be launched this month, the Company will be able to offer a single platform encompassing all sides of the online marketing ecosystem. With the ongoing growth in the Company's database through continuous data acquisition, the Company's technology will use machine learning and analytics, on a big data scale, to enhance efficiency and provide maximum return on investment for customers. As a result, the Company will be able to increase the quality of its offer and thereby increasingly target tier 1 customers based on a single, integrated DMP (Data Management Platform).

The DMP will be enhanced by the Company's cross platform/device single ad tag, which was launched during the period. By using a single ad tag – which is the code that tells the browser how to display the ad (or other content) that they get from a URL request – across all of the Company's publishers, advertisers and app developers, and for all devices, the user's interaction with all online marketing can be tracked. As a result, the Company's technology will be able to target the user irrespective of the media or device – thereby increasing the efficiency of the marketing campaign and improving the offering to publishers.

Post Period End

Following the AGM, held on 20 August 2015, application has been made to the Israeli Companies Registrar for the formal approval of the Company's name change to Taptica Ltd. In addition, once approval is received, the Company will trade on AIM under a new ticker ('TAP'). The new name reflects the development of the Company's offering and acceleration of its mobile strategy as announced earlier this year. The focus of the business is the provision of marketing solutions, based on big data, that drive execution and powerful brand insight in mobile by leveraging video, native and display to reach the most valuable users for every app, service and brand.

Financial Review

Revenues for the six months ended 30 June 2015 increased by 10% to $33.9 million compared with $30.8 million for the equivalent period in 2014.

Total gross margin was 26.4% (FY 2014: 30.2%), which includes an improvement in mobile gross margin to 25.5% (FY 2014: 24.5%). The decline in total gross margin (on a blended basis across mobile and display) is largely due to the increased contribution from the mobile business (which accounted for 51% of total sales), which is a lower margin business compared with the traditional display segment. In addition, display segment margins were lower due to the shift in the industry and decreased demand.

Cost of sales, which consists primarily of traffic acquisition costs that are directly attributable to revenue generated by the Company and based on the revenue share arrangements with audience and content partners, increased as a proportion of revenue compared with the prior year period. This growth was due to the significant increase in mobile revenue, which is a lower margin business, as a proportion of total revenue and consequent impact on total margins. As a result, despite the increase in revenue, gross profit declined slightly to $9.0 million (30 June 2014: $9.3 million).

Operating costs increased primarily due to the investment in the mobile business. R&D expenses were 136% higher at $1.6 million (H1 2014: $0.7 million). Sales & marketing increased in the period as investments were made to enhance brand recognition and expand the global customer base. General & administrative expenses were also greater than the same period of the prior year largely as a result of the full six-month contribution of costs associated with being a public company as well as the opening of the New York office and strengthening of the San Francisco office.

Adjusted EBITDA for the six months ended 30 June 2015 was $2.8 million compared with $5.8 million for the equivalent period in 2014, which is comprised as follows:

	H1 2015 $'m	H1 2014 $'m
Operating profit	1.1	4.9
Depreciation & Amortisation	1.5	0.2
Share-based payments	0.2	0.7
Adjusted EBITDA	**2.8**	**5.8**

The Company continued to be cash generative with net cash provided by operating activities of $0.9 million (H1 2014: $3.8 million). Total dividend payments in the period were $1.5 million.

As at 30 June 2015, cash and cash equivalents were $22.8 million compared with $24.7 million at 31 December 2014.

Outlook

The Company continues to make further business investment in the mobile segment, from R&D and marketing to developing its own proprietary technology.

The Company has entered H2 2015 with the mobile segment continuing to gain traction with household brand names and accelerate as demand for its solutions continue to increase. Consequently, the mobile segment revenues are expected to account for around three quarters of total full year 2015 revenues, resulting in approximately 8% organic revenue growth compared with 2014. Trading for the full year is currently in-line with market expectations.

