

# function(x)

# Disclosures

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## Forward-Looking Financial Information

This presentation contains forward-looking statements of the Company that relate to the current expectations, business plans and views of future events. Forward-looking statements often, but not always, are identified by the use of words such as “seek”, “anticipate”, “believe”, “plan”, “estimate”, “expect”, “target” and “intend” and statements that an event or result “may”, “will”, “should”, “could” or “might” occur or be achieved or other similar expressions and include statements in respect of the Company’s business plans and its ability to grow revenues and attract new customers and B2B partners, as examples only. Forward-looking statements are based on assumptions and analysis made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments and other factors the Company believes are appropriate, and involve a number of risks and uncertainties. Should one or more of the risks materialize or should assumptions underlying the forward-looking statements prove incorrect, actual events or results might differ materially from events or results projected or suggested in these forward-looking statements. Given these risks, uncertainties and assumptions, prospective purchasers of securities should not place undue reliance on these forward-looking statements. These risks, uncertainties, assumptions and other factors could cause the Company’s actual results, performance, achievements and experience to differ materially from the expectations, future results, performance or achievements expressed or implied by the forward-looking statements. The forward-looking statements made in this Presentation relate only to events or information as of the date of this Presentation and the Company does not intend, nor assume any obligation, to update these forward-looking statements. Investors should read this Presentation with the understanding that the Company’s actual future results and achievements may be materially different from expectations.

## Risk Factors

Investors should read our risk factors set forth in our quarterly report on Form 10-Q for the quarter ended December 31, 2016 and the annual report on Form 10-K for the fiscal year ended June 30, 2016.

# INTRODUCTION



# Led by Experienced Management

Management Team is comprised of experienced professionals with complementary skill sets



**Robert F.X. Sillerman**, Chairman & CEO

- Media Entrepreneur known for identifying market trends and scalable opportunities with multiple billion dollar exits
- American Idol, Elvis Presley Enterprises, Muhammad Ali Enterprises, SFX Broadcasting, SFX Entertainment I, Marquee Sports, Action Media Group and more



**Sean Beckner\***

16+ years as a media and technology entrepreneur with a proven track record of increasing revenue and driving profitability. Has led successful media properties such as ViralNova



**Brian Rosin**

CHIEF OPERATING OFFICER

6+ years in digital media with a focus on monetization and analytical reporting, and a proven track record of driving revenue growth



**Michelle Lanken**

CHIEF FINANCIAL OFFICER

15+ years experience in the preparation of SEC filings, accounting and financial controls with top accounting firms and Fortune 500 companies

# About function<sup>(x)</sup>

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## A 21<sup>st</sup> Century Interactive Media Platform

- Function(x), a social publishing and interactive media platform, is building on a distribution network of over 90 million social followers by delivering engaging content and leveraging relationships with social influencers and celebrities:
  - **Wetpaint** is a leading online destination for entertainment news for millennial women, covering the latest in television, music and pop culture.
  - **Rant** is a leading digital publisher with original content spanning multiple verticals, most notably sports, entertainment and pets.
  - **ViralNova\*** publishes content with a blend of personalization and informative story-telling, providing a unique voice that entertains, intrigues, and uplifts.
  - **Goodfullness\*** is an emerging brand that aspires to help people live a healthier, happier life.

\* Includes Potential BumpClick Acquisition - On March 7, 2017, the Company entered into a binding term sheet to acquire BumpClick LLC. The transaction is subject to a number of conditions precedent that must be satisfied prior to the closing of the transaction. There can be no assurance that the transaction will close or that the terms of the transaction will be the same as those in the binding term sheet.



