



XL MEDIA PLC

**TECHNOLOGY-DRIVEN
PERFORMANCE MARKETING**

March 2018

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OVERVIEW

- A leading online performance marketing company
- Attracting paying users from multiple online & mobile channels and direct them to online businesses in return for performance based payment models
- Strong track record of profitable growth and cash generation
- Successful diversification strategy adding skills and client base in additional verticals and geographies
- Significant market opportunity across multiple verticals

2017 Performance

\$137.6 M
Revenues

\$47.1 M \$39.3 M
Adj EBITDA Profit before tax

Since IPO

\$44.2 M
Dividends

\$113.5 M
Investments in tech
and acquisitions

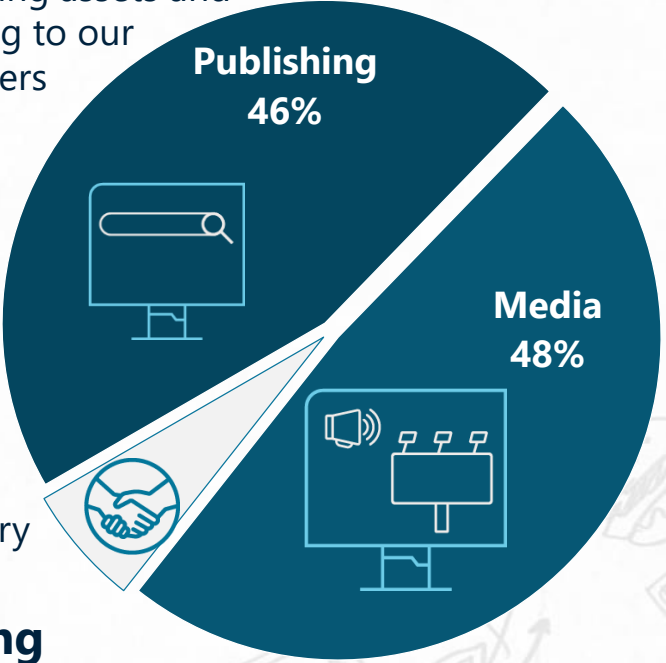


OUR BUSINESS MODEL



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

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



Complimentary Partners Networking

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



Performance based payment

Lifetime Revenue share
(50% of revenues)
/ CPA / CPI / ...

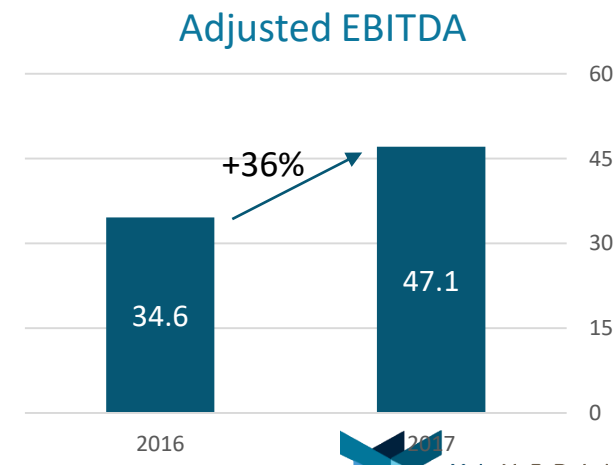
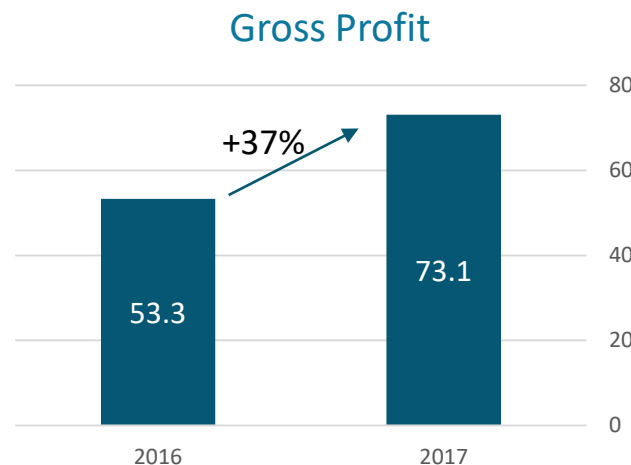
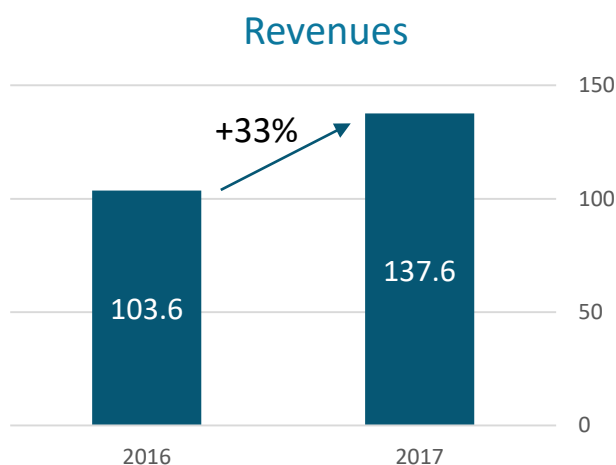
2017 Business progress



