ANNUAL
REPORT &
ACCOUNTS
2021

XLMedia PLC

RESHAPED TO SEIZE NEW GROWTH

XLMEDIA IS A GLOBAL DIGITAL PUBLISHER. WE COMBINE THE POWER OF PEOPLE AND TECHNOLOGY TO BUILD VALUABLE CONNECTIONS.

OUR GLOBAL BRANDS

- SATURDAY DOWN SOUTH
- CROSSING BROAD
- Saturday Tradition
- ESNY ELITE SPORTS NY
- Sports Betting Dime
- 101 GREAT GOALS
- FREEBETS.COM
- money under 30
- investorjunkie
- DoughRoller
- WhichBingo Find your new bingo site today

KEY FACTS & FIGURES

267 PEOPLE

LOCATIONS UK/US/CANADA/ ISRAEL/CYPRUS

LISTED LONDON STOCK EXCHANGE

$66.5M REVENUES

$5.6M NET PROFIT

$17.9M ADJUSTED EBITDA[1]

1 Adjusted EBITDA in all references is defined as Earnings Before Interest, Taxes, Depreciation and Amortisation, and excluding any share-based payments, impairment and reorganisation costs

FINANCIAL SUMMARY

REVENUES

$66.5m

(FY 2020: $54.8 million)

SPORTS VERTICAL GENERATED REVENUES OF $31.4 MILLION
(FY 2020: $11.3 million)

PERSONAL FINANCE GENERATED REVENUES OF $8.7 MILLION
(FY 2020: $8.4 million)

EUROPE CASINO ASSETS GENERATED REVENUES OF $23.2 MILLION
(FY 2020: $31.7 million)

OTHER LEGACY REVENUES WERE $3.1 MILLION
(FY 2020: $3.5 million)

OPERATING PROFIT

$3.9m

(FY 2020: $0.1 million)

ADJUSTED EBITDA[1]

$17.9m

(FY 2020: $12.2 million)

CASH

$24.6m

(31 December 2020: $13.9 million)

1 Adjusted EBITDA in all references is defined as Earnings Before Interest, Taxes, Depreciation and Amortisation, and excluding any share-based payments, impairment and reorganisation costs

OPERATING SUMMARY

GREW PRESENCE AND CREATED A SIGNIFICANT MARKET OPPORTUNITY WITHIN NORTH AMERICAN SPORTS, WITH COVERAGE ACROSS THE 15 STATES WHERE ONLINE SPORTS BETTING IS LEGAL, AS WELL AS US STATES AND CANADIAN PROVINCES SOON TO LEGALISE

SUCCESSFULLY HARMONISED TWO US SPORTS ACQUISITIONS (SPORTS BETTING DIME AND SATURDAY FOOTBALL INC.) WITH CBWG ASSETS AND TEAM

COMMERCIAL CONTENT TEAM SUCCESSFULLY WORKING ACROSS A NUMBER OF MEDIA PARTNERS

Global operational reorganisation to complete in H1 2022

ANNUALISED GROSS COST SAVINGS OF BETWEEN $5 MILLION AND $6 MILLION

Europe Sports and Personal Finance assets now managed from the UK and US respectively

STRENGTHENED THE EXECUTIVE TEAM WITH THE APPOINTMENTS OF:

CHIEF FINANCIAL OFFICER, CAROLINE ACKROYD, CHIEF INFORMATION OFFICER, NIGEL LEIGH

STRENGTHENED THE BOARD WITH THE APPOINTMENTS OF:

JULIE MARKEY AND CÉDRIC BOIREAU AS NON-EXECUTIVE DIRECTORS

MARCUS RICH AS NON-EXECUTIVE CHAIR (POST PERIOD)

Europe Casino assets retaining profitability

WANT TO GO DIGITAL?

Access more detailed and interactive content while helping to reduce our carbon footprint and save paper.

You'll receive a more dynamic report than in years past and help XLMedia to reduce its impact on the environment.

To register, simply visit: www.signalshares.com, a secure platform provided by our Registrar, Link Group. From the home page select XLMedia PLC as the company, click 'Register an account' and follow the on-screen instructions. You will need your shareholder reference number to register.

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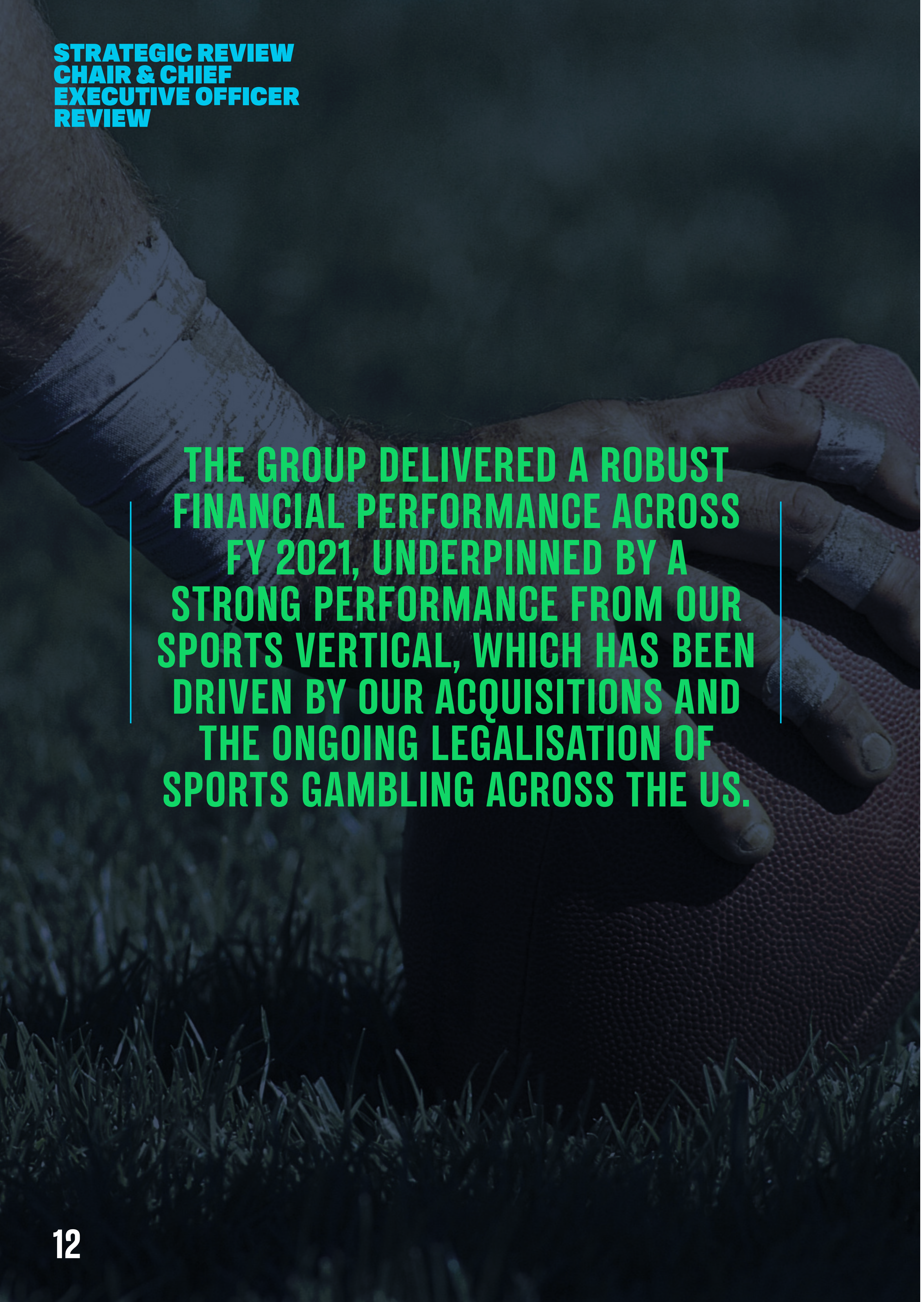
STRATEGIC REVIEW



THE GROUP DELIVERED A ROBUST FINANCIAL PERFORMANCE ACROSS FY 2021, UNDERPINNED BY A STRONG PERFORMANCE FROM OUR SPORTS VERTICAL, WHICH HAS BEEN DRIVEN BY OUR ACQUISITIONS AND THE ONGOING LEGALISATION OF SPORTS GAMBLING ACROSS THE US.

We will complete the comprehensive organisational redesign and rationalisation of the business in H1 2022, ensuring XLMedia is rightsized and focused on addressing regulated, high-growth markets.

Pleasingly, the business is now fully focused on expanding our portfolio of premium assets – underpinned by content-rich and consumer-centric sites – and servicing high-growth markets and geographies while delivering enhanced operating performance and efficiency.

RATIONALISATION

Our organisational redesign will be completed in H1 2022. The Group has focused on reshaping our operating model, and this process, alongside realigning both talent and resources globally, will yield annualised cost savings of between $5 million and $6 million. The Group has been evolving its operating model in that time, creating global and regional hubs, which has improved our access to an economical pool of talent. Our acquisition of BlueClaw has also accelerated this process, bringing enhanced SEO and digital PR expertise; we have applied this expertise to our Europe Sports vertical to good effect in H2 2021 and will be rolling out these best practices across the wider Group portfolio during FY 2022.

PEOPLE / TALENT

During the 2021 period, the Company has rebuilt the executive team, appointing Caroline Ackroyd as Chief Financial Officer in March 2022, in addition to the appointment of Chief Information Officer, Nigel Leigh. The Group also strengthened the Board with the appointments of Julie Markey and Cédric Boireau as Non-Executive Directors, who bring a wealth of experience in international people management and value investing respectively.

DIVISIONAL SUMMARY

SPORTS

The Group's Sports division delivered a strong performance during FY 2021, driven by a number of highly strategic US sports acquisitions. Following the successful integration of these businesses, XLMedia has now established a considerable North American sports platform underpinned by increasing regulatory tailwinds, which continue to create multiple growth opportunities for the Group.

Our North American sports platform generated significant levels of online traffic across H2 2021, growing to a year-end audience of 17.8 million unique monthly users. Our North American teams have successfully signed a number of key commercial and partnership agreements, which includes AMNY, a leading news site in Manhattan and New York City focused on local news and events, to complement the partnerships already in place through the acquisition of CBWG. Media partnerships are a core competency and remain a key focus to ensure geographical coverage alongside owned and operated brands.

The North American sports season, running from September through April, generated $5.7 million in 2020–2021. While the 2021–2022 season is yet to conclude, generated revenues are currently standing at $38.4 million (unaudited), representing a 574% year-on-year increase.

Our pipeline continues to strengthen as more US states and Canadian provinces regulate, including, for example, Ohio, Illinois and Ottawa.

The Group's Europe Sports vertical delivered a solid 7% uplift in revenue performance during 2021 to $10 million, while migrating operations from Israel to BlueClaw in the UK.

EUROPE CASINO

The Group's Europe Casino assets delivered a profitable performance across 2021, albeit from a smaller, more efficient cost base. This vertical continues to experience ongoing trading pressures alongside expected tail revenue decline.

The Group's Finnish Casino assets generated revenue of $11.7 million (FY 2020: $15.0 million), and they continue to face strong regulatory pressures. Management anticipates a prolonged period of adjustment to this new regulatory environment.

STRATEGIC REVIEW CHAIR & CHIEF EXECUTIVE OFFICER REVIEW

PERSONAL FINANCE

Personal Finance delivered a flat performance in FY 2021, with FY 2022 revenue expected to be less than FY 2021 as trading continues to be challenging yet profitable. Migration of the Personal Finance team to North America from Israel was completed in FY 2021. All key Personal Finance assets will be re-platformed during 2022, which will deliver improved site performance and SEO operations, as well as enhancing consumer experience and increasing engagement.

REGULATION

XLMedia remains focused on large, high-growth, regulated markets, underpinning the Group's focus on sports, both in the US and Europe. Regulatory changes in the Europe Casino vertical have led the Group to lower its exposure to the region alongside the associated cost base.

It is XLMedia's experience that operating within a clear regulatory framework will further drive our strategic ambitions.

OUTLOOK

With the Group's restructuring set to be completed in H1 2022, XLMedia is now fully focused on growth and profit generation. The Group's Sports vertical is now a key growth driver for the business and has fast created a powerful operational footprint from which to expand our services.

With the ongoing strength of our US Sports assets and rationalisation of the broader business, XLMedia continues to trade in line with expectations for the year ended 31 December 2022.

Stuart Simms,
Chief Executive Officer

Julie Markey,
Interim Chair

XLMEDIA WELCOMED MARCUS RICH AS CHAIR IN MARCH 2022. HE BRINGS EXTENSIVE DIGITAL PUBLISHING AND GLOBAL MEDIA INDUSTRY LEADERSHIP EXPERIENCE TO THE GROUP.

"I am very excited to be joining XLMedia PLC at this important time in its development. I am really looking forward to working with the team following a period of strategic redirection to maximise the opportunities from the existing assets and take advantage of the growth opportunities in the core areas of sports betting in a marketplace that is constantly evolving.

"I would also like to take this opportunity to thank Julie Markey for the support she has provided as Interim Chair and Stuart Simms for his leadership as Group CEO, having driven big transformational change alongside successfully expanding the Group into North America – a key strategic focus."

Marcus Rich,
Chair at XLMedia

"We've made great progress in North America during 2021 alongside delivering important organisational changes to both rationalise and ring-fence legacy areas of our business. We set out to become a significant player in North American sports – in line with our strategy to pursue high-growth, large, regulated markets – and we're now in really good shape, with strong geographical coverage and capability, ready to fully exploit this significant market opportunity."

Stuart Simms,
Chief Executive Officer at XLMedia

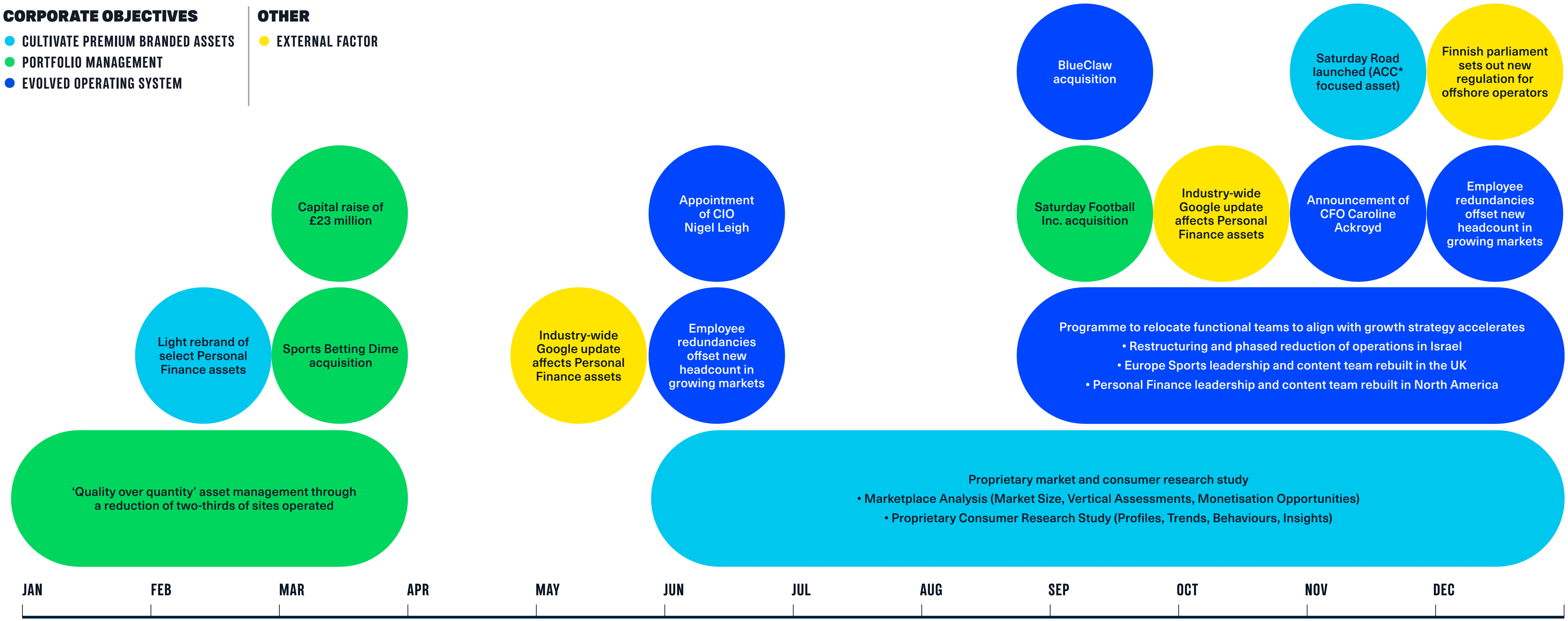
"In 2021, the Group evolved its operational capabilities – upskilling and realigning our global workforce to better match strategy and generate new future growth. I'm proud of our people for driving through a period of significant change including having to navigate continued restrictions relating to the Covid pandemic. The business is becoming more agile and responsive so that it can fully exploit new opportunities."

Julie Markey,
Interim Chair at XLMedia

KEY EVENTS 2021

CORPORATE OBJECTIVES
- CULTIVATE PREMIUM BRANDED ASSETS
- PORTFOLIO MANAGEMENT
- EVOLVED OPERATING SYSTEM

OTHER
- EXTERNAL FACTOR



*Atlantic Coast Conference

FINANCIAL REVIEW

$'000	2021	2020	Change
Revenue	66,487	54,839	21%
Expenses:			
Operating	(40,740)	(36,222)	12%
Sales and marketing	(14,837)	(9,819)	51%
Depreciation and amortisation	(6,970)	(7,720)	10%-
Impairment loss	-	(955)	100%-
Operating profit	3,940	123	3103%
EBITDA[3]	10,910	8,798	24%
Adjusted EBITDA[2]	17,934	12,161	47%
Adjusted[1] profit before tax on income	10,519	5,332	97%
Profit before taxes on income	4,015	1,106	263%

1 Excluding loss from impairment and reorganisation costs.
2 Earnings Before Interest, Taxes, Depreciation, Amortisation and excluding share-based payments, impairment and reorganisation costs.
3 Earnings Before Interest, Taxes, Depreciation, Amortisation and impairment.

XLMedia revenues in FY 2021 totalled $66.5 million (2020: $54.8 million), an increase of 21% compared to the previous year, underpinned by acquisitive growth within the North American Sports vertical, which more than offsets the anticipated revenue fall in the Casino vertical.

Operating expenses for 2021 were $40.7 million (2020: $36.2 million), an increase of 12% compared to the previous year, reflecting costs associated with M&A activity and restructuring.

Sales and marketing expenses for 2021 were $14.8 million (2020: $9.8 million), an increase of 51% which largely relates to the North American Sports' network model, which differs from the owned and operated model.

EBITDA for 2021 was $10.9 million or 16.4% of revenues (2020: $8.8 million, or 16% of revenues); the latter excludes the impairment charge of $1 million in 2020.

Adjusted EBITDA for 2021 was $17.9 million or 27% of revenues (2020: $12.2 million or 22.2% of revenues), an increase of 47% on the prior year due mainly to the increase in revenues.

Net financing expenses for 2021 were $0.2 million (2020: $0.1 million).

No impairment loss was recorded for 2021 (2020: $1 million, following the demotion of the Group's websites by Google in January 2020).

In 2021 the Group recorded transformation costs of $6.5 million (2020: $3.3 million) following the commencement of its restructuring plan in mid-2020, as well as costs associated with M&A activity.

Adjusted profit before tax on income in 2021 was $10.5 million (2020: $5.3 million), an increase of 97%.

Non-current assets as at 31 December 2021 were $123 million (31 December 2020: $66.9 million). The increase of 84% compared to the previous year was primarily due to $56.1 million from acquiring domains and websites in the US Sports market.

Current assets as at 31 December 2021 were $39.4 million (31 December 2021: $25.2 million). The increase of 56% compared to the previous year was primarily due to the increase in cash and cash equivalents mentioned below.

As at 31 December 2021, the Company had $22.4 million cash and cash equivalents (not including short- and long-term deposits) (31 December 2020: $12.6 million). The change in cash reflects $7.2 million generated by operating activities and $34.7 million generated by financing activities offset by $31.9 million used for investment activity.

Total equity as at 31 December 2021 was $109.2 million or 67% of total assets (31 December 2020: $67.3 million or 73% of total assets). The increase of 62%, compared to the previous year was primarily due to the issue of $35.8 million of new ordinary shares for the acquisition consideration of US websites.

