



XL MEDIA PLC

September 2017

Technology driven

PERFORMANCE MARKETING

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OVERVIEW

- A leading online performance marketing company
- We attract paying users from multiple online & mobile channels and direct them to online businesses in return for performance based business 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



Since IPO

\$44.1 M

Dividends

\$96.5 M

Investments in tech
and acquisitions

H1 2017 Performance

\$67.9 M

Revenues

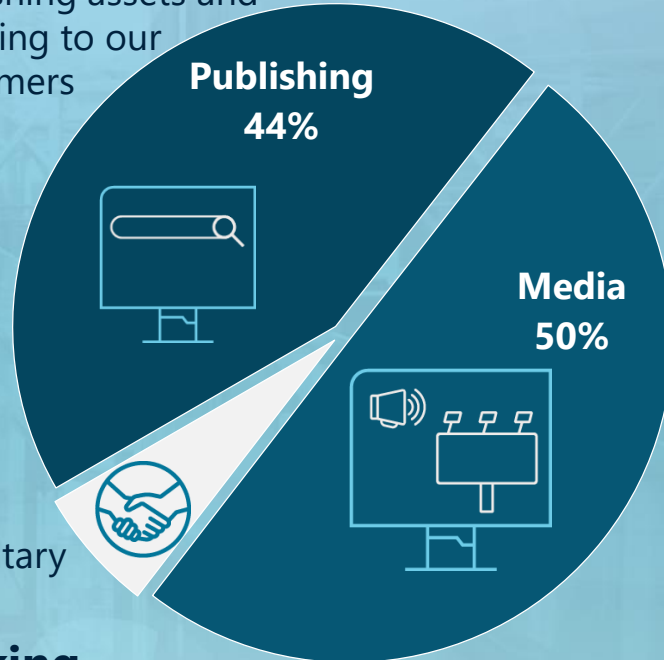
\$23.3 M

Adj EBITDA

OUR BUSINESS MODEL



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



Complimentary
**Partners
Networking**

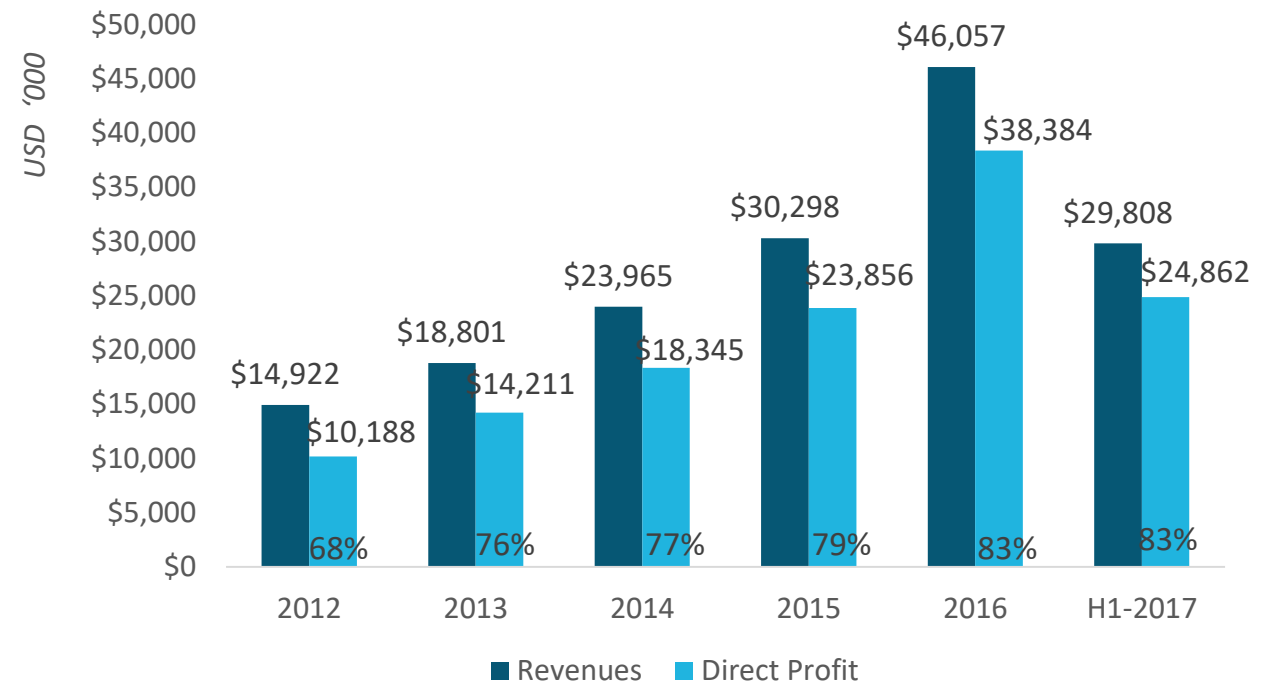
Approaching potential users through posting ads in different platforms and directing to our customers



\$ Performance based payment
Lifetime Revenue share
(50% of revenues)
/ CPA / CPI /...

