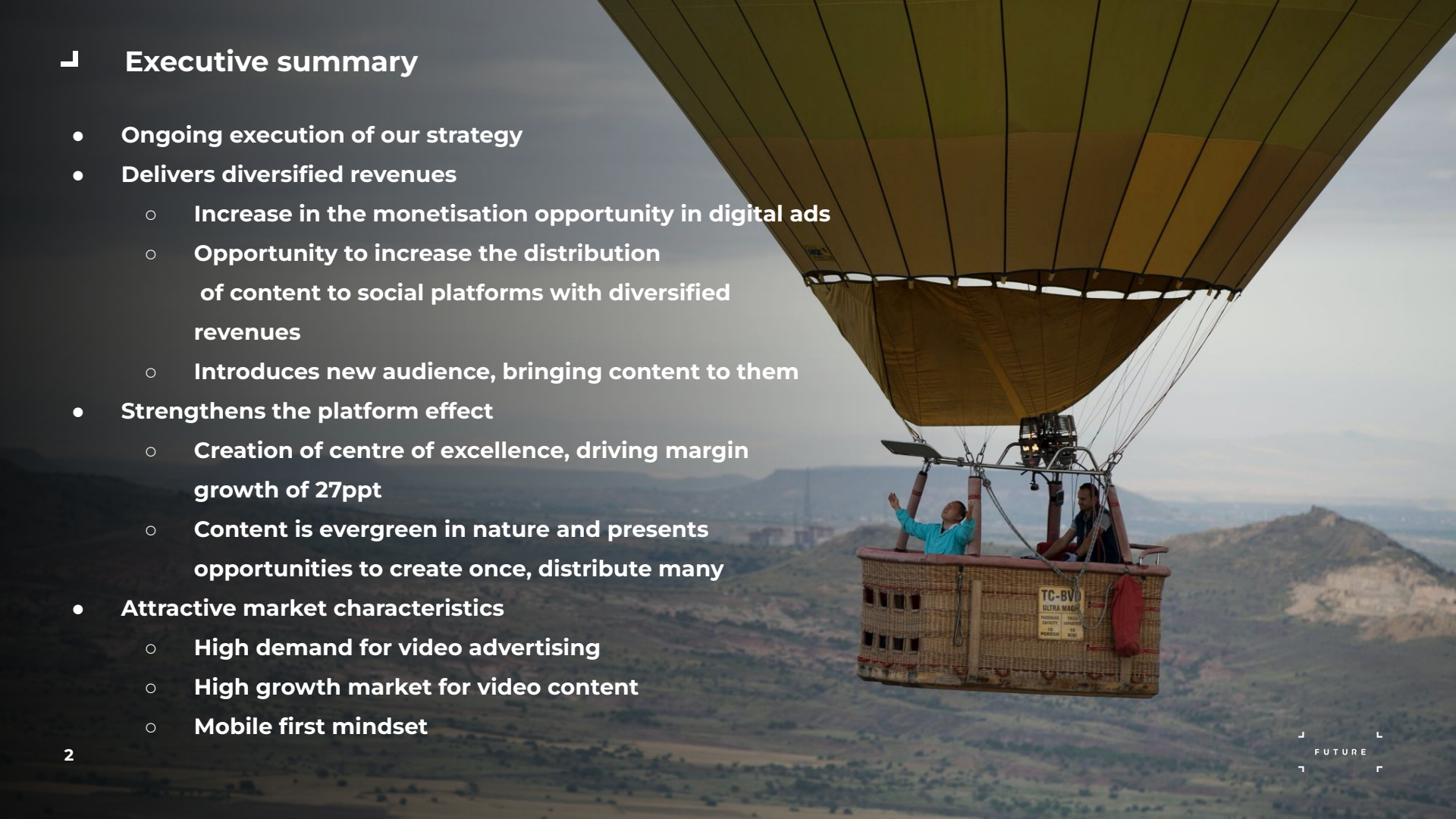
Spotlight on Future Studios

Investor Webinar on Video Capabilities January 2022

Executive summary

- Ongoing execution of our strategy
- Delivers diversified revenues
  - Increase in the monetisation opportunity in digital ads
  - Opportunity to increase the distribution of content to social platforms with diversified revenues
  - Introduces new audience, bringing content to them
- Strengthens the platform effect
  - Creation of centre of excellence, driving margin growth of 27ppt
  - Content is evergreen in nature and presents opportunities to create once, distribute many
- Attractive market characteristics
  - High demand for video advertising
  - High growth market for video content
  - Mobile first mindset



