This is an English translation of the original Hebrew letter as published through the Israel Securities Authority: http://www.magna.isa.gov.il/. This translation is provided for convenience purposes only. In the event of inconsistency or discrepancy between the Hebrew version and any of the other versions of this letter the Hebrew language version shall prevail.

Tel Aviv, December 5th, 2018

To:

Ophir Naor and Adi Figel, Adv.

Dear Sirs,

Subject: **Matomy Media Group Ltd.**

Reference: Our letter dated 3.12.2018; Your letter dated 4.12.2018

Our client, Matomy Media Group Ltd. (hereinafter: "Matomy" or the "Company") has empowered us to respond to your referenced letter as follows:

1. Our client rejects the content of your referenced letter in its entirety, and in particular the ungrounded allegations regarding the failure of our client to comply with the reporting requirements applied to it, the concealment of material information from Bondholders or the preference of the interest of its shareholders over the Bondholders.
2. As explained at the meeting of the holders of the Company's bonds (Series A) (hereinafter: the "Bondholders"), the rapid and dramatic changes that took place in the course of 2018 in the markets where the Company operates are the main cause of the Company's difficulties. This is particularly true of Mobfox activity. The Company's representatives are available to you and to the representatives of the Bondholdres as much as you wish in order to provide detailed explanations on this matter, and you are also invited to receive an opinion from an entity specializing in these areas, which the Company believes will confirm and affirm its claims in this matter.
3. The activity of the Company through Team Internet AG (hereinafter: Team Internet) are profitable and of great value, and are sufficient to constitute, in the Company's estimation, a source for the repay of the Company's entire debt to the Bondholdres. The Company is willing to sit with the Trustee and its representatives at any time in order to fully and accurately explain its assessment of the capabilities of Team Internet and it is certain that it will be able to

convince anybody chosen by the Trustee that has understanding and expertise in this market, that its assessments are reasonable and rely on reliable and professional analysis of the relevant markets.

4. However, in order to do so, it is necessary to purchase the remainder of the holdings in Team Internet and to have complete control over its activity. For this purpose, it is necessary to reach agreements with Rainmaker Investments GmBH (hereinafter: Rainmaker) regarding the purchase of the remainder of its holdings in Team Internet and the payment of the consideration from the Company's sources and capital raising.
5. Principal shareholders of the Company have expressed their willingness to participate in the capital raising as mentioned in significant amounts, after negotiations with the Trustee and the representatives of the Bondholdres regarding the terms of the bonds and negotiations with Rainmaker regarding the purchase terms of the remainder of the shares. Therefore, the Company approached the Bondholdres in request to conduct negotiations with them while maintaining the claims and rights of all parties involved and without taking unilateral steps by any of them. In order for such negotiations to take place, the Bondholdres must agree to a short and limited period of time, before deciding on one or other unilateral actions. The Company estimates that the other parties are willing to do so and that no harm will be caused to the Bondholdres to conduct such negotiations as stated, during which it will be possible to agree on acceptable restrictions on the Company's activity.
6. In spite of that, several Bondholdres decided to demand from the Trustee to publish a summons to Bond Holders meeting to make extreme and far reaching decisions, if conditions that are impossible to implement are not met, even if they were fully agreed upon[1] (and there is no such an agreement). This is an extremely unreasonable move that can cause serious and irreversible damage to the entire stakeholders of the Company, including the Bondholdres themselves[2]. On

[1] For example, it is clear that it is not possible for a public company to arrange, within 16 days, a $10 million investment by shareholders. In addition, it is clear that it is not possible to obtain Rainmaker's consent to a proportional settlement with the holders, which may lead Rainmaker to take various procedures which are not to be elaborated therein.

[2] The Trustee has been aware for a a certain period of time of all options available to Rainmaker with regard to Team Internet. In this regard too, the Company will take the necessary caution and will not write down all the

this matter as well, our client proposes to sit with you to explain the potential damages that might be caused, so that things will be seriously considered by you and the Trustee, as required by your responsibility.