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

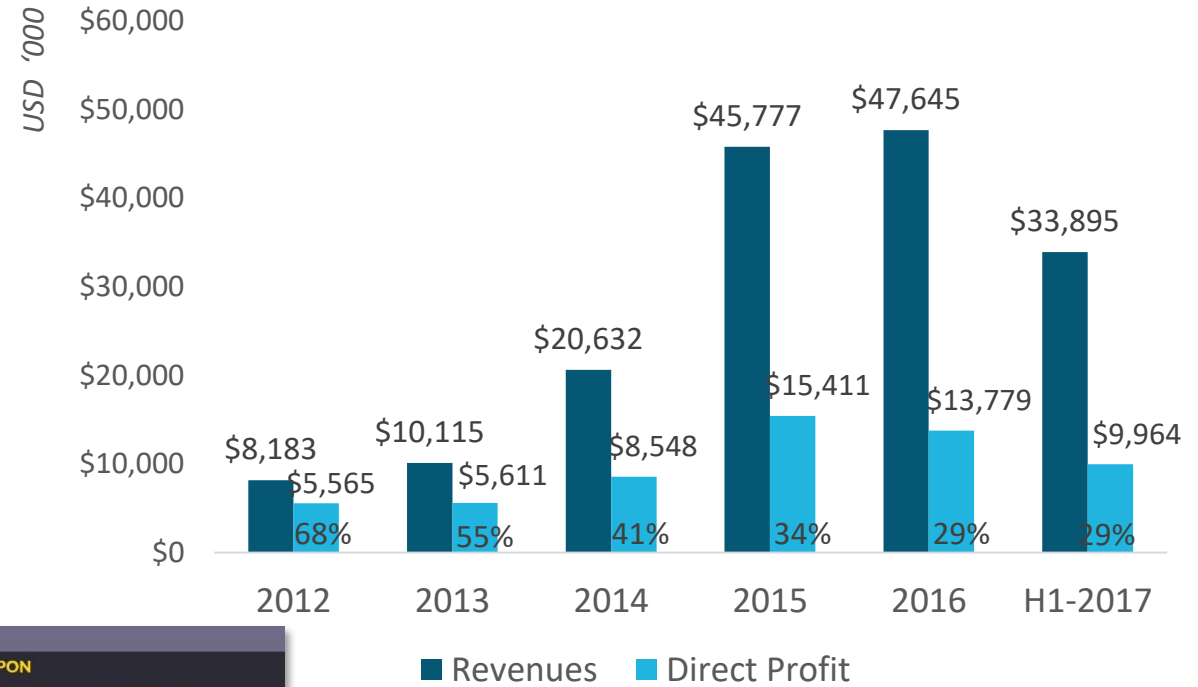


XLMedia’s portfolio is the outcome of years of investment



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



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Up to 70% Off* on Hotels
Book Now

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GTJPSGD

Top Casino Coupons

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1000\$ BONUS +50 FREE SPINS
GET COUPON

1000\$ BONUS +50 FREE SPINS
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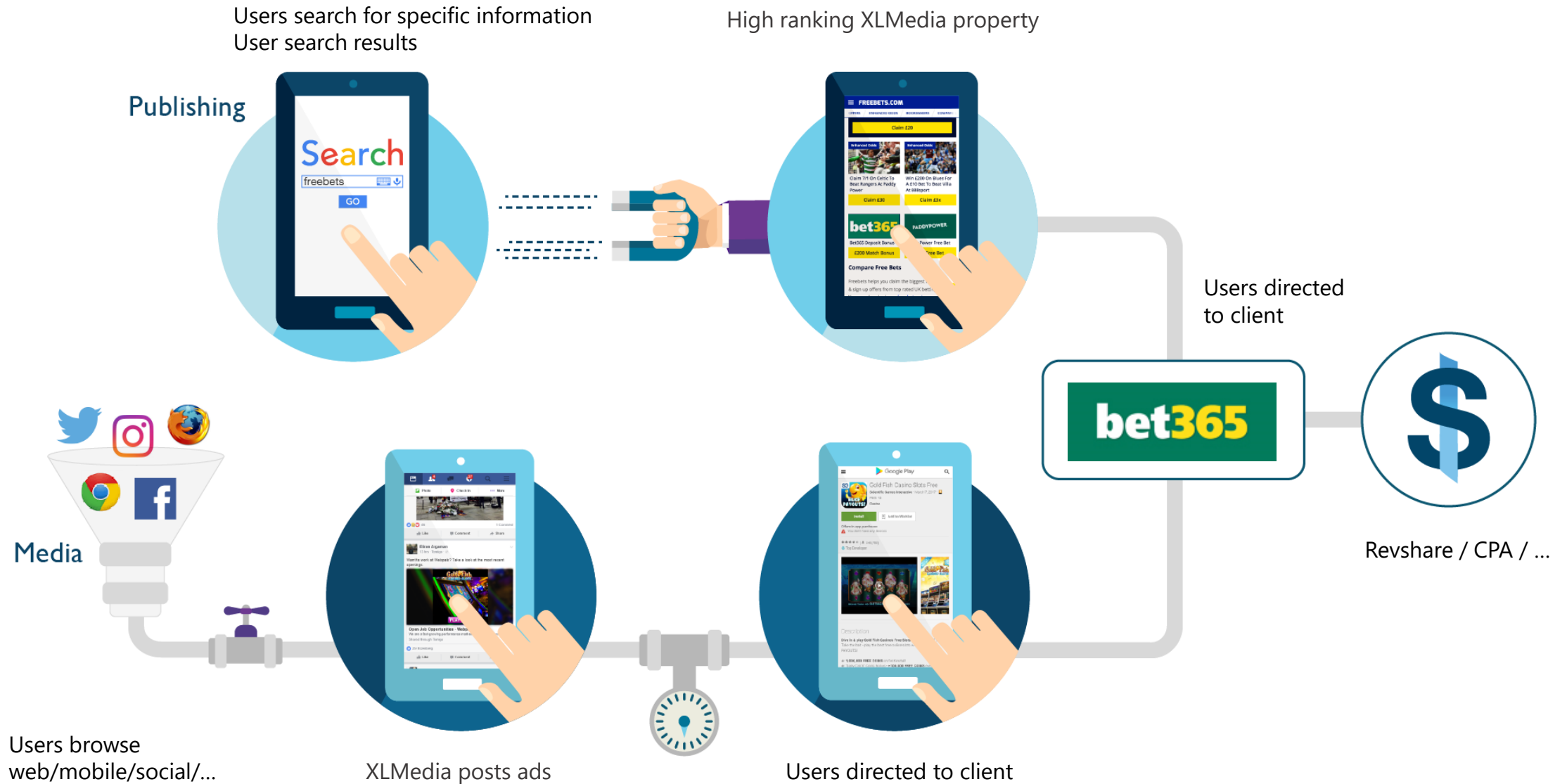
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GET COUPON

