

Full Year Results 2020

Investor presentation

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XLMedia PLC

XLMedia

Developing a Balanced
Portfolio of Premium
Branded Assets

- XLM has a long track record of success in digital publishing and performance marketing
- Our role is to source, recommend and actively engage high quality consumers with the products and services of our partners
- Our portfolio of online assets primarily focuses on 3 main verticals (and many sub-verticals), Casino, Sports and Financial Services
- Actively addressing revenue concentration to include greater exposure to North American Sports
- Headquartered in the UK, with a growing presence in the US and operational resources in Israel and Cyprus

\$54.8M

Revenues

\$34.3M

Gross profit

\$12.2M

Adj. EBITDA

Strategic Clarity on Corporate Priorities

Portfolio Management

Balanced portfolio of assets

- Diverse geography vertical / maturity
- Delivering sustainable growth opportunities
- Balance moving towards more regulated markets, specifically the US and sports

Premium Branded Assets

Focusing on premium assets

- Content-rich, consumer-centric sites
- Benefit and extend the capabilities of our strategic partners

ESNY ELITE SPORTS NY

SBD

CROSSING BROAD

101 GREAT GOALS

FREEBETS.COM



NETTIKASINOT.COM

WhichBingo
Find your new bingo site today

CASINO KIWI

greedyrate



investorjunkie

money under 30

DoughRoller

Group Enablers

Technology - increased use of proprietary data and deployment of data science

People - improved engagement and productivity of employees

Key Operating Highlights

Strong strategic progress in upgrading assets and achieving scale in US Sports

- Revenue growth through H2 2020 from low point mid year, with recovery in Sports and Personal Finance
- **Transformative acquisitions in US Sports**
 - Acquired sports gaming and sports betting business of CBWG Sports
 - Post period end, acquired national sports business Sports Betting Dime
- **Overhauled Corporate Governance**
 - Strengthened Executive team
 - Corporation Tax residence now UK
- **Streamlined Corporate structure, reducing overheads**
- **Partial rebuild of the Casino vertical**
- **Redeveloped and upgraded a number of online assets in line with high-quality branded ambitions**

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Financial Results

FY 2020

Income Statement

Continuing heavy investment in transformative change

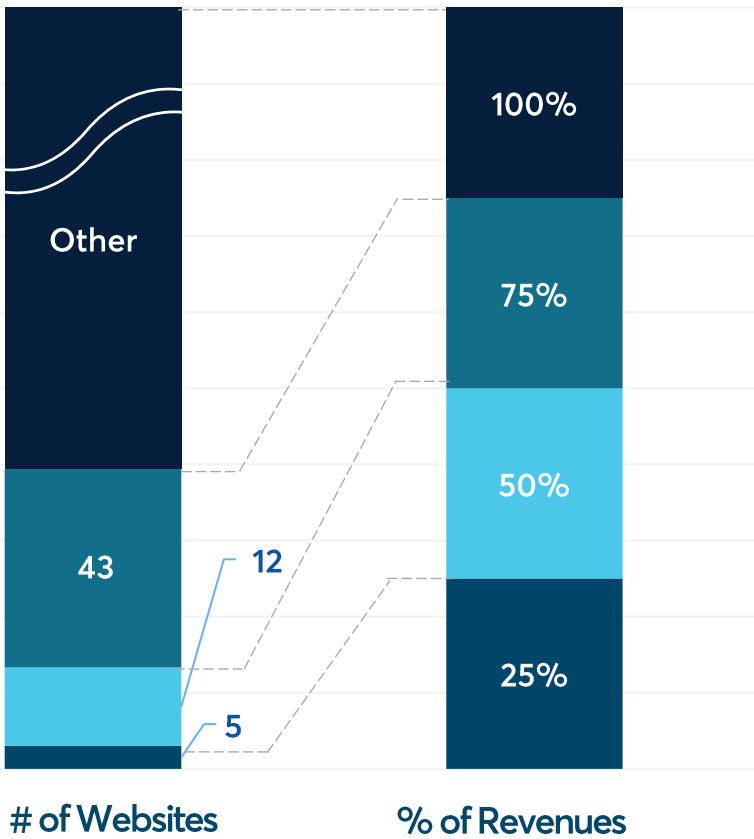
Item US\$'000	H1.20	H2.20	FY20	FY19
Revenues	27,715	27,124	54,839	79,695
Cost of revenues	11,106	9,388	20,494	26,002
Gross profit	16,609	17,736	34,345	53,693
Gross profit %	60%	65%	63%	67%
Operating expenses	14,829	15,167	29,996	27,347
Operating profit before Impairment and Reorganisation costs	1,780	2,569	4,349	26,346
Total adjusted EBITDA	5,093	7,068	12,161	33,471
% Adjusted EBITDA	18%	26%	22%	42%
Total adjusted EBITDA after Reorganisation costs	3,592	6,088	9,680	31,789
Impairment loss	-	955	955	81,350
Reorganisation costs	1,501	980	2,481	1,682
Operating profit (loss)	279	634	913	(56,686)
Finance expenses, net	(108)	(31)	(139)	(1,044)
Other Income, net	-	332	332	-
Profit before taxes on income	171	935	1,106	(57,730)
Taxes on income	72	242	314	3,188
Income from continuing operations	99	693	792	(60,918)
Income from discontinued operations, net	-	-	-	2,217
Net income	99	693	792	(58,701)

