

28 May 2015



Business and Trading Update

Marimedia (AIM: MARI), a global provider of proprietary technology solutions that leverage big data to optimise online revenue for publishers and advertisers across all platforms in the digital advertising ecosystem, provides the following update on business strategy and current trading.

Business strategy and trading

As stated previously in the full year results on 25 March 2015 and trading updates of January 2015 and December 2014, the digital advertising industry is undergoing a structural shift away from display advertising due to changes in supply to private and self-serve media exchanges. As a result of this, there has been a 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, Marimedia has been investing in developing its mobile capabilities, and this investment was greatly advanced by the deployment of funds raised during the Company's IPO and, in particular, the acquisition of Taptica.

Due to an acceleration of these industry developments, the Directors have taken a strategic decision to transition the business fully to mobile, and focus the Company's resources into building Taptica's capabilities, which they believe will be the foundation for generating value. Whilst the Company will continue to service its clients in the legacy display business segment, it will no longer invest in this part of the business as it will be non-core to the future of Marimedia. Accordingly, the Directors have decided to implement a restructuring exercise to reallocate resources to the mobile business and to enable cost savings. As a result of this strategic decision, and the structural shift, the legacy display segment's revenues are expected to be significantly lower for full year 2015 compared with the previous year.

The Company's mobile business is growing as expected, as the improvements in technology as well as greater brand recognition are enabling the Company to increasingly target tier 1 customers. With increasing investment in this segment, the Company expects to make significant progress throughout the year and anticipates that revenues in this segment will now represent a substantial proportion of total revenues for full year 2015. However overall, as a result of the changes to the display business, total Company revenues are expected to be materially below market expectations.

On track to launch industry's first SSP and DMP in one solution

The strength of Marimedia's mobile offer is based on its patent-pending IP, and the Company continues to invest in developing and advancing its technology, including recently launching a data analytics tool to enhance mobile ad campaign targeting for the benefit of advertisers. This trend is expected to continue as the quality of the Marimedia offer increases with ongoing advancements in its technology. In particular, the Company remains on track to launch its publisher-focused SSP (Supply Side Platform) for mobile and video by the end of June 2015, which will then be integrated with the Taptica DSP (Demand Side Platform), enabling Marimedia to offer a single Data Management Platform (DMP) encompassing all sides of the adtech ecosystem. The Director's believe that this will be the industry's first mobile SSP and DMP in one solution, thereby significantly enhancing the Company's offer and will be its primary growth driver in 2016 and beyond.

The Board believes that, based on the strength of the Company's IP and track record of innovation, Marimedia is well placed to build on the strong position that it has already established in mobile advertising.

The Company will update the market on 4 June 2015, following the conclusion of the period of review for the restructuring exercise, with the anticipated cost savings as well as expected impact on the full year 2015 results.

For further details:

Marimedia

Hagai Tal, Chief Executive Officer

+972 3 545 3900

N+1 Singer – Nomad and Broker

Jonny Franklin-Adams, Nic Hellyer, Jen Boorer

+44 20 7496 3000

Luther Pendragon

Harry Chathli, Claire Norbury, Oli Hibberd

+44 20 7618 9100