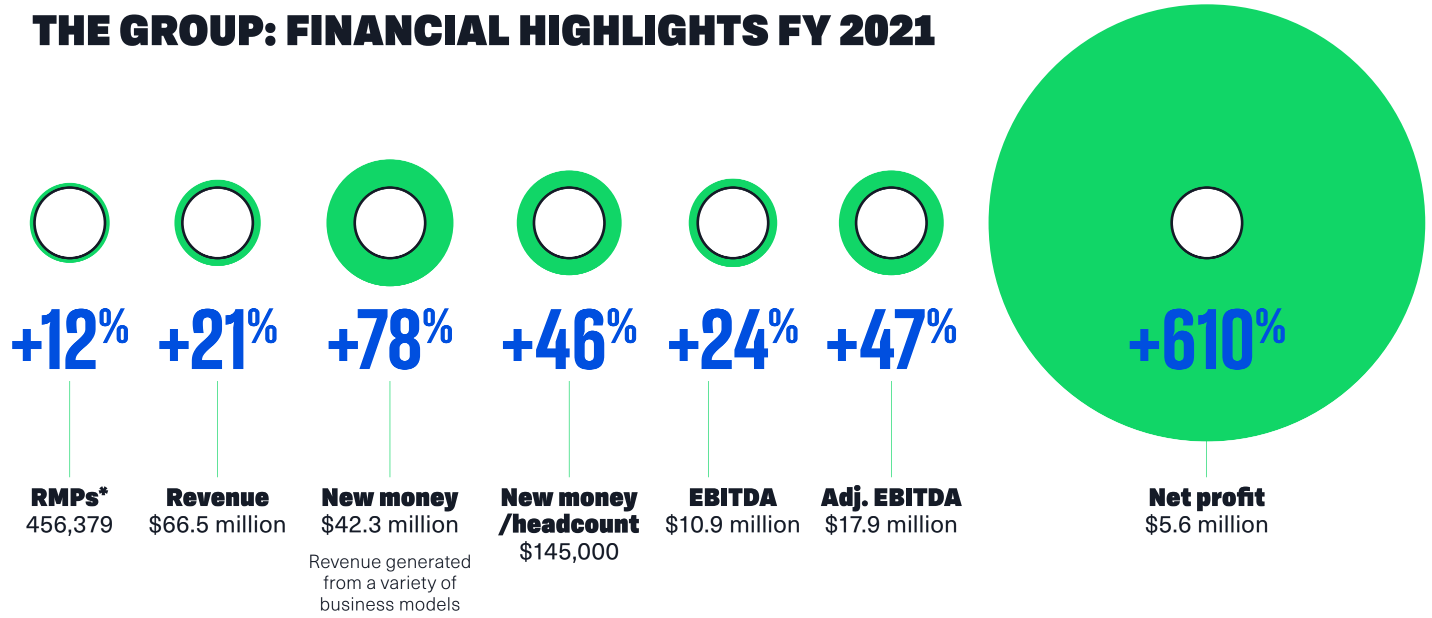
Non-current liabilities as at 31 December 2021 were $11.2 million (31 December 2020: $1.6 million). The increase of 600%, compared to the previous year was primarily due to deferred consideration liabilities related to the acquisition of US domains and websites.

Current liabilities as at 31 December 2021 were $42.1 million (31 December 2020: $23.3 million). The increase of 81%, compared to the prior year, was mostly related to deferred consideration liabilities linked with the acquisition of US domains and websites acquisitions.

2021 has been an important year for the Company – we have made significant progress on our fundamental rationalisation programme, repositioning ourselves well for future growth. Operational efficiencies achieved added productivity with new money per headcount increasing by 46% in 2021 to $145,000 (31 December 2020: $79,000).

We exited the year with a positive trajectory and successfully completed our third acquisition in the North American sports market. We remain optimistic about the Group's prospects in the years ahead.

THE GROUP: FINANCIAL HIGHLIGHTS FY 2021



*Real Money Player (RMP)

VERTICALS: REVENUE HIGHLIGHTS FY 2021

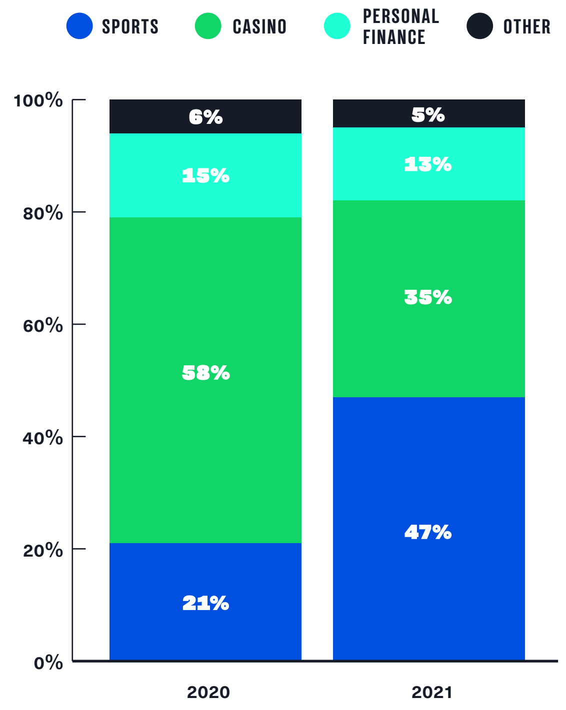
Reshaping growth focus

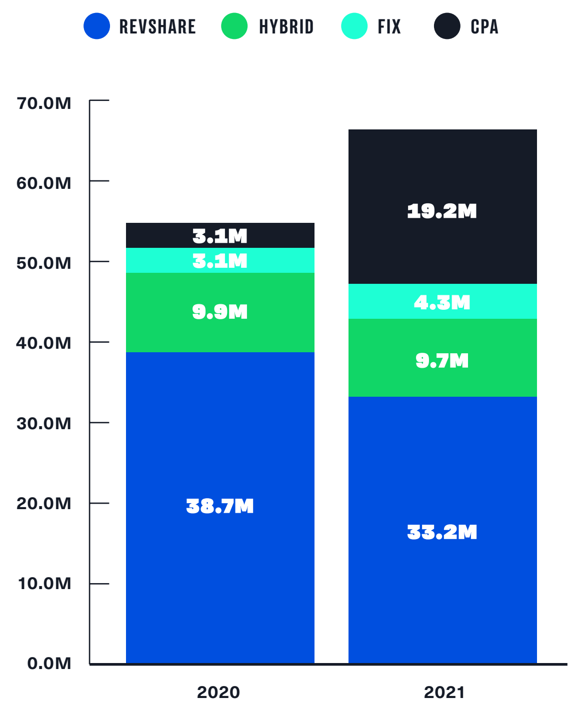
SPORTS		PERSONAL FINANCE		CASINO	
REVENUE	SHARE OF GROUP REVENUE	REVENUE	SHARE OF GROUP REVENUE	REVENUE	SHARE OF GROUP REVENUE
+178%	+23%	+4%	-2%	-27%	-21%
$31.4 million	50%	$8.7 million	13%	$23.2 million	37%
NEW MONEY	OLD MONEY	NEW MONEY	OLD MONEY	NEW MONEY	OLD MONEY
+760%	-19%	+4%	-	-36%	-23%
$24.6 million	$6.8 million	$8.7 million	$0	$5.8 million	$17.4 million
RMPS	REVENUE / RMPS	RMPS	REVENUE / RMPS	RMPS	REV / RMPS
+125%	+24%	+10%	-5%	-52%	-5%
102,405	$307	318,727	$27	35,247	$659

New money: Revenue from any business model
Old money: Revenue from tail revenue

REVENUE MIX

Diversifying revenue streams





XLMEDIA WELCOMED CAROLINE ACKROYD AS CHIEF FINANCIAL OFFICER IN MARCH 2022, AN EXPERIENCED CFO AND BOARD DIRECTOR WITH A TRACK RECORD OF SUCCESSFUL VALUE CREATION AND SUBSTANTIAL KNOWLEDGE OF THE GAMING AND LEISURE SECTORS.

"I'm thrilled to join XLMedia at such a pivotal inflection point in the Company's journey. The team has effectively navigated a number of challenges and, today, is well positioned to capture the opportunities that lie ahead. I look forward to supporting the Company's ongoing efforts to advance strategic priorities and unlock value."

Caroline Ackroyd,
Chief Financial Officer at XLMedia

PUBLISHING THAT PERFORMS

As a leading global digital publisher, we create content that is intended to further audiences along three strategically important phases of the consumer journey: curiosity, counsel and, finally, conversion. To do this, we combine the power of creative storytelling and technology with the results-driven 'win-win' ethos of performance marketing.

It's simple: we build lasting, meaningful relationships with our audience which create greater lifetime value – and then pass that value on to our partners.

The XLMedia portfolio of brands is designed to reach passionate audiences who have the desire to engage and take action. Operating across sports, personal finance and gaming, we utilise data science to reach the right audiences with the right content at the right time – driving action and building valuable relationships between audiences and partners.

Audiences Deliver

Visitors to our sites create millions of data points each day. Understanding them gives us a powerful edge in connecting the most valuable content with the most curious minds for more meaningful exchanges between audiences and partners.

Rich Media Engages

More content for the sake of it is the last thing anyone needs. But genuinely better content is a different story. Led by top creative talent, we utilise a full suite of multi-format, highly engaging content that explains, inspires, entertains and ultimately retains.

Data Science Amplifies

Technology never stands still. Neither do we. Our application of machines keeps us learning, improving and delivering deeper, more relevant experiences as we go.

Audience–Partner Relationships Create Value

With a powerful combination of deep industry knowledge, superior content and a smart ad-tech stack, we give partners the ability to maximise their investment through exclusive access to the communities we cultivate.

OUR BUSINESS MODEL

The digital revolution empowered people to choose when and where they consume information, build knowledge and seek out entertainment. And continuous innovation has led to the further evolution of consumption habits. As such, it's no surprise that there has been a significant reappraisal of the user journey and how best to reach consumers on their path to a purchase.

Our growth engine, which lies at the heart of our business model, starts with identifying passionate communities (e.g. sports fandoms), cultivating reciprocal relationships and building brand affinity through the exchange of ideas and shared interests. We then apply data science to better understand the motivations of our audience, recognise user intent and tell better stories. In doing so, we provide the right story, at the right time, with the most contextually relevant (intent-aligned) promotion in a process that creates reliable audience relationships and maximises revenue.

The result deepens the relationship between XLMedia's brands, our audiences and our partners, while engendering greater trust among all parties for healthier, more dependable revenue streams. By targeting fandoms and embracing the complexity of the modern audience journey in the sphere of digital publishing, we are poised to deliver true value to our audiences and our partners.

INDUSTRY LEADER

Continuously engaging the consumer creates multiple monetisation opportunities through premium assets and partnerships powered by data-driven connections.

THE GROWTH ENGINE

VALUE TO AUDIENCE

Audiences gain access to expert content that captivates and guides purchase decisions in equal measure.

- Sports coverage provides the knowledge and provocative opinions fans need to stay on top of their favourite teams, connect with their fandom community and understand how to make smarter bets.
- Personal finance experts encourage responsible decision-making and provide people with confidence in their financial future.
- Gaming brands make it easy and fun to browse games and offers in a trustworthy environment.

VALUE TO PARTNERS

Created for advertisers and media partners of all sizes, our offering provides greater reach, impactful performance and reliable revenue.

- Advertisers leverage our high-quality portfolio of national, local and specialised brands alongside a network of vetted publishers which – due to passionate, active audiences – provide high-volume and high-value traffic.
- Media partners access new revenue streams, significant scale, high-quality advertisers and industry intelligence to leverage the full potential of their content and create sustainable revenue.

OUR STRATEGY

Introduced at the end of 2019, our strategy has been rooted in three fundamental corporate objectives devised to evolve the XLMedia Group business, speed transformational progress and drive global growth. By the end of 2021, significant progress had been made against these ambitious objectives.

- PROACTIVE PORTFOLIO MANAGEMENT
- CULTIVATING PREMIUM BRANDED ASSETS
- EVOLVED OPERATING SYSTEM

Throughout 2021, we committed to proactively managing our publishing portfolio and ensured exposure to a diverse range of territories and verticals at different stages in their life cycle/maturity. Crucially, by realigning the weighting of our publishing assets and moving towards more regulated markets (the US) and verticals (Sports), we delivered sustainable revenue growth for our Company and our partners alongside improved data-driven intelligence to inform investment cases. A diverse portfolio generates a range of different audience groups which, in turn, increases the appeal and diversity of potential advertisers from all sectors wishing to engage commercially with XLMedia. The conscious rebalancing of our portfolio towards regulated markets characterised by double-digit returns has positioned the Group well to power resilient, long-term growth.

In parallel, we continued to cultivate premium publishing brands focused on high-quality output to build high-quality audience relationships. Focused consolidation of our portfolio and our resources continued throughout 2021; we now concentrate only on assets that are meaningful, distinct, credible and prized by the specific audiences they benefit. To do this, we elevated the calibre of our storytelling, expanded the formats we use to tell our stories, and fostered the communities our stories reach. This approach delivers more first-party data, which can be used to fuel deeper engagement. Initiated in 2019, the deliberate programme to simultaneously reduce our volume of assets while improving the quality of those we retain helps to drive audience traffic improvements and reduces overreliance on search aggregators like Google. The portfolio has been reduced from more than 3,000 publishing assets in 2019 to fewer than 70 publishing assets in 2021 with 40 identified as focus sites.

Finally, to support the successful delivery of our strategy, we underwent a transformation which reached the core of our business to deliver an evolved operating platform which maximises business performance. This transformation is well advanced and will complete in H1 2022, resulting in a business that is energised to promote external expansion and internal productivity.

The transformation outcome targets* are:

- A healthy operational backbone that provides a scalable foundation for growth, reduces executional risk and enables cost control.

  Delivering a new, evolved platform and systems that utilise machines where possible. This will allow the business to scale (investment and divestment) with greater ease and provide a unified system optimised for simplicity, efficiency and cost savings.

- A highly engaged workforce, architected deployment of machines and strategically integrated third-party support and expertise.

  Realigning the Company to a new way of working enabling efficiency, innovation and best practice sharing at scale. With streamlined workflows, the business can expand at speed with minimal onboarding times. While importantly, seeding a fresh, reinvigorated culture throughout the business to support our global span and the new remote working movement.

*For more information on the transformation outcomes, see People & Culture on pages 38–39.

RESULTS FROM STRATEGY TO DATE

XLMedia is executing its strategy to develop a best-in-class asset base that connects consumers and brands in regulated, high-growth markets. As an AIM-listed business, we are presented with an opportunity to capitalise on our scale and future investment.

FROM		TO
NON-REGULATED EUROPE	→	REGULATED TERRITORIES, MINIMISING RISK OF PENALISATION
EUROPEAN-BASED BUSINESS (NORDIC-CENTRIC)	→	GLOBAL BUSINESS INCLUSIVE OF EUROPE AND THE US
STRATEGY CONCENTRATED ON CASINO WITH LOW SINGLE-DIGIT GROWTH	→	STRATEGY DIVERSIFIED INTO HIGH-GROWTH VERTICALS (US SPORTS & NETWORK)
VOLUME-LED WITH A FOCUS ON MANY SITES ('000S)	→	BRAND-LED WITH 40 FOCUS SITES
RELIANCE ON MAINTAINING AND RETAINING OLD MONEY	→	FOCUS ON GENERATING NEW MONEY THROUGH NEW BUSINESS MODELS
INEFFICIENT ORGANISATION DESIGN AND LOCATION STRATEGY	→	RIGHT-SIZED ORGANISATIONAL DESIGN WITH TEAMS LOCATED CLOSER TO THE AUDIENCE AND THE BRANDS
AD HOC, TACTICAL, SILOED DAY-TO-DAY OPERATIONS	→	STRATEGIC, COORDINATED PLAYBOOKS DELIVER SYSTEMATIC OPERATING AT SCALE

HOW WE MONETISE

Our monetisation is a balanced, equally valuable mix of Owned and Operated (O&O) revenue and Media Partnership Business (MPB) revenue. The significant scale of the combination yields not only greater profit but also higher CPA deals, greater coverage (geographical, league, team, fandom) and increased advertiser relevance.

SIMPLY STATED

By owning more of the audience relationship, we capture a greater share of wallet, leading to greater lifetime value.

Through multi-touchpoint engagement marketing, we ultimately retain audiences to build brand loyalty.

Put the audience first; the advertisers will follow.

O&O REVENUE

With a strong CPA business providing a solid financial foundation, the entire XLMedia audience footprint scales, creating an opportunity to add new revenue models like CPM and sponsorships. Additionally, we optimise new revenue opportunities with our O&O assets (e.g. BlueClaw) by integrating and productising that success for additional revenue.

MPB REVENUE

The Group is now a leader in partnering with media businesses of all sizes to drive user acquisition and revenue. Newly signed publishers with highly engaged audiences and distinct value propositions add to an impressive roster and continue to expand coverage, audience reach and revenue opportunities for the Group. We monetise from CPA revenue share. Additionally, partnering with media businesses provides a proven M&A pipeline for consideration.

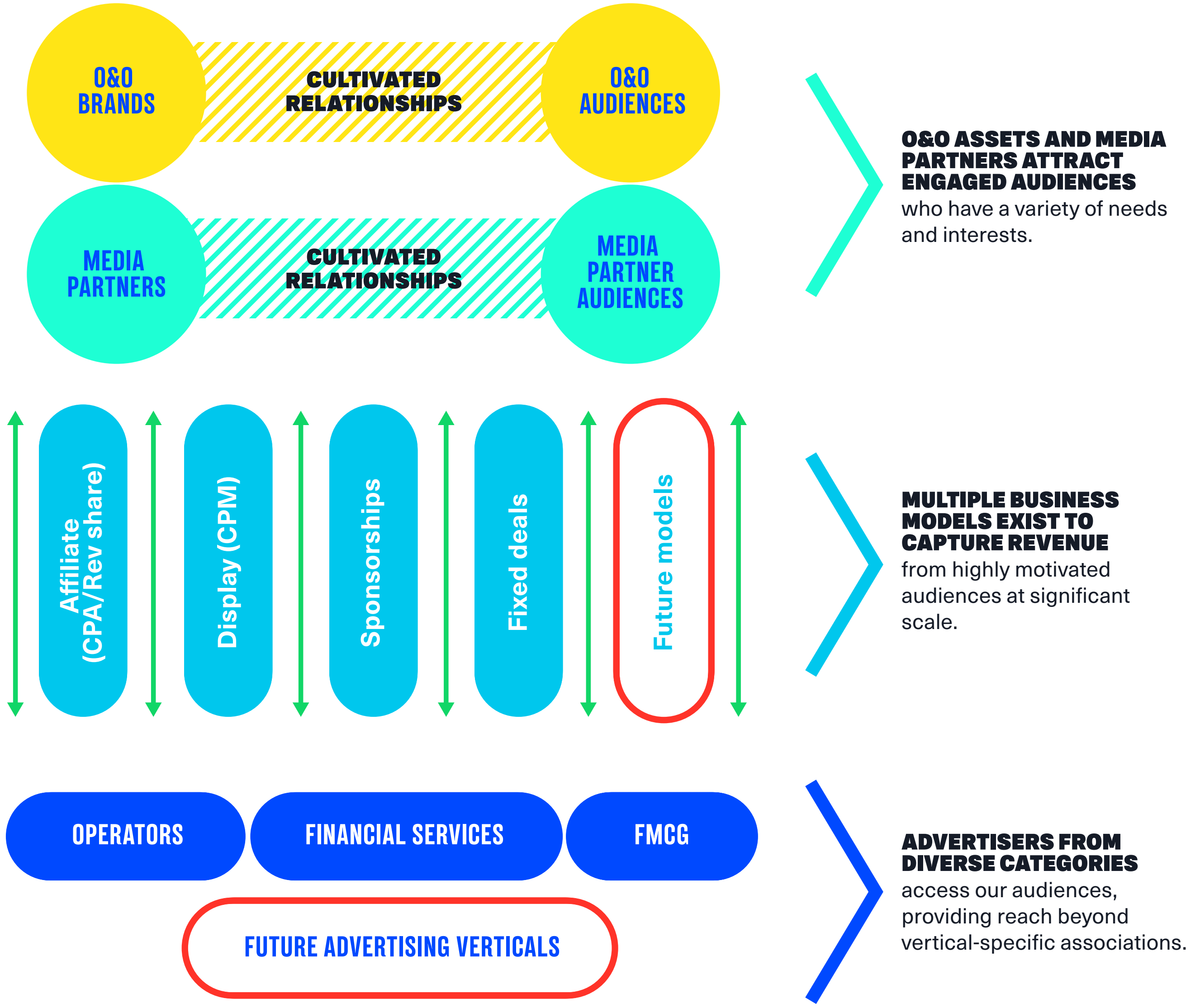
DIVERSE REVENUE

The brand-/audience-first approach enables multiple business models and a diversity of advertisers, providing sustainable revenue streams with less seasonality.

Our rich, matrixed revenue model is derived from highly engaged audiences that attract high-value advertisers.

By cultivating authentic environments where our brands and our audiences connect, we are able to share the space with our advertising partners and extend the opportunity for them to add equal value while generating revenue.

This reliable revenue enables XLMedia to achieve profit and continue to invest in the business.



Note:
CPA: cost per acquisition.
CPM: cost per mille.

OUR PATH FORWARD

With 'proactive portfolio management' and 'premium branded assets' now ingrained in our everyday operations, our strategy evolves to embrace new objectives that ensure we remain relevant and continue to positively advance our business and seize future opportunities.

Having proven our capability to partner then acquire for growth in 2021 with acquisitions like Saturday Football Inc., our roadmap for continued success in 2022 will have two top-of-mind priorities: profit and playbook.

PROFIT

Through cost-effective operations and controlled activities, we drive better profitability. With keen awareness and management of resource allocation (time, cash, effort), we will focus on activities that drive quantifiable value for the business.