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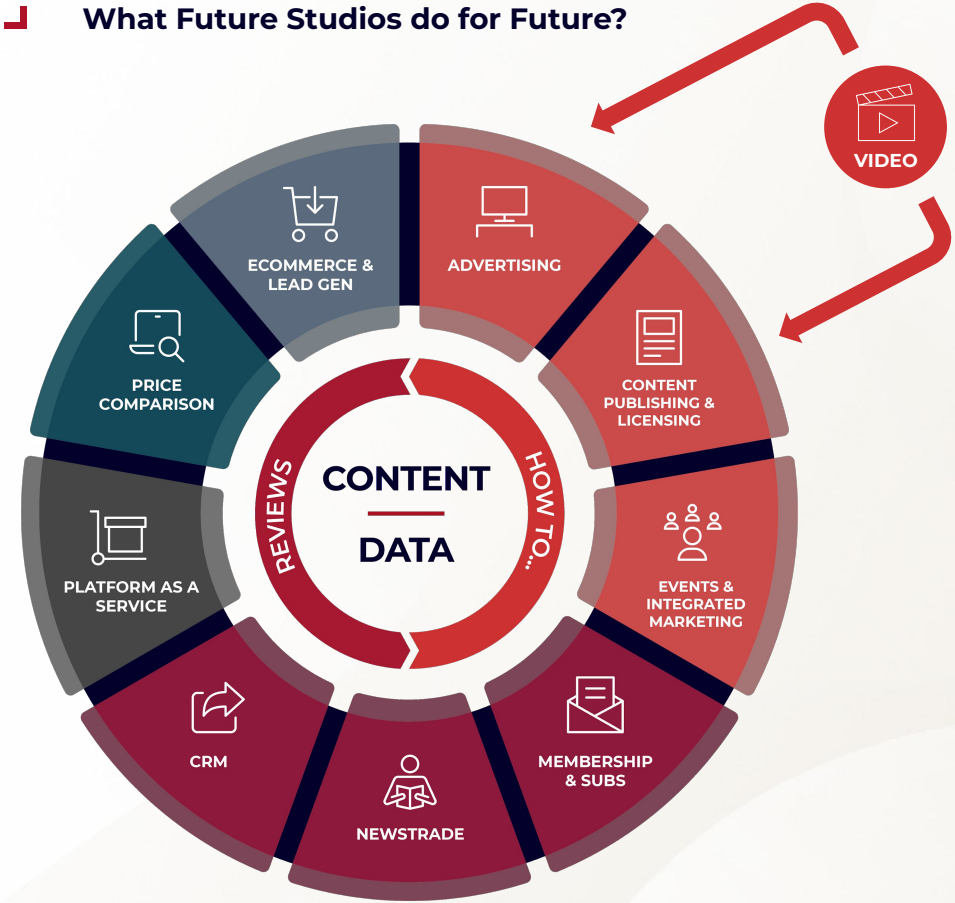
- Our Operating Model
- The Three Pillars of the Video Division
  - Video for Future Brands
  - Social Video
  - External Production

FUTURE

What Future Studios do for Future?



c.5% of Group's revenue in FY 2021

Two way benefits....

- Studios' AVOD offering is further diversifying revenue streams and bringing new and younger audiences to Future
- Connecting Future's brands to audience through video via enhancement and scale up of contextual video in articles and product reviews/buying guides. Investment in team to supercharge this.
- Opportunity to exploit Future's IP eg Gamesmaster deal with Channel 4 and Facebook
- Bespoke sales opportunities not previously realised ie sponsorships and integrations eg HP deal with Totally Rated and sponsored episodes of Totally Game
- In-house production company to service all video needs

The Power of Authentic Storytelling

WE TELL AUTHENTIC STORIES

We believe in the power of authentic storytelling, celebrating real life stories and championing the extraordinary.

WE CAST & CREATE

Our in-house team of journalists and producers cast & create premium digital and film content for social, streaming platforms & TV.

WE MAKE CONTENT FLY

We're one of the most viewed media groups in the UK, with over 120 million * followers and over 500 million* views a month on social media.

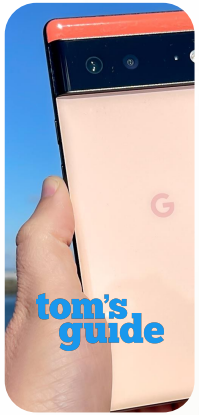
WE CONNECT BRANDS

We bring brands into our world of authentic storytelling through bespoke branded content, series sponsorships & media distribution.

FUTURE

*Tubular Labs 2021 data & platform audience insights

Our Output - The Three Pillars

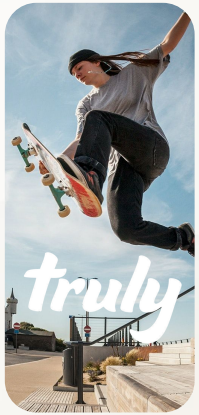


O&O CONTEXTUAL

Owned & Operated websites

Future's branded websites where advertising revenue is generated from adverts typically before the video content

50% of Future Studios's revenue in FY21

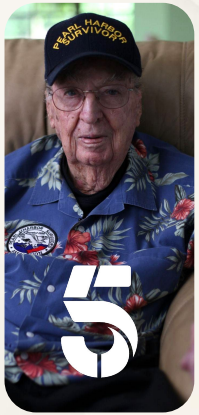


AVOD

Advertising supported Video On Demand

Advertising revenues generated by platforms as a result of adverts played during video content provided by publishers