- Google site de-ranking
- Closure of Media business
- Covid-19 impact
- Recovery from low in June
- Cost increases due to:
 - change in technology capitalisation policy
 - investment in moving HQ to UK
 - recruitment of new Exec
 Partially offset by significant headcount reductions
- Commencing next phase of global transformation
- Investment in reorganisation to continue through 2021

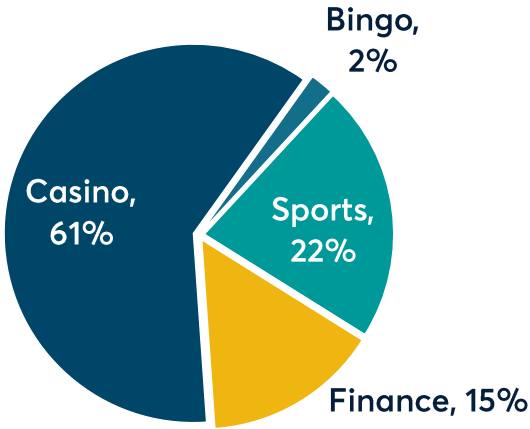
FY 2020 Revenue Mix

Quality focus drives performance; 17 sites yielded 50% of total revenue

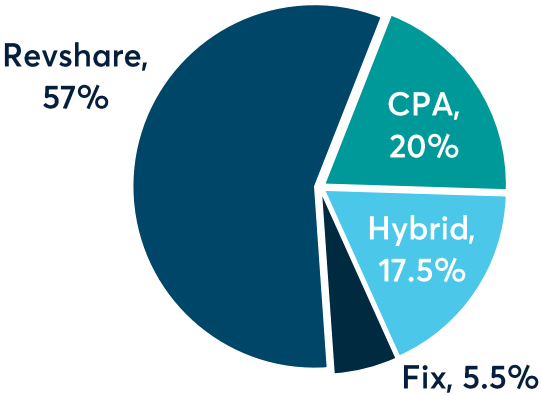
Revenues from Websites



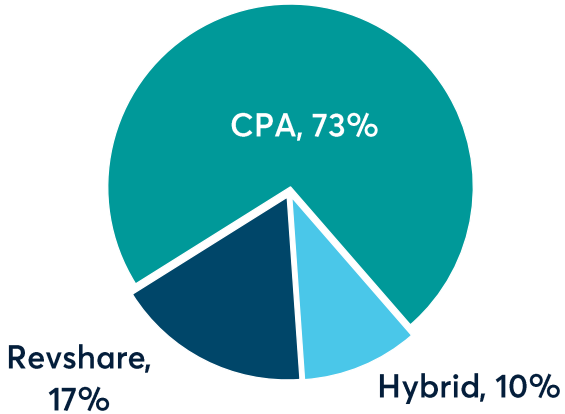
Target Verticals



Performance Model - Revenues

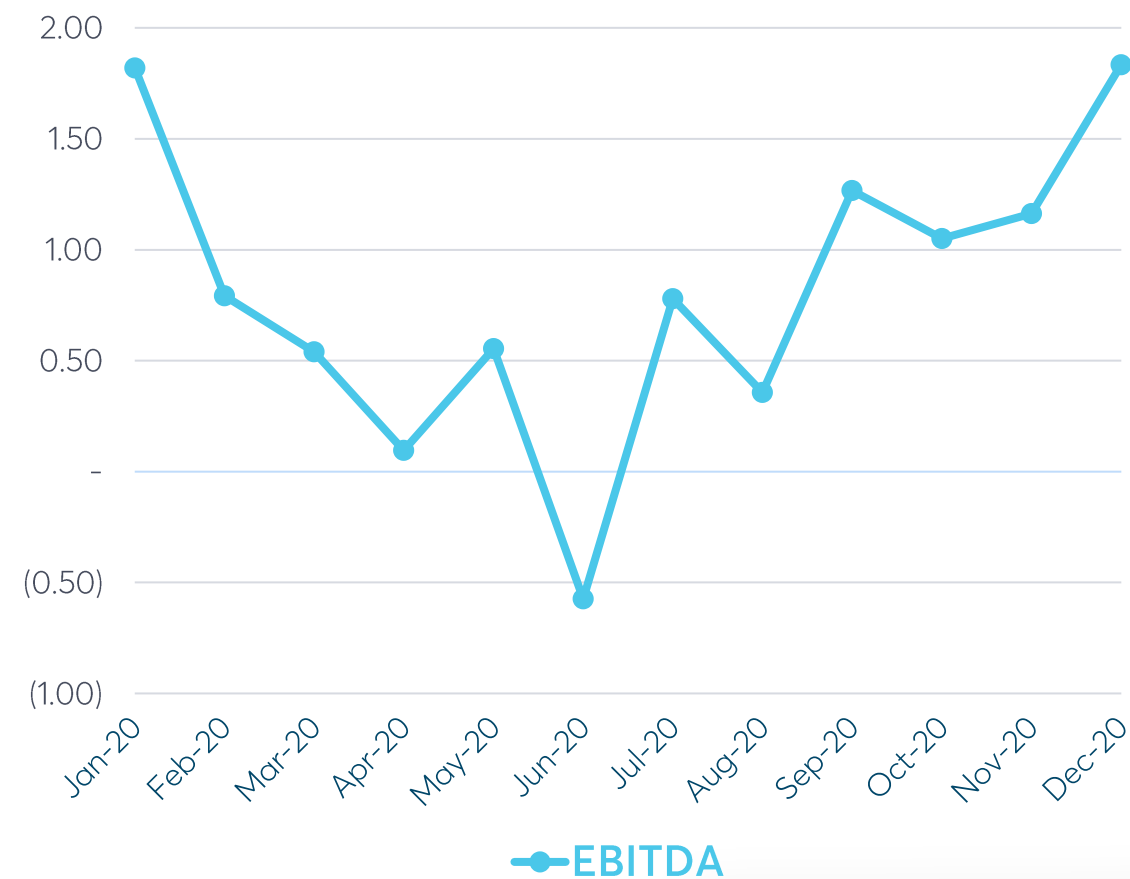
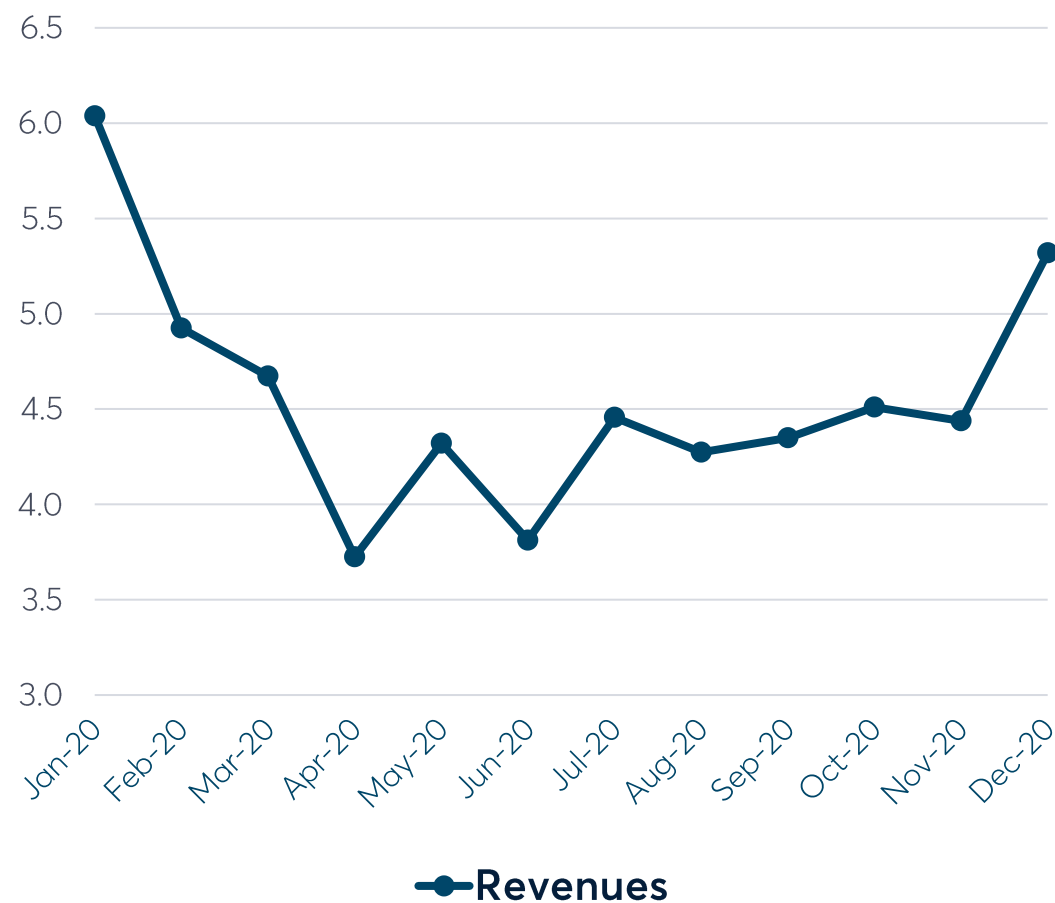


