



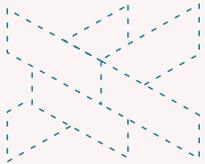
Half Year Results 2021

Investor Presentation

Stuart Simms, CEO
Rowan Ellis, Interim CFO
September 2021

XLMedia

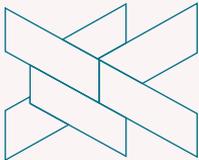
Global performance publisher



Our ambition is to combine the power of people, **data-driven behavioral insight**, and captivating editorial content to build valuable connections between brands and consumers

XLMedia

Developing a Balanced Portfolio of
Premium Branded Assets



- XLM has a long track record of success in digital publishing and performance marketing
- Our role is to source, recommend and actively engage high quality consumers with the products and services of our partners
- Our portfolio of online assets primarily focuses on 3 main verticals (and many sub-verticals); Casino, Sports and Financial Services
- Headquartered in the UK, with a strong presence in the US, and foothold in North American Sports

FOCUS

HIGH GROWTH
REGULATED
MARKETS

23

COUNTRIES

18

LANGUAGES

c.100

BRANDED
ASSETS

Key Operating Highlights

Strong strategic progress across the Group in H1 2021

Solid performance with major organisational redesign accelerated



- **Solid performance in H1 across all business units: Sports, Casino and Personal Finance**
- **Successful equity raise enabling accelerated growth of US Sports division**
- **Accelerated organisational initiatives across 2021/22:**
 - Re-organisation of audience-centric teams by industry vertical and target locations
 - Increased use of best-in-breed external partners for specialised and scalable expertise
 - Re-building of the executive team, including appointment of CIO and interim CFO
 - Fundamental overhaul of data architecture and tools delivering improved business analytics and commercial decisioning, alongside trailing data-driven inventory management

\$32.2M

REVENUES
H1 2020: \$27.7m
16% YOY growth

\$18.3M

GROSS PROFIT
H1 2020: \$16.6m
10% YOY growth

\$6.6M

ADJ. EBITDA
H1 2020: \$5.1m
29% YOY growth

Post Period Initiatives

Enhancing growth / accelerating further
change management



- **Enhanced US Sports audience through the acquisition of Saturday Football Inc.**
- **Acquisition of BlueClaw for US\$2.5 million, providing a UK hub for the EU Sports business & strong SEO and digital PR best practice for Group**
- **Transition of audience-centric teams:**
 - Sports and Personal Finance from Israel to the UK,
 - North America and Cyprus, supported by improved utilisation of external agency partners
- **Phased introduction of an agile, distributed shared services model**
 - Delivers functional expertise, operational efficiencies and creates a scalable service delivery model
- **Continued improved performance across business units into H2 2021, supported by US Sports and reinvigorated Casino business**
- **Implementation of data utilisation platform to support utilisation of rich first party data, resulting in improved yield**
- **Begin transitioning sites onto the new platform in Q4, and aim to complete the transition of all sites by December 2022**

Strategy & Business Update

H1 2021



Portfolio Management



Premium Branded Assets

Our future is in regulated, high growth markets

'Quality over quantity' ethos

Diverse range of territories/verticals

Family of content-rich, consumer-first brands

Moving towards more regulated markets

Concentrating on fewer sites, optimised for chosen markets

Data-driven business model section

Extending the capabilities of our customers

Evolved Operating Platform

Healthy operational backbone – scalable for growth

Highly engaged workforce

Supported by scalable third-party expertise and deployment of machines (powered by unique data)

Group Drivers



Technology increased use of proprietary data and data science

People - engaged and productive employees

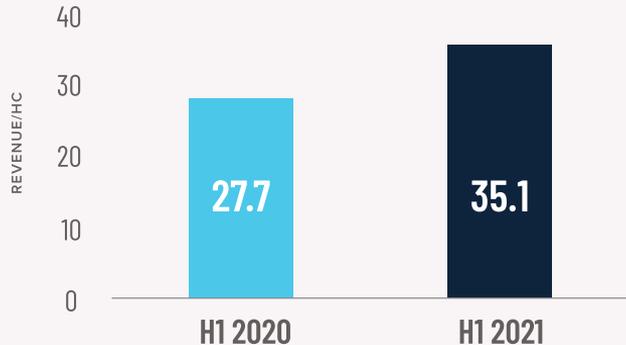


Revenue Per Headcount

Continuing to become more efficient at generating new revenue

New Money/Total Headcounts (\$ '000s)

