

*Kristin & Noah  
Married July 2011*



what he found was the woman who would become his wife.

"I don't think we would have ever come across each other, but God put ChristianMingle in our lives as a tool to bring us together, and we're very grateful for that," said Lesley.

After dating for one and a half years, Mike proposed and they were married six months

from North Carolina is coming to Minnesota to see me!"

We did not have your typical first date since the first time we met I was picking Scott up from the airport, but it was a great weekend nonetheless. As Scott said, it was unusually comfortable from the beginning. I guess you can say the rest is history.

*Marisa & Jared  
Married July 2011*



After a month of unsuccessful iDates, I decided to sign up for another online dating site. I was looking for a woman who was a Christian, had a good sense of humor, and was a professional. I found her on iDate. We had a great first date at a restaurant in New York City. We have been together for a year now and are planning to get married in the fall. We have been to New York City many times and take a picture of the billboard every time. We will be ending our relationship by spending a night in New York City... it would be amazing if you could make our dream come true!

After a month of unsuccessful iDates, I decided to sign up for another online dating site. I was looking for a woman who was a Christian, had a good sense of humor, and was a professional. I found her on iDate. We had a great first date at a restaurant in New York City. We have been together for a year now and are planning to get married in the fall. We have been to New York City many times and take a picture of the billboard every time. We will be ending our relationship by spending a night in New York City... it would be amazing if you could make our dream come true!

away and after messaging on the site for a while, we moved. We spent a couple of hours messaging, sending each other songs and even made a plan to get together in late April of 2009. Jared and I met at Rare Rooftop at around 7:30 (Jared was late). We both remember first looking at one another as Jared walked up the ramp to greet me. We had a couple of drinks and, after mentioning that crepes were some of my favorite desserts, we went to a restaurant called Flute to enjoy them.

On our walk home from Flute, Jared and I met a homeless woman named Trish who asked Jared to buy her a platter from the Goodie shop. We discussed



# Investor Presentation

*Nikki & Jim  
Married Sept 2011*



"Separately we prayed and we gave it to God, and in turn, He blessed us with the one true soul mate."

Jim joined ChristianMingle, but was skeptical that it would really work. Then he saw

*Miki & Tre  
Married June 2010*



"If it wasn't for ChristianMingle, I can't see it happening that we would have met being

I got home from dinner and there it was: an email telling me my iDate subscription was about to expire and as I was about to renew. It was the first of my first month of online dating, and while I wasn't exactly a believer just yet, I decided I had nothing to lose and signed up for another month.

Almost immediately after confirming my renewal, Noah instant messaged me. We chatted online for hours that night and ended the evening with a phone call. He asked if I would have drinks with him and two nights later we were on our first date – it was the last first date either of us ever went on.

We were practically inseparable from that night on, and two years later we were engaged. About one year after our engagement, on July 2, 2011, we were married. It was exactly three years to the day

# SAFE HARBOR STATEMENT

---

Except for statements of historical fact, the information presented herein may constitute forward-looking statements within the meaning of and subject to the safe harbor created by the Private Securities Litigation Reform Act of 1995. In some cases, you can identify forward-looking statements by terminology such as "expect," "estimate," "anticipate," "intend," "goal," "strategy," "believe," and similar expressions and variations thereof. Such forward-looking statements include statements regarding the intent, belief, current expectations or projections about future events of Spark Networks, Inc. Readers are cautioned that these forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Spark Networks, Inc. to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include without limitation, general economic and business conditions, the loss of market share, changes in the competitive landscape, failure to keep up with technological advances and other factors over which Spark Networks, Inc. has little or no control. Spark Networks, Inc. undertakes no obligation to revise or update these forward-looking statements to reflect events or circumstances after the date hereof.

