31 July 2014

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

Marimedia to Acquire Taptica, a Mobile Advertising Technology Company
Related party transaction under AIM rules

Further to the announcement of 9 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 it has exercised its option to purchase the entire issued share capital of Taptica Ltd. ("**Taptica**") for an estimated purchase price ranging between $11.6 million and $15.6 million, depending on performance. The acquisition is being funded out of the Company's own resources with cash and shares.

Rationale for the Transaction
The acquisition is in line with the Company's stated strategy of investing in mobile advertising technologies to keep pace with the market. The Directors of Marimedia ("**the Directors**") believe 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. Additionally, the Directors believe that this will further differentiate the business offering, enhance its technological lead and create further barriers to entry for competition.

Terms of the Transaction
In accordance with the terms of the Option Agreement, dated 2 April 2014 (the "**Option Agreement**"), the purchase price payable by Marimedia to Taptica's shareholders is contingent on Taptica's revenues and profit (loss) during the period of three months preceding the exercise of the option, ranging from $7.6 million to $19.6 million, which, together with the assumed loans described below, is equivalent to approximately one times Taptica's annual sales. Marimedia currently estimates that the purchase price will range between $11.6 million and $15.6 million.

At closing, Marimedia shall pay the purchase price to Taptica's shareholders (i) 50% in cash and (ii) 50% by the issue of Ordinary Shares of Marimedia calculated based on 153 pence per share, which was the placing price upon Marimedia's admission to trading on AIM on 28 May 2014.

In addition, within three business days of the closing, Marimedia shall also procure that Taptica repays shareholder loans owed by Taptica to certain persons in the aggregate principal amount of approximately $900,000, plus accrued interest, and Marimedia shall release the Taptica shareholders from all guarantees and pledges provided by them in relation to Taptica.

Pursuant to a Loan Agreement, dated 2 April 2014, by and between Marimedia and Taptica, Marimedia also extended Taptica a credit line of $1.5 million due 1 August 2015, of which $1.5 million is outstanding as of the date of this notice. In addition, as at 30 June 2014, Taptica had outstanding bank debt of approximately $1.6 million.

In accordance with the exercise notice, the closing of the transaction is scheduled for 1 September 2014. However, pursuant to the Option Agreement, Taptica has the right to defer the closing for a period of up to 60 days (the "**Closing Period**"), and the Board of Marimedia have been informed that Taptica is considering exercising this right. In this instance, the purchase price shall be calculated based on Taptica's revenues and profit (loss) during such deferred three month period. A further announcement will be made at the end of the Closing Period.

The terms of the Option Agreement and the calculation parameters of the purchase price are described in detail in Paragraph 15.6 of Part IV of Marimedia's Admission Document, dated 22 May 2014, a copy of which is available on Marimedia's website: www.marimedia.net.

Based on information provided to Marimedia by Taptica, Taptica made a loss before tax for the year ended 31 December 2013 of $2.1 million, and as at 31 December 2013, Taptica had net liabilities of $2.5 million.

Related Party Transaction

Under the AIM Rules, the proposed transaction would constitute a related party transaction, by virtue of (i) Mr. Hagai Tal, Marimedia's Director, Chief Executive Officer and significant shareholder (via his 50% ownership of Marimedia Holdings Ltd.), (ii) Ms. Maia Shiran, Marimedia's co-Founder, Director, co-Chief Operating Officer and significant shareholder (via Dooi Holding Ltd.), and (iii) Mr. Ariel Cababie, Marimedia's co-Founder, co-Chief Operating Officer and significant shareholder (via Cababie Holdings Ltd.), owning an aggregate of approximately 47% of the shares of Taptica on a fully diluted basis, and Mr. Ehud Levy (a 50% owner of Marimedia Holdings Ltd. (Marimedia's significant shareholder)), being a member of the board of directors of Taptica.

Upon the closing of the transaction, such related parties will receive approximately 47% of the purchase price payable by Marimedia. In addition, such related parties are due to be repaid the shareholder loans they extended to Taptica and will be released from guarantees and pledges provided by them in relation to Taptica. The non-executive directors of the Company and Yaniv Carmi (the "**Independent Directors**") are not shareholders in Taptica.

Marimedia's Independent Directors consider, having consulted with N+1 Singer, that the proposed terms of the transaction are fair and reasonable insofar as Marimedia's shareholders are concerned. In addition, in accordance with Israeli law, Marimedia's independent Audit Committee has also approved the transaction and determined that it is in the best interest of Marimedia.

Further details on the consideration will be provided following the Closing Period.

About Taptica

Taptica, an Israeli company, is an affiliate of Marimedia which specialises in mobile advertising and purchases advertising space from Marimedia. Taptica is a mobile user acquisition platform for brands and app developers which replaces the "cookie" functionality and allows platform users to target valuable mobile users.

Taptica's technology utilises artificial intelligence and machine learning on a big data scale in order to enable data-driven mobile targeting and user acquisition. This enables platform users to find more valuable users for their advertising campaigns in order to create a better return on investment. Taptica works directly with publishers and its technology is enabled to operate on both iOS and Android devices. Taptica currently has a database of 50 million user profiles and is presently receiving 5 billion requests daily.

Commenting on the acquisition, Tim Weller, Chairman, said: "We are delighted to welcome Taptica's highly skilled team of employees into the Marimedia family. Marimedia's technology base will be greatly enhanced by the addition of Taptica's intellectual property, which will enable us to target customers that were previously inaccessible to the Company. We also expect to benefit from a number of strategic synergies and mitigate the costs we would have been required to invest in developing this technology in-house. As a result, the Directors believe this transaction will be a key milestone in the development of Marimedia and we look forward to the future with confidence."

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About Marimedia

Marimedia Ltd (AIM: MARI) operates in the fast-growing digital media market. Marimedia optimises online advertising revenue for publishers (i.e. website owners) globally through Qadabra, its self-developed proprietary software, which uses complex algorithms to establish the optimal, revenue-generating match of publisher advertising inventory with advertiser space. The Company's technology platform creates an auction that runs almost instantaneously (in milliseconds) to buy and sell advertisements on a per impression basis.