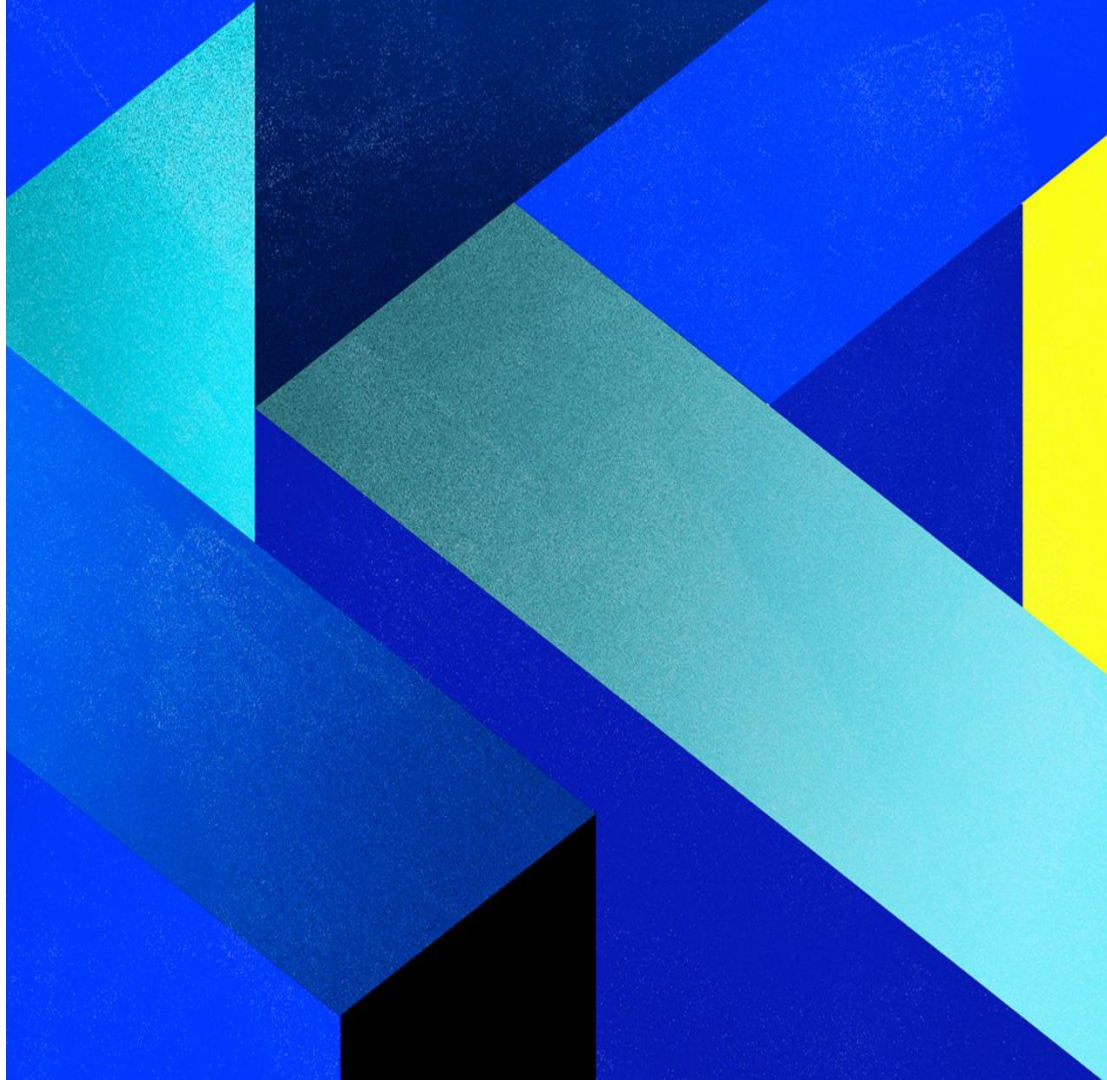


XL MEDIA H1 2023 RESULTS

28 September 2023



INTRODUCTION

AGENDA

- 1 Business Update
- 2 Financial Update
- 3 Outlook
- 4 Takeaways



**DAVID
KING,
CEO**

- Broad media and digital publishing industry experience
- Strong leadership and financial expertise



**CAROLINE
ACKROYD,
CFO**

- Significant knowledge of the gaming and leisure sectors
- Strong finance leadership background

SELECT PORTFOLIO BRANDS



SATURDAY DOWN SOUTH

FREEBETS.COM



NETTIKASINOT.COM

WhichBingo

Find your new bingo site today

SELECT PARTNER BRANDS

Newsweek

ammy

MASS LIVE



XLMEDIA IS A LEADING GLOBAL DIGITAL MEDIA COMPANY. WE CREATE COMPELLING CONTENT THAT ATTRACTS HIGHLY ENGAGED AUDIENCES AND CONNECT THEM TO RELEVANT ADVERTISERS.