PLAYBOOK

Having honed our capability and codified our learning, we capitalise on opportunities in growing markets with proven playbooks for activating coverage in regulated markets and working with media partners of all sizes.

SATURDAY FOOTBALL INC. CASE STUDY

SATURDAY DOWN SOUTH

Saturday Tradition

Founded in 2014, Saturday Football Inc. is a collective of college sports media brands covering D1 NCAA college sports across the United States that taps into proud fandoms by providing news, insights and sports-tainment for a core audience that appreciates passionate, authentic voices.

Initially the Group operated two leading college football media brands, Saturday Down South and Saturday Tradition, which covered the popular Southeastern Conference (SEC) and Big 10 college sports conferences. Combined, the sites generated an audience of approximately 10 million visits per month. In late fall 2021, the team launched Saturday Road which expanded coverage to the Atlantic Coast Conference (ACC), a conference with not only a large football footprint but also dynasty NCAA basketball fandoms.

Saturday Football Inc. represents the successful execution of a repeatable strategy we defined in 2020: leveraging partnerships to create an accurate, nuanced assessment of a brand's process and potential. Originally a partner in our MPB for nine months, the business was able to verify and track the performance, as well as build a relationship, that demonstrated XLMedia's value as a partner company. Impressed with their team, their operations and most importantly their market reach, in September 2021 XLMedia officially acquired Saturday Football Inc bringing with it a team of talented content creators and its three founders.

The acquisition of Saturday Football Inc. followed the acquisitions of Sports Betting Dime and CBWG Sports (CBWG) which, when combined, significantly strengthened XLMedia's position in the fast-growing US sports market. The addition of the assets to XLMedia's portfolio created significant cross-marketing opportunities for the wider Group and provided new fandom-centric reach across the South and Midwest States, including markets yet to legalise sports betting.

This addition to the portfolio accelerated XLMedia's ambition to operate assets across attractive, high-growth, regulated geographies and delivered key benefits:

- Enabled the Group's access to the sizeable US college football marketplace, which is highly complementary to XLMedia's existing US Sports vertical.
- Validated our 2021 strategic objectives (cultivate premium branded assets and active portfolio management), resulting in the conversion of an existing MPB partner to an O&O brand.
- Increased exposure to regulated, high-growth markets, particularly in the US, significantly strengthened the Company's position in US sports betting.
- Added additional revenue from diverse business models and expanded advertiser mix beyond traditional Sports vertical advertisers.
- Provided additional operational depth to the business's global sports footprint.

Looking at the 2020 and 2021 NCAA football seasons (September to January), in a year-on-year comparison, in 2020 Saturday Football Inc. as a partner delivered $1.37 million in revenue. In 2021, with the support of the XLMedia O&O portfolio, the Group drove $5.55 million in revenue.

"AFTER COMING ON BOARD, IT QUICKLY BECAME OBVIOUS THAT OUR EXPERIENCE IN DEVELOPING HIGHLY ENGAGED SPORTS AUDIENCES COMBINED WITH THE XLMEDIA MONETISATION STRATEGY WOULD BE A WINNING FORMULA FOR YEARS TO COME."

Kevin Duffey, VP Sports Media, Founder of Saturday Football Inc.

SATURDAY FOOTBALL INC. VALUE:

- **Leverage bigger scale and broader fandoms reach into specialty coverage (college sports) and multiple regions**
- **Complements the existing O&O portfolio**
- **Brand sponsorship and programmatic capabilities delivering new revenue streams**
- **Established social media, video and content production**
- **Expanded cross-marketing opportunities for the wider Group**

XLMEDIA VALUE:

- **Access to investment capital**
- **Access to high-value CPA advertisers (affiliate revenue expertise and existing deals)**
- **National scale**
- **Supported cross-brand promotion**
- **Fills operational business gaps**
- **Allows acquisition to focus on growth**
- **Increased SEO and asset performance**

NORTH AMERICA 2021 SPORTS COVERAGE

NATIONAL

Action Rush – US
Promo Code Kings – US
Sports Betting Dime – US & Canada

SPECIALTY

Saturday Down South – SEC
Saturday Out West – PAC-12
Saturday Tradition – Big 10
Saturday Road – ACC

LOCAL

Bet New Jersey – New Jersey
Elite Sports NY – New York
Crossing Broad – Pennsylvania
PA Sports Books – Pennsylvania

ACTIVE PARTNERSHIPS

Colorado
Illinois
Maryland
Pennsylvania
New York

KEY TAKEAWAYS

- The North America business is outperforming expectations
- Regulations drive new business opportunities
- Strategic media partnerships in place
- XLMedia positioned to further capitalise on North America market opportunities

ART+SCIENCE

Moving from brand awareness to brand loyalty is a convoluted trek in the modern digital age of 'always on' messaging and 'on-demand' access.

The days of simple media plans where the one who spends the most wins the most hearts and minds are long gone. Today, a brand needs to meet its audience where they are – across all consumer touchpoints, both online and offline.

At XLMedia, the catalyst for our M&A and partnership activities is rooted in the rise of online fandoms and the paramount role brands now play in the lives of audiences.

THE ART: FANDOMS ARE THE FUTURE

Brand awareness is something you can buy. It's the result of a digital ad, a search engine result or a billboard. The hard part is converting awareness to affinity, which requires understanding your audiences and crafting content that reflects how they think, what they need and what they love. At XLMedia, we take pride in building relationships with our readers through storytelling that people can feel a part of, whether they're a fan of football, fintech or both.

XLMedia's portfolio of O&O brands in the US share a universal thread – they have motivated, organic audiences who seek out opportunities to engage with their communities through these brands.

We set ourselves apart from many of our competitors' 'outside-in' coverage by building teams composed of organic fans. While our content creators are credentialed subject matter experts with editorial independence who approach each story in an authentic, authoritative manner, they are also locally rooted. They live within the communities they cover and share the passion of their readers – they're fans too. This mindset extends to our commercial content team, whose output, while transactional in nature, resonates just as deeply with audiences.

THE SCIENCE: PLAYBOOK FOR PUBLISHING THAT PERFORMS

Growth is not a hack. It's a system. As we enter a new digital boom where first-party data will prevail but not flow as freely as it once did, this sentiment has never been more true. In the last year we've seen cookies crumble, growing search engine instability, a fiercely competitive publishing landscape, and increased privacy concerns from users and governments.

At XLMedia, our playbook has two parts:

1) DEVELOP DESTINATIONS

With the value of fandoms established, we look to expand coverage across new regions, sports and leagues. Without losing depth, we grow our reach while investing in expanded product capabilities and format types to drive further engagement and move our brands from a SERP*-based discovery model to daily destinations frequented by direct traffic.

2) PRIORITISE PARTNERSHIPS

Our brands earn their audiences and, whether an advertiser or media publisher, we look for partners with the proven ability to earn theirs. We do this not only because organically earned audiences are more durable but also because they're a sign of experience, which helps to identify trustworthy partners who can provide mutually beneficial data and learning useful to the Group as a whole.

By combining a wealth of data and learning from our existing brand assets with that of our media partners, we are able to inform decisions and more quickly adapt to a market and group of consumers that is ever evolving. We leverage this combined data for SEO, user acquisition and development of new revenue streams for our digital properties.

Our deep knowledge uniquely positions us as an authoritative, trustworthy business well equipped to help partners navigate new opportunities and grow their business with us. Most importantly, this playbook is designed to be repeatable and scalable – to allow for monetisation at speed in new states, territories and markets as they regulate and come online.

*Search engine results page (SERP)

NORTH AMERICA SPORTS

Driven by high-impact US sports acquisitions, the Group's Sports division inspired confidence with a commendable performance during FY 2021.

Following the successful integration of these businesses, XLMedia has now established a considerable North American sports platform footprint that continues to be fuelled by increasing regulatory tailwinds, yielding multiple growth opportunities for the Group.

Our North American sports platform generated significant levels of online traffic across H2 2021, growing to a year-end audience of 17.8 million unique monthly users with over 7.3 million of them in states with legalised online sports betting. To date, our North American teams have successfully signed a number of key commercial and partnership agreements and continue to pursue additional partnerships to grow our aggregated reach. Our MPB is now a fully operational unit and solidifies an additional core competency. With measured investment, it will remain a key focus to ensure geographical coverage, alongside O&O brands.

To illustrate the tremendous opportunity we see in the North America market, during the North American sports season 2020–2021, running September through April, we generated $5.7 million. In the 2021–2022 season tracking the same time period*, we generated revenues currently standing at $38.4 million, representing a 574% year-on-year increase.

2020
XLMEDIA ACQUIRES CBWG & ENTERS US MARKET
CROSSING BROAD
ACTION RUSH
ESNY
BET NEW JERSEY
LIVE IN **8** STATES

H1 2021
XLMEDIA ACQUIRES SPORTS BETTING DIME & GROWS MPB
Sports Betting Dime™
LIVE IN **10** STATES

H2 2021
XLMEDIA ACQUIRES SATURDAY INC. & ADDS AMNY TO MPB
SATURDAY DOWN SOUTH
Saturday Tradition
SATURDAY ROAD
amNY
LIVE IN **13** STATES

Jan 2022
XLMEDIA EXPANDS MPB AND CAPITALISES ON REGULATORY TAILWINDS

LIVE IN **15** STATES

Note: Live states have legalised mobile sports betting.

*Note, these numbers mirror the Year-End Results Report 2021 released in March 2021 and do not reflect the full season period.

EUROPE SPORTS

Within our Europe Sports portfolio, the Group continued with its strategy of focusing on high-performing assets with the ability to grow into multi-territory brands and deliver high-margin revenues.

Fundamental to this strategy was the acquisition and integration of BlueClaw, an award-winning performance marketing agency with decades of experience in the market verticals in which XLMedia operates.

Throughout H1 2021, our brands showed a positive recovery after Covid-19 and Q4 continued this trend, assisted by the number of professional and mass sporting events taking place. Additionally, a new management team for the Group's Europe Sports assets joined the business during Q4, bringing with them experience and expertise in sports media, gaming and affiliate revenue. With a focus on optimising well-crafted content and building engaging brands, the team increased high-intent organic traffic, laying the foundation for healthy growth in 2022.

In September 2021, the Group's performance was bolstered by the acquisition of BlueClaw. Based in Leeds, BlueClaw provides a wide range of performance marketing services including SEO, paid search, social media management, digital PR and content marketing. The team has also developed a number of proprietary tools and systems that underpin its delivery track record. The acquisition provides an additional UK hub for meetings and team building.

XLMedia initially partnered with BlueClaw in December 2020, during which time the team implemented new processes and systems that improved both SEO performance and traffic across a number of the assets, providing the business with confidence in the agency's abilities. The team now acts as an internal agency to all Europe Sports assets while retaining select external clients. Since the acquisition and integration, the Europe Sports team and BlueClaw more than doubled overall traffic in Q4, a number that continues to grow. During the coming year it is expected that the agency's services will be integrated across XLMedia's wider portfolio.

Having achieved positive results in 2021 during a time of transition, the Group is now focused on bolstering a Europe publisher network of high-quality partners, replicating the approach used by North America Sports.

**IGB AFFILIATE AWARDS 2021
WINNER: BEST DIGITAL AGENCY
BLUECLAW**

PERSONAL FINANCE

Personal Finance delivered a flat performance in FY 2021, with FY 2022 revenue expected to be less than FY 2021 as trading continues to be challenging yet profitable.

Entering 2021, the Group had broad recognition that the legacy platforms on which most of its Personal Finance assets were built – particularly those not designed to deliver a mobile-first experience – were deprioritised by various search engines, negatively impacting SERP ranking.

As such, we began the process of re-platforming our websites with the selection of a new, more robust and reliable hosting platform. Dough Roller was the first asset to be fully transitioned (end of Q1), and we are now firmly on track to re-platform our remaining Personal Finance assets during 2022, delivering improved site performance and SEO operations.

Algorithmic adjustments within Big Tech continued to bring lasting change to the online publishing industry, including a mid-year update to Google's "Your Money Your Life" search guidelines which led to an appreciable downturn in traffic to our Personal Finance assets. The reasons for this are historical and interrelated: the aforementioned platform issue, inadequate content maintenance, lack of scale in our publishing and less than effective management. In short, there were hygiene issues to be remedied.

In 2021 we took the steps necessary to begin curing these historical challenges. New management was installed to lead Personal Finance and, working in an agile fashion, significantly improved operations. The content team was moved out of Israel and rebuilt in North America, employing local talent in the markets they serve to enhance audience experience and engagement. Marketing activities were centralised and realigned for greater efficiency, quality control and impact across the commercial and consumer sectors.

Further, in an effort to reach more finance consumers, we focused on a data-led restructuring of our Personal Finance assets. Combining first-party data with proprietary market and consumer research, we rationalised our portfolio, consolidated our brands, and defined the consumer group with the greatest growth potential: young, deeply diverse audiences that present a rich, sustainable user base.

With strategy set, the rebranding and repurposing of the Group's Personal Finance assets began in Q4 2021 and will be completed in 2022. Management believes the business now operates from a stable position and can focus on developing premium brand assets underpinned by content-rich, consumer-centric sites.

EUROPE CASINO

The Group's Europe Casino assets delivered a profitable performance in line with expectation across 2021, albeit from a smaller, more efficient cost base.

The assets continue to experience ongoing trading pressures alongside expected tail revenue decline. The ongoing rationalisation of our operational footprint has resulted in a significant downsizing of Israeli operations, which will ultimately improve efficiencies both within the Casino assets and at Group level.

The Group's Finnish Casino assets, as previously highlighted, continue to face regulatory pressure, which is expected to impact revenue growth in the current year. Management anticipates a prolonged period of adjustment while the regulators, together with the Company's customers and partners, readjust to this new regulatory framework.

As a company we continue to work with casino advertisers across our wider portfolio of premium branded assets where we generate a range of different and highly engaged audience groups, and which hold appeal for potential advertisers from all sectors.

PEOPLE & CULTURE

Powering productivity

In 2020, the foundations were laid for a more effective and agile organisation driven by a necessity to streamline and simplify the business while driving a fundamental modernisation of processes, technology and workforce capability.

During 2021, a new organisational structure and target operating model were developed and initiated to speed the Company's transition to its future state. This new global operational reorganisation removes historic silos and creates a faster, commercially focused and accountable XLMedia.

The reshaping of the organisation to align fully with corporate objectives and growth opportunities will complete during H1 2022, delivering annualised cost savings of between $5 million and $6 million.

Responsible restructuring for future growth

During 2021, 'back office' functional teams including Finance, Technology, People and Legal were migrated from Israel and re-established with the required capabilities in other locations. Alongside the creation of new roles in the US, UK and Europe, regrettably, this has required headcount reductions in Israel. This important realignment of skills and resources has been driven by the Group's international expansion, ambitious growth plans and the need to create commercial accountability while ensuring that customer strategies are driven by local lenses, specific knowledge and data.

As major organisational change draws to a close, XLMedia is emerging as a simplified, consumer-focused organisation with global reach and local depth, where colleagues have clarity of role, reporting lines and team structures. Organised by vertical markets, teams provide local insights, supported by strong functional expertise.

"In 2021 we continued to deliver critically important improvements to the way we work and function – fundamentally simplifying and reorienting the business to align with Group strategy and target growth markets. This careful realignment of resources required the reshaping of many roles and responsibilities as well as the recruitment of new skills in new geographies.

"At a time of change and reinvention, it is the colleagues on the ground who bear much of the brunt of change. My thanks go to all of them for their hard work and also to our longstanding shareholders for their patient support."

Stuart Simms,
Chief Executive Officer

XLMedia's transformation

In a competitive and rapidly evolving market, accelerated change was key to the business's future success. In 2020, we identified the need to create a refreshed company operating system (organisation structure, processes and technology) that supported critical and core capabilities. By H1 2022, this huge transformational programme will be complete, propelling XLMedia forward as a more agile organisation.

Supporting our core capabilities

DATA-DRIVEN DECISION-MAKING
emphasise the capture, management, structure and application of first-party data.

BEHAVIOURAL INSIGHT
apply data science to user journeys, turning clicks and views into meaningful engagements.

CAPTIVATING EDITORIAL
streamline workflow to simplify creative processes and measure the effect of product innovation to support creative teams.

PRODUCT ENHANCEMENT
develop a platform capable of delivering personalised content and personalised ads informed by user behaviours.

FINANCIAL CONTROLS
strategic evaluation of revenue opportunities from portfolio assets, identify investment returns, and operate as a resource-conscious organisation.

Driving principles of our new organisational design

As we seek to ensure the business delivers ongoing sustainable and profitable growth, the new target operating model is designed to achieve specific objectives:

EFFECTIVE CONTROL STRUCTURE: a workforce using processes, systems and technology effectively, which is connected and engaged with the mission and operates with lean and efficient execution with minimal duplication.

ALWAYS PROFITABLE: significant fixed cost reduction and forensic control of variable costs, factoring in the seasonality of the business cycle.

PRODUCTIVITY INCREASE: maximise returns, asset yield, customer relationships and the output of our people and our partners.

CASH GENERATIVE: fund our own growth and take control of our future.

AUDIENCE-FOCUSED: retain and attract highly skilled subject matter experts to fuel audience growth.

A SIMPLE, INTEGRATED ORGANISATION: support global reach and local depth, organised by vertical markets, with teams providing localised insights.

CULTURE AND PEOPLE: cultivate a flexible, adaptive environment and ecosystem that attracts and retains top talent and provides career growth and succession planning.

The new world of work at XLMedia

Increasingly, the workplace is anywhere workers and businesses want it to be: at home or in a local office. This is hybrid, 'hub-and-spoke' work in action – and it's fundamentally and permanently changing the way companies work and how people want to work for them.

At XLMedia, we are both the enabler and beneficiary of this trend, which we believe can drive strong business agility and improve the lives of our colleagues everywhere. In 2021, we formalised this approach, offering our people the freedom to split their time between home and a local office. For our business, this means reduced financial risk and a heightened ability to generate value. For colleagues, this means receiving the benefits of better mental health and increased productivity achieved through hybrid working and an improved work–life balance.

Engagement and representation

We are committed to making XLMedia a great place to work, with a culture that promotes diversity, inclusivity, personal development and respect. We use formal and informal mechanisms to assess and improve employee engagement and satisfaction.

We are working hard to become a global, ever more inclusive and diverse organisation. Our people are selected and promoted based on their qualifications and merit, without discrimination or concern for race, religion, national origin, colour, sex, sexual orientation, gender identity or expression, age or disability.

CORPORATE GOVERNANCE

OUR BOARD

XLMEDIA'S BOARD IS A HIGHLY SKILLED TEAM WITH BREADTH OF CAPABILITY AND DISCIPLINE

The Board is collectively responsible for promoting the success of XLMedia by directing and supervising policy and strategy and is responsible to shareholders for the Company's financial and operational performance and risk management.

Changes to the Board during the year:

Julie Markey – appointed to the Board on 16 June 2021
Iain Balchin – retired from the Board on 22 July 2021
Cédric Boireau – appointed to the Board on 15 October 2021
Christopher Bell – retired from the Board on 19 January 2022 (post period)
Caroline Ackroyd – appointed to the Board on 21 March 2022 (post period)
Marcus Rich – appointed to the Board on 31 March 2022 (post period)
Stuart Simms – retired from the Board on 4 April 2022 (post period)

Committee Membership Key

Audit Committee

Remuneration Committee

Risk Committee

Committee Chair

Stuart Simms
Chief Executive Officer

Appointed: October 2019
(as Chief Executive Officer)
Nationality: British

Key strengths and expertise:

- **Track record of value creation and transformation at international companies**
- **Very extensive in-depth commercial and performance marketing experience**

Other current appointments:

- Board Director, Digital Media Distribution Ltd

Stuart joined XLMedia in October 2019 as Chief Executive Officer from Rakuten Marketing, one of the world's largest digital advertising businesses, where he was global CEO and led a global transformation programme – strengthening the company's balance sheet, simplifying the business and returning the company to double-digit growth. Stuart brings over 29 years of experience of technology companies, with the last 14 years in executive leadership positions at companies including Microsoft, Rackspace, Venda (NetSuite) and Rakuten.

Joined the Board post period:

Marcus Rich
Independent Non-Executive Chair

Appointed: March 2022
Nationality: British

Key strengths and expertise:

- **Extensive digital publishing industry leadership experience**
- **Considerable knowledge of capital markets and global media industry**

Other current appointments:

- Non-Executive Chairman at Digitalbox plc

Marcus is an experienced Chair and Chief Executive, with deep knowledge of the global media, publishing and marketing sectors gained from over 30 years' senior leadership experience. Most recently, he was CEO at TI Media from March 2014 to May 2020 prior to the sale to Future PLC. Previously, he was at Associated Newspapers for five years in the roles of Commercial Director and Managing Director Mail On Sunday. Preceding this, Marcus worked at EMAP for 16 years, during which time he held the role of Group Managing Director of EMAP Lifestyle Magazines and EMAP Advertising, and he also ran the company's Australian and US businesses. Marcus was also formerly a Group Account Director at McCann Erickson and ran Optimus Communication.