New revenue per Headcount has increased by +21% versus prior year*



*Excludes shared services

- Evolved operating system already benefiting US Sports vertical which we intend to replicate across other divisions
- Newly acquired assets enable benchmarking of verticals against effective operating system to implement best practice across the Group
- As we execute our transformation plans the revenue per headcount will increase further through:
 - Right-sizing the business units
 - Further investment into our focus sites
 - Focus on high growth markets with excellent CPAs
 - Embed the right operating system

Investment in New Assets

Achieving meaningful scale in the fast-growing US Sports market

- Diverse group of premium owned and partner websites
- No other sports media business or affiliate network combines both betting CPA and traditional opportunities like XLMedia

Supporting:
Branded Assets

Saturday Football Inc

- Major publisher of college football news acquired in Sep 2021
- Access to sizeable and affluent marketplace
- Reach across South and Midwest States including markets yet to legalise sports betting
- Significant cross marketing opportunities for the wider Group
- 'Tried and tested' agency partner

Sports Betting Dime

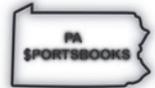
- Multichannel sports betting digital media platform acquired in Mar 2021
- Unrivalled audience to leverage as we develop offering and expand reach of sites across regulated States
- Strong product and technology expertise to benefit the wider Group

CBWG

- Digital media publishing business acquired in Dec 2020
- Now fully integrated and exceeding management expectations – capitalising on growth in US Sports betting market



Saturday Tradition



Recruitment of Key People

Re-built the executive team with breadth of capability and discipline

Strengthened Board with new appointment

Supporting: Evolved
Operating Platform



Non-Executive Director
Julie Markey

- o Significant experience in the development of talent and management of personnel across international businesses
- o Formerly Group People Director at Ocado Group plc and held senior personnel roles at Merck Sharp and Dohme



Interim Chief Financial Officer
Rowan Ellis

- o Considerable experience in risk management and transformation
- o Former FD, CRO and interim CFO roles major financial institutions including WIZink, Co-operative Bank, Metro Bank, RBS and WorldPay Group plc



Chief Information Officer
Nigel Leigh

- o Accomplished digital leader; significant and relevant experience
- o Track record of using technology and data to grow revenues for major publishing companies including Telegraph Media Group, Johnston Press plc and JPIMedia



Chief Growth Officer
Ken Dorward

- o Experienced COO and former CFO & COO at Rakuten Advertising
- o Promoted to pursue new pathways to growth through operational execution, management and monetization of audiences, advertisers and the network business to optimize the portfolio



Group Operations Director
Alya Chaudhry

- o Professional transformation leader; expertise in TOM, PMO and best practice in globally operating businesses
- o Considerable knowledge of tech, finance and publishing sectors including advising Informa plc, Thomason Reuters and BAE systems



Managing Editor, Personal Finance
David Weliver

- o Founder of Money Under 30 (acquired in 2017) and digital publishing entrepreneur
- o Seasoned financial journalist driving new standards in editorial excellence across the division

BlueClaw Acquisition

Multi-award-winning agency, with expertise in SEO, PPC, digital PR and content marketing

Significant experience in XLMedia market verticals

Supporting: Evolved Operating Platform

- Immediate access to excellent SEO, Content, PR and marketing capabilities to improve performance of key assets
- Best practice tools and agile processes that can be scaled across the Group's portfolio, while enhancing future acquisitions
- Experience will de-risk current practices, increase stability and support
- Cost effective UK based team with positive culture and access to local talent-rich base



Data-driven Capability

Putting data at the heart of everything we do

Building a platform:

