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If you have sold or otherwise transferred all your Shares prior to the Ex-Entitlement Date, please send this document (together with the accompanying, (if relevant) the Application Form) as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. However, neither this document nor any accompanying document(s) should be forwarded or transmitted to or in Australia; Canada; Japan; New Zealand; the Republic of South Africa; or the United States each a "Restricted Jurisdiction" or any other jurisdiction outside the United Kingdom where to do so may violate any legal or regulatory requirement. If you are an existing holder of Shares and you have sold or transferred part only of your registered holding of Shares, please contact the stockbroker, bank or other agent through whom the sale or transfer was effected.

The distribution of this document and the accompanying (if relevant) the Application Form to Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction in which they are located. Persons who are not resident in the United Kingdom should read paragraph 6 ("Overseas Shareholders") in Part 3 of this document and should inform themselves about, and observe, any applicable legal or regulatory requirements. Any failure to do so may constitute a violation of the securities laws of any such jurisdiction.

This document does not constitute or form part of any offer to purchase, or invitation to sell, Shares in any jurisdiction in which such offer or invitation is unlawful. Without prejudice to the foregoing generality, the Fundraising is not being made, directly or indirectly, in or into, or by use of the mails, any means or instrumentality (including, without limitation, facsimile transmission, email, other electronic transmission or telephone) of interstate or foreign commerce or any facility of a national, state or other securities exchange, of a Restricted Jurisdiction and the Fundraising cannot be accepted by any such use, means, instrumentality, facility or otherwise from within a Restricted Jurisdiction.

A copy of this document has been delivered to the registrar of companies in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002, and he has given, and has not withdrawn, his consent to its circulation. The Jersey Financial Services Commission has given and has not withdrawn, its consent under Article 2 of the Control of Borrowing (Jersey) Order 1958 to the issue of shares in the Company. It must be distinctly understood that, in giving these consents, neither the registrar of companies nor the Jersey Financial Services Commission takes any responsibility for the financial soundness of the Company or for the correctness of any statements made, or opinions expressed, with regard to it. It should be remembered that the price of securities and the income from them can go down as well as up.

The total consideration under the Open Offer will be less than €8 million (or an equivalent amount) in aggregate and the Placing Shares will only be available to "qualified investors" for the purposes of the Prospectus Regulation Rules or otherwise in circumstances not resulting in an offer of transferable securities to the public under section 102B of FSMA. Accordingly, this document is not a prospectus for the purpose of the Prospectus Regulation Rules, and will not be, reviewed or approved by the FCA pursuant to sections 85 and 87 of FSMA, the London Stock Exchange or any other authority or regulatory body and has not been approved for the purposes of section 21 FSMA. Neither does this document comprise an admission document under the AIM Rules and neither the London Stock Exchange nor the FCA have examined or approved the contents of this document. In addition, this document does not constitute a recommendation regarding the Shares. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. The AIM Rules are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the New Shares to the Official List. The New Shares will not be dealt on any other recognised investment exchange and no other such application will be made.

Subject to certain conditions being satisfied, it is anticipated that First Admission will become effective and that dealings in the First Placing Shares will commence on AIM at 8.00 a.m. on 22 March 2021. Subject to certain conditions being satisfied, including the passing of Resolutions 1 and 2 at the General Meeting and, in relation to the Open Offer Shares only, completion of the Open Offer, it is anticipated that Second Admission will become effective and that dealings in the Second Placing Shares and Open Offer Shares will commence on AIM at 8.00 a.m. on 7 April 2021.

XLMEDIA PLC

(incorporated in Jersey as a public limited liability company under the Companies (Jersey) Law 1991 (as amended) with company number 114467)

PROPOSED ACQUISITION OF SPORTS BETTING DIME

PROPOSED PLACING OF 58,727,398 SHARES AT 40 PENCE PER SHARE

PROPOSED OPEN OFFER OF UP TO 7,503,200 SHARES AT 40 PENCE PER SHARE

PROPOSED SUBSCRIPTION OF 1,272,602 SHARES AT 40 PENCE PER SHARE

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

The Directors and the Company accept responsibility, both collectively and individually, for the information contained in this document and compliance with the AIM Rules. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

You should read the whole of this document. Your attention is drawn to the letter from the Chairman set out in Part 1 of this document which provides details of the Fundraising and recommends that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below and to the “Risk Factors” in Part 2 of this document. Notice convening the General Meeting of the Company, to be held at 11:00 a.m. at The Courtyard Suite, 21-25 Hart Street, Henley-on-Thames, RG9 2AR United Kingdom, on 6 April 2021, is set out at Part 6 of this document. Voting instructions should be completed by Shareholders in accordance with the instructions printed thereon, as soon as possible, but in any event, so as to be received by Link Group by no later than 11:00 a.m. on 1 April 2021 (or, in the case of an adjournment of the General Meeting, not later than 48 hours (excluding non-working days) before the time fixed for the holding of the adjourned meeting).

If you hold your Shares in uncertificated form in CREST, you may appoint proxies by using the CREST electronic proxy appointment service in accordance with the procedures set out in the CREST Manual using CREST ID: RA10. The latest time by which an instruction must be validly entered through the CREST electronic proxy appointment service is 11:00 a.m. on 1 April 2021 (or, if the meeting is adjourned, not less than 48 hours (excluding non-working days) before the time fixed for the adjourned meeting).

Please refer to the detailed notes contained in the Notice of General Meeting.

The latest time and date for acceptance and payment in full under the Open Offer is 11:00 a.m. on 1 April 2021. The procedure for acceptance and payment of Open Offer Entitlements is set out in Part 3 of this document and, where relevant, in the Application Form to be sent to Qualifying Non-CREST Shareholders.

Due to the COVID-19 pandemic and the Government’s measures to restrict travel and public gatherings currently in force, including the prohibition on public gatherings, Shareholders (other than the two necessary to be present in person or by proxy to form a quorum) will not be able to attend and vote at the General Meeting in person and therefore all Shareholders are strongly requested to submit a Form of Proxy. Please see paragraph 10 of the letter from the Chairman set out in Part 1 of this document for further details.

Cenkos Securities plc (“**Cenkos**”) which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser and joint broker to XLMedia PLC and for no one else, including any recipient of this document, in connection with the Fundraising and other matters referred to in this document and will not be responsible to anyone other than XLMedia PLC for providing the protections afforded to clients of Cenkos or for affording advice in relation to the Fundraising or any other matter referred to in this document. Cenkos has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Cenkos nor does it make any representation or warranty, express or implied, for the accuracy of any information or opinions contained in this document or for the omission of any information. Cenkos expressly disclaims all and any responsibility or liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this document. The responsibilities of Cenkos as the Company’s nominated adviser and joint broker under the AIM Rules and the AIM Rules for Nominated Advisers are owed to the London Stock Exchange solely and are not owed to XLMedia PLC or to any Director, Shareholder or any other person in respect of such Shareholder’s decision to acquire Shares in reliance on any part of this document or otherwise.

Joh. Berenberg, Gossler & Co. KG, London Branch (“**Berenberg**”), which is authorised and regulated in Germany by the German Federal Financial Supervisory Authority (BaFin) and subject to limited regulation by the FCA, is acting solely in its capacity as joint broker to XLMedia PLC and for no one else, including any recipient of this document, in connection with the Fundraising and other matters referred to in this document and will not be responsible to anyone other than XLMedia PLC for providing the protections afforded to clients of Berenberg or for affording advice in relation to the Fundraising or any other matter referred to in this document. Berenberg has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Berenberg nor does it make any representation or warranty, express or implied, for the accuracy of any information or opinions contained in this document or for the omission of any information. Berenberg expressly disclaims all and any responsibility or liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this document.

This document is for information purposes and does not constitute an offer to sell or an invitation to subscribe for, or solicitation of an offer to subscribe for or buy New Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation. In particular, this document must not be taken, transmitted, distributed or sent, directly or indirectly, in, or into, the United States of America, Canada, New Zealand, Australia, Japan, the Republic of South Africa, or transmitted, distributed or sent to, or by, any national, resident or citizen of such countries. Accordingly, the New Shares may not be offered or sold, directly or indirectly, in or into, the United States of America, Canada, New Zealand, Australia, Japan, or the Republic of South Africa, or in any other country, territory or jurisdiction where to do so may contravene local securities laws or regulations. The Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933 as amended (the “**US Securities Act**”), or qualified for sale under the laws of any state of the United States or under the applicable laws of any of Canada, New Zealand, Australia, Japan, or the Republic of South Africa and may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S) or to any national, resident or citizen of Canada, New Zealand, Australia, Japan, or the Republic of South Africa.

This document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “plans”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Directors’ current intentions, beliefs or expectations concerning, among other things, the Group’s results of operations, financial condition, liquidity, prospects, growth, strategies and the Group’s markets. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual results and developments could differ materially from those expressed or implied by the

forward-looking statements. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document are based on certain factors and assumptions, including the Directors' current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's operations, results of operations, growth strategy and liquidity. Whilst the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Save as required by law or by the AIM Rules, none of the Company, Cenkos, Berenberg nor their respective Directors undertakes any obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors' expectations or to reflect events or circumstances after the date of this document.

Shareholders should not construe the contents of this document as legal, tax or financial advice, and should consult with their own advisers as to the matters described therein.

A copy of this document is available, subject to certain restrictions relating to persons resident in certain overseas jurisdictions, at the Company's website www.XLMedia.com/investor-relations/presentations-reports-documents.

This document is dated 19 March 2021.

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DIRECTORS, SECRETARY AND ADVISERS

Directors	Christopher Bell (<i>Chairman</i>) Stuart Simms (<i>Chief Executive Officer</i>) Iain Balchin (<i>Chief Finance Officer</i>) Richard Rosenberg (<i>Non-Executive Director</i>) Ory Weihs (<i>Non-Executive Director</i>) Jonas Mårtensson (<i>Non-Executive Director</i>) (whose business addresses are the Company's Registered Office)
Company Secretary	Ms. Michal Badhav (whose business address is the Company's Registered Office)
Registered Office	12 Castle Street. St. Helier, Jersey JE2 3RT
Company website	www.xlmedia.com/
Nominated Adviser and Joint Broker	Cenkos Securities plc 6.7.8 Tokenhouse Yard London EC2R 7AS
Joint Broker	Joh. Berenberg, Gossler & Co.KG, London Branch 60 Threadneedle Street London EC2R 8HP
Legal advisers to the Company as to English law	CMS Cameron McKenna Nabarro Olswang LLP 78 Cannon Street London EC4N 6AF
Legal advisers to the Company as to Jersey law	Carey Olsen Jersey LLP 47 Esplanade St. Helier, Jersey JE1 0RD
Legal adviser to Nominated Adviser and Joint Brokers	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU
Auditors to the Company	Kost Forer Gabbay & Kasierer (a member of Ernst & Young Global) 3 Aminadav Street Tel Aviv 67067 Israel
Registrar	Link Group 10th Floor Central Square 29 Wellington Street Leeds LS1 4DL
Receiving Agent	Link Group Corporate Actions 10th Floor Central Square 29 Wellington Street Leeds LS1 4DL

Company's Bank

Citi Commercial Bank
Canada Sq Service Centre
Citigroup
25 Canada Square
London
E14 5LB

EXPECTED TIMETABLE

2021

Record Date for entitlements under the Open Offer	6.00 p.m. on 16 March
Announcement of the Acquisition and Fundraising	7.00 a.m. on 18 March
Existing Shares marked “ex” by the London Stock Exchange	8.00 a.m. on 18 March
Announcement of the results of the Placing and Subscription	18 March
Publication and dispatch of this document and, to Qualifying Non-CREST Shareholders, the Application Form	19 March
Open Offer Entitlements and Excess Open Offer Entitlements credited to CREST stock accounts of Qualifying CREST Shareholders	As soon as practical after 8.00 a.m. 19 March
First Admission and commencement of dealings of the First Placing Shares and First Subscription Shares	8.00 a.m. on 22 March
Latest recommended time and date for requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. on 26 March
Latest time and date for depositing Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST	3.00 p.m. on 29 March
Latest time and date for splitting of Application Forms under the Open Offer	3.00 p.m. on 30 March
Latest time for receipt of CREST proxy instructions and CREST voting instructions	11.00 a.m. on 1 April
Latest time and date for receipt of Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate)	11.00 a.m. on 1 April
General Meeting	11.00 a.m. on 6 April
Announcement of the results of the General Meeting and the Open Offer	6 April
Second Admission and commencement of dealings of the Second Placing Shares, Second Subscription Shares and Open Offer Shares	8.00 a.m. on 7 April
Second Placing Shares, Second Subscription Shares and Open Offer Shares credited to CREST stock accounts	7 April
Expected date for despatch of the definitive share certificates for the Placing Shares, Subscription Shares and Open Offer Shares	Within 5 days from Second Admission

Notes:

- 1 Each of the times and dates referred to in the expected timetable above and elsewhere in this document are indicative only and may be extended or brought forward at the absolute discretion of the Company, Cenkos and Berenberg. If any of the above times and/or dates change, the revised time(s) and/or date(s) will be notified to Shareholders by an announcement through a Regulatory Information Service.
- 2 All times referred to in this document are, unless otherwise stated, references to London time.
- 3 All events listed in the above timetable following the General Meeting are conditional on the passing of the Resolutions at the General Meeting.

FUNDRAISING STATISTICS

Issue Price	40 pence
Number of Existing Shares as at the date of this document	195,083,205
Number of First Placing Shares	18,236,585
Number of Second Placing Shares	40,490,813
Total number of Placing Shares to be issued by the Company	58,727,398
Number of First Subscription Shares	476,281
Number of Second Subscription Shares	796,321
Number of Subscription Shares to be issued by the Company	1,272,602
Gross proceeds from the Placing and Subscription	£24 million
Open Offer Entitlement	1 for every 26
Maximum number of Open Offer Shares	7,503,200
Maximum gross proceeds from the Open Offer	£3.0 million
Estimated net proceeds of the Fundraising ⁽¹⁾	up to £25.9 million
Number of New Shares to be issued by the Company pursuant to the Fundraising ⁽¹⁾	67,503,200
Issued share capital immediately following First Admission	213,796,071
Market capitalisation immediately following First Admission at the Issue Price ⁽¹⁾	£85.5 million
Issued share capital immediately following Second Admission ⁽¹⁾	262,586,405
Market capitalisation immediately following Second Admission at the Issue Price ⁽¹⁾	£105.0 million
Placing Shares and Subscription Shares as a percentage of the Enlarged Issued Share Capital following Second Admission	22.8 per cent.
Fundraising Shares as a percentage of the Enlarged Issued Share Capital following Second Admission ⁽¹⁾	25.7 per cent.
Ordinary Share ISIN	JE00BH6XDL31
Open Offer Entitlement ISIN	JE00BKQN4W27
Excess CREST Open Offer Entitlement ISIN	JE00BKQN4X34

Notes:

(1) Assuming no further issue of Shares prior to the issue of the New Shares taken-up in full under the Open Offer by Qualifying Shareholders

PART 1
LETTER FROM THE CHAIRMAN
XLMedia PLC

(incorporated in Jersey as a public limited liability company under the Companies (Jersey) Law 1991 (as amended) with company number 114467)

Directors:

Christopher Bell, *Independent Non-Executive Chairman*
Stuart Simms, *Chief Executive Officer and Director*
Iain Balchin, *Chief Financial Officer and Director*
Richard Rosenberg, *Independent Non-Executive Director*
Ory Weihs, *Non-Executive Director*
Jonas Mårtensson, *Independent Non-Executive Director*

Registered Office:

12 Castle Street
St Helier
Jersey
JE2 3RT

19 March 2021

Dear Shareholder

PROPOSED ACQUISITION OF SPORTS BETTING DIME
PROPOSED PLACING OF 58,727,398 SHARES AT 40 PENCE PER SHARE
PROPOSED OPEN OFFER OF UP TO 7,503,200 SHARES AT 40 PENCE PER SHARE
PROPOSED SUBSCRIPTION OF 1,272,602 SHARES AT 40 PENCE PER SHARE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

The Company announced on 18 March 2021 that it has entered into an asset purchase agreement to acquire the business and assets of Sports Betting Dime and conditionally raised gross proceeds of approximately £24 million (US\$33.4 million) (before expenses) pursuant to the Placing and Subscription to part-fund the Acquisition. The Placing has been undertaken by each of Cenkos and Berenberg.

Concurrently with completing the Acquisition, the Company will issue 18,236,585 Placing Shares raising approximately £7.3 million (US\$10.1 million) gross at the Issue Price conditional only upon First Admission. The Company will issue a further 40,490,813 Placing Shares raising a further approximate £16.2 million (US\$22.5 million) gross conditional on, *inter alia*, the passing (without amendment) of Resolutions 1 and 2 by Shareholders at the General Meeting, notice of which is set out in Part 6 of this document.

In addition, certain directors and employees of the Company have conditionally agreed to subscribe for, in aggregate, a total of £509,040.80 for 1,272,602 Subscription Shares at the Issue Price pursuant to the Subscription.

In addition, in order to provide Qualifying Shareholders with an opportunity to participate in the proposed Fundraising, the Company proposes to issue up to 7,503,200 Open Offer Shares on a pre-emptive basis to raise up to approximately £3 million (US\$4.2 million) (before fees and expenses), on the basis of 1 new Ordinary Share for every 26 Existing Shares held on the Record Date, at the Issue Price, payable in full on acceptance.

The Placing Shares are not subject to clawback and are not part of the Open Offer.

This letter sets out the background to, and reasons for, the Acquisition and the Fundraising and the Board's recommendation to Shareholders to vote in favour of the Resolutions at the General Meeting.

Please see the important notice set out in paragraph 11 of this Part 1 concerning the implications that the COVID-19 pandemic will have on attendance at the General Meeting and the measures that the Company is putting in place in respect of the same.