38% of Future Studios's revenue in FY21



EXTERNAL PRODUCTION

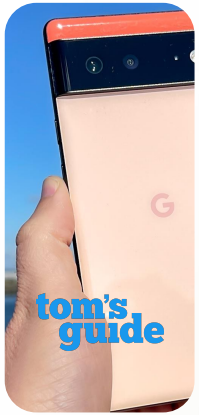
Work produced for TV and Streamers

Long-form programming for broadcasters, streamers and digital channels

12% of Studios's revenue in FY21

FUTURE

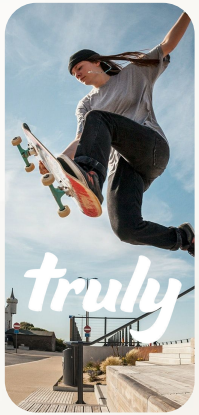
Our Output - The Three Pillars



O&O* CONTEXTUAL

2,400 videos for Future's own brands and websites each year, **1.6bn video views** annually

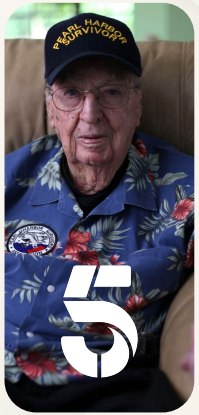
Monetisation from owned websites (pre roll advertising revenues).



AVOD**

660 original videos for social media each year, **5.3bn views** annually

Monetisation from Social media platforms (Advertising supported Video On Demand)



TV & STREAMER

30 hours of TV long form programming each year

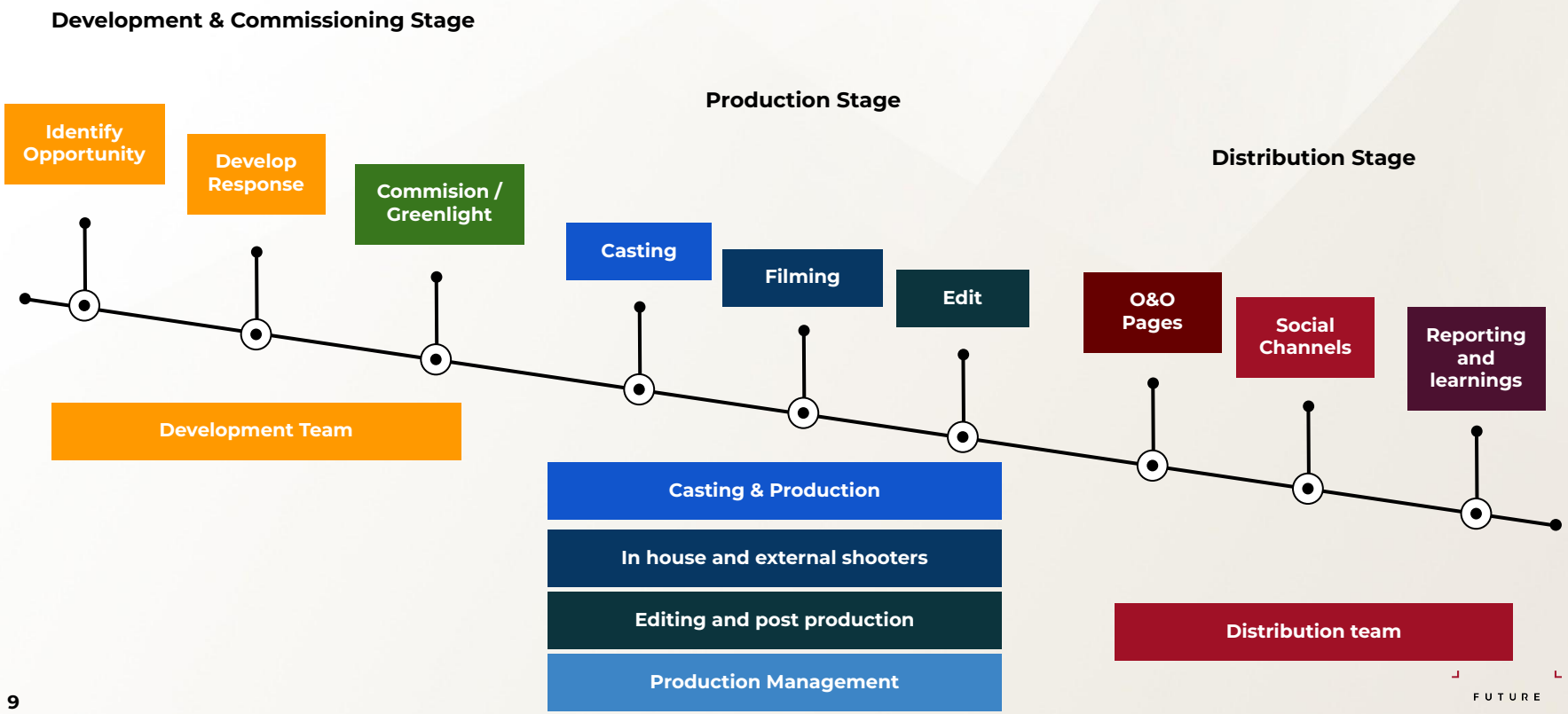
Monetisation from broadcasters/ digital platforms and streamers (Work For Hire plus some rights retained)

*O&O: Owned & Operated websites
**AVOD: Advertising supported Video On Demand

FUTURE

Our operating model

Our Production Model- What's the secret ingredient in the "speedy" system?