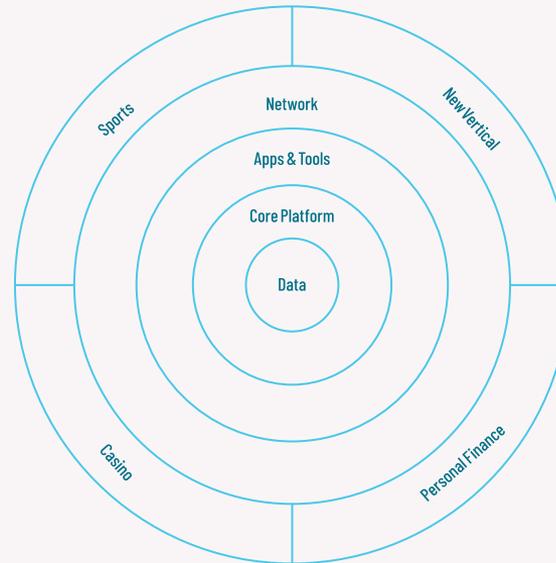
- Proof of concept complete
- Looking to scale
- Working with world-class technology partners

Supporting: Evolved Operating Platform



Utilising first-party data to:

- Drive improved personalisation and recommendation
- Identify the right business models to improve customer experience and behavioural understanding
- Properly represent our customers' products



Outlook

Positioned well for operational and financial progress



- **Maintaining revenue guidance for FY 2021 of between \$65 million and \$70 million although impact of transformational activities (including M&A and fundraising) likely to suppress operating profit across FY 2021 and FY 2022**
- **As Covid-19 restrictions ease, the Company is accelerating organisational changes and will incur more costs in FY 2021 than previously budgeted**
- **Across the medium term, the Group expects to benefit from more diverse revenue streams**
 - Emphasis on new money growth, greater operational efficiency and a built-for-purpose platform and data architecture
- **Transformation initiatives reposition XLMedia for sustainable operational and financial growth**

Financial Review

H1 2021



Income statement

Continuing to invest in transformative change

Item US\$'000	H1.21	H1.20
Revenues	32,218	27,715
Cost of revenues	13,958	11,106
Gross profit	18,260	16,609
Gross profit %	57%	60%
Operating expenses	18,833	16,330
Operating profit before transformation adjustment costs	(573)	279
Total adjusted EBITDA	6,600	5,093
% Adjusted EBITDA	18%	18%
Total adjusted EBITDA after transformation adjustment costs	3,014	3,592
Impairment loss	-	-
Transformation costs	3,586	1,501
Operating profit (loss)	(573)	279
Finance expenses, net	(36)	(108)
Other Income, net	99	-
Profit before taxes on income	(439)	171
Taxes on income	(357)	72
Income from continuing operations	82	99
Net income	82	99

■ XLMedia revenues in H1 2021 totalled \$32.2 million (H1 2020: \$27.7 million), an increase of 16% compared to the previous year primarily driven by US sports, which benefitted from recent acquisitions.

■ Gross profit for H1 2021 was \$18.3 million and gross margin was 57% (H1 2020: \$16.6 million, 60% gross margin), representing a 3% decrease, largely driven by SBD acquisition.