Caroline Ackroyd
Chief Financial Officer

Appointed: March 2022
Nationality: British

Key strengths and expertise:

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

Other current appointments:

- None

Caroline is an experienced Chief Financial Officer and Board Director, with a track record of successful value creation. Most recently, Caroline held the role of CFO and sat on the board at Jaywing PLC, an AIM-listed integrated marketing agency and consulting business. Caroline was responsible for the management of finance, HR, facilities and technology, and also assumed the responsibilities of Company Secretary. Prior to this, Caroline held the role of CFO from 2018 to 2020 at Push Doctor, a provider of online GP services; Director of Commercial Finance from 2014 to 2018 with Sky Betting and Gaming; Finance Director from 2012 to 2014 for Coral Interactive (a subsidiary of Gala Coral Group) and several finance leadership roles with BSkyB from 2004 to 2012.

Ory Weihs
Non-Executive Director

Appointed: April 2012
Nationality: Israeli

Key strengths and expertise:
- **Extensive knowledge of XLMedia having founded the business**
- **Significant understanding of performance marketing**

Other current appointments:
- Founder, Team Odeon
- Non-Executive Director, Mews

Ory co-founded XLMedia and served as CEO from 2008 to 2019, prior to which he worked across all areas of the business as it successfully scaled from the affiliate network he first established in 2003. He brings considerable entrepreneurial and digital business leadership experience. Ory is also the founder of Team Odeon, a performance marketing company focused on higher education. He is an active investor and advisor to companies operating in software as a service, gaming and performance marketing.

Cédric Boireau
Non-Executive Director

Appointed: October 2021
Nationality: French

Key strengths and expertise:
- **Significant experience in both public and private markets**
- **Considerable knowledge of the online gambling industry**

Other current appointments:
- Member of the surveillance committee of SAS Bayard Holding

Cédric has worked with Premier Investiseement SAS for over nine years, initially in the company's listed real estate development subsidiary Bassac, where he worked for five years. In 2017, he co-founded Lagune Holding, an investment advisor, and he worked closely with Premier Investissement to develop its asset management arm and help it to invest in listed companies. Cédric will be the appointed representative of Premier Investissement, XLMedia's largest shareholder.

Julie Markey
Independent Non-Executive Director

Appointed: October 2017
Nationality: British

Key strengths and expertise:
- **Significant experience in people strategy across international organisations**
- **Considerable knowledge of large-scale consumer businesses**

Other current appointments:
- None

Julie brings a wealth of experience across all facets of Human Resources strategy and development on an international scale, gained from over 30 years' senior leadership experience. Most recently, Julie was Group People Director at Ocado PLC, where she was responsible for implementing their global people strategy and served on the management committee. Previously, she has held senior leadership roles at Tesco PLC and Diageo.

Richard Rosenberg FCA
Independent Non-Executive Director

Appointed: March 2014
Nationality: British

Key strengths and expertise:
- **Significant and relevant financial accounting experience**
- **Considerable knowledge of the online marketing sector**

Other current appointments:
- Non-Executive Chair, Livermore Investments Group Ltd
- Trustee, Teenage Cancer Trust

Richard is a qualified chartered accountant and partner at SRLV, an independent accounting practice, which he co-founded in 1988. He has a strong finance background and specific knowledge of the online marketing sector. XLMedia is the second AIM-listed company he has successfully taken to market, having previously advised Empire Online when it became the first digital marketing business for the gaming industry to be publicly traded in 2005. Richard has been a member of the Academy of Experts since 2011.

Jonas Mårtensson
Independent Non-Executive Director

Appointed: October 2017
Nationality: Swedish

Key strengths and expertise:
- **Considerable capital markets and gaming sector experience**
- **Extensive experience in technology and product development**

Other current appointments:
- None

Jonas is currently Executive Strategy Advisor of Mojang AB, the videogame development company behind the Minecraft game, which was acquired by Microsoft in 2014. Jonas founded betting operator Mobilbet.com, which was sold to ComeOn in 2016. Prior to this, Jonas held senior roles at Betsson, an online betting and gaming company, latterly in Betsson Technologies AB, as Head of Mobile responsible for strategy and execution of all mobile activities across the 28 group brands. He has also managed start-ups in entertainment, social networking and finance. Jonas was one of the founders of Happy Socks.

DIRECTORS' REPORT

The Directors present their report for the year ended 31 December 2021.

RESULTS AND REVIEW OF THE BUSINESS

ADVISORS

Registered Office:
12 Castle Street
St. Helier
Jersey
JE2 3RT

Company Secretary:
Almond & Co
Peter House
Oxford Street
Manchester M1 5AN

Registrars:
Link Market Services (Jersey) Limited
12 Castle Street
St Helier
Jersey
JE2 3RT

Nominated Advisor & Joint Corporate Broker:
Cenkos Securities PLC
6–8 Tokenhouse Yard
London
EC2R 7AS

Joint Corporate Broker:
Joh. Berenberg, Gossler & Co. KG
60 Threadneedle Street
London
EC2R 8HP

Auditors to the Company:
Kost Forer Gabbay & Kasierer (a member of Ernst & Young Global)
144 Begin Menachem Rd
Tel Aviv, Israel

Jersey Law Counsel:
Carey Olsen
47 Esplanade
St. Helier
JEI 0BD
Jersey

Public Relations Advisor:
Vigo Consulting
Sackville House
40 Piccadilly
London W1J 0DR

UK Law Counsel:
CMS Cameron McKenna Nabarro Olswang LLP
78 Cannon Street
London
EC4N 6AF
United Kingdom

RESULTS AND REVIEW OF THE BUSINESS

The Directors' Report should be read in conjunction with the full 2021 Annual Report and financial statements.

SHARE CAPITAL

The authorised and issued share capital of the Company are shown in note 12 of the financial statements.

Pursuant to the resolution passed by shareholders at the last Annual General Meeting (AGM), and in accordance with the Company's Article of Association, the Directors were authorised to allot up to an aggregate number of 87,528,714 shares, being one third of the issued share capital of the Company as of the date of the AGM. Also, at the AGM, the Board was authorised by shareholders to allot and issue, wholly for cash, with disapplication of pre-emption rights, up to 26,258,641 shares representing 10% of the issued share capital of the Company as of the date of the AGM. These authorities expire, to the extent not already used, on the date of the AGM to be held on 10 June 2022.

At an extraordinary general meeting of the Company held on 6 April 2021, the Board was authorised by shareholders to allot and issue, wholly for cash, with disapplication of pre-emption rights, up to an additional 48,790,334 shares in respect of the placing, subscription and open offer referred to below and a further 25,508,320 shares representing 10% of the enlarged issued share capital of the Company following such placing, subscription and open offer. These authorities expired on the date of the 2021 AGM held on 27 May 2021.

Approval will be sought for new authorities at the AGM.

PRIVATE PLACEMENT & SUBSCRIPTION

On 18 March 2021, the Company issued 58,727,398 shares pursuant to a placing and subscription under the authority given to the Board at the last AGM.

TREASURY SHARES

The Company does not hold any Ordinary Shares in treasury.

MAJOR SHAREHOLDERS

As of 31 December 2021, the following interests of shareholders in excess of 3% have been notified to the Company by the shareholders:

Shareholder's name	Number of shares held	Shares as % of issued share capital
Premier Investissement SAS	73,478,567	27.98%
Ory Weihs	8,137,444	3.08%

GLOBAL SHARE INCENTIVE PLAN

In 2021 the Company granted share awards over a total of 3,341 Ordinary Shares in the Company under the XLMedia 2020 Global Share Incentive Plan.

SENIOR MANAGEMENT CHANGES

On 25 May 2021, the Company reappointed Iain Balchin, Jonas Mårtensson and Ory Weihs as members of the Board.

On 16 June 2021, Julie Markey was appointed as a Non-Executive Director of the Company.

On 29 June 2021, Nigel Leigh was appointed as Chief Information Officer.

On 22 July 2021, Iain Balchin stepped down from his position as Group Chief Financial Officer and from the Board of the Company.

On 15 October 2021, Cédric Boireau was appointed as a Non-Executive Director of the Company.

On 19 January 2022, Christopher Bell resigned as Non-Executive Chair of the Compnay.

On 28 February 2022, Julie Markey was appointed as interim Chair of the Company.

On 21 March 2022, Caroline Ackroyd was appointed as Group Chief Financial Officer and was appointed as a Board member.

On 31 March 2022, Marcus Rich was appointed as Non-Executive Chair of the Company.

On 4 April 2022, Stuart Simms stepped down from his position as Chief Executive Officer and from the Board of the Company.

ACQUISITIONS

SPORTS BETTING DIME

On 18 March 2021 the Group announced that it had entered into an agreement to acquire the business and assets of Sports Betting Dime (SBD) for a total approximate consideration of $26.0 million (approx. £18.5 million).

Founded in 2012 as a sports book review site, SBD has developed into a multichannel sports betting digital media platform, including two mobile apps.

The SBD acquisition provides XLMedia with a leading US affiliate sports betting brand delivering national traffic through its website, sportsbettingdime.com.

The SBD acquisition cements XLMedia's market position in the rapidly growing regulated US sports betting market and, together with its existing US sports betting asset (CBWG), provides scale at local and national level

SBD also brings to XLMedia a talented team with a range of skills, including marketing, content production, search optimisation and technology development. This provides a solid base from which XLMedia can accelerate growth in North American sports betting and its existing personal finance offering.

The acquisition completed on 24 March 2021.

SATURDAY FOOTBALL INC.

On 2 September 2021 the Company announced the acquisition of the business and assets of Saturday Football Inc. (SFI), a major online publisher of college football news for a total consideration of $23.0 million cash (approx. £16.8 million) plus $1.0 million (approx. £0.7 million) in long-term incentive shares.

Founded in 2014, Saturday Football Inc. operates two leading college football media sites, saturdaydownsouth.com and saturdaytradition.com, which cover the popular Southeastern Conference (SEC) and Big 10 college sports conferences. Combined, the sites generate an audience of approximately 10 million visits per month.

XLMedia has paid an upfront consideration of $11.0 million in cash plus an additional $12.0 million, payable over three years. In addition, the founders, who are remaining with the business, will receive $1.0 million in long-term incentive shares of XLMedia. The SFI acquisition will be funded from XLMedia's existing cash reserves.

BLUECLAW MEDIA LIMITED

On 23 September 2021 the Company announced the acquisition of BlueClaw Media Limited ("BlueClaw") for a total consideration of up to £1.8 million.

Founded in 2007, BlueClaw is a multi-award-winning agency based in Leeds, providing services ranging from search engine optimisation (SEO) and pay per click (PPC) management to digital PR and content marketing, with significant experience in the market verticals in which XLMedia operates.

XLMedia has been working with BlueClaw since December 2020 during which time the BlueClaw team has implemented new processes and systems which have improved both performance and traffic across a number of the Group's sites. The BlueClaw team has also developed a number of proprietary tools and systems that underpin its delivery track record.

The BlueClaw acquisition provides a UK hub for XLMedia's Europe Sports business, in addition to high-quality talent and automated workflow capabilities, to drive consistent SEO operations and digital PR best practices which will be applied across the Group's wider portfolio.

For the remainder of this year, BlueClaw will be working autonomously, with responsibility for XLMedia's Europe Sports business. Thereafter, it will become a shared service function for both the Group's O&O assets and agency partners.

The BlueClaw acquisition has been funded through existing cash resources and is expected to be earnings accretive in the first full year of ownership. XLMedia will pay £0.6 million on completion, with an additional £0.6 million at the end of year one. There will be a further £0.6 million payable as earnouts, contingent on certain performance targets being met.

STRATEGIC ACTIVITIES

DIRECTORS' INDEMNITY INSURANCE

The Group has provided to all of its Directors limited indemnities in respect of costs of defending claims against them and third-party liabilities. The Group has made qualifying third-party indemnity provisions for the benefit of its Directors which were available during the period and remain in force at the date of this report.

BOARD COMMITTEES

The Board has established an Audit Committee, a Remuneration Committee and a Risk Committee. For more information about the Audit Committee and for information about the internal and external auditors, please refer to the Audit Committee Report on pages 59–60 of this Annual Report.

For more information about the Remuneration Committee, Directors' remuneration and bonus and share option schemes, please refer to the Remuneration Committee Report on pages 61–65 of this Annual Report.

OUR FINANCIAL INSTRUMENTS

The Group's financial instruments are discussed in Note 11 in the financial statements.

OUR PROCEDURES

The Group's Procedures including its Code of Business Conduct, Anti-Bribery and Corruption Policy, Disclosure Policy, Dealing Code, Social Media Policy, Whistleblowing Policy and Modern Slavery Policy are determined by the Board and set out for all employees to review. The Company's management is responsible for the implementation of these procedures.

OUR SHARE DEALING CODE

The Company has adopted a share dealing code for Directors and applicable employees of the Group for the purpose of ensuring compliance by such persons with the provisions of the AIM rules relating to dealings in the Company's securities (including, in particular, Rule 21 of the AIM rules) and in accordance with the Market Abuse Regulations. The Directors consider that the share dealing code is appropriate for a company whose shares are admitted to trading on AIM.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the annual reports and the Group and Company financial statements in accordance with applicable law and regulations.

Jersey Companies Law requires the Directors to prepare accounts for each financial period. Under that law, and as required by the AIM rules for companies, the Directors have elected to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). In preparing these financial statements, the Directors are required to:

- Present fairly the Group and Company financial position, financial performance and cash flows;
- Select suitable accounting policies in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors and apply them consistently;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Make judgements that are reasonable;
- Provide additional disclosures when compliance with the specific requirements in IFRS, as adopted by the EU, is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's and Company's financial position and financial performance; and
- State whether the Group and Company financial statements have been prepared in accordance with IFRS, as adopted by the EU, subject to any material departures disclosed and explained in the financial statements.

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who were members of the Board at the time of approving the Directors' Report are listed on pages 43–45. Having made enquiries of fellow Directors and of the Company's auditors, each of these Directors confirms that:

- To the best of each Director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditors are unaware; and
- Each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

EMPLOYEES

The Directors recognise the value of involving employees in the business and ensuring that matters of concern to them, including the Group's aims and objectives, are communicated in an open and regular manner. Management frequently briefs employees of the Group's performance and activities and discusses matters of concern or interest. The Company's employees are eligible to participate in the Global Share Incentive Plan. Recruitment gives equal opportunity to all employees regardless of age, sex, colour, race, religion or ethnic origin. Training programmes are held for all levels of staff. These are aimed at increasing skills and contribution.

ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Company will be holding its 2022 AGM on 10 June 2022.

GOING CONCERN

The Board is satisfied that the Group has adequate financial resources to continue to operate for the foreseeable future and is financially sound. For this reason, the going concern basis is considered appropriate for the preparation of financial statements.

AUDITOR

A resolution to reappoint Kost Forer Gabbay & Kasierer, a member of Ernst & Young Global (EY), as auditors of the Company will be put to the AGM. The Directors will also be given the authority to fix the auditors' remuneration. For more information about the auditors, please refer to the Audit Committee Report on pages 59–60 of this Annual Report.

During the year, the auditors undertook certain specific pieces of non-audit work (including work in relation to tax matters and the evaluation of potential acquisition targets). EY was selected to undertake these tasks due to its familiarity with the online industry and, as regards tax, its alignment with work carried out under the audit. In order to maintain EY's independence and objectivity, EY undertook its standard independence procedures in relation to those engagements.

By Order of the Board

Almond & Co

CORPORATE GOVERNANCE REPORT

As an AIM-listed company working within highly regulated markets, our Board recognises the importance of applying sound and consistent governance principles appropriate to the nature, scale and business of the Company and the need to apply best practices wherever possible to help manage risk within the business. Our Board is committed to upholding high standards of corporate governance throughout the Group. Our Board acknowledges its role in setting the culture, values and ethics of the Group and in ensuring good corporate governance principles are maintained for the long-term benefit of the Group.

In line with the requirement in the AIM rules requiring all AIM-quoted companies to adopt and comply with a recognised corporate governance code and detail how they comply with that code, the Board has formally adopted the QCA Corporate Governance Code (the Code) and reports annually on the Company's compliance with the Code and any exceptions.

The Code is constructed around ten key governance principles that the QCA has identified as focusing on the pursuit of medium- to long-term value for shareholders. We have set out in the report below how we apply the ten principles of the Code, using the disclosures indicated by the Code.

The Board believes that the Group complies with the principles of the Code as far as possible and has explained below where it does not comply. The Board will continue to monitor how the Code is interpreted in practice to ensure we can continue to comply with the principles of the Code as far as possible.

Category	Principle number	Principle	Application
Deliver Growth	1	Establish a strategy and business model which promote long-term value for shareholders	Our strategy and business operations are set out in pages 26–37 of this Annual Report. That section covers our business model, our strategy and how we aim to drive long-term value for shareholders. The risk sections of the Annual Report are on pages 66–69 and deal with the major challenges the business faces and how these challenges are addressed and mitigated. For more information about our strategy please see pages 26–27 of this report.
Deliver Growth	2	Seek to understand and meet shareholders' needs and expectations	We are committed to listening to and communicating openly with our shareholders to ensure that our strategy, business model and performance are understood. One or more senior representatives of the Company and the Board are ordinarily present in the Company AGMs to answer questions from shareholders who attend the meetings. However, this was not possible at the AGM held in 2021. Following the easement of Covid-19 restrictions, shareholders will be able to attend the AGM in 2022. The Company has also made available a facility for shareholders to address questions to the Company via email, with any appropriate responses to be published on the Company's website. Additionally, our Chair and CEO meet and talk regularly with shareholders and potential investors directly and through analysts and brokers in order to receive feedback on market expectations or other matters. We nominated our CEO, Stuart Simms, and our CFO, Caroline Ackroyd, as the responsible officers for shareholder engagement and have in place a mailbox to address investor feedback (ir@Xlmedia.com). We also operate a free newsletter tool on our website, which allows subscribers to receive breaking news about the Company and the Group via e-mail. Registration to the newsletter can be made here: https://www.xlmedia.com/investor-relations/rns-news-alerts/#alerts. Additional information about the ways in which the Group is communicating with its shareholders is available on our website (https://www.xlmedia.com/investor-relations/significant-shareholders/) and in this report.
Deliver Growth	3	Take into account wider stakeholder and social responsibilities and their implications for long-term success	We are mindful of our corporate social responsibilities and the need to build and maintain strong relationships across a range of stakeholder groups. Our key stakeholders are our shareholders, customers and their end customers, suppliers, employees and regulators. We nominated our CEO, Stuart Simms, as the responsible officer for stakeholder engagement and set up a mailbox to address stakeholders' feedback (ir@Xlmedia.com).

Category	Principle number	Principle	Application
			The specific needs of each stakeholder group are considered when the Company reviews and responds to that feedback. We are committed to ensuring a high level of customer service. We frequently correspond with, and seek feedback from, key customers to improve our services. All customer feedback and requests are handled carefully and promptly. Our executives also regularly meet with key customers at professional conventions and other events to improve customer relations and to better understand customers' needs. We are catering to our end customers' needs and always endeavour to provide them with the highest quality services and products tailored to their needs and expectations. We view highly trained and satisfied employees as another essential part of business growth. As such, we strive to train and develop our employees to ensure professionalism, excellence and personal development and progression. We recruit employees who fit our open and dynamic working environment and our employees are encouraged to provide feedback on ongoing matters through informal discussions with managers and executives at all levels and during their annual meetings with their managers. Managers are simultaneously encouraged to act on the feedback received. We have established an anonymous mailbox handled by Richard Rosenberg, Chair of the Audit Committee of the Board, to allow employees to provide feedback to the Board in a discreet manner. We believe that excellent suppliers are key to providing long-term excellency in services and are therefore essential for supporting our long-term success. Many of our suppliers rank at the top of their services category. Suppliers are asked by the relevant functions in our Group to provide feedback about their services and expertise. Any feedback is discussed by relevant stakeholders and further action, if required, is considered.
Deliver Growth	4	Embed effective risk management, considering both opportunities and threats, throughout the organisation	The Board has embedded an effective risk management framework to identify, evaluate, manage and mitigate risks, in order to ensure the Company is well positioned to execute its strategy and achieve its business objectives. The Company's risk register is compiled with input from our executives and other employees.

Category	Principle number	Principle	Application
			The Risk Committee of the Board is responsible for reviewing the risk register and other risks facing the Company and discussing all compliance issues and regulatory developments based on the risk register and other periodical management updates designed to highlight any new or developing risks. In addition, we have an internal audit function performed by Chaikin Cohen Rubin & Co. which conducts audits periodically pursuant to an internal audit plan. The specific internal audit plan is established each year based on the issues identified by the Audit Committee and the Board as most relevant to that year. Each report published by the internal auditors is discussed by the Audit Committee and action items identified in such reports are handled by the Company. Further details on the risk management process, the key risks and challenges facing the business and how they are mitigated are set out in pages 66–69 of this Annual Report.
Maintain a Dynamic Management Framework	5	Maintain the board as a well-functioning, balanced team led by the Chair	The Board is charged with the responsibility of directing and governing the Company's affairs, including: the formulation and approval of the Company's long-term objectives, mission and strategy; the approval of budgets; the oversight of the Company's operations and delegation of authority to management; the establishment and monitoring of sound internal controls and risk management systems; and the evaluation of the implementation of the Company's policies and business plan. The Board operates formally through meetings of both the full Board and its sub-committees, and informally through regular contact between Directors. The Board convenes at least once every quarter to review and monitor the implementation of the Company's strategy, budgets and progress and more frequently if necessary. While the Board may delegate responsibilities, there are formal matters specifically reserved for decision by the Board. Such reserved matters include, amongst other things, the approval of significant capital expenditures, material business contracts and major corporate transactions.