Performance Model - Conversions



Exiting the year with strength

'U' shaped recovery provides confidence in 2021 revenue





Operational Review

FY 2020

2020

Building blocks in place for transformation

- Financial performance hit by Covid-19 and Google Casino penalty
- Trading improved through H2, with good performance in Personal Finance and Sport
- Organisation significantly restructured, streamlining functions and processes
- Asset base upgraded – focusing on <100 branded digital assets
- Successfully removed the penalty from three of ten selected Casino sites
- Targeted acquisitions positioned the business for growth in the exciting US Sports vertical

Casino Rebuild Plan

Building from a new baseline,
with a focused quality approach

— Rebuilding new revenue from lower base

— Continue to operate successful sites across the Nordics

— Rebuild status :

- Selected and fully redeveloped ten sites to rebuild the performance of the Casino vertical
- Three sites now out of penalty

casino.pt
casino.gr
casinokiwi.co.nz

— Next steps :

- Continued improvement in search rankings
- Right sizing structure
- Greater use of 3rd party skills
- Potential asset disposals

North American Sports Progress

Two significant acquisitions create immediate scale presence

Scale entry into US Sports has been a key priority for XLMedia for some time

Ongoing positive regulatory change is creating a market estimated to be worth over \$20bn at maturity – around 3 times the UK market