1. Background on XLMedia

XLMedia is an online performance-based digital publishing business operating across multiple territories, focused on audience segmentation, engagement and activation. It seeks to deliver high quality consumer engagement through its core branded sites in personal finance, sports and gaming, enabling it to direct paying customers to its partners for an agreed fee, structured either as a one-off payment or a share of ongoing revenues associated with these activities. Depending on the nature of the site, XLMedia seeks to educate and engage its consumers with strong editorial content, videos and guides, comparison tables, widgets and calculators and tips.

The Company has been an affiliate marketer to the gambling sector since 2008 and has been active in personal finance since August 2017, giving it a strong understanding of operating in regulated markets and a significant historical proprietary databank providing insight into consumer trends. It has developed strong commercial relationships, working with its international casino, sports betting and personal finance partners, with over 300 partners and brands. Its strategy is to build a balanced portfolio of assets in diverse geographies, verticals and stage of maturity, that are capable of delivering sustainable growth opportunities with the balance moving towards more regulated markets, specifically the US and sports. It is seeking to hold premium banded assets, that are content-rich and consumer-centric.

Current Trading

XLM expects to deliver revenue of at least \$54.5m and an adjusted EDITDA of approximately \$11.5m for FY2020. The revenues in the second half of 2020 saw a recovery following lockdown easing and the return of professional sports. As previously announced, Company continues to pursue a multi-track approach to recovering the Casino vertical, where a number of sites were penalised by Google in early 2020. Following the addition of CBWG to the Group in December 2020, 2021 has started strongly with unaudited January 2021 revenue for the Group of \$5.8 million and EBITDA of \$1.4 million.

The Company will provide a further update on current trading with the Financial Results for the Year Ended 31 December 2020, currently expected on 27 April 2021.

2. Background to and reasons for the Acquisition and the Fundraising

Following the appointment of Stuart Simms as CEO in October 2019, the Company sought to increase its focus on North America, with a key goal of making acquisitions and generating revenue growth in the US sports betting market. In June 2020, the Group appointed Ken Dorward to head up XLMedia's US Business and in December 2020 the Company acquired CBWG, a highly successful and fast-growing digital media publishing group with a focus on professional and college sports, sports gambling and sports betting in the USA North East. In addition to its own sites, CBWG has an agency capability, which enables popular sports sites to monetise their consumer traffic, using CBWG's customer relationships, for which it charges a revenue split.

CBWG's sites generated unaudited revenue and EBITDA (before founders' compensation) of approximately US\$4.6m and approximately US\$2.7m respectively over the 12 months to October 2020. These sites have outperformed their acquisition case, with unaudited revenues in the first two months of 2021 of US\$2.67m vs. US\$1.11m in the acquisition case, capitalising on market growth trends and the strong Q1 seasonality in the US that results from the timing of certain major sporting events. Whilst traffic data for January 2021 indicates that the majority of CBWG's sites focus on the sporting activity in specific states of the US where sports betting is legal, it also indicate that it receives approximately 41% of its traffic from currently unregulated states. It does not attempt to monetise this traffic at present, but this provides a significant opportunity as the regulatory roll out continues. A strong example of this would be the potential opportunity for its New York focussed site www.elitesportsny.com in the event that New York state becomes regulated for online sports betting.

Background to US Sport Betting Regulation

In 1992, the Professional and Amateur Sports Protection Act (PASPA) was enacted in the US, a federal law that made the business of bookmaking illegal in all but a handful of states. The increasing uptake of the internet by the early 2000s meant that much of the illegal sports gaming in the US was happening online with operators outside of the US (offshore). In 2018 The American

Gaming Association (AGA) estimated that close to US\$150 billion worth of bets were placed with these offshore operators annually.

In June 2017, the Supreme Court of the US agreed to hear an appeal by the state of New Jersey against the prohibition on sports betting and in May 2018 ruled that PASPA was unconstitutional. This opened up the market, allowing each state to determine its own regulatory approach.

State regulation has taken a number of different forms including permitting only state monopolies, physical sports betting only or allowing full online/mobile access. To date, approximately 26 US states have opened up to some form of sports betting, with a number of states actively pursuing bills through their state legislatures to allow regulated betting to occur. Eilers & Krejcik Analysts, a research and consulting firm focused on the gaming industry, has predicted that by the end of 2022, 34 states will have some form of legalised sports betting, giving access to 57% of US population.

While in the main, state regulation (like PASPA before it) is focussed on the operators, affiliate marketers are also subject to regulatory constraints and are not permitted to seek to monetise traffic from unregulated states. Prior to the creation of an effective legal market for sports betting, a number of affiliates operated offshore, directing US traffic to offshore operators.

Recent examples demonstrate that state regulators appear keen to bring offshore assets under their regulatory control, providing greater consumer protection and allowing them to access the tax revenues from the activity. In the affiliate market, Vegasinsider.com, a national provider of sports betting odds, was originally an offshore asset before being acquired and brought into the regulated market. In the move onshore, regulators have focussed on excluding previous owners, senior management and the entities themselves, making it difficult for these businesses to come onshore other than through acquisition. However, the websites themselves, when acquired as an asset by regulated businesses and meeting all regulatory standards, have not been subject to sanction, limiting regulatory risk for acquirers.

XLMedia is currently active in 9 states (Colorado, Illinois, Indiana, Iowa, Michigan, New Jersey, Pennsylvania, Tennessee and Virginia) and ongoing state level regulation is expected to result in a growing addressable market of new customers.

The Acquisition of Sports Betting Dime

On 18 March 2021, the Board announced that it had entered into an asset purchase agreement Lucky Panda Marketing Inc. and Nelson Media S.A. as the vendors of the business and assets of Sports Betting Dime (“SBD”), a US sports betting affiliate site (www.sportsbettingdime.com).

As far back as June 2018, only a month after the Supreme Court had struck down PASPA, the board had identified the US sports betting market as a significant growth opportunity, but there were limited acquisition opportunities while owners waited to see how the market developed. While there was some M&A activity in the wider market later in the following year (such as the sales of scoresandodds.com and VegasInsider.com) the market was still limited by the low number of regulated states. By Autumn 2020, with the landscape for the acquisition of assets with strong brand and traffic becoming increasingly competitive and asset prices rising with the market, the board identified and approached two of the small number of available US sports betting assets – CBWG and SBD. The Board believes that now is the optimum timing for a second acquisition, with the market having developed sufficiently to be able to monetise traffic but before development of the market drives the prices of assets to higher levels.

The Board considers these two assets, CBWG and SBD, to be highly complementary, with CBWG focussed on geographically relevant sports content and SBD a national sports betting brand. Following the successful acquisition of CBWG in December 2020, the Directors considered XLMedia to be well positioned with a quality on-shore US sports betting operation that would act as a stable platform to bring on a formerly offshore asset. XLMedia worked with SBD to prepare the business to come onshore, including turning off all revenue from the United States and holding discussions with the regulator, while maintaining levels of marketing and continuing to generate strong traffic. On acquisition, XLM will be able to leverage the Company’s existing deals with operators and start to monetise the traffic in regulated states in which XLM is registered or licensed using XLMedia’s existing operator agreements.

The business of SBD is centered on its website SportsBettingDime.com which has been one of the largest US offshore affiliate websites in the marketplace, competing with “national” brands such as oddsshark, actionnetwork, vegasinsider and covers.com. The website provides a content rich resource for sport bettors with the data and tools for novices and experts, including the latest betting odds, trends, reports, futures trackers, and analysis, and how-to betting guides. It covers the core US sports of football, basketball, baseball and ice hockey as well as MMA, golf and college football.

With over 1.2 million sessions, during January 2021, SBD received more website traffic than CBWG’s top 3 sites in aggregate, even with CBWG growing rapidly in recent months. The Acquisition provides access to all currently regulated states as well as to-be-regulated states for the future with management estimating that approximately 31% of the traffic comes from currently regulated states. The focus of the site on sports betting and its rich, informative content means it is targeted at high intent user which management expects to result in strong conversion rates.

SBD offers technology expertise, with a fully integrated platform housing its holistic product suite and recognised apps and widgets, enhancing the business’ marketing capabilities. The Board expects that SBD’s marketing capabilities and technology will complement XLMedia’s current SEO expertise, and bolster the function of XLMedia’s existing successful personal finance websites in North America. SBD generated revenue of approximately \$13.6m and EBITDA of approximately \$7.0m in the 12 months to September 2020 but this relates to a period of time when the business was operating offshore and its business model was focussed serving the unregulated US market. The Directors do not consider this to be indicative of the revenues achievable by targeting regulated states in the US market leveraging XLM’s relationships with regulated operators.

The Acquisition includes, subject to regulatory consent, the transfer to XLMedia of a highly talented team of full time employees and contractors of approximately 29, focussed on content, marketing, SEO and technology development, adding key skills to the broader Group.

The Acquisition is expected to deliver on the following key benefits for the Company:

- Cements the Company’s position in US Sports betting, a high growth market
- Advances the Company’s strategy to move to regulated markets and increases exposure to the US
- Greatly enhances value of recent acquisition of CBWG
- Adds a strong team and new capabilities
- Provides strong technology to leverage unmonetised third party traffic (Agency Business).

3. Terms of the Acquisition

Pursuant to the terms of the Acquisition Agreement, XLMedia shall pay the SBD vendors an initial cash payment of US \$11 million upon completion of the Acquisition, with an additional up front amount of \$500,000 per month as a reimbursement for operating expenses from 31 December 2020 to completion of the Acquisition. An additional US\$10 million cash payment is to be paid to the SBD vendors on the first anniversary of the Acquisition and a further US\$3.7 million cash payment 18 months after completion of the Acquisition. This brings the total consideration to approximately US\$26 million.

4. Use of Proceeds

The Directors intend that the net proceeds of the Fundraising will be used mainly to finance the consideration under the Acquisition Agreement. The net proceeds from the First Placing and the issue of the First Subscription Shares will be applied to the initial purchase consideration of US\$11 million to be paid on completion of the Acquisition, which is expected to occur on or around 22 March 2021. Any proceeds of the Fundraising which are not used to fund the initial purchase consideration due under the Acquisition Agreement will be used for the Group’s general corporate purposes and to provide certainty of funding of the remaining consideration due.

5. Details of the Placing

Placing

The Company proposes to raise gross proceeds of approximately £24 million through the issue of the Placing Shares and Subscription Shares at the Issue Price. The First Placing is being underwritten by Berenberg at a price of 40 pence per First Placing Share. The Second Placing, the Subscription and the Open Offer are not being underwritten.

The Company's existing share allotment authorities and existing disapplication of statutory pre-emption rights authority are sufficient to satisfy the allotment of the First Placing Shares and First Subscription Shares but not in respect of the Second Placing Shares, Second Subscription Shares and the Open Offer Shares. Accordingly, the Company is seeking to increase its share allotment authorities at the General Meeting to allow for the allotment of the Second Placing Shares and the Open Offer Shares.

At the General Meeting, the Company is also seeking to extend its existing disapplication of pre-emption rights authority in connection with: (i) the allotment of the Second Placing Shares, the Second Subscription Shares and the Open Offer Shares and (ii) the allotment of an additional 10 per cent. of the Enlarged Share Capital as at the date of Second Admission (but ignoring any Open Offer Shares).

Therefore the issue of the Second Placing Shares, Second Subscription Shares and Open Offer Shares is conditional on the passing of Resolutions 1 and 2.

If Resolutions 1 and 2 are not passed at the General Meeting, the Second Placing Shares, the Subscription Shares and Open Offer Shares will not be issued, the proceeds of the Placing of the Second Placing Shares, the Second Subscription Shares and the Open Offer will not be available to the Company and this would lead to the Company having to seek other means of satisfying the remaining future consideration and limit further investment in growth.

The Issue Price of 40 pence per Placing Share and Subscription Share represents a 6.5 per cent. discount to the 20 day volume weighted average price (VWAP) of 42.8 pence prior to 18 March 2021. Following First Admission, the First Placing Shares and First Subscription Shares will represent approximately 8.8 per cent. of the then Enlarged Share Capital. Following Second Admission, the Fundraising Shares will represent approximately 25.7 per cent. in aggregate of the then Enlarged Share Capital (assuming full take up of Open Offer Shares under the Open Offer).

The First Placing is conditional on, among other things, First Admission and is expected to complete at 8.00 a.m. on 22 March 2021, being the expected date of First Admission.

The Second Placing is conditional on, among other things, the passing of Resolutions 1 and 2 at the General Meeting, and is expected to complete at 8.00 a.m. on 7 April 2021, being the expected date of Second Admission. If any of the conditions are not satisfied, the Second Placing Shares will not be issued and all monies received from placees will be returned to them (at such placees' risk and without interest). A summary of the Placing Agreement is set out in paragraph 8 of Part 1 of this document.

The Placing Shares are not subject to clawback and are not part of or subject to any condition related to the Open Offer.

The First Placing Shares and Second Placing Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of First Admission, in the case of the First Placing Shares and after the date of Second Admission, in the case of the Second Placing Shares.

Participation by the Directors in the Fundraising

The Directors Chris Bell, Stuart Simms and Iain Balchin are participating in the Placing and have agreed to subscribe for 400,625 Placing Shares in aggregate with a value of £160,250 at the Issue Price; and Ory Weihs and Richard Rosenberg are participating in the Subscription and have agreed to subscribe for 463,250 Subscription Shares in aggregate with a value of £185,300 at the Issue Price. These Directors have agreed not to take up any entitlements they have under the Open Offer.

Following Second Admission (and assuming that the maximum number of Open Offer Shares are taken up under the Open Offer), the Directors' interests in Shares will be as follows:

<i>Director</i>	<i>On the date of this document</i>		<i>Number of Placing/ Subscription Shares</i>	<i>On Second Admission</i>	
	<i>Number of Existing Shares</i>	<i>Percentage of Existing Shares</i>		<i>Number of Shares⁽¹⁾</i>	<i>Percentage of Shares on Second Admission⁽¹⁾</i>
Christopher Bell	357,000	0.2%	250,000	607,000	0.2%
Ory Weihs	7,687,444	3.9%	450,000	8,137,444	3.1%
Stuart Simms	879,973	0.5%	125,000	1,004,973	0.4%
Iain Balchin	100,000	0.1%	25,625	125,625	0.0%
Richard Rosenberg	51,000	0.0%	13,250	64,250	0.0%
Jonas Martensson	Nil	0.0%	—	—	—

(1) Assuming full take up of all Open Offer Shares available under the Open Offer.

As a Director is a related party of the Company pursuant to the AIM Rules, the participation by the Directors in the Placing is a related party transaction for the purposes of AIM Rule 13. Chris Bell, Stuart Simms, Iain Balchin, Ory Weihs and Richard Rosenberg are participating in the Placing and/or Subscription and therefore would not be considered independent in this respect. Jonas Mårtensson as the sole independent director, having consulted with Cenkos in its capacity as Nominated Adviser to the Company for the purposes of the AIM Rules considers that the participation by Chris Bell, Stuart Simms, Iain Balchin, Ory Weihs and Richard Rosenberg in the Placing and/or Subscription is fair and reasonable insofar as Shareholders are concerned.

Settlement and Dealings

Application has been made to the London Stock Exchange for the First Placing Shares and Second Subscription Shares to be admitted to trading on AIM. First Admission is expected to take place and trading will commence on AIM at 8.00 a.m. on 22 March 2021.

Application will be made to the London Stock Exchange for the Second Placing Shares, the Second Subscription Shares and the Open Offer Shares to be admitted to trading on AIM. Second Admission is expected to take place and trading will commence on AIM at 8.00 a.m. on 7 April 2021.

Following the issue of the New Shares, it is expected that the Company will have 262,586,405 Shares in issue, assuming take-up in full of the Open Offer by Qualifying Shareholders.

6. Details of the Subscriptions

Ory Weihs and Richard Rosenberg, current Directors of the Company, have agreed to invest £185,300 in the Fundraising by subscribing for 463,250 Subscription Shares each in the Subscription.

Jason Ziernicki and Kyle Laskowski, the former founders of the CBWG business, have agreed to invest US\$200,000 each in the Fundraising by subscribing for 359,712 Subscription Shares each in the Subscription through Warwick Gaming LLC and CB Sports LLC, entities controlled by them.

In addition, Ken Dorward, President of XLM's US business, has agreed to invest US\$50,000 in the Fundraising by subscribing for 89,928 Subscription Shares.

7. Details of the Open Offer

The Company is proposing to raise up to a further approximately £3 million (before expenses) by the issue of up to 7,503,200 Open Offer Shares under the Open Offer at the Issue Price, payable in full on acceptance. Any entitlements to Open Offer Shares not subscribed for by Qualifying Shareholders will be available to Qualifying Shareholders under the Excess Application Facility. The balance of any Open Offer Shares not subscribed for under the Excess Application Facility will not be available to placees under the Placing.

Qualifying Shareholders should note that the Open Offer is not a rights issue and therefore the Open Offer Shares which Qualifying Shareholders do not apply for will not be sold in the market for

the benefit of Qualifying Shareholders who do not apply for Open Offer Shares. The Application Form is not a document of title and cannot be traded or otherwise transferred.

Qualifying Shareholders may apply for Open Offer Shares under the Open Offer at the Issue Price *pro rata* to their holdings of Existing Shares on the Record Date on the basis of:

1 Open Offer Shares for every 26 Existing Shares

Entitlements of Qualifying Shareholders will be rounded down to the nearest whole number of Open Offer Shares. Fractional entitlements which would otherwise arise will not be issued to the Qualifying Shareholders but will be made available under the Excess Application Facility. Not all Shareholders will be Qualifying Shareholders. Neither Shareholders who are located in, or are citizens of, or have a registered office in a Restricted Jurisdiction will qualify to participate in the Open Offer. The attention of Overseas Shareholders is drawn to paragraph 6 of Part 3 of this document.