We’re developing a Global Video Team

Our video team

- 115 colleagues
- 6 locations
- 44% female
- 56% male
- 32 years- average age
- 1000+ freelancer pool

A strong track record with further opportunities

Diversification of our audiences

+ 4 platforms

Between 2017 and 2021 we grew our presence from 1 key platform to 5 key platforms

Continued revenue growth

+ 72% CAGR

AVOD revenue growth FY 2017- FY 2021

Efficiency of the business model driving operating leverage

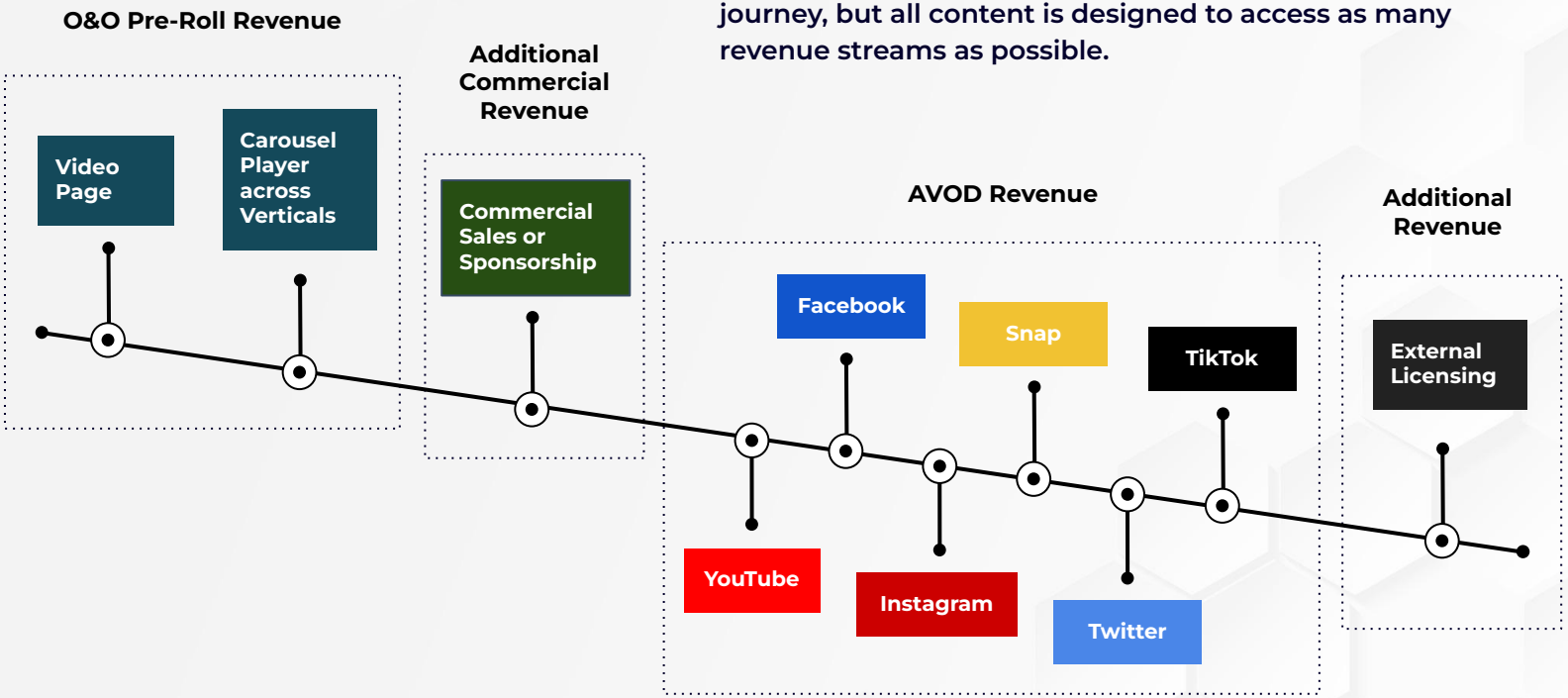
+ 27 ppt

AOP margin growth between FY 2017 - FY 2021

Creating video
for Future’s
brands

Future Video Monetisation Journey - “Create once, monetise multiple times”

This shows the potential revenue journey of every Future video asset. Not every asset will access every stop on the journey, but all content is designed to access as many revenue streams as possible.



FUTURE

What does success look like?

Page View to Video View Ratio (%)

This measures how many of page views result in a video view.

This is a powerful metric for measuring the health of our pre-roll business as it shows how well we are converting traffic into video views.

+ 6 ppt

(Oct 2020 - Jan 2022)

Video Views (Millions per month)

This is the raw number of videos served to our audience every month.

By growing the amount of video views we are showing greater engagement and are creating more opportunities to sell pre-roll.

+ 13 %

(Oct 2020 - Jan 2022)

Pre-Roll Ad Impressions (Millions per month)

The number of ad Impressions served around our videos.