2017 HIGHLIGHTS

Strategic progress

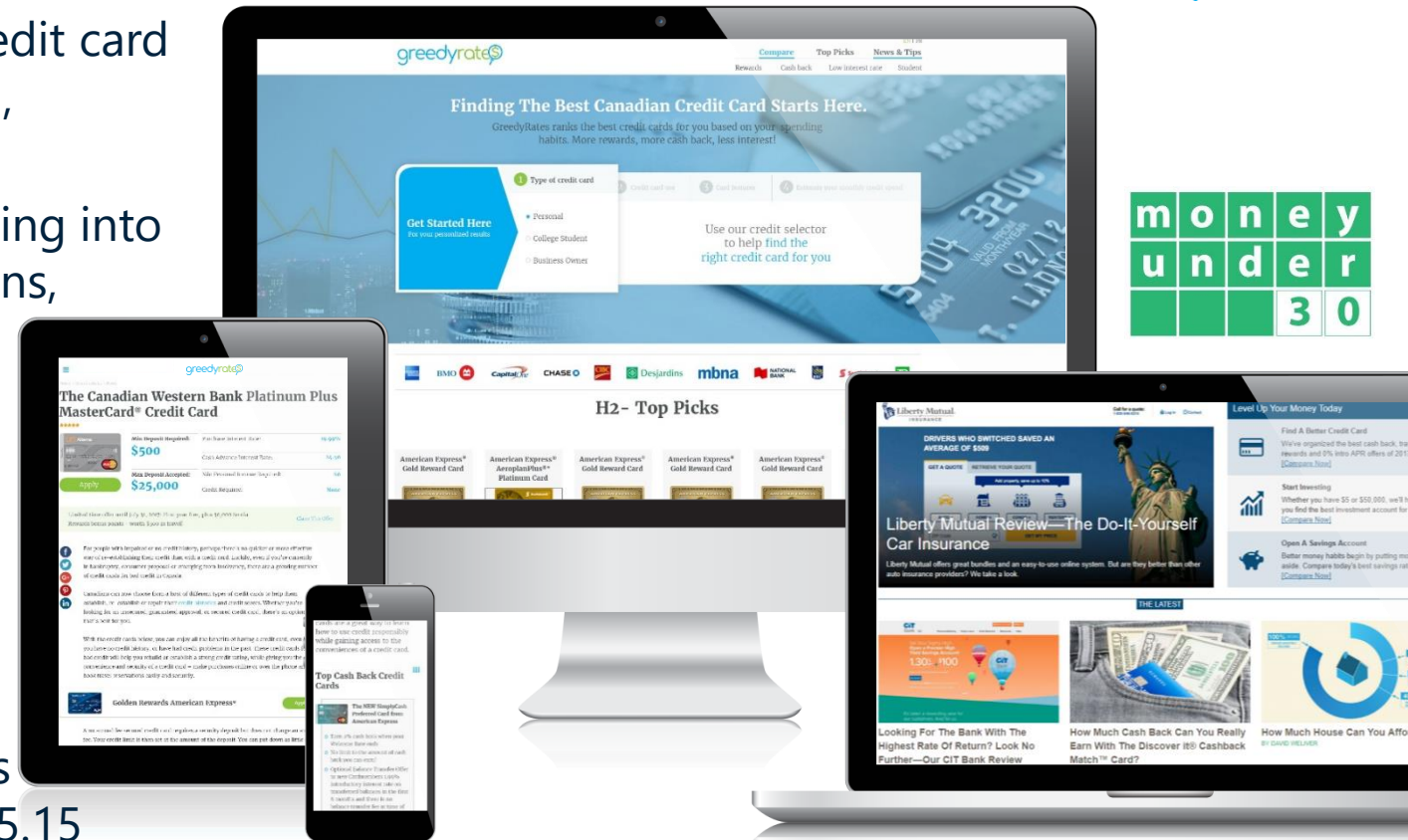
- Entered the personal finance sector via two strategic acquisitions
- Acquired ClicksMob, a mobile performance-based user acquisition platform, providing expertise in user acquisition for mobile apps and games
- Completed the acquisition of [Securethoughts](#), a US cyber security comparison website
- Completed the acquisition of ponturi bune, a Romanian network, leveraging the group's affiliation license in a growing regulated market
- Continued development of the Group's proprietary systems for improved operations and efficiencies



PERSONAL FINANCE EXPANSION



- Personal finance sector is a strategic growth engine
- Acquired Greedyrates, a leading Canadian credit card comparison website and Moneyunder30.com, a US financial services website
- Further growth opportunities include expanding into additional personal finance products (e.g. loans, banks, ...) and countries
- The credit card and payment card markets continue to grow, with projected CAGR of purchase transactions by credit cards⁽¹⁾ of 4.52% in Canada and 6.36% in the US for 2014 to 2024
- In February 2018 agreed terms for the acquisition of three personal finance websites based in the US for a total consideration of \$5.15 million



(1) Source - The Nielson report 2016.

Purchase transactions are payments of goods and services generated by general purpose payment cards

MARKET DYNAMICS: REGULATION

- Enhanced regulation in 2017 across the online gambling industry in regions such as in Australia, Germany, UK (ad restrictions) as well as new regulation in others (US, Portugal)
- The personal finance sector has clear instructions for ads and promotion in the different jurisdictions
- Further developments in the online industry include privacy protection, ad restrictions, protecting content rights, etc.
- In the gambling space increased regulation presents the Group with both challenges and opportunities
- XLM is well positioned as a leader in the industry, with strong infrastructure and operations, to operate according to the different guidelines across multiple territories and gain advantages in access to newly regulated markets



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

- Demand for social games continues to grow, expected CAGR of 14.96% for 2014-2019
- The global online gambling market is expected to grow at a CAGR of over 9% to exceed USD 60 billion by 2020

