4 June 2015

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

marimedia
Online Marketing Solutions

Restructuring Review Update

Further to the 'Business and Trading Update' announcement of 28 May 2015, 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 an update on its strategy and restructuring programme.

Background – Focusing on mobile
In the announcement of 28 May 2015, Marimedia stated that, as a result of the digital advertising market undergoing significant changes, it had taken the strategic decision to transition the business fully to mobile. As a result, it was decided that the focus of resources should be shifted from the display segment to the mobile business, thereby laying the foundations for a business of higher value. Following are the results of the restructuring review and an update on trading for the full year 2015.

Restructuring review – Cost & investment reallocation underway
The Company has made the decision to reallocate some of the remaining personnel into the mobile segment and initiate a headcount reduction from the display business that will result in net cost savings of approximately $1m in 2015.

Additionally, the Company is moving its headquarters and consolidating all its Israel-based staff members into one office at Hashmonaim 121, Tel Aviv 6713328, Israel, which will also become the new registered office with immediate effect.

Current trading – Company expected to report revenue growth in FY 2015
The Company is cash generative and profitable, and is expected to report revenue growth for full year 2015. As stated previously, this is primarily due to an acceleration in the mobile segment of the business.

For the full year 2015, the Company expects high single digit percentage revenue growth compared with 2014 full year revenues. The mobile segment revenues are expected to account for around three quarters of total revenue; representing more than a three-fold increase over the prior year (2014 mobile revenues c. 18%).

The Company continues to make further business investment in the mobile segment, from R&D and marketing to developing its own proprietary technology. As indicated previously, the impact of this investment, and the lower gross margins in the mobile segment, is expected to result in EBITDA being lower than that reported in 2014.

The Company has a strong balance sheet with cash and cash equivalents at 31 May 2015 totalling $22.8m.

Outlook – New product commercialisation on track
Looking beyond 2015, the Company expects an acceleration of growth as a result of it launching, in Q3 2015, what the Directors believe will be the industry's first integrated mobile SSP and DSP in one solution with a single platform. The Company has already received extensive interest in this new solution, and expects strong organic growth in mobile revenues in 2015 and 2016.

Hagai Tal, Chief Executive Officer of Marimedia, stated: "Our mobile business is growing very rapidly and we remain cash generative and profitable. Our product and service development programmes are on track to meet the changes in the industry and we expect to create significant value to shareholders from the commercialisation of our assets."

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