TECHNOLOGY-DRIVEN
PERFORMANCE MARKETING
DISCLAIMER

THIS PRESENTATION (THE “PRESENTATION”) WHICH HAS BEEN PREPARED BY XLMEDIA PLC. (THE “COMPANY”) IS FOR INFORMATION PURPOSES ONLY AND DOES NOT CONSTITUTE AN OFFER OR INVITATION TO SUBSCRIBE FOR OR PURCHASE ANY SECURITIES, AND NEITHER THE PRESENTATION NOR ANYTHING CONTAINED HEREIN NOR THE FACT OF ITS DISTRIBUTION SHALL FORM THE BASIS OF OR BE RELIED ON IN CONNECTION WITH OR ACT AS ANY INDUCEMENT TO ENTER INTO ANY CONTRACT OR COMMITMENT WHATSOEVER.

Neither the Presentation, nor any part of it, may be taken or transmitted into the United States of America, Australia, Canada, South Africa or Japan or into any jurisdiction where it would be unlawful to do so (“Prohibited Territory”). Any failure to comply with this restriction may constitute a violation of relevant local securities laws.

The Presentation is issued solely to and directed at: (i) persons who have professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”) and are “investment professionals” falling within the meaning of the Order; and (ii) high net worth entities falling within article 49(2)(a) to (d) of the Order. This document is exempt from the general restriction on the communication of invitations or inducements to enter into investment activity and has therefore not been approved by an authorised person as would otherwise be required by section 21 of the Financial Services and Markets Act 2000 (“FSMA”). It is a condition of your receiving the Presentation Materials that you fall within, and you warrant and undertake to the Company that:

1. you fall within one of the categories of persons described above;
2. you have read, agree to and will comply with the terms of this disclaimer;
3. you are not resident in, or a citizen of, a Prohibited Territory; and
4. you will not forward, reproduce or otherwise disclose the contents of this document to any person in contravention of FSMA or any other applicable law or regulation or to any person in a Prohibited Territory.

The Presentation should not be copied, distributed or passed on, directly or in directly, to any other person. The Presentation contains only a synopsis of more detailed information available in relation to the matters described in it and accordingly no reliance may be placed for any purpose whatsoever on the sufficiency or completeness of such information and to do so could potentially expose you to a significant risk of losing all of any investment made by you. No reliance should be placed on the information and no representation or warranty (express or implied) is made by the Company, any of its directors or employees or any other person, and, save in respect to fraud, no liability whatsoever is accepted by any such person, in relation thereto.

The statements contained in this document, such as “may,” “will,” “should,” expect,” “anticipate,” “estimate,” “intend,” “continue,” “aiming” and “believe” and other similar expressions are forward-looking statements and not historical facts. Due to various risks, uncertainties and assumptions, actual events or results or the actual performance of the Company may differ materially from those reflected in or contemplated by such forward-looking statements. Past performance, targeted performance and projected performance are not reliable indicators of future results and there can be no assurance that targeted or projected returns will be achieved. The value of any investment made by an investor can go down as well as up and an investor may lose its entire investment.
OVERVIEW

- A leading online performance marketing company
- Attracting paying users from multiple online & mobile channels and directing them to online businesses in return for performance based payment models
- Strong track record of profitable growth and cash generation
- Successful entry into personal finance sector
- Significant market opportunities

**H1 2018 Performance**

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Adj EBITDA</th>
<th>PBT</th>
<th>Dividend for the Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>$59.1 M</td>
<td>$20.9 M</td>
<td>$16.8 M</td>
<td>$6.5 M</td>
</tr>
</tbody>
</table>
OUR BUSINESS MODEL

**Attracting** potential users through our publishing assets and directing to our customers

**Approaching** potential users through posting ads on different platforms and directing to our customers

Online users:
Web, mobile, social, ...