Qualifying Shareholders may also make applications in excess of their Open Offer Entitlements. To the extent that Open Offer Entitlements are not subscribed by Qualifying Shareholders, such Excess Shares will be available to satisfy such excess applications, subject to the maximum number of Open Offer Shares in aggregate. To the extent that applications are received in respect of an aggregate of more than the number of Open Offer Shares available, excess applications will be scaled back accordingly. Any qualifying shareholder with no basic entitlement cannot apply under the excess facility.

Valid applications by Qualifying Shareholders will be satisfied in full up to their Open Offer Entitlements. Applicants can apply for less or more than their entitlements under the Open Offer, but the Company cannot guarantee that any application for Excess Shares under the Excess Application Facility will be satisfied, as this will depend, in part, on the extent to which other Qualifying Shareholders apply for less than or more than their own Open Offer Entitlements. The Company may satisfy valid applications for Excess Shares in whole or in part but reserves the right not to satisfy any excess application above any Open Offer Entitlement.

The Board (having consulted with Berenberg and Cenkos) may scale back applications made in excess of Open Offer Entitlements on such basis as it reasonably considers to be appropriate.

The Open Offer Shares must be paid for in full on application. If you have received an Application Form with this document, please refer to Part 3 of this document. If you hold your Shares in CREST and have received a credit of Open Offer Entitlements to your CREST Stock Account, please refer to Part 3 of this document and also to the CREST Manual for further information on the CREST procedures referred to below.

Further details of the Open Offer and the terms and conditions on which it is being made, including the procedure for application and payment, are contained in Part 3 of this document and, where relevant, on the accompanying Application Form.

The Open Offer is conditional on the Placing becoming or being declared unconditional in all respects and not being terminated before Second Admission. The other principal conditions to the Open Offer are:

- (a) the passing (without amendment) of Resolutions 1 and 2 at the General Meeting;
- (b) the Placing Agreement becoming or being declared unconditional in all respects and not terminated in accordance with its terms prior to Admission; and
- (c) Second Admission becoming effective by no later than 8.00 a.m. on 7 April 2021 or such later time and/or date (being no later than 30 April 2021) as the Banks and the Company may agree.

Accordingly, if these conditions are not satisfied or waived (where capable of waiver), the Open Offer will not proceed and the Open Offer Shares will not be issued and all monies received by Link Group will be returned to the applicants (at the applicants' risk and without interest) as soon as possible thereafter.

The Open Offer Shares will be issued free of all liens, charges and encumbrances and will, when issued and fully paid, rank *pari passu* in all respects with the Existing Shares and the Placing

Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of their issue.

8. Details of the Placing Agreement

On 18 March 2021, the Company, Cenkos and Berenberg entered into the Placing Agreement pursuant to which each of the Banks agreed, subject to certain conditions, to use their respective reasonable endeavours (as agents for the Company) to procure subscribers for the Placing Shares at the Issue Price. The First Placing is conditional, *inter alia*, on First Admission occurring not later than 8.00 a.m. on 22 March 2021 (or such later time or date as the Banks may agree with the Company, in any event being no later than 8.30 a.m. on 31 March 2021). The Second Placing is conditional, *inter alia*, on the passing of the Resolutions and Second Admission occurring not later than 8.00 a.m. on 7 April 2021 (or such later time or date as the Banks may agree with the Company, in any event being no later than 8.30 a.m. on 30 April 2021).

The First Placing is being underwritten by Berenberg at a price of 40 pence per First Placing Share. The Second Placing is not being underwritten.

The Placing Agreement contains customary warranties given by the Company to the Banks in respect of the Placing as well as other matters relating, *inter alia*, the accuracy of the information in this document, the Group and its business. In addition, the Company has provided a customary indemnity to the Banks in respect of liabilities arising out of or in connection with the Placing and Open Offer. The Placing Agreement also contains provisions entitling the Banks to terminate the Placing Agreement at any time prior to First Admission and at any time between First Admission and Second Admission respectively, in certain circumstances, including but not limited to, in the event that warranty is or has ceased to be, true and accurate and not misleading, the failure of the Company to comply in any material respect with any of its obligations under the Placing Agreement, the occurrence of certain *force majeure* events or a material adverse change affecting the condition, or the earnings or business affairs or prospects of the Group as a whole, whether or not arising in the ordinary course of business. In particular, if the Acquisition Agreement is terminated at any time prior to First Admission, the Banks shall have a right to terminate the Placing Agreement.

The Company has agreed to pay the Banks, in aggregate, a corporate finance fee of £50,000 together with a commission of 4 per cent. of the aggregate value at the Issue Price of the Placing Shares, other than those Placing Shares subscribed for by the Company's largest shareholder, Premier Investissement SAS and its associates, in respect of which the commission rate shall be 3 per cent.. In addition, Berenberg will receive an additional commission of 1 per cent. of the aggregate value at the Issue Price of the First Placing Shares in consideration for underwriting the First Placing.

Subject to certain conditions being satisfied, it is anticipated that First Admission will become effective and that dealings in the First Placing Shares will commence on AIM at 8.00 a.m. on 22 March 2021. Subject to certain conditions being satisfied, including the passing of the Resolutions at the General Meeting and, in relation to the Open Offer Shares only, completion of the Open Offer, it is anticipated that Second Admission will become effective and that dealings in the Second Placing Shares and Open Offer Shares will commence on AIM at 8.00 a.m. on 7 April 2021.

9. Overseas Shareholders

The making of the Open Offer to persons outside the United Kingdom may be prohibited or affected by the relevant laws of the overseas jurisdiction. Shareholders with registered or mailing addresses outside the United Kingdom or who are citizens or nationals of, or resident in, a jurisdiction other than the United Kingdom should read paragraph 6 of Part 3 of this document. It is the responsibility of all Overseas Shareholders to satisfy themselves as to the observance of any legal requirements in their jurisdiction.

10. General Meeting

You will find set out in Part 6 of this document, a notice convening the General Meeting to be held at 11:00 a.m. on 6 April 2021 at The Courtyard Suite, 21-25 Hart Street, Henley-on-Thames, RG9 2AR, United Kingdom. The issue of the Placing Shares, the Subscription Shares and

the Open Offer Shares is conditional upon the passing of Resolutions 1 and 2 at the General Meeting.

The following Resolutions will be proposed at the General Meeting:

Resolution 1 which is an ordinary resolution to authorise the Directors to allot Shares up to an aggregate nominal amount of US\$48,790,334, being equal to 48,790,334 Shares, for the Fundraising;

Resolution 2 which is conditional on the passing of Resolution 1 and is a special resolution to authorise the Directors to allot Shares pursuant to the authority conferred on them by Resolution 1 on a non-pre-emptive basis; and

Resolution 3 which is not conditional on the passing of either of Resolutions 1 or 2 is also a special resolution to authorise the Directors generally to allot Shares for cash as if the pre-emption provisions did not apply to such allotment, up to 25,508,320 Shares, being approximately 10 per cent. of the enlarged issued share capital of the Company immediately following Second Admission (but ignoring any Open Offer Shares).

The authority and the power described in Resolution 1 is in addition to any like authority or power previously conferred on the Directors.

For a resolution proposed as an ordinary resolution to be passed, a simple majority of Shareholders entitled to vote and present in person or by proxy must cast their votes in favour. For a resolution proposed as a special resolution to be passed, a majority of at least 75 per cent. of Shareholders entitled to vote and present in person or by proxy must cast their votes in favour.

The authority conferred pursuant to Resolutions 1 and 2 (unless previously revoked or varied by the Company in general meeting) will expire at the conclusion of the Company's annual general meeting for 2021. The authority conferred pursuant to Resolution 3 (unless previously revoked or varied by the Company in general meeting) will expire on the date falling 18 months following the passing of such Resolution or the conclusion of the Company's annual general meeting for 2021, whichever occurs first.

11. Action to be Taken

In respect of the General Meeting

IMPORTANT NOTICE REGARDING COVID-19 GENERAL MEETING ARRANGEMENTS

It is noted that the Government's measures to restrict travel and public gatherings currently in force include a prohibition against public gatherings. Accordingly, the General Meeting will be restricted to two attendees (including the chairman of the General Meeting), both of whom will be Shareholders or a proxy for a Shareholder or Shareholder for the purposes of forming a quorum. I, or anyone else acting as chairman of the General Meeting, have the power in law and under the Articles to secure the safety of the people attending the General Meeting. Therefore, any Shareholders who seeks to attend the General Meeting may be refused entry and I, or anyone else acting as chairman of the General Meeting, may adjourn the General Meeting because the attendance of any additional Shareholder above the number necessary to form a quorum would be unlawful under the Government's measures. Equally, even if the Government restrictions are relaxed, the safety of persons attending the General Meeting is paramount and, if necessary, the Company may restrict attendance to safeguard the health of attendees.

Please note that the General Meeting will be restricted to its formal business only. We will continue to monitor the fast-changing government guidance and provide any appropriate updates via a Regulatory Information Service and our website www.xlmedia.com.

Shareholders are strongly encouraged to exercise their vote on the Resolutions by submitting a proxy appointment and giving voting instructions. At the General Meeting, the Resolutions will be put to a vote on a poll, rather than on a show of hands. This will result in a more accurate reflection of the views of Shareholders and to ensure that your proxy votes are recognised.

Shareholders are invited to submit to me or the Company Secretary any questions they would otherwise have asked at the General Meeting through a facility on our website www.xlmedia.com. Such questions will be considered by the Board. The Company will

respond to any relevant questions that are received, and may also, if the Board so determines, and subject to any regulatory restrictions, public on our website a summary of responses to questions received.

You can submit your proxy vote electronically by accessing the Shareholder portal at www.signalshares.com. The proxy vote must be received by Link Group, Central Square, 29 Wellington Street, Leeds, LS1 4DL, in each case no later than 11:00 a.m. on 1 April 2021 (or, if the meeting is adjourned, not less than 48 hours (excluding non-working days) before the time fixed for the adjourned meeting).

If you hold your Shares in uncertificated form in CREST, you may vote using the CREST electronic proxy appointment service in accordance with the procedures set out in the CREST Manual using CREST ID: RA10. The latest time by which an instruction must be validly entered through the CREST electronic proxy appointment service is 11:00 a.m. on 1 April 2021 (or, if the meeting is adjourned, not less than 48 hours (excluding non-working days) before the time fixed for the adjourned meeting).

Alternatively, You may request a hard copy form of proxy directly from the registrars, Link Group on 0371 664 0300. Calls cost 12p per minute plus your phone company's access charge. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9:00 a.m. – 5:30 p.m., Monday to Friday excluding public holidays in England and Wales.

In respect of the Open Offer

Qualifying Non-CREST Shareholder

If you are a Qualifying Non-CREST Shareholder, you will have received an Application Form which gives details of your entitlements under the Open Offer (as shown by the number of Open Offer Entitlements allocated to you). If you wish to apply for the number of Open Offer Shares you are entitled to under the Open Offer (as shown by the number of Open Offer Entitlements allocated to you) or more or less Open Offer Shares than you are entitled to under the Open Offer, you should complete the enclosed Application Form in accordance with the procedure for application set out in Part 3 of this document and on the Application Form itself.

Qualifying CREST Shareholder

If you are a Qualifying CREST Shareholder, no Application Form is enclosed and you will receive a credit to your appropriate CREST Stock Account in respect of the Open Offer Entitlements representing your entitlement under the Open Offer. You should refer to the procedure for application set out in Part 3 of this document.

12. Risk Factors and Additional Information

The attention of Shareholders is drawn to the risk factors set out in Part 2 of this document and the information contained in Parts 3 and 4, which provide additional information on the Open Offer.

13. Documents Available for Inspection

As at the date of this document, the Company's registered office is not open to members of the general public in accordance with the latest measures imposed by the UK Government in response to the COVID-19 pandemic. Copies of this document and the consent letters from each of Cenkos and Berenberg are available from the Company on request by email to ir@xlmedia.com from the date of this document up to and including the date of the General Meeting.

14. General

If you have any questions relating to this document, and the completion and return of the (if relevant) the Application Form, please telephone Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

If you require such advice, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the FSMA immediately or, if you are in a jurisdiction outside the United Kingdom, another appropriately authorised independent financial adviser.

15. Recommendation

The Directors believe that the Fundraising is in the best interests of the Company and the Shareholders, taken as a whole. The initial payment for the Acquisition will be funded by the net proceeds of the First Placing (which is not subject to shareholder approval) and the Group's existing resources. However, the Directors believe that the proceeds of the Second Placing are important to ensure a strong balance sheet for the payment of the deferred consideration on the Acquisition and potential earn outs payments on CBWG. Therefore, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions as they intend to do in respect of their own interests in 9,075,417 Shares in aggregate, representing approximately 4.7 per cent. of the Existing Shares.

If Shareholders do not vote in favour of the Resolutions, the Second Placing and the Open Offer will not proceed and the Company may have to seek other sources of funding if it wants to fund the deferred portion of the consideration and maintain its expected levels of investment.

Yours faithfully

Christopher Bell

Independent Non-Executive Chairman

PART 2

RISK FACTORS

Investors should be aware of the risks associated with an investment in the Company. An investment in the Company may not be suitable for all recipients of this document. Investors are therefore strongly recommended to consult an investment adviser under FSMA, who specialises on advising on this type of investment, or, if you are in a country outside the United Kingdom, another appropriately authorised independent financial adviser.

Investors should carefully consider whether an investment in the Company is suitable in light of their personal circumstances and the financial resources available to them.

Accordingly, when evaluating whether to invest in the Company, prospective investors should carefully consider the risks described below. If any of the following risks were to materialise, the Group's business, financial condition, results, prospects and/or future operations could be materially adversely affected. In such case, the market price of the Company's shares might decline and investors might lose all or part of their investment. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have a material adverse effect upon the Company. No inference ought to be drawn from the order in which the following risk factors are presented as to their relative importance or potential effect.

1. RISKS RELATING SPECIFICALLY TO THE GROUP

Risks relating to the online gambling regulatory environment

Overview

The Group does not itself operate a gambling business but, as a number of the Group's principal clients are online gambling operators, the gambling regulatory environment has a significant effect on the business of the Group (either directly or indirectly through its effect on the Group's clients' businesses), and in particular, the Group's marketing activities for certain gambling operators.

Online gambling is prohibited in some jurisdictions and regulated in others. In a number of jurisdictions, the legal position is subject to much debate and the position is uncertain. In general terms, it is possible that, subject to the courts in the relevant countries being able to establish jurisdiction, online gambling and the Group's online marketing activities in relation to it, may constitute, a breach of the applicable legislation in these jurisdictions. Whilst in some jurisdictions laws and regulations may not specifically apply to companies that provide online marketing services to gambling operators, this is not universally the case and a number of jurisdictions have sought to regulate or prohibit such supply explicitly. This may potentially expose the Group and/or its Directors to fines and other sanctions.

Furthermore, the Directors cannot predict when (or if) an established regulatory or legislative regime in any country will change, what changes (if any) will be made and what effect (if any) such changes will have on the Group's on-line marketing activities. Investors should be aware that any such changes could have a material adverse effect on the Group's business, financial position and future prospects.

Any future legal proceedings against the Group relating to the provision of online marketing services for operators could involve substantial litigation, expense, penalties, fines, injunctions or other prohibitions being invoked against it or its directors and officers or others and the diversion of the attention of key executives. The outcome of any litigation cannot be predicted.

The Group does not monitor, on a continuous basis, the laws and regulations in every jurisdiction where gambling operators to which it provides marketing services derive their business and, correspondingly, from where the Group may derive its income. It may continue to receive fixed payments, from operators dealing in jurisdictions where the Group may be unaware of the extent of enforcement risk.

In jurisdictions in which online gambling is regulated, the Group relies on its customers obtaining and holding the requisite licences and/or approvals and complying with the terms

of them. In jurisdictions, such as the US, where the provision of online marketing services to gambling operators is itself regulated, the Group seeks to obtain and hold the necessary licences and/or approvals and to ensure that its activities comply with the terms of such licences and/or approvals. The loss of any such licences and/or approvals by the Group and/or by its customers may result in an adverse effect on the Group's financial positions and results of operations. The failure by the Group to obtain any required licences and/or approvals in any jurisdiction would limit or prevent the ability of the Group to carry on and/or commence providing its services to customers in the relevant jurisdiction and possibly others which would have an adverse effect on the Group's financial position and results of operations as well as restricting the Group's ability to grow its business.

In particular, a failure by the Group to maintain its licences in the relevant states in the US in which it operates could result in the Group becoming blacklisted both by regulators and operators in the US which in turn would have a material adverse impact on the Group's reputation, business, its strategy to develop its presence in the US sports gaming and its financial position.

A significant portion of gambling revenues deriving from non-regulated gambling markets

A significant portion of the Group's gambling revenues is derived from non-regulated gambling markets and specifically from Finland, where the future of regulation and enforcement is uncertain. Regulatory changes and increased enforcement may result in volatility and unpredictable revenues and may result in loss of business and revenues.

Gambling laws and regulations as well as online marketing regulations are constantly evolving and may become more stringent

Although the Group does not offer online gambling services to end users, the Group is dependent on the online gambling industry, which comprises the majority of its revenues. The laws and regulations surrounding the online gambling industry are complex, constantly changing and in some cases also subject to uncertainty and interpretation. Moreover, online gambling may become prohibited or highly restricted in countries the Group operates in.

As providers of marketing services to online gambling businesses, the Group is also subject to marketing and advertisement and customer protection laws and regulations. These are also evolving over time and differ between markets and geographies that Group operates in.