Condensed Consolidated Interim Statements of Financial Position as at

	30 June		31 December
	2015	2014	2014
	(Unaudited)		(Audited)
	USD thousands		USD thousands
Assets			
Cash and cash equivalents	**22,794**	29,528	24,664
Investment in money market funds	**-**	544	482
Trade receivables	**13,030**	9,931	11,687
Other receivables	**1,771**	2,658	770
Total current assets	**37,595**	42,661	37,603
Fixed assets	**529**	523	569
Intangible assets	**20,457**	989	20,663
Deferred tax assets	**219**	406	284
Total non-current assets	**21,205**	1,918	21,516
Total assets	**58,800**	44,579	59,119
Liabilities			
Trade payables	**13,068**	9,261	12,075
Other payables	**2,204**	2,046	3,118
Total current liabilities	**15,272**	11,307	15,193
Employee benefits	**166**	186	161
Deferred tax liabilities	**1,401**	-	1,433
Total non-current liabilities	**1,567**	186	1,594
Total liabilities	**16,839**	11,493	16,787
Equity			
Share capital	**190**	179	186
Share premium	**35,566**	27,756	35,170
Reserves	**359**	769	525
Retained earnings	**5,846**	4,382	6,451
Total equity	**41,961**	33,086	42,332
Total liabilities and equity	**58,800**	44,579	59,119

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Comprehensive Income

	Six months ended 30 June		Year ended 31 December
	2015	**2014**	**2014**
	(Unaudited)		**(Audited)**
	USD thousands		**USD thousands**
Revenues	**33,877**	30,818	63,121
Cost of sales	**(24,920)**	(21,494)	(44,087)
Gross profit	**8,957**	9,324	19,034
Research and development expenses	**1,588**	673	2,001
Selling and marketing expenses	**3,892**	2,532	5,507
General and administrative expenses	**2,367**	1,197	2,961
	7,847	4,402	10,469
Profit from operations	**1,110**	4,922	8,565
Profit from operation before amortization of purchased intangibles amounting to USD 942 thousands (31 December 2014: USD 721 thousand, 30 June 2014: nil)	**2,052**	4,922	9,286
Financing income	**19**	180	71
Financing expenses	**(25)**	(37)	(410)
Financing income (expenses), net	**(6)**	143	(339)
Profit before taxes on income	**1,104**	5,065	8,226
Taxes on income	**182**	1,035	2,127
Profit for the period	**922**	4,030	6,099
Profit for the year before amortization of purchased intangibles (net tax)	**1,623**	4,030	6,620
Earnings per share			
Basic earnings per share (in USD)	**0.014**	0.077	0.106
Diluted earnings per share (in USD)	**0.014**	0.075	0.102
Other comprehensive income items that will not be transferred to profit or loss			
Remeasurement of defined benefit plan	**-**	-	6
Taxes on other comprehensive income items that will not be transferred to profit or loss	**-**	-	(1)
Total other comprehensive income for the period that will not be transferred to profit or loss, net of tax	**-**	-	5
Total comprehensive income for the period	**922**	4,030	6,104

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Changes in Equity

	Share capital	Share premium	Capital Reserves (**)	Retained earnings	Total
			US$ thousands		
For the six months ended 30 June 2015 (unaudited)					
Balance as at 1 January 2015	**186**	**35,170**	**525**	**6,451**	**42,332**
Total comprehensive income for the period					
Profit for the period				**922**	**922**
Total comprehensive income for the period	**-**	**-**	**-**	**922**	**922**
Transactions with owners, recognized directly in equity					
Share based payments	**-**	**-**	**187**	**-**	**187**
Exercise of options	**4**	**396**	**(353)**		**47**
Dividend to owners				**(1,527)**	**(1,527)**
Balance as at 30 June 2015	**190**	**35,566**	**359**	**5,846**	**41,961**
For the six months ended 30 June 2014 (unaudited)					
Balance as at 1 January 2014	*-	-	182	352	534
Total comprehensive income for the period					
Profit for the period	-	-	-	4,030	4,030
Total comprehensive income for the period	-	-	-	4,030	4,030
Transactions with owners, recognized directly in equity					
Share-based payments	-	126	611	-	737
Exercise of options	1	29	(24)	-	6
Bonus issue shares	144	(144)	-	-	-
Initial public offering	34	27,745	-	-	27,779
Balance as at 30 June 2014	179	27,756	769	4,382	33,086
For the year ended 31 December, 2014					
Balance as at 1 January, 2014	*-	-	182	352	534
Total comprehensive income for the year					
Profit for the year	-	-	-	6,099	6,099
Other comprehensive income for the year, net of tax	-	-	5	-	5
Total comprehensive income for the year	-	-	5	6,099	6,104
Transactions with owners, recognized directly in equity					
Issuance of ordinary shares	7	7,092	-	-	7,099
Bonus issue shares	144	(144)	-	-	-
Share-based payments	-	126	679	-	805
Exercise of options	1	215	(205)	-	11
Initial Public Offering	34	27,745	-	-	27,779
Expiration of options	-	136	(136)	-	-
Balance as at 31 December, 2014	186	35,170	525	6,451	42,332