7. A hard and extreme action led by several Bondholdres forces the Company to respond to the matter and we are sure that experienced lawyers like you are not surprised. No threat, ultimatum, and harsh language will deter the company from defending its rights and to take all legal measures at its disposal to protect all the Company's stakeholders.
8. Reading your referenced letter, shows that this letter does not address the simple fact that the summons to Bondholders meeting published by the Trustee on December 2nd, 2018 contravenes the provisions of The Securities Law, 5728-1968 (hereinafter The Securities Law) and contravenes the provisions of the Deed of Trust that regulates the terms of the bonds (hereinafter: The Deed of Trust). In fact, during stressful times, the Trustee, who is required by law to act 'cautiously, faithfully and diligently', is expected to examine the relevant facts in depth and not to 'hide' behind irrelevant or lacking any factual or legal basis claims. This conduct, along with the accompanying media buzz, causes serious and unnecessary damage to the Company and, as a result, to the Bondholders themselves.
9. The Company completely rejects your claim that the Company ignores its corporate responsibility. The Company invites you to receive detailed explanations regarding its activities in the last months so that you will see it yourselves. The Company acted to maximize the sales of its assets and in full transparency with the Trustee, when prior to the meeting it had already undertaken not to render the payment to Rainmaker on November 30th, 2018 without informing the Trustee, within a reasonable period of time, insofar as it does so.
10. In addition, the Company has published a proposed outline for a comprehensive settlement with Rainmaker and Bondholders to discuss the terms of the outline. As you have probably noticed, the outline proposed by the Company includes early principal payment to Bondholders, provision of collaterals to Bondholders, and such. This is an outline that may

possible scenarios regarding the conduct that should appropriately continue but will think it over with you at your first meeting.

ultimately constitute a good "deal" for the Bondholders and requires significant investment by shareholders in the Company. How many settlements are you familiar with that do not include "haircut" and which include willingness of the Company's shareholders to invest money? Does not the level of responsibility require clarification and exhaustion of negotiations on this matter? Does any of you know or aware of the existing risks for the Bondholders in the move of demanding immediate repayment and taking legal action? What damage will be caused to the Bondholders if the decision proposed by the Trustee is delayed for 45 days for the purpose of conducting negotiations? These are questions you need to answer.

11. To the Company's amazement, the trustee chose, for its own reasons, not to allow Bondholders that wish to vote in favor of negotiations with the Company regarding the terms of the outline proposed by it. Furthermore, it appears that the Trustee has chosen and continues to choose not to examine responsibly all the implications deriving from other decisions on the agenda. The Company sincerely believes that the Trustee and anybody acting on its behalf are responsible for such decisions.
12. Moreover, as you are well aware of, the repayment date of the first bond capital payment is set for more than two years, on December 31st, 2020. Despite all this, due to possible concern that it will not meet financial covenants, which has not yet been formulated in accordance with the terms of the Deed of Trust, the Company decided to act responsibly, not to wait for 'the last minute', to present to Bondholders all the risks involved in exercising the purchase option of Rainamaker, and to propose an outline for a settlement which, in its opinion, is in the best interests of the Company and its creditors, the non-realization of which may prove irreversible.
13. The Trustee's allegation of concealing material information from Bondholders or of non-compliance with the reporting requirements that apply to the Company are groundless. As you are well aware of (or at least expected to know that fact), the Company's shares are traded on the High Growth Segment of the London Stock Exchange and accordingly the Company was exempt from reporting requirements by virtue of The Securities Law and the regulations promulgated thereunder. Under these circumstances, it is therefore clear that there is no substance to the allegations regarding the non-publication of reports (immediate or periodic)

that are required by the Securities Law or delayed publication of reports. The Company is of the opinion that you are unaware or uninformed of the reporting requirements imposed on it in accordance with English law, before you accused it of this matter in a letter sent just few hours after your appointment.

The existence of the gaps between the reporting requirements applicable to the Company and the reporting requirements by virtue of the Securities Law and the regulations promulgated thereunder, are stated in the prospectus by virtue of which the bonds were issued. Accordingly, the prospectus included provisions regarding the transition to a hybrid reporting model upon fulfillment of certain conditions detailed in the prospectus. As you may have noticed, the Company publishes information, data and documents in accordance with the hybrid reporting model and even beyond that.

For example, despite the fact that according to the law applicable to the Company, the Company is not obliged to publish the correspondence with the representative of Rainmaker, the Company published the copy of the letter received from the representative of Rainmaker, and the exact wording of the letter of support received from several shareholders in the Company. Furthermore, the Company clarified that in view of the arguments raised regarding the validity of the letter of support given by several of substantial shareholders in the Company, and taking into account the fact that these are legal claims, the Company applied to a senior and renowned jurist to receive his opinion regarding the validity of the letter. The Company also reported that it had appointed an independent committee authorized to formulate the Company's position regarding the validity of the letter based on the opinion it would receive.

14. As for the allegation of refraining from publishing the terms of the agreement for the purchase of Team Internet shares, it is best that prior to making such an allegation, you will read in depth the Company's reports. Had you done it, you would have undoubtedly found that the terms of the purchase of Team Internet shares, including Rainmaker's right to purchase Team Internet shares at a 40% discount on the consideration paid by the Company, were set forth in the prospectus for the 2014 issue.