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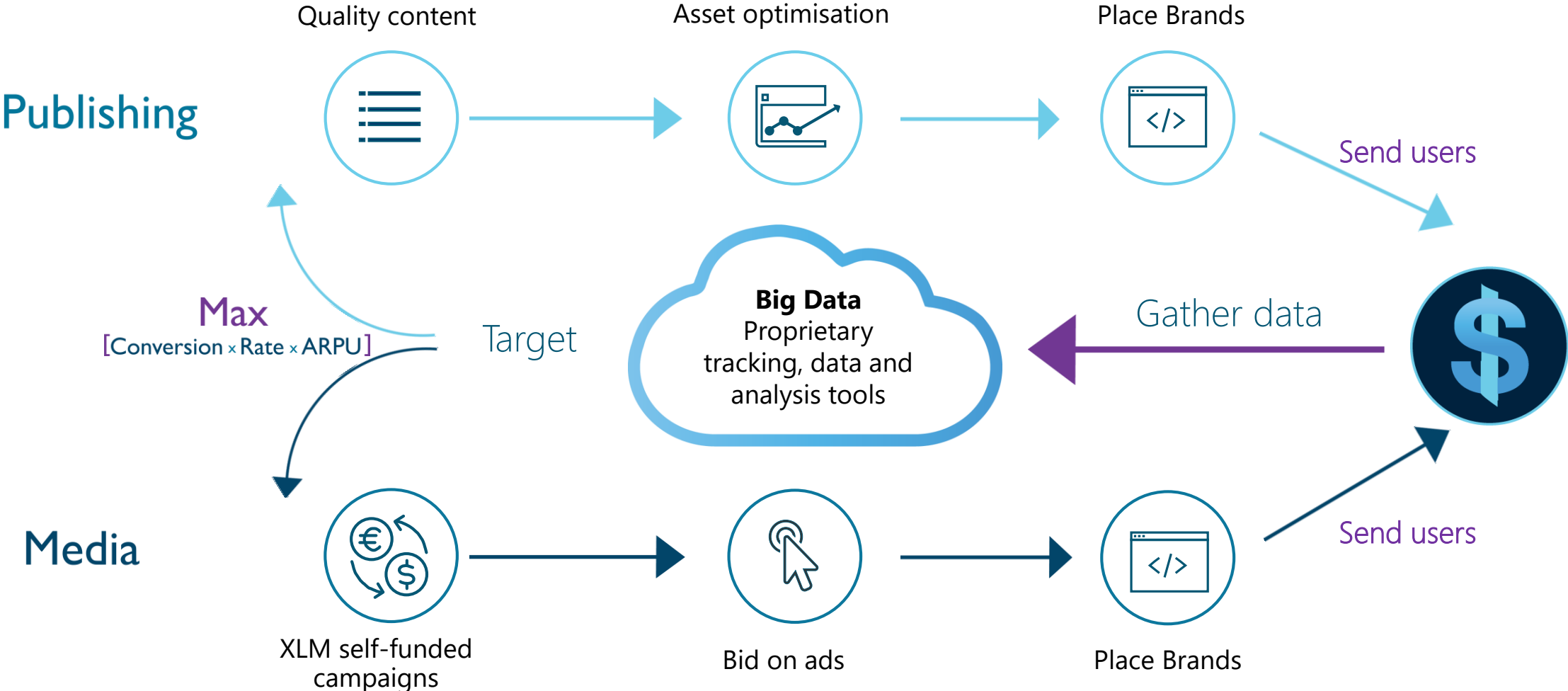
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USER'S JOURNEY