# Social Media Landscape



Average Person  
Spends  
**1 Hour 40  
Minutes**  
On Social Media  
Each Day

# Ad Opportunity

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Digital Advertising Surpasses Television in 2016

US Digital ad spend is  
expected to reach  
**\$100 BILLION**  
by the year 2020

Interest in influencer  
marketing has risen  
more than  
**90X**  
since 2013

# The Numbers



# Reach and Usage

(Shown on combined basis assuming closing of BumpClick acquisition)

## WEB TRAFFIC

**20.2**  
million

US Monthly UVs

**27.0**  
million

Global Monthly UVs

**30.6**  
million

US Monthly Sessions

**39.8**  
million

Global Monthly Sessions

## SOCIAL SCALE

**75**  
million

Monthly Video Views

**93**  
million

Social Following

**118**  
million

Monthly Engagements

**339**  
million

Monthly Reach

# The Technology

# Nova CMS

(Technology currently utilized and owned by BumpClick)

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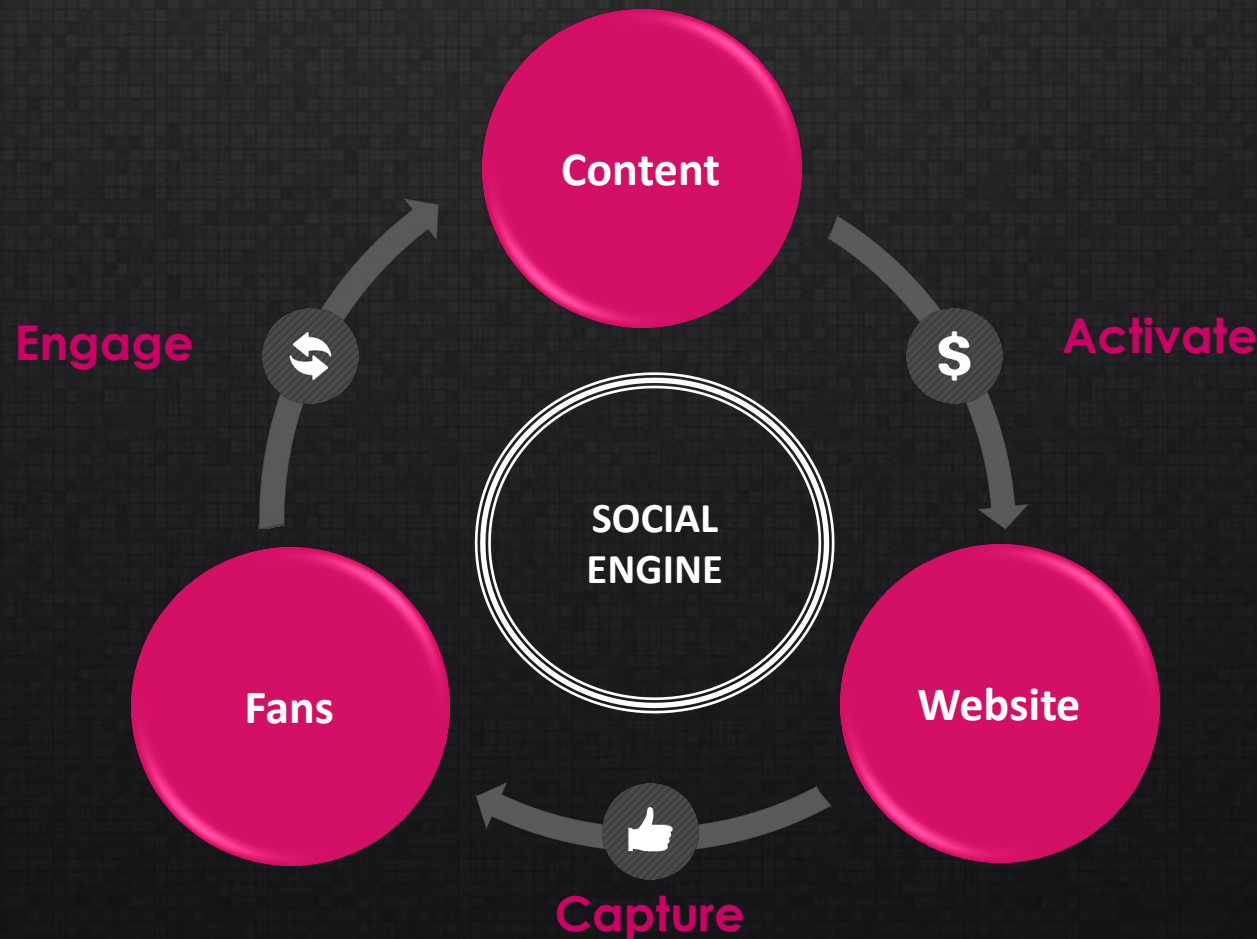
## Home Grown Enterprise Class CMS