This is directly tied to revenue as all of these impressions can be sold.

+ 38 %

(Oct 2020 - Jan 2022)

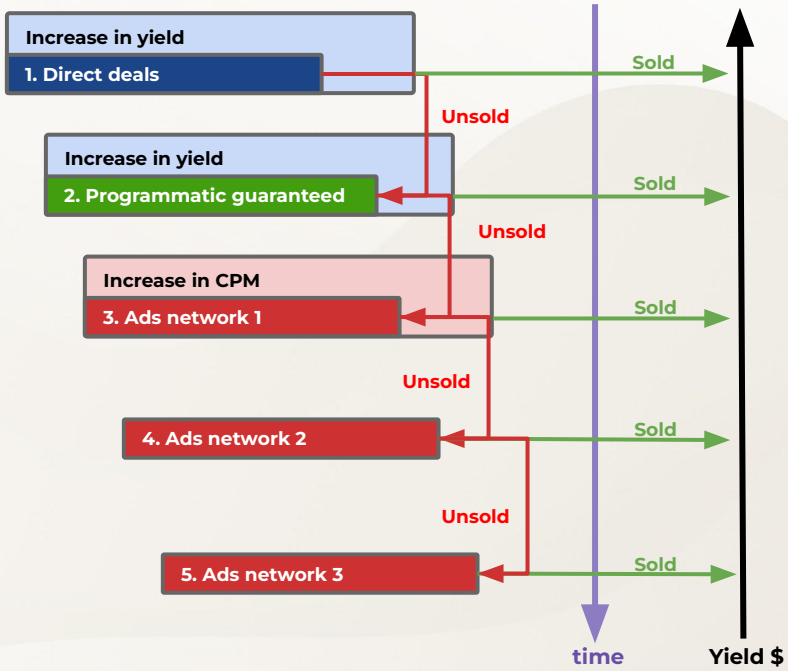
Video advertising is highly valuable

1.3bn impressions per year
12% of digital ads inventory*

c.4x times yield of display ads

Further opportunity to improve the yield of video ads

- ***Hybrid*** **(proprietary ad tech stack) to improve video ads inventory**
- ***Aperture*** **(data audience platform) that can provide super segments that are highly valuable (with higher premium)**



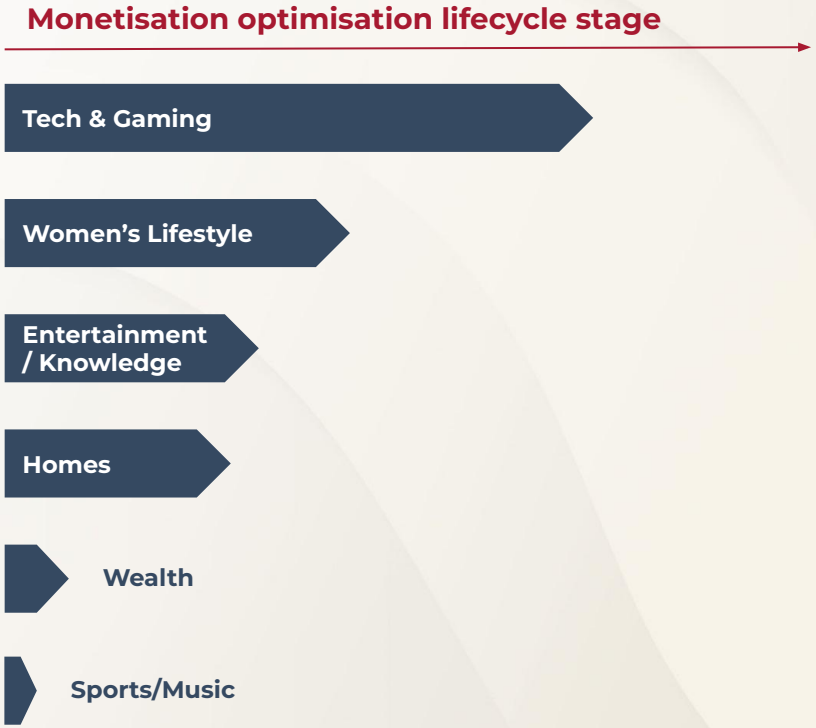
Video advertising waterfall auction

- **Increase in yield** for direct deals and PG
- **Increase in CPM** for open auction as a consequence of market pressure.

*FY 2021 data

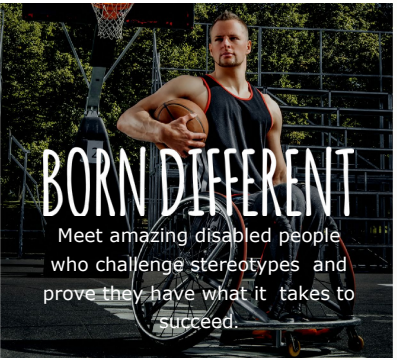
What's next for O&O Video at Future?