# Our Mission

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

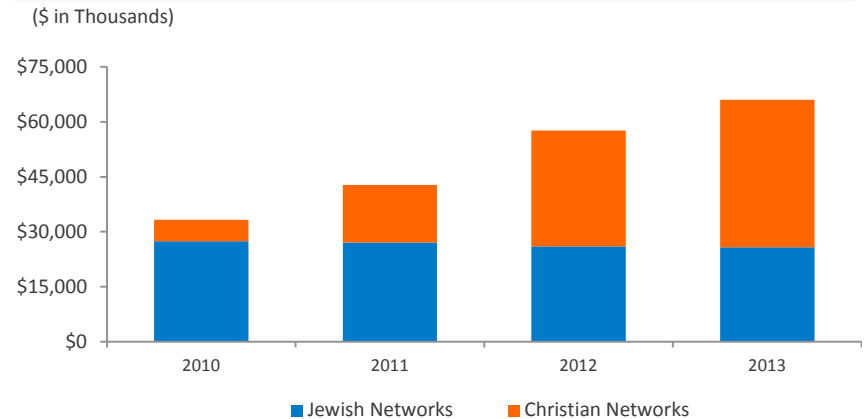


# Company Snapshot

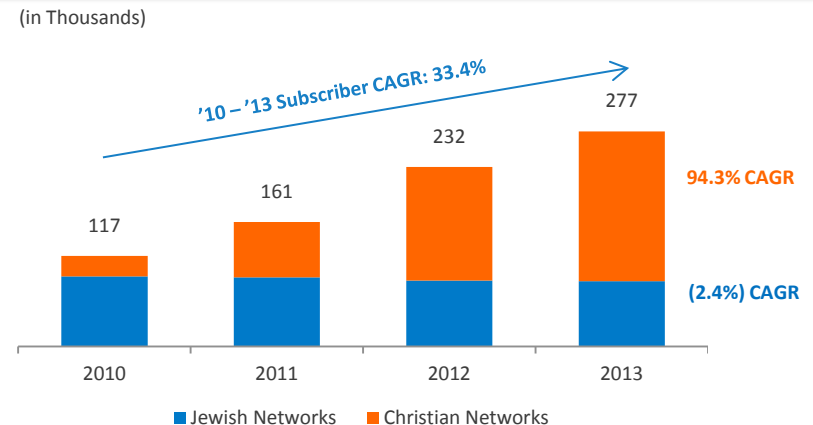
- Founded in 1997 with launch of JDate.com
- Jewish Networks and Christian Networks are dual engines that drive today's business
  - JDate is a mature, high cash generating business and clear category leader
- Owns and operates more than 20 niche-targeted communities
- Q3 total company contribution margin reached 60%, highest since Q4 2010
- Total company contribution grew 90% Y/Y<sup>(1)</sup>

(1) Comparison between Q3 2014 and Q3 2013.

## Revenue by Reporting Segment



## Average Paying Subscribers



# 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**

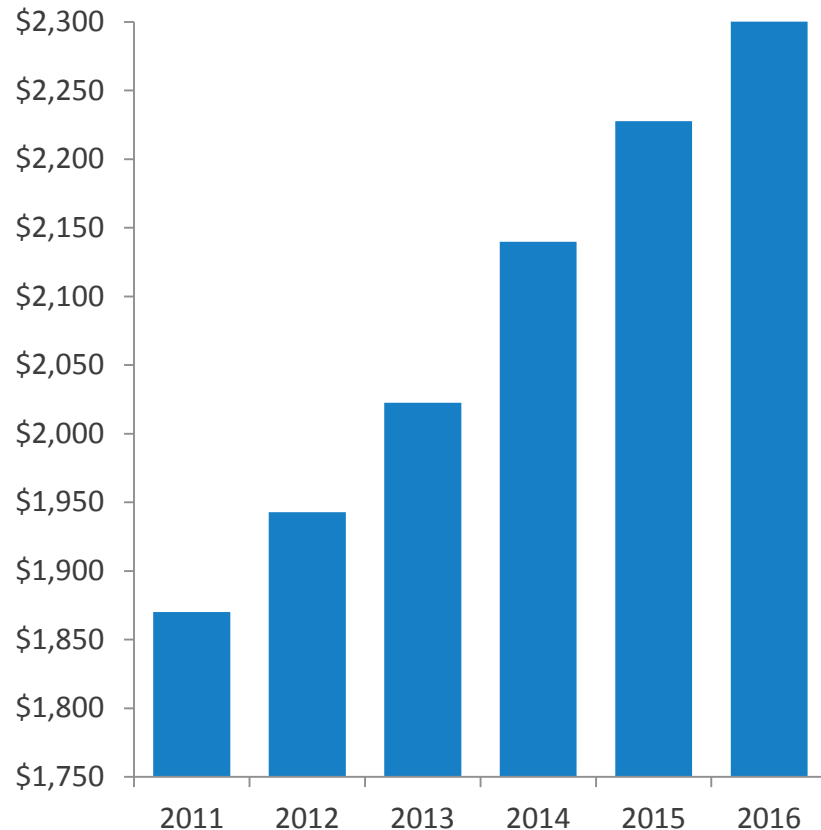
**Jewish Networks segment provides strong foundation and cash flow**



# Large and Growing Market

## U.S. Dating Services Revenue

(\$ in Millions)

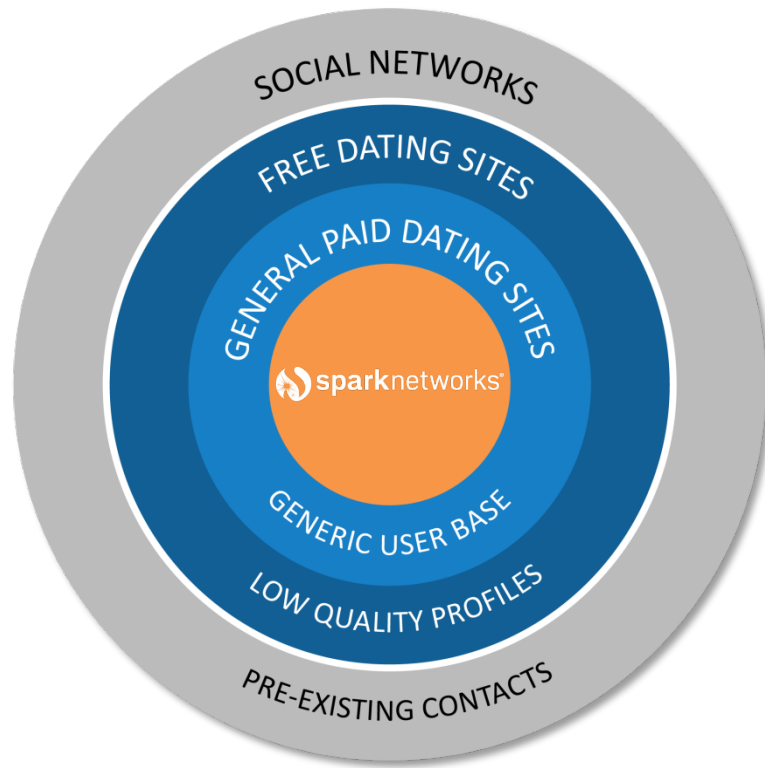


Source: IBISWorld March 2013.