The Group manages a portfolio of premium brands with a primary emphasis on Sports and Gaming in regulated markets. XLMedia brands are designed to reach passionate people with the right content at the right time.

BUSINESS HIGHLIGHTS



XL
MEDIA



Sports-first, US-led strategy; at the epicentre of operators, sports fans and bettors.



Industry leader in striking **multi-year exclusive media partnerships in North America.**



Targeted portfolio of premium and audience-centric Owned and Operated brands that drive organic traffic in high-value, high-margin regulated and regulating markets.



Together with media partners, our sites **reach +85m monthly unique visitors.**



Key **Europe Sports and Gaming assets back in growth.**



Strong margin, growing recurring revenues. Sports media brands well positioned to support long-term shift from cost per acquisition (CPA) to revenue share in US.



Primed for next phase of growth across gaming, sports betting and traditional media (e.g., Daily Fantasy Sports (DFS), display advertising, etc.).



Simplified tech stack and universal data architecture that promotes efficiency and scalability. Majority of **legacy infrastructure replaced** in 2023 with focus shifting towards automation and innovation.

XL MEDIA KEY FINANCIAL HIGHLIGHTS

H1 2023

CONTINUING BUSINESS¹ REVENUE

\$27.8m

(32)% vs H1 2022 [\$41.9m]

+18% vs H1 2021 [\$23.6m]

CONTINUING ADJUSTED EBITDA

\$6.9m

(42)% vs H1 2022 [\$11.9m]

+92% vs H1 2021 [\$3.6m]

NORTH AMERICA SPORTS REVENUE

\$16.2m

(45)% vs H1 2022 [\$29.5m]

+221 % vs H1 2021 [\$7.3m]

TOTAL NEW REAL MONEY PLAYERS²

80K

(31)% vs H1 2022 [116K]

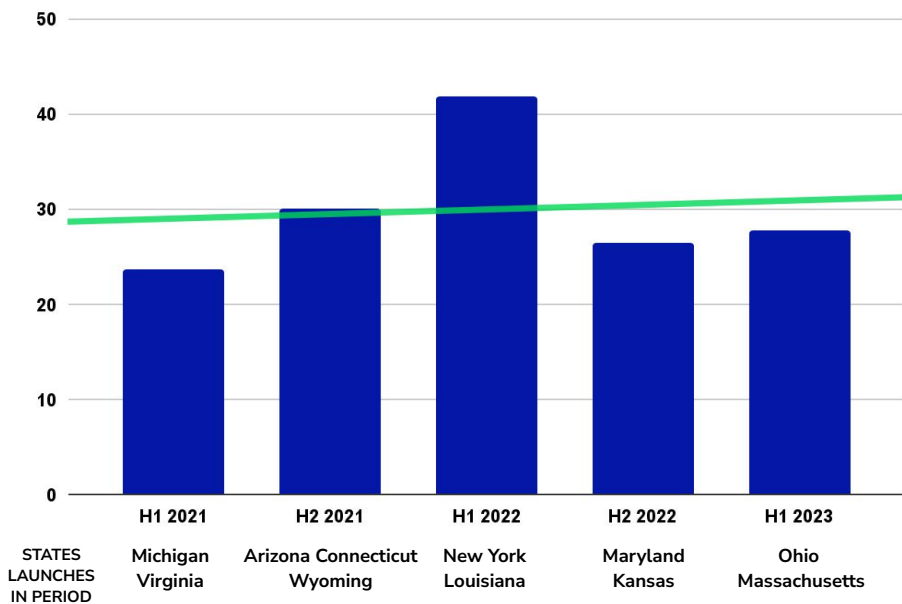
+30 % vs H1 2021 [62K]

1. Continuing business is defined as continuing operations excluding activities or assets that do not form part of the Group's future operations, for example Casino.se sold in July 2023.