- Multi-Publisher Platform
- Asset Management System
- Layout Testing
- Campaign Management
- Financial Reporting



# Social Distribution System (SDS)

Technology that systematically captures, reengages, and activates audience from social networks



# The Distribution

# Facebook Pages

(Shown on combined basis assuming closing of BumpClick acquisition)

Using premium Facebook pages to drive distribution and revenue



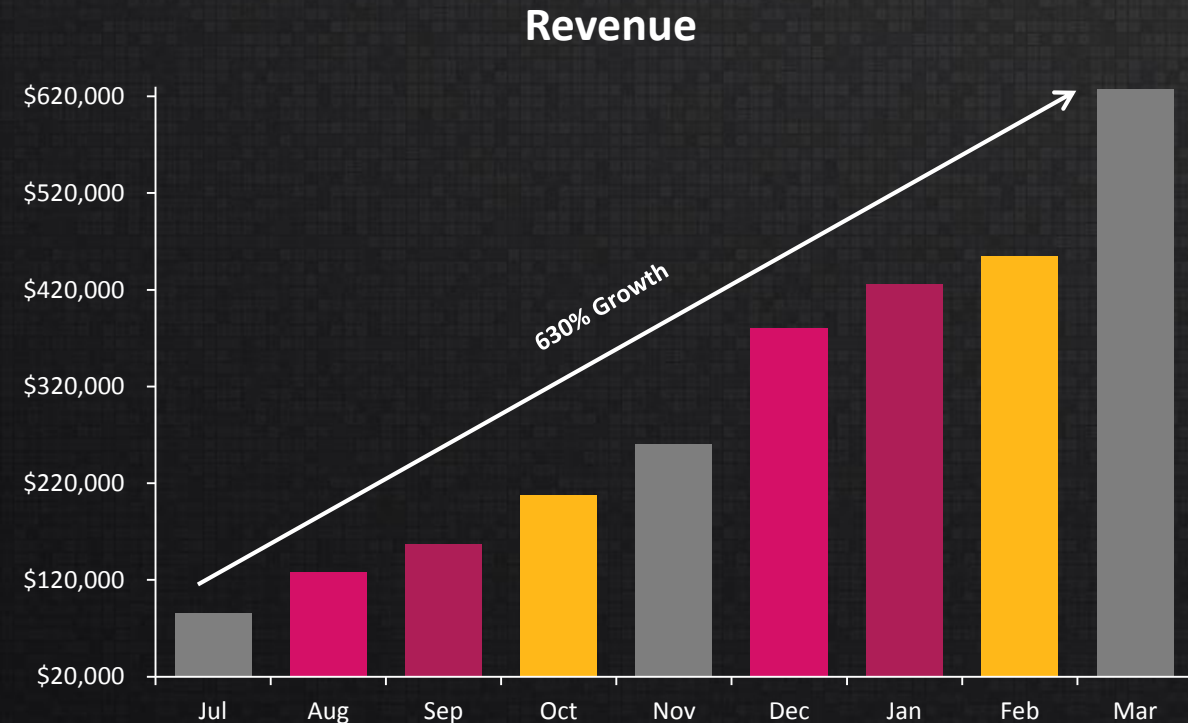


# The Results

(Does Not Include BumpClick)

# Strong Growth Since July: Revenue

Figures Do Not Include BumpClick Performance



- Optimized ad stack and monetization model has taken effect, resulting in significant revenue growth.
- Anticipating continued growth as we continue to develop new and exciting content.

