Needham 16th Annual Growth Conference
January 15, 2014
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This presentation contains “forward-looking” statements that are based on our management’s beliefs and assumptions and on information currently available to management. Forward-looking statements include information concerning our possible or assumed future results of operations, business strategies, financing plans, competitive position, industry environment, potential growth opportunities, potential market opportunities and the effects of competition.

Forward-looking statements include all statements that are not historical facts and can be identified by terms such as “anticipates,” “believes,” “could,” “seeks,” “estimates,” “intends,” “may,” “plans,” “potential,” “predicts,” “projects,” “should,” “will,” “would” or similar expressions and the negatives of those terms. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements represent our management’s beliefs and assumptions only as of the date of this presentation. You should read the prospectus, including the Risk Factors set forth therein and the documents that we have filed as exhibits to the registration statement, of which the prospectus is a part, completely and with the understanding that our actual future results may be materially different from what we expect. Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.
Video Introduction
Our Mission

To create iconic, niche-focused brands that build and strengthen the communities they serve
Company Snapshot

- Founded in 1997 with launch of JDate.com
- Jewish Networks and Christian Networks are dual engines that drive today’s business
  - JDate is a mature, high cash generating business and clear category leader
  - ChristianMingle, also a clear category leader, grew its subscriber base 28% Y/Y (1)
- Owns and operates more than 20 niche-targeted communities
- Eleven consecutive quarters of year-over-year revenue growth
- Q3 2013 revenue was over $17mm, up 9% Y/Y

(1) Comparison of Average Paying Subscribers in Q3 2013 vs. Q3 2012.
Investment Highlights

- Category-leading brands in targeted demographics
- Deep community relationships and strong network effects
- Recurring, predictable, subscription revenue stream underlies powerful financial model
- Christian Networks segment provides large and growing market opportunity
- Jewish Networks segment provides strong foundation and cash flow
- Experienced management team
Large and Growing Market

U.S. Dating Services Revenue

($ in Millions)


Key Industry Trends

- Favorable population growth
- Increasing adoption of the internet and mobile devices
- Advances in online discovery and communication technology
- Increased recognition of the benefits of online dating
- Growing popularity of niche-oriented sites

Source: IBISWorld March 2013.
Competitive Landscape

Social Networks
- Used primarily to connect with existing contacts
- Many do not want friends tracking their dating activity
- Rich profiles provide both targeted advertising opportunity and ability to leverage existing data

Free Dating Sites
- Low commitment typically results in lower quality profiles
- Limited product features
- Little to no customer service and fraud review
- Quality lead gen. source for paid dating sites

General Paid Dating Sites
- Higher quality profiles
- Payment implies a higher level of user commitment
- Better fraud protection
- Very transactional user experience
- Single status is members’ primary commonality

People looking for serious relationships want to find those who share their faith and values
Our Model for Success Creates Strong Network Effects

- **Meaningful Connections**
- **Recognized Successes**
- **Strong Community Relationships**
- **Trusted Brands**
- **More Like-minded Members**
- **Meaningful Connections**

Our Model for Success Creates Strong Network Effects
## Our Properties

<table>
<thead>
<tr>
<th>Description</th>
<th>Jewish Networks</th>
<th>Christian Networks</th>
<th>Other Networks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
<td>Jewish-focused communities anchored by JDate</td>
<td>Christian-focused communities with ChristianMingle at hub</td>
<td>Communities targeted at variety of other demographics</td>
</tr>
<tr>
<td>Properties</td>
<td><img src="image1.jpg" alt="JDate.com" /> <img src="image2.jpg" alt="JDate.co.uk" /> <img src="image3.jpg" alt="cupid" /></td>
<td><img src="image4.jpg" alt="believe" /> <img src="image5.jpg" alt="ChristianMingle.com" /> <img src="image6.jpg" alt="faithcom" /></td>
<td><img src="image7.jpg" alt="Adventist Singles" /> <img src="image8.jpg" alt="BBW Personals" /> <img src="image9.jpg" alt="black singles" /> <img src="image10.jpg" alt="CatholicMingle" /> <img src="image11.jpg" alt="Deaf Singles" /> <img src="image12.jpg" alt="LDS Singles" /> <img src="image13.jpg" alt="Military Singles" /> <img src="image14.jpg" alt="Silver Singles" /></td>
</tr>
<tr>
<td>2012 Revenue</td>
<td>$26.0 million</td>
<td>$31.6 million</td>
<td>$3.8 million</td>
</tr>
<tr>
<td>Segment % of Total Revenue in 2011</td>
<td>55.8%</td>
<td>32.5%</td>
<td>10.2%</td>
</tr>
<tr>
<td>Segment % of Total Revenue in 2012</td>
<td>42.2%</td>
<td>51.1%</td>
<td>6.1%</td>
</tr>
<tr>
<td>Q3 2013 Average Paying Subscribers</td>
<td>83,732</td>
<td>197,420</td>
<td>19,073</td>
</tr>
</tbody>
</table>
JDate: Model to Which Niche Dating Sites Aspire