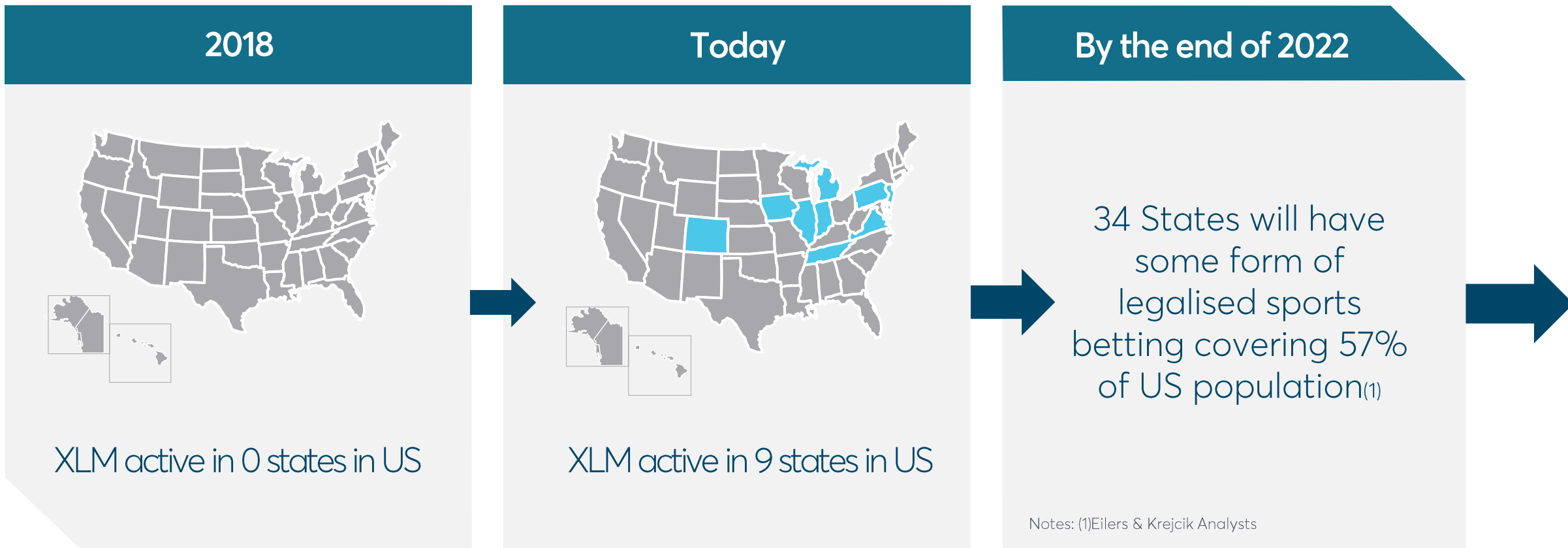
Opportunity lends itself to XLMedia's approach of developing high-quality assets with deep and engaging content

2 acquisitions (Dec '20 & Mar '21) create immediate scale presence, providing a talented team with a range of skills, including marketing, search optimisation, content production and technology development

Established a solid foundation to accelerate organic and targeted inorganic growth

Number of Regulated States is Accelerating

Legalisation of online gambling increasingly commonplace in US market since PASPA overturned in 2018



CBWG Sports

Acquired Dec 2020

ESNY ELITE SPORTS NY

BET NEW JERSEY

CROSSING BROAD



PROMO CODE KINGS



- A digital media publishing group focused on professional and college sports, sports gaming and sports betting
- Registered as a sports gaming affiliate across six states, including New Jersey and Pennsylvania
- Owns and operates the sports and gaming assets: **CrossingBroad.com**, **PASportsBooks.com**, **BetNewJersey.com**, **EliteSportsNY.com** and **PromoCodeKings.com**
- Currently receives c.550,000 visits per month
- 140% revenue outperformance in January and February 2021 versus acquisition case