\* Represents current Function(X) Publishing Segment, does not include pending BumpClick acquisition

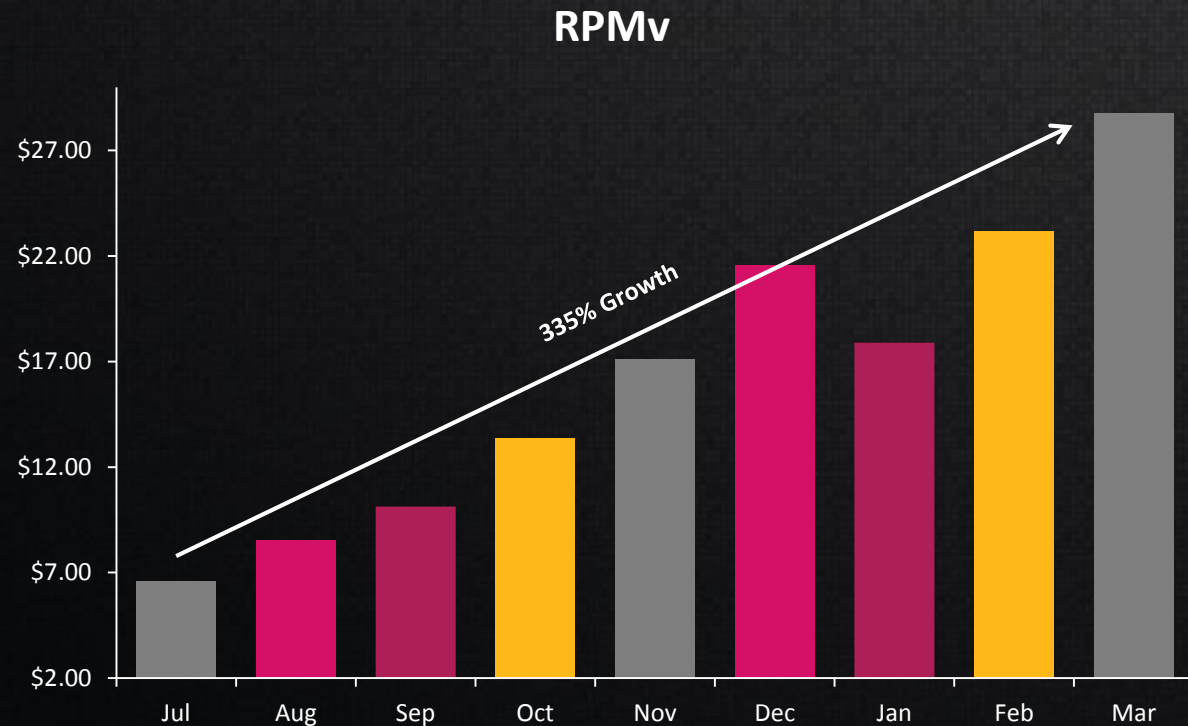
\*\* All figures shown are unaudited, March are preliminary and shown through 3/31/17

\*\*\* These are revenue numbers only and are not meant to represent the profit or loss position of the company