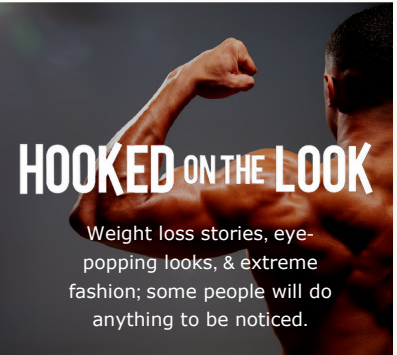
We will unlock video for all O&O verticals with a new focus on the currently under monetized to drive an increase in pre-roll impressions.

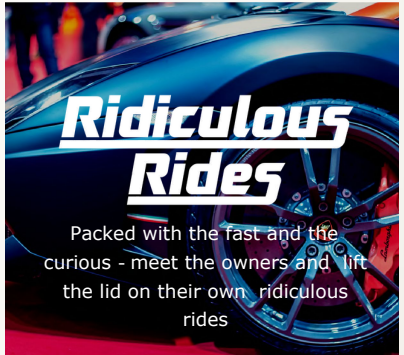


FUTURE

Social Video







Our Channels

OVER
70m
FOLLOWERS

OVER
30m
FOLLOWERS

OVER
20m
SUBSCRIBERS

We have built a portfolio of successful channels across social media, including some of the UK's most viewed channels.

A solely original content strategy paired with high engagement makes us stand out from our competitors, and matches up to the reach & scale of some of the largest digital publishers in the world.

We believe in the value of educating, informing and entertaining our audience with original content and a clear content format, as opposed to posting trending news, repurposed UGC videos and funny memes. This makes our loyal audience unique in-market.

FUTURE

Social?
We're on the map

120+

MILLION FOLLOWERS

9.1+

BILLION MINUTES WATCHED IN 2021

500+

MILLION VIEWS PER MONTH

55+

NEW EPISODES PRODUCED & DISTRIBUTED EVERY MONTH

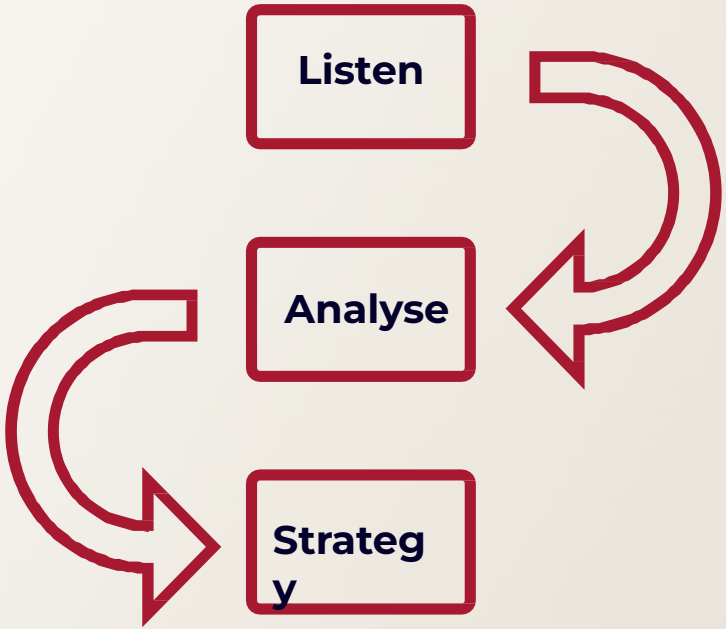
*Tubular Labs 2021 data & platform audience insights

Driven by passion, informed by data

DATA AT THE CORE

Listening to our audience of 120m+ followers gives us access to real time insights, from interests & audience behaviours to trends & conversations .

We analyse this data and validate our findings using third party platforms to make sure our internal planning, creative decision making, content strategy & our go-to-market strategy is accurate and robust.