2. Real Money Players included Owned and Operated brands and media partners.

REVENUE TWO YEAR GROWTH 18%

REVENUE (\$m)

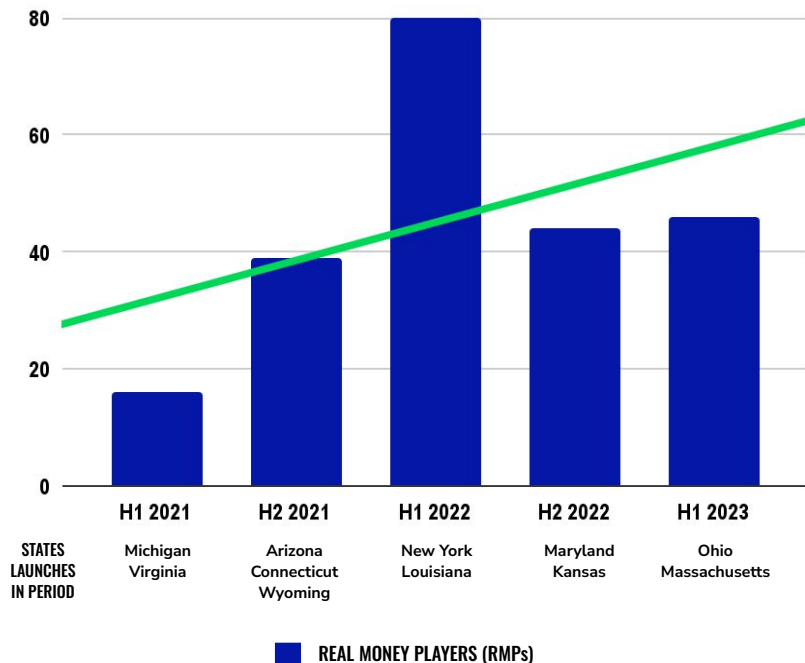


While state launches and the evolving North America market impact the Group’s topline revenue, the business enjoyed **growth of 18%** from H1 2021 through to H1 2023.

	H121	H123	H1 2023 vs H1 2021
Group revenues including discontinued operations	\$32.2m	\$29.4m	(9)%
Personal Finance and Blueclaw revenues	\$(6.6m)	\$(0.6m)	
Continuing operations revenue	\$25.6m	\$28.8m	13%
Casino.se, other revenues	\$(2.1m)	\$(1.0m)	
Continuing business revenue	\$23.6m	\$27.8m	18%

US RMP TREND H1 2021 TO H1 2023

US RMPs COMPARISON (000s)



RMP is a user that creates an online account and makes a deposit with an operator.

H1 2022 EVENTS

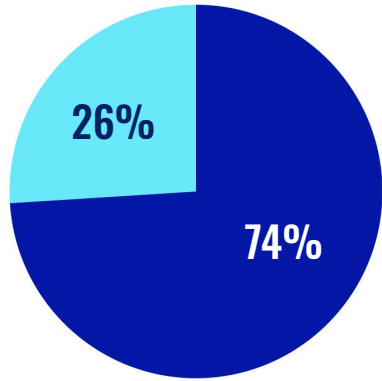
- New York state outperformed expectations in 2022
 - High avg consumer disposable income, pent up demand, Super Bowl and extremely attractive offers from one operator in market
- Resulted in revenue growth of 412% in US Sports
- First period with all acquisitions live

H1 2023 EVENTS

- Ohio launch performed well
- Change in operator behaviour and focus shifting from acquisition to profitability starting during Super Bowl through H1
- Some operators temporarily withdrew / reduced customer acquisition spending during H1 2023
- No new M&A benefitting H1 2023