Category	Principle number	Principle	Application
			A formal schedule of Matters Reserved for the Board was adopted by the Company. The Board comprises eight Directors, two of whom are Executive Directors and six of whom are Non-Executive Directors, including the Chair. The Board views Julie Markey, Richard Rosenberg and Jonas Mårtensson as Independent Directors. Members of the Board must be re-elected by the shareholders of the Company at the AGM at least once every three years. The Board consists of Directors presenting an appropriate balance of skills and experience to effectively operate and control the business and, where deemed necessary, the Board also consults with external advisors or with executive officers of the Company. The Board is an independent unit acting for the benefit of the Company and its composition ensures that no individual (or small group of individuals) can dominate its decision-making. The Board has established an Audit Committee, a Remuneration Committee and a Risk Committee, each with formally delegated duties and responsibilities. More information about the composition and the duties and responsibilities of each Board Committee is available on the Company's website on: https://www.xlmedia.com/about-us/corporate-governance/. At this stage of the Company's development, the Board does not consider it necessary to establish a Nominations Committee and the Board will take decisions regarding the appointment of new Directors and executive employees following a thorough assessment of a potential candidate's skill and suitability for the role. Non-Executive Directors are expected to devote as much time as is necessary for the proper performance of their duties. Executive Directors are full-time employees or services providers and are expected to devote as much time as is necessary for the proper performance of their duties. During 2021 the Board held 18 meetings, which were attended by all Directors. The Board also passed multiple unanimous written resolutions.

Category	Principle number	Principle	Application
Maintain a Dynamic Management Framework	6	Ensure the between them, the directors have the necessary up-to-date experience, skills and capabilities.	The Board considers its current composition to be appropriate and suitable with the adequate and up-to-date experience, skills and capabilities to make informed decisions. Each member of the Board brings a different set of skills, expertise and experience, making the Board a diverse unit equipped with the necessary set of skills required to create maximum value for the Company. The Board is fully committed to ensuring its members have the right skills. Members of the Board must be re-elected by the shareholders of the Company if they have not been re-elected at the previous two AGMs in accordance with the Company's Articles of Association, thereby providing shareholders the ability to decide on the election of the Company's Board. The Directors' biographical details and relevant experience can be found on pages 42–45 of this Annual Report and on the following web page: https://www.xlmedia.com/about-us/board-management/#boar. Throughout the year, members of the Board receive updates on corporate governance matters from either the General Counsel and Company Secretary and/or the Company's Nominated Advisor. During the year, the Directors receive regular updates of our business from the CEO and CFO and regular comprehensive regulatory updates from the General Counsel. More information about the Group's management can be found here: https://www.xlmedia.com/about-us/board-management/#management. The Board also consults with external advisors and with executives of the Company on various matters as deemed necessary and appropriate by the Board.
Maintain a Dynamic Management Framework	7	Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement	In order to ensure that the Board as a whole and its members collectively function in an efficient and productive manner, a formal external Board evaluation was carried out in November 2018 by Board Evaluation Ltd., a company with vast experience in evaluating Boards of UK public companies. Evaluation questionnaires were circulated to and completed by all Board members and a thorough analysis of members' responses was conducted by Board Evaluation.

Category	Principle number	Principle	Application
			The evaluation took into consideration various criteria such as the effectiveness of the composition of the Board, the Board's approach to its work, its culture and dynamics, its structure and processes, its accessibility to information, its ongoing training, its success in achieving its goals and the need for succession planning. The Board evaluation characterised discussions at the Board level as having an open boardroom culture, with a good level of debate and without conflicts of interests and found that the Board and its committees work well. The evaluation further found the Board members to be highly qualified, experienced and with the right set of skills to lead the Group, noting that while legal and HR skills were not represented within the skills of current members of the Board, the Company does seek advice as needed in relation to these and other areas. Some issues were identified as requiring improvement, such as improving communication and Board information. The learning from this process have been and will continue to be addressed on a regular basis. No evaluation was conducted in 2021, but the Board intends to carry out an external evaluation in 2022. The method of assessing Board effectiveness and performance will be reviewed on a continuing basis.
Maintain a Dynamic Management Framework	8	Promote a corporate culture that is based on ethical values and behaviours	We are committed to acting ethically and with integrity. We expect all employees, officers, Directors and other persons associated with us to conduct their day-to-day business activities in a fair, honest and ethical manner. For that purpose, we have adopted a Code of Business Conduct (Code) which applies to all our workforce personnel. Pursuant to the Code, employees, Directors and other relevant stakeholders are required to comply with all laws, rules and regulations applicable to us. These include, without limitation, laws covering anti-bribery, copyrights, trademarks and trade secrets, data privacy, insider trading, illegal political contributions, antitrust prohibitions, rules regarding the offering or receiving of gratuities, environmental hazards, employment discrimination or harassment, occupational health and safety, false or misleading financial information or misuse of corporate assets.

Category	Principle number	Principle	Application
			The Code also includes provisions for disclosing, identifying and resolving conflicts of interest of employees and Board members. The Code includes provisions requiring all employees to report any known or suspected violations and ensures that all reports of violations of the Code will be handled sensitively and with discretion. We also recognise the benefits of a diverse workforce and are committed to providing a working environment that is free from discrimination. We have also adopted a share dealing code, regulating trading by persons discharging managerial responsibility and persons closely associated with them (PDMRs). We take all reasonable steps to ensure compliance by PDMRs and any relevant employees with the terms of the dealing code.
Maintain a Dynamic Management Framework	9	Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board	The Board committees are comprised of a majority of independent Board members to ensure that resolutions adopted are conflict-free. Further details of the composition and meetings of these committees can be found on pages 54 and 58 of the Annual Report. Each of the Board committees has the ability to use external advisors as it sees fit in the furtherance of its duties. The Company's CEO is responsible for the leadership and day-to-day management of the Group. This includes formulating and recommending the Group's strategy for Board approval and then executing the approved strategy. The Chair's main responsibility is the leadership and management of the Board's business and its governance and acting as its facilitator. He meets regularly and separately with the CEO and the Directors to discuss matters for the Board. We will continue to review our governance structures with the QCA Code in mind and are committed to the evolution of our corporate governance in line with processes that are fit for purpose, to the extent the Directors judge it appropriate considering the Company's size, stage of development and resources.

Category	Principle number	Principle	Application
Build Trust	10	Communicate how the Group is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	We are committed to an open communication and dialogue with our stakeholders. Our main stakeholder groups are our shareholders, our customers, our suppliers and our employees. We communicate with stakeholders inter alia through the Annual Report, the AGM of shareholders, the full-year, half-year and other regulatory market announcements, investor roadshows and through the Group's website. Our website is regularly updated, and users can register to be alerted via email when announcements are posted there. Annual reports and notices of AGM from admission can be found on our website. We publish on the Company's website in a clear and transparent manner the outcomes of the general meetings of shareholders, including a breakdown of votes cast.

Director	Position	Board		Committee			Independence
		Max. possible attendance	Meetings attended	Audit	Remuneration	Risk	
Stuart Simms	Chief Executive Officer	18	18	n/a	n/a	n/a	-
Iain Balchin	Chief Financial Officer	18	18	n/a	n/a	n/a	-
Christopher Bell	Non-Executive Chairman	18	18	3	8	n/a	-
Ory Weihs	Non-Executive Director	18	18	3	0	n/a	-
Richard Rosenberg	Independent Non-Executive Director	18	18	4	8	n/a	yes
Jonas Mårtensson	Independent Non-Executive Director	18	18	3	8	n/a	yes
Julie Markey	Independent Non-Executive Director	18	18	1	6	n/a	yes
Cédric Boireau	Non-Executive Director	18	18	n/a	n/a	n/a	-

AUDIT COMMITTEE REPORT

GENERAL AND COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee is a sub committee of the Board. The Audit Committee chair reports formally to the Board on all matters within the Committee's duties and responsibilities and on how the Audit Committee discharges its responsibilities. The Committee is chaired by Richard Rosenberg, and the Committee members are Jonas Mårtensson, Ory Weihs, Julie Markey, Cédric Boireau and Marcus Rich.

The members of the Audit Committee, other than Ory Weihs and Cédric Boireau, are considered to be Independent Directors. For further information about the qualifications of the Audit Committee members please refer to pages 42–45 of this Annual Report and the Company's website at https://www.xlmedia.com/about-us/board-management/.

The Audit Committee meets at least four times a year at appropriate times in the reporting and audit cycle and otherwise as required. The Audit Committee also meets regularly with the Company's internal and external auditors.

PURPOSE AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

The purpose of the Audit Committee is to assist the Board to carry out the following functions:

- Overseeing the integrity of the Group's formal reports, statements and announcements relating to the Group's financial performance;
- Reviewing compliance with internal guidelines, policies and procedures and other prescribed internal standards of behaviour;
- To achieve such purposes, the Audit Committee has been assigned the following responsibilities:
- Reviewing the half-year and full-year financial statements with management and with the external auditors as necessary prior to their approval by the Board;
  - Reviewing financial results announcements of the Group and any other formal announcements relating to the Group's financial performance and recommending them to the Board for approval;
  - Reviewing recommendations from the CFO and the external auditors on the key financial and accounting principles to be adopted by the Group in the preparation of the financial statements;
  - Reviewing the Group's systems for internal financial control;
  - Approving the appointment and termination of appointment of the Group's internal auditors, reviewing and approving the Group's internal audit plan and ensuring the internal auditors have the necessary resources and access to information to enable them to fulfil their mandate;
  - Considering and making recommendations to the Board, to put to shareholders for approval at the AGM, the appointment, reappointment and removal of the Company's external auditors and oversee the relationship with the external auditors;
  - Reviewing and approving the external audit plan and regularly monitoring the progress of implementation of the plan;
  - Determining and monitoring the effectiveness and independence of the internal and external auditors; and
  - Monitoring the level of resources related to the management of audit functions across the Group.

MAIN ACTIVITIES IN 2021

- The Audit Committee reviewed and approved the financial statements for FY 2021 and reviewed the external auditors' plans for the annual report of FY 2021.
- On 22 September 2021, the Audit Committee reviewed and approved the financial statements of the Company for H1 2021.
- The Audit Committee reviewed the financial results of the Company for the full year.
- On 4 May 2021, the Audit Committee reappointed Ernst & Young Global as the external auditors and discussed the internal auditors' reports.
- On 26 April 2021, the Audit Committee reviewed and approved the financial statements, RNS and internal audit final reports for FY 2020 and the internal audit plan for FY 2021.

INTERNAL AUDITORS

The internal auditors of the Company are Chaikin Cohen Rubin & Co, appointed by the Company in May 2021. The internal auditors provide their audit based on an audit plan. Each year specific topics are identified by the Audit Committee for audit during that year. Each report of the internal auditors is discussed by the Audit Committee and if necessary by the Board and its results are learned from and implemented as required.

EXTERNAL AUDITORS

The external auditors of the Company are Kost Forer Gabbay & Kasierer (Ernst & Young Global) (EY). The appointment of EY as auditors by the Audit Committee was based on their performance during past years and their offer for auditing the reports for 2021. The Audit Committee's review of the external auditors confirmed the appropriateness of their reappointment and included assessment of their independence, qualification, expertise and resources and the effectiveness of their audit process.

Both the Board and the external auditors have safeguards in place to avoid the possibility that the auditors' objectivity and independence could be compromised. The services provided by the external auditors include audit-related services and tax consulting. In recognition of public concern over the effect of consulting services on auditors' independence, the external auditors are not invited to provide general consulting work which could affect their independence as external auditors.

The total remuneration of the external auditors for 2021 and for 2020 was as listed in the table below:

External auditors' remuneration	$'000 2021	$'000 2020
Audit services	175	177
Acquisition and assurance services	178	166
Tax compliance	170	278

The Audit Committee and the auditors found that the external audit plan for 2021, the work of the external auditors for 2021 and the remuneration of the external auditors for 2021 did not undermine the independence of the external auditors.

WHISTLEBLOWING

The Group has a Whistleblowing Policy permitting each employee of the Group to raise concerns in confidence about possible improperness in various aspects and matters. Issues raised will be handled appropriately by the management of the Group.

FINANCIAL REPORTING

The Group's trading performance is monitored on an ongoing basis. An annual budget is prepared, and specific objectives and targets are set. The budget is reviewed and approved by the Board. The key trading aspects of the business are monitored constantly, and internal management and financial accounts are prepared monthly. The results are compared to budget and prior year performance.

The Audit Committee has taken and will continue to take further steps to ensure the Group's control environment is working effectively and efficiently.

Richard Rosenberg
Chair of the Committee

REMUNERATION COMMITTEE REPORT

The Remuneration Committee comprises Julie Markey as Chair of the Committee with Jonas Mårtensson, Richard Rosenberg and Marcus Rich as the other current members of the Committee. We are all independent Non-Executive Directors.

RESPONSIBILITIES

The Remuneration Committee is responsible for determining and recommending to the Board the framework for the remuneration of the Board, the Board Chair, Executive Directors and other senior executives and, within the terms of the agreed framework, determining the total individual remuneration packages of such persons including, where appropriate, bonuses, incentive payments and share options or other share awards.

During 2021, the Remuneration Committee met three times.

In exercising their role, the Remuneration Committee has regard to the recommendations put forward in the QCA Code and, where appropriate, the QCA Remuneration Committee Guide and associated guidance.

During the year, FIT Remuneration Consultants LLP (FIT) provided the Committee with external remuneration advice, including on all aspects of remuneration policy for the Executive Directors. The Remuneration Committee is satisfied that the advice received was objective and independent. FIT is a member of the Remuneration Consultants Group, and the voluntary code of conduct of that body is designed to ensure that objective and independent advice is given to Remuneration Committees.

OUR PERFORMANCE AND LINK TO REMUNERATION

As summarised in the Chair & CEO Review on pages 12–15, XLMedia continues to make good progress on its transformation agenda and the delivery of its strategic priorities. Despite this progress, the Committee determined that no payment to Executive Directors would be made under the 2021 annual bonus plan.

PSU awards were granted to Stuart Simms and Iain Balchin on 30 April 2021 under the shareholder-approved XLMedia 2020 Global Share Incentive Plan (the 2020 LTIP).

The awards were over shares with the following values:

- Stuart Simms: 200% of salary; and
- Iain Balchin: 150% of salary.

The performance conditions attached to the PSUs were based on the achievement of absolute share price targets with the performance period ending at the end of the 2024 financial year. The share price at the end of the performance period will be averaged over 30 days. No shares will vest if the average share price does not reach £1.20 with vesting above this as follows:

Average Share Price[1]	Vesting
£1.20	25%
£1.35	50%
£1.50	100%

1 The share price targets will be reduced by any dividends paid over the performance period.

APPOINTMENT OF NEW CHIEF FINANCIAL OFFICER

The Company announced the departure of Iain Balchin who left XLMedia on 22 July 2021. Upon his departure Iain's outstanding share awards lapsed.

We are pleased that we are able to appoint an able and well-qualified successor, Caroline Ackroyd, who can rapidly make a contribution as she joins the Board. The terms of Caroline's remuneration will be disclosed in the 2022 Annual Report on Remuneration.

EXECUTIVE DIRECTOR REMUNERATION

Each of the Executive Directors has a service agreement with the Group. Each service contract may be terminated by either party serving six months' written notice. At its discretion, the Group may make a payment in lieu of such notice or place the Executive Director on garden leave. The service contracts also contain provisions for early termination in the event of various scenarios and contain typical restrictive covenants.

The key remuneration components of executive packages are summarised as follows.

Base salary

The salary of an Executive Director will be reviewed annually by the Remuneration Committee without any obligation to increase such salary. The current base salaries are shown below:

- Stuart Simms: US$478,000

Pension and benefits

Ancillary benefits include the reimbursement of all reasonable and authorised out-of-pocket expenses, provision of private healthcare and life insurance cover. The Group also contributes to pension plans or gives an additional cash supplement in respect of this to the Executive Directors at a rate of 10% of salary.

Annual bonus

The Executive Directors are eligible to receive a discretionary annual bonus of up to 100% of salary, subject to achievement of targets which will be set by the Remuneration Committee each year and subject to the discretion of the Remuneration Committee. 70% of the payment is based on EBITDA performance against budget/plan profit. The remaining 30% is based on personal/strategic measures set at the beginning of the year. The bonus is paid 50% in cash shortly after determination of performance for the year and 50% in deferred shares vesting over three years subject to continued employment.

A discretionary share plan, the long-term incentive plan (LTIP)

Executive Directors may receive PSU awards of up to 200% of salary subject to a minimum three-year performance period, with vesting subject to stretching performance targets set by the Remuneration Committee, followed by a two-year holding period resulting in a five-year total period between grant and exercise.

The intention is to make a grant of PSU awards to the Executive Directors over shares shortly after the announcement of the Company's results for 2021.

NON-EXECUTIVE DIRECTORS

The current fees payable for services as Non-Executive Chair and as Non-Executive Director are:

- Christopher Bell: $160,000
- Julie Markey: $81,600
- Richard Rosenberg: $75,888
- Jonas Mårtensson: $62,000
- Ory Weihs: $65,688
- Cédric Boireau: $0

Christopher Bell was appointed Non-Executive Chair of the Group by letter of appointment dated 25 August 2020. The appointment is subject to re-election at the AGM every three years and thereafter is terminable on six months' notice by either the Group or Mr Bell. The fee payable to the Chair is $160,000.

The other Non-Executive Directors are appointed subject to re-election every three years at the AGM and are terminable on three months' notice by either party other than Richard Rosenberg's and Julie Markey's engagements which are terminable on six months' notice.

As it is listed on AIM, the Group is not required to provide all of the information included in this report. However, in the interests of transparency this has been included as a voluntary disclosure. The report is unaudited, unless otherwise stated.

Directors' Emoluments

$'000	Fees/Basic Salary	Bonus	LTIP	Pension	2021 Total	2020 Total
Executive Directors						
Stuart Simms	478	-	69	45	592	668
Iain Balchin[1]	467	-	-	22	489	682
Non-Executive Directors						
Christopher Bell[4]	169	-	-	-	169	160
Julie Markey[2]	82	-	-	-	51	-
Richard Rosenberg	76	-	-	-	76	76
Jonas Mårtensson	62	-	-	-	62	62
Ory Weihs	66	-	-	-	66	106
Cédric Boireau[3]	-	-	-	-	0	-

Notes

1 Iain Balchin stepped down from the Board on 22 July 2021.
2 Julie Markey joined the Board on 16 June 2021.
3 Cédric Boireau joined the Board on 15 October 2021.
4 Christopher Bell stepped down from the Board on 19 January 2022 (post period).

INTERESTS IN SHARES

Executive Directors

Name	Type of Award	Date of Grant	Number of Shares	Exercise price per Share	Share price at Grant	Performance Conditions	Expiry date	Outstanding options at the end of 2020	Granted in 2021	Cancelled in 2021	Exercised option in 2021	Outstanding options at the end of 2021
Stuart Simms	PSU	1 November 2019	920,223	nil	53.2p[1]	TSR[3]	November 2027	920,223	-	-	-	920,223
Stuart Simms	PSU	30 April 2021	1,190,476	nil	54.6p[1]	Share Price[3]	April 2029	-	1,190,476	-	-	1,190,476
Iain Balchin	PSU	6 July 2020	1,166,667	nil	23.9p[1]	TSR[3]	July 2028	1,166,667	-	1,166,667	-	-
Iain Balchin	PSU	30 April 2021	769,231	nil	54.6p[1]	Share Price[3]	April 2029	-	769,231	769,231	-	-

Notes

1 Based on three-day average share price.
2 Three-year performance period from the date of grant with vesting dependent on Total Shareholder Return (TSR) over the performance period as compared to the constituents of the FTSE AIM 100 Index as at the date of grant. 25% of the award vests for achieving a TSR equal to the median ranking, with 100% vesting for achieving a TSR equal to an upper quartile ranking.
3 See share price targets on page 61.
4 Iain Balchin's awards lapsed upon his departure from the Board.

Non-Executive Directors

Name	Options granted	Exercise price	Expiry date	Outstanding options at the end of 2020	Granted in 2021	Cancelled in 2021	Exercised option in 2021	Outstanding options at the end of 2021
Christopher Bell	270,000	57.75p	21 January 2023	270,000	-	-	-	270,000
Richard Rosenberg	180,000	57.75p	21 January 2023	180,000	-	-	-	180,000

The table below shows the beneficial interests in the Company's shares of Directors serving at the end of the period, and their connected persons.

Name	Number of Ordinary Shares as at 31 December 2021	Number of Ordinary Shares as at 31 December 2020
Stuart Simms	1,004,973	879,973
Christopher Bell	607,000	357,000
Richard Rosenberg	64,250	51,000
Ory Weihs	8,137,44	7,687,444
Julie Markey	63,064	-

HISTORICAL PAY AND SHARE PERFORMANCE

For historical pay and share performance, please see our previous Annual Reports and our website: https://www.xlmedia.com/investor-relations/share-price-information/.

The Committee remains committed to a fair and responsible approach to executive pay while ensuring it remains in line with best practice and appropriately incentivises Executive Directors over the longer term to deliver the Group's strategy.