0:44

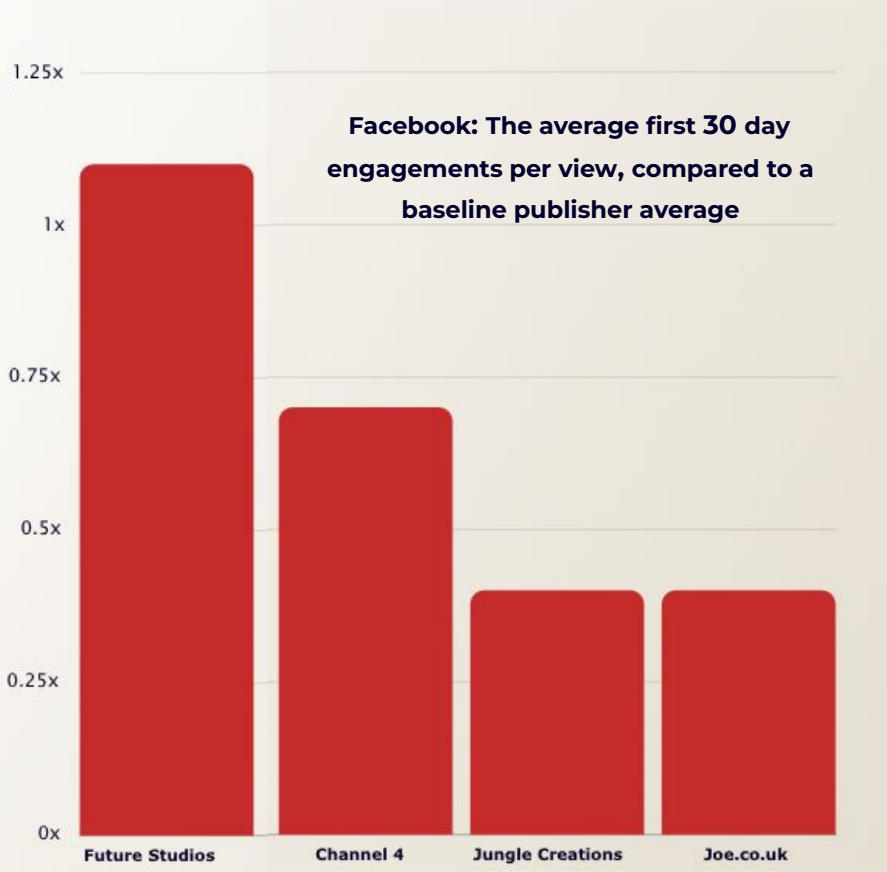
FACEBOOK AV WATCH TIME
OVER X4 HIGHER THAN THE PLATFORM AVERAGE OF 0:10

1:48

SNAPCHAT AV WATCH TIME
1:00 DEEMED AS 'EXCELLENT' WATCH TIME BY PLATFORM

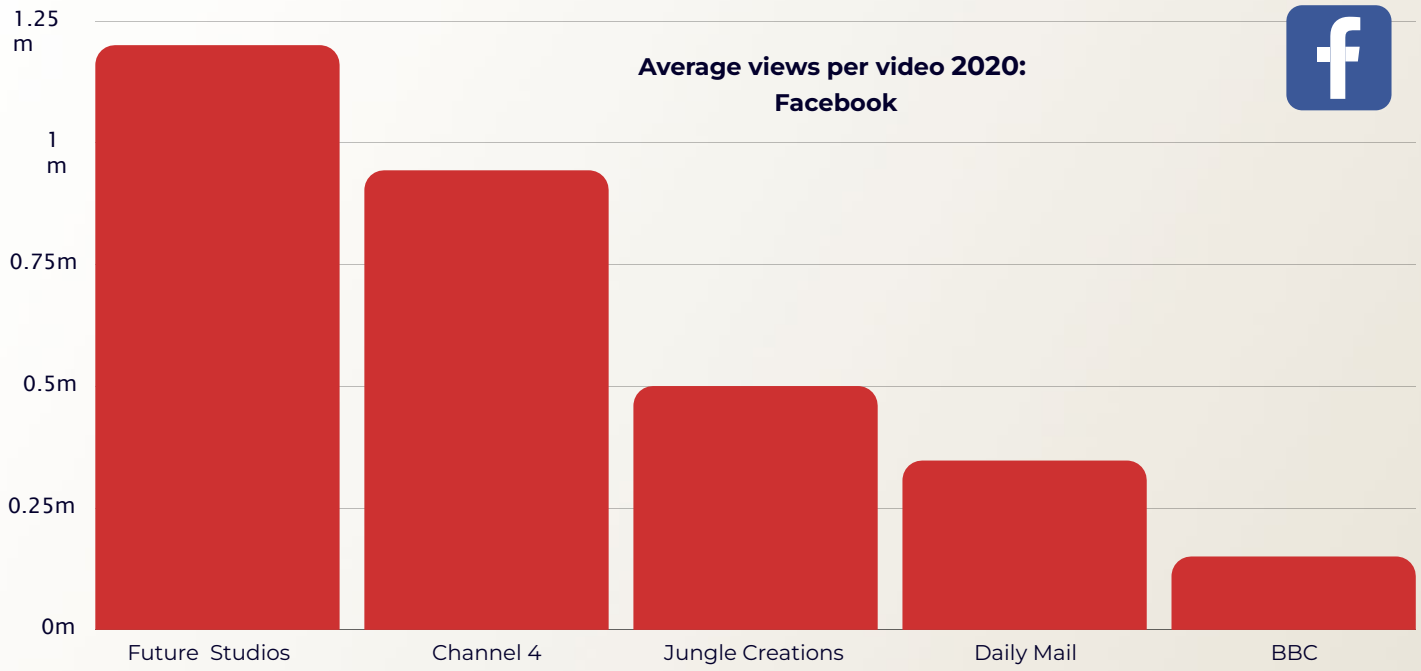
2.5%

FACEBOOK AV ENGAGEMENT RATE
X14 HIGHER THAN THE PLATFORM AVERAGE OF 0.18%



*Tubular Labs February 2021 data, social platform audience insights, statista.com