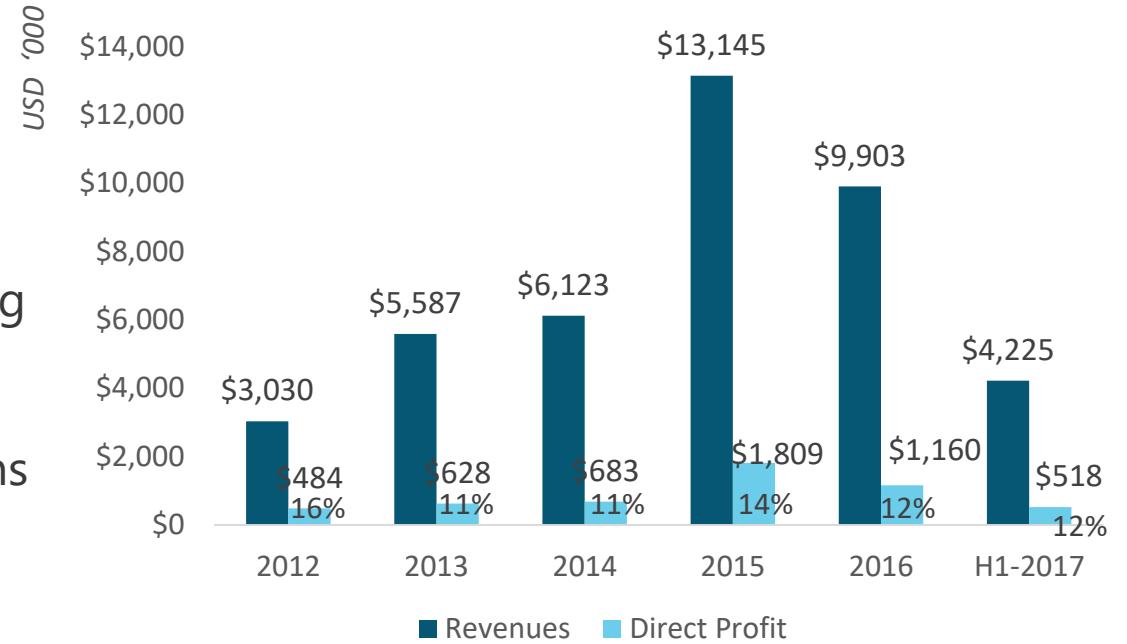


OPTIMIZATION CYCLE



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



Date	Impressions	Clicks	Registrations	ADPs	Active Players	Deposits	Game Wins	Referral
2012-01-01	489	1	1	1		63.96	-31.61	517.43
2012-01-02	1	118	13			17,212.34	2,788.18	1,095.82
2012-01-03	20	2	1			196.82		182.03
2012-01-04	20	2	1			196.82		182.03
2012-01-05	107	54	1			172.5		161.15
2012-01-06	107	54	1			172.5		161.15
2012-01-07	27	4	1			173.5		161.15
2012-01-08	846	29	7			170.41	1,265.62	
2012-01-09	11	4	1			31.96		193.37
2012-01-10	120	11	1			74.56		500.12
2012-01-11	60	3	3			63.4		500.12
2012-01-12	383	1	1					
2012-01-13	24							
2012-01-14	2							
2012-01-15	67	12	3			5,270.23		100
2012-01-16	1701	750	12					1,302.91
2012-01-17								
2012-01-18	2920	977	38			23,616.32	2,790.47	5,672.37

OUR TECHNOLOGY



Palcon

A consolidated management system across all websites, for fast and dynamic integration and deployment



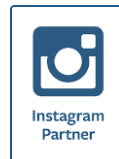
Tracking Solutions

Tracks the sales funnel from different sources on Company websites and paid media campaigns for analysis and optimization



Rampix

Centralized management of social campaigns, unique targeting methodologies



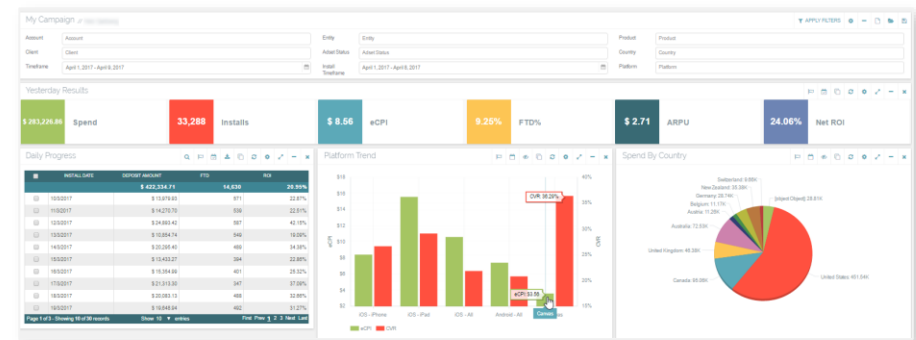
Pheonix

Management of Group entities and unique operational processes for enhanced efficiency