- **Publishing** 55%
- **Media** 40%
- **Other** 6%

Performance based payment
Revenue share / CPA / CPI /...
2018 Business progress
H1 2018 HIGHLIGHTS

• Current trading on track to meet profit expectations for the full year
• Solid performance from our Personal Finance assets, expanded US operations
• Preparation for launch into the significant future potential US gambling market
• Enhanced our Asia-Pacific presence in the mobile apps vertical and increased revenues from new clients in the region
• Continued focus on Publishing as the main profit driver
H1 2018 HIGHLIGHTS – Acquisitions

• Completed a series of acquisitions in the period totalling $45.8 million, including:
  • Leading Finnish informational Gambling websites for a total of $18MIL
  • WhichBingo.co.uk, one of the UK’s leading online informational portals and comparison sites for online bingo games for $10.5 MIL
  • Three US personal finance informational websites for $5.9 million
  • Investorjunkie.com a leading US personal finance website for $5.8 million shortly after the period

• Our net cash position and low leverage levels leave room for future acquisitions
PERSONAL FINANCE EXPANSION

- Personal finance sector is a strategic growth engine
- H1 2018 saw solid performance from our personal finance assets
- Expanded our US operations by adding sales and customer service team supporting hundreds of customers
- Acquisitions added complementing customers with potential cross-sales opportunities between these assets.
- Further growth opportunities include expanding into additional personal finance products (e.g. loans, banks, ....) and countries
MARKET DYNAMICS: REGULATION

There are several regulatory areas affecting the Group’s activities:

- **Online Gambling sector**
  - Enhanced regulation trend brings both limitations and opportunities

- **Personal data protection**
  - We have implemented internal guidelines, policies and practices to ensure our continued compliance with GDPR and other data privacy regulation.

- **Personal finance sector**
  - Regulation around ads and promotion in the different jurisdictions

XLM is well positioned as a leader in the industry, with strong infrastructure and operations, to operate according to the different regulations across multiple territories.
Financial Results
STRONG FINANCIAL TRACK RECORD

CAGR: Revenues 43%, Adjusted EBITDA 42%

Dividends since IPO ($ m)

- **2010**: $11.2
- **2011**: $20.9
- **2012**: $26.1
- **2013**: $34.5
- **2014**: $50.7
- **2015**: $89.2
- **2016**: $103.6
- **2017**: $137.6
- **H1-2018**: $59.1

### Employees

- **2010**: 40
- **2011**: 40
- **2012**: 97
- **2013**: 120
- **2014**: 197
- **2015**: 270
- **2016**: 327
- **2017**: 411
- **H1-2018**: 430

### Main Focus

- **2010**: Poker and casino
- **2011**: Poker and casino
- **2012**: Expansion in EU & North America
- **2013**: Main focus: IPO, M&A
- **2014**: Main focus: Technology, M&A
- **2015**: Main focus: diversification
- **2016**: Continued diversification
- **H1-2018**: Recovery steps, additional revenue sources

### Adjusted EBITDA ($ m)

- **2010**: $4.0
- **2011**: $8.8
- **2012**: $12.5
- **2013**: $13.3
- **2014**: $17.0
- **2015**: $28.5
- **2016**: $34.6
- **2017**: $47.1
- **H1-2018**: $20.9
REVENUE DIVERSIFICATION

Revenues diversification – users’ geography
- Scandinavia, 35%
- North America, 19%
- United Kingdom, 11%
- Other Europe, 16%
- Asia, 7%
- Other Territories, 12%

Revenues diversification – products
- Gambling, 70%
- Mobile Applications, 20%
- Other, 10%

Revenues diversification – customers
- Other Customers (<5% Each), 75%
- A, 9%
- B, 6%
- C, 6%
- D, 5%

Revenues Per business model
- Revshare, 61%
- CPI, 15%
- Other, 24%
### INCOME STATEMENT

<table>
<thead>
<tr>
<th>Item (Thousands $)</th>
<th>H1 2018</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>59,088</td>
<td>137,632</td>
</tr>
<tr>
<td>Cost of revenues</td>
<td>25,567</td>
<td>64,487</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>33,521</td>
<td>73,145</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>16,243</td>
<td>32,376</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>17,278</td>
<td>40,769</td>
</tr>
<tr>
<td><strong>Total adjusted EBITDA</strong>*</td>
<td>20,883</td>
<td>47,120</td>
</tr>
<tr>
<td>% Adj. EBITDA</td>
<td>35%</td>
<td>34%</td>
</tr>
<tr>
<td>Finance income (expenses), net</td>
<td>(488)</td>
<td>(1,424)</td>
</tr>
<tr>
<td><strong>Profit Before Taxes</strong></td>
<td>16,790</td>
<td>39,345</td>
</tr>
<tr>
<td>Taxes (from Income)</td>
<td>2,738</td>
<td>7,474</td>
</tr>
<tr>
<td><strong>Net Profit</strong></td>
<td>14,052</td>
<td>31,871</td>
</tr>
<tr>
<td>Earnings Per Share</td>
<td>0.06</td>
<td>0.15</td>
</tr>
</tbody>
</table>

*Earnings before interest, taxes, depreciation, amortization, impairment and excluding share based payments.*
9% growth to $32.4 million driven by acquisitions.