If regulations or enforcement policies in the main markets the Group operates in change in a manner that is detrimental to the Group or the Group customers, the Group's ability to generate the revenues may be adversely affected. Moreover, if enforcement or other regulatory actions are brought against any of the Group customers (whether current or future), the Group's revenue streams from such customers may be adversely affected as well.

The activities of the Group and its own marketing affiliates could give rise to legal and regulatory risks

The gambling industry relies on networks of marketing affiliates to promote its services, often by way of localised advertising initiatives. The Group engages with some operators as a master affiliate through its online affiliate program platform under which the Group assigns some of its deals to sub-affiliates that are members of the Group affiliate program. By their nature, affiliate networks operate in such a way that it is not possible for the Group to monitor their day-to-day activities. While the Group seeks to impose terms and conditions on these affiliate networks, should any sub-affiliate of the Group carry out its activities in a manner which is unauthorised by the Group, this could give rise to reputational and legal risks for the Group, which in turn could have a material adverse effect on the Group's reputation, business, financial condition and operating results.

Furthermore, although in many jurisdictions gambling winnings are currently not subject to income tax or are taxed at low rates, this is not the case universally and future regulatory regimes may introduce such taxation and make participation less attractive for players in those jurisdictions in turn having an effect of the profitability of the Group.

Licensing Regimes

Currently the group primarily operates in Europe, Canada, the United States and has licences in Romania and the following US States: New Jersey, Pennsylvania, Colorado, Michigan, Indiana, Tennessee, and Virginia , The Group also recently filed an application for a licence in Greece. The evolution of licensing regimes may develop in a way that is detrimental to the Group. New or changing licensing regimes may impose conditions on the Group or may restrict the Group's ability to provide its online marketing activities, all of which could have a material adverse effect on the Group's business, financial position and future prospects.

Failure of systems and controls could expose to regulatory risk

The technological solutions that gambling operators have in place to block the access to services by customers located in certain jurisdictions may fail. Operators often block access to their products to players located in certain jurisdictions (and for those operating in the US, to states other than those in which the operator is licenced). There is no guarantee that the technical blocks the operators implement will be effective, which could place such operators in breach of the relevant laws and regulations and/or in breach of specific licences they hold, which would also have a detrimental effect on the financial position of such operators and the Group.

Risks relating to the Group's business

Competition may affect the Group's financial performance

The gambling industry and financial services industry served by the Group are extremely competitive and so is the online marketing industry that supports them. Failure to compete effectively may result in a reduction of the traffic that the Group directs to its customers which may lead to a reduction of the income the Group receives from customers.

Most of the Group's customers have their own marketing departments and any growth and development of those departments may reduce the customer's need to use the Group's services. Any such reduction may have a material adverse effect on the financial position of the Group.

The Group must continue to innovate in order to compete

The Group must offer and develop new features and perform regular system updates that will continue to attract a broad range of users in order to continue generate traffic to customer's websites. If the Group is unable to adapt its technology to ensure that it continues to generate significant volumes of traffic to customers its revenues and profitability could be significantly reduced which would negatively impact upon the Group's financial performance.

The Group uses business intelligence tools in order to track the flow of traffic to customers and analyses its quality and conversion into revenue using these tools to improve return on investment. Any inability of the Group to access these tools, for whatever reason, could have a material impact on the Group's ability to analyse its business which could have an adverse effect on financial position of the Group.

The Group is reliant on its top 10 customers

The Group's top 10 customers (in terms of revenue generated) for the six months ended 30 December 2020 contributed 52.8 per cent. of the revenue of the Group and the top such customer contributed 16.3 per cent. To the extent that the businesses of these customers deteriorate, or are adversely affected, whether by any of the issues described in this section or otherwise, the Group's revenue streams from these sources may also be adversely impacted.

The Group does not have signed agreements with a significant number its customers and many of its customer agreements can be terminated on short notice.

As the Group does not have signed agreements with some of the customers it provides marketing services to, it is exposed to unfavourable terms included in customers' online terms and conditions, which may have a material adverse effect on the financial position of

the Group. Failure of the Group to be able to collect revenue earned from customers or enforce any other contractual arrangements with these customers may have a material adverse effect on the financial position of the Group. Many of the contracts that the Group has entered into can be terminated on short notice or at will. To the extent that customers terminate such contracts, this could have an immediate and material adverse effect on the financial position of the Group.

The Group is reliant on its key personnel and employees

Whilst the Group has entered into employment and/or consulting arrangements with each of its executive directors, senior management and key personnel with the aim of securing their services, the Group's future success depends in large part on their continued service, the retention of which cannot be guaranteed. In particular, the loss of the certain members of senior management could materially adversely affect the Group's business.

The Group's ability to compete effectively in the markets in which it operates depends upon its ability to retain and motivate its existing workforce. The loss of a significant number of its employees or any of its key employees, or any increased costs that the Group may incur in order to retain any such employees, may adversely affect the business of the Group.

The Group is reliant on Customer data in relation to its revenues

The Group relies on information provided by its customers in relation to commissions earned by the Group as a result of players' activity. Inadequate information to properly validate commission payments earned by the Group resulting from the lack of advanced data systems, with a heavy reliance on third party (customers') systems, may result in loss of revenue to the Group.

Search engine algorithm updates and manual actions resulting in de-ranking of sites may have an adverse material impact on the Group

The Group relies on the use of specific algorithms used by search engines as well as on manual actions taken by search engines. Any material update to those algorithms as well as any manual actions taken by search engines may damage the ranking of the Group's sites in search results. This would materially disrupt traffic to the Group's websites and decrease the amount of revenues generated by its assets. Any delay in the Group making a full recovery, or if the Group was unable to fully recover, following such an update/manual action could have a material adverse effect on the financial position of the Group.

Search engine operators impose terms and conditions on users of their services, particularly as regards the ranking of particular websites. Any decision, whether manual or automated and whether in accordance with the applicable terms or by way of error or otherwise resulting in the de-ranking of the Group's websites would have a material adverse effect on the Group's financial position and results of operations. For example, in January 2020, the Group became aware that around 100 of its casino sites had been manually de-ranked by Google. The demotion of these websites significantly reduced the Group's ability to generate revenue. The Company is still working to restore these rankings.

Maintenance of computer and communication systems and lack of an information security policy or a disaster recover strategy

The successful operation of the Group's business depends upon it and its operators maintaining the integrity and operation of its and their respective computer and communication systems. However, these systems are vulnerable to damage or interruption from events which are beyond the Group's control such as fire and flood, power loss or telecommunications or data network failure and interruptions to internet system integrity generally as the result of attacks by computer hackers, viruses or other types of security breaches.

The Group has in place disaster recovery systems and security measures for events of failure, disruption of, or damage to, the Group's network or IT systems or events of security breaches, hacking or other malicious acts and/or cybercrime to the websites owned by the group. Such systems may not, however, be sufficient to ensure that the Group is able to carry on its business in the ordinary course if they fail or are disrupted, such that the Group

may not be able to anticipate, prevent or mitigate any material adverse effect of any failure on its operations or financial performance.

Reliance on third party suppliers

The Group relies on hosting providers, marketing support services, communications carriers and other third parties for the day-to-day operation of its business. Any failure by one or more of these third parties may jeopardise the business and operations of the Group and may have a material adverse impact on its financial performance.

Reliance on Operators having effective internal controls

The online gambling industry may be vulnerable to attack by customers through fraud on the operators' websites. The Group is reliant on operators having effective internal controls to prevent fraud as it derives the majority of its revenue from fixed payments, commissions and revenue sharing arrangements with its operators that would be adversely impacted by such activities. Furthermore, such attempts, if not detected and stopped, could result in a loss of confidence in the customer base of such operator websites and could lead to customers leaving such operator's website in favour of a competitor, which may not be an operator with whom the Group works with. The Group cannot ensure that operators financial processes and reporting systems provide reliable financial reports and effectively prevent fraud.

The Group is reliant on its customers maintaining and enhancing their brands

The Group's future success is dependent upon its customers' performance, maintenance and further building of their brands. Maintaining and enhancing these brands will require significant expense. As the market becomes more competitive, the value of these brands may not be maintained or enhanced.

The Group is subject to the on-going reputational challenge of dealing in the gambling industry and the market's perception of the lack of a distinction between gambling operators and service providers

The gambling industry is subject to negative publicity relating to perceptions of underage gambling, exploitation of vulnerable customers and the historic link of the gambling industry to criminal enterprise. As a service provider to the industry, such negative publicity can affect the reputation and correspondingly affect the financial performance of the Group.

To the extent that the Group's and/or the gambling operators' sites are accessed by minors and/ or problem gamblers, brand reputation could be tarnished. Situations can arise where minors or compulsive gamblers could access an operator's websites. Where they do so, as well as negative publicity and potential regulatory censure, litigation by way of class action against the gambling operators could ensue, all of which would have a corresponding detrimental effect on the Group.

The taxation that the Group is subject to may change and adversely affect the Group's business

The Group's operations are principally located in the UK, Israel, US and Cyprus. The Group's operations in these jurisdictions are currently subject to different rates of taxation. There can be no assurance that the levels of taxation to which the Group is subject will not be increased or changed, which could have a material adverse effect on the amount of tax payable by the Group and its financial condition and results of operations.

If a member of the Group is found to be, or to have been, tax resident in any jurisdiction other than that in which it is incorporated or domiciled or to have a taxable permanent establishment or other taxable presence elsewhere, other than in the case of certain members of the Group providing services which may have permanent establishments in any of the countries mentioned above whether on the basis of existing law or the current practice of any tax authority or by reason of a change in law or practice, this may have a material adverse effect on the amount of tax payable by members of the Group.

Any change in any member of the Group's tax status or in taxation legislation, practice or its interpretation, could adversely affect the post-tax returns to Shareholders.

Intellectual Property

The principal intellectual property rights of the Group are its website content, domain names and rights to acquire domain names. If the Group is unable to acquire or use a suitable domain name in the jurisdictions in which it operates, or into which it may seek to expand its operations, its ability to trade or compete effectively may be impaired. The Group may not be free to use its domain names in all jurisdictions in which it operates e.g., if the Group's domain names infringe a prior third party trademark. The acquisition and maintenance of domain names generally is regulated by applicable laws and is subject to change. Internet domain name regulatory bodies may establish additional top level domains, appoint additional domain name registrars or modify the requirements for holding domain names.

Current operating results as an indication of future results

The Group's operating results may fluctuate significantly in the future due to a variety of factors, many of which are outside its control. Accordingly, investors should not rely on comparisons with the Group's results to date as an indication of future performance. Factors that may affect the Group's operating results include increased competition, an increased level of expenses, technological change necessitating additional capital expenditure, lower than expected revenues and changes to the statutory and regulatory regime in which it operates. It is possible that, in the future, the Group's operating results may fall below the expectations of market analyst or investors. If this occurs, the trading price of the Shares may decline significantly.

Acquisition risks

The Company's strategy includes making acquisitions in circumstances where the Directors believe that such acquisitions would support the Group's strategy. However, there can be no assurances that the Company will be able to identify, complete and integrate suitable acquisitions successfully. Acquiring new businesses can place significant strain on management, employees, systems and resources. The acquired businesses may not perform in line with expectations to justify the expense of acquisition. Furthermore, it may not prove possible to achieve the desired level of synergy benefits on integration of new businesses and/or the cost of achieving those benefits may exceed the expected cost.

Foreign exchange risks

The Group generates revenues predominantly in Euros and US dollars and prepares its financial statements in US dollars. In addition, most of the Group's expenses are in Euros or Israeli shekels. In addition, the Group may be subject to foreign exchange risk as it has operations in Cyprus and Israel where the functional currency is the Euro and Israeli shekel respectively. In addition, foreign exchange risk may also arise where Group revenues and expenses are paid in currencies other than Euros. The Group's does have some currency hedging transactions and the Directors believe that the Group maintains appropriate treasury policies to manage currency fluctuations.

2. RISKS RELATING TO AN INVESTMENT IN SHARES

Forward Looking Statements

This document contains forward-looking statements that involve risks and uncertainties. The Company's results could differ materially from those anticipated in the forward-looking statements as a result of many factors, including the risks faced by the Company, which are described above and elsewhere in the document. Additional risks and uncertainties not currently known to the Board may also have an adverse effect on the Company's business. The specific and general risk factors detailed above do not include those risks associated with the Company which are unknown to the Directors. Although the Directors will seek to minimise the impact of the Risk Factors, investment in the Company should only be made by investors able to sustain a total loss of their investment.

Dilution of ownership of Shares

Shareholders' (who are not Placees) proportionate ownership and voting interest in the Company will be reduced pursuant to the Placing. In addition, to the extent that a Shareholders will experience greater dilution in their ownership of, and voting interests in, the

Company to the extent they do not subscribe in full for their Basic Entitlement and/or Excess Entitlement.

Those Shareholders in a Restricted Jurisdiction, will in any event not be able to participate in the Open Offer.

Investment risk and AIM

Application will be made for the New Shares to be admitted to trading on AIM and it is emphasised that no application is being made for admission of the New Shares to the Official List or to any other stock exchange at this time. An investment in shares quoted on AIM may be less liquid and may carry a higher risk than an investment in shares quoted on the Official List. Furthermore, the London Stock Exchange has not itself examined or approved the contents of this document. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Market for the Company's shares and volatility of share price

Prospective investors should be aware that the value of an investment in the Company may go down as well as up and that Admission should not be taken as implying that there will be a liquid market in the Shares. The Company can give no assurance that an active trading market for its shares will develop, or if developed, be sustained in the future. If an active trading market is not developed or maintained, the liquidity and trading price of the Company's shares could be adversely affected. Furthermore, the trading price of the Company's shares may not reflect the underlying value of the investments held by the Company and may be subject to wide fluctuations in response to a number of events and factors, such as variations in operating results, the timing of investments, changes in the regulatory environment and stock market sentiment towards investment companies.

Dilution of shareholders' interest as a result of additional equity fundraising

The Company may need to raise additional funds in the future to finance, amongst other things, working capital, expansion of the business, new developments relating to existing operations or acquisitions. If additional funds are raised through the issue of new equity or equity-linked securities of the Company other than on a *pro rata* basis to existing Shareholders, the percentage ownership of the existing Shareholders may be reduced. Shareholders may also experience subsequent dilution and/or such securities may have preferred rights, options and pre-emption rights senior to the Shares. The Company may be unable to obtain additional financing on acceptable terms or at all if market and economic conditions, the financial condition or operating performance of the Company or investor sentiment (whether towards the Company in particular or towards the market sector in which the Company operates) are unfavourable. The Company's inability to raise additional funding on terms acceptable to it may hinder its ability to grow in the future or to maintain its existing levels of operation.

Premier's interests in Shares

The Company's largest Shareholder Premier Investissement SAS, will own approximately 27.9% of the issued Shares upon Second Admission (assuming nil take up of the Open Offer). If Premier Investissement SAS (or any person acting in concert (as defined in the City Code) with it) acquires additional Shares which increase its proportion of the voting rights to 30%, it will be required under Rule 9 of the City Code to make a general offer to all other Shareholders for the remaining Shares. Whilst the City Code contains specific rules governing the offer terms following such acquisition, including the level of the offer price and the fact that it must be in cash (or include a cash alternative), there can be no guarantee that any such offer would be made at a price at which other Shareholders would be prepared to accept.

3. RISKS RELATING TO THE ACQUISITION AND THE PLACING

In the event that the Second Placing does not proceed, the Company may not be able to realise Shareholder value

The Company intends to raise gross proceeds of approximately £16.2 million from the Second Placing and Second Subscription Shares, which will be used for the Group's general corporate purposes, including costs relating to the Acquisition. In the event that the Second Placing does not proceed, the Company may be limited in its ability to realise Shareholder value. For example, should the resolutions necessary to effect the Second Placing not be approved by Shareholders, the Acquisition may absorb cash resources that would have otherwise been available to underpin strategic initiatives to drive growth and capitalise on accretive bolt-on acquisition opportunities as they arise.

Integration of Sports Betting Dime's operations

Whilst the Company has past experience of integrating acquisitions (such as the CBWG acquisition last year), there is no assurance that the integration process will deliver all, or substantially all, of the expected benefits or realise such benefits in a timely manner or at all. The Group may also encounter difficulties integrating its operations with Sports Betting Dime, resulting in a delay in achieving, or the failure to achieve, the anticipated benefits. One of the key potential difficulties relating to the integration of the businesses of the two groups include difficulties in integrating the technical platforms. Any such difficulties could lead to higher than anticipated integration costs and may affect the Group's ability to achieve the anticipated benefits of integration, which could in turn could have a material adverse effect on the Group's reputation, business, financial condition and operating results.

Realisation of the Sports Betting Dime business value requires regulatory approvals

Historically, SBD has operated from outside the US when servicing clients based in the US and as such has been servicing un-regulated sports-betting businesses. As US states introduce their own licencing regimes for sports-betting and the services which the Group provides to sports-betting operators, to operate in those regulated states the Group is required to become licenced or registered in applicable states. The Directors' strategy for SBD is to operate the business within the US in those states where such activities are permitted. The Group will therefore be reliant on obtaining the required licences, registrations and approvals from relevant state regulators. Although the Group is only acquiring the assets and businesses of SBD, regulators may consider such business to be tarnished by its historic activities and may refuse to grant the necessary licences and/or approvals, or make them subject to conditions which the Board considers to be onerous. In addition, while historically certain US states have permitted businesses such as SBD to continue to be operated by acquiring licensed businesses where the original owners (while those businesses were offshore) did not remain involved with the business, state regulators may object to the continuing involvement of employees – normally senior employees of those businesses, even if they did not have any ownership stakes in the business. Any failure to obtain and maintain, or the imposition of conditions which the Directors consider onerous or a refusal to allow certain of the senior employees of SBD to continue working in the business, could prevent or limit the Group's ability to carry on the SBD business in the relevant states which could have a material adverse effect on the revenues and financial position of the SBD business and therefore the Group.