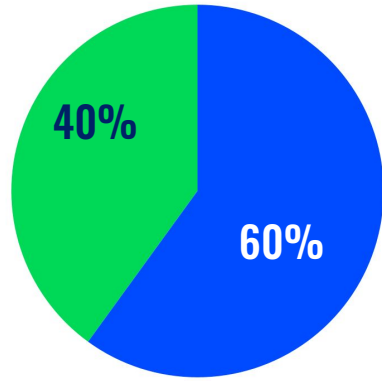
BUSINESS MIX

H1 2023 CONTINUING BUSINESS REVENUE SPLITS



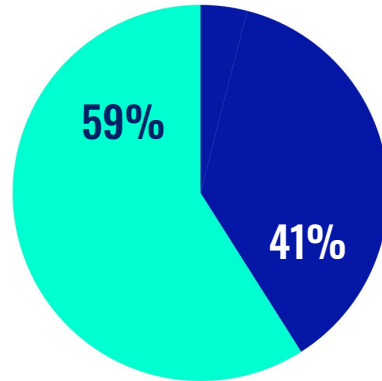
SPORTS

GAMING



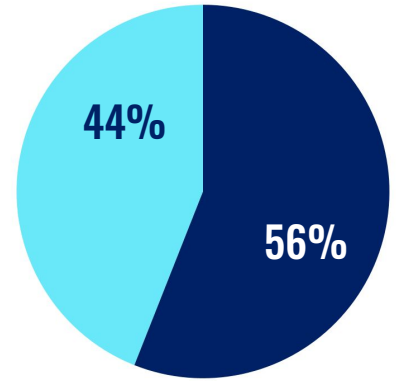
NORTH AMERICA

EUROPE



CPA

**HYBRID /
REVENUE SHARE
& OTHER¹**



O&O

MPB

1. Other defined as Fixed Deals, Sponsorship Deals, Display Advertising

O&O (Owned and Operated Portfolio)
MPB (Media Partnership Business)

XL MEDIA AT A GLANCE – A BALANCED PORTFOLIO

Sports and Gaming in regulated markets in UK & Europe (EU) and US and Canada (North America, NA).

"Per Nevada Gaming Control Board said betting on college football and the NFL in 2022 in Nevada set a new record... (we) have been informed by our operators that the split between the two is 60 percent NFL and 40 percent NCAA."

Vixio article "How the US Leagues Won by Losing Supreme Court Case on Sports Betting" by Tony Batt

SPORTS MEDIA

Sports media leverages excellent sports coverage and smart distribution to capture and engage sports fans and introduce them to the world of betting.

- NA is driven by CPA with early hybrid / revenue share
- EU revenues are mostly driven by hybrid / revenue share
- Additional revenue from display advertising and sponsorships
- Saturday Down South is considered the leading college sports media brand
- Reach and scale is further facilitated by Media Partnerships

SPORTS BETTING

Sports betting leverages analysis, insights, guides and betting tools, while championing responsible wagering.

- Unique mix of sports and betting coverage
- SEO excellence as a cornerstone to lead generation
- Focused on high-intent customers in regulated markets
- Balanced model between CPA in NA and hybrid / revenue share in EU

GAMING

Gaming leverages engaging experiences, guides, credible reviews, and safety features to enable players to participate in online casino and bingo in a trusted environment.

- Established EU footprint with further growth potential
- Nascent opportunity in NA with significant upside
- Similarly driven by CPA in NA, revenue share in EU

XLMEDIA STRATEGY

RE-ENGINEERED TO BE THE “NEW XLMEDIA”

Starting in 2022, the core business strategy evolved to focus on three areas:

1.

Expand the **North America Sports** footprint, deepening audience relationships and diversifying revenue streams with the goal of more predictable, stable income

2.

Refine the **Europe Sports** portfolio, expand to new territories and capture more revenue while leveraging the Group’s experience and learning from years spent operating in mature, regulated markets

3.

Drive **Gaming** (casino and bingo) in select markets through quality content, engaging consumer features, data driven decision-making and the prioritisation of Google’s E-E-A-T requirements to capitalise on the high-margin vertical

KEY FOCUS AREAS

DIVERSIFY AND BUILD RECURRING REVENUES

DEVELOP NEW TECH & DATA INSIGHTS

EXPAND CORE BRANDS

DE-RISK OPERATIONS

DEEPEN TRUST

CHAMPION EXPERTISE

MOMENTUM FROM H1 INTO H2 2023



Experienced executive leadership team with proven ability to execute

- CEO, CFO, CIO, CP&OO, CMO, General Counsel, President of XLM North America



Build sustainable revenues and diversify revenues

- Revenue share deal signed in US
- Daily Fantasy Sports offers
- Display advertising and sponsorship packages