15. We do not see fit to address the groundless claim regarding misrepresentations, allegedly, published by the Company at the time of issuing the bonds. An in-depth reading of the Company's reports reveals that the allegations detailed in your referenced letter are not substantiated, and that these allegations appear to have been raised solely in light of the pressure you were in, and your wish to send a 'threatening letter' to the Company soon after your appointment.
16. We have no choice but to suggest that you once again go over the Company reports mentioned in your referenced letter, patiently, and find a completely different picture from what is claimed in your letter. In this matter too, the Company is at your disposal to provide explanations as necessary.
17. This is not the place to expand on the matter of the grounds claimed for the immediate repayment of the Company's debt to the Bondholders, except that the Company rejects the allegations in your letter. In order not to comply with a general statement, hereunder are some examples of errors in your letter:
    17.1 In your letter, Section 8.1.6 of the Deed of Trust was quoted, according to which there is a right to make the bonds immediately payable "if it transpires that a material representation of the Company's representations in the bonds or the Deed of Trust is incorrect and/or incomplete." However, despite the length of the letter, it does not contain even one reference to a material representation that is included in the Deed of Trust and which is incorrect or incomplete.
    17.2 In addition, you chose to quote Section 8.1.13 of the Deed of Trust, according to which there is a right to make the bonds immediately payable "if there is a real concern that the Company will not meet its material obligations to Bondholders." As you are well aware, the Company's only concern today is that the latter will not meet the financial covenants it has undertaken to comply with. Whereas regarding this undertaking it is explicitly stated in the Deed of Trust that there is a right to make the bonds immediately payable only in the event of non-compliance with the financial covenants for two consecutive quarters and whereas as stated in your referenced letter, as of this date the

Company complies with the financial covenants it undertook to meet, in any case, the bonds cannot be put for immediate repayment due to the theoretical fear of non-compliance with financial covenants.

17.3 A third ground cited in your referenced letter is a "material deterioration in the Company's business compared with its situation at the time of the issuance and the existence of a real concern that the Company will not be able to repay bonds." According to this ground, a material deterioration in the Company's business cannot be sufficient, but an actual concern of non-repayment must be proved. The Company believes that there is no real concern that the bonds will not be fully repaid, particularly given the realization of its plan to raise capital for the Company. If the Company's plan is thwarted in advance, without negotiations by the Bondholders, then such real concern will arise as a direct result of the thwarting of this option. In this matter, the Bondholders will have to complaint only about themselves.

17.4 As for the ground for the immediate repayment of a material debt of the Company or a series of other bonds, not at the Company's initiative, in view of the fact that no other material debt can be placed for immediate repayment, this ground also does not exist in this case.

17.5 The claim that the sale of Mobfox constitutes the sale of most of the Company's assets, granting a right to Bondholders to put the bonds for immediate repayment, ignores both the term "most of the Company's assets" defined in the Deed of Trust and the value of Mobfox in the Company's financial statements. Had you examined these data thoroughly, you would have found that this ground also does not exist in this case.

Thus, without exhausting the Company's arguments in this matter, none of the grounds for immediate repayment mentioned in your referenced letter exist in this case. Accordingly, the Trustee or the Bondholders are not entitled to put the bonds for immediate repayment and are not entitled to make a decision regarding the immediate repayment of the bonds.

18 We do not find it appropriate to respond to the claims mentioned in your referenced letter regarding the right of the Company to object to the appointment of a representative on behalf of the Trustee. This issue is not the main point and all the company's rights are reserved for it.

19 The Company's sole desire is to negotiate with the various parties with the aim of reaching an agreed upon settlement. The Company believes that such a settlement is better for all stakeholders than any other alternative that involves tedious legal proceedings that will take several years and will involve heavy expenses for all. No damage will be caused to the Bondholders from such negotiations, after which each party may consider its steps having complete database and options.

Hostile and oppositional onslaught by several Bondholders that is dragging the Trustee is not correct at this time, and only leads to radicalization of positions which might cause serious damage to the Company and to the Bondholders.

20 Therefore, the company calls upon you to negotiate, calm things down and turn down any unilateral decision as published. The Company will initiate a first quick meeting with you and subject to a commitment to confidentiality will provide you full information, in order to allow rational and practical negotiations. It is to be hoped that you will accept this request, while the rights of the Trustee and the Holders are reserved for them and they will be able, at any time, to exercise them.

It is understood that nothing in the aforementioned derogates from or harms any right and/or claim that the Company has, nor can it exhaust its arguments.

Respectfully,

Amir Bartov, Adv.

Shimonov & Co. Law Firm

This is an English translation of the original Hebrew letter as published through the Israel Securities Authority: http://www.magna.isa.gov.il/. This translation is provided for convenience purposes only. In the event of inconsistency or discrepancy between the Hebrew version and any of the other versions of this letter the Hebrew language version shall prevail.