Capital Market Presentation

February 2014

WhiteSmoke

Just write.

Investor Relations: investors@whitesmoke.com / Company Website: www.whitesmoke.co.il / www.whitesmoke.com

01 Forward-looking Information

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This presentation does not constitute an offer to purchase shares in the company, or an invitation to receive such offers, and is meant to provide general information only, which is by nature partial, as part of providing information about the company to institutional investors and analysts and/or third parties. This presentation was designed for overview and convenience purposes only, and cannot replace inspecting the reports the company has released and releases to the public, which include the complete information about the company, before deciding about investing in the company's shares. This presentation includes forward-looking information, as defined in the 1968 Securities Law (בחוק ניירות ערך, תשכ"ח-1968). This information includes, among other things, forecasts, goals and estimates referring to future events and/or matters whose realization is not guaranteed and/or not in the company's sole control. Forward-looking information does not constitute a proven fact and is naturally subject to substantial risks of non-realization. The aforementioned information is uncertain and impossible to predict accurately, and its realization or non-realization will be affected, among other things, by risk factors characterizing the company's activities, as well as by developments in the general environment and the external factors affecting the company's activities, which are not possible to predict and are not under the company's control.

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In addition, forecasts and estimates of forward-looking information are based on information and data available to the company at the time of the presentation's release, and the company makes no commitment to update and/or change any forecast and/or estimate to reflect events and/or circumstances which may occur after the release date of this presentation.

02

Corporate Profile

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01 The company was founded in 2002 with the aim of providing tools for the continuous correction and improvement of texts in English, as well providing a wide variety of users with tools for learning English. In January of 2013 the company completed the merger with WhiteSmoke Software LTD (formerly Eldan Tech Israel Ltd.), a public company which is traded in the Tel-Aviv Stock Exchange. As of today, the company employs about 26 employees.

02 The company is active on the Internet in two fields:

- Software and service sales
- Online marketing and advertising

03 The company is active and distributes its products worldwide, particularly in North America. As of today, the company has sold hundreds of thousands of licenses for its software. Furthermore, there have been tens of millions of installations of its toolbar, which integrates the applications developed by the company.

04 The primary shareholders are: the venture capital fund Evolution, and Yair Goldfinger Assets Ltd.

Management



Yariv Gilat
Chairman



Itay Meroz
CEO

04

Management



Amit Greener
CMO



Guy Harel
CFO



Laly Bar-Ilan
VP Product

05 Correction and Improvement of English Writing – An Opportunity

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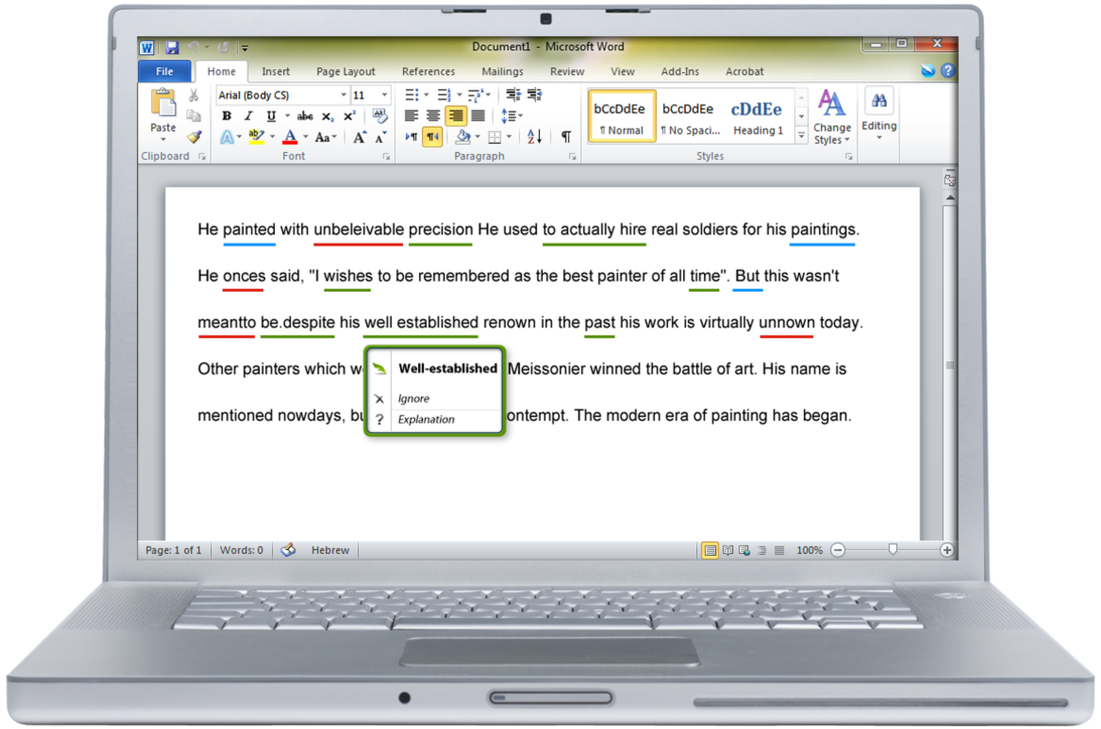