## 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

# 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

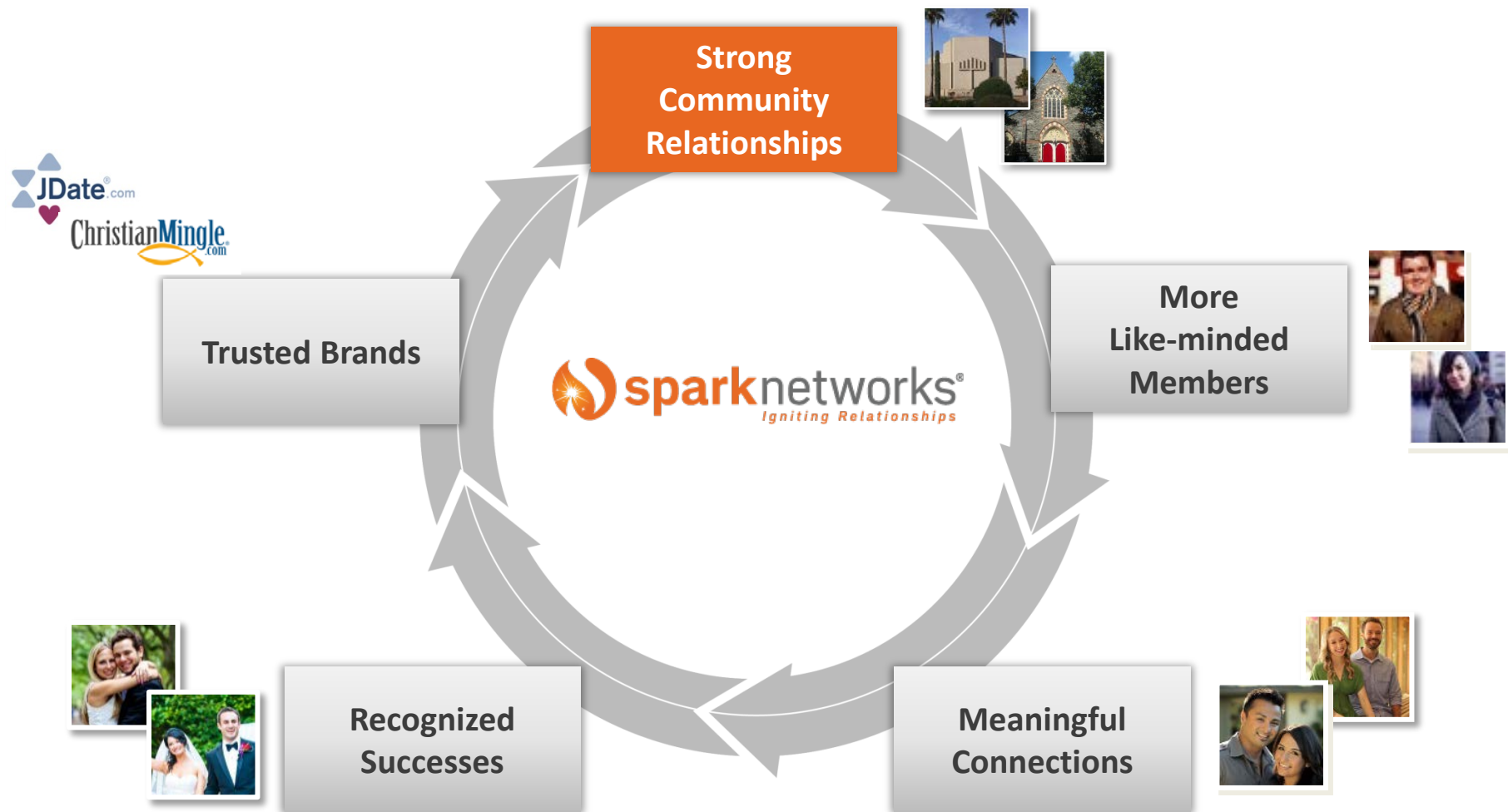
- Low commitment typically results in lower quality profiles
- Limited product features
- Little to no customer service and fraud review
- Quality lead gen. source for paid dating sites