Julie Markey
Chair of the Remuneration Committee

ASSESSING & MANAGING OUR RISKS

As with any business, we face risks and uncertainties on a daily basis. Effective risk management is essential to support the achievement of our strategic and operational objectives.

GAMBLING LAWS AND REGULATIONS SUCH AS ONLINE MARKETING REGULATIONS ARE CONSTANTLY EVOLVING AND BECOMING MORE STRINGENT

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, its 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. While 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 online 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 divert 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 the 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. 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 by both 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 ARE DERIVED FROM NON-REGULATED GAMBLING MARKETS

A large portion of our gambling revenues derive from non-regulated gambling markets 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. We seek to mitigate this risk by diversifying into regulated and non-gambling markets, and by keeping up with regulatory developments.

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 programme platform under which the Group assigns some of its deals to sub-affiliates that are members of the Group affiliate programme. 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 that 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 personal 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 on the profitability of the Group.

FAILURE OF SYSTEMS AND CONTROLS COULD EXPOSE THE GROUP TO REGULATORY RISK

The technological solutions that gambling operators have in place to block access to services by customers located in certain jurisdictions may fail. Operators often block access to their products by players located in certain jurisdictions (and for those operating in the US, by states other than those in which the operator is licensed). 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.

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 generating traffic to customers' websites. If the Group is unable to adapt its technology to ensure that it continues to generate significant volumes of traffic to customers, its revenue and profitability could be significantly reduced, which would negatively impact the Group's financial performance.

The Group uses business intelligence tools in order to track the flow of traffic to customers, and it 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 its ability to analyse its business, which could have an adverse effect on the financial position of the Group.

THE GROUP IS RELIANT ON ITS TOP TEN CUSTOMERS FOR A SIGNIFICANT PROPORTION OF ITS REVENUES

The Group's top ten customers (in terms of revenue generated) for the 12 months ended 30 December 2021 contributed 51% of the revenue of the Group, and the top such customer contributed 9%. 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 LONG-TERM CONTRACTUAL ARRANGEMENTS WITH SOME OF ITS CUSTOMERS, AND CERTAIN AGREEMENTS CAN BE TERMINATED AT SHORT NOTICE

As the Group does not have long-term contractual 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. Many of the contracts that the Group has entered into can be terminated at 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 CUSTOMER DATA IN RELATION TO ESTABLISHING ITS REVENUES

The Group relies on information provided by its customers in relation to commissions earned by the Group as a result of players' activities. 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 revenue 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 certain 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 Group is in the process of remedying this problem through pursuing a multi-track approach to recover the Casino vertical. As of 26 January 2021, we have been successful in having the penalty removed for three of the ten sites we wish to recover. However, this experience highlights the risk that de-ranking by search engines poses to the Group's financial position and the attention required to remedy these issues.

THE GROUP IS RELIANT ON MAINTAINING ITS COMPUTER AND COMMUNICATION SYSTEMS AND COULD BE ADVERSELY AFFECTED BY A FAILURE OF ITS INFORMATION SECURITY POLICY OR DISASTER RECOVERY 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.

THE GROUP IS RELIANT 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.

THE GROUP RELIES ON ITS UNDERLYING CUSTOMERS 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, which 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 operators' websites and could lead to customers leaving such operators' websites 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.

ACQUISITION RISKS

The Company's strategy includes making acquisitions in circumstances where the Directors believe that such acquisitions would support the Group's strategy. For example, the Group completed its acquisition of the business and assets of Sports Betting Dime on 24 March 2021 and BlueClaw Media Limited on 23 September 2021. 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 the integration of new businesses, and/or the cost of achieving those benefits may exceed the expected cost.

CORONAVIRUS/COVID-19

While the Covid-19 pandemic is not directly affecting the ability to conduct online advertisement, it has led to the cancellation of major sporting events around the world and a reduction in advertising spend by many banks and financial services organisations. As a result, our Sports and Personal Finance businesses saw less activity preceding the re-opening of economies and events. We seek to manage the risks posed by the Covid-19 pandemic through continuous monitoring of the markets and adapting to the resulting effects, seeking alternative revenue sources, improving editorial content and adopting improved working practices.

FINANCIAL STATEMENTS

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Building a better working world

Kost Forer Gabbay & Kasierer
144 Menachem Begin Road, Building A
Tel-Aviv 6492102, Israel

Tel: +972-3-6232525
Fax: +972-3-5622555
ey.com

INDEPENDENT AUDITORS' REPORT

Building a better working world

Kost Forer Gabbay & Kasierer
144 Menachem Begin Road, Building A
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ey.com

TO THE SHAREHOLDERS OF XLMEDIA PLC

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the consolidated financial statements of XLMedia PLC and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of 31 December 2021 and 2020, and the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated **statements** of cash flows for each of the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2021 and 2020 and its consolidated financial performance and its consolidated cash flows for each of the years then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

INDEPENDENT AUDITORS' REPORT

	Description of key audit matter	Description of auditor's response
Revenue recognition	Revenues which amounted to USD 66.5 million in 2021 are significant to the consolidated financial statements based on their quantitative materiality. As such, there is inherent risk that revenues may be improperly recognised, inflated or misstated. Recognition of revenues in the accounts of the Group is a highly automated process. The Group is heavily reliant on the reliability and continuity of its in-house IT platform to support automated data processing in its recognition and recording of revenues.	In 2021 in order to gain the required level of assurance, we performed substantive audit procedures relating to the recognition and recording of revenues, including tests of reconciliations from underlying data to the financial accounts. IT audit specialists were deployed to assist in understanding the design and operation of the relevant IT systems and in performing various data analyses in order to test completeness, accuracy and timing of the recognition of revenues. We also evaluated the adequacy of the disclosures provided in relation to revenues in Notes 2 and 17 to the consolidated financial statements.
Domains and Websites and other intangible assets – impairment test	As of 31 December 2021, the total net carrying amount of domains and websites with indefinite useful life and other intangible assets was approximately USD 120.3 million. In accordance with IFRS as adopted by the European Union, the Group is required to annually test these assets for impairment. As a result of the impairment test, no impairment loss was recorded in 2021.	Our audit procedures included, among others, evaluating the assumptions and methodologies used by the Group. In particular, we tested the Group's determination of the recoverability of these assets by reviewing management's forecasts of revenues and profitability. We assessed the reliability of these forecasts through, among others, a review of actual performance against previous forecasts. We evaluated and tested the discount rates and attribution of expenses, and we considered the reasonableness of management's other assumptions. We also verified the adequacy of the disclosure of the assumptions and other data in Note 7 to the consolidated financial statements.
Taxation	The Group's operations are subject to income tax in various jurisdictions. Taxation is significant to our audit because the assessment process is complex and judgmental, and the amounts involved are material to the consolidated financial statements as a whole.	We included in our team tax specialists to analyse and evaluate the assumptions used to determine tax provisions. We evaluated and tested the underlying support, such as transfer price studies, for the calculation of income taxes in the various jurisdictions. We also assessed the adequacy of the Group's disclosures in Note 15 to the consolidated financial statements.

OTHER INFORMATION INCLUDED IN THE GROUP'S 2021 ANNUAL REPORT

Other information consists of the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2021 Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

RESPONSIBILITIES OF MANAGEMENT AND THE BOARD OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The board of directors is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for

INDEPENDENT AUDITORS' REPORT

CONTINUED

Building a better working world

our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Building a better working world

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The consolidated financial statements have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

The partner in charge of the audit resulting in this independent auditor's report is Eli Barda.

Kost Forer Gabbay & Kasierer

Tel-Aviv, Israel
28 March 2022

KOST FORER GABBAY & KASIERER
A Member of Ernst & Young Global

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statements of financial position

as at 31 December 2021

	Notes	2021 $000	2020 $000
Assets			
Non–current assets			
Intangible assets and goodwill	7	**120,284**	63,866
Property and equipment	6	**2,401**	1,072
Other assets		**247**	497
Long–term deposits	4	**83**	1,478
		123,015	66,913
Current assets			
Short–term deposits	4	**2,158**	1,228
Trade receivables	5	**8,701**	5,792
Other receivables	5	**6,119**	5,578
Cash and cash equivalents		**22,437**	12,648
		39,415	25,246
Total assets		**162,430**	92,159
Equity and liabilities			
Equity			
Share capital	12	***) –**	*) –
Share premium	12	**122,071**	86,022
Capital reserve		**14**	(258)
Accumulated deficit		**(12,869)**	(18,510)
Total equity		**109,216**	67,254

Consolidated statements of financial position

	Notes	2021 $000	2020 $000
Non–current liabilities			
Lease liabilities	10	**1,242**	366
Deferred taxes	15	**1,372**	1,243
Deferred consideration	7	**7,737**	–
Contingent consideration	16	**808**	–
		11,159	1,609
Current liabilities			
Trade payables		**2,333**	2,000
Deferred consideration	7,16	**18,401**	–
Consideration payable on intangible assets	7	**3,000**	–
Other liabilities and accounts payable	8	**7,820**	8,769
Income tax provision		**10,190**	11,899
Financial derivatives	11	**–**	304
Current maturities of lease liabilities	10	**311**	324
		42,055	23,296
Total liabilities		**53,214**	24,905
Total equity and liabilities		**162,430**	92,159

*) Less than $1,000.

The accompanying notes are an integral part of the consolidated financial statements.

28 March 2022 Date of approval of the financial statements	Julie Markey Interim Chairman Chair of the Board of Directors	Stuart Simms Chief Executive Officer	Rowan Ellis Interim Chief Financial Officer

CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

Consolidated statements of profit or loss and other comprehensive income

for the year ended 31 December 2021

	Notes	2021 $000	2020 $000
Revenue	17	**66,487**	54,839
Expenses:			
Operating	14	**(40,740)**	(36,222)
Sale and marketing		**(14,837)**	(9,819)
Depreciation and amortisation	6,7	**(6,970)**	(7,720)
Impairment loss	7	**–**	(955)
Operating profit		**3,940**	123
Finance expenses		**(549)**	(834)
Finance income		**306**	695
Other income		**318**	1,122
Profit before taxes on income		**4,015**	1,106
Income tax benefit / (expense)	15	**1,626**	(314)
Profit for the year		**5,641**	792
Other comprehensive income			
Exchange loss arising on translation of foreign operations		**(16)**	–
Total comprehensive income		**5,625**	792
Profit for the year attributable to:			
Equity owners of the Company		**5,641**	531
Non-controlling interests		**–**	261
		5,641	792
Total comprehensive income attributable to:			
Equity owners of the Company		**5,625**	531
Non-controlling interests		**–**	261
		5,625	792
Earnings per share attributable to equity holders of the Company:			
Basic and diluted earnings per share (in $)	12	**0.023**	0.004

See note 1c with respect to the presentation for the year ended 31 December 2020.

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated statements of changes in equity

for the year ended 31 December 2021

	Share capital $000	Share premium $000	Capital reserve from share-based transactions $000	Capital reserve from the translation of a foreign operation $000	Capital reserve from transactions with non-controlling interests $000	Treasury shares $000	Accumulated deficit $000	Total attributable to owners of the Company $000	Non-controlling interests $000	Total equity $000
As at 1 January 2021	*) –	86,022	2,368	–	(2,626)	–	(18,510)	67,254	–	67,254
Profit for the year	–	–	–	–	–	–	5,641	5,641	–	5,641
Other comprehensive income	–	–	–	(16)	–	–	–	(16)	–	(16)
Total comprehensive income	–	–	–	(16)	–	–	5,641	5,625	–	5,625
Cost of share-based payment	–	–	520	–	–	–	–	520	–	520
Share capital issuance	*) –	35,806	–	–	–	–	–	35,806	–	35,806
Exercise of option	*) –	243	(232)	–	–	–	–	11	–	11
As at 31 December 2021	***) –**	**122,071**	**2,656**	**(16)**	**(2,626)**	**–**	**(12,869)**	**109,216**	**–**	**109,216**
As at 1 January 2020	*) –	112,624	2,276	–	(2,445)	(30,159)	(19,041)	63,255	291	63,546
Profit for the year	–	–	–	–	–	–	531	531	261	792
Cancellation of treasury shares	–	(30,159)	–	–	–	30,159	–	–	–	–
Cost of share-based payment	–	–	92	–	–	–	–	92	–	92
Share capital issuance	*) –	3,557	–	–	–	–	–	3,557	–	3,557
Acquisition of non-controlling interest	–	–	–	–	(181)	–	–	(181)	(291)	(472)
Dividend to non-controlling interest	–	–	–	–	–	–	–	–	(261)	(261)
As at 31 December 2020	***) –**	**86,022**	**2,368**	**–**	**(2,626)**	**–**	**(18,510)**	**67,254**	**–**	**67,254**

*) Less than $1,000.

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS
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Consolidated statements of cash flows

for the year ended 31 December 2021

	2021 $000	2020 $000
Operating activities		
Profit for the year	5,641	792
Adjustments to reconcile profit for the year to net cash flows:		
Depreciation and amortisation	6,970	7,720
Impairment loss	–	955
Finance (income) / expense, net	(76)	824
Other income	(437)	(1,122)
Cost of share-based payment	520	92
Taxes on income (benefit)	(1,626)	314
Exchange differences on balances of cash and cash equivalents	246	(297)
Working capital changes:		
(Increase) / decrease in trade receivables	(2,672)	1,963
Decrease / (increase) in other receivables	647	(340)
Increase / (decrease) in trade payables	313	(1,028)
Decrease in other liabilities and accounts payable	(1,681)	(1,204)
	7,845	8,669
Interest paid	(76)	(544)
Interest received	3	99
Income tax paid	(572)	(799)
Income tax received	48	996
Net cash flows from operating activities	7,248	8,421
Investing activities		
Purchase of property and equipment	(1,118)	(319)
Acquisition of and additions to domains, websites and other intangible assets	(23,127)	(12,842)
Acquisition of and additions to systems, software and licenses	(7,718)	(6,642)
Loan to a third party	–	(500)
Adjustments of proceeds from the sale of discontinued operation	–	(270)
Acquisition of subsidiary, net of cash acquired	(395)	–
Short-term and long-term deposits, net	507	911
Net cash flows used in investing activities	(31,851)	(19,662)

	2021 $000	2020 $000
Financing activities		
Share capital issuance	35,806	–
Proceeds from exercise of share options	11	–
Acquisition of non-controlling interest	–	(472)
Dividend paid to non-controlling interests	–	(261)
Repayment of long and short-term liability	–	(1,500)
Payment of principal portion of lease liabilities	(1,163)	(1,283)
Net cash flows from/ (used in) financing activities	34,654	(3,516)
Net increase in cash and cash equivalents	10,051	(14,757)
Net foreign exchange difference	(262)	297
Cash and cash equivalents at 1 January	12,648	27,108
Cash and cash equivalents at 31 December	22,437	12,648
Significant non-cash transactions:		
Deferred consideration payable on acquisition of and additions to domains, websites and other intangible	28,113	3,557
Right-of-use asset recognised with corresponding lease liabilities	2,460	6,819

The accompanying notes are an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

a. Corporate information

XLMedia PLC ("the Company") is a global performance publisher listed on the London Stock Exchange Alternative Investment Market (AIM) since March 2014. The Company was incorporated in Jersey and commenced its operations in 2012. The Company's registered office is in 12 Castle Street St. Helier Jersey, JE2 3RT. XLMedia PLC and its consolidated subsidiaries ("the Group") owns and operates more than 100 premium branded websites across various sectors, including Personal Finance, Sports and Casino. Headquartered in the United Kingdom, with a significant presence in the United States. The Company has a long track record of success in digital publishing and performance marketing, working with some of the world's largest advertisers. XLMedia PLC is focused on regulated, high growth markets.

b. Definitions

In these financial statements

EUR	–	Euro
GBP	–	British Pound Sterling
IFRS	–	International Financial Reporting Standards as adopted by the European Union
NIS	–	New Israeli Shekel
Related parties	–	As defined in IAS 24
Subsidiaries	–	Entities controlled (as defined in IFRS 10) by the Company and whose accounts are consolidated with those of the Company. For a list of the main subsidiaries, see Note 21
U.S.	–	United States
U.K.	–	United Kingdom
USD/$	–	U.S. dollar, all values are rounded to the nearest thousand ($000), except when otherwise indicated

c. Significant changes in the current reporting period

The financial position and performance of the Group was particularly affected by the following events and transactions during the reporting period:

- The acquisition of Sports Betting Dime in March 2021 (Note 7).
- The acquisition of Saturday Football Inc. (Note 7) and Blueclaw Media Ltd ("Blueclaw") in September 2021 (Note 16).
- The Company elected to change the presentation of its expenses in its consolidated statement of profit or loss from a classification based on function to classification based on the nature of expense. Group management believes that this presentation provides reliable and more relevant information because due to a change in the operating model of the Group, the new presentation provides greater clarity and insight into the major categories of expenses and the key cost drivers of the Company's business. This change has been applied retrospectively to the prior year's comparative information.

The spread of Coronavirus continues to impact the Group's operations. The Group has a well-balanced portfolio of assets. The Group is continually monitoring and responding to the outbreak's potential impact.

2. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently in the financial statements for all periods presented unless otherwise stated.

a. Basis of presentation of the consolidated financial statements

i. Compliance with IFRS
The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union. And as issued by the International Accounting Standards Board (IASB) and in accordance with the requirements of the Companies (Jersey) Law 1991.

ii. Historical cost convention
The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) and certain property, plant and equipment – measured at fair value or revalued amount, and
- assets held for sale – measured at the lower of carrying amount and fair value less costs to sell.

b. Consolidated financial statements

The consolidated financial statements comprise the financial statements of companies that are controlled by the Company (subsidiaries). Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Potential voting rights are considered when assessing whether an entity has control. The consolidation of the financial statements commences on the date on which control is obtained and ends when such control ceases.

The financial statements of the Company and of the subsidiaries are prepared as of the same dates and periods. The consolidated financial statements are prepared using uniform accounting policies by all companies in the Group. Significant intragroup balances and transactions and gains or losses resulting from intragroup transactions are eliminated in full in the consolidated financial statements.

Non-controlling interests in subsidiaries represent the equity in subsidiaries not attributable, directly or indirectly, to a parent. Non-controlling interests are presented in equity separately from the equity attributable to the equity holders of the Company. Profit or loss and components of other comprehensive income are attributed to the Company and to non-controlling interests. A change in the ownership interest of a subsidiary without a change of control is accounted for as an equity transaction in accordance with IFRS 10.

c. Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

The cost of the acquisition is measured at the fair value of the consideration transferred on the date of acquisition with the addition of non-controlling interests in the acquiree. In each business combination, the Company chooses whether to measure the non-controlling interests in the acquiree based on their fair value on the date of acquisition or at their proportionate share in the fair value of the acquiree's net identifiable assets. Direct acquisition costs are expensed as incurred.

Contingent consideration is recognised at fair value on the acquisition date and classified as a financial asset or liability in accordance with IFRS 9. Subsequent changes in the fair value of the contingent consideration are recognised in profit or loss. If the contingent consideration is classified as an equity instrument, it is measured at fair value on the acquisition date without subsequent remeasurement.

Goodwill is initially measured at cost, which represents the excess of the acquisition consideration and the amount of non-controlling interests over the net identifiable assets acquired and liabilities assumed. If the resulting amount is negative, the acquirer recognises the resulting gain on the acquisition date. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

d. Functional currency, presentation currency and foreign currency

Functional currency and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in USD, which is the Group's functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

Group companies
The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet,

ii. income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and

iii. all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

e. Cash equivalents

Cash is cash on hand and demand deposits. Cash equivalents are highly liquid investments, including unrestricted short-term bank deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. Investments normally only qualify as cash equivalent if they have a short maturity of three months or less from the date of acquisition.

f. Short-term and long-term deposits

Short-term bank deposits are deposits with an original maturity of more than three months from the investment date and do not meet the definition of cash equivalents. Long-term deposits are deposits with a maturity of more than twelve months from the reporting date. The deposits are presented according to their terms of deposit.

g. Revenue recognition

The Group generates revenues mainly from referred players who visit the Group's premium branded websites. The main revenue streams are: cost per acquisition ("CPA"), revenue-share fees or a combination of both, which is referred to as a hybrid.

CPA fees are fixed-rate fees owed for each player who registers and usually deposits a minimum balance on the operator's site, and they are recognised when earned upon acceptance of the referral by the operator.

Revenue-share fees represent a set percentage of net revenues generated over the lifetime of the referred player. The Group has no material obligations for discounts, incentives or refunds

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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of commissions subsequent to completion of performance obligations.

Deferred revenues are recorded when payments are received from customers in advance of the Company's rendering of services.

h. Taxes on income

Current or deferred taxes are recognised in profit or loss, except to the extent that they relate to items that are recognised in other comprehensive income or equity.

Current taxes
The current tax liability is measured using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date, as well as adjustments required in connection with the tax liability in respect of previous years.