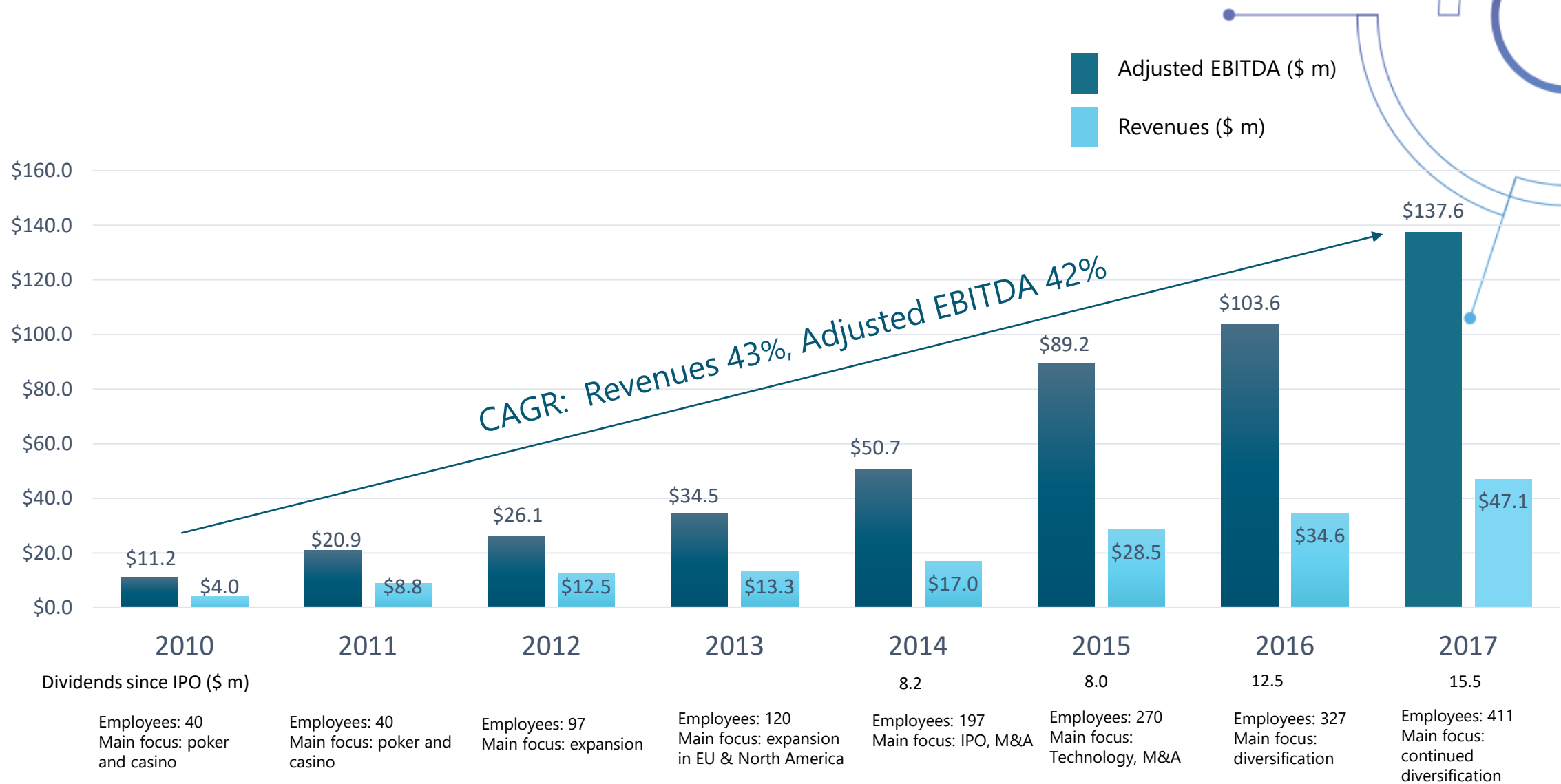
Financial services market

- 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

Financial Results

STRONG FINANCIAL TRACK RECORD



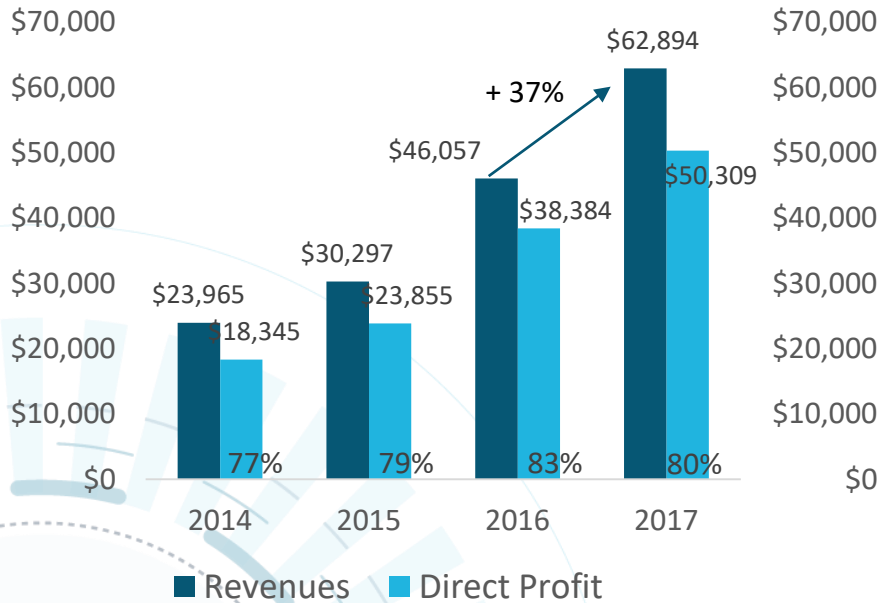
INCOME STATEMENT

Item (Thousands \$)	FY 2017	FY 2016	change
Revenues	137,632	103,605	33%
Cost of revenues	64,487	50,282	28%
Gross Profit	73,145	53,323	37%
Operating Expenses	32,376	23,226	39%
Operating Profit	40,769	30,097	35%
Total adjusted EBITDA*	47,120	34,617	36%
% Adj. EBITDA	34%	33%	
Finance income (expenses), net	(1,424)	903	
Profit Before Taxes	39,345	31,000	27%
Taxes (from Income)	7,474	5,416	38%
Net Profit	31,871	25,584	25%
Earnings Per Share	0.15	0.12	25%

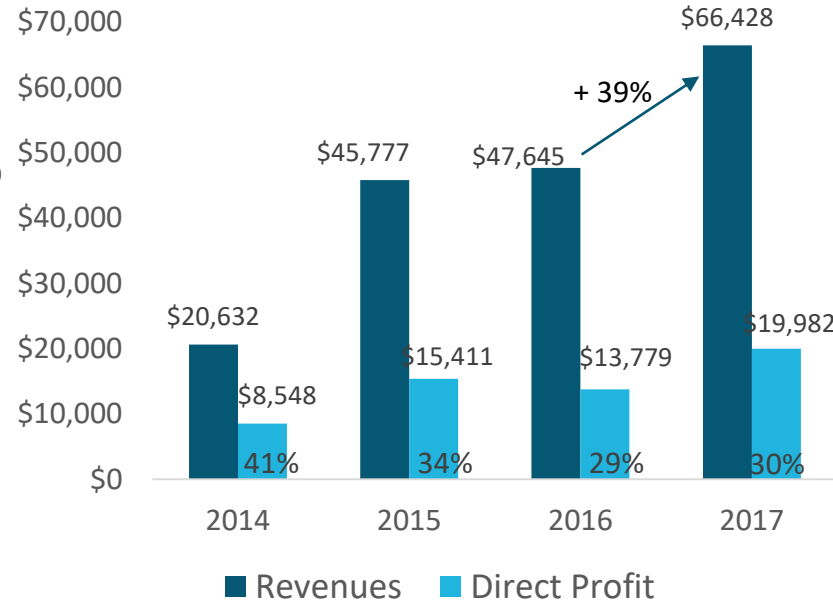
*Earnings before interest, taxes, depreciation, amortization, impairment and excluding share based payments.