## 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



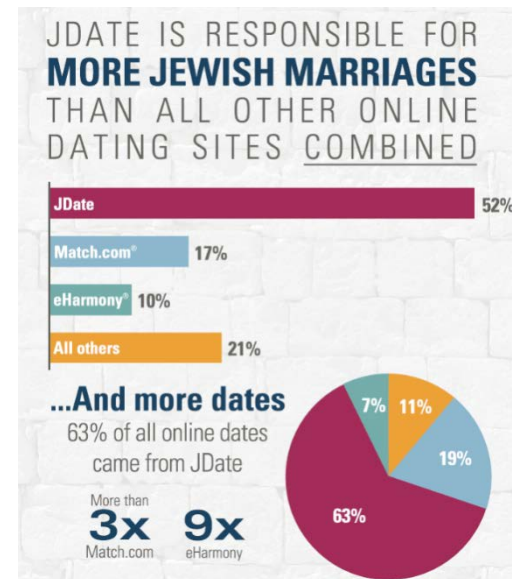


# Our Properties

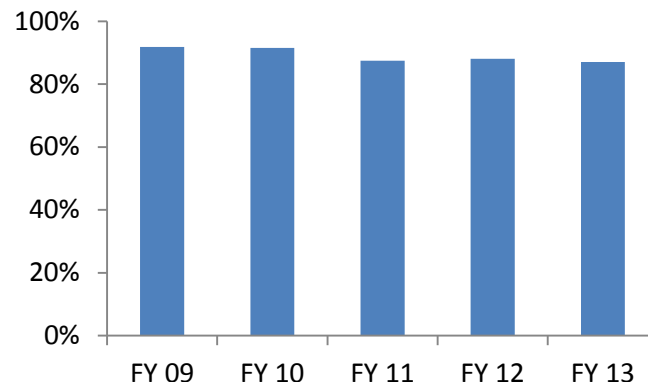
	Jewish Networks	Christian Networks	Other Networks
Description	Jewish-focused communities anchored by JDate	Christian-focused communities with ChristianMingle at hub	Communities targeted at a variety of other demographic groups
Properties			
2013 Revenue	\$26 million	\$40 million	\$3 million
Segment % of Total Revenue in 2011	56%	33%	10%
Segment % of Total Revenue in 2013	37%	58%	4%
2013 Average Paying Subscribers	84,149	193,316	20,232

# Jewish Networks: 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 past 11 years
- 17-year history arms us with know-how and credibility as we enter new markets



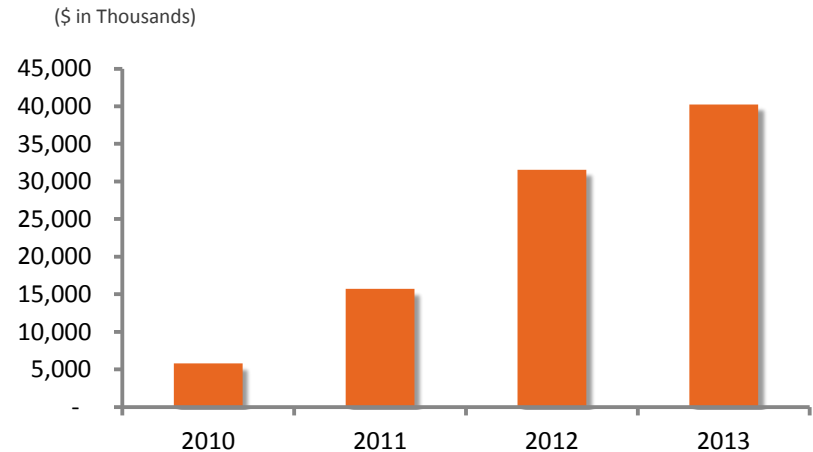
Jewish Networks Contribution Margin



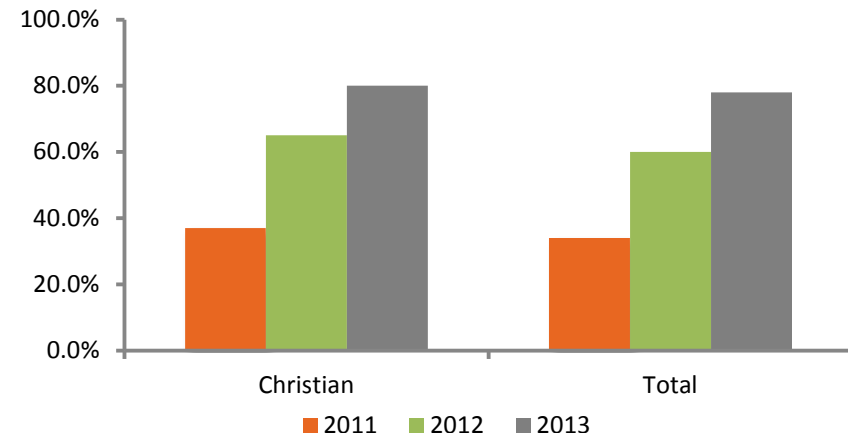
# Christian Networks: Our Growth Engine

- Largest and fastest growing revenue segment over past 3 years
  - Now focused on optimizing contribution dollars generated by this segment
  - In Q3 2014, Christian Networks generated positive contribution for the second consecutive quarter
- In the two years from 2011 to 2013, ChristianMingle brand awareness has more than doubled
- Not only the largest Christian dating site, but one of the largest Christian sites of any kind