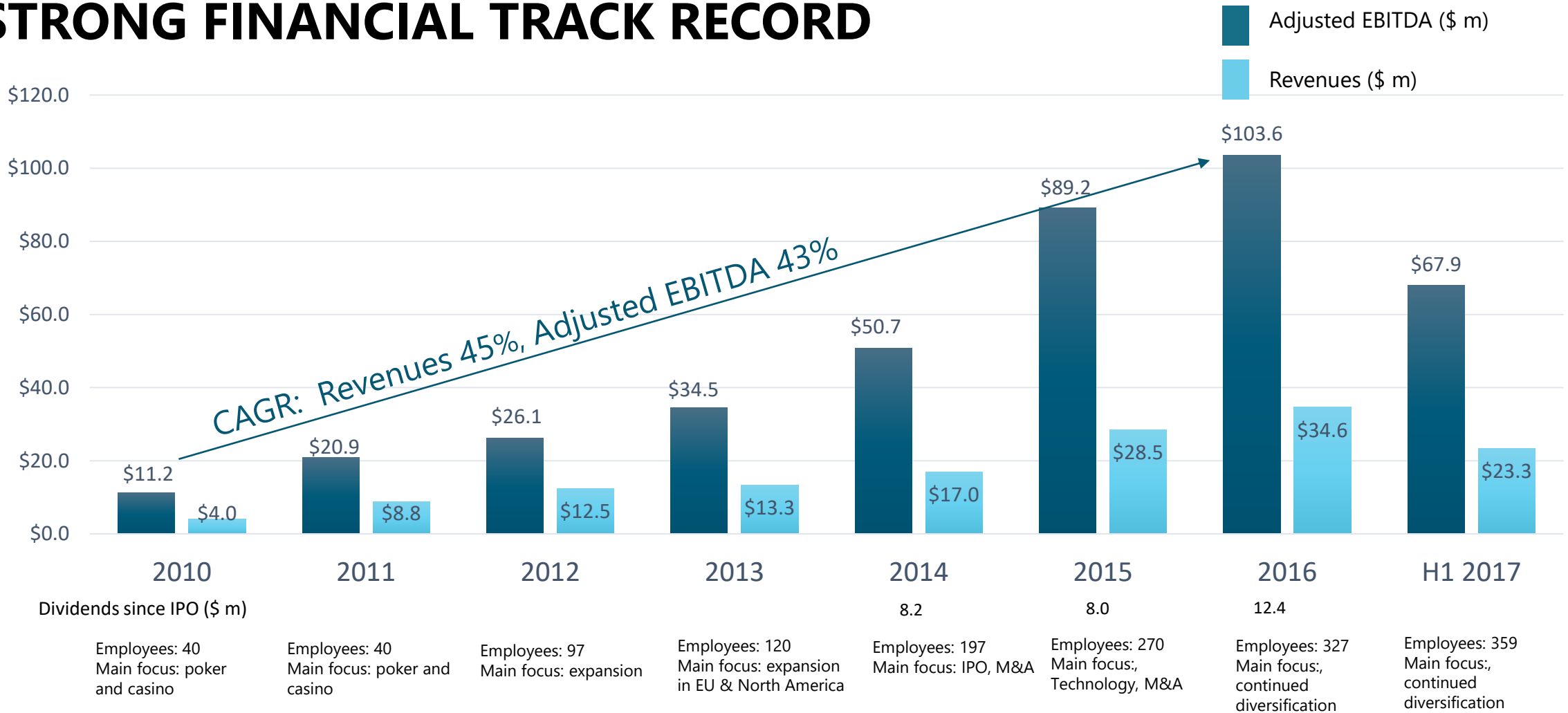


Business Intelligence

Unified Data warehouse to collect data from thousands of sources on a daily basis, process and analyze for improved performance



STRONG FINANCIAL TRACK RECORD



INCOME STATEMENT

Item (Thousands \$)	FY 2017 H1	FY 2016
Revenues	67,929	103,605
Cost of revenues	32,756	50,282
Gross Profit	35,173	53,323
Operating Expenses	16,028	23,226
Operating Profit	19,145	30,097
Total adjusted EBITDA*	23,293	34,617
<i>% Adj. EBITDA</i>	<i>34%</i>	<i>33%</i>
Finance income (expenses), net	345	903
Profit Before Taxes	19,490	31,000
Taxes (from Income)	3,981	5,416
Net Profit	15,509	25,584
Earnings Per Share	0.07	0.12

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

CASH FLOW STATEMENT

	H1 2017	2016
Net income	15,509	25,584
Depreciation and amortisation	3,353	3,878
Cost of share-based payment	338	646
Changes in Working Capital and finance expenses	1,900	3,391
Taxes paid, net	2,072	(5,710)
Finance (income) expense from financial derivatives and exchange differences on cash	432	(837)
Cash Flow from Operating Activities	23,604	26,952

Investing Activities

Purchase of property and equipment, net	(120)	(479)
Acquisitions of subsidiaries and business combination and contingent consideration payments	(4,597)	(5,500)
Acquisition of domains, websites, technology	(4,825)	(6,742)
Payment on account of Greedyrates		(9,300)
Financial investments, net	191	4,633
Cash Flow for investing activities	(9,351)	(17,389)

	H1 2017	2016
Financing Activities		
Dividend paid to equity holders of the Company	(7,504)	(12,362)
Dividend paid to non-controlling interests	(881)	(1,805)
Exercise of options	605	1,546
Net cash used in financing activities	(7,780)	(12,621)
Cash and short term investments at the end of the period	43,062	35,186