SEGMENT PERFORMANCE

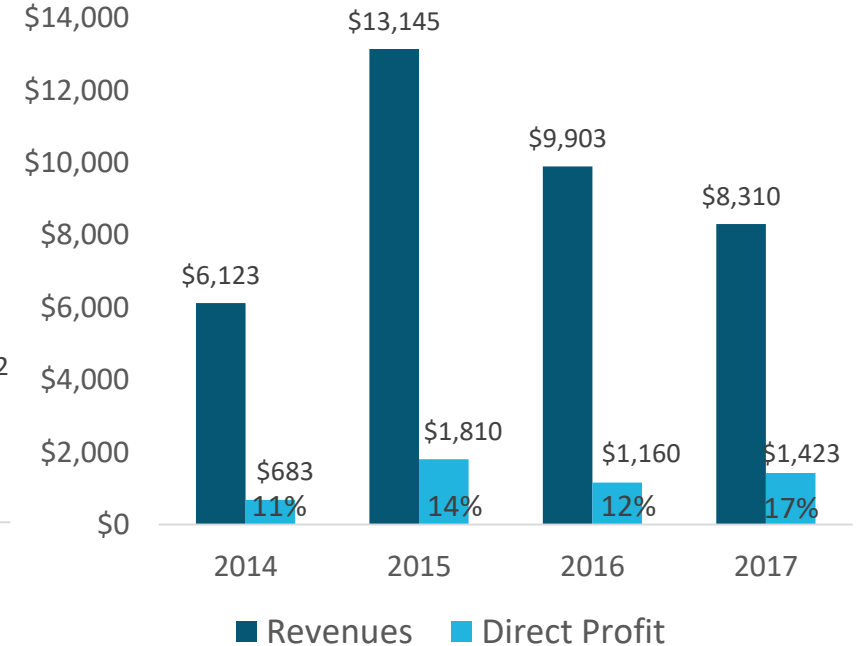
PUBLISHING Profit up 37%



MEDIA Profit up 39%



PARTNER NETWORK Profit up 22%



CASH FLOW STATEMENT

	2017	2016
Net income	31,871	25,584
Depreciation, amortisation and impairment	5,932	3,878
Cost of share-based payment	419	646
Changes in Working Capital	5,432	2,871
Taxes paid, net	(3,849)	(5,710)
Finance (income) expense and exchange differences on cash	1,268	(317)
Cash Flow from Operating Activities	41,073	26,952
Investing Activities		
Purchase of property and equipment, net	(388)	(479)
Payment for acquired business	(5,100)	-
Payment of contingent consideration in respect of acquired company	-	(5,500)
Acquisition of domains, websites, technology	(16,160)	(6,742)
Payment on account of Greedyrates	-	(9,300)
Financial investments, net	(1,295)	4,633
Cash Flow for investing activities	(22,943)	(17,389)

	2017	2016
Financing Activities		
Dividend paid to equity holders of the Company	(15,505)	(12,362)
Acquisition of non-controlling interests	(2,250)	-
Dividend paid to non-controlling interests	(1,804)	(1,805)
Exercise of options	1,205	1,546
Receipt of long-term loan from bank	5,000	-
Net cash used in financing activities	(13,354)	(12,621)
Cash and short term investments at the end of the period	43,277	35,186

BALANCE SHEET 31 DECEMBER 2017

\$ '000	2017	2016
Current assets:		
Cash and short term investments	43,277	35,186
Trade receivables	18,950	17,075
Other accounts receivable	4,665	3,463
Financial derivatives	200	1,002
Total current assets	67,092	56,726
Non-current assets:		
Long term investments	681	609
Goodwill	30,052	26,302
Intangible assets	54,347	32,687
Deferred taxes	862	85
Other assets	244	171
Property and equipment	1,230	1,229
Deposit for acquisition of websites	-	9,300
Total non-current assets	86,186	69,154
Total Assets	154,508	127,109

	2017	2016
Current liabilities:		
Trade payables	9,813	9,274
Current maturity of long-term bank loan	2,500	-
Financial derivatives	1,425	-
Other liabilities and accounts payable	19,545	14,196
Total current liabilities	33,283	23,470
Non-current liabilities		
Long- term bank loan	2,500	-
Taxes	1,825	-
Deferred taxes	42	126
Other liabilities	201	228
Total Non-current liabilities	4,568	354
Equity		
Share premium	68,417	66,812
Capital reserves	(1,218)	702
Retained earnings	49,167	34,349
Non controlling interests	291	1,422
Total equity	116,657	103,285
Total Equity & Liabilities	154,508	127,109

Growth Strategy



Our stated strategy is built on the following three pillars:

- Diversification
- Technology
- M&A

GROWTH STRATEGY – ONGOING DIVERSIFICATION AND INVESTMENTS

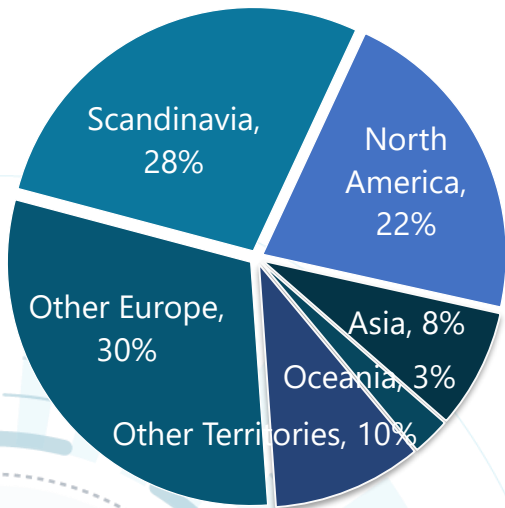
Continue to expand the Group's operational reach into new geographies and verticals:

- Drive organic growth across all segments through investments and economies of scale
- Enter new verticals and geographies in organic and acquisitive activities
- Media: Leverage demand for high value users within US and Asian markets
- Publishing: Continue to grow market share in current territories and newer ones