Maximise medium- and long-term opportunities in the US

- Preparations for Kentucky and North Carolina state launches
- Grow audiences in Texas, Georgia and California
- Leveraging strength across college sports



Operational restructuring and removed legacy technology

- Removed management layers and inefficiencies, decreased staff to 167 in H1 2023
- Licensed platforms for better reporting and efficiency



Expand Media Partnership Business (MPB)

- Signed amNY three-year extension
- Added WRAL.com (North Carolina)
- Added Atlanta Journal-Constitution (Georgia and US Southeast)



Expand football and horse racing into new markets

- Freebets.com trial in Ireland
- Added exposure from brand ambassador, Tom Bellamy
- Deployed horse racing widget



Rationalisation and simplification

- Exited non-core (Personal Finance sold for \$2m)
- Further portfolio consolidation (sale of EU Gaming assets for \$4m, 4.7x asset revenue)



Expand direct exposure to Gaming in regulated markets

- Preparing new casino assets for US launch
- Increased traffic in Michigan, Pennsylvania and New Jersey by 124%



Drive resources to activities that promote innovation

- Launched Dynamic Offers Engine
- Experimenting with AI content creation
- Launched contextual conversion units

Financial Update



FINANCIAL HIGHLIGHTS H1 2023

CONTINUING OPERATIONS¹

**CONTINUING
REVENUE**

\$28.8m

(33)% YOY

**CONTINUING
ADJUSTED EBITDA**

\$6.9m

(42)% YOY

CASH

\$7.4m

(30)% YOY

BREAKDOWN OF REVENUE BY VERTICAL

For Sports and Gaming

Sports 74%

North America Sports
76%

Europe Sports
24%

SPORTS REVENUE¹

H1 2022	H1 2023	% CHANGE
\$34.0m	\$21.4m	(37)%

Gaming 26%

North America Gaming
5%

Europe Gaming
95%

GAMING REVENUE

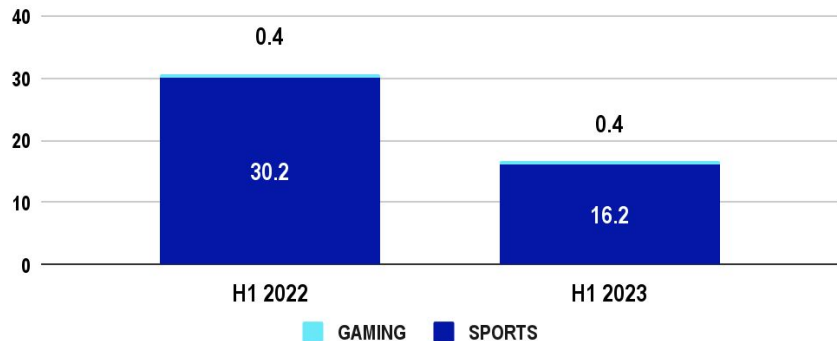
H1 2022	H1 2023	% CHANGE
\$8.4m	\$7.4m	(14)%

1. Includes US Sports, Media Partnerships and Europe Sports.

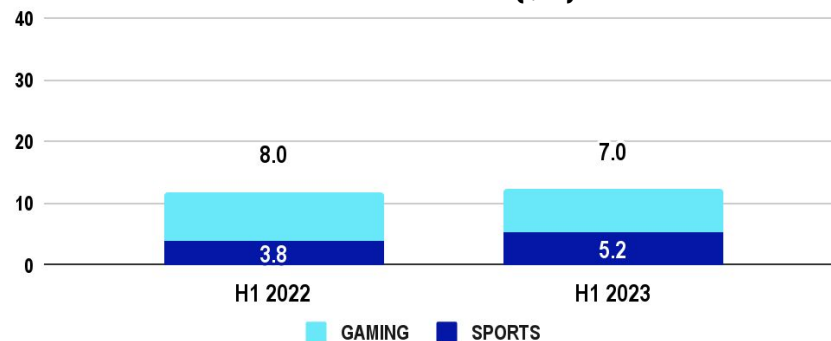
BREAKDOWN OF REVENUE BY MARKET

For Sports and Gaming

NORTH AMERICA REVENUE (\$m)



EUROPE REVENUE (\$m)