BALANCE SHEET 30 June 2017

\$ '000

Current assets:

Cash, cash equivalents and short term investments	43,062
Trade receivables	18,837
Other accounts receivable	3,021
Financial derivatives	777
Total current assets	65,697

Non-current assets:

Long term investments	673
Property, plant and equipment	1,180
Goodwill	30,086
Domains and websites	37,090
Intangible assets	7,854
Deferred taxes	584
Other account receivable	72
Total non-current assets	77,539

Total Assets **143,236**

Current liabilities:

Trade payables	12,346
Contingent consideration payable	503
Financial derivatives	1,520
Other liabilities and accounts payable	17,166
Total current liabilities	31,535

Non-current liabilities

Deferred taxes	126
Other liabilities	223
Total Non-current liabilities	349

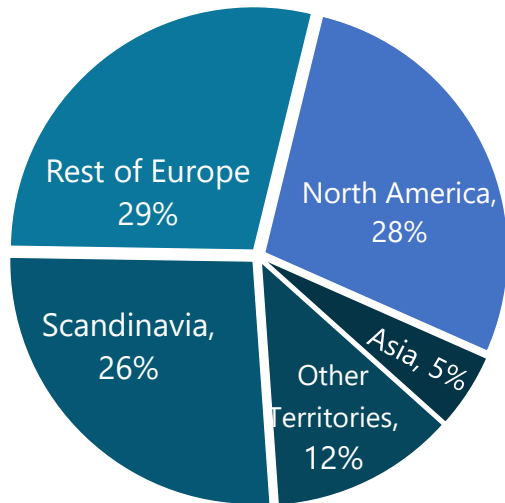
Equity

Share premium	67,652
Capital reserves	805
Retained earnings	41,432
Non-controlling interests	1,463
Total equity	111,352

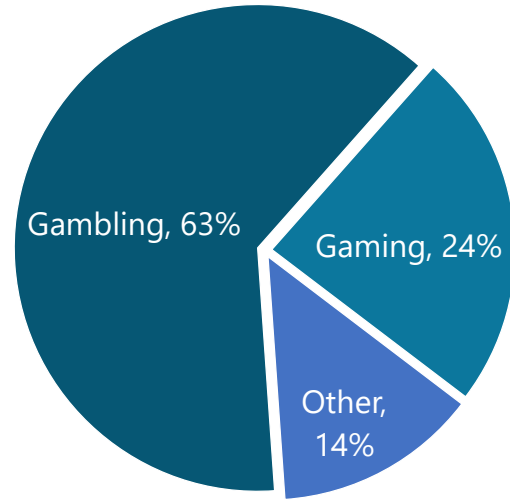
Total Equity & Liabilities **143,236**

REVENUE DIVERSIFICATION

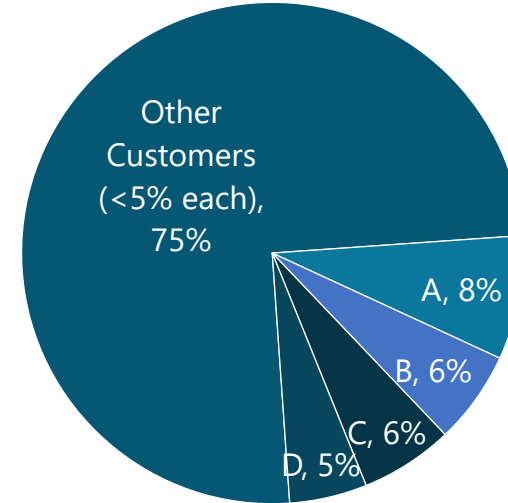
Revenues diversification – users' geography



