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Presentation to Bondholders

December 2018

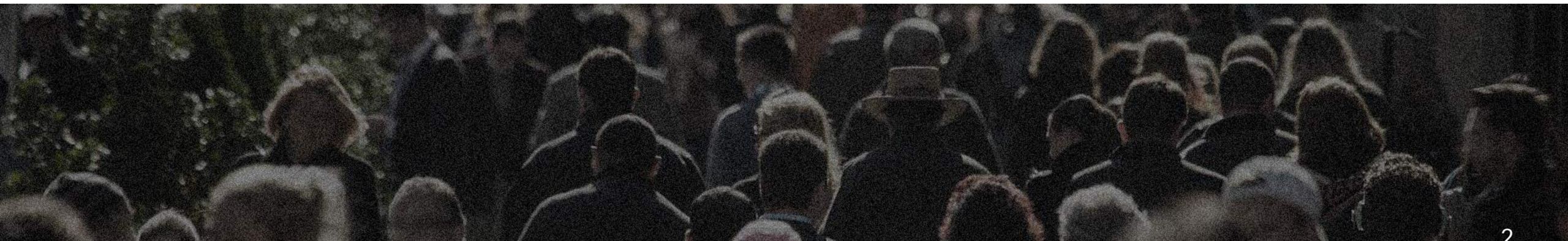
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Key Features of a Proposed Plan

- In order to ensure the Company's ability to safeguard the interests of all stakeholders, with an emphasis on its ability to repay the bonds, the Company is seeking a comprehensive plan that will enable the purchase for the remaining 10% stake in Team Internet from Rainmaker, raise funds and adjust the structure of the bonds to the Company's future activity.
- The Plan includes:
 1. Infusion of additional funds led by the Company's key shareholders
 2. Reaching an agreement with Rainmaker, the minority shareholder in Team Internet
 3. Reaching an agreement with the bondholders on the adjustment of the financial covenants of the bonds and the payment schedule (no haircut)
 4. Assessing the potential and profitability of a sale of Team Internet
- The Company believes that implementing this plan will enable its ongoing activity and support repayment of the bonds.

*Implementation of the plan is subject to waiver of claims

Infusion of additional funds led by the Company's key shareholders

- The Company is seeking a fundraising of \$8M-\$10M on the London Stock Exchange
- Key shareholders holding in the Company (~55%) commit, within the framework of a comprehensive plan, to participate in a total of \$8M of such fund raising
- Following initial discussion with entities in the stock market it appears that the key shareholders underwriting of \$8M will support an overall fundraising in excess of \$10M
- The structure and terms of the fundraising have yet to be determined
- Reasonable timetable for a fundraising with issuance of a prospectus (required due to the Company's current market cap) is estimated to be 6-10 weeks from an agreement with an underwriter.

Agreements with Rainmaker

- The Company's management is contact with Rainmaker, the minority shareholder in Team Internet, regarding the purchase of the shares held by it



Agreements with the Bondholders

- The Company believes the proposed plan supports full repayment of the bonds
- To do so the Company is requesting:
 - Adjusting the minimum shareholder covenant to \$20M
 - A waiver on the measurement of the Debt/EBITDA ratio covenant until the end of 2019
 - Adjusting the payment schedule of the principal amount of the bonds, by advancing a partial repayment of \$4M-\$6M in 2019, together with extending the overall payment period, so that the impact on the overall duration of the bond is minimal
 - Ability to make prepayment at pari
- The Company is proposing to the bondholders
 - Increased interest of 7%
 - Change in the conversion rate or issuance of warrants
 - Any additional sum to be received by the Company (excess fundraising, over performance in the business activity etc.) will be used to advance/increase the repayments to the bonds

Proposed Repayment Schedule

Time	December 2019	December 2020	December 2021	December 2022
Amount	20.0M NIS	22.0M NIS	25.0M NIS	34.0M NIS

- As a general rule, additional sums of the Company, in excess of \$2M, will be used to advance repayments to the bonds.
- Continued bi-annual interest payments. Total interest to be paid until the end of the period, approximately NIS20M (assuming no prepayments)

Sale of Team Internet

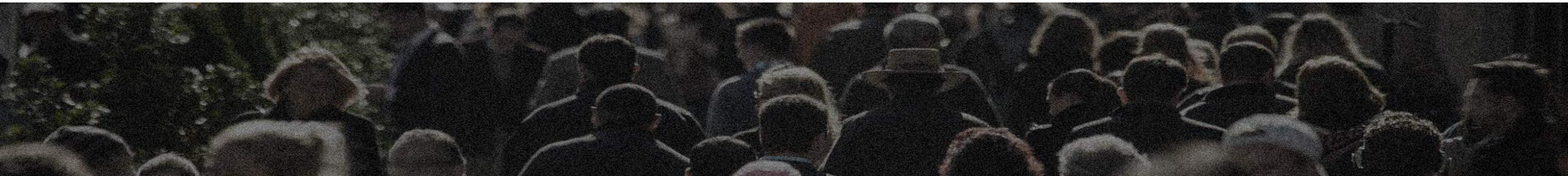
- The Company received two offers for the acquisition of Team Internet
- The two offers are generally similar in timeline but differ in the offered amounts and structure
- Purchase of the shares of Team Internet held by Matomy or purchase of assets
- Timeline leading to mid/end of March
- 2-4 weeks for confirmatory due diligence and submission of a binding offer
- 6-8 weeks to a definitive agreement
- Only one of the offers supports payment to both Rainmaker and the Bondholders
- The Company's and Team Internet's managements suggest that it will be possible to sell Team Internet for substantially higher amounts than those offered today. Company's management recommends completing the proposed plan and only thereafter pursuing an active sale.

Risk Analysis - Liquidation

- The Company believes that the proposed plan improves the position of the bondholders
- Commencing liquidation forces all stakeholders to long and complex legal proceedings which no one can foresee their outcome.
- Rainmaker and the legal actions available to them, including the return option and proceedings against the Company's foreign subsidiaries
- Risk of losing Team Internet as the asset serving the debt
- The key shareholders and the scope of their liability pursuant to the support letters
- Long proceeding regarding the right to liquidate the Company
- Liquidation will result in loss of control of all stakeholders, including the bondholders
- Potential turmoil within the asset and loss of knowledge as a result of appointment of an official function
- Adopting the proposed plan, by its nature, reduces the risk to the bondholders, as the outcome of this plan is a control of a yielding asset and increased certainty vs. the alternatives
- Enables commences a structured process for the sale of the asset

Summary

- Matomy's management is presenting a plan that by its nature establishes the Company controlling Team Internet
- Matomy's management believes this plans is in the best interest of all stakeholders, in particular the bondholders and includes a substantial cash infusion by key shareholders
- Implementing the proposed plan will be possible only as part of a comprehensive agreement of all stakeholders (shareholders, bondholders, Rainmaker)
- Therefore, the Company is calling upon the bondholders to support the proposed plan enabling its implementation





Thank you