- Reduction in activity across a number of territories following regulation and operational challenges, websites are now in various stages of recovery.
- Developing additional personal finance assets.
- Acquired websites and domains for an aggregate consideration of $45.8m

Revenues decreased 31% to $23.5 million

- Proactive measures to cease low margin activities
- Gambling regulation and operator reaction effected the period.
- Progress made in new sectors in the mobile division including Asia
- Traction in financial apps and e-commerce in US activities.
# CASH FLOW STATEMENT

## Net Income
<table>
<thead>
<tr>
<th></th>
<th>H1-2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>14,052</td>
<td>31,871</td>
</tr>
<tr>
<td>Depreciation, amortisation and impairment</td>
<td>2,788</td>
<td>5,932</td>
</tr>
<tr>
<td>Cost of share-based payment</td>
<td>774</td>
<td>419</td>
</tr>
<tr>
<td>Changes in Working Capital</td>
<td>(1,315)</td>
<td>5,432</td>
</tr>
<tr>
<td>Taxes paid, net</td>
<td>(1,639)</td>
<td>(3,849)</td>
</tr>
<tr>
<td>Finance (income) expense and exchange differences on cash</td>
<td>(1,255)</td>
<td>1,268</td>
</tr>
</tbody>
</table>

## Cash Flow from Operating Activities

### H1-2018: 13,405

### 2017: 41,073

## Investing Activities

### H1-2018: (48,991)

### 2017: (22,943)

- **Purchase of property and equipment, net**: (421) (388)
- **Payment for acquired business**: - (5,100)
- **Acquisition of domains, websites, technology**: (43,756) (16,160)
- **Financial investments, net**: (4,814) (1,295)

## Financing Activities

### H1-2018

- **Dividend paid to equity holders of the Company**: (8,000)
- **Share capital issuance**: 42,618
- **Acquisition of non-controlling interests**: - (2,250)
- **Repayment of Bank loan**: (1,250)
- **Dividend paid to non-controlling interests**: (499) (1,804)
- **Exercise of options**: 641 1,205
- **Receipt of long-term loan from bank**: 5,965 5,000

### 2017

### Net cash used in financing activities

### H1-2018: 39,475

### 2017: (13,354)

## Cash and short term investments at the end of the period

### H1-2018: 51,311

### 2017: 43,277
### BALANCE SHEET 30 JUNE 2018

<table>
<thead>
<tr>
<th>$’000</th>
<th>H1-2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and short term investments</td>
<td>51,311</td>
<td>43,277</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>17,776</td>
<td>18,950</td>
</tr>
<tr>
<td>Other accounts receivable</td>
<td>6,769</td>
<td>4,665</td>
</tr>
<tr>
<td>Financial derivatives</td>
<td>1,128</td>
<td>200</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>76,984</td>
<td>67,092</td>
</tr>
<tr>
<td><strong>Non-current assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long term investments</td>
<td>649</td>
<td>681</td>
</tr>
<tr>
<td>Goodwill</td>
<td>30,052</td>
<td>30,052</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>95,801</td>
<td>54,347</td>
</tr>
<tr>
<td>Deferred taxes</td>
<td>621</td>
<td>862</td>
</tr>
<tr>
<td>Other assets</td>
<td>455</td>
<td>244</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>1,419</td>
<td>1,230</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>128,997</td>
<td>87,416</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>205,981</td>
<td>154,508</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>$’000</th>
<th>H1-2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade payables</td>
<td>9,926</td>
<td>9,813</td>
</tr>
<tr>
<td>Current maturity of long-term bank loan</td>
<td>5,475</td>
<td>2,500</td>
</tr>
<tr>
<td>Financial derivatives</td>
<td>162</td>
<td>1,425</td>
</tr>
<tr>
<td>Other liabilities and accounts payable</td>
<td>19,413</td>
<td>19,545</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>34,976</td>
<td>33,283</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long term bank loan</td>
<td>4,243</td>
<td>2,500</td>
</tr>
<tr>
<td>Taxes</td>
<td>252</td>
<td>1,825</td>
</tr>
<tr>
<td>Deferred taxes</td>
<td>42</td>
<td>42</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>225</td>
<td>201</td>
</tr>
<tr>
<td><strong>Total Non-current liabilities</strong></td>
<td>4,762</td>
<td>4,568</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share premium</td>
<td>111,911</td>
<td>68,417</td>
</tr>
<tr>
<td>Capital reserves</td>
<td>(679)</td>
<td>(1,218)</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>54,720</td>
<td>49,167</td>
</tr>
<tr>
<td>Non controlling interests</td>
<td>291</td>
<td>291</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>166,243</td>
<td>116,657</td>
</tr>
<tr>
<td><strong>Total Equity &amp; Liabilities</strong></td>
<td>205,981</td>
<td>154,508</td>
</tr>
</tbody>
</table>
Growth Strategy

