

MATOMY

MEDIA GROUP

26 November 2014

Matomy Media Group Ltd. Q3 2014 Trading Update

21% revenue growth and 48% adjusted EBITDA growth on a pro-forma basis for first nine months

39% revenue growth and 68% adjusted EBITDA growth in Q3

Enhanced focus on mobile activity via MobFox acquisition

Non-GAAP Financial Highlights — for the nine months ended 30 September 2014

Overview of results	1-9 2014PF* (\$m)	1-9 2013PF* (\$m)	Change PF
Revenue	191.7	158.7	21%
Adjusted gross profit	54.9	46.3	19%
Adjusted EBITDA	17.9	12.1	48%

*PF - Consolidated full Group numbers, including Team Internet on a pro-forma basis

GAAP Financial Highlights — for the nine months ended 30 September 2014

Overview of results	1-9 2014 GAAP (\$m)	1-9 2013 GAAP (\$m)	Change GAAP
Revenue	170.2	142.3	20%
Gross profit	44.1	38.0	16%
Net income	9.8	4.8	104%
Earnings per share	0.13	0.06	101%

Q3 Non-GAAP Financial Highlights — for the three months ended 30 September 2014

Overview of results	Q3 2014 (\$m)	Q3 2013 (\$m)	Change

Revenue	62.6	45.0	39%
Adjusted EBITDA	5.2	3.1	68%

Highlights

- Strong financial and operational results for the first nine months:
 - Group revenue increased by 21% on a pro-forma basis to \$191.7 million (nine months ended 30 September 2013: \$158.7 million).
 - Adjusted EBITDA rose by 48% to \$17.9 million (nine months ended 30 September 2013: \$12.1 million) at a 9.3% adjusted EBITDA margin.
 - Growth driven mainly by identified strategic activities of video, mobile and social media advertising.
- Q3 revenue increased by 39% to \$62.6 million (Q3 2013: \$45 million) and adjusted Q3 EBITDA increased 68% to \$5.2 million (Q3 2013: \$3.1 million).
- Formed a strategic partnership with the global advertising company Publicis Groupe, which became Matomy's largest shareholder through the acquisition of 24.9% of Matomy shares. Deal provides Matomy with access to Publicis Groupe's global presence and relationships.
- Completed a strategic acquisition in the mobile advertising channel, acquiring MobFox, Europe's leading mobile programmatic advertising platform.

Current Trading and Outlook

Since the end of September, Matomy has continued to trade positively. While the macro environment remains challenging, management remain extremely positive with regard to the group's business model, and Matomy is trading in line with current market expectations.

Ofer Druker, Chief Executive Officer of Matomy, said:

"I am pleased to report good progress across the business in the first nine months of 2014, with pro-forma Group revenues up 21% and adjusted EBITDA up 48%, year-on-year. In addition, we made significant progress achieving our strategic goals during the third quarter, primarily in advancing our geographic reach and mobile advertising capabilities via strategic investments.

"We were very pleased to announce in November that Publicis Groupe had completed its strategic investment in Matomy, and now owns 24.9% of the company. This investment is a significant endorsement of our business model, and the closer relationship will provide us with access to Publicis Groupe's global presence and relationships, including leading advertisers who are looking for a performance-based pricing model for their digital advertising campaigns.

"As planned, we have significantly enhanced our mobile and programmatic advertising capabilities via the acquisition of MobFox, Europe's leading mobile programmatic advertising platform. We expect that MobFox's bespoke technology will enable us to reach a goal of 50% of revenues coming from mobile activity within less than five years.

"This has been a very productive quarter with substantial business developments, which we believe will strengthen our market position and drive our long-term profitability and sustained growth."

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A copy of this announcement will be available on the Matomy website, www.matomy.com, today from 07:00am GMT.

About Matomy Media Group

[Matomy Media Group Ltd.](#) (LSE:MTMY) is one of the world's leading digital performance-based advertising companies. Working across Web, social media and mobile platforms, Matomy offers advertisers, media partners and publishers a range of opportunities to generate risk-free performance-based results, delivering quality, scale and speed by providing a single gateway to all digital media channels. Matomy's marketing solutions include: a [display ad network](#); [mobile](#), [social](#) and [video](#) advertising; [email marketing](#); [search marketing](#) and [search engine optimization](#); a [virtual currency platform](#); and [domain monetisation](#).

For more information:

www.Matomy.com

Facebook: www.facebook.com/MatomyMediaGroup

Follow us on Twitter: @MatomyGroup

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Notes to Editors

1. *Adjusted gross profit is a non-GAAP financial measure that Matomy defines as revenues less direct media costs, which are the direct costs associated with the purchase of digital media, including:*

- *payments for digital media based on the revenues that Matomy generates from its customers on a revenue-sharing basis;*
- *payments for digital media on a non-revenue-sharing basis (CPC or CPM); and*
- *servicing fees for third-party platforms.*

Other costs that are included in gross profit, but excluded from adjusted gross profit, are:

- *data centre costs;*
- *amortisation of technology and intellectual property intangibles;*
- *allocation of depreciation expense; and*
- *allocation of attributable personnel (including salaries and bonuses) and associated costs.*

2. *Adjusted EBITDA is a non-GAAP financial measure that Matomy defines as net income before taxes on income, financial expenses (income), net, gain on re-measurement to fair value, equity losses of affiliated companies, net, other income, depreciation and amortisation and share-based compensation expenses and any non-recurring items.*

3. *Adjusted net income is a non-GAAP financial measure that Matomy defines as net income before share-based compensation expenses and any non-recurring items.*

4. *Organic growth excludes Matomy's acquisitions of controlling stakes in Team Internet and Matomy US (previously known as MediaWhiz).*