# Strong Growth Since July: RPMv

Rev. per 1,000 Visits

Figures Do Not Include BumpClick Performance



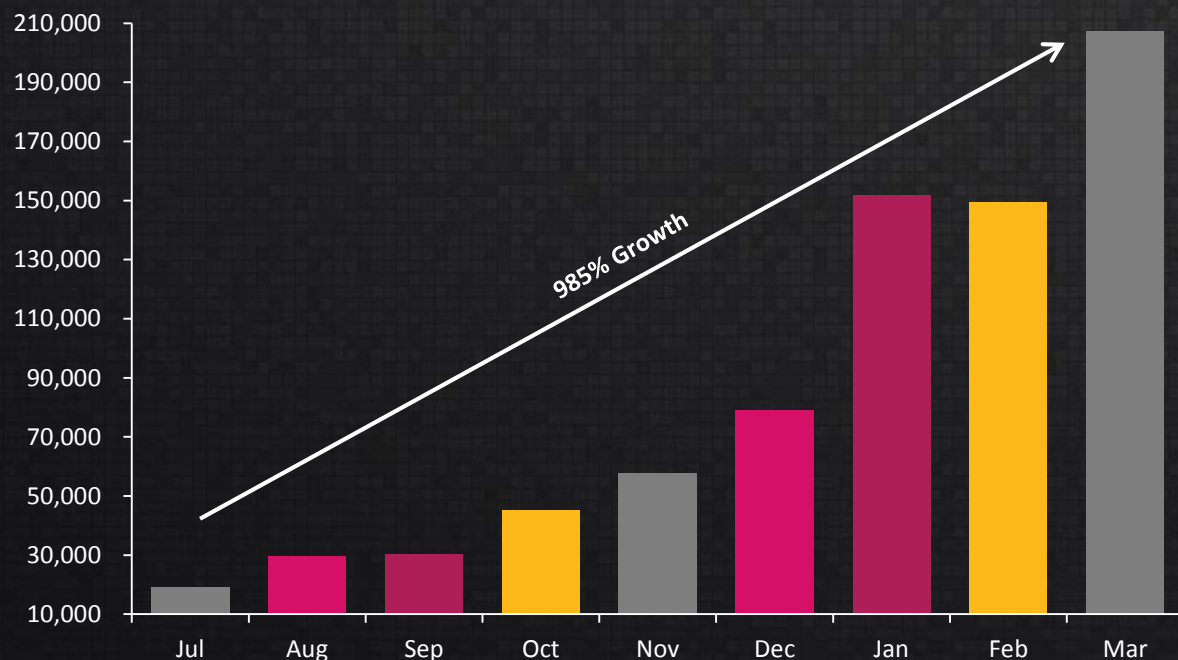
- Increase in pageviews has helped increase monetization per 1,000 visit.
- Continue to target increase in RPMv through user engagement.
- RPMv has not grown at the same rate as revenue, indicating there is future opportunity for growth.



# Strong Growth Since July: Pageviews

Figures Do Not Include BumpClick Performance

Pageviews (in 000's)