Existing Sports Betting Dime founder and possibly other employees will not continue with the acquired business and the Group will be reliant on certain of the current employees of the SBD business

Whilst the Group has entered into employment and/or consulting arrangements with the key employees of SBD, conditional upon completion of the Acquisition, the founder of that business will not be joining the Group and will not be involved with the Group and/or the SBD business following completion of the Acquisition. As noted, it is also possible that certain other employees will need to leave the business as a result of the regulatory process noted above. The future success of the SBD business depends in large part on the continued service of the SBD employees and the Group's existing management team being able to successfully manage the SBD business. The loss of certain members of the SBD

business and/or certain senior employees of the Group could materially adversely affect the performance of the SBD business.

The Company's strategy for SBD is heavily reliant on the continued regulation of the US sports betting market

Following the decision of the Supreme Court of the US that the prohibition on sports betting as was manifested by PASPA was unconstitutional in 2018, a number of US states have moved to legalise and regulate sports betting and others are actively pursuing the introduction of regulated regimes. The Group's strategy for the SBD business is premised on this trend of increasing legalisation and regulation of sports betting continuing in the US. If US States fail to continue to introduce such regulations and/or federal authorities sought to re-introduce a ban on sports betting, the SBD business and the Group would be adversely affected and would be unlikely to be able to generate the revenues and results of operations anticipated by the Directors.

Historical revenues are not a suitable guide for the expectations of the performance of Sports Betting Dime

Historically the SBD business was operated from outside the US, directing traffic to non-regulated operators as well as regulated operators. The Directors' strategy for SBD is to service only regulated operators. As a result, the target market for the SBD business under the Group's ownership will be different and investors and Shareholders should not place undue reliance on SBD's historic operating performance.

Since August 2020, SBD has ceased to monetise traffic from the United States. The site continues to have strong traffic from high intent users and the Directors believe that following completion of the acquisition, XLM will be able to leverage its existing deals with its current group of licensed operators to monetise this traffic in the States in which it is currently active and in the States that regulate over the coming years. However, given the lack of history of the site operating as an on-shore affiliate, there is no guarantee that XLM will be able to sign up sufficient licensed operators or that the deals signed will be on sufficiently beneficial terms or that the user traffic will be sufficiently high from the currently regulated and to be regulated States or that the users will convert at sufficiently high levels to generate the expected revenue in the Company's acquisition case. If any of these fall materially below the expectations the Group would be adversely affected and would be unlikely to be able to generate the revenues and results of operations anticipated by the Directors.

PART 3

DETAILS OF THE OPEN OFFER

1. INTRODUCTION

- 1.1 As explained in Part 1 of this document, the Company is proposing to issue 58,727,398 Placing Shares pursuant to the Placing, 1,272,602 Subscription Shares pursuant to the Subscription and up to a further 7,503,200 Open Offer Shares pursuant to the Open Offer.
- 1.2 Qualifying Shareholders are being offered the opportunity under the Open Offer to acquire Open Offer Shares at the Issue Price, being the same price per share as in the Placing and the Subscription. The Placing Shares are not subject to clawback and do not form part of the Open Offer. The Open Offer has not been underwritten.
- 1.3 The Issue Price of 40 pence represents a discount of approximately 25.2 per cent. to the price of 53.5 pence per Existing Share, being the closing mid-market price per Existing Share on 17 March 2021, being the last trading day prior to the announcement of the Fundraising. The Issue Price represents a 6.5 per cent. discount to the 20 day volume weighted average price (VWAP) of 42.8 pence prior to 18 March 2021, being the date of the Fundraising announcement. This document and, where relevant, the Application Form contain the formal terms and conditions of the Open Offer.

2. THE OPEN OFFER

- 2.1 Subject to the terms and conditions set out below and in the Application Form, the Company invites Qualifying Shareholders to apply for Open Offer Shares at the Issue Price, payable in full in cash on application, free of all expenses, on the basis of:

1 Open Offer Share for every 26 Existing Shares

held by them and registered in their names at close of business on 16 March 2021, the Record Date, and so in proportion to any other number of Existing Shares then held.

- 2.2 A Qualifying Shareholder who holds Existing Shares in certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating entitlements under the Open Offer.
- 2.3 Fractions of Open Offer Shares will not be allotted to Qualifying Shareholders and entitlements to apply for Open Offer Shares will be rounded down to the nearest whole number of Open Offer Shares and aggregated for the excess facility.
- 2.4 Qualifying Shareholders may apply for any whole number of Open Offer Shares up to their Open Offer Entitlement, which, in the case of Qualifying Non-CREST Shareholders, is equal to the number of Open Offer Entitlements as shown in Box 4 on their Application Form or, in the case of Qualifying CREST Shareholders, is equal to the number of Open Offer Entitlements credited to their stock account in CREST. The action to be taken in relation to the Open Offer depends on whether you have received an Application Form in respect of your Open Offer Entitlement under the Open Offer or have your Open Offer Entitlement credited to your stock account in CREST.
- 2.5 Qualifying Shareholders are also invited to apply for additional Open Offer Shares as an Excess Open Offer Entitlement, up to the total number of Open Offer Shares available under the Open Offer. Any Open Offer Shares not issued to a Qualifying Shareholder pursuant to their Open Offer Entitlement will be apportioned between those Qualifying Shareholders who have applied for Excess Open Offer Entitlements at the sole discretion of the Board, provided that no Qualifying Shareholder shall be required to subscribe for more Open Offer Shares than he or she has specified on the Application Form or through CREST.
- 2.6 If you have received an Application Form with this document please refer to paragraph 4.1 of this Part 3.
- 2.7 If you hold your Existing Shares in CREST and have received a credit of Total Open Offer Entitlements to your CREST stock account, please refer to paragraph 4.17 of this Part 3 and also to the CREST Manual for further information on the CREST procedures referred to below.

The Open Offer is not a rights issue. Qualifying CREST Shareholders should note that although the Total Open Offer Entitlements (in respect of Qualifying CREST Shareholders) may be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a bona fide market claim raised by Euroclear's Claims Processing Unit. Qualifying Non-CREST Shareholders should note that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should be aware that in the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer.

- 2.8 The Existing Shares are admitted to AIM. Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. It is expected that admission of the Open Offer Shares will become effective on 7 April 2021 and that dealings in the Open Offer Shares will commence at 8.00 a.m. on that date.
- 2.9 The Existing Shares are already enabled for settlement in CREST. No further application for admission to CREST is required for the Open Offer Shares; all such shares, when issued and fully paid, may be held and transferred by means of CREST as Shares.
- 2.10 Application will be made for the Total Open Offer Entitlements to be enabled for settlement in CREST. The conditions to such admission having already been met, the Total Open Offer Entitlements are expected to be admitted to CREST with effect from 19 March 2021. The Open Offer Shares will be issued fully paid and will be identical to, and rank *pari passu* in all respects with, the Existing Shares and will rank for all dividends or other distributions declared, made or paid after the date of issue of the Open Offer Shares. No temporary documents of title will be issued. Further details of the rights attaching to the Existing Shares are set out in the Articles which are available on the Company's website (www.xlmedia.com).

3. CONDITIONS OF THE OPEN OFFER

- 3.1 The Open Offer is conditional upon the Placing Agreement becoming unconditional in all respects. The Placing Agreement is conditional, *inter alia*, on:
 - 3.1.1 the passing of the Resolutions at the General Meeting;
 - 3.1.2 the Placing Agreement not being terminated prior to Second Admission and becoming and otherwise having become unconditional in all respects;
 - 3.1.3 First Admission having occurred; and
 - 3.1.4 Second Admission becoming effective on or before 8.00 a.m. on 7 April 2021 (or such later date and/or time as the Company and the Banks may agree, being no later than 8.30 a.m. on 30 April 2021).
- 3.2 If these and the other conditions to the Open Offer are not satisfied or waived (where capable of waiver), the Open Offer will lapse and will not proceed and any applications made by Qualifying Shareholders will be rejected. In these circumstances, application monies received by the Receiving Agent in respect of Open Offer Shares will be returned (at the applicant's sole risk), without payment of interest, as soon as reasonably practicable thereafter. Lapsing of the Open Offer cannot occur after dealings in the Open Offer Shares have begun.
- 3.3 No temporary documents of title will be issued in respect of Open Offer Shares.
- 3.4 If for any reason it becomes necessary to adjust the expected timetable as set out in this document the Company will make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

4. PROCEDURE FOR APPLICATION AND PAYMENT

- 4.1 If you are in any doubt as to the action you should take, or the contents of this document, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant, fund manager or other independent adviser duly authorised under FSMA who specialises in advising on the acquisition of shares and other securities.

- 4.2 The action to be taken by Qualifying Shareholders in respect of the Open Offer depends on whether at the relevant time they have an Application Form in respect of their entitlement under the Open Offer or they have Total Open Offer Entitlements credited to their CREST stock account in respect of such entitlement.
- 4.3 If a Qualifying CREST Shareholder is a CREST sponsored member they should refer to their CREST sponsor if they wish to apply for all or some of their entitlement under the Open Offer, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Total Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Total Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.
- 4.4 If you do not wish to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, you should take no action and not complete or return the Application Form.

If you have an Application Form in respect of your Total Open Offer Entitlements

General

- 4.5 Subject as provided in paragraph 6 of this Part 3 in relation to Overseas Shareholders, Qualifying Non-CREST Shareholders will receive an Application Form. The Application Form shows the number of Existing Shares registered in your name on the Record Date. It also shows the number of Open Offer Shares for which you may apply pursuant to your Open Offer Entitlement (on an initial *pro rata* basis) as shown by the total number of Open Offer Shares allocated to you. You may apply for less than your initial *pro rata* entitlement should you wish to do so. You may also apply for additional Open Offer Shares by completing Boxes 7 and 8 and Box 9 on the Application Form relating to your Excess Open Offer Entitlements.
- 4.6 Qualifying Non-CREST Shareholders may also hold such an Application Form by virtue of a bona fide market claim. If the total number of Open Offer Shares applied for by all Qualifying Shareholders exceeds 7,503,200, applications for Open Offer Shares will be scaled back at the discretion of the Directors. The instructions and other terms set out in the Application Form are part of the terms of the Open Offer in relation to Qualifying Non-CREST Shareholders.

Market claims

- 4.7 Applications for the Open Offer Shares may only be made on the Application Form and may only be made by the Qualifying Non-CREST Shareholder named in it or by a person entitled by virtue of a bona fide market claim in relation to a purchase of Existing Shares through the market prior to the date upon which the Existing Shares were marked “ex” the entitlement to the Open Offer by the London Stock Exchange, being 18 March 2021. Application Forms may be split up to 3:00 p.m. on 30 March 2021.
- 4.8 The Application Form is not a negotiable document and cannot be separately traded. A Qualifying Non-CREST Shareholder who has sold or transferred all or part of his holding of Existing Shares prior to 8:00 a.m. on 18 March 2021, being the date upon which the Existing Shares were marked “ex” the entitlement to the Open Offer by the London Stock Exchange, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed from him by the transferee pursuant to the rules of the London Stock Exchange. Qualifying Non-CREST Shareholders who have sold all of their registered holdings should, if the market claim is to be settled outside CREST, complete Box 11 on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.
- 4.9 The Application Form should not, however, be forwarded to or transmitted in or into the United States, Australia, Canada, Japan, the Republic of South Africa, New Zealand or any other Restricted Jurisdiction. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedures set out in paragraph 4.2 below.

Application procedures

- 4.10 If you are a Qualifying Non-CREST Shareholder and wish to apply for all or some of your entitlement to Open Offer Shares under the Open Offer you should complete and sign the Application Form in accordance with the instructions on it and send it, together with the appropriate remittance, by post to Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL, so as to arrive no later than 11.00 a.m. on 1 April 2021. A reply-paid envelope is enclosed for use by Qualifying Non-CREST Shareholders in connection with the Open Offer. Please note that the Receiving Agent cannot provide financial advice on the merits of the Open Offer or as to whether or not you should take up your entitlement to Open Offer Shares under the Open Offer.
- 4.11 If any Application Form is sent by first class post or using the reply-paid envelope within the United Kingdom, Qualifying Non-CREST Shareholders are recommended to allow at least four business days for delivery. The Receiving Agent (having consulted with the Banks), on the Company's behalf, may elect to accept Application Forms and remittances after 11.00 a.m. on 1 April 2021 in respect of those bearing a post mark of before that date and time. The Receiving Agent (having consulted with the Banks) may also (on behalf of the Company) elect to treat an Application Form as valid and binding on the person(s) by whom or on whose behalf it is lodged, even if it is not completed in accordance with the relevant instructions, or if it does not strictly comply with the terms and conditions of application. Applications will not be acknowledged.
- 4.12 The Receiving Agent, on behalf of the Company, also reserves the right (but shall not be obliged) to accept applications in respect of which remittances are received prior to 11:00 a.m. on 1 April 2021 from an authorised person (as defined in FSMA) specifying the number of Open Offer Shares applied for, and undertaking to lodge the relevant Application Form in due course but, in any event, within two business days.

Payments

- 4.13 All payments must be in pounds sterling and cheques or banker's drafts should be made payable to Link Market Services Limited Re: XLMedia Plc open offer A/C" and crossed "A/C payee only". Cheques or banker's drafts must be drawn on an account at a branch of a bank or building society in the British Isles which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies and must bear the appropriate sort code in the top right hand corner. Eurocheques will not be accepted. Cheques should be drawn on the personal account to which you have sole or joint title to funds. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the bank or building society has confirmed the name of the account holder (which should match the name detailed on page 1 of the Application Form) and have added the branch stamp on the back of the cheque.
- 4.14 Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be paid on payments made. It is a term of the Open Offer that cheques shall be honoured on first presentation, and the Company and/or the Receiving Agent (on the Company's behalf) may elect in their absolute discretion to treat as invalid acceptances in respect of which cheques are not so honoured. Application monies will be paid into a separate non-interest bearing bank account pending the Open Offer becoming unconditional. In the event that the Open Offer does not become unconditional the Open Offer will lapse and application monies will be returned to relevant applicants (at the applicants' risk) without interest either by first class post as a cheque to the address set out on the Application Form or returned direct to the account of the bank or building society on which the relevant cheque or banker's draft was drawn as soon as practicable.. None of the Receiving Agent, Cenkos, Berenberg or the Company nor any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying Non-CREST Shareholders.

Effect of application

- 4.15 All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk. By completing and delivering an Application Form, you (as the applicant(s)):
- 4.15.1 request that the Open Offer Shares to which you will become entitled be issued to you on the terms set out in this document and subject to the Articles;
 - 4.15.2 agree with the Company and the Banks that all applications, and contracts resulting therefrom, under the Open Offer shall be governed by, and construed in accordance with, the laws of England and Wales;
 - 4.15.3 confirm to the Company and the Banks that in making such application you are not relying on any information or representation in relation to the Company other than that contained in this document and agree that no person responsible solely or jointly for this document or any part of it or involved in the preparation of it shall have any liability for any such other information and further agree that having had the opportunity to read this document, you will be deemed to have had notice of all the information concerning the Company contained therein; and
 - 4.15.4 represent and warrant to the Company and the Banks that you are the Qualifying Non-CREST Shareholder originally entitled to the Total Open Offer Entitlements or that if you have received some or all of your Total Open Offer Entitlements from a person other than the Company, you are entitled to apply under the Open Offer in relation to such Total Open Offer Entitlements by virtue of a *bona fide* claim;
 - 4.15.5 represent and warrant to the Company and the Banks that you have the right, power and authority, and have taken all action necessary, to meet your obligations under any contracts resulting therefrom and that you are not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
 - 4.15.6 represent and warrant to the Company and the Banks that you are not, nor are you applying on behalf of any person who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law and you are not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of this application to, or for the benefit of, a shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company (having consulted with the Banks) has been provided to the Company that you, or the person you are applying on behalf of, is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion and having consulted with the Banks) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
 - 4.15.7 represent and warrant to the Company and the Banks that you are not and nor are you applying as nominee or agent for a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in Section 93 (Depository Receipts) or Section 96 (Clearance Services) of the Finance Act 1986; and
 - 4.15.8 confirm that in making the application you are not relying and have not relied on the Company or the Banks or any person affiliated with the Company or the Banks in connection with any investigation of the accuracy of any information contained in this document or your investment decision.
- 4.16 If you are in doubt whether or not you should apply for any of the Open Offer Shares under the Open Offer, you should consult your independent financial adviser immediately. All enquiries in relation to completion of the Application Form by Qualifying Non-

CREST Shareholders under the Open Offer should be addressed to Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL, telephone on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. The helpline cannot provide advice on the merits of the proposals nor give any financial, legal or tax advice.

If you have Total Open Offer Entitlements credited to your stock account in CREST in respect of your entitlement under the Open Offer

General

- 4.17 Subject as provided in paragraph 6 of this Part 3 in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive credits to his stock account in CREST of his Open Offer Entitlements equal to the number of Open Offer Shares for which he is entitled to apply under the Open Offer. Entitlements to Open Offer Shares will be rounded down to the nearest whole number and any fractional entitlements will therefore also be rounded down. Qualifying CREST Shareholders may also apply for Open Offer Shares in excess of their Open Offer Entitlement under the Excess Application Facility.
- 4.18 The CREST stock account to be credited will be the account under the participant ID and member account ID which holds the Existing Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Total Open Offer Entitlements have been allocated.
- 4.19 If for any reason the Total Open Offer Entitlements cannot be enabled for settlement in CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 6:00 p.m. on 19 March 2021 or such later time as the Company (with the Banks' consent) may decide, an Application Form will be sent out to each Qualifying CREST Shareholder in substitution for the Total Open Offer Entitlements credited (or due to be credited) to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying Non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive an Application Form.
- 4.20 CREST members who wish to apply for some or all of their entitlements to Open Offer Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL, telephone on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. Calls may be recorded and monitored randomly for security and training purposes. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

Market claims

- 4.21 Each of the Total Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Total Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction.
- 4.22 Transactions identified by the CREST Claims Processing Unit as “cum” the relevant Total Open Offer Entitlement will generate an appropriate market claim transaction and the relevant Total Open Offer Entitlement(s) will thereafter be transferred accordingly. Please note that

automated CREST generated claims and buyer protection will not be offered on the Excess CREST Open Offer Entitlement security.