**Christian Networks Revenue**

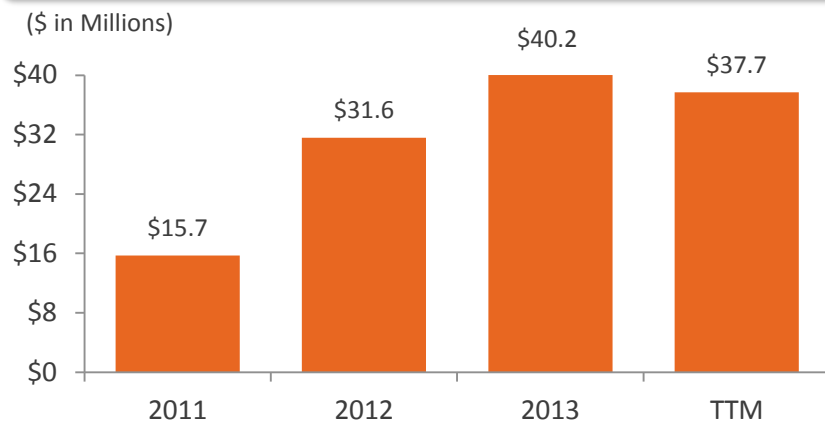


**ChristianMingle Brand Awareness**

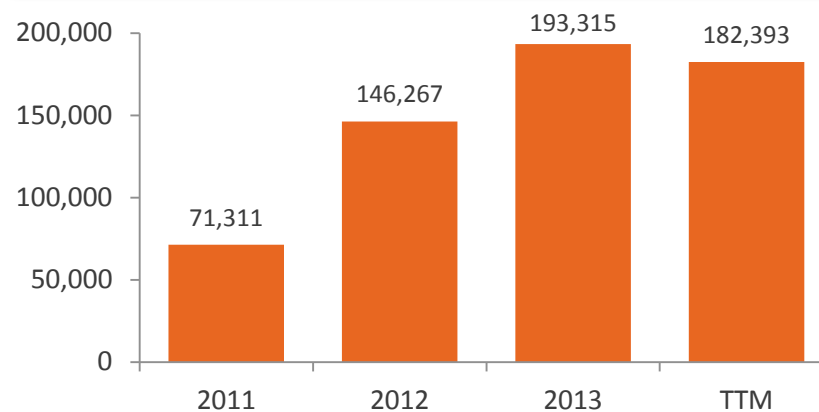


# Christian Networks: Rapid Growth

## Revenue



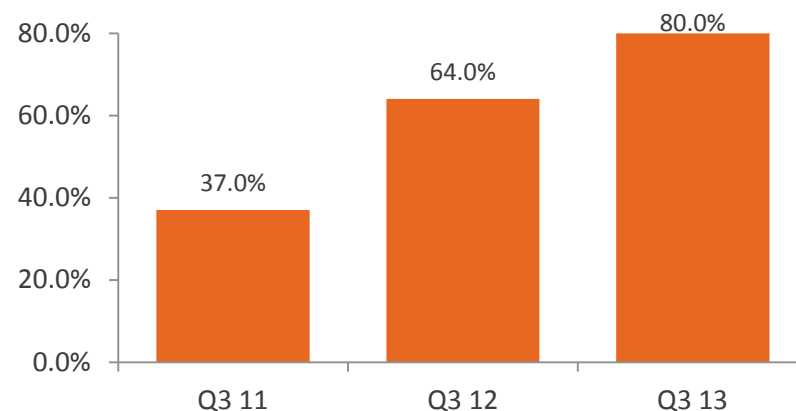