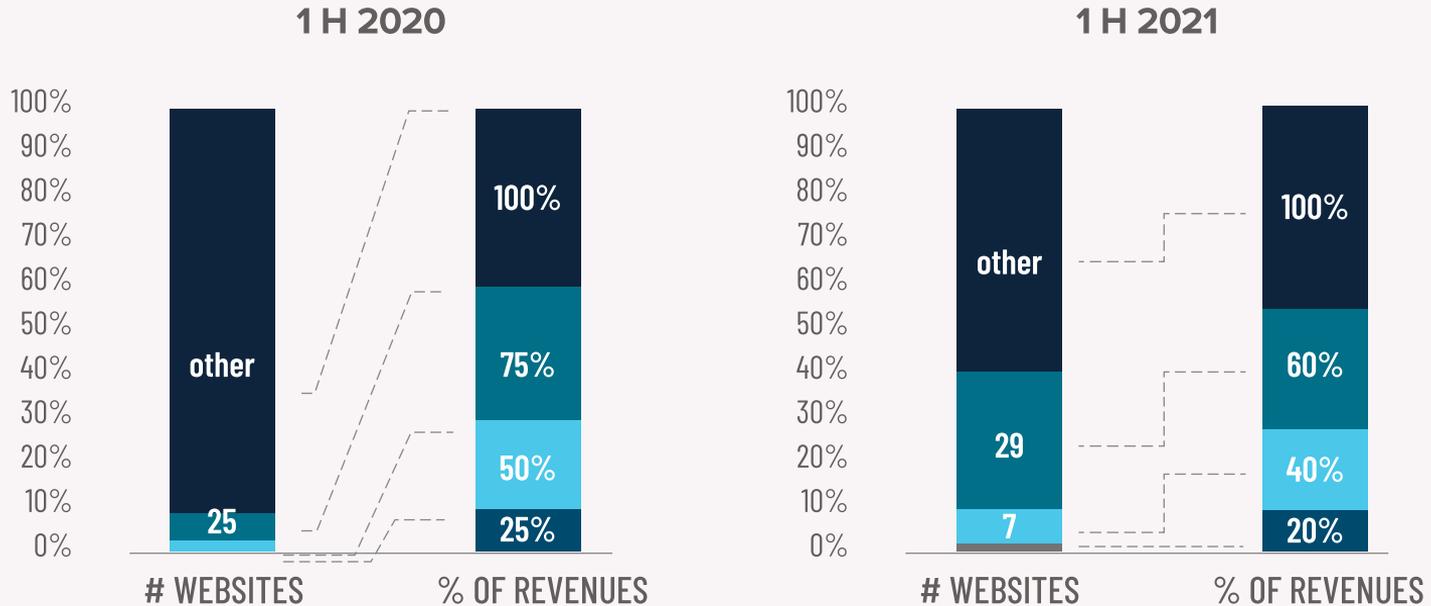
■ Operating expenses for H1 2021 were \$18.8 million (H1 2020: \$16.3 million). This increase is largely driven by redundancy costs, coupled with new hires, and an uplift in transformation costs associated with both M&A activity and reorganisation.

■ Refer slide: "EBITDA to Adj. EBITDA Reconciliation"

H1 2021 Revenue Mix

Quality focus drives performance

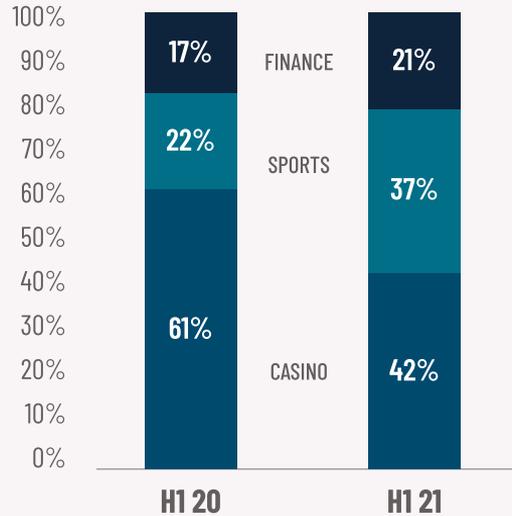
REVENUE FROM WEBSITES



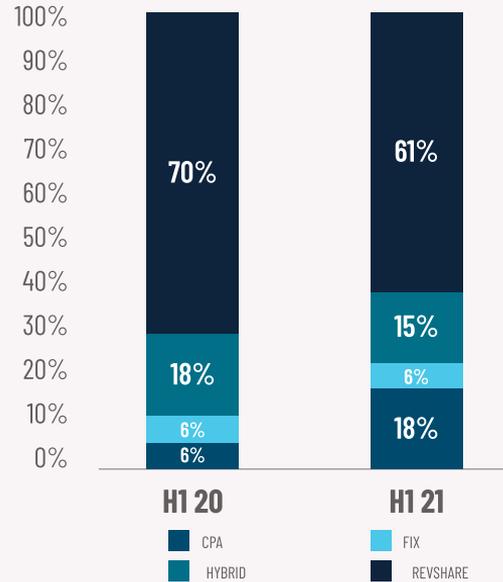
H1 2021 Revenue Mix (Continued)