WhiteSmoke Writer V8 checks grammar and integrates perfectly with the most widely used writing software, Microsoft Word and Outlook. It is also integrated with the most common browsers, Firefox and Google Chrome.

The advanced text analysis technology used in the new version of WhiteSmoke allows the software to recognize and correct more spelling, grammar, punctuation and style mistakes than any other software on the market today.

06 Correction and Improvement of English Writing – Additional Products

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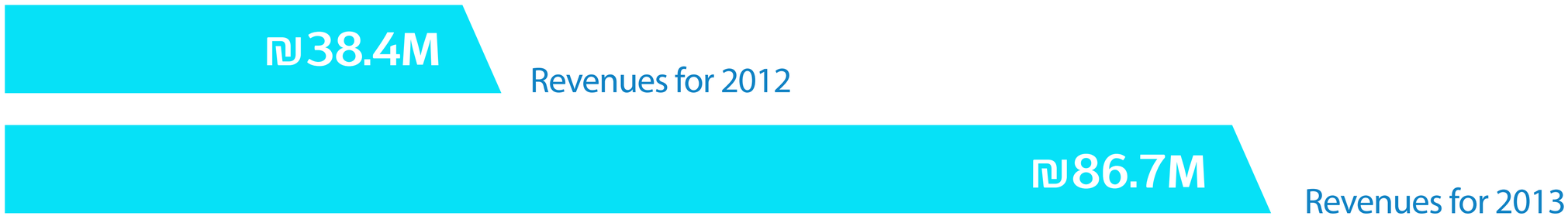
During 2012 and 2013 the company focused on developing and distributing products.
The company's revenues in 2013 grew by 100% + in comparison to 2012.



*Numbers for 1-9/2013 are multiplied by 4/3.