Sports Betting Dime

Acquired Mar 2021

"SBD's mission is to deliver data-driven odds, news, analysis & advice that make sports betting more accessible for the everyday fan, and more profitable for the most seasoned bettors"

 **Sports
Betting
Dime.com**

- Leading US affiliate sports betting business with a national footprint website
- Founded in 2012, it has developed into a multichannel sports betting digital media platform
- Operated offshore until August 2020
- Provides latest betting odds, trends, reports, futures trackers, and analysis, and how-to betting guides
- Covers the core US sports of football, basketball, baseball and ice hockey as well as MMA, golf and college football
- Restarted traffic monetisation in March 2021, through XLM's existing operators and licences
- Traffic continues to grow since acquisition

Summary

Building from a new baseline,
with a focused quality approach

- **Solid progress on Strategic Priorities**
 - Reduced number of assets and redeveloped many of those remaining to concentrate on quality engaging websites
 - Two significant acquisitions diversifies business and brings material exposure to attractive US Sports vertical
- **Ongoing investment in streamlining operations**
 - Exploiting data and automation
 - Use of 3rd party skills and services
- **Rebuilding Casino off a lower base**
- **Exploring additional US asset acquisitions**
- **On track for material revenue improvement in 2021**

Thank You



XLMedia PLC

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Cash flow statement

US\$'000	FY.20	FY.19
Operating Activities		
Net income	792	(58,701)
Depreciation and amortization	7,720	7,511
Impairment loss	955	81,350
Cost of (income from) share-based payment	92	(218)
Other Income	(1,122)	-
Loss from sale of discontinued operation	-	(1,811)
Changes in working capital	(295)	12,124
Taxes received (paid), net	197	(798)
Finance expense	82	664
Net cash provided by operating activities	8,421	40,121
Investing Activities		
Purchase of property and equipment, net	(319)	(260)
Acquisition of domains, websites, technology	(19,484)	(8,853)
Adjustment of proceeds from the sale of discontinued operation	(270)	1,547
Short- term and long-term investments, net	911	281
Loan for a third party	(500)	-
Net cash used in investing activities	(19,662)	(7,285)

	FY.20	FY.19
Financing Activities		
Acquisition of non-controlling interest	(472)	-
Dividend paid to equity holders of the Company	-	(14,190)
Acquisition of treasury shares	-	(29,691)
Dividend paid to non-controlling interests	(261)	(652)
Exercise of options	-	270
Repayment of long and short-term liability	(1,500)	(5,500)
Repayment of lease liabilities	(1,283)	(1,253)
Net cash used in financing activities	(3,516)	(51,016)
Exchange differences on balances of cash and cash equivalents	297	661
Decrease in cash and cash equivalents	(14,460)	(17,519)
Cash and cash equivalents at the beginning of the period	27,108	44,627
Cash and cash equivalents at the end of the period	12,648	27,108

Balance sheet



US\$'000	31.12.20	31.12.19
Current assets:		
Cash and short-term investments	13,876	29,893
Trade receivables	5,792	7,755
Other accounts receivable	5,578	4,744
Total current assets	25,246	42,392
Non current assets		
Long term investments	1,478	682
Property and equipment	1,072	9,431
Intangible assets	63,866	46,643
Other assets	497	278
Total non-current assets	66,913	57,034
Total assets	92,159	99,426

	31.12.20	31.12.19
Current liabilities		
Trade payables	2,000	3,028
Other liabilities and accounts payable	20,972	21,578
Current maturity of long-term bank loan	-	1,465
Lease liability	324	1,161
Total current liabilities	23,296	27,232
Non-current liabilities		
Lease liability	366	8,067
Other liabilities	1,243	581
Total non-current liabilities	1,609	8,648
Equity		
Share premium and capital reserves	85,764	112,455
Treasury shares	-	(30,159)
Retained earnings	(18,510)	(19,041)
Non-controlling interests	-	291
Total equity	67,254	63,546
Total equity and liabilities	92,159	99,426