Deferred taxes
Deferred taxes are computed in respect of temporary differences between the carrying amounts in the financial statements and the amounts attributed for tax purposes. Deferred taxes are measured at the tax rate that is expected to apply when the asset is realised or the liability is settled based on tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is not probable that they will be utilised. Deductible temporary differences for which deferred tax assets had not been recognised are reviewed at each reporting date, and a respective deferred tax asset is recognised to the extent that their utilisation is probable. Taxes that would apply in the event of the disposal of investments in investees have not been taken into account in computing deferred taxes, as long as the disposal of the investments in investees is not probable in the foreseeable future. Also, deferred taxes that would apply in the event of distribution of earnings by investees as dividends have not been taken into account in computing deferred taxes, since the distribution of dividends does not involve an additional tax liability or since it is the Group's policy not to initiate distribution of dividends from a subsidiary that would trigger an additional tax liability.

Deferred taxes are offset if there is a legally enforceable right to offset a current tax asset against current tax liability, and the deferred taxes relate to the same taxpayer and the same taxation authority.

i. Leases

The Group accounts for a contract as a lease when the contract terms convey the right to control the use of an identified asset for a period of time in exchange for consideration.

Recognition of assets and liabilities
For leases in which the Group is the lessee, the Group recognises on the commencement date of the lease a right-of-use asset and a lease liability, excluding leases whose term is up to 12 months and leases for which the underlying asset is of low value. For these excluded leases, the Group has elected to recognise the lease payments as an expense in profit or loss on a straight-line basis over the lease term. In measuring the lease liability, the Group has elected to apply the practical expedient and does not separate the lease components from the non-lease components (such as management and maintenance services, etc.) included in a single contract. On the commencement date, the lease liability includes all unpaid lease payments discounted at the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the Group's incremental borrowing rate. After the commencement date, the Group measures the lease liability using the effective interest rate method. The right-of-use asset is recognised in an amount equal to the lease liability plus lease payments already made on or before the commencement date and initial direct costs incurred. The right-of-use asset is measured applying the cost model and depreciated over the shorter of its useful life or the lease term (see j below). The Group tests for impairment of the right-of-use asset whenever there are indications of impairment pursuant to the provisions of IAS 36.

Variable lease payments that depend on an index
The Group uses the index rate prevailing on the commencement date to calculate the future lease payments. For leases in which the Group is the lessee, the aggregate changes in future lease payments resulting from a change in the index are discounted (without a change in the discount rate applicable to the lease liability) and recorded as an adjustment of the lease liability and the right-of-use asset, only when there is a change in the cash flows resulting from the change in the index (that is, when the adjustment to the lease payments takes effect).

Lease extension and termination options
A non-cancellable lease term includes both the periods covered by an option to extend the lease when it is reasonably certain that the extension option will be exercised and the periods covered by a lease termination option when it is reasonably certain that the termination option will not be exercised.

In the event of any change in the expected exercise of the lease extension option or in the expected non-exercise of the lease termination option, the Group remeasures the lease liability based on the revised lease term using a revised discount rate as of the date of the change in expectations. The total change is recognised in the carrying amount of the right-of-use asset until it is reduced to zero, and any further reductions are recognised in profit or loss.

Lease modifications
If a lease modification does not reduce the scope of the lease and does not result in a separate lease, the Group remeasures the lease liability based on the modified lease terms using a revised discount rate as of the modification date and records the change in the lease liability as an adjustment to the right-of-use asset. If a lease modification reduces the scope of the lease, the Group recognises a gain or loss arising from the partial or full reduction of the carrying amount of the right-of-use asset and the lease liability. The Group subsequently remeasures the carrying amount of the lease liability according to the revised lease terms at the revised discount rate as of the modification date and records the change in the lease liability as an adjustment to the right-of-use asset.

j. Property and equipment

Property and equipment are measured at cost, including directly attributable costs less accumulated depreciation. Depreciation is calculated on a

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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straight-line basis over the useful life of the assets at annual rates as follows:

	Mainly %
Office furniture and equipment	10
Computers and peripheral equipment	33
Right of use leased assets and leasehold improvement (over the lease term)	10 - 15

Right of use leased assets, and leasehold improvements are depreciated on a straight-line basis over the shorter lease term (including any extension option held by the Group and intended to be exercised) and the asset's expected life. The useful life, depreciation method and residual value of an asset are reviewed at least each year-end and any changes are accounted for prospectively as a change in accounting estimate. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised. An asset is derecognised on disposal or when no further economic benefits are expected from its use.

k. Intangible assets

Separately acquired intangible assets are measured on initial recognition at cost, including directly attributable costs. Intangible assets acquired in a business combination are measured at fair value at the acquisition date. Expenditures relating to internally generated intangible assets, excluding capitalised development costs, are recognised in profit or loss when incurred. Intangible assets with a finite useful life are amortised over their useful life and reviewed for impairment whenever there is an indication that the asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at each year-end.

Intangible assets (domains and websites) with indefinite useful lives are not systematically amortised and are tested for impairment annually or whenever there is an indication that the intangible asset may be impaired. The useful life of these assets is reviewed annually to determine whether their indefinite life assessment continues to be supportable. If the events and circumstances do not continue to support the assessment, the change in the useful life assessment from indefinite to finite is accounted for prospectively as a change in accounting estimate and on that date, the asset is tested for impairment. Commencing from that date, the asset is amortised systematically over its useful life.

Research expenditures are recognised in profit or loss when incurred. An intangible asset arising from a development project or from the development phase of an internal project is recognised if the Group can demonstrate: the technical feasibility of completing the intangible asset so that it will be available for use or sale; the Company's intention to complete the intangible asset and use or sell it; the Company's ability to use or sell the intangible asset; how the intangible asset will generate future economic benefits; the availability of adequate technical, financial and other resources to complete the intangible asset; and the Company's ability to measure reliably the expenditure attributable to the intangible asset during its development. The asset is measured at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation of the asset begins when development is completed and the asset is available for use. The asset is amortised over its useful life. Testing of impairment is performed annually over the period of the development project.

The Group's assets include computer systems comprising hardware and software. Software forming an integral part of the hardware to the extent that the hardware cannot function without the programs installed on it is classified as property and equipment. In contrast, software that adds functionality to the hardware is classified as an intangible asset.

Systems and software (purchased and in-house development cost) are amortised on a straight-line basis over the useful life of three years. Non-competition and Agencies Relationships is amortised on a straight-line basis over the agreement term (between 2 to 3 years).

l. Impairment of non-financial assets

The Group evaluates the need to record an impairment of the carrying amount of non-financial assets whenever events or changes in circumstances indicate that the carrying amount is not recoverable. If the carrying amount of the cash-generating unit of the non-financial assets exceeds their recoverable amount, the assets are reduced to their recoverable amount. The recoverable amount is the higher of fair value less costs of sale and value in use. In measuring value in use, the expected future cash flows are discounted using a pre-tax discount rate that reflects the risks specific to the asset.

The recoverable amount of an asset that does not generate independent cash flows is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognised in profit or loss. An impairment loss of an asset, other than goodwill, is reversed only if there have been changes in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. Reversal of an impairment loss, as above, shall not be increased above the lower of the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior years and its recoverable amount. The reversal of impairment loss of an asset presented at cost is recognised in profit or loss.

Goodwill is tested for impairment by assessing the recoverable amount of the cash-generating unit (or Group of cash-generating units) to which the goodwill has been allocated. An impairment loss is recognised if the recoverable amount of the cash-generating unit (or Group of cash-generating units) to which goodwill has been allocated is less than the carrying amount of the cash-generating unit (or Group of cash-generating units). Any impairment loss is allocated first to goodwill. Impairment losses recognised for goodwill cannot be reversed in subsequent periods.

Goodwill - The Company reviews goodwill and intangible assets with indefinite useful life that are not systematically amortised (domains and websites) for impairment annually on 31 December, or more frequently if events or changes in circumstances indicate that there is a need for such review.

m. Financial instruments

i. Financial assets
Financial assets are measured upon initial recognition at fair value plus transaction costs

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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directly attributable to the acquisition of the financial assets, except for financial assets measured at fair value through profit or loss in respect of which transaction costs are recorded in profit or loss.

The Company classifies and measures debt instruments in the financial statements based on the following criteria:

- the Company's business model for managing financial assets; and
- the contractual cash flow terms of the financial asset.

Debt instruments measured at amortised cost
The Company's business model is to hold the financial assets in order to collect their contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial recognition, the instruments in this category are measured according to their terms at amortised cost using the effective interest rate method, less any provision for impairment.

Financial assets held for trading
Financial assets held for trading (derivatives) are measured through profit or loss unless they are designated as effective hedging instruments.

ii. Impairment of financial assets
The Company reviews at the end of each reporting period the provision for loss of financial debt instruments which are measured at amortised cost. The Company has short-term trade receivables in respect of which the Company applies a simplified approach and measures the loss allowance in an amount equal to the lifetime expected credit losses. An impairment loss on debt instruments measured at amortised cost is recognised in profit or loss with a corresponding loss allowance that is offset from the carrying amount of the financial asset.

iii. Derecognition of financial assets
A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire.

iv. Financial liabilities
Financial liabilities are initially recognised at fair value less transaction costs that are directly attributable to the issue of the financial liability. After initial recognition, the Company measures all financial liabilities at amortised cost using the effective interest rate method, except for:

- financial liabilities at fair value through profit or loss such as derivatives; and
- contingent consideration recognised by the buyer in a business combination within the scope of IFRS 3.

At initial recognition, the Company measures financial liabilities that are not measured at amortised cost at fair value. Transaction costs are recognised in profit or loss. After initial recognition, changes in fair value are recognised in profit or loss.

v. Derecognition of financial liabilities
A financial liability is derecognised only when it is extinguished, that is when the obligation is discharged or cancelled or expires.

n. Fair value measurement

Fair value is the price to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is based on the assumption that the transaction will take place in the asset's or the liability's principal market, or in the absence of a principal market, in the most advantageous market.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities measured at fair value or for which fair value is disclosed are categorised into levels within the fair value hierarchy based on the lowest level input that is significant to the entire fair value measurement:

Level 1	– quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2	– inputs other than quoted prices included within Level 1 that are observable either directly or indirectly.
Level 3	– inputs that are not based on observable market data (valuation techniques that use inputs that are not based on observable market data).

o. Provisions

A provision in accordance with IAS 37 is recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects part or all of the expense to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense is recognised in profit or loss net of the reimbursed amount.

p. Employee benefit liabilities

Short-term employee benefits include salaries, paid sick leave, recreation and social security contributions and are recognised as expenses as the services are rendered. Liability in respect of a cash bonus or a profit-sharing plan is recognised when the Group has a legal or constructive obligation to make such payment as a result of past service rendered by an employee, and a reliable estimate of the amount can be made.

Post-employment benefits are financed by contributions to insurance companies or pension funds and classified as defined contribution plans. The Israeli subsidiaries of the Group have defined contribution plans pursuant to Section 14 to the Severance Pay Law under which the subsidiary pays fixed contributions and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient amounts to pay all employee benefits relating to employee service in the current and prior periods. Contributions to the defined contribution plan in respect of severance or retirement pay are recognised as an expense when

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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contributed concurrently with the performance of the employee's services.

q. Share-based payment transactions

The Group's employees and officers are entitled to remuneration in the form of equity-settled share-based payment transactions. The cost of equity-settled transactions is measured at the fair value of the equity instruments granted at the grant date. The fair value is determined using an acceptable option pricing model (also see Note 13). In estimating fair value, the vesting conditions (consisting of service conditions and performance conditions other than market conditions) are not taken into account. The cost of equity-settled transactions is recognised in profit or loss together with a corresponding increase in equity during the period which the performance is to be satisfied ending on the date on which the relevant employees or officers become entitled to the award ("the vesting period"). The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether the market condition is satisfied, provided that all other vesting conditions (service and/or performance) are satisfied.

r. Earnings per share

Earnings per share are calculated by dividing the net income attributable to equity holders of the Company by the weighted average number of Ordinary Shares outstanding during the period. The Company's share of earnings of investees is included based on the earnings per share of the investees multiplied by the number of shares held by the Company. If the number of Ordinary Shares outstanding increases as a result of a capitalisation, bonus issue, or share split, the calculation of earnings per share for all periods presented are adjusted retrospectively. Potential Ordinary shares are included in the computation of diluted earnings per share when their conversion decreases earnings per share from continuing operations. Potential Ordinary shares that are converted during the period are included in diluted earnings per share only until the conversion date and from that date in basic earnings per share.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Estimations and assumptions
The preparation of the financial statements requires management to make estimates and assumptions that have an effect on the application of the accounting policies and on the reported amounts of assets, liabilities, revenues and expenses. Changes in accounting estimates are reported in the period of the change in estimate. The key assumptions made in the financial statements concerning uncertainties at the end of the reporting period and the critical estimates computed by the Group that may result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of domains and websites
The Group reviews domains and websites for impairment at least once a year. This requires management to make an estimate of the projected future cash flows from the continuing use of the cash-generating units to which the assets are allocated and also to choose a suitable discount rate for those cash flows (see Note 7).

Income taxes
The Group is subject to income tax in various jurisdictions, and judgment is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination may be uncertain. The Group recognises tax liabilities based on assumptions supported by, among others, transfer price studies. The Group believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors, including past experience and interpretations of tax law (see Note 15).

4. SHORT-TERM AND LONG-TERM DEPOSITS AS AT 31 DECEMBER

	2021 $000	2020 $000
Short-term deposits		
Held in USD	**500**	850
Held in NIS	**1,653**	373
Held in EUR	**5**	5
	2,158	1,228
Long-term deposits		
Held in NIS	**–**	1,478
Held in EUR	**83**	–
	83	1,478

Short-term deposits carried a weighted average interest rate of 0.01% for 2021 and 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Short-term deposits have fixed liens in relation to bank guarantees for the Israel office lease and the financial derivatives (Note 11). The long-term deposits have a fixed lien in relation to a bank guarantee for the Cyprus office lease.

5. TRADE AND OTHER RECEIVABLES

Trade receivables as at 31 December

	2021 $000	2020 $000
Receivables from third party customers	**9,046**	6,867
Allowance for expected credit losses	**(345)**	(1,075)
	8,701	5,792

As at 31 December 2021, the Group has no material amounts that are past due and are not impaired. Changes in the allowance for expected credit losses are included in administrative expenses, decreased by $730,000 (2020: $164,000 increase). See Note 11b(ii) on the credit risk of trade receivables.

Other receivables as at 31 December

	2021 $000	2020 $000
Government authorities	**3,024**	2,357
Prepaid expenses	**1,969**	2,721
Assets held for sale[i]	**391**	–
Loan to a third party[ii]	**234**	500
Financial derivatives (Note 11)	**84**	–
Other receivables	**417**	–
	6,119	5,578

i. Asset held for sale relates to upcoming termination of the Israel office lease.

ii. In December 2020, the Company lent $500,000 to a third party which is repayable in the next 12 months. Due to the short-term nature of the loan, the carrying amount of the loan is considered to be the same as the fair value. The loan carries an interest rate of 5%.

6. PROPERTY AND EQUIPMENT

	Computers, furniture, office equipment and others $000	Leasehold improvements $000	Right of use leased assets – Offices (see note 10) $000	Total $000
Cost				
At 1 January 2020	2,816	538	9,671	13,025
Additions	–	–	472	472
Acquisitions during the year	309	21	–	330
Adjustments for indexation	–	–	(12)	(12)
Decreases during the year:				
Termination of leases	–	–	(6,806)	(6,806)
At 31 December 2020	**3,125**	**559**	**3,325**	**7,009**
Acquisitions during the year	775	371	5,922	7,068
Adjustments for indexation	–	–	191	191
Decreases during the year:				
Termination of leases	–	–	(4,643)	(4,643)
Other disposals[i]	(3,215)	(589)	–	(3,804)
At 31 December 2021	**685**	**341**	**4,795**	**5,821**
Accumulated depreciation				
At 1 January 2020	2,008	259	1,327	3,594
Depreciation during the year	723	300	1,320	2,343
At 31 December 2020	**2,731**	**559**	**2,647**	**5,937**
Depreciation during the year	366	19	1,498	1,883
Termination of leases	–	–	(990)	(990)
Other disposals[i]	(2,847)	(563)	–	(3,410)
At 31 December 2021	**250**	**15**	**3,155**	**3,420**
Net book value				
At 31 December 2021	**435**	**326**	**1,640**	**2,401**
At 31 December 2020	**394**	**–**	**678**	**1,072**

i. In September 2021, the Company announced the migration of all audience-centric functions, except Casino to outside Israel, moving closer to target audiences. Following this announcement, all the relevant fixed assets were disposed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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7. INTANGIBLE ASSETS AND GOODWILL

	Goodwill $000	Domains and websites $000	Agencies Relationships $000	Systems, software and licenses $000	Total $000
Cost or valuation					
At 1 January 2020	30,052	94,366	–	33,694	158,112
Additions	–	16,681	232	1,472	18,385
Additions – internally developed	–	–	–	5,170	5,170
At 31 December 2020	**30,052**	**111,047**	**232**	**40,336**	**181,667**
Additions	–	51,240	–	3,400	54,640
Acquisition of a subsidiary (Note 16)	2,063	–	484	–	2,547
Additions – internally developed	–	–		4,318	4,318
At 31 December 2021	**32,115**	**162,287**	**716**	**48,054**	**243,172**
Accumulated amortisation and impairment:					
At 1 January 2020	30,052	54,151	–	27,266	111,469
Amortisation	–	–	8	5,369	5,377
Impairment loss	–	955	–	–	955
At 31 December 2020	**30,052**	**55,106**	**8**	**32,635**	**117,801**
Amortisation	–	–	193	4,894	5,087
At 31 December 2021	**30,052**	**55,106**	**201**	**37,529**	**122,888**
Net book value					
At 31 December 2021	**2,063**	**107,181**	**515**	**10,525**	**120,284**
At 31 December 2020	**–**	**55,941**	**224**	**7,701**	**63,866**

Main additions during the year

The Company acquired domains and websites, including Sports Betting Dime and Saturday Football inc. and accounted for these as an asset acquisition since substantially all of the fair value of the intangible assets acquired was in a group of similar identifiable assets. The Company recognises a liability for the intangible assets acquired for contingent consideration only when there is sufficient certainty that the liability will be settled. Total domains and websites acquired were $51,240,000 (2020: $16,681,000), including $3,000,000 related to CB Sports and Warwick Gaming contingent payment for the year ended 31 December 2021. The potential future contingent consideration, for these assets is up to an additional $8,500,000 (2020: $10,500,000) payable for the period of 2022-2024. the acquisition cost also includes deferred consideration of $25,091,000 which is payable in the period of 2022-2024.

Carrying amounts of intangible assets with an indefinite useful life

In 2021, due to changes in the Company's operational model, the Company re-evaluated its cash generating units ("CGU's") and how those should be reported. The table below summarises the carrying amounts of goodwill and domains and websites as at 31 December 2021:

	Goodwill		Domains and websites	
	2021 $000	2020 $000	**2021 $000**	2020 $000
Sports U.S.	**–**	–	**67,102**	15,862
Sports Europe	**–**	–	**12,539**	12,539
Personal finance	**–**	–	**13,835**	13,835
Casino	**–**	–	**13,705**	13,705
Performance agency	**2,063**	–	**–**	–
	2,063	–	**107,181**	55,941

In January 2020, 107 of the Group's sites were demoted in search results by Google, of which 23 were premium sites. The demotion of the sites had a material impact on the Group's future revenues. The Company recorded an impairment loss of $955,000, which is included in the statement of profit or loss.

The Group tests goodwill and intangible assets with indefinite useful life for impairment annually. Intangible assets are grouped into CGUs to determine their value in use and compared that to their carrying value to assess if impairment exists. The key assumptions used in calculating the value in use:

- The calculations use cash flow projections based on financial budgets approved by management covering a four-year period. Revenues and the profit rate assumptions are based on management expectations and forecasts for the coming years. These forecasts included an evaluation of those specific sites that suffered a demotion or other factors which could adversely affect revenues and profitability.
- Cash flows beyond the four-year period are extrapolated using the estimated terminal growth rate of 3%. This growth rate is based on the long-term average growth rate as customary in similar industries.
- The discount rate reflects management's assumptions regarding the Group's specific risk premium.
- The pre-tax discount rate that was applied for the cash flow projection was 15%.

The Group concluded that the recoverable amount is in excess of the asset's carrying amount. Consequently, the Group concluded that no impairment exists as of 31 December 2021. Regarding the Personal finance vertical, an increase of 1% in the pre-tax discount rate will create an impairment loss.

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8. OTHER LIABILITIES AND ACCOUNTS PAYABLE AS AT 31 DECEMBER

	2021 $000	2020 $000
Employees and payroll accruals	3,311	4,776
Accrued expenses	2,264	3,108
Deferred revenues	2,031	185
Government authorities	199	435
Other liabilities	15	265
	7,820	8,769

9. LOANS FROM THE BANK

In June 2018, a subsidiary of the Company received a loan from a bank for $6,000,000. Fixed charges have been placed on the subsidiary's share capital and goodwill and floating charges on the subsidiary's assets. The loan is repayable in 24 equal instalments and carries an interest rate of USD Libor +4.4%. The loan was repaid in full on 30 June 2020.

10. LEASE LIABILITIES AS AT 31 DECEMBER

	2021 $000	2020 $000
Lease liabilities	1,553	690
Less – current maturities	311	324
	1,242	366

The Group recorded fixed liens on bank deposits in connection with these agreements (see Note 4).