## Average Paying Subscribers



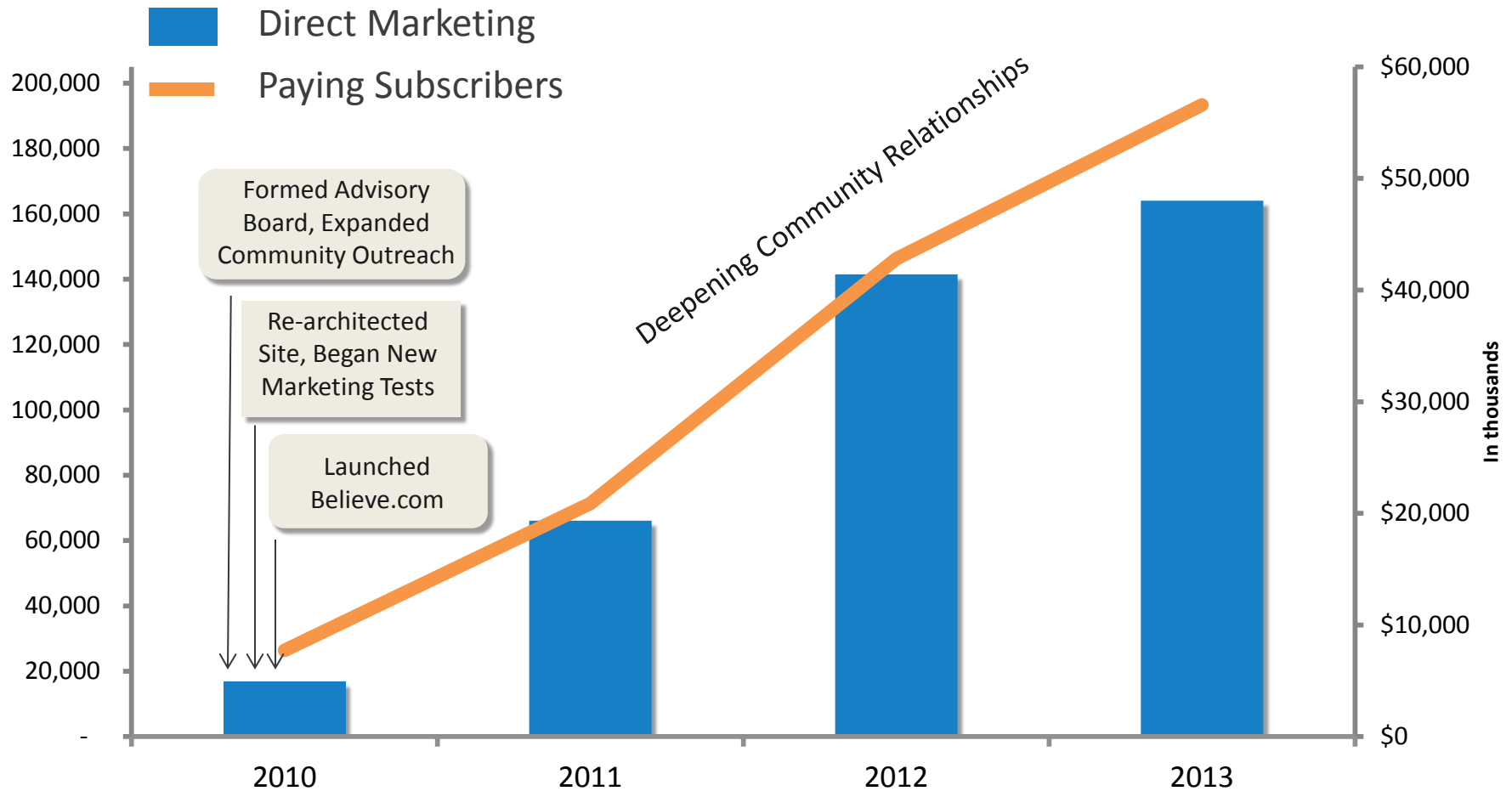
## ARPU



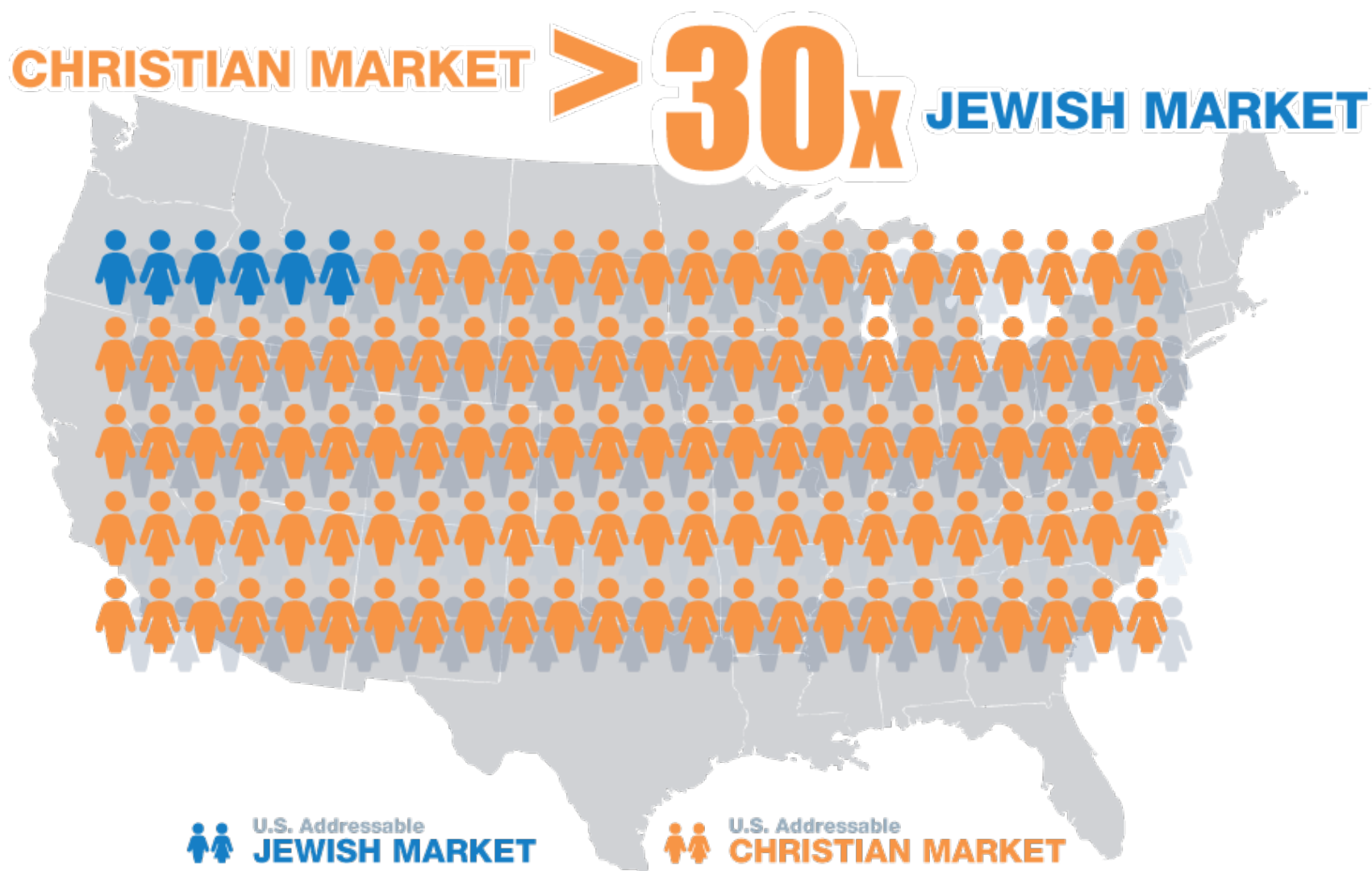
## Brand Awareness Among Christians



# Christian Networks: Built for Sustainable