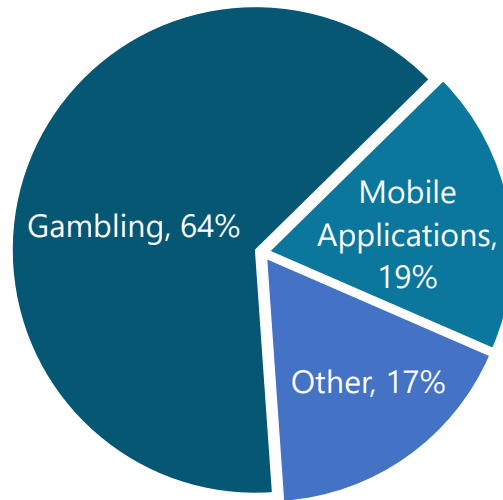
REVENUE DIVERSIFICATION

Revenues diversification – users' geography



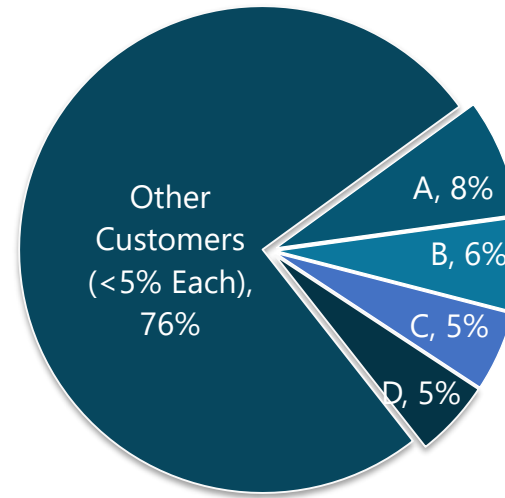
2014: Scandinavia – 63%

Revenues diversification – products



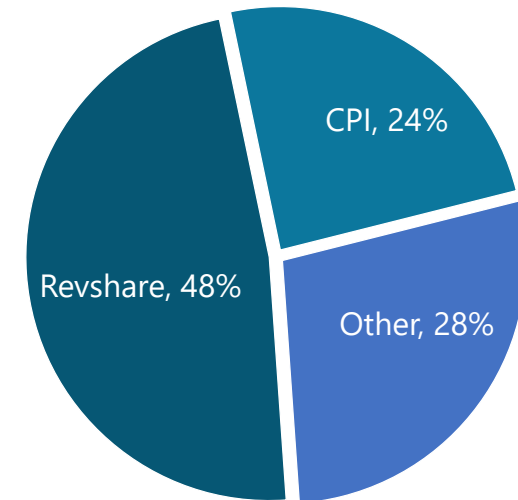
2014: Gambling – 83%

Revenues diversification – customers



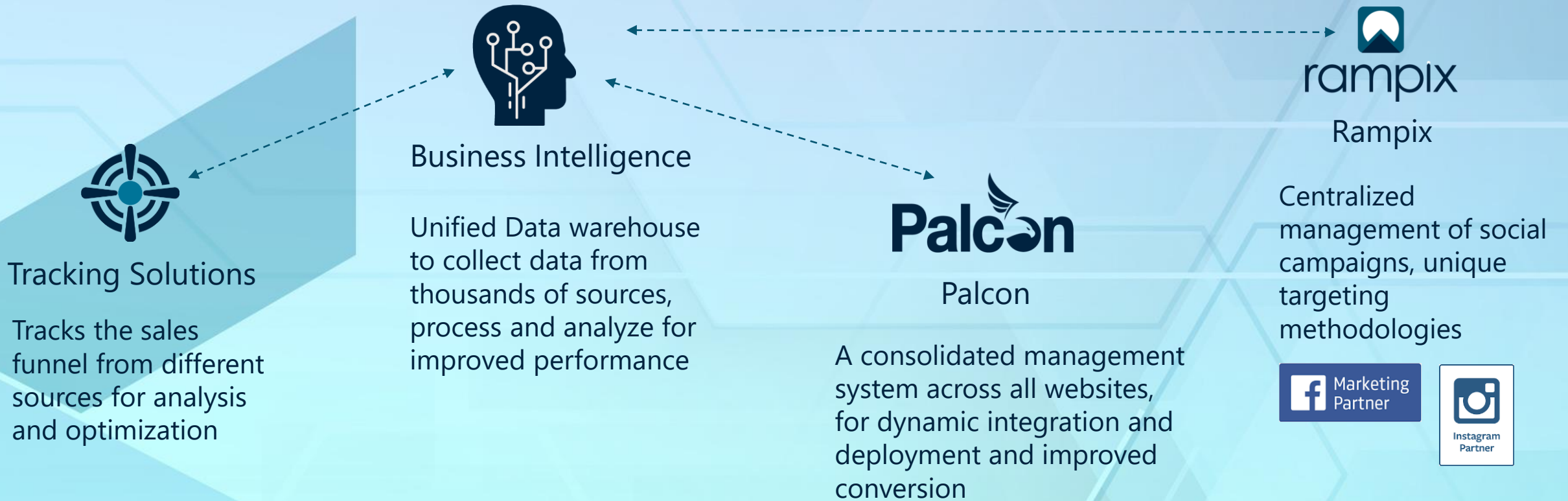
2014: A – 15%

Revenues Per business model



GROWTH STRATEGY - TECHNOLOGY

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



GROWTH STRATEGY - M&A

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

Areas of focus

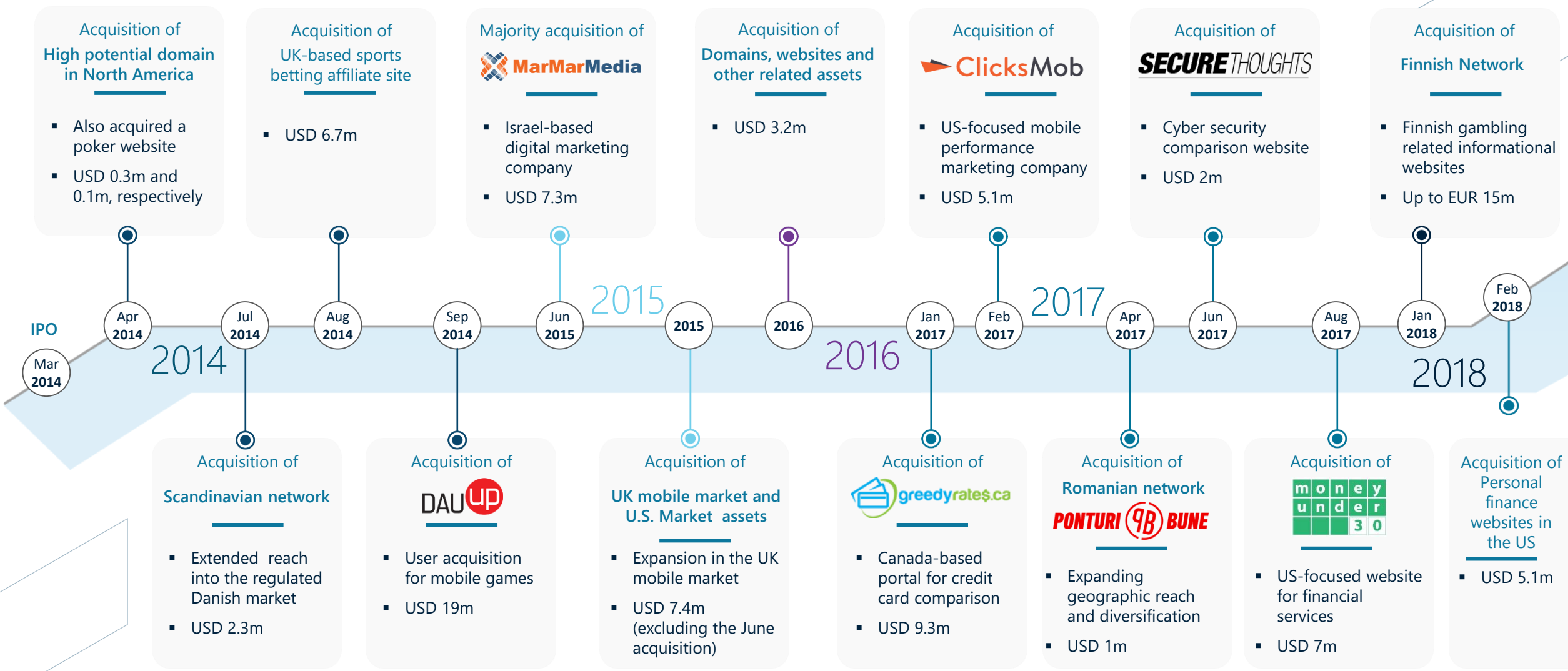
- Publishing assets: continue to buy bolt on websites, integrate them into XLM's existing infrastructure and technology, enjoying benefits of scale
- Vertical expansion
- Geography expansion