USE instructions

4.23 CREST members who wish to apply for Open Offer Shares in respect of all or some of their Total Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) an Unmatched Stock Event (“USE”) instruction to Euroclear which, on its settlement, will have the following effect:

4.23.1 the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with a number of Total Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and

4.23.2 the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above.

Content of USE instructions in respect of the Basic Entitlement

4.24 The USE instruction must be properly authenticated in accordance with Euroclear’s specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

4.24.1 the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to the Receiving Agent);

4.24.2 the ISIN of the Open Offer Entitlement. This is JE00BKQN4W27;

4.24.3 the participant ID of the accepting CREST member;

4.24.4 the member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;

4.24.5 the participant ID of the Receiving Agent. This is 7RA33;

4.24.6 the member account ID of the Receiving Agent. This is 21195XLM;

4.24.7 the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;

4.24.8 the intended settlement date. This must be on or before 11:00 a.m. on 1 April 2021; and

4.24.9 the corporate action number for the Open Offer. This will be available on viewing the relevant corporate action details in CREST.

4.25 In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 1 April 2021.

4.26 In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the contact name and telephone number (in the free format shared note field); and a priority of at least 80.

4.27 CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 1 April 2021 in order to be valid is 11.00 a.m. on that day.

Content of USE instruction in respect of Excess Open Offer Entitlements

4.28 The USE instruction must be properly authenticated in accordance with Euroclear’s specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

4.28.1 the number of Excess Open Offer Entitlements for which application is being made;

4.28.2 the ISIN of the Excess Open Offer Entitlements. This is JE00BKQN4X34;

- 4.28.3 the CREST participant ID of the accepting CREST member;
 - 4.28.4 the CREST member account ID of the accepting CREST member from which the Excess Open Offer Entitlements are to be debited;
 - 4.28.5 the participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 7RA33;
 - 4.28.6 the member account ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 21195XLM;
 - 4.28.7 the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Excess Open Offer Entitlements referred to in (i) above;
 - 4.28.8 the intended settlement date. This must be on or before 11.00 a.m. on 1 April 2021; and
 - 4.28.9 the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.
- 4.29 In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 1 April 2021.
 - 4.30 In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the contact name and telephone number (in the free format shared note field); and a priority of at least 80.
 - 4.31 CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 1 April 2021 in order to be valid is 11.00 a.m. on that day.

Deposit of Total Open Offer Entitlements into, and withdrawal from, CREST

- 4.32 A Qualifying Non-CREST Shareholder's entitlement under the Open Offer as set out in an Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim), provided that such Qualifying Non-CREST Shareholder is also a CREST member. Similarly, Total Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.
- 4.33 A holder of an Application Form who is proposing to deposit the entitlement set out in such form is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Total Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 1 April 2021.
- 4.34 In particular, having regard to normal processing times in CREST and, on the part of the Receiving Agent, the recommended latest time for depositing an Application Form with the CCSS, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Total Open Offer Entitlements in CREST, is 3.00 p.m. on 29 March 2021, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Total Open Offer Entitlements from CREST is 4.30 p.m. on 26 March 2021, in either case so as to enable the person acquiring or (as appropriate) holding the Total Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Total Open Offer Entitlements prior to 11.00 a.m. on 1 April 2021.

Validity of application

- 4.35 A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 1 April 2021 will constitute a valid application under the Open Offer.

CREST procedures and timings

- 4.36 CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 1 April 2021. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Incorrect or incomplete applications

- 4.37 If a USE instruction includes a CREST payment for an incorrect sum, the Company through the Receiving Agent reserves the right:
- 4.37.1 to reject the application in full and refund the payment to the CREST member in question;
- 4.37.2 in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question;
- 4.37.3 in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE instruction(s) refunding any unutilised sum to the CREST member in question.

Effect of a valid application

- 4.38 A CREST member who makes or is treated as making a valid application in accordance with the above procedures will thereby:
- 4.38.1 pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agent payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, satisfy the obligation of the CREST member to pay to the Company the amount payable on application);
- 4.38.2 request that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this document and subject to the Articles;
- 4.38.3 agree with the Company and the Banks that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- 4.38.4 represent and warrant to the Company and the Banks that he or she is not and nor is he or she applying as nominee or agent for a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in Section 93 (Depository Receipts) or Section 96 (Clearance Services) of the Finance Act 1986;
- 4.38.5 confirm to the Company and the Banks that in making such application he or she is not relying on any information in relation to the Company other than that contained in this document and agrees that no person responsible solely or jointly for this document or any part of it or involved in the preparation thereof shall have any liability for any such other information and further agree that having had the opportunity to read this document, he will be deemed to have had notice of all the information concerning the Company contained therein;
- 4.38.6 represent and warrant to the Company and the Banks that he or she is the Qualifying Shareholder originally entitled to the Total Open Offer Entitlements or that he has received such Total Open Offer Entitlements by virtue of a *bona fide* market claim;

- 4.38.7 represent and warrant to the Company and the Banks that he or she has the right, power and authority, and has taken all action necessary, to meet his or her obligations under any contracts resulting therefrom and that he or she is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis; and
- 4.38.8 represent and warrant to the Company and the Banks that he or she is not, nor is he or she applying on behalf of any person who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law and he or she is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of this application to, or for the benefit of, a shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company (having consulted with the Banks) has been provided to the Company that he or she, or the person he or she is applying on behalf of, is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion and having consulted with the Banks) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer.
- 4.39 The Company's discretion as to rejection and validity of applications. The Company (having consulted with the Banks) may in their discretion:
- 4.39.1 treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part 3;
- 4.39.2 accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
- 4.39.3 treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent have received actual notice from Euroclear of any of the matters specified in regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- 4.39.4 accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Registrar in connection with CREST.

Lapse of the Open Offer

- 4.40 In the event that the Open Offer does not become unconditional by 8:00 a.m. on 7 April 2021 or such later time and date as the Company and the Banks may agree, being not later than 30 April 2021, the Open Offer will lapse, the Total Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable

thereafter. None of the Receiving Agent, the Banks or the Company nor any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such CREST Qualifying Shareholders.

5. MONEY LAUNDERING REGULATIONS

Holders of Application Forms

- 5.1 It is a term of the Open Offer that, to ensure compliance with the Money Laundering Regulations, the Receiving Agent may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf an Application Form is lodged with payment (which requirements are referred to below as the “verification of identity requirements”). If the Application Form is submitted by a UK regulated broker or intermediary acting as agent, and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Receiving Agent. In such case, the lodging agent’s stamp should be inserted on the Application Form.
- 5.2 The person lodging the Application Form with payment, and in accordance with the other terms as described above (the “acceptor”), including any person who appears to the Receiving Agent to be acting on behalf of some other person, accepts the Open Offer in respect of such number of the Open Offer Shares as referred to in the Application Form (for the purposes of this paragraph 5.1 (the “relevant shares”)) shall thereby be deemed to agree to provide the Receiving Agent and/or the Company with such information and other evidence as they or either of them may require to satisfy the verification of identity requirements.
- 5.3 If the Receiving Agent determines that the verification of identity requirements apply to any applicant or application, and the verification of identity requirements have not been satisfied (which the Receiving Agent shall in its absolute discretion determine), the Company may, in its absolute discretion, and without prejudice to any other rights of the Company, treat the application as invalid or may confirm the allotment of the relevant shares to the applicant but (notwithstanding any other term of the Open Offer) the relevant shares will not be issued to the applicant unless and until the verification of identity requirements have been satisfied in respect of that application (which the Receiving Agent shall in its absolute discretion determine).
- 5.4 If the application is treated as invalid and the verification of identity requirements are not satisfied within such period, being not less than seven days after a request for evidence of identity is despatched to the applicant, the Company will be entitled to make arrangements (in its absolute discretion as to manner, timing and terms) to sell the relevant shares (and for that purpose the Company will be expressly authorised to act as agent of the applicant). Any proceeds of sale (net of expenses) of the relevant shares which shall be issued to and registered in the name of the purchasers or an amount equivalent to the original payment, whichever is the lower, will be held by the Company on trust for the applicant, subject to the requirements of the Money Laundering Regulations being satisfied. The Receiving Agent is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any applicant or application and whether such requirements have been satisfied. Neither the Company nor the Receiving Agent will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of any such discretion or as a result of any sale of relevant shares. Submission of an Application Form with the appropriate remittance will constitute a warranty from the applicant that the Money Laundering Regulations will not be breached by application of such remittance. If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in your application being treated as invalid or in delays in the despatch of share certificates or in crediting CREST stock accounts.
- 5.5 The verification of identity requirements will not usually apply:
- 5.5.1 if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on the prevention of the use of the financial system for the purpose of money laundering (no. 91/308/EEC));

- 5.5.2 if the applicant is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations; or
- 5.5.3 if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the name of such applicant.
- 5.6 Third party cheques may not be accepted with the exception of banker's drafts or building society cheques where the bank or building society has inserted details on the back of the cheque of the name of the account holder (which must be the same name as appears on page 1 of the Application Form) on the draft or cheque and have added either their branch stamp on the back of the cheque or have provided a supporting letter confirming the source of funds.
- 5.7 In other cases the verification of identity requirements may apply. The following guidance is provided in order to assist in satisfying the verification of identity requirements and to reduce the likelihood of difficulties or delays and potential rejection of an application (but does not limit the right of the Receiving Agent to require verification of identity as stated above). Satisfaction of the verification of identity requirements may be facilitated in the following ways:
- 5.7.1 if payment is made by building society cheque (not being a cheque drawn on an account of the applicant) or banker's draft, by the building society or bank inserting details of the name of the account holder on the back of the cheque (which must be the same name as appears on page 1 of the Application Form) on the cheque or draft and adding either their branch stamp or providing a supporting letter confirming the source of funds; or
- 5.7.2 if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (i) above or which is subject to anti-money laundering regulation in a country which is a member of the financial action task force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, the Russian Federation, Singapore, South Africa, Switzerland, Turkey, the United States of America and, by virtue of their membership of the gulf co-operation council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide written confirmation that it has that status with the Application Form and written assurance that it has obtained and recorded evidence of the identity of the persons for whom it acts and that it will on demand make such evidence available to the Receiving Agent or the relevant authority. In order to confirm the acceptability of any written assurance referred to in this paragraph B or any other case, the applicant should contact the Receiving Agent;
- 5.7.3 if (an) Application Form(s) is/are in respect of relevant shares is/are lodged by hand by the applicant in person, he should ensure that he has with him evidence of identity bearing his photograph (for example, his passport) and evidence of his address.

Total Open Offer Entitlements in CREST

- 5.8 Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

6. OVERSEAS SHAREHOLDERS

General

- 6.1 The making of the Open Offer to Overseas Shareholders may be affected by the laws or regulatory requirements of the relevant jurisdiction. Overseas Shareholders who are in any doubt in this respect should consult their professional advisers. No person receiving a copy of this document and/or an Application Form and/or receiving a credit of Total Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him, nor should he in any event use such Application Form or credit of Total Open Offer Entitlements to a stock account in CREST, unless, in the relevant territory, such an invitation or offer could lawfully be made to him or such Application Form or credit of Total Open Offer Entitlements to a stock account in CREST could lawfully be used without contravention of any legislation or other local regulatory requirements. Receipt of this document and/or an Application Form or the crediting of Total Open Offer Entitlements to a stock account in CREST does not constitute an invitation or offer to Overseas Shareholders in the territories in which it would be unlawful to make an invitation or offer and in such circumstances this document and/or any Application Forms are sent for information only.
- 6.2 It is the responsibility of any person receiving a copy of this document and/or an Application Form and/or receiving a credit of Total Open Offer Entitlements to a stock account in CREST outside the United Kingdom and wishing to make an application for any Open Offer Shares to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant territory in connection therewith, including obtaining any governmental or other consents which may be required or observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such other territory. Persons (including, without limitation, nominees and trustees) receiving an Application Form and/or receiving credits of Total Open Offer Entitlements to a stock account in CREST should not, in connection with the Open Offer, distribute or send the Application Form or transfer the Total Open Offer Entitlements into any jurisdiction when to do so would or might contravene local securities laws or regulations, including the United States and the other Restricted Jurisdictions.
- 6.3 If an Application Form or a credit of Total Open Offer Entitlements to a stock account in CREST is received by any person in any such jurisdiction or by the agent or nominee of such person, he or she must not seek to take up the Open Offer Shares except pursuant to an express agreement with the Company. Any person who does forward an Application Form or transfer the Total Open Offer Entitlements into any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this paragraph 6. The Company, the Banks and the Receiving Agent reserve the right to reject an Application Form or transfer of Total Open Offer Entitlements from or in favour of Shareholders in any such jurisdiction or persons who are acquiring Open Offer Shares for resale in any such jurisdiction.
- 6.4 The Company, the Banks and the Receiving Agent reserve the right in their absolute discretion to treat as invalid any application for Open Offer Shares under the Open Offer if it appears to the Company, the Banks and the Receiving Agent and their agents to have been executed, effected or despatched from the United States or any other Restricted Jurisdiction, by a person who has a registered address in the United States or any other Restricted Jurisdiction, or on behalf of such a person by his or her agent or intermediary, or that such application or acceptance thereof may involve a breach of the laws or regulations of any jurisdiction or if in respect of such application the Company, the Banks and the Receiving Agent have not been given the relevant warranty concerning overseas jurisdictions set out in the Application Form or in this document, as appropriate. All payments under the Open Offer must be made in pounds sterling.
- 6.5 None of the Company, the Banks, nor any of their respective representatives, is making any representation to any offeree or purchaser of the Open Offer Shares regarding the legality of an investment in the Open Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.
- 6.6 Notwithstanding any other provision of this document or the relevant Application Form, the Company and the Banks reserve the right to permit any person to apply for Open Offer

Shares in respect of the Open Offer if the Company, in its sole and absolute discretion (having consulted with the Banks), is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

United States

- 6.7 The Open Offer Shares and the Total Open Offer Entitlements have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and, accordingly, may not be offered or sold, re-sold, taken up, transferred, delivered or distributed, directly or indirectly, in or into the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.
- 6.8 Accordingly, the Company is not extending the Open Offer into the United States and neither this document nor the Application Form constitutes or will constitute an offer or an invitation to apply for or an offer or an invitation to acquire any Open Offer Shares and Total Open Offer Entitlements in the United States. Neither this document nor an Application Form will be sent to, and no Open Offer Shares will be credited to a stock account in CREST of, any Qualifying Shareholder with a registered address in the United States. Application Forms sent from or postmarked in the United States will be deemed to be invalid.
- 6.9 Any person who acquires Open Offer Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this document or the Application Form and delivery of the Open Offer Shares, that they are not, and that at the time of acquiring the Open Offer Shares they will not be, in the United States or acting on behalf of, or for the account or benefit of a person on a non-discretionary basis in the United States.
- 6.10 The Company and the Banks reserve the right to treat as invalid any Application Form that appears to the Company and the Banks or their agents to have been executed in, or despatched from, the United States, or that provides an address in the United States for the receipt of Open Offer Shares, or which does not make the warranty set out in the Application Form to the effect that the person completing the Application Form does not have a registered address and is not otherwise located or resident in the United States and is not acquiring the Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares in the United States or where the Company and the Banks believe acceptance of such Application Form may infringe applicable legal or regulatory requirements. The Company will not be bound to allot or issue any Open Offer Shares to any person with an address in, or who is otherwise located or resident in, the United States in whose favour an Application Form or any Open Offer Shares may be transferred. In addition, the Company reserves the right to reject any USE instruction sent by or on behalf of any CREST member with a registered address in the United States in respect of the Open Offer Shares. In addition, until 40 days after the commencement of the Open Offer, an offer, sale or transfer of the New Shares within the United States by a dealer (whether or not participating in the and Open Offer) may violate the registration requirements of the Securities Act.

Restricted Jurisdictions

- 6.11 Due to restrictions under the securities laws of the Restricted Jurisdictions, and persons who have registered addresses in, or who are located, resident or ordinarily resident in, or citizens of, any Restricted Jurisdictions will not qualify to participate in the Open Offer and will not be sent an Application Form, nor will their stock accounts in CREST be credited with Total Open Offer Entitlements. The Open Offer Shares have not been, and will not be, registered under the relevant laws of any Restricted Jurisdictions or any state, province or territory of them and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdictions or to, or for the account or benefit of, any person with a registered address in, or who is located, resident or ordinarily resident in, or a citizen of, any Restricted Jurisdictions except pursuant to an applicable exemption. No offer of Open Offer Shares is being made by virtue of this document and/or the Application Form into any Restricted Jurisdictions.

Jurisdictions other than the Restricted Jurisdictions

- 6.12 Application Forms will be sent to Qualifying Non-CREST Shareholders and Total Open Offer Entitlements will be credited to the stock account in CREST of Qualifying CREST Shareholders. Qualifying Shareholders in jurisdictions other than the United States or any other Restricted Jurisdiction may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this document and, if relevant, the Application Form.
- 6.13 Qualifying Shareholders who have registered addresses in or who are located or resident in, or who are citizens of, countries other than the United Kingdom should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to apply for Open Offer Shares in respect of the Open Offer.