KEY US SITE PERFORMANCE UPDATE

- Not linear growth
- YOY impact due to market shift and operator withdrawal
- Sports Betting Dime grew revenue in H1 2023 by 13% and total unique visitors by 120% period-on-period
- Saturday Down South expanded revenue diversification by adding Daily Fantasy Sports offers

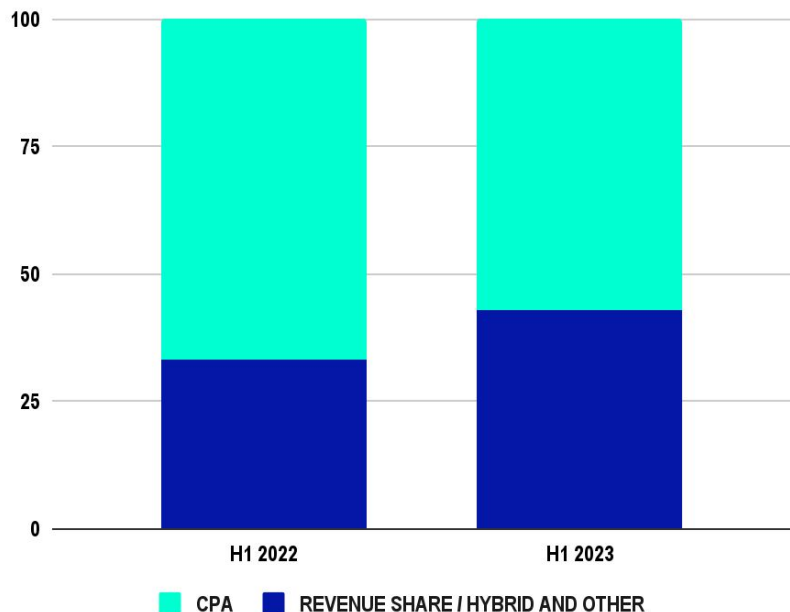
KEY EU SITE PERFORMANCE UPDATE

- WhichBingo grew revenue in H1 2023 by 38% period-on-period
- Nettikasinot grew revenue in H1 2023 by 5% period-on-period
- Freebets.com revenue grew in by 37% period-on-period
- \$5.2m includes residual sub-affiliate network revenue

BREAKDOWN OF REVENUE BY TYPE

For Sports and Gaming

REVENUE SPLIT BY TYPE (%)



RMP RATES YOY

- High-quality RMPs delivered to operator partners ensure high-quality deals and rates
- EU Sports and Gaming revenue is primarily recurring revenue though revenue share / hybrid deals
- North America Sports CPAs have remained >\$350
- Enhanced operator relationships in EU which is reflected in the revenue / hybrid deal rates have trended upwards due to better customer performance
 - Sports hybrid deal rates have increased by 13%
 - Gaming hybrid deals have either remained flat or increase by 24%
- Made progress to diversify revenue

1. Other defined as Fixed Deals, Sponsorship Deals, Display Advertising

TARGET VS ACTUAL CONTINUING BUSINESS¹ GROSS MARGIN H1 2023

TARGET 2023		VERTICAL		ACTUAL
50+%		TOTAL BUSINESS		48%
40+%		NORTH AMERICA SPORTS		31%
60+%		EUROPE SPORTS		70%
70+%		GAMING		76%

1. Continuing business is defined as continuing operations excluding activities or assets that do not form part of the Group's future operations, for example Casino.se sold in July 2023.

COST MANAGEMENT

Total cost base¹ excluding Media Partner revenue share fell
c. \$4.0m of sustainable savings

COST REDUCTION DRIVEN BY

- Headcount reduction to 167 (FY22: 193) including Personal Finance disposal
- Optimised sales, content and marketing spending
- Offset by investment in technology

RESULTING BUSINESS IMPACT

- Improvements in underlying technology and data
- Removed costly management layers to improve communication and culture across the company

1. Costs include operating, sales and marketing expenses, and excludes share-based payments, reorganisation costs and discontinued operations (Personal Finance and Blueclaw).