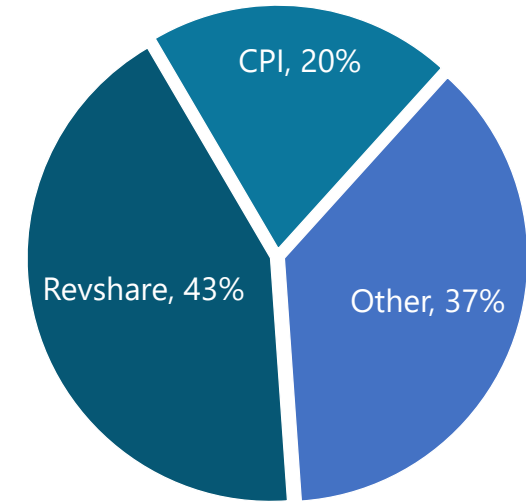
Revenues diversification – products



Revenues diversification – customers



Revenues Per business model

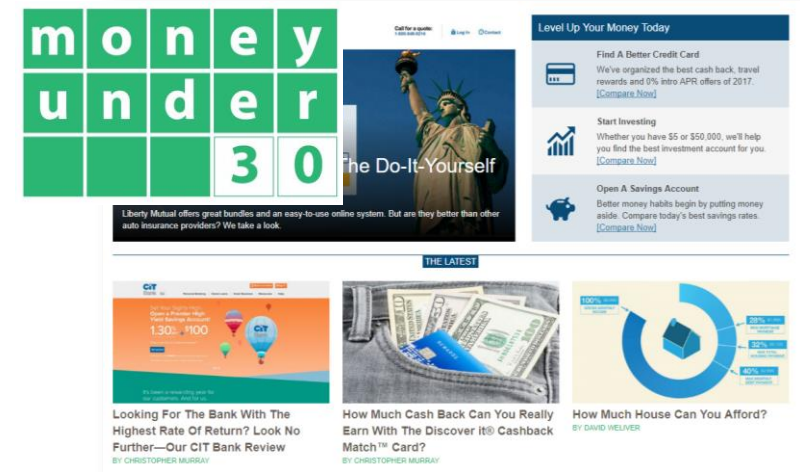


H1 2017 Revenues

FINANCIAL SERVICES EXPANSION

- Financial services sector is a strategic growth engine.
- Acquired Greedyrates, a leading Canadian credit card comparison website and Moneyunder30.com, a US financial services website.
- Both assets increase XLMedia's North American presence and establishes a foothold in the financial services market
- Further growth opportunities include expanding into additional financial services (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

(1) Source - The Nielson report 2016.
Purchase transactions are payments of goods and services generated by general purpose payment cards



THE FUTURE OF ONLINE MARKETING

Growth of Internet advertising revenues

- Worldwide digital ad spending will reach \$223.74 billion in 2017 and represent 38.3% of total paid media outlays. The 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.

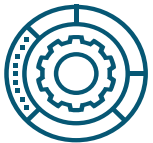


GROWTH STRATEGY



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

- Media: Leverage demand for online marketing services within US and Asia markets
- Publishing: Continue to grow market share in current territories and newer ones



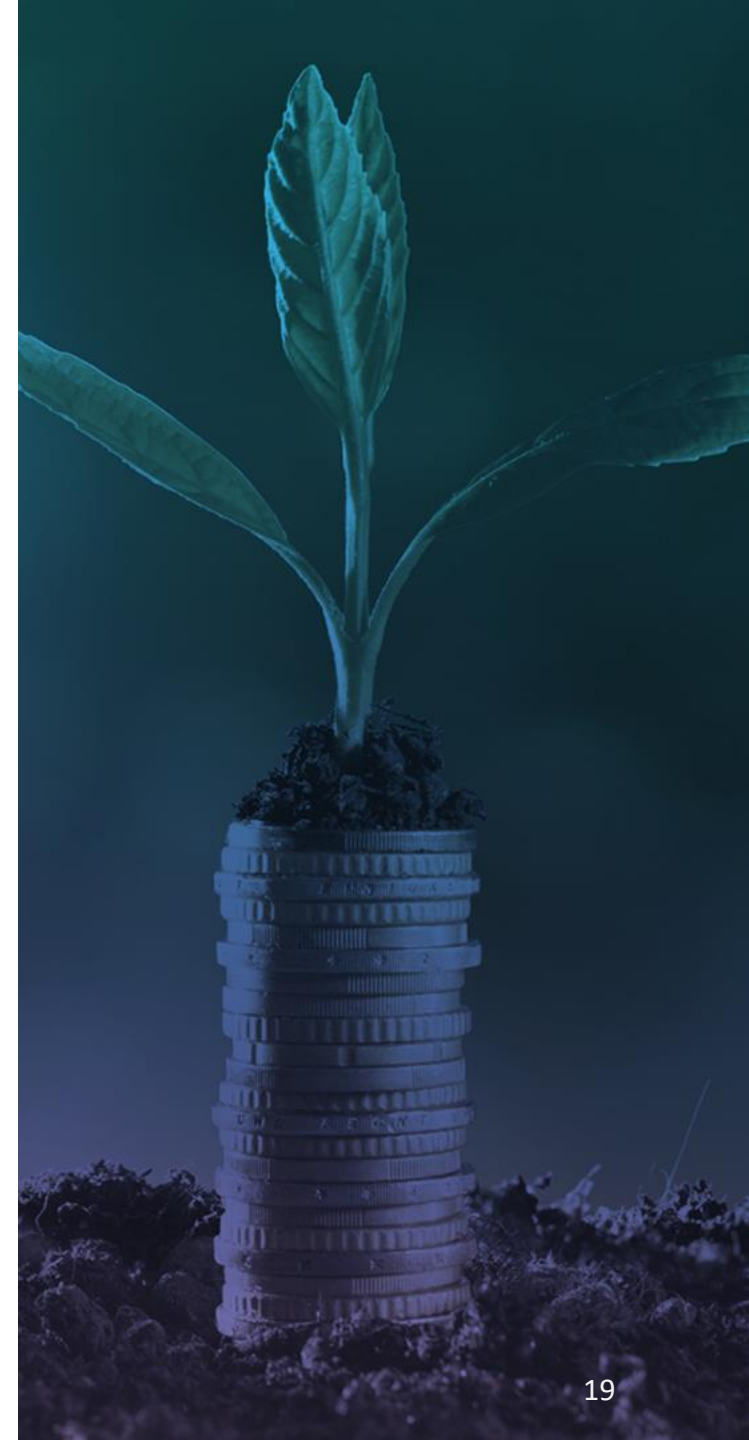
Continue developing our technology infrastructure to accelerate organic growth and further enhance XLMedia's reputation and competitive edge

- We continue to increase our investment in technology with over 80 staff focused on R&D