- Strong brand recognition and deep ties to the community
  - 80% of JDate traffic is direct type-in, bookmarked or natural search
  - 2011 independent survey of married Jews revealed 76% of those who dated online during their search used JDate

- Success matters and is rewarded
  - JDate creates more Jewish marriages than all other dating sites combined
  - Success leads to strong network, low SAC, high LTV
  - As a result, contribution margin has been ~ 90% for the past 11 years

- 16 year history arms us with know-how and credibility as we enter new markets
Jewish Networks: Mature Cash Flow Generator

### Revenue

- **$ in Millions**
  - 2010: $27.4
  - 2011: $27.1
  - 2012: $26.0
  - TTM: $25.9

### Average Paying Subscribers

- **2010**: 90,452
- **2011**: 89,429
- **2012**: 85,292
- **2013 YTD**: 84,473

### ARPU

- **$ in Millions**
  - 2010: $24.85
  - 2011: $24.72
  - 2012: $24.83
  - 2013 YTD: $25.10
Christian Networks: Our Growth Engine

- Largest and fastest growing revenue segment
  - 12 consecutive quarters of Y/Y revenue growth \(^{(1)}\)
  - Q3 average paying subscriber base grew 28% Y/Y

- ChristianMingle has grown to 80% awareness among Christians

- Not only the largest Christian dating site, but one of the largest Christian sites of any kind

\(^{(1)}\) As of September 30, 2013.
Christian Networks: Rapid Growth

### Average Paying Subscribers

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>26,366</td>
<td>71,311</td>
<td>146,267</td>
<td>193,638</td>
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</table>

### ARPU

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013 YTD</th>
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<tbody>
<tr>
<td>Value</td>
<td>$17.51</td>
<td>$17.38</td>
<td>$17.01</td>
<td>$16.48</td>
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</table>

### Revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>TTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>$5.8</td>
<td>$15.7</td>
<td>$31.6</td>
<td>$39.0</td>
</tr>
</tbody>
</table>

($ in Millions)
Christian Networks: Built for Sustainable Growth

- Formed Advisory Board, Expanded Community Outreach
- Re-architected Site, Began New Marketing Tests
- Launched Believe.com
- Continuing to Invest in Marketing

Direct Marketing
Paying Subscribers

Q1-10  Q2-10  Q3-10  Q4-10  Q1-11  Q2-11  Q3-11  Q4-11  Q1-12  Q2-12  Q3-12  Q4-12  Q1-13  Q2-13  Q3-13

In thousands

$0  $2,000  $4,000  $6,000  $8,000  $10,000  $12,000  $14,000

Total: $30,000,000
Significant Market Opportunity

CHRISTIAN MARKET > 30x JEWISH MARKET
Numerous Growth Opportunities

- Expand media properties
- Increase conversion rates
- Optimize pricing
- Grow Christian Networks subscriber base
Marketing Expense Incurred Up Front, Return Continues Over Life of Member

- Over the past several years, developed sophisticated analytics tools that accurately measure the effectiveness of our marketing investment on a daily basis.

- Increased marketing investment results in near-term hit to profitability, but longer-term profitability profile is attractive.

- Upside opportunity exists to raise price and lower SAC due to the network effect.
Operating Leverage Provides Path to Profit Growth

Operating Expenses as % of Revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>Customer service</th>
<th>Cost of revenue - other</th>
<th>All other operating expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>6.9%</td>
<td>4.0%</td>
<td>41.5%</td>
</tr>
<tr>
<td>2010</td>
<td>7.4%</td>
<td>3.9%</td>
<td>43.1%</td>
</tr>
<tr>
<td>2011</td>
<td>6.7%</td>
<td>4.1%</td>
<td>32.7%</td>
</tr>
<tr>
<td>2012</td>
<td>5.8%</td>
<td>4.1%</td>
<td>28.3%</td>
</tr>
</tbody>
</table>

(1) Sales & Mktg., Tech Ops., Development and G&A costs.
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