

WhiteSmoke continues implementing its strategy of rapid growth in profitability and revenues

Signed a memorandum of understanding for the acquisition of a company with revenues of NIS 32.8 million and net profit of NIS 9.7 million in 2016

The acquisition is for \$ 6 million (in cash and shares) and includes additional result-based payments

Tel Aviv, October 17, 2017, WhiteSmoke (TA: WSMK), a global Israeli Corporation which provides marketing and advertising services on web and mobile (especially via video), announces the signing of a memorandum of understanding for the acquisition of a company in the field of development and marketing on web, with the aim of enhancing the corporation's presence in this field and diversifying its areas of activity in the world of AD Tech. On completion of the transaction, WhiteSmoke will pay for 100% of the acquired company, \$ 2 million in cash and \$ 1 million in shares. An additional \$ 3 million will be paid in cash in installments. In addition, the sellers will be entitled to an additional payment of up to \$ 3 million if business results are achieved.

The acquired company is particularly profitable and shows very high profit margins in recent years. The main results are as follows (in millions of NIS. The data for 2017 were received in dollars and translated according to the exchange rate of 3.5):

	1-6/2017	2016	2015
Revenue	14.9	32.8	27.2
Operating profit	5.7	11.9	7.8
Net profit	4.9	9.7	5.6
% Net profit	33%	30%	21%

About WhiteSmoke

WhiteSmoke (WhiteSmoke). TLV: WSMK) is a global Israeli Corporation which provides marketing and advertising services on web and mobile. The company offers digital advertising services using video on digital media channels, which include mobile applications and websites. Operations include acquiring advertising spaces using various digital media methods, while optimizing them to maximize the effectiveness and focus of the advertising. WhiteSmoke's operations in the field of marketing and advertising online includes referring users to search results from the world's leading search engines, through strategic cooperations with leading partners in the field. WhiteSmoke also develops, markets and distributes software and applications for correcting and upgrading writing in English, under the WhiteSmoke brand. The company was founded in 2002 and is currently managed by Itay Meroz. WhiteSmoke offices are located in Ramat Ha'Hayal, Tel Aviv.