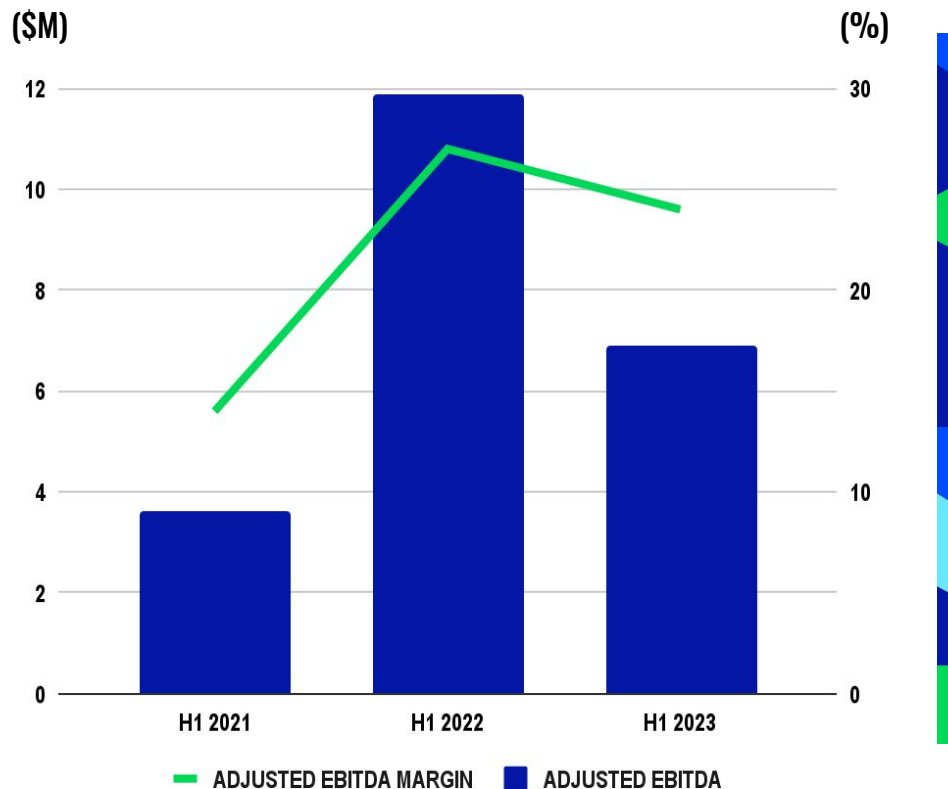
CONTINUED OPERATIONS ²	H1 2022	H1 2023
Reported operating costs ³	\$19.4m	\$12.7m
Transformation cost	\$(3.0m)	\$(1.0m)
Share based payments	\$(0.5m)	\$(0.4m)
Adjusted operating costs	\$15.9m	\$11.3m
Sales & Marketing cost ⁴	\$15.5m	\$10.6m
MPB revenue share cost	\$(12.4m)	\$(8.1m)
Adjusted Sales and Marketing costs	\$3.1m	\$2.5m
Adjusted cost base	\$19.0m	\$13.8m

2. Continuing operations is defined total Group financial performance excluding discontinued operations. For H1 2023, the Group classified Personal Finance and Blueclaw as discontinued operations.

