

11 January 2016

Taptica International Ltd
(“Taptica” or the “Company”)

Trading and Business Update

Taptica (AIM: TAP), a global end-to-end mobile advertising platform for advertising agencies and brands, provides a business and trading update for the 12-month period ended 31 December 2015.

Trading update

Taptica’s first full year as a listed company has been a significant period in which the Company transformed itself, principally, into a mobile advertising platform following the management team’s decision to shift the Company’s focus away from the display segment to the mobile segment early in the year. The transition pre-empted the digital advertising industry’s structural shift away from display advertising reflecting the move away from using open exchanges to the use of private and self-serve exchanges by publishers and advertisers. This combined with lower allocation of spend by advertisers caused the desktop market to weaken in favour of mobile advertising. By transforming itself into a mobile-focused business going forward, Taptica has laid the foundations for a business of higher value, which it has built upon in the second half of the year.

The Company increased its investment in the mobile segment – from R&D and marketing to further developing its own proprietary technology. As mobile has become an increasing part of mainstream marketing budgets, the mobile segment has quickly gained traction with household brands increasingly using the Taptica platform for their mobile advertising campaigns. As a result, the Company expects to report full year revenue growth of almost 19% over full year 2014 revenues, slightly ahead of market expectations. The mobile segment is expected to contribute approximately 66% of full year 2015 revenue, up from 18% of full year 2014 revenue. This represents a year-on-year increase in mobile segment revenues of approximately \$38m. In addition, due to technology enhancements and cost savings resulting from the business restructuring that was implemented during the second half of 2015, the Company achieved an increase in gross margin and anticipates full year EBITDA to be slightly ahead of market expectations. Cash, as of 31 December 2015, is also expected to be slightly higher than market expectations.

Significant developments and acquisition

The strength of the Taptica mobile offer is based on its IP, and the Company continued to invest in developing its technology. This included database and machine learning advancements in order to further enhance Taptica’s ability to grow and leverage data, which is key to enabling mobile targeting and user acquisition for the Company’s advertiser clients.

In order to enhance its social mobile offering, in Q3 2015, Taptica acquired AreaOne, a performance marketing technology company and accredited Facebook® Marketing Partner. The Company’s clients are already experiencing the benefits of AreaOne’s bid optimisation and budget optimisation expertise across social media channels in a cost-effective manner, particularly when combined with the big data available from Taptica’s mobile campaigns.

Outlook

The Company has entered 2016 with its mobile offering continuing to gain traction with household-named brands and seeing expanding demand for its solutions. The business continues to diversify geographically and is experiencing sustained growth in its core database. As a result, the Board remains confident of delivering good growth for full year 2016.

For further details:**Taptica**

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About Taptica

Taptica is a global end-to-end mobile advertising platform that helps the world's top brands reach their most valuable users with the widest range of traffic sources available today, including social. Its proprietary technology leverages big data and, combined with state-of-the-art machine learning, enables quality media targeting at scale. Taptica creates a single arena in which brands can scale and engage more relevantly with mobile audiences, staying ahead of the competition. It works with more than 450 advertisers including Amazon, Disney, Facebook, Twitter, OpenTable, Expedia, Lyft and Zynga. Taptica is headquartered in Israel with offices in San Francisco, New York, Boston and Beijing. Taptica is traded on the London Stock Exchange (AIM: TAP).