Mobile – A New Growth Engine

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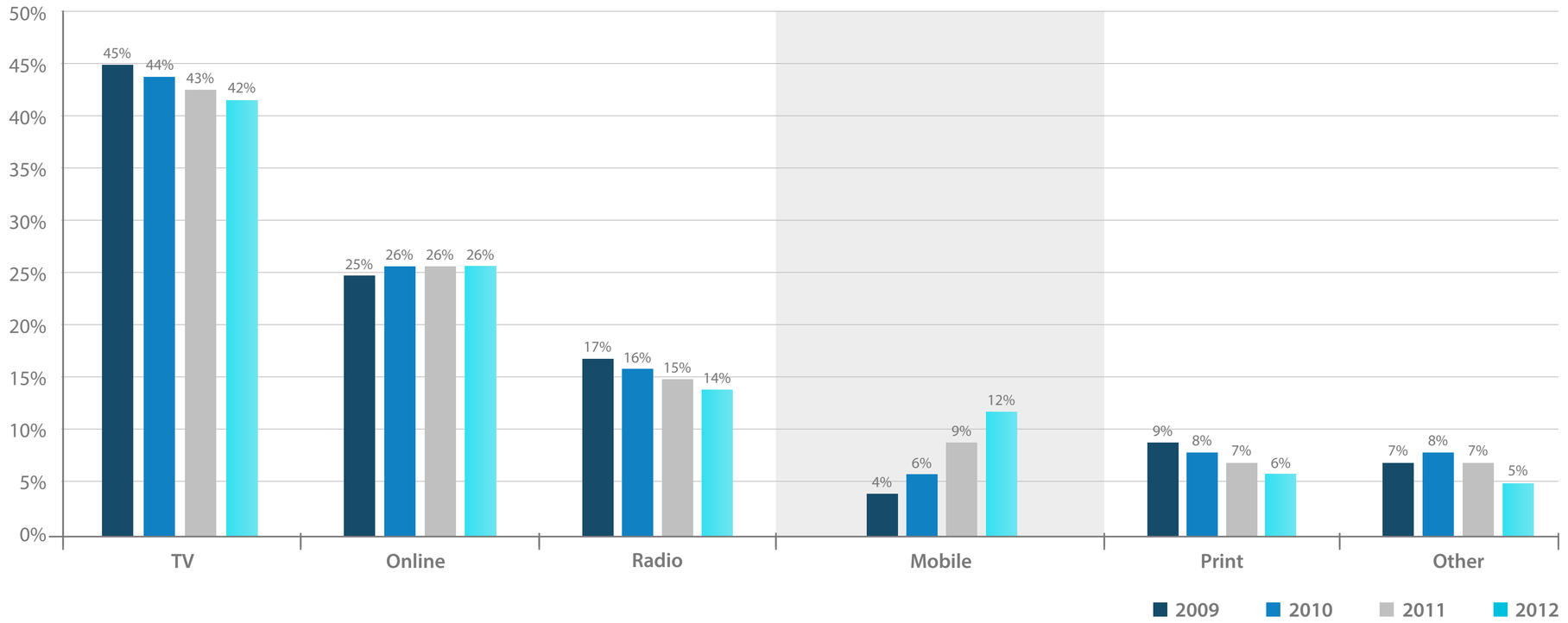
During 2013 the company recognized the mobile market as a new growth engine for the upcoming years. In the fourth quarter of 2013 the company signed an agreement to work in a joint venture to develop and distribute an application-based product for smartphones.

Media consumption on Mobile devices has tripled between 2009 and 2012.



Source: eMarketer, October 2012

08

25% of network use was via Mobile at the end of 2013.

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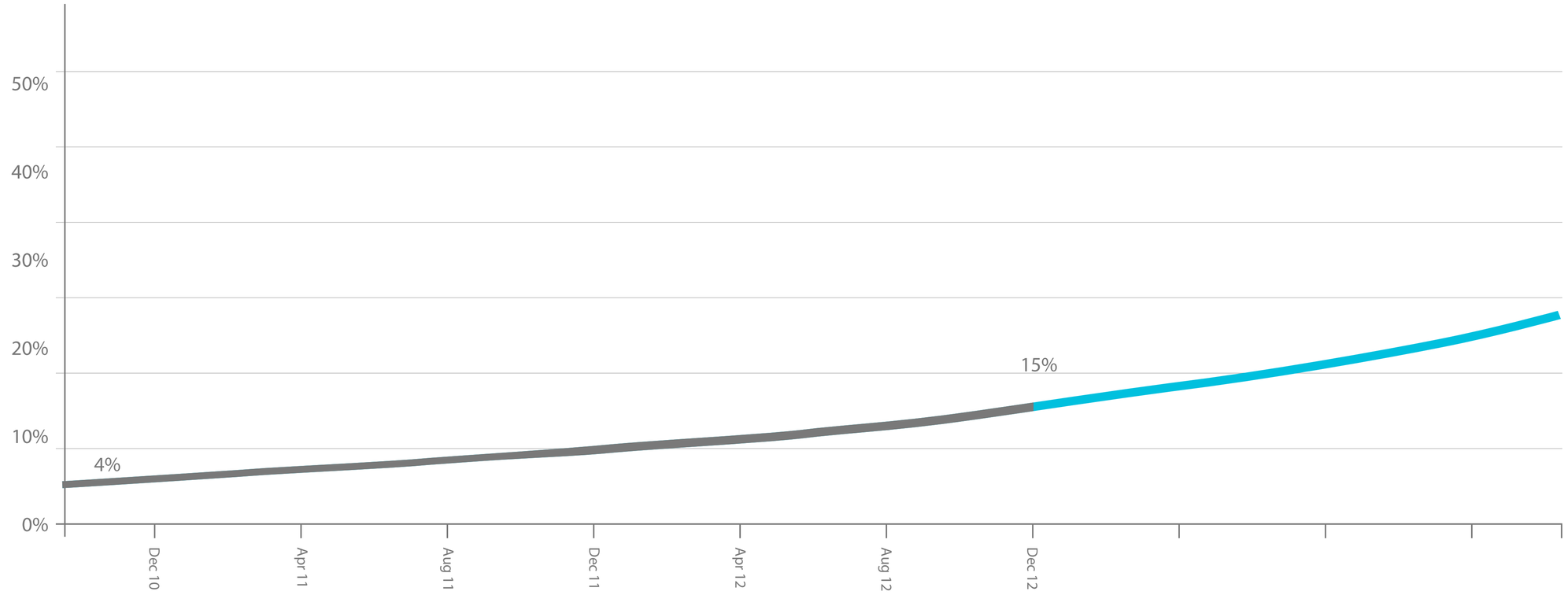
Mobile on pace to top 25% of traffic by yearend 2013