Diversifying Revenue Streams

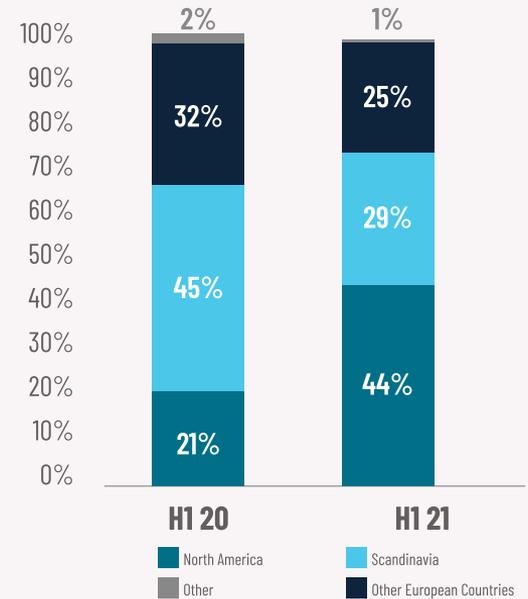
Vertical Model



Business Model

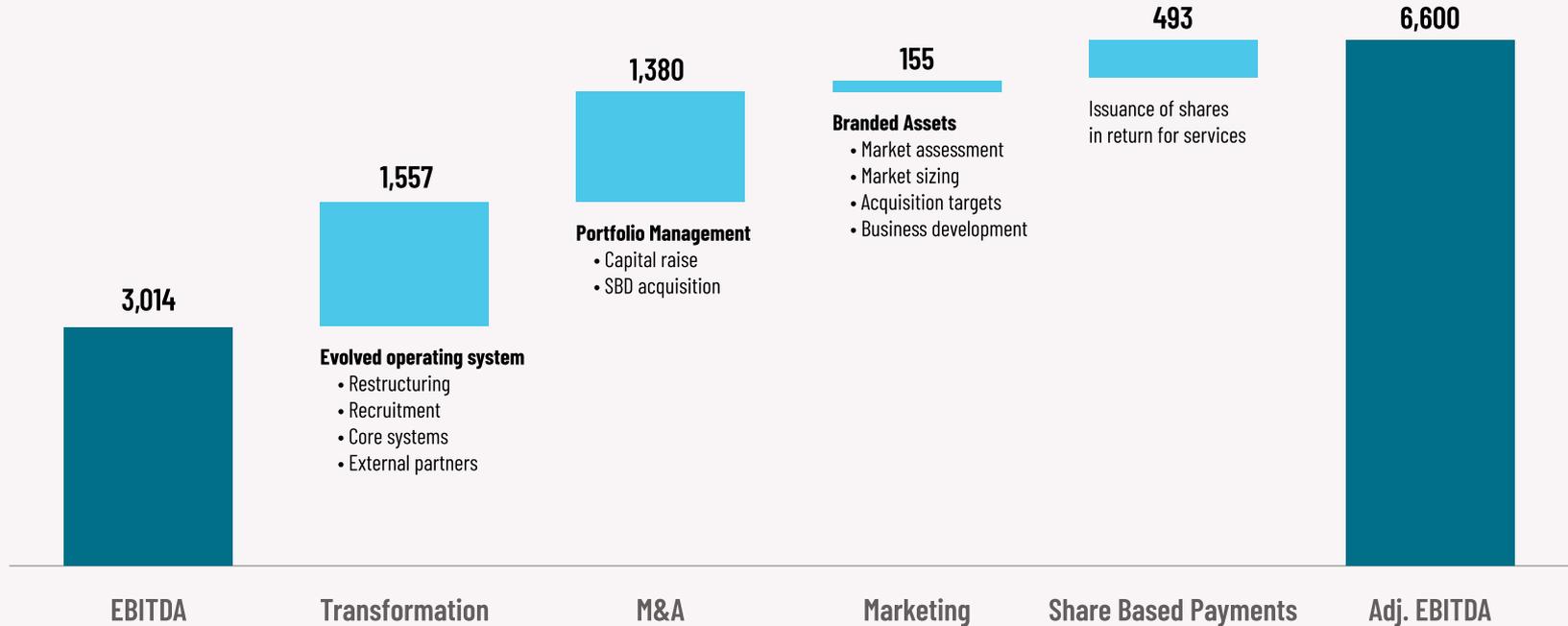


Geography



EBITDA to Adj. EBITDA Reconciliation

Transformation is driving the adjustments to EBITDA



Closing remarks

H1 2021



Summary

Positioning XLM for sustainable revenue and profit growth

- **Solid progress on corporate objectives**
 - **Portfolio** - Reduced number of assets and redeveloped many of those remaining to concentrate on quality engaging websites
 - **Branded Assets** - Two significant acquisitions diversifies business and adds material exposure to attractive US Sports vertical
 - **Evolved Operating System** - Restructured and streamlined operations to improve productivity, and re-built executive team
- **Good performance in H1 2021 across all business units**
 - **Sports** - Delivered strong performance and continues to grow
 - **Personal Finance** - Stabilised and started to recover, supported by a new team
 - **Casino** - Growing from lower base of profitable sites, with a focus on growing reach and higher quality revenues
- **Data and technology to improve revenue diversification, utilise new business models and improve the ability to automate**



Thank You

Q&A



Appendix



Cash flow statement

US\$'000	1H 21	1H 20
Operating Activities		
Net income	(82)	99
Depreciation and amortization	3,587	3,171
Cost of (income from) share-based payment	493	142
Changes in working capital	(115)	1,200
Taxes received (paid), net	(195)	(270)
Finance (income) expense	(36)	21
Net cash provided by operating activities	3,652	4,025

	1H 21	1H 20
Investing Activities		
Purchase of property and equipment, net	(809)	(186)
Acquisition of and additions to domains, websites and other intangible assets	(11,871)	0