Our stated strategy is built on the following three pillars:

- Diversification
- Technology
- M&A
Follow the group’s strategic plan of developing high quality assets and media buying skills in regulated gambling regions and new products.

- Target earnings enhancing acquisitions
- Complementary assets (adding diversity in geographies, customers and sectors)
- Active in additional sub-sectors (e.g. personal finance)
- Leverage scale (capitalize on Palcon infrastructure and Group integration)

Expanding the group’s media buying skill set and reach.

Develop and acquire assets in the nascent US online gambling market.

Accelerate growth in Financial Services sector
GROWTH STRATEGY - TECHNOLOGY

Continue developing our technology infrastructure to accelerate our growth and profitability through efficiency and further enhance our competitive edge.

tracking Solutions
Tracks the sales funnel from different sources for analysis and optimization

Business Intelligence
Unified Data warehouse to collect data from thousands of sources, process and analyze for improved performance

Rampix
Centralized management of social campaigns, unique targeting methodologies

Palcon
A consolidated management system across all websites, for dynamic integration and deployment and improved conversion
GROWTH STRATEGY - M&A

Execute acquisitions which both strengthen and expand the Group’s operational footprint

Areas of focus
- Publishing assets: continue to buy bolt on websites, integrate them into XLM’s existing infrastructure and technology, enjoying benefits of scale
- Vertical expansion
- Geography expansion

Well organized process to support ongoing M&A’s
- Active pipeline of opportunities driven by highly fragmented market
- Robust due diligence process to select only the ones that represent the very best fit for our business
- Financial strength and cash balance supports deal execution
- Dedicated professional focal points across the organization
UNRIVALLED PEDIGREE IN ACQUISITIVE GROWTH

Solid history of earnings accretive acquisitions

### Acquisitions of
- North American domain – USD 0.3m
- A Poker website – USD 0.1m
- Scandinavian network – USD 2.3m
- UK-based sports site – USD 6.7m

### Majority acquisition of MarMarMedia
- Israel-based digital marketing company
- USD 7.3m

### Acquisition of greedyrate.ca
- Canada-based portal for credit card comparison
- USD 9.3m

### Acquisition of Romanian network PONTURIQBUNE
- Expanding geographic reach and diversification
- USD 1m

### Acquisition of WhichBingo
- US-focused website for financial services
- USD 7m

### Acquisition of investorjunkie
- A leading US-based personal finance website
- USD 5.8m

### Acquisitions of
- User acquisition for mobile apps
- USD 19m

### Acquisitions of ClicksMob
- UK mobile market and U.S. Market assets – USD 7.4m
- Domains, websites and other related assets – USD 3.2m

### Acquisition of SecureThoughts
- Cyber security comparison website
- USD 2m

### Acquisitions of
- Finnish gambling related informational websites – USD 18m
- 3 US personal finance informational websites – USD 5.9m