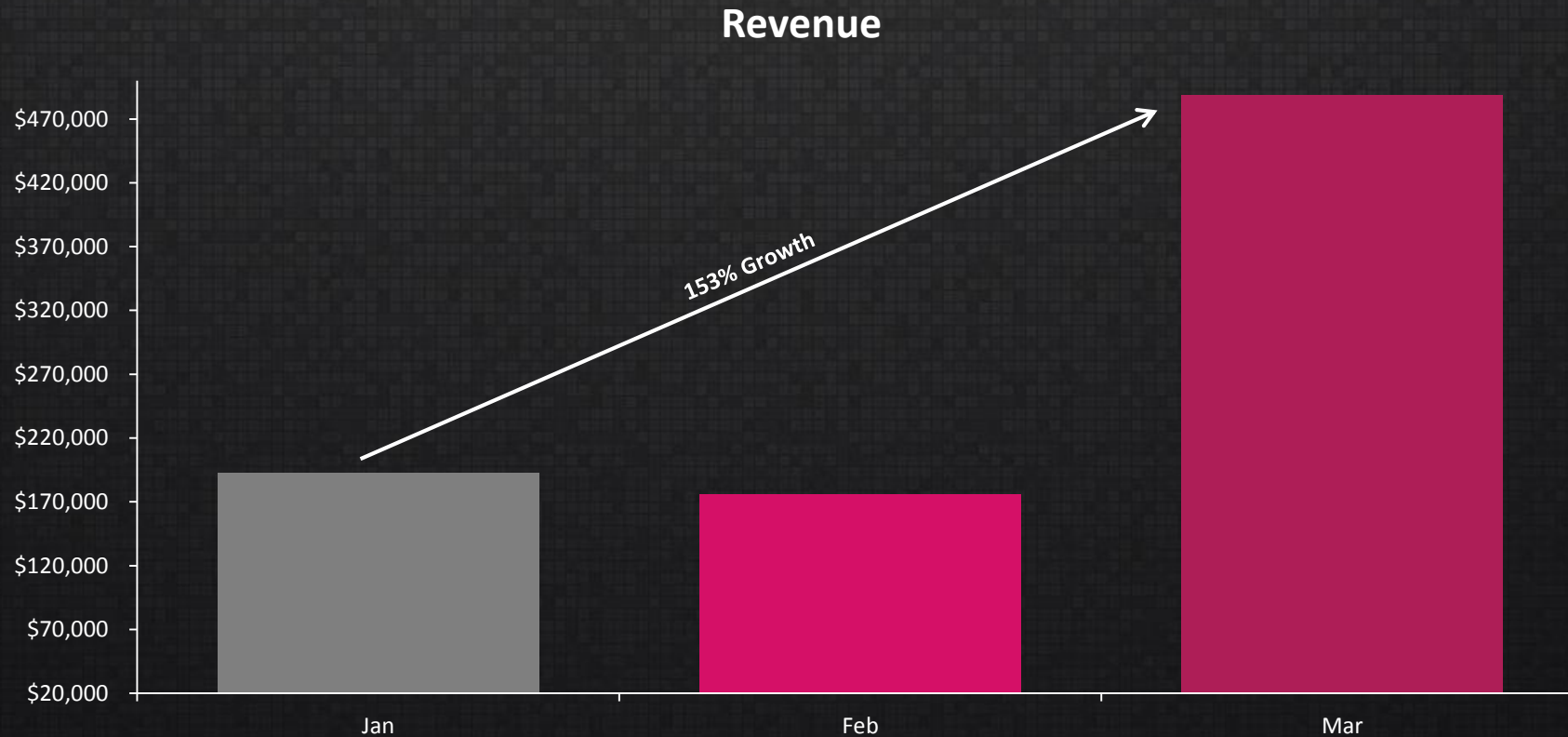


- Growth in pageviews signals increased user engagement.
- Increase directly correlates to an increase in revenue.
- Continue to target increased pageviews.