Mobile Internet As Percentage Of Total Internet Traffic

BI INTELLIGENCE



Source: 2013 – 2013 – the year ahead in mobile, Alex Cocotas, research analyst, business insider intelligence , 2012

The Smartphone and Tablet Market – Forecast/Expectations for 2014

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1.9 billion
smartphones in the world



300 million
tablets in the world



4.8 billion dollars
smartphones in the world



1.5 billion dollars
in advertising in tablets

Paul Lee, head of research, technology, media & telecommunications, Deloitte Touche Tohmatsu Limited

The Mobile Market

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21 billion
paid application installations in 2016

75 billion dollars
the total earnings of the Mobile market in 2016

100 million dollars per day
the value of the Mobile market to date (2013)

200 million dollars per day
the expected value of the Mobile market per day in 2017

Research data by Gartner Institute

Google – the Queen of Mobile Devices

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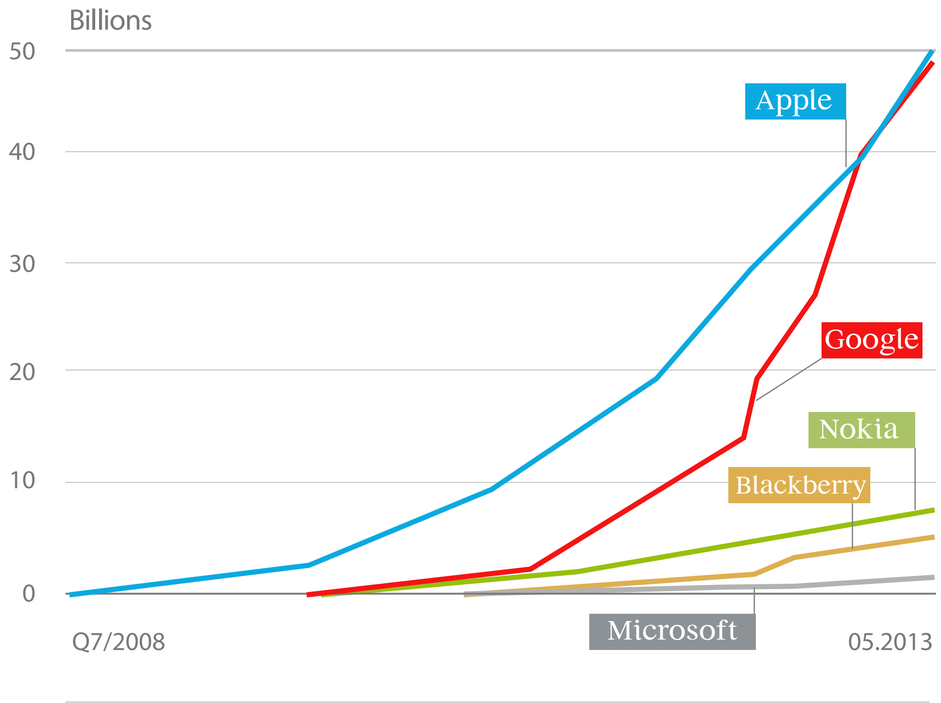
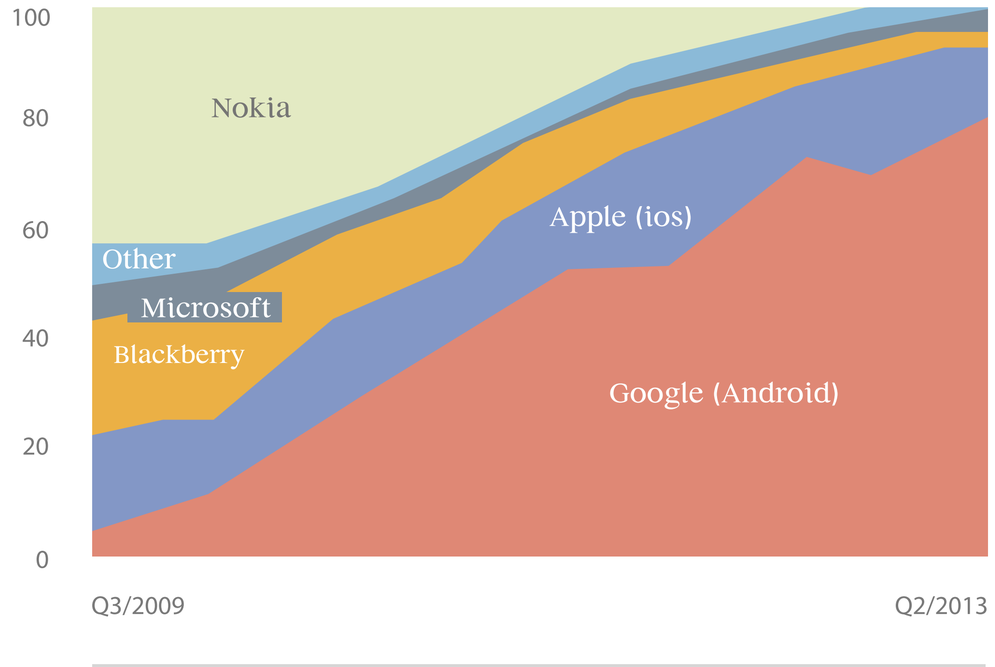
Rate of downloaded applications by operating system



