March 8, 2019

Updated Sources and Expected Uses of Funds Statement (excluding Team Internet) for 2019-2020

Pursuant to Sources and Expected Uses of Funds Statement (Solo, excluding Team Internet) for 2019, as was published on January 3, 2019, and to the Updated Key Features for the Proposed Plan issued on January 9 and January 23, 2019, Matomy Media Group Ltd. (LSE: MTMY, TASE: MTMY.TA) ("Matomy" or "Company") announces the publication of its Updated Sources and Expected Uses of Funds Statement (Solo, excluding Team Internet) for 2019 and 2020.

The information contained within this announcement may be deemed by Matomy to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR").

Cautionary statement regarding forward-looking statements

This announcement includes certain forward-looking statements, forecasts, estimates, projections and opinions. These forward-looking statements may be identified by the fact that they do not relate only to historical or current facts or the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will” or “should or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements include statements regarding the business strategy, objectives, financial condition, results of operations and market data of the Company and its subsidiaries (the “Group”), as well as any other statements that are not historical facts. These statements reflect the Company’s current view with respect to future events and are based on assumptions made the Company (including, without limitation, assumptions concerning currency exchange rate fluctuations, requirements of additional capital, costs of closure of various operations and changes to regulations) and information currently available to the Company.

Although the Company considers that these views and assumptions are reasonable, by their nature, forward-looking statements involve unknown risks, uncertainties, assumptions and other factors because they relate to events and depend on circumstances that will occur in the future whether or not outside the control of the Group. These factors, risks, uncertainties and assumptions could cause actual outcomes and results to be materially different from those projected. Past performance cannot be relied upon as a guide to future performance and should not be taken as a representation that trends or activities underlying past performance will continue in the future. No representation is made or will be made that any forward-looking statements will be achieved or will prove to be correct. These factors, risks, assumptions and uncertainties expressly qualify all subsequent oral and written forward-looking statements attributable to the Company or persons acting on its behalf.

The forward-looking statements speak only as of the date of this announcement. Each of the Company and its respective affiliates expressly disclaim any obligation or undertaking to update, review or revise any forward-looking statement and disclaims any obligation to update its view of any risks or uncertainties described herein or to publicly announce the result of any revisions to the forward-looking statements made in this announcement to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based or otherwise, except as required by law.

No statement in this announcement is intended, or is to be construed, as a profit forecast or estimate or to be interpreted to mean that earnings per Company share or overall earnings for the current or future financial years will necessarily match or exceed the historical published earnings per Company share or overall earnings.

About Matomy

Matomy Media Group Ltd. (LSE: MTMY, TASE: MTMY.TA) is a global media company. Founded in 2007 with headquarters in Tel-Aviv and offices around the world, Matomy is dual-listed on the London and Tel Aviv Stock Exchanges.

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Matomy Media Group Ltd. - Sources and Expected Uses of Funds Statement (Solo, excluding Team Internet) - 2019/20

מטומי מדיה גרופ בע"מ - דוח מקורות ושימושים צפויים - (סולו, ללא טים אינטרנט) - שנת 2019/20