Growth



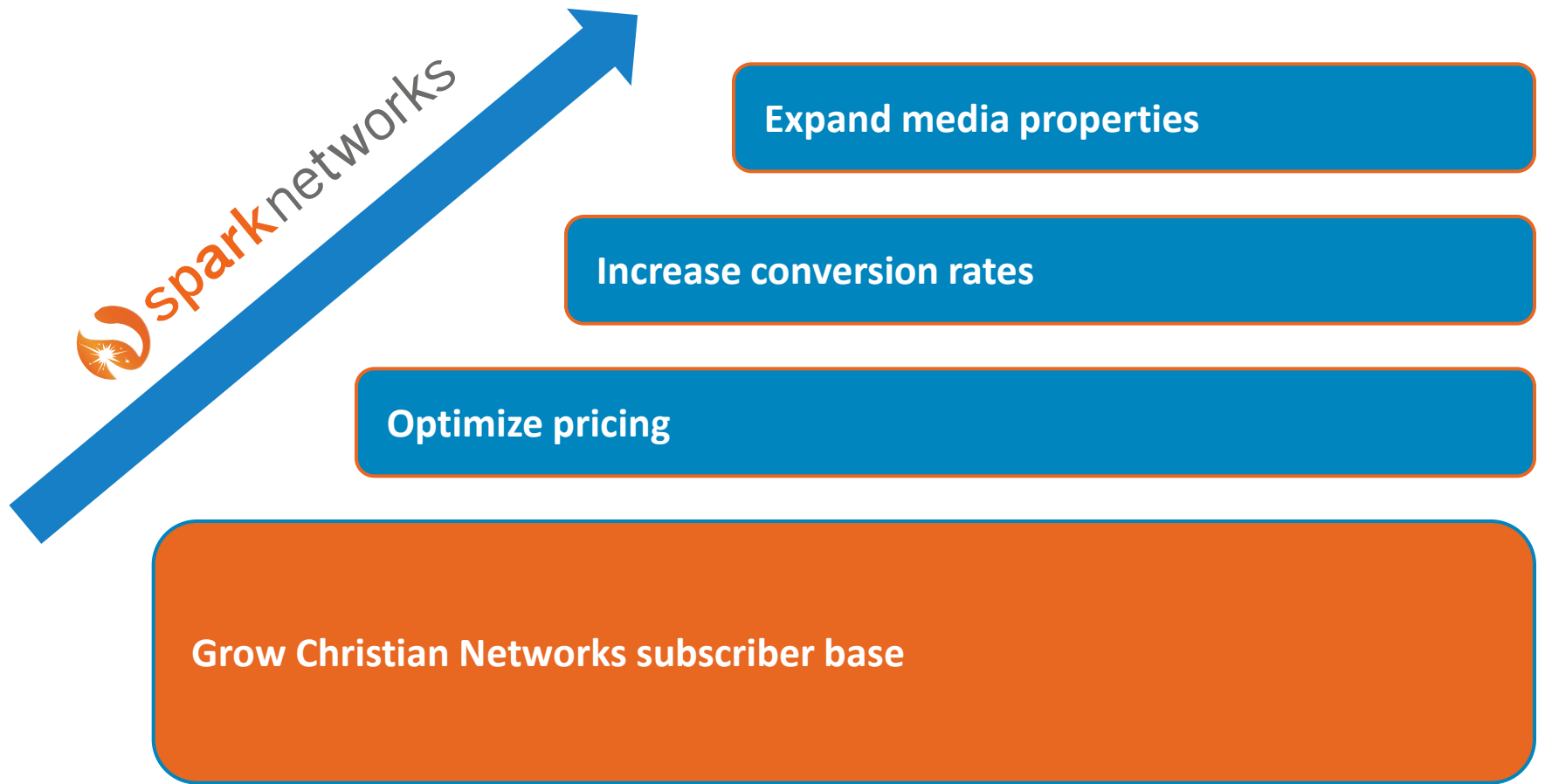
# Significant Market Opportunity



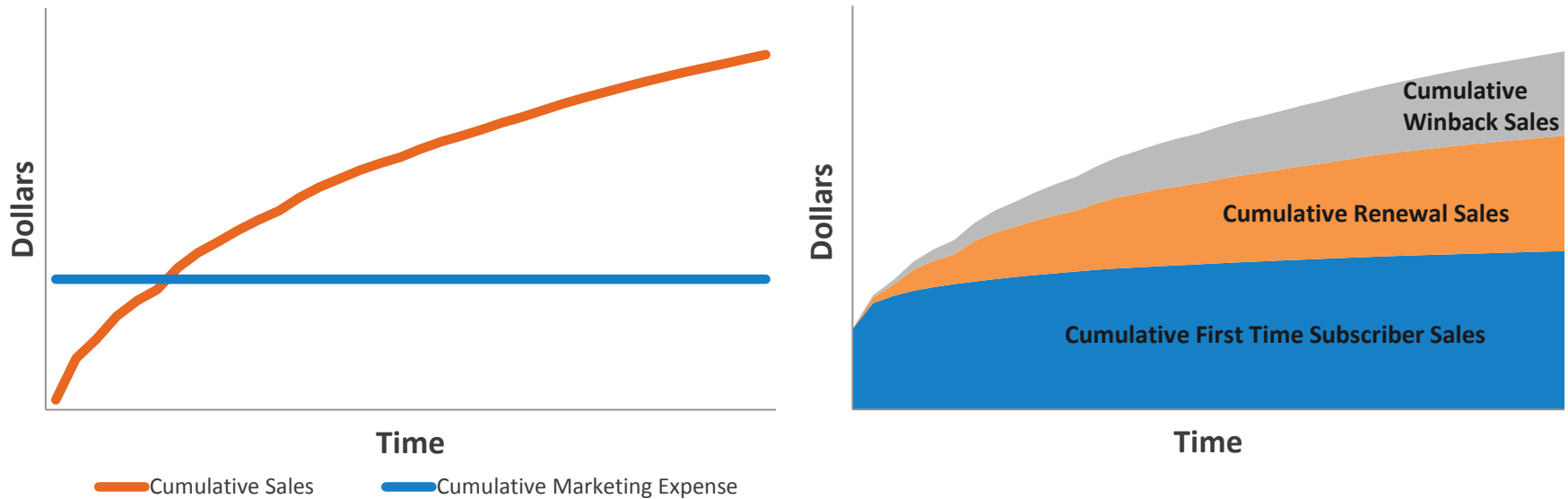


# Numerous Growth Opportunities

---



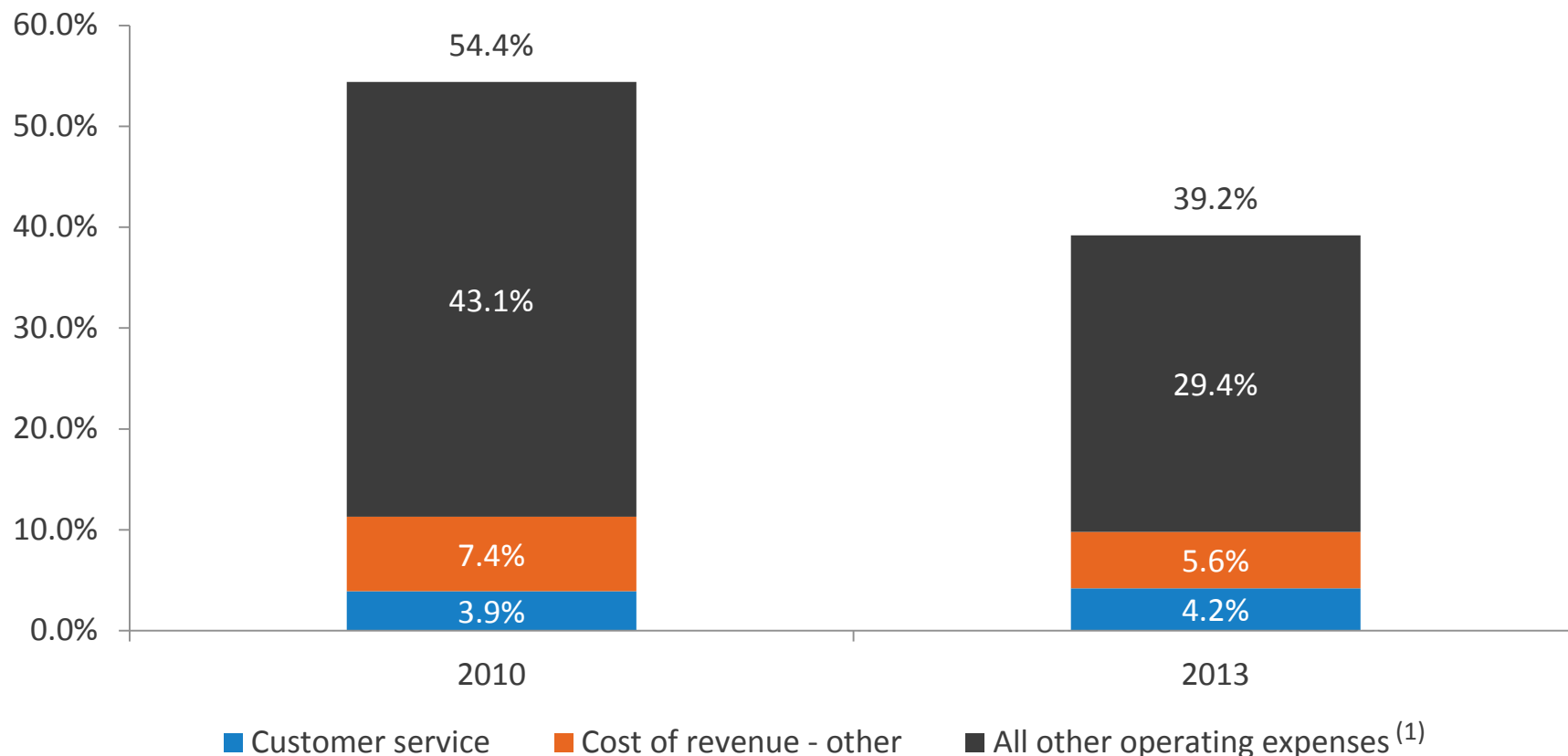
# Marketing Expense Incurred Up Front, Return Continues Over Life of Member



- 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



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

# 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**