(*) Less than 1 thousand USD

(**) Includes reserves for share-based payments and remeasurement of defined benefit plan

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Cash Flows

	Six months ended 30 June		Year ended 31 December
	2015	2014	2014
	(Unaudited)		(Audited)
	USD thousands		USD thousands
Cash flows from operating activities			
Profit for the period	**922**	4,030	6,099
Adjustments for:			
Depreciation and amortization	**1,543**	170	1,156
Net financing expense (income)	**(48)**	13	252
Gain on curtailment or settlement of defined benefit plan	**-**	-	6
Share-based payment transactions	**187**	737	762
Income tax expense	**182**	1,035	2,127
Change in trade and other receivables	**(2,323)**	(3,620)	(1,871)
Change in trade and other payables	**1,006**	2,253	1,665
Change in employee benefits	**58**	26	36
Income taxes received	**-**	278	278
Income taxes paid	**(638)**	(1,130)	(1,895)
Interest paid	**(5)**	-	-
Net cash provided by operating activities	**884**	3,792	8,615
Cash flows from investing activities			
Increase in pledged deposits	**(96)**	-	248
Acquisition of fixed assets	**(259)**	(193)	(217)
Acquisition and development of intangible assets	**(1,253)**	(274)	(858)
Grant of long-term loans	**-**	(1,237)	(1,500)
Acquisition of subsidiaries, net of cash acquired	**-**	-	(6,531)
Proceeds from sale of investment in money market funds	**482**	-	-
Net cash used in investing activities	**(1,126)**	(1,704)	(8,858)
Cash flows from financing activities			
Initial Public Offering	**-**	27,289	27,332
Dividends paid	**(1,527)**	(3,147)	(3,147)
Repayment of loans from related parties	**(111)**	-	(830)
Repayment of loans from banks	**-**	-	(1,527)
Proceeds from exercise of share options	**47**	6	11
Net cash (used in) provided by financing activities	**(1,591)**	24,148	21,839
Net increase (decrease) in cash and cash equivalents	**(1,833)**	26,236	21,596
Cash and cash equivalents as at the beginning of the period	**24,664**	3,216	3,216
Effect of exchange rate fluctuations on cash and cash equivalents	**(37)**	76	(148)
Cash and cash equivalents as at the end of the period	**22,794**	29,528	24,664

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Note 1 - General

A. Reporting entity

Marimedia Ltd. (the “Company”) was incorporated in Israel under the laws of the State of Israel on 20 March 2007. The address of the registered office is 121 Hahashmonaim Street Tel-Aviv, Israel.

Marimedia Ltd (AIM: MARI), a global provider of proprietary technology solutions, is a leader in optimizing online revenue across all platforms in the digital advertising ecosystem. Marimedia’s device-agnostic solutions, marketed under the Taptica brand, utilize its technology for big data acquisition and analytics. Online media owners and advertisers are empowered to qualitatively monetize their offerings in display and mobile using multiple formats, including video, to connect consumers and brands with targeted content for maximum return on investment. Founded in 2007, Marimedia has a worldwide base of partnerships with media companies; maximizing value for a wide range of Tier 1 brands. The Company is headquartered in Tel Aviv with offices in San Francisco and New York.