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

SUMMARY AND OUTLOOK

2017 Progress

- Strong organic growth
- Executing on strategic acquisitions
- Continued development of in-house systems

Foundations laid for future growth

- Sustainable organic growth
- Leading market position with strong foot in newly regulated markets
- Personal finance sector represent significant growth opportunities for the coming years
- Strong balance sheet and recent raise supports further M&As
- Technology investments and staff are in place to support expansion for media as well as continue organic growth in publishing

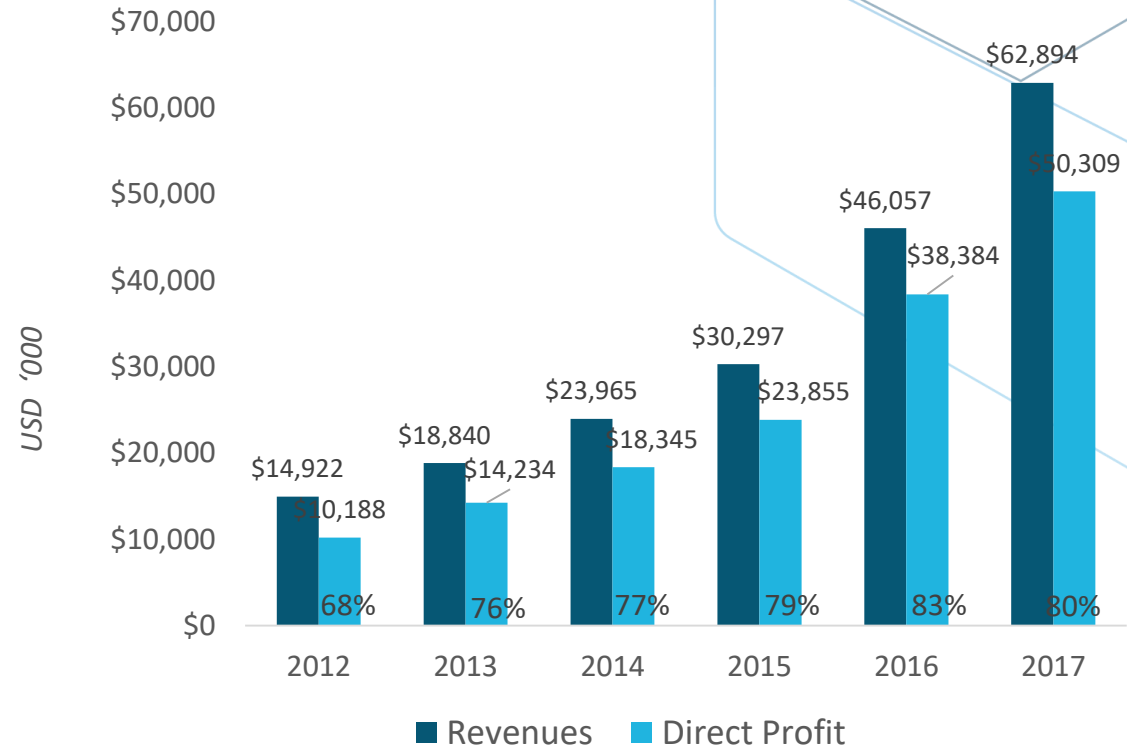


Thank You

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

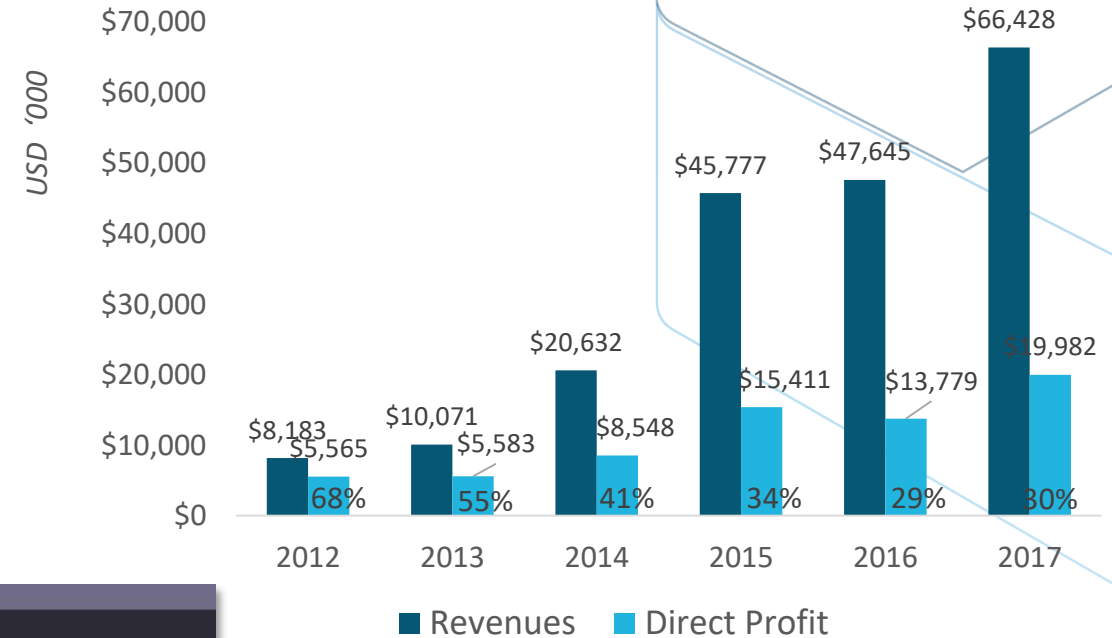
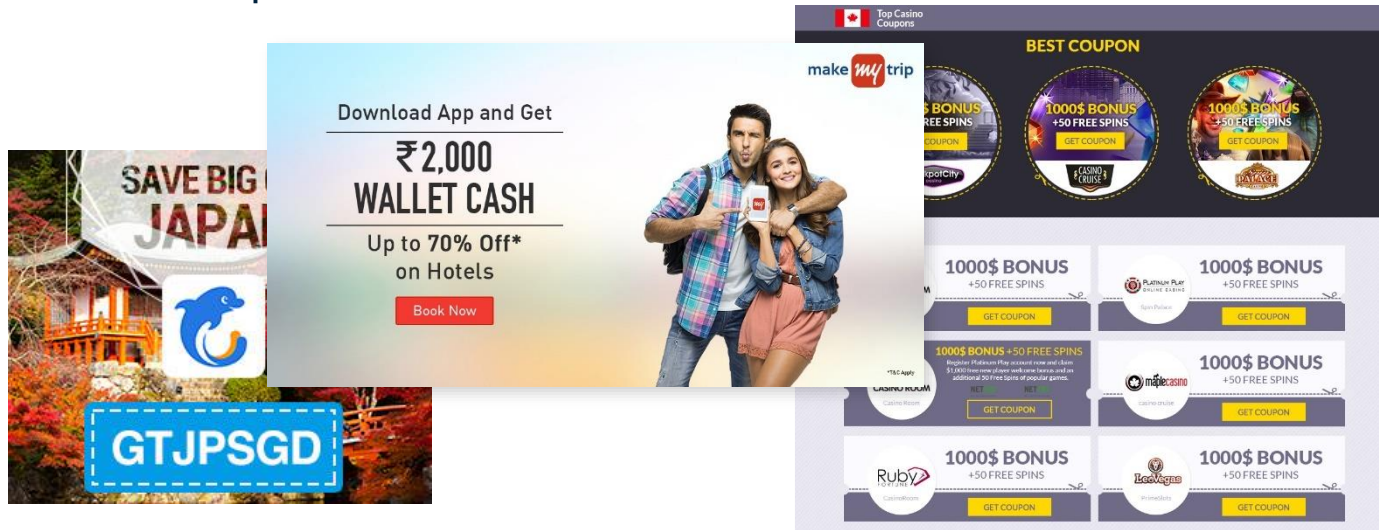