7. TAXATION

- 7.1 If you are in any doubt about your tax position or are subject to a tax in a jurisdiction other than the United Kingdom, you should consult your professional adviser without delay.

8. ADMISSION, SETTLEMENT, DEALINGS AND PUBLICATION

- 8.1 Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM, subject to the fulfilment of the conditions of the Open Offer. It is expected that admission of the Open Offer Shares to trading on AIM will become effective and that dealings therein for normal settlement will commence at 8.00 a.m. on 7 April 2021. In the case of Qualifying Shareholders wishing to hold Open Offer Shares in certificated form, definitive certificates in respect of the Open Offer Shares will be issued free of stamp duty and are expected to be despatched by post by 14 April 2021. No temporary documents of title will be issued and, pending such despatch, transfers will be certified against the share register. Total Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 1 April 2021 (the latest time and date for applications under the Open Offer). If the conditions to the Open Offer described in this document are satisfied, Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company on the day on which such conditions are satisfied. On this day, the Receiving Agent will credit the appropriate stock accounts of such persons with such persons' entitlement to Open Offer Shares with effect from Second Admission (expected to be 7 April 2021). The stock accounts to be credited will be accounts under the same participant IDs and member account IDs in respect of which the USE instruction was given. Notwithstanding any other provision of this document, the Company (with the consent of the Banks) reserves the right to send you an Application Form instead of crediting the relevant stock account with Total Open Offer Entitlements, and to allot and/or issue any Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.
- 8.2 All documents or remittances sent by or to applicants, or as they may direct, will be sent through the post at their own risk. For more information as to the procedure for application, Qualifying Non-CREST Shareholders are referred to the Application Form. The completion and results of the Open Offer will be announced and made public through an announcement on a Regulatory Information Service as soon as possible after the results are known, expected to be on or about 6 April 2021.

9. GOVERNING LAW

- 9.1 The terms and conditions of the Open Offer as set out in this Part 3 and each Application Form shall be governed by, and construed in accordance with, English law. The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document and an Application Form. By taking up their entitlements under the Open Offer in accordance with the instructions set out in this document and (where applicable) an Application Form, Qualifying Shareholders

irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

10. OTHER INFORMATION

- 10.1 Your attention is drawn to the letter from your Chairman which is set out in Part 1 of this document which contains, *inter alia*, information on the reasons for the Placing and the Open Offer and to the Risk Factors in Part 2.

11. DILUTION

- 11.1 The share capital of the Company in issue at the date of this document will be increased by approximately 34.6 per cent. as a result of the Placing, Subscription and Open Offer. Qualifying Shareholders who do not take up any of their Open Offer Entitlement will suffer a reduction of approximately 25.7 per cent. in their proportionate ownership and voting interest in the ordinary share capital of the Company as represented by their holding of Shares immediately following Second Admission. Qualifying Shareholders who take up all or part of their Total Open Offer Entitlements will still suffer dilution upon Second Admission due to completion of the Placing and Subscription.

PART 4

QUESTIONS AND ANSWERS ABOUT THE OPEN OFFER

The questions and answers set out in this Part 4 are intended to be in general terms only and, as such, you should read Part 3 “Details of the Open Offer” of this document for full details of what action to take. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank, fund manager, solicitor, accountant or other appropriate independent financial adviser, who is authorised under FSMA if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

This Part 4 deals with general questions relating to the Open Offer and more specific questions relating principally to persons resident in the United Kingdom who hold their Existing Shares in certificated form only. If you are an Overseas Shareholder, you should read paragraph 6 of Part 3 “Details of the Open Offer” of this document and you should take professional advice as to whether you are eligible for, and/or whether you need to observe any formalities to enable you to take up, your Open Offer Entitlement. If you hold your Existing Shares in uncertificated form (that is, through CREST) you should read Part 3 “Details of the Open Offer” of this document for full details of what action you should take.

If you are a CREST sponsored member, you should also consult your CREST sponsor. If you do not know whether your Existing Shares are in certificated or uncertificated form, please call the Receiving Agents, Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

The contents of this document should not be construed as legal, business, accounting, tax, investment or other professional advice. Each prospective investor should consult his, her or its own appropriate professional advisers for advice. This document is for your information only and nothing in this document is intended to endorse or recommend a particular course of action.

1. What is an open offer?

- 1.1 An open offer is a way for companies to raise money. Companies usually do this by giving their existing Shareholders a right to acquire further shares at a fixed price in proportion to their existing shareholdings. In this instance Shareholders will also be offered the opportunity to apply for additional shares in excess of their entitlement to the extent that other Qualifying Shareholders do not take up their entitlement in full.
- 1.2 This Open Offer is an invitation by the Company to Qualifying Shareholders to apply to acquire up to an aggregate of 7,503,200 Open Offer Shares at a price of 40 pence per share. If you hold Existing Shares on the Record Date or have a *bona fide* market claim, other than, where you are a Shareholder with a registered address or located in a Restricted Jurisdiction, you will be entitled to buy Open Offer Shares under the Open Offer.
- 1.3 The Open Offer is being made on the basis of 1 Open Offer Share for every 26 Existing Shares held by Qualifying Shareholders on the Record Date. If your entitlement to Open Offer Shares is not a whole number, you will not be entitled to buy a fraction of an Open Offer Share and your entitlement will be rounded down to the nearest whole number. The Issue Price of 40 pence per Open Offer Share represents a discount of 25.2 per cent. to the closing middle-market price quotation as derived from the Daily Official List of the London Stock Exchange of 53.5 pence per Share on 17 March 2021 (being the latest practicable date before publication of the Fundraising announcement).
- 1.4 The Excess Application Facility allows Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement. Applications made under the Excess Application Facility may be allocated in such manner as the Directors (having consulted with the Banks) may determine in their absolute discretion, if applications are received from Qualifying

Shareholders for more than the available number of Open Offer Shares, no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all. Any qualifying shareholder with no basic entitlement cannot apply under the Excess Facility.

- 1.5 Unlike in a rights issue, Application Forms are not negotiable documents and neither they nor the Open Offer Entitlement can themselves be traded. Shareholders will not be able to apply for any New Shares which are the subject of the Placing and Open Offer.

2. How do I know I am eligible to participate in the Open Offer?

If you receive an Application Form and, are not a holder with a registered address or located in any Restricted Jurisdiction, then you should be eligible to participate in the Open Offer as long as you have not sold all of your Existing Shares on or after 18 March 2021 (the time when the Existing Shares are expected to be marked “ex-entitlement” by the London Stock Exchange).

3. How do I know how many Open Offer Shares I am entitled to take up?

- 3.1 If you do not have a registered address and are not located in any Restricted Jurisdiction, you will be sent an Application Form that shows:

3.1.1 how many Existing Shares you held at the close of business on the Record Date;

3.1.2 how many Open Offer Shares are comprised in your Open Offer Entitlement; and

3.1.3 how much you need to pay if you want to take up your right to buy all your entitlement to the Open Offer Shares.

- 3.2 If you have a registered address in any of the Restricted Jurisdictions, you will not receive an Application Form.

- 3.3 If you would like to apply for any of or all of the Open Offer Shares comprised in your Open Offer Entitlement you should complete the Application Form in accordance with the instructions printed on it and the information provided in this document. Completed Application Forms should be returned, along with a cheque or banker’s draft drawn in the appropriate form, by post to Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL or by hand (during normal office hours only) so as to be received by them by no later than 11.00 a.m. on 1 April 2021, after which time Application Forms will not be valid.

4. I am eligible to receive an Application Form. What are my choices in relation to the Open Offer?

If you do not want to take up your Open Offer Entitlement

- 4.1 If you do not want to take up the Open Offer Shares to which you are entitled, you do not need to do anything. In these circumstances, you will not receive any Open Offer Shares. You will also not receive any money when the Open Offer Shares you could have taken up are sold, as would happen under a rights issue.

- 4.2 You cannot sell your Application Form or your Open Offer Entitlement to anyone else. If you do not return your Application Form subscribing for the Open Offer Shares to which you are entitled by 11.00 a.m. on 1 April 2021, the Company has made arrangements under which the Company has agreed to issue the Open Offer Shares to other Qualifying Shareholders under the Excess Application Facility.

- 4.3 If you do not take up your Open Offer Entitlement, then following the issue of the Open Offer Shares pursuant to Open Offer, your interest in the Company will be diluted. Even if a Qualifying Shareholder subscribes for the Open Offer Entitlement under the Open Offer, their proportionate economic interest would be diluted by the issue of Open Offer Shares pursuant to the Excess Application Facility and the issue of the Subscription Shares and Placing Shares.

If you want to take up some but not all of your Open Offer Entitlement

- 4.4 If you want to take up some but not all of the Open Offer Shares to which you are entitled, you should write the number of Open Offer Shares you want to take up in Box 6 of your Application Form; for example, if you are entitled to take up 50 shares but you only want to take up 30 shares, then you should write '30' in Box 6 and 8. To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example, '30') by £0.40, which is the price in pounds of each Open Offer Share (giving you an amount of £12.00 in this example). You should write this amount in Box 9, rounding up to the nearest whole pence and this should be the amount your cheque or banker's draft is made out for. You should then return the completed Application Form, together with a cheque or banker's draft for that amount, by post to Link Group Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL or by hand (during normal office hours only) so as to be received by them by no later than 11.00 a.m. on 1 April 2021, after which time Application Forms will not be valid. If you post your Application Form by first class post, you should allow at least four Business Days for delivery.
- 4.5 All payments must be in pounds sterling and made by cheque or banker's draft made payable to "Link Market Services Limited Re: XLMedia Plc Open Offer A/C" and crossed "A/C payee only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the full name of the building society or bank account holder and has added the building society or bank branch stamp on the back of the cheque. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques or banker's drafts where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) may not be accepted (see Part 3).
- 4.6 Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct Link Group to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be paid on payments. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.
- 4.7 A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be despatched to you by no later than 14 April 2021.

If you want to take up all of your Open Offer Entitlement

- 4.8 If you want to take up all of the Open Offer Shares to which you are entitled, you need to send the Application Form (ensuring that all joint holders sign (if applicable)), together with your cheque or banker's draft for the amount (as indicated in Box 5 of your Application Form), by post to Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL or by hand (during normal office hours only) so as to be received by them by no later than 11.00 a.m. on 1 April 2021, after which time Application Forms will not be valid. If you post your Application Form by first-class post, you should allow at least four Business Days for delivery.
- 4.9 All payments must be in pounds sterling and made by cheque or banker's draft made payable to "Link Market Services Limited Re: XLMedia Plc" Open Offer A/C! and crossed "A/C payee only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is

either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted on the back of the cheque details of the full name of the building society or bank account holder and has added the building society or bank branch stamp. The account name should be the same as that shown on the application.

- 4.10 Post-dated cheques will not be accepted. Third party cheques (other than building society cheques or banker's drafts where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) may not be accepted.

If you want to apply for more than your Open Offer Entitlement

- 4.11 Provided you have agreed to take up your Open Offer Entitlement in full, you can apply for further Open Offer Shares under the Excess Application Facility. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement. You should write the number of Open Offer Shares comprised in your Open Offer Entitlement (as indicated in Box 4 of the Application Form) in Box 6 and write the number of Excess Shares for which you would like to apply in Box 7. You should then add the totals in Boxes 6 and 7 and insert the total number of Open Offer Shares for which you would like to apply in Box 8. For example, if you have an Open Offer Entitlement for 50 Open Offer Shares but you want to apply for 75 Open Offer Shares in total, then you should write 50 in Box 6, 25 in Box 7 and 75 in Box 8. To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want by 40 pence, rounding up to the nearest whole pence, which is the price in pounds sterling of each Open Offer Share. You should write this amount in Box 9.
- 4.12 You should then return your Application Form by post to Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL or by hand (during normal office hours only) so as to be received by them by no later than 11.00 a.m. on 1 April 2021, after which time Application Forms will not be valid. If you post your Application Form by first class post, you should allow at least four Business Days for delivery.
- 4.13 If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, the Excess Shares may be allocated in such manner as the Directors (having consulted with the Banks) may determine in their absolute discretion. No assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

5. I acquired my Existing Shares prior to the Ex-Entitlement Date. What if I do not receive an Application Form or I have lost my Application Form?

- 5.1 If you do not receive an Application Form, this probably means that you are not eligible to participate in the Open Offer. Some Shareholders, however, will not receive an Application Form but may still be eligible to participate in the Open Offer, namely:
- 5.1.1 Qualifying Shareholders who bought Existing Shares before 16 March 2021 but were not registered as the holders of those shares at the Record Date; and
- 5.1.2 certain Overseas Shareholders.
- 5.2 If you do not receive an Application Form but think that you should have received one or you have lost your Application Form, please contact the Link Group Shareholder Helpline on **0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.**

6. Can I trade my Open Offer Entitlement?

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Shareholders should also note that their Application Forms are not negotiable documents and cannot be traded. Open Offer Entitlements will not be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim. Open Offer Shares for which an application has not been made under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up their Open Offer Entitlement will have no rights under the Open Offer or receive any proceeds from it. The Open Offer Shares are not underwritten.

7. What if I change my mind?

Once you have sent your Application Form and payment to Link Asset Services, you cannot withdraw your application or change the number of Open Offer Shares for which you have applied, except in the very limited circumstances which are set out in this document.

8. What if the number of Open Offer Shares to which I am entitled is not a whole number: am I entitled to fractions of Open Offer Shares?

If the number is not a whole number, you will not receive a fraction of an Open Offer Share and your entitlement will be rounded down to the nearest whole number and made available under the excess facility

9. What should I do if I have sold some or all of my Existing Shares?

If you hold Existing Shares in the Company directly and you sell some or all of your Existing Shares before 16 March 2021, you should contact the buyer or the person/company through whom you sell your shares. The buyer may be entitled to apply for Open Offer Shares under the Open Offer. If you sell any of your Existing Shares on or after 18 March 2021, you will not be able to participate in the Open Offer Shares as set out on your Application Form.

10. How do I pay?

Completed Application Forms should be returned with a cheque or banker's draft drawn in the appropriate form. All payments must be in pounds sterling and made by cheque or banker's draft made payable to "Link Market Services Limited Re: XLMedia Plc Open Offer A/C" and crossed "A/C Payee Only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the full name of the building society or bank account holder and has added the building society or bank branch stamp on the back of the cheque. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques or banker's drafts where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) may not be accepted.

11. Will the Existing Shares that I hold now be affected by the Open Offer?

If you decide not to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, or only apply for some of your entitlement, your proportionate ownership and voting interest in the Company will be reduced.

12. Where do I send my Application Form?

You should send your completed Application Form together with the monies in the appropriate form, by post to Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL or by hand (during normal office hours only). If you post

your Application Form by first-class post, you should allow at least four Business Days for delivery. If you do not want to take up or apply for Open Offer Shares then you need take no further action.

13. When do I have to decide if I want to apply for Open Offer Shares?

Link must receive the Application Form by no later than 11.00 a.m. on 1 April 2021, after which time Application Forms will not be valid. If an Application Form is being sent by first class post in the UK, Qualifying Shareholders are recommended to allow at least four Business Days for delivery.

14. How do I transfer my entitlements into the CREST system?

If you are a Qualifying Shareholder and are a CREST member and want your Open Offer Shares to be in uncertificated form, you should complete the CREST deposit form (contained in the Application Form), and ensure it is delivered to CCSS in accordance with the instructions in the Application Form. CREST sponsored members should arrange for their CREST sponsors to do this.

15. I hold my Existing Shares in certificated form. When will I receive my new share certificate?

It is expected that Link Group will post all new share certificates by 14 April 2021.

16. If I buy Existing Shares after the Record Date, will I be eligible to participate in the Open Offer?

If you bought your Existing Shares after the Record Date, but before the ex-entitlement date you are likely to be able to participate in the Open Offer in respect of such Shares.

17. Will I be taxed if I take up my entitlements?

Shareholders who are in any doubt as to their tax position should consult an appropriate professional adviser immediately.

18. What should I do if I live outside the United Kingdom?

Your ability to apply to acquire Open Offer Shares may be affected by the laws of the country in which you live and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your Open Offer Entitlement. Shareholders with registered addresses or who are located in any Restricted Jurisdiction are not eligible to participate in the Open Offer. Your attention is drawn to the information in paragraph 6 of Part 3 "Details of the Open Offer" of this document.

19. Further assistance

Should you require further assistance, please contact the Link Group Shareholder Helpline on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. Please note that, for legal reasons, the Shareholder Helpline is only able to provide information contained in this document and information relating to the Company's register of members and is unable to give advice on the merits of the Open Offer or to provide legal, business, accounting, tax, investment or other professional advice.