Marimedia’s large and diverse publisher inventory is in high demand by advertisers who are constantly in search of Marimedia’s ability to measure, track and increase revenues; offering an opportunity for global outreach and potential growth.

On 28 May 2014, the Company’s shares began trading on the AIM Market of the London Stock Exchange following the Company’s initial public offering.

On 1 August 2014, the Company purchased 100% of Taptica Ltd’s (“Taptica”) share capital for a total consideration of USD 13.84 million.

B. Definitions

In these financial statements –

(1) The Company – Marimedia Ltd.

(2) The Group – Marimedia Ltd. and its subsidiaries.

(3) Related party – Within its meaning in IAS 24 (2009), “Related Party Disclosures”.

Note 2 - Basis of Preparation

A. Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* and do not include all of the information required for full annual financial statements. They should be read in conjunction with the financial statements as at and for the year ended 31 December, 2014 (hereinafter – “the annual financial statements”).

These condensed consolidated interim financial statements were authorized for issue by the Company’s Board of Directors on 2 September 2015.

Note 2 - Basis of Preparation (cont'd)

B. Use of estimates and judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the principal assumptions used in the estimation of uncertainty were the same as those that applied to the annual financial statements.

Note 3 - Significant Accounting Policies

The accounting policies applied by the Group in these condensed interim financial statements are the same as those applied by the Group in its annual financial statements.

Note 4 - Share-Based Payment Arrangements

A. In February and June 2015, the Company issued 2,328,000 and 1,509,350 share options for ordinary shares of NIS 0.01 each to employees at an exercise price of £1.3232 and £0.90, respectively. Half of the Options will vest and become exercisable on the second anniversary of the Grant Date and a quarter will vest and become exercisable on the third and fourth anniversary of the Grant Date, subject to such employees remaining employed by the Company or a Company subsidiary on the applicable vesting dates. The Options will expire on 24 February 2020 and 30 June 2020 respectively.

The total expense recognized in the condensed interim statement of comprehensive income in the six-month period ended 30 June 2015, amounted to approximately USD 187 thousand.

B. The Board of the company has approved a change in the exercise price and vesting terms relating to 2,861,000 options for Ordinary Shares held by certain employees under the Plan (the "Amended Options"). The Amended Options were originally granted as follows:

- 1,015,000 were granted on 1 February 2014, exercisable from 1 February 2016 at a price of US$2.28 each with an expiry date of 1 February 2024
- 1,846,000 were granted on 24 February 2015 with an exercise price of £1.3232, the same gradual four-year vesting period as that described above for the New Options (with the exercise period commencing on the second anniversary of 24 February 2015) and an expiry date of 24 February 2020

The Amended Options are exercisable at a price of 90 pence each. The options granted on 1 February 2014 will now vest and become exercisable on 30 June 2017 and the expiration date remains 1 February 2024. The vesting and exercise periods of the options granted on 24 February 2015 remain unchanged.

Note 4 - Share-Based Payment Arrangements (cont'd)

C. The number of share options (in thousands) is as follows:

	Number of options 2015
Outstanding at 1 January	**3,217**
Exercised during the period	**(1,682)**
Granted during the period	**3,837**
Forfeited during the period	**(465)**
Outstanding at 30 June	**4,907**

Note 5 - Capital and Reserves

A. Share capital (in thousands of shares of NIS 0.01 par value)

	For the six months ended 30 June, 2015 (Unaudited)
Issued and paid-in share capital	**66,405**
Authorized share capital	**300,000**

On 31 March 2015, 1,682,276 options were exercised and ordinary shares were issued respectively.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All shares rank equally with regard to the Company's residual assets.

B. Dividends

Details on dividends (in USD thousand unless stated otherwise):

	For the six months ended 30 June, 2015 (Unaudited)	For the six months ended 30 June, 2014 (Unaudited)	For the year Ended 31 December, 2014 (Audited)
Declared and paid	**1,527**	**-**	**-**

A dividend in the amount of USD 1,527 thousand (USD 0.023 per ordinary share) that was declared in March 2015 was paid in June 2015.