### Acquisitions of
- Finnish sports betting informational website
- USD 5.1m

### IPO
- Mar 2014
- Apr 2014
- Jun 2014
- Sep 2014
- 2014

### 2014
- 2015
- 2016
- 2017
- 2018

### Sep 2014
- 2014
- 2015

### Jun 2015
- 2015
- 2016

### Jan 2017
- 2016
- 2017

### Feb 2017
- 2017

### Apr 2017
- 2017
- 2018

### Jun 2017
- 2017
- 2018

### Aug 2017
- 2017
- 2018

### Jan 2018
- 2018

### Apr 2018
- 2018

### Jun 2018
- 2018

### July 2018
SUMMARY AND OUTLOOK

2018 Progress

- Focus on recovery of publishing assets
- Proactive measure taken to exit low margin activities
- Executing on strategic acquisitions

Foundations laid for future growth

- Leading market position with presence in newly regulated markets
- Personal finance sector represents a significant growth opportunity
- Strong balance sheet supports further M&As
- Technology investments and staff are in place to support expansion
Thank You

Any Questions?
PUBLISHING

- XLMedia owns over 2,300 informational websites, mobile sites and apps engaging millions of users in 18 languages
- Our informational websites attract potential customers and refer them to online and mobile customers
- Some assets rank for high intent keywords, others are being optimized to reach these positions
- “Palcon” is our a proprietary content management system for centralised management of websites
- Additional assets are acquired and then integrated for improved performance

XLMedia’s portfolio is the outcome of years of investment
MEDIA

- XLMedia acts as an advertiser running thousands of simultaneous self-funded campaigns, in different verticals. Customers pay based on performance.
- XL deploys proprietary technology to manage media campaigns across all ad units: social, mobile, web, ...
- Recent acquisition of ClicksMob strengthens mobile capabilities.
USER’S JOURNEY

Publishing
Users search for specific information
User search results

High ranking XLMedia property

Users browse web/mobile/social/…

XLMedia posts ads

Users directed to client

Revshare / CPA / …
OPTIMIZATION CYCLE

1. Quality content
2. Asset optimisation
3. Place Brands

Publishing

Max
[Conversion x Rate x ARPU]

Target

Big Data
Proprietary tracking, data and analysis tools

Gather data

Send users

Media

XLM self-funded campaigns

Bid on ads

Place Brands
THE FUTURE OF ONLINE MARKETING

Growth of Internet advertising revenues

- Worldwide digital ad spending will reach $223.74 billion in 2017, representing 38.3% of total paid media outlays. This format is expected to see double-digit growth through at least 2020.

- Global advertising expenditure in social media will grow 72% between 2016 and 2019, rising from US$29bn to US$50bn.

Online gambling and social gaming market


- The global online gambling market is expected to grow at a CAGR of over 9% to exceed $60 billion by 2020.

Financial services market

- The credit card and payment card markets continue to grow with proportion of revenue attributed as digital sales revenue in banking expected to increase from 21% in 2015 to 46% in 2020.

Sources: H2 Gambling Capital, eMarketer, Gartner, ZenithOptimedia, Technavio, IAB
EXPERIENCED SENIOR LEADERSHIP

LIAT HELLMAN CFO (ISRAEL)
• Over 20 years’ experience in publicly traded companies
• Serves as CFO (Israel) of the company since its inception and is responsible for financial infrastructure

INBAL LAVI CEO (ISRAEL)
• 14 years’ experience in the online marketing industry
• Diverse background and expertise in marketing strategy, operations and P&L management, including heading the 888poker business from December 2011 to January 2014

YEHUDA DAHAN GROUP CFO & DIRECTOR
• Over 15 years’ experience in accounting and finance
• Previously CFO for Barinboim Investment Group and Head Controller of Milomor Group

MICHAL BADHAV GENERAL COUNSEL
• Over 20 years of global experience in senior executive legal positions at public and private technology companies
• Served as Deputy General Counsel at Amdocs in the US and Israel and as General Counsel at Risco Group

CHRIS BELL NON-EXECUTIVE CHAIRMAN
• Former CEO of Ladbrokes between 2001 and 2010
• Has over 20 years’ experience in the gambling sector
• Currently non-executive Director at Rank Group plc and Spirit plc and a member of the Responsible Gambling Strategy board

ORY WEIHS FOUNDER & GROUP CEO
• Entrepreneur with 15 years’ experience in performance-based marketing
• Currently focused on business development and strategy
• CEO of the company since inception