Acquisition of domains, websites, technology	(3,125)	(4,394)
Adjustment of proceeds from the sale of discontinued operation	0	(270)
Short- term and long-term investments, net	289	298
Net cash used in investing activities	(15,516)	(4,552)

	1H 21	1H 20
Financing Activities		
Share capital issuance	35,806	0
Repayment of bank loans	0	(1,500)
Dividend paid to non-controlling interests	0	(184)
Repayment of lease liabilities	(474)	(569)
Net cash used in financing activities	35,332	(2,253)
Exchange differences on balances of cash and cash equivalents	(82)	519
Increase in cash and cash equivalents	23,386	(2,261)
Cash and cash equivalents at the beginning of the period	12,648	27,108
Cash and cash equivalents at the end of the period	36,034	24,847

Balance sheet

US\$'000	1H 2021	31.12.20
Current assets:		
Cash and short-term investments	36,931	13,876
Trade receivables	5,536	5,792
Other accounts receivable	5,943	5,578
Financial derivatives	158	
Total current assets	48,568	25,246
Non-current assets		
Long term investments	1,525	1,478
Property and equipment	6,914	1,072
Intangible assets	90,702	63,866
Other assets	371	497
Total non-current assets	99,512	66,913
Total assets	148,080	92,159

	1H 2021	31.12.20
Current liabilities		
Trade payables	2,134	2,000
Other liabilities and accounts payable	21,263	20,972
Deferred consideration payable	9,875	-
Lease liability	1,366	324
Total current liabilities	34,638	23,296
Non-current liabilities		
Lease liability	4,723	366
Other liabilities	5,221	1,243
Total non-current liabilities	9,944	1,609
Equity		
Share premium and capital reserves	122,090	85,764
Treasury shares		-
Retained earnings	(18,593)	(18,510)
Total equity	103,498	67,254
Total equity and liabilities	148,080	92,159