XLMedia’s portfolio is the outcome of years of investment

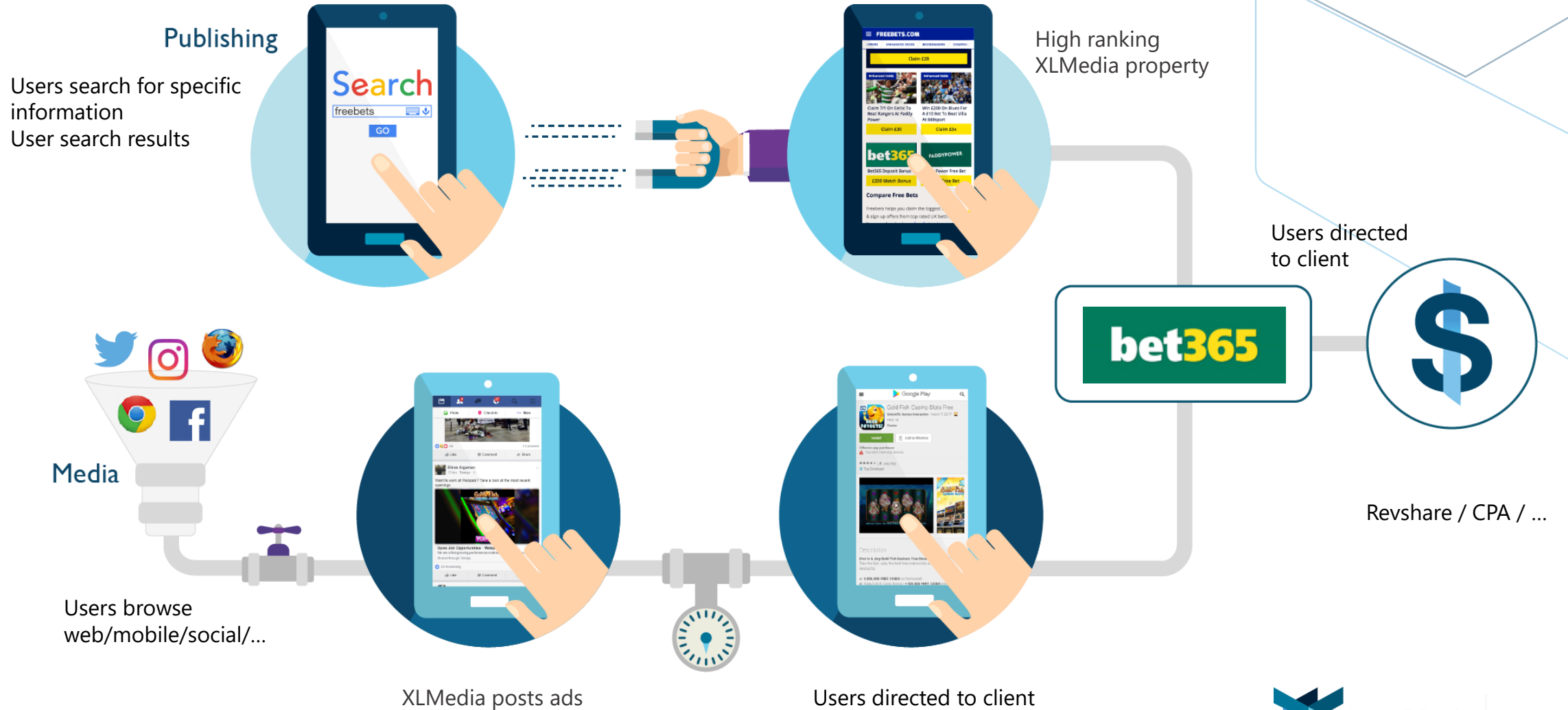


MEDIA

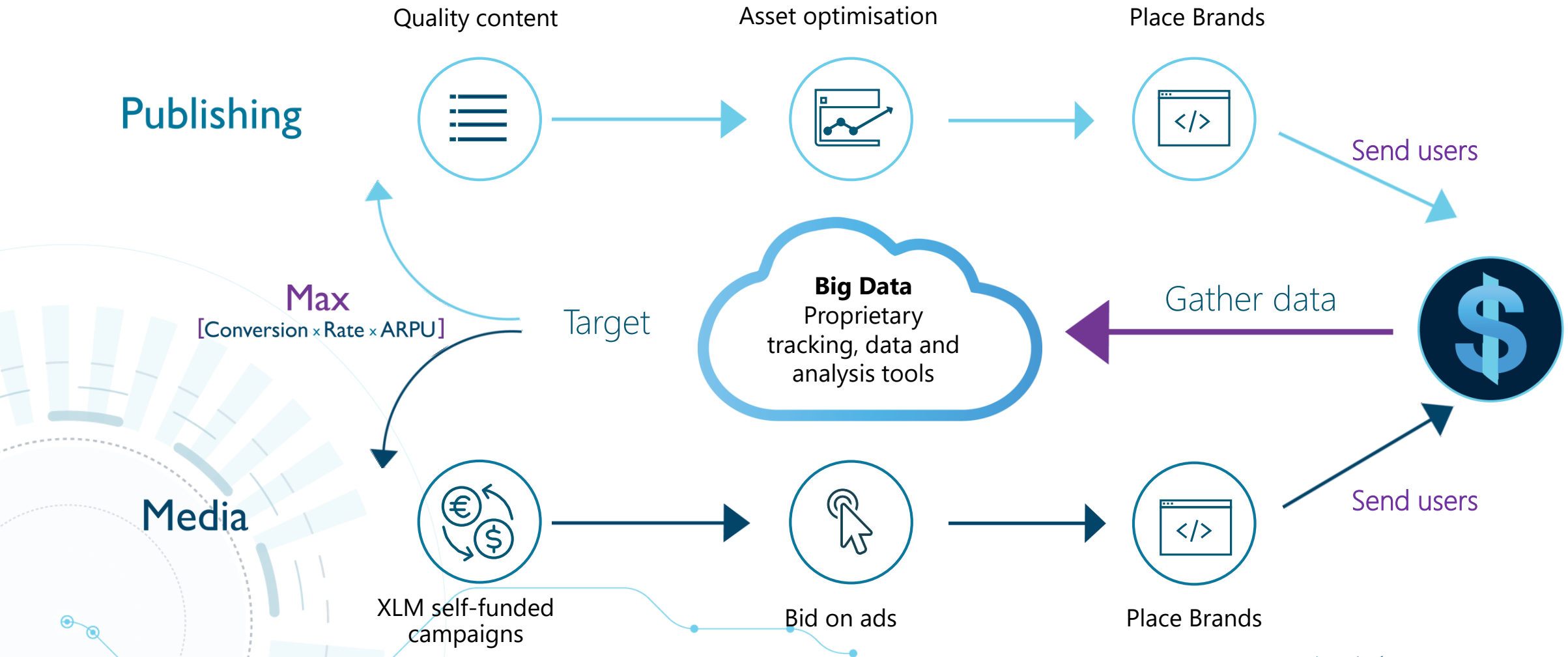
- XLMedia acts as an advertiser running thousands of simultaneous self-funded campaigns, in different verticals. Customers pay based on performance
- XL deploys proprietary technology to manage media campaigns across all ad units: social, mobile, web, ...
- Recent acquisition of ClicksMob strengthens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



USER'S JOURNEY

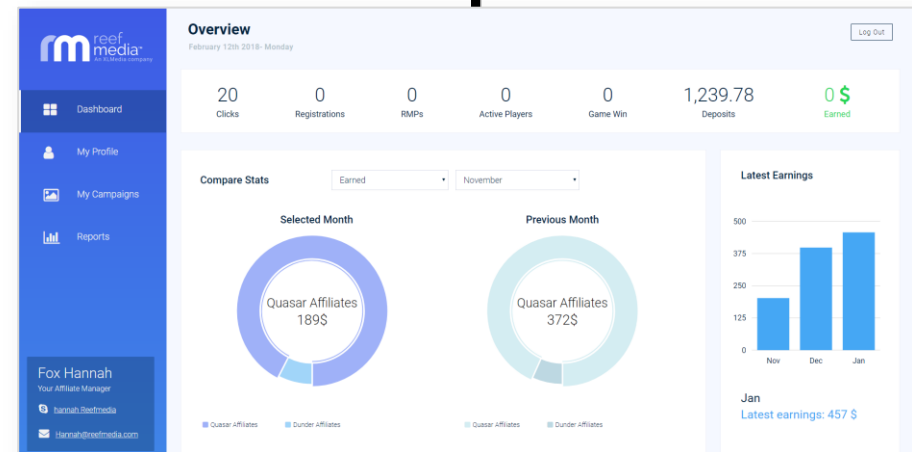
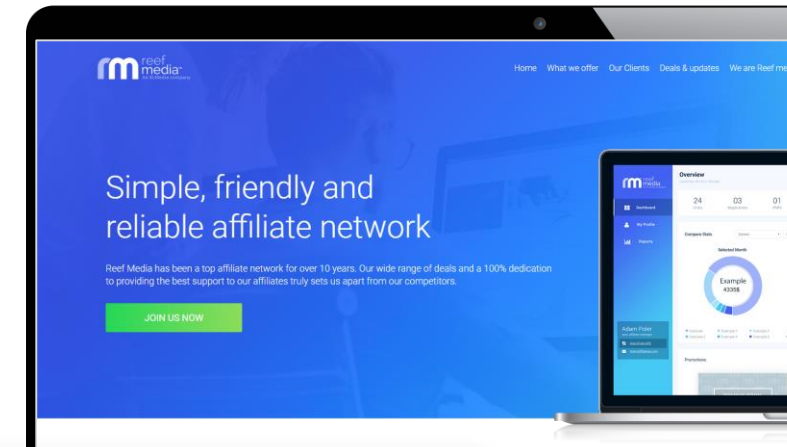
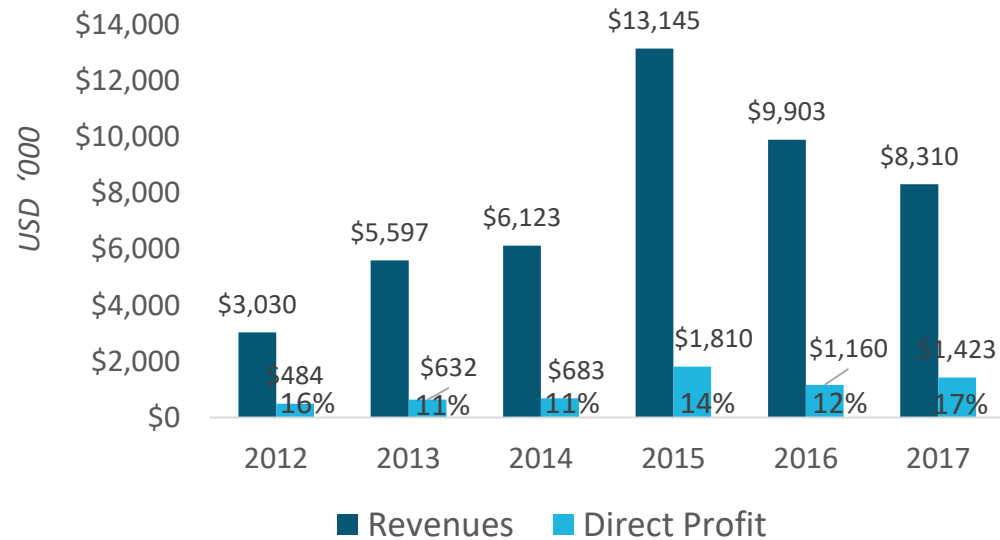


OPTIMIZATION CYCLE



PARTNER NETWORK

- Manage independent affiliate partners who drive traffic through XLMedia
- XLMedia provides affiliates with support and one-stop-shop to service multiple operators
- Affiliates access XLMedia's proprietary system aggregating statistics and promotions from many operators
- completed a review process of our partner base in 2016 and implemented a more stringent sign up and operations criteria which resulted in a reduction in revenues



EXPERIENCED SENIOR LEADERSHIP

INBAL LAVI CEO (ISRAEL)

- 13 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



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

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



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



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