In 2020, the Company decided not to exercise an option to renew a lease, which renewal period was originally included in the determination of the lease liabilities and corresponding right-of-use assets in the 2019 consolidated financial statements. Accordingly, the Company derecognised the lease liabilities by $7,695,000 and the related right-of-use and other assets by $6,573,000. The impact on the profit before taxes on income was $1,122,000 and recorded as other income.

In December 2020, the Company signed three new real estate lease agreements. The leases commencement dates were 31 December 2020, 1 January 2021 and 15 February 2021. The impact for 2020 is an increase in the Group's total assets and liabilities of $500,000.

In December 2021, the Company decided to terminate two of three signed leases from 2020. Accordingly, the Company remeasured the U.K. lease liability based on the revised lease term using a revised discount rate as of the date of the change in expectations. The total change is recognised in the carrying amount of the right-of-use asset until it is reduced to zero, and any further reductions are recognised in profit or loss. And for the Israeli lease, the Company derecognised the remaining balances of the lease right-of-use asset and lease liability in December 2021. The impact of profit and loss is a profit of $437,000.

11. FINANCIAL INSTRUMENTS

a. Classification of financial assets and liabilities

The financial assets and financial liabilities in the statement of financial position are classified by groups of financial instruments as follows as at 31 December:

	2021 $000	2020 $000
Financial assets		
Financial assets at fair value through profit or loss:		
Financial derivatives	84	–
Financial assets measured at amortised cost:		
Cash and cash equivalents	22,437	12,648
Short-term and long-term deposits	2,241	2,706
Trade receivables	8,701	5,792
Other receivables	1,100	500
Total financial assets	34,563	21,646
Total non-current	83	1,478
Total current	34,480	20,168
Financial liabilities		
Financial assets at fair value through profit or loss:		
Financial derivatives	–	304
Contingent consideration	808	–
Financial liabilities measured at amortised cost:		
Trade payables	2,333	2,000
Deferred consideration	26,138	–
Consideration payable on intangible assets	3,000	–
Other liabilities and account payables	5,588	7,594
Lease liabilities	1,553	690
Total financial liabilities	39,420	10,588
Total non-current	9,787	366
Total current	29,633	10,222

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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b. Financial risks factors

The Group's activities expose it to various financial risks.

i. Market risk - Foreign exchange risk
A significant portion of the Group's revenues is received in EUR. The Group also has revenues that are received in GBP. A significant portion of the Israeli subsidiaries` expenses are paid in NIS. Therefore, the Group is exposed to fluctuations in the foreign exchange rates in EUR, GBP and NIS against the USD.

Financial derivatives
The Company entered into forward or options contracts with the intention to reduce the foreign exchange risk of forecasted cash flows. These contracts are not designated as hedges for accounting purposes and are measured at fair value through profit or loss. For the year ended 31 December 2021, the Group recorded foreign exchange rate gains of $270,000 (2020: $318,000). As at 31 December 2021, the Group bought put option and sold call option for the sale of USD in exchange for NIS in nominal amount of totaling $2,700,000 (NIS 9,000,000) for the period until the end of March 2022.

ii. Credit risk
The Group usually extends 30-60 days term to its customers. The Group regularly monitors the credit extended to its customers and their general financial condition but does not require collateral as security for these receivables. The Group maintains cash and cash equivalents, short-term and long-term investments in various financial institutions. These financial institutions are located in the EU, Israel and U.S.

iii. Liquidity risk
The table below summarises the maturity profile of the Group's financial liabilities based on contractual

undiscounted payments (including interest payments):

	Less than one year $000	1 to 2 years $000	2 to 3 years $000	3 to 4 years $000	> 4 years $000	Total $000
Trade payables	2,333	–	–	–	–	2,333
Other liabilities and account payables	5,588	–	–	–	–	5,588
Consideration payable on intangible assets	3,000	–	–	–	–	3,000
Contingent consideration	–	410	410	–	–	820
Deferred consideration	18,520	4,000	4,000	–	–	26,520
Lease liabilities	352	183	169	167	809	1,680
At 31 December 2021	**29,793**	**4,593**	**4,579**	**167**	**809**	**39,941**

	Less than one year $000	1 to 2 years $000	2 to 3 years $000	3 to 4 years $000	> 4 years $000	Total $000
Trade payables	2,000	–	–	–	–	2,000
Other liabilities and account payables	7,594	–	–	–	–	7,594
Financial derivatives	304	–	–	–	–	304
Lease liabilities	331	108	108	108	108	763
At 31 December 2020	**10,229**	**108**	**108**	**108**	**108**	**10,661**

c. Fair value

The carrying amounts of the Group's financial assets and liabilities approximate their fair value. The fair value of financial derivatives are categorised within level 2 of the fair value hierarchy. The fair value of the contingent consideration is categorised within level 3 of the fair value hierarchy.

d. Sensitivity tests relating to changes in market factors

Sensitivity test to changes in ERU to USD exchange rate:	**2021 $000**	2020 $000
Gain (loss) from the change:		
Increase of 10% in the exchange rate	**143**	(890)
Decrease of 10% in the exchange rate	**(143)**	890
Sensitivity test to changes in NIS to USD exchange rate:		
Gain (loss) from the change (net of the effect of derivates):		
Increase of 10% in the exchange rate	**138**	266
Decrease of 10% in the exchange rate	**48**	(266)
Sensitivity test to changes in GBP to USD exchange rate:		
Gain (loss) from the change:		
Increase of 10% in the exchange rate	**488**	(170)
Decrease of 10% in the exchange rate	**(488)**	170

The sensitivity tests reflect the effects of possible changes in exchange rates on the hedging position of the Group for the above currencies as of the end of the year. As described in b.i. above, these contracts are intended to reduce the Group's exposure to fluctuations in exchange rates on future revenues and expenses. Therefore, although it is expected the above effects will be offset by contra effects upon the recording of the revenues and expenses, the timing of these effects may not coincide in the same reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Sensitivity tests and principal assumptions
The selected changes in the relevant risk variables were determined based on management's estimate as to reasonable possible changes in these risk variables.

The Group has performed sensitivity tests of principal market risk factors that are liable to affect its reported operating results or financial position. The sensitivity tests present the effects (before tax) on profit or loss and equity in respect of each financial instrument for the relevant risk variable chosen for that instrument as of each reporting date.

The test of risk factors was determined based on the materiality of the exposure of the operating results or the financial condition of each risk with reference to the functional currency and assuming that all the other variables are constant.

The Group does not have significant exposure to interest rate risk.

e. Changes in liabilities arising from financial activities

	Long term loans $000	Consideration payable on intangible assets $000	Contingent consideration $000	Deferred consideration $000	Lease Liabilities $000	Total $000
At 1 January 2020	1,465	–	–	–	9,228	10,693
Finance lease obligation	–	–	–	–	472	472
Cash flows	(1,500)	–	–	–	(1,635)	(3,135)
Changes in exchange rates	–	–	–	–	(12)	(12)
Termination of leases	–	–	–	–	(7,960)	(7,960)
Other changes	35	–	–	–	597	632
At 31 December 2020	**–**	**–**	**–**	**–**	**690**	**690**
Business combination	–	–	806	–	–	806
Website acquisition	–	3,000	–	26,138	–	29,138
Finance lease obligation	–	–	–	–	5,844	5,844
Cash flows	–	–	–	–	(1,163)	(1,163)
Changes in interest expense	–	–	2	–	75	77
Termination of leases	–	–	–	–	(3,783)	(3,783)
Other changes	–	–	–	–	(110)	(110)
At 31 December2021	**–**	**3,000**	**808**	**26,138**	**1,553**	**31,499**

12. EQUITY

Composition of share capital

	2021 Thousands	2020 Thousands
Authorised shares		
Ordinary Shares with a nominal value of $0.000001 each	**100,000,000**	100,000,000

	Thousands	**$000**
Ordinary shares issued and outstanding including share premium *)		
At 1 January 2020	216,862	112,624
Cancelled in April 2020, shares held in treasury	(33,223)	(30,159)
Issued in December for the consideration of the acquisition of a website	7,955	3,557
At 31 December 2020	**191,594**	**86,022**
Issued in March and April 2021 for the consideration of the acquisition of a website. The transaction costs were $1,600,000	67,500	35,806
Exercise of option and vesting of RSUs	804	243
At 31 December 2021	**259,898**	**122,071**

*) Net of treasury shares

As at 31 December 2021, IBI held 2,688,684 (2020: 3,315,521) ordinary shares in trust for the Company's share-based payment plan.

Earnings per share (EPS)

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	2021 $000	2020 $000
Profit attributable to ordinary equity holders of the Company	**5,641**	792
	Thousands	Thousands
The weighted average number of ordinary shares for basic EPS	**245,710**	184,271
Effects of dilution from potential dilutive ordinary shares *)	**659**	98
	246,369	184,369

*) Options, RSUs and PSUs see Note 13.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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13. SHARE-BASED PAYMENTS

The expense recognised in the financial statements for services received is shown in the following table as at 31 December:

	2021 $000	2020 $000
Total expense arising from share-based payment transactions	520	92

In August 2013, the Company adopted a Share Option Plan. In December 2017 and 2020, the Company

adopted additional plans. According to the plans, the Company's Board of Directors are entitled to grant certain employees, officers and other service providers (together herein "employees") of the Group remuneration in the form of equity-settled share-based payment transactions. Pursuant to the plans, the Company's employees may be granted options to purchase the Company's ordinary shares. These options may be exercised, subject to the continuance of engagement of such employees with the Company, within a period of eight years from the grant date, at an exercise price to be determined by the Company's Board of Directors at the grant date. All grants to Israeli employees were made in accordance with Section 102 of the Income Tax Ordinance, capital-gains track (with a trustee).

Grants

In March 2021, the Company granted, to one key manager, 470,977 Restricted Stock Units ("March PSU"). The March RSU Award is subject to a three-year performance period, with vesting subject to the achievement of performance measured by reference to total shareholder return over the performance period compared to the FTSE AIM 100, followed by a two-year holding period. The total fair value was calculated at $289,000 at the grant date (an average of $0.61 per restricted share equal to the share price at the grant date).

The performance conditions to be achieved such that RSUs are capable of vesting are as follows:

Company's ranking relatively to the comparator group	% of PSUs capable of vesting
Upper quartile or better	100%
Between upper quartile and median	The straight-line basis between 100% and 25% based on the Company's rank
Median	25%
Lower than median	–

In April 2021, the Company granted 1,190,476 and 769,231 Performance Stock Units ("April PSU") to the CEO and CFO, respectively. The Company announced that the CFO had left the Company on 22 July 2021 and accordingly his PSUs were forfeited. The remaining award will vest on the fourth anniversary of the grant date if and to the extent that the performance target will be satisfied. The total fair value was calculated at $408,000 and $264,000 at the grant date for the CEO and the CFO, respectively (an average of $0.34 per restricted share equal to the share price at the grant date).

The performance target relating to the performance of the Company's share price is as follows:

Average share price	% of PSUs capable of vesting
GBP 1.5 or higher	100%
Between GBP 1.35 and GBP 1.50	On a straight-line basis, between 50% and 100%
Between GBP 1.20 and GBP 1.35	On a straight-line basis, between 25% and 50%
Less than GBP 1.20	0%

The April PSU award is a contingent right to acquire shares for no consideration. It is subject to a four-year vesting period followed by a one-year holding period and the achievement of performance targets measured by the increase in the Company's share price between 1 January 2021 and 31 December 2024.

In May 2021, the Company granted 910,000 Restricted Stock Units to key management personnel subject to three years vesting period. The total fair value was calculated at $626,000 at the grant date (an average of $0.69 per restricted share equal to the share price at the grant date).

In July 2020, the Company granted 3,982,848 Restricted Stock Units to the Company's CFO ("CFO's RSUs") and other key management personnel. The CFO's RSUs are subject to a three-year performance period with vesting subject to a performance target comparing the average net return achieved by the Company relative to the net return achieved by the constituents of the FTSE AIM 100 during the three-year period ending in July 2023, followed by a two-year holding period. The other key management personnel's restricted shares are subject to three years vesting period. The total fair value of the other key management personnel's restricted shares was calculated at $821,000 at the grant date (an average of $0.29 per restricted share equal to the share price at the grant date).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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The following tables list the inputs to the models used for the plans for the years ended 31 December 2021 and 2020, respectively:

	2021 March PSU	2021 April PSU	2020 CFO's RSUs
Weighted average fair values at the measurement date ($)	0.61	0.32	0.22
Dividend yield (%)	–	–	–
Expected volatility (%)	73.94	68.6	67.49
Risk-free interest rate (GBP curve)	0.29	0.5	0.21
Expected life of share options (years)	3	4	3
Weighted average share price (GBP)	0.54	0.52	0.23
Model used	Monte Carlo	Monte Carlo	Monte Carlo

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year (excluding RSUs and PSUs):

	2021 Number in thousands	2021 WAEP	2020 Number in thousands	2020 WAEP
Outstanding at 1 January	3,334	$0.37	5,526	$0.99
Forfeited during the year	(957)	$1.11	(2,192)	$1.48
Exercised during the year	(18)	$0.66	–	–
Outstanding at 31 December	2,359	$0.90	3,334	$0.37
Exercisable at 31 December	1,383	$0.93	2,196	$0.97

Movement during the year of RSUs and PSUs:

	2021 Number in thousands	2020 Number in thousands
Outstanding at 1 January	3,066	–
Granted during the year	3,341	3,983
Forfeited during the year	(2,286)	(917)
Vested during the year	(786)	–
Outstanding at 31 December	3,335	3,066

These restricted shares unit does not have an exercise price.

The weighted average remaining contractual life for the options outstanding as at 31 December 2021 was 5.9 years (2020: 6.7 years).

The range of exercise prices for options outstanding (not including the RSUs and PSUs) as at 31 December 2021 was $0.66-1.81 (2020: $0.67-1.83).

14. OPERATING EXPENSES FOR THE YEARS ENDED 31 DECEMBER

	2021 $000	2020 $000
Staff costs	26,171	25,066
Technology expenses	3,943	2,547
Professional services	2,153	3,487
Administrative expenses	1,969	1,851
Transformation costs		
Consulting services	3,124	1,088
Hiring and settlements	2,342	1,393
Acquisition costs	1,557	790
Lease termination	(437)	–
Sale of property	(82)	–
	40,740	36,222

15. TAXES ON INCOME

Starting 2018, the Company was subject to Cyprus tax at the standard corporate income tax rate of 12.5%. In July 2020, the Company changed its tax residency to the U.K. and since then is subject to U.K. tax at the standard corporate income tax rate of 19%.

Tax law applicable to the Company's Israeli subsidiaries is the Israeli tax law - Income Tax Ordinance (New Version) 1961. The Israeli corporate income tax rate was 23% in 2021 and 2020. Amendment 73 to the law for the Encouragement of Capital Investments, 1959 also prescribes special tax tracks for technological enterprises, which became effective in 2017, as follows:

- Technological preferred enterprise – an enterprise for which total consolidated revenues of its parent company and all subsidiaries are less than NIS 10 billion. A preferred technological enterprise, as defined in the law, which is located in the center of Israel, will be subject to tax at a rate of 12% on profits deriving from intellectual property.

- Any dividends distributed to "foreign companies", as defined in the law, deriving from income from the technological enterprises will be subject to a withholding tax at a rate of 4%.

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The above amendments apply to one of the Group's Israeli subsidiaries.

The applicable U.S. federal statutory income tax rate for the Company's subsidiary for 2021 is 21% (2020: same). In addition, state and city taxes are applicable in certain states and cities.

Losses carried forward for tax purposes

As at 31 December 2021, carry-forward tax losses of the Group are $6,100,000. The tax benefit in respect of losses (excluding $416,000) has not been recorded in the financial statements due to the uncertainty of their utilisation.

Taxes on income included in profit or loss for the years ended 31 December:

	2021 $000	2020 $000
Current taxes	563	225
Deferred taxes	32	727
Taxes benefit in respect of previous years	(2,221)	(638)
	(1,626)	314

Theoretical tax

The reconciliation between the tax expense, assuming that all the income and expenses were taxed at the statutory tax rate for the U.K., and the taxes on income recorded in profit or loss for the years ended 31 December are as follows:

	2021 $000	2020 $000
Profit before taxes on income	4,015	1,106
Statutory tax rate	19%	19%
Tax computed at the statutory tax rate	763	210
Adjustment due to the difference between the Company's statutory tax rate and tax rates applicable to the subsidiaries	(126)	(262)
Non-deductible expenses for tax purposes	86	279
Tax benefit of net additional deduction	(846)	(408)
Taxes in respect of previous years	(2,221)	(638)
Increase in unrecognised tax losses in the year	1,258	845
Unrecognised temporary differences and others	(540)	288
	(1,626)	314

Deferred taxes

	Consolidated statements of financial position		Consolidated statements of profit or loss and other comprehensive income	
	2021 $000	2020 $000	2021 $000	2020 $000
Deferred tax liabilities				
Domains and websites	2,072	772	1,300	164
Other intangible assets	–	639	(639)	466
	2,072	1,411		
Deferred tax assets				
Property and equipment	3	12	9	(4)
Lease liability	–	7	7	115
Carry-forward tax losses	416	–	(416)	–
Other intangible assets	270	–	(367)	
Allowance for doubtful account	–	–	–	7
Employee benefits	11	149	138	(21)
	700	168		
Deferred tax expenses			32	727
Deferred tax liabilities, net	1,372	1,243		

The deferred taxes are computed at the tax rates of 19%-23% based on the tax rates that are expected to apply upon realisation (2020: 12%).

16. BUSINESS COMBINATION

In September 2021, the Company acquired 100% of the ordinary share capital of Blueclaw for the total consideration of $3,872,000. Blueclaw is a multi-award-winning agency based in Leeds, providing services ranging from search engine optimisation and pay per click management to digital Public Relationship and content marketing with significant experience in the market verticals in which the Company operates. The amount of profit recorded in the acquired company's books as of September 2021, the date of acquisition, is not material and the effect of wether the acquisition was at the beginning of the year is not material to the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Blueclaw as at the date of acquisition were:

	2021 $000
Assets	
Cash and cash equivalents	1,856
Agencies Relationships (useful life: 2 years)	484
Trade and other receivables	275
Property and equipment	25
Liabilities	
Trade payables and other payables	(734)
Deferred tax liability	(97)
Total identifiable net assets at fair value	1,809
Goodwill arising on the acquisition	2,063
	3,872

The purchase consideration includes cash consideration paid on completion, deferred consideration payable in September 2022 and further contingent consideration payable.

Purchase consideration

	2021 $000
Cash consideration	2,251
Deferred consideration	813
Contingent consideration	808
	3,872

17. REVENUE AND OPERATING SEGMENTS

An operating segment is a part of the Group that conducts business activities from which it can generate revenue and incur costs, and for which discrete financial information is available. Identification of segments is based on internal reporting to the chief operating decision maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer ("CEO"). The Group does not divide its operations into different segments, and the CODM operates and manages the Group's entire operations as one segment, which is consistent with the Group's internal organisation and reporting system.

Geographic information for the years ended 31 December

	2021 $000	2020 $000
North America	32,489	11,514
Scandinavia	17,634	21,387
Other European countries	12,621	15,473
Oceania	834	941
Other countries	80	96
Total revenues from identified locations	63,658	49,411
Revenues from unidentified locations	2,829	5,428
	66,487	54,839

Revenues by vertical

	2021 $000	2020 $000
Casino	23,216	31,684
Sports U.S.	15,202	1,992
Sports Europe	9,982	9,321
Third Party Network Activity	9,367	3,471
Personal Finance	8,720	8,371
	66,487	54,839

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

18. BALANCES AND TRANSACTIONS WITH RELATED PARTIES INCLUDING DIRECTORS

	2021 $000	2020 $000
Balances		
Current liabilities – management fees and other short-term payables	11	499
Compensation of key management personnel of the Group		
Short-term employee benefits	2,044	1,808
Share-based payments transactions	68	41
	2,112	1,849

19. POST-EMPLOYMENT BENEFITS

The post-employment employee benefits are financed by contributions classified as defined contribution plans.

	2021 $000	2020 $000
Expenses in respect of defined contribution plans	1,966	1,867

20. SUBSEQUENT EVENTS

a. In February 2022, the Company announced that Christopher Bell, Non-Executive Chair, has step down from the board of directors of the Company. Julie Markey, a non-executive Director of the Company and Chair of the remuneration committee, has been appointed Interim Chair whilst the process of appointing a replacement is undertaken.

b. In March 2022, the Company announced that Caroline Ackroyd has now joined the Company as Chief Financial Officer and as a member of the Board of Directors with immediate effect.

21. LIST OF MAIN SUBSIDIARIES

	2021		2020	
	Shares conferring voting rights %	Shares conferring rights to profits	Shares conferring voting rights %	Shares conferring rights to profits
XLMedia Finance Ltd	100	100	100	100
XLMedia Publishing Ltd	100	100	100	100
Webpals Holdings Ltd	100	100	100	100
Webpals Systems S.C Ltd	100	100	100	100
Marmar Media Ltd	100	100	100	100
Webpals, Inc.	100	100	100	100
XLMedia US	100	100	100	100
XLMedia Canada Marketing Ltd	100	100	–	–
Blueclaw Media Ltd	100	100	–	–

FOR YOUR NOTES

XLMedia PLC