# The Results

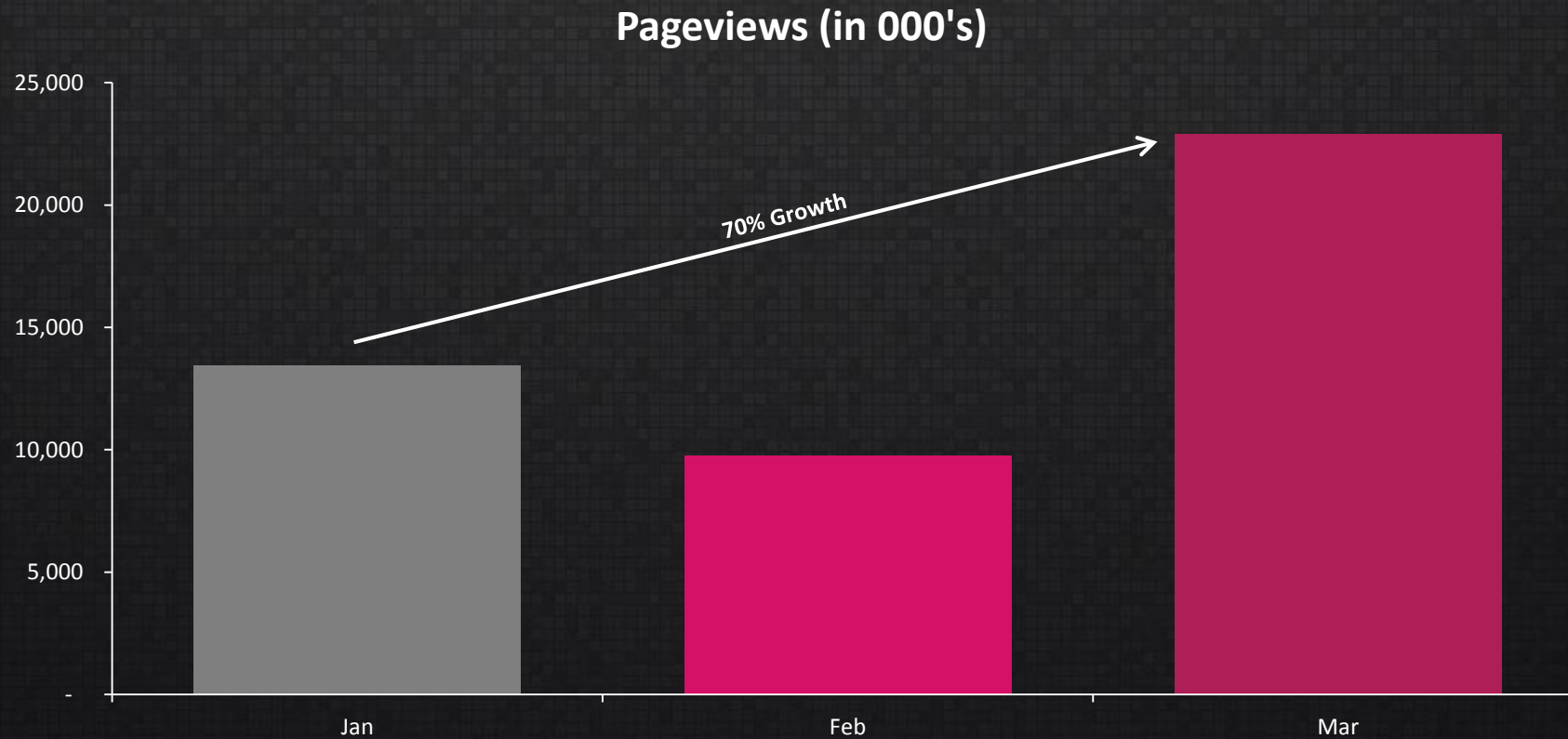
(BumpClick Only)

# Strong Growth Since January: Revenue





# Strong Growth Since January: Pageviews



# The Opportunity

# Recent Developments






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- Completed Equity Offering for \$4.8MM in gross proceeds in February 2017.
- Robert F.X. Sillerman converted approximately \$37MM of preferred equity into common stock.
- All debentures bought except for two, who hold under 15% of the original issue. Negotiations continue with these two holders.
- Non-core assets to be moved into a subsidiary to facilitate financing for working capital needs.
- Announced intent to acquire all equity interests in BumpClick LLC.



# Industry Comparables by Uniques

Multiple by Unique Visits Indicates Disjointed Valuation

	 REFINERY29				
UNIQUE VISITORS	27 Million	44.5 Million	59.8 Million	80.4 Million	27.0* Million
LATEST ROUND VALUATION	\$500 Million	\$442 Million	\$850 Million	\$1.5 Billion	\$15.3 Million**
IMPLIED MULTIPLE	19x	10x	14x	19x	0.57x

\*Includes Pending BumpClick Acquisition

\*\* Market Cap = 27.4MM shares x 3/31/17 close

\*\*\* Implied Multiple = Valuation / Unique Visitors

# Strategy for the Future

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Become the preeminent interactive digital platform

- Acquire brands and assets with strong traffic & distribution.
- Build unparalleled distribution network and a diversified revenue stream.
- Improve and capitalize on demonstrated ability to substantially increase monetization and margin on acquired properties.
- Unify all assets with proprietary technology.
- Use A-list celebrities and cross media partnerships with traditional and new media to create exclusive original content and build brand equity.





An Interactive Media Platform

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**Thank You**