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

- 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



SUMMARY AND OUTLOOK

2017 progress

- Strong organic growth
- Executing on strategic acquisitions
- Continued development of in-house systems
- Awarded Instagram Marketing partner for technology

Foundations laid for future growth

- Strong sustainable organic growth in both publishing and media segments
- Technology investments and staff are in place to support expansion for media as well as continue organic growth in publishing
- Financial services represent strong growth opportunities for the coming years
- Business model reinforces management's commitment to 50% dividend payout ratio
- Outlook for 2017 is positive with continued profitability

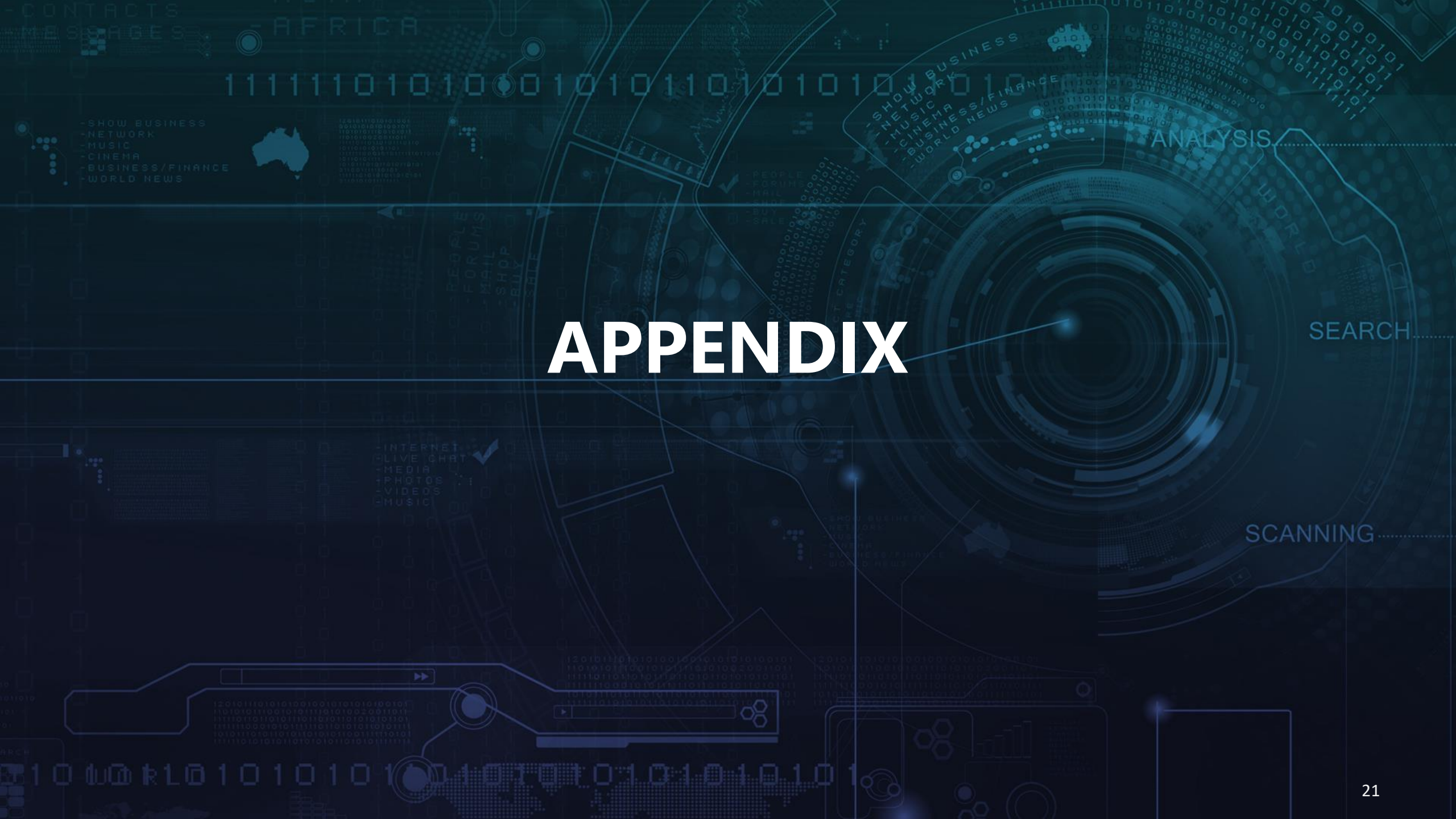
THANK

YOU

Any Questions?



APPENDIX



EXPERIENCED SENIOR LEADERSHIP

INBAL LAVI CEO (ISRAEL)

- 12 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 19 years' experience in publicly traded companies
- Served 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

- Over 14 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

DIGITAL ADVERTISING

Digital Media consists of posting different forms of advertising in the online and mobile space



Advertisers examples:

- Coca Cola
- Booking.com
- Gaming operators: Will Hill, 888, bet365....
- Ad agencies, affiliates, marketing, partners
- **XLMedia – Media division**

Publishers examples:

- The Telegraph / BBC / Sky / other news websites
- Google / Facebook /
- Best cooking recipes
- Informational websites in the gaming field such as "How to play blackjack" / odds comparison websites /
- **XLMedia – Publishing division**