BI Intelligence

Operating systems for smartphones



BI Intelligence, IDC, Gartner

Keyboards: Download and Usage Data

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25%

of all of searches on the Internet originate from mobile devices



41 text messages per user

Each day, on average, 41 text messages per user are sent and received in the United States.

Taken from www.webpronews.com, www.digitalbuzzblog.com

Keyboards: Download and Usage Data

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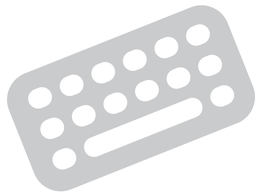


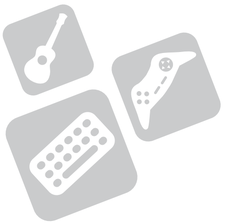
1 to 5 million purchases

the highest sold application in Google Play Store is a keyboard



Over 50 million installations

of various free keyboards



3 out of 10

the highest sold applications in the productivity category are keyboards, with an average of one million purchases each

Taken from http://www.appannie.com/ , 03/12/13

WhiteSmoke's Solution

a Smart Keyboard



KIBO - Advantages

Just Type!

01 KIBO significantly reduces the possibility of making a spelling or grammar error thanks to its advanced spelling and grammar checker, which allows users to correct all their mistakes with one tap.

02 KIBO saves time and typing effort thanks to its word completion and prediction mechanism, which presents suggestions for the next word based on the last words typed. This mechanism is built into all the languages available for the keyboard.

03 KIBO learns the user's unique writing patterns and vocabulary, and updates the completion and prediction suggestions accordingly. In fact, KIBO understands the text that the user writes and thus can offer her or him a wide variety of choices.

04 KIBO includes a search panel, which allows the user to search the Internet directly from the keyboard.

Grammar Corrections

KIBO
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KIBO brings WhiteSmoke’s advanced grammar correction technology to the mobile world. WhiteSmoke's technology offers the most advanced solutions available on the market for grammar, spelling, punctuation and style correction.



Word Completion & Prediction

KIBO
Just Type!

KIBO completes each word entered by the user and offers several options for the next word in the text, based on the user's vocabulary and writing patterns.



Search Box

KIBO includes a search panel which allows the user to perform an internet search directly from the keyboard.



Thank You and Goodbye