3. Operating costs in the statutory accounts include operating costs and share based payments.

4. Sales and marketing costs in the statutory accounts include media partnership business revenue share.

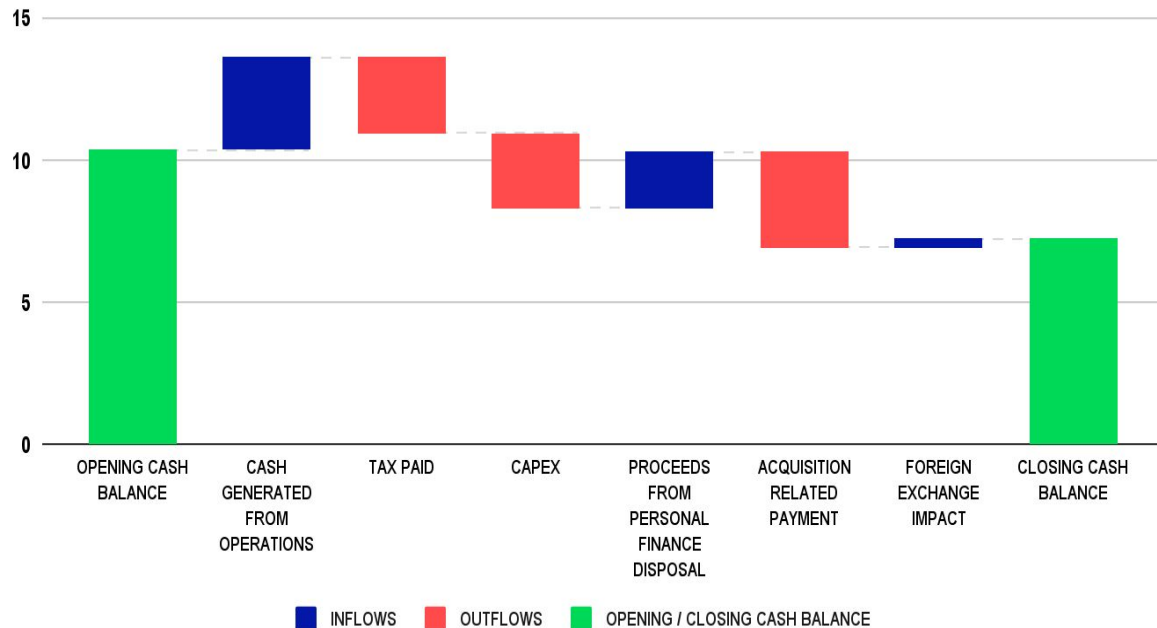
CONTINUING ADJUSTED EBITDA TREND



- Consistent growth in Adjusted EBITDA year-over-year since H1 2020 as the transformation project nears completion and as growth accelerates in the US
- Recalibration of cost base estimated to deliver cash savings of \$5.0-6.0m per annum once complete
- Lower transformation costs of \$1.0m for the period (\$3.0m in H1 22) as transformation project nears completion
- Adjusted EBITDA margin of 24% in the period (27% in H1 22)
- Impairment reversal of \$4.0m recognised for European Casino assets, offsetting charge of \$(0.8)m – total \$3.2m reversal
- Change in operator behavior and focus shifting from acquisition to profitability starting during Super Bowl through H1
- Some operators temporarily withdrew / reduced customer acquisition spending during H1 2023

CASH GENERATION

CASH FLOW (\$m)



CASH AND CASH FLOW

- \$7.4m of cash* at end of June 2023, down vs Dec 2022 balance of \$10.8m
- \$3.0m of earn-outs relating to the Group's strategic acquisitions paid in H1 2023, with a further \$4.0m due in H2 2023, to be funded from cash balance
- \$2.8m of tax payments made in H1 2023, mainly to settle historical Israel tax liabilities
- \$2.0m proceeds received for sale of Personal Finance assets
- \$3.0m of capex incurred – broadly in line with H1 2022

*Cash and cash equivalents and short-term deposits

ACQUISITION LIABILITIES

	H1 2023	H2 2023 ¹	2024 ¹
North American Assets	-	\$4.0m	\$4.0m
European assets	\$0.4m	-	-
Deferred consideration	\$0.4m	\$4.0m	\$4.0m
North American assets ²	\$3.0m	-	\$3.5m
Earn-outs	\$3.0m	-	\$3.5m
Total acquisition related payments	\$3.4m	\$4.0m	\$7.5m

1. Estimated.

2. Earn-out not recognised in balance sheet until target met.

WE ARE

Regularly reviewing cash forecasts and capital allocation with the Board

Ensuring we have sufficient cash to:

- Settle earnout payments
- Pay our tax liabilities when due
- Provide sufficient cash headroom
- Invest in growing premium brands

Takeaways



DELIVERING IN H2 2023

KENTUCKY STATE LAUNCH



WDRB.com

NEW MARKET ENTRANT



NEW NFL AND PREMIER LEAGUE SEASONS



**Premier
League**

NEW MEDIA PARTNERS EXTENDING REACH



**The Atlanta
Journal-Constitution**

DawgNation

EXISTING EU BRAND GROWTH

FREEBETS.COM

WhichBingo
Find your new bingo site today



NETTIKASINOT.COM

COST REDUCTION & ORGANIC GROWTH



PREPARING FOR 2024

Working with WRAL.com for North Carolina state launch (Q1 2024)

Further develop revenue share relationships in US

Launching online casino site in US and extend EU gaming brand reach

Building on success of Freebets.com, WhichBingo and Nettikasinot.com to grow recurring revenues

Invest further in sports data tools, conversion product features including Dynamic Offers

Ongoing focus on cost and cash management and exploring debt raising

THANK YOU

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