in thousands of USD | באלפי דולר

	Q1 - 2019	Q2-2019	Q3-2019	Q4-2019	2020	
Opening balance	**$ 5,778**	**$ 7,843**	**$ 2,190**	**$ 4,077**	**$ 3,562**	**יתרת פתיחה**
Sources:						**מקורות:**
Cash flow from Operations:						**תזרים מפעילות שוטפת:**
Working Capital Mobfox activity	$ 680	$ 244				הון חוזר מובפוקס
Tax Receivable - Matomy USA	$ 555	$ 198	$ 920			החזר מס משלטונות המס האמריקאיים
Tax Receivable - Matomy KG	$ 711			$ 3,897	$ 2,802	החזר מס משלטונות המס הגרמניים
Dividend from Mobfox Austria	$ 85					דיבידנד מובפוקס אוסטריה
Dividend from Team Internet	$ 4,600	$ 1,900	$ 2,030	$ 3,492	$ 9,213	דיבידנד מטים אינטרנט
Withholding tax on Team Internet Dividend	$ (1,213)	$ (501)	$ (535)	$ (553)	$ (1,458)	ניכוי מס במקור דיבידנד טים אינטרנט
Cash flow from Finance activity:						**תזרים מפעילות מימון:**
Rights Issue		$ 10,000				הנפקת זכויות
Bond Series A Expansion		$ 2,000				הרחבת סדרת האגח
Issuance Cost		$ (1,000)				עלויות הנפקה
Cash flow from Investment activity:						**תזרים מפעילות השקעה:**
Sale of myDSP - last payment	$ 250					מכירת myDSP
	$ 5,668	$ 12,841	$ 2,415	$ 6,837	$ 10,557	
Expected Usage of Funds:						**שימושים צפויים:**
Cash used for Operations:	$ (438)	$ (438)	$ (438)	$ (438)	$ (1,750)	**תזרים לפעילות שוטפת:**
One time Cost of Operations	$ (1,019)					עלות תפעולית חד-פעמית
Legal cost of bond settlement	$ (500)					עלות הסדר החוב - משפטיות
Bond interest due		$ (1,057)		$ (1,004)	$ (1,652)	ריבית חצי שנתית לבעלי האגח
Hedging loss	$ (750)					הפסד מפעילות גידור
Cash flow used for Financing activity:						**תזרים לפעילות מימון:**
Bond principal payment		$ (3,500)		$ (5,100)	$ (6,000)	החזר קרן לאג"ח
Long term loan - repayment to Leumi Bank	$ (897)					פרעון הלוואה ארוכת טווח בנק לאומי
Rainmaker payments		$ (13,500)	$ (90)	$ (810)	$ (360)	תשלומים ל-Rainmaker
	$ (3,603)	$ (18,495)	$ (528)	$ (7,352)	$ (9,762)	
Closing balance	**$ 7,843**	**$ 2,190**	**$ 4,077**	**$ 3,562**	**$ 4,357**	**יתרת סגירה**
Bank Leumi Deposit	**$ 940**	**$ 940**	**$ 940**	**$ 940**	**$ -**	
Available Balance	**$ 6,903**	**$ 1,250**	**$ 3,137**	**$ 2,622**	**$ 4,357**	

Assumptions:

1. The statement assumes settlements between the Company, the bondholders, Rainmaker and any other relevant stakeholders, based on the updated key features for the Proposed plan published on January 9, 2019, and the clarifications that were published on January 23, 2019 ("**Proposed plan**"). On January 30, 2019 the majority of the bondholders voted in favour of an indicative non-binding approval of the Proposed Plan. The main key features of the Proposed Plan are as follows:

1.1 A fundraising with a commitment from key shareholder to invest $10M in addition to a commitment to purchase bonds in the amount of up to $2M as part of an expansion of the Series A Bonds.

1.2 Payment of $13.5 to Rainmaker, based on preliminary understandings between the parties.

1.3 Updated payment schedule on the principal of the bonds of $3.5M, $5.1M, $6M in Q2 2019 ,Eo2019, Eo2020 respectively

To date no agreement has been signed and there is no assurance with respect to the outcome of the actual foregoing discussions or with respect to the actual implementation of the proposed settlement

* If a settlementis is not concluded, the amounts due will vary as follows:
  - Payment to Rainmaker shall be due which based on the demand from Rainmaker is in an amount of approximately ~$18M plus interest
  - Payment to the bondholders in an amount of approximately ~$30M (with a potential claim for immediate repayment)

In addition, in such event Rainmaker may have the right to pursue other remedies, including the right to purchase some or all of the shares of Team Internet, as described in further detail in Note 1(b) in the Company's Consolidated Financial Reports for Q3, 2018).

- The amounts of dividends that may be distributed by Team Internet to Matomy depend on the percentage holdings of Matomy in Team Internet and on the dividend policy at the relevant time.

2. In connection with Bank Leumi's approval of the sale of Mobfox Matomy provided $3M secured cash deposit to Bank Leumi against its liabilities (long term debt, securities related to lease agreements and Forex hedging). This cash deposit is reduced proportionately as Matomy repays its liabilities

4. Timing of distribution of Team Internet's dividends may vary based on liquidity limitations

5. This statement represents the Sources and Expected Uses of Funds of Matomy Media Group Ltd. (solo report) and differs from the statement published in connection with the Q3 audited reports which was provided on a full consolidation basis, and included all bank cash reserves held by the Company's subsidiary Team Internet.

Unreviewed Statement

The statement contains unreviewed financial measures that do not have a standardized meaning prescribed by GAAP.

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