



**WhiteSmoke improves its positioning in the
video advertising field:
Acquires the operations of the Israeli
Corporation Wise Data Media for about \$5.3
million**

An amount of \$750,000 will be paid in cash upon completion of the transaction, and the rest of the amount will be paid in accordance with meeting the goals in the next 3 years. The amount of the transaction should be about \$5.3 million, but it might be higher

The acquired Company's operations are profitable, and the Company recorded revenues of 19 million NIS in 2016, reflecting a growth of over 170% compared to 2015. The Company has developed a technological solution for automatic programmatic media trading, which is expected to improve also WhiteSmoke's media buying operations

According to Wise Data's forecasts, its aggregate income for the next 3 years will amount to \$63.5 million

Tel Aviv, February 1, 2017 - WhiteSmoke (TLV: WSMK), a global Israeli Corporation which provides marketing and advertising services on web and mobile – Announces the acquisition of the operations of the Israeli Technology Corporation Wise Data Media for \$5.3 million, as part of WhiteSmoke's strategy to deepen its activity in the video advertisement filed in particular and to achieve rapid growth in general. The acquisition will be carried out by WhiteSmoke's subsidiary, fully owned by the Corporation.



Upon purchase of the Company's operations, WhiteSmoke's subsidiary will pay an amount of \$750,000 in cash for 100% of the Company's operations, where additional payments will be transferred subject to meeting the goals in the coming years. The estimated amount of the transaction, based on Wise Data Media's result forecasts, is \$5.3 million, but it may be higher or lower depending on the performance in the next 3 years.

Wise Data Media has developed a technological solution that enables to carry out advertising media buying processes, with a focus on video advertising – automatically with no human intervention. The Company introduced a profit in 2016, and recorded annual revenues of 18.8 million NIS, reflecting growth of over 170% compared to 2015. The Company has dozens of active customers, as well as collaborations with dozens of advertising agencies and digital advertising exchanges. According to Wise Data Media's forecasts upon completion of the acquisition, its aggregate revenues for the next 3 years, commencing on February 1, 2017, is expected to amount to about \$63.5 million.

Wise Media Data's technological solution allows to streamline the existing manual media buying process, and in particular the match between the Advertisers and the Publishers. The Company's Bidder system enables automatic programmatic media trading in advertising spaces and advertisements, and Company's Wise Air system enables information collection and analysis from different systems in the field of activity (and even signed on a first SaaS agreement). Wise Data Media also offers advertisers video advertising based monetization solutions, in desktop and in mobile. According to Wise Data Media's data, approx. 80% of its revenues in 2016 derived from programmatic activity.

Itay Meroz, WhiteSmoke CEO: "The acquisition of Wise Data Media's operations is the realization of our business strategy of rapid growth in income, improved profitability and WhiteSmoke's augmentation of income sources. The acquired operations, which significantly improve our competitive positioning, has outstanding technological features such as the ability to carry out programmatic media buying which is expected to improve the profitability of our video field alongside a strong ability to quickly reach large volumes



of activity. Wise Data Media's operations join the acquisition of GMS Digital's operations which led us to show record income in the recent years with the strong growth of the video advertising field in the third quarter of 2016. We estimate that there will be a synergy between the two operations so that we can grow rapidly in order to generate a high value to the Company's shareholders."

As part of the transaction, the acquired operations include an initial payment of \$750,000 to be paid in cash on the closing date of the transaction from WhiteSmoke's own resources (as mentioned, by a WhiteSmoke's fully owned subsidiary). In addition, during 2017 WhiteSmoke shall be entitled to all the adjusted net profit resulting from operations from the date of signing the transaction to a total of \$500,000 ("primary earnings"). If the total adjusted net profit for 2017 exceeds primary earnings, the acquired Company will be entitled to receive the entire adjusted net profit above the primary earnings to a total of \$500,000. Should the aggregate adjusted net profit for 2017 exceeds \$1 million, the acquired Company will be entitled to receive an amount equal to 50% of its adjusted net profit for this period, an additional amount of 50% of the adjusted net profit, resulting from the acquired operations during the period which commences on January 1, 2018 and ends on January 31, 2020, and an additional amount of up to \$450,000, to be paid in cash after January 31, 2020 – Relatively subject to meeting the adjusted operating profit targets as stipulated in the agreement. The total value of the transaction, according to Wise Data Media's forecasts, amounts to \$5.3 million, but could be higher if the adjusted net profit of the transferred operations is higher than expected.

Wise Data Media Corporation was founded in 2012 by the entrepreneur Tomer Sade, former CEO of Publicis Group's E-dia og IL advertising agency and CEO of the advertising agency Saatchi and Saatchi Interactive Israel, who currently serves as the Company's CEO. As part of the acquisition 16 Wise Data Media's employees and Mr. Sade will be employed by WhiteSmoke's subsidiary in its offices.

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.