PART 5

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

“Acquisition”	the acquisition by XLMedia plc of Sports Betting Dime pursuant to the Acquisition Agreement
“Acquisition Agreement”	the asset purchase agreement dated 17 March 2021 relating to the Acquisition, made between XLMedia, Lucky Panda Marketing Inc. and Nelson Media S.A
“Admission”	First Admission and/or Second Admission as the context requires
“AIM”	AIM, the market of that name operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange from time to time
“AIM Rules for Nominated Advisers”	the AIM rules for nominated advisers published by the London Stock Exchange from time to time
“Application Form”	the application form to take up Open Offer Shares in the Open Offer accompanying this document that may be used by Qualifying Non-CREST Shareholders
“Articles”	the articles of association of the Company in force as at the date of this document
“Banks”	Berenberg and Cenkos
“Berenberg”	Joh. Berenberg, Gossler & Co. KG, London Branch
“Business Day”	any day other than a Saturday, Sunday or public holiday in England and Wales or Jersey on which clearing banks in London are open for general banking business
“CBWG”	the business of that name acquired by the Company in December 2020
“CCSS”	the CREST Courier and Sorting Service, established by Euroclear to facilitate, <i>inter alia</i> , the deposit and withdrawal of certificated securities
“Cenkos”	Cenkos Securities plc
“certificated” or “in certificated form”	not in uncertificated form
“City Code”	the City Code on Takeovers and Mergers issued by the Panel on Takeovers and Mergers in the UK
“Company” or “XLMedia”	XLMedia PLC, a company incorporated as a public limited liability company under the Companies (Jersey) Law 1991 (as amended) with company number 114467
“CREST”	the facilities and procedures for the time being of the relevant system of which Euroclear has been approved as operator pursuant to the CREST Regulations
“CREST Manual”	the compendium of documents entitled CREST Manual issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, the CREST Rules, CCSS Operations Manual and the CREST Glossary of Terms
“CREST member”	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations)

“CREST participant”	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor, being a sponsoring system participant (as defined in the CREST Regulations)
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member
“Directors” or “Board”	the directors of the Company, whose names appear on page 5 of this document, or any duly authorised committee thereof
“Enlarged Share Capital”	the issued ordinary share capital of the Company immediately following First Admission or Second Admission, as the context requires
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Ex-entitlement Date”	the date on which the Existing Shares are marked “ex” for entitlement under the Open Offer, being 8.00 a.m. on 18 March 2021
“Excess Application Facility”	the arrangement pursuant to which Qualifying Shareholders may apply for additional Open Offer Shares in excess of their Open Offer Entitlement in accordance with the terms and conditions of the Open Offer
“Excess CREST Open Offer Entitlements”	in respect of each Qualifying CREST Shareholder, the entitlement (in addition to their Open Offer Entitlement) to apply for Open Offer Shares pursuant to the Excess Application Facility, which is conditional on him taking up his Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of this document
“Excess Open Offer Entitlements”	an entitlement for each Qualifying Shareholder to apply to subscribe for Open Offer Shares in addition to his Open Offer Entitlement pursuant to the Excess Application Facility which is conditional on him taking up his Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of this document
“Excess Shares”	Open Offer Shares which are not taken up by Qualifying Shareholders pursuant to their Open Offer Entitlement and which are offered to Qualifying Shareholders under the Excess Application Facility
“Existing Shares”	the 195,083,205 Shares in issue as at the date of this document or the 213,796,071 Shares in issue immediately after First Admission, as the context requires, all of which are or will be admitted to trading on AIM
“FCA”	Financial Conduct Authority
“First Admission”	admission of the First Placing Shares and the First Subscription Shares to trading on AIM becoming effective in accordance with the AIM Rules which is expected to occur at 8.00 a.m. on 22 March 2021
“First Placing”	the placing by Cenkos and Berenberg on behalf of the Company of the First Placing Shares at the Issue Price pursuant to the terms of the Placing Agreement
“First Placing Shares”	the 18,236,585 new Shares to be issued by the Company at the Issue Price at First Admission

“First Subscription Shares”	the 476,281 new Shares to be issued by the Company at the Issue Price at First Admission in connection with the Subscription
“FSMA”	the Financial Services and Markets Act 2000
“Fundraising”	the Placing, the Subscription and the Open Offer
“General Meeting”	the extraordinary general meeting of the Company convened for 11:00 a.m. on 6 April 2021 in accordance with the Notice set out in Part 6 of this document (or any adjournment thereof)
“Group”	the Company and its subsidiary undertakings from time to time
“Issue Price”	40 pence per New Share
“Link Group” or “Receiving Agent”	the trading name of Link Market Services Limited
“London Stock Exchange”	London Stock Exchange plc
“member account ID”	the identification code or number attached to any member account in CREST
“New Shares”	the Placing Shares, the Subscription Shares and the Open Offer Shares
“Official List”	the Official List of the FCA
“Open Offer”	the conditional invitation by the Company to Qualifying Shareholders to apply to subscribe for the Open Offer Shares at the Issue Price on the terms and subject to the conditions set out in this document and, in the case of Qualifying Non-CREST Shareholders, in the Application Form
“Open Offer Entitlement”	the individual entitlements of Qualifying Shareholders to subscribe for Open Offer Shares allocated to Qualifying Shareholders on the Record Date pursuant to the Open Offer
“Open Offer Shares”	up to 7,503,200 new Shares being made available to Qualifying Shareholders by the Company pursuant to the Open Offer
“Overseas Shareholders”	a Shareholder who is resident in, or a citizen of, a jurisdiction outside the United Kingdom
“participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
“Placing”	the placing of the Placing Shares at the Issue Price pursuant to the Placing Agreement
“Placing Agreement”	the conditional agreement dated 18 March 2021 and made between the Company, Berenberg and Cenkos in relation to the Fundraising, further details of which are set out in paragraph 8 of Part 1 of this document
“Placing Shares”	the First Placing Shares and the Second Placing Shares together
“Prospectus Regulation”	regulation (EU) No. 2017/1129 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018;
“Prospectus Regulation Rules”	the Prospectus Regulation Rules made by the FCA under section 73A of FSMA
“Qualifying CREST Shareholders”	Qualifying Shareholders holding Existing Shares in uncertificated form on the Register on the Record Date

“Qualifying Non-CREST Shareholders”	Qualifying Shareholders holding Existing Shares in certificated form on the Register on the Record Date
“Qualifying Shareholders”	holders of Existing Shares on the register of members of the Company at the Ex-entitlement Date that are not Restricted Shareholders
“Record Date”	the record date for the Open Offer, being 6.00 p.m. on 16 March 2021
“Register”	the register of members of the Company
“Regulation S”	Regulation S promulgated under the US securities Act
“Regulatory Information Service”	a regulatory information service approved by the FCA and on the list of regulatory information services maintained by the FCA
“Resolutions”	the resolutions to be proposed at the General Meeting as set out in the notice of General Meeting in Part 6 of this document, and a reference to a numbered Resolution shall be to the resolution so numbered in that notice
“Restricted Jurisdiction”	any of the following jurisdictions: Australia; Canada; Japan; New Zealand; the Republic of South Africa; and the United States
“Restricted Shareholder”	a Shareholder who is a resident in, or a citizen or national of, a Restricted Jurisdiction or any other jurisdiction where the mailing of this document or the Application Form in, into or from such jurisdiction would constitute a violation of the laws of such jurisdiction
“Second Admission”	admission of the Second Placing Shares, the Second Subscription Shares and the Open Offer Shares to trading on AIM becoming effective in accordance with the AIM Rules which is expected to occur at 8.00 a.m. on 7 April 2021
“Second Placing”	the placing by Cenkos and Berenberg on behalf of the Company of the Second Placing Shares at the Issue Price pursuant to the terms of the Placing Agreement
“Second Placing Shares”	the 40,490,813 new Shares to be issued by the Company at the Issue Price at Second Admission, conditional on, <i>inter alia</i> , the passing of the Resolutions
“Second Subscription Shares”	the 796,321 new Shares to be issued by the Company at the Issue Price at Second Admission in connection with the Subscription, conditional on, <i>inter alia</i> , the passing of the Resolutions
“Shareholders”	holders of Shares
“Shares”	ordinary shares of US\$0.000001 each in the capital of the Company
“Sports Betting Dime” or “SBD”	the name of the assets being purchased by the Company pursuant to the Acquisition Agreement
“Subscription”	the subscription for the Subscription Shares in accordance with the Subscription Letters by certain Directors and senior officers of the Company at the Issue Price at First Admission and, as applicable, Second Admission, conditional on in respect of the Second Admission, <i>inter alia</i> , the passing of Resolutions 1 and 2 as described in this document
“Subscription Shares”	the 1,272,602 new Shares pursuant to the Subscription
“Subscription Letters”	the subscription letters entered into between the Company certain Directors and senior officers of the Company on 17 March 2021

“Total Open Offer Entitlements”	entitlements for Qualifying Shareholders to subscribe for Open Offer Shares pursuant to the Open Offer Entitlement and the Excess Open Offer Entitlement
“uncertificated form” or “in uncertificated form”	recorded in the Register as being held in uncertificated form in CREST and title to which, by virtue of the Uncertificated Securities Order, may be transferred by means of CREST
“Uncertificated Securities Order”	the Companies (Uncertificated Securities) (Jersey) Order 1999, as amended
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“United States” or “US”	the United States of America, its jurisdictions and possession, any state of the United States and the District of Columbia
“US Dollar”	the lawful currency of the United States
“US Securities Act”	the U.S. Securities Act of 1933, as amended

Notes:

All references in this document to “\$” and “US\$”, is to United States dollars, being the lawful currency of the United Kingdom.

All references in this document to “£”, “pounds sterling” and “pence” (including the abbreviation “p”) are to the lawful currency of the United Kingdom.

All references in this document to “€”, are to the lawful currency of the Euro area.

References to a “non-working day” shall be construed in accordance with the Uncertificated Securities Order. All times stated in this document are to the time in London, unless otherwise stated.

PART 6

NOTICE OF EXTRAORDINARY GENERAL MEETING

XLMedia PLC (the “Company”)

(a public limited liability company incorporated in Jersey under the Companies (Jersey) Law 1991, as amended, and registered with number 114467)

Notice is hereby given that pursuant to the Companies (Jersey) Law 1991 (as amended) (the “**Companies Law**”) and the Articles, an extraordinary general meeting of the Company will be held at The Courtyard Suite, 21-25 Hart Street, Henley-on-Thames, RG9 2AR, United Kingdom, at 11:00 a.m. on 6 April 2021 for the purpose of considering and, if thought fit, passing the following ordinary resolution and special resolutions:

Ordinary Resolution

1. THAT the Directors of the Company be and are generally and unconditionally authorised pursuant to Article 2.3 of the Articles to exercise all or any of the powers of the Company pursuant to the Articles to allot relevant securities (as that term is defined in the Articles) up to 48,790,334 ordinary shares in the capital of the Company (“**Shares**”) in connection with the Placing, Subscription and Open Offer (as described in the circular to shareholders of the Company dated 19 March 2021) in addition to the authority approved at the Company’s last annual general meeting held on 27 May 2020 (which shall continue in full force and effect), provided that this authority shall, unless previously revoked, varied or renewed, expire on the conclusion of the next Annual General Meeting of the Company, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors of the Company may allot relevant securities pursuant to such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

Special Resolutions

2. THAT subject to and conditional upon the passing of Resolution 1, the Directors of the Company be generally and unconditionally authorised by virtue of Article 2.10 of the Articles to exercise all powers of the Company to allot equity securities (as that term is defined in the Articles) for cash pursuant to the authority conferred in Resolution 1 as if the pre-emption provisions of Articles 2.4 to 2.8 of the Articles did not apply to any such allotment, provided that this authority shall be limited to the allotment and issue wholly for cash or otherwise of up to 48,790,334 Shares in connection with the Placing, Subscription and Open Offer and, which shall, unless previously revoked, varied or renewed, expire on conclusion of the next Annual General Meeting of the Company, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors of the Company may allot equity securities pursuant to such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

3. THAT subject to and conditional upon the passing of Resolutions 1 and 2, the Directors of the Company be generally and unconditionally authorised by virtue of Article 2.10 of the Articles to exercise all the powers of the Company to allot equity securities (as that term is defined in the Articles) as if the pre-emption provisions of Articles 2.4 to 2.8 of the Articles did not apply to any such allotment, provided that this authority shall be limited to the allotment and issue wholly for cash or otherwise of up to 25,508,320 Shares and, which shall, unless previously revoked, varied or renewed, expire on the date falling 18 months following the passing of this Resolution or the conclusion of the next Annual General Meeting of the Company, whichever is earlier, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors of the Company may allot equity securities pursuant to such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

By order of the Board

Michal Badhav

Company Secretary

19 March 2021

NOTES:

- 1 As at 17 March 2021 (being the latest practicable date before the publication of this Notice) the Company's issued ordinary share capital consisted of 195,083,205 Shares carrying one vote each. Additionally, the Company holds Nil Shares as treasury shares without voting rights.
- 2 A member entitled to attend and vote at the meeting convened by this Notice (or any adjournment thereof) is entitled to appoint one or more proxies to exercise all or any of that member's rights to attend and to speak and vote instead of him or her provided that if two or more proxies are to be appointed, each proxy must be appointed to exercise the rights attaching to different shares. When two or more valid proxy appointments are delivered or received in respect of the same Shares, the one which was last delivered or received shall be treated as replacing or revoking the others as regards such Shares, provided that if the Company determines that it has insufficient evidence to decide whether or not a proxy appointment is in respect of the same share or which was last delivered or received, it shall be entitled to determine which proxy appointment (if any) is to be treated as valid. **A proxy need not be a member of the Company but if you appoint the chairman of the meeting as your proxy, this will ensure that your votes are cast in accordance with your wishes given that the UK Government's current restrictions mean that neither you nor any other person you might appoint as your proxy will be able to attend the meeting in person.** To appoint a proxy you may:
 - (a) submit your proxy vote electronically by accessing the shareholder portal at www.signalshares.com, logging in and selecting the 'Vote Online Now' link. You will require your username and password in order to log in and vote. If you have forgotten your username or password you can request a reminder via the shareholder portal. If you have not previously registered to use the portal you will require your investor code ('IVC') which can be found on your share certificate or dividend notification. You must submit your vote by no later than 11:00 a.m. on 1 April 2021; or
 - (b) if you hold your shares in uncertified form, use the CREST electronic proxy appointment service in accordance with the procedures set out in the CREST manual using CREST ID: RA10. The latest time by which an instruction must be validly entered through the CREST electronic proxy appointment service is 11:00 a.m. on 1 April 2021 (or, if the meeting is adjourned, not less than 48 hours (excluding non-working days) before the time fixed for the adjourned meeting); or
 - (c) You may request a hard copy form of proxy directly from the registrars, Link Group on Tel: 0371 664 0300. Calls cost 12p per minute plus your phone company's access charge. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9:00 a.m. – 5:30 p.m., Monday to Friday excluding public holidays in England and Wales..

Completion of the form of proxy or the appointment of a proxy electronically through CREST in the way aforementioned will not prevent a member from attending and voting in person at the General Meeting should the situation and the applicable restrictions change such that you are permitted to, and you subsequently wish to, do so. The Company may treat as invalid any CREST electronic proxy instruction as set out in Article 34 of the Uncertificated Securities Order.

- 3 The Company, pursuant to the Uncertificated Securities Order, specifies that only those members entered on the register of members of the Company as at close of business on 1 April 2021 shall be entitled to attend or vote at the meeting in respect of shares registered in their name at that time. Changes to entries on the register after close of business on 1 April 2021 shall be disregarded in determining the rights of any person to attend or vote at the meeting. However, in light of the social distancing measures imposed by the UK Government as a result of the current COVID-19 pandemic, any member attempting to attend the General Meeting in person will be refused entry. If the meeting is adjourned, the time by which a person must be entered on the register of members in order to have the right to attend or vote at the adjourned meeting is 48 hours (excluding non-working days) before the date fixed for the adjourned meeting. Changes to entries on the register of members after such times shall be disregarded in determining the rights of any person to attend or vote at the meeting.
- 4 In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
- 5 The Notice sets out the resolution to be proposed at the meeting. It is anticipated that the chairman of the meeting will be Mr Christopher Bell, failing whom any other director of the Company.

- 6 The quorum for a meeting of shareholders is two qualifying persons present and entitled to vote on the business to be dealt with at the meeting, unless: (a) each is a qualifying person only because he is authorised under the Companies Law to act as a representative of a corporation in relation to the meeting, and they are representatives of the same corporation; or (b) each is a qualifying person only because he is appointed as proxy of a member in relation to the meeting, and they are proxies of the same member. For these purposes, a “**qualifying person**” means (i) an individual who is a member of the Company, (ii) a person authorised under the Companies Law to act as a representative of the corporation in relation to the meeting, or (iii) a person appointed as proxy of a member in relation to the meeting. To allow effective constitution of the meeting, if it is apparent to the Chairman that no shareholders will be present in person or by proxy, other than by proxy in the Chairman’s favour, then the Chairman may appoint a substitute to act as proxy in his stead for any shareholder, provided that such substitute proxy shall vote on the same basis as the Chairman.
- 7 If, within thirty minutes from the appointed time for the meeting, a quorum is not present, the meeting if convened by or upon a requisition shall be dissolved. If otherwise convened it shall stand adjourned for seven days at the same time and place or to such other day and at such other time and place as the Board may determine and no notice of adjournment need be given. The adjourned meeting shall be dissolved if a quorum is not present within 15 minutes after the time appointed for holding the meeting.
- 8 A majority of not less than three-quarters of the total number of votes cast is required to pass the special resolution.
- 9 To appoint more than one proxy you may photocopy the form of proxy. Please indicate the proxy holder’s name and number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms of proxy must be signed and should be returned together in the same envelope.
- 10 Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

PART 7

ADDITIONAL INFORMATION

Accounts

The Company's latest Annual Report and audited accounts can be found at: www.xlmedia.com/investor-relations/presentations-reports-documents.

Material contract

An asset acquisition agreement dated 9 December 2020 and made between (1) the Company; (2) XLMedia Publishing Limited (a wholly-owned subsidiary of the Company); (3) CBWG Media Group LLC; (4) CB Sports LLC; (5) Warwick Gaming LLC and (6) The Founder Equityholders (as defined therein) pursuant to which XLMedia Publishing Limited acquired the sports gaming and sports betting business of CBWG.

Principal establishments

The Company's registered office is at 12 Castle Street St Helier, Jersey JE2 3RT.

The Company's head office is at The Courtyard, 21-25 Hart Street, Henley-on-Thames, RG9 2AR, United Kingdom.

Further information on the Company

Further information on the Company can be found at www.xlmedia.com.