The proof is in the engagement



*Tubular Labs February 2021 data

External Production

Experts in long form programming

200+

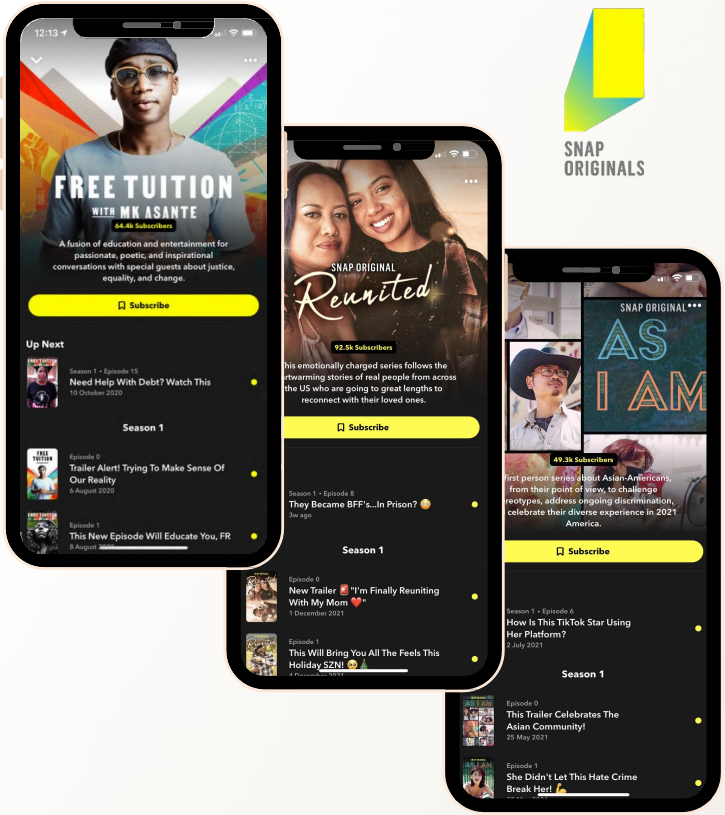
HOURS PRODUCED FOR SOME OF THE WORLDS BIGGEST BROADCASTERS

30+

NEW EPISODES PRODUCED FOR BROADCASTERS IN 2021 DESPITE COVID19

#1

SUPPLIER OF SNAP ORIGINALS IN THE UK



SNAP ORIGINALS

Case Study: Snap Originals

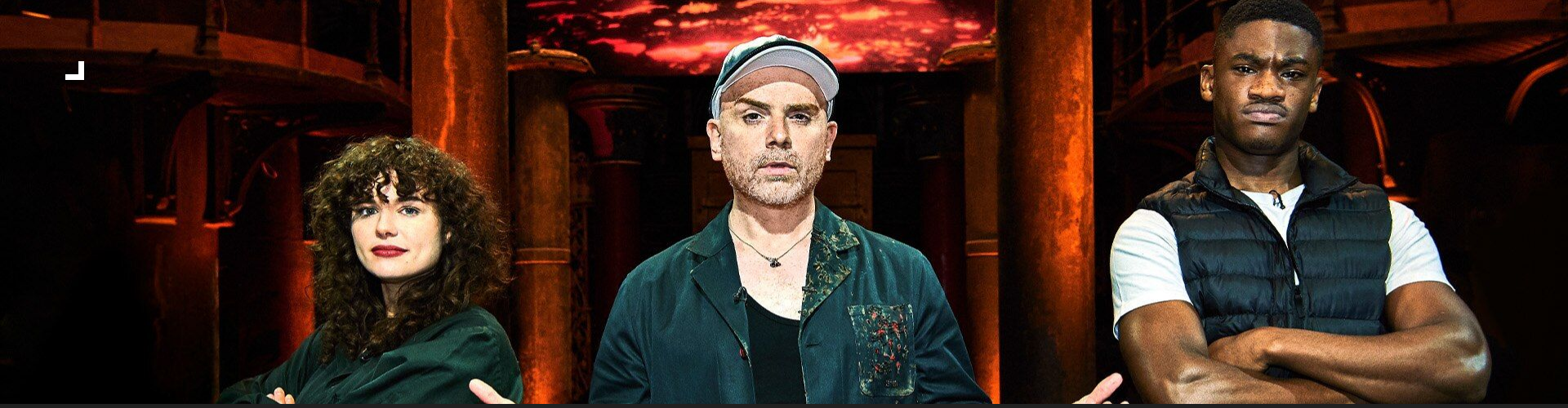
Commissions

In 2021, we were commissioned on multiple occasions by Snapchat's Originals Team to produce premium short form content. This is a direct result from the relationship we have grown with their partnership team.

Free Tuition - 15 episodes A fusion of education and entertainment for passionate, poetic, and inspirational conversations with special guests about justice, equality, and change.

Reunited - 8 episodes This emotionally charged series follows the heartwarming stories of real people from across the US who are going to great lengths to reconnect with their loved ones. Reunited brings people back together against all odds.

As I Am - 6 episodes This documentary series provides an intimate, honest portrait of ten young Asian Americans, told at a time when hate crimes against Asian Americans have skyrocketed in the US.



Case Study: GamesMaster

In 2021, Future Studios re-launched heritage brand, ‘GamesMaster’ for E4 and Meta, which became the most successful brand partnership E4 has done to date.

3 60’ linear eps

9 Digital Formats

8 Bespoke idents produced for Meta

550k
E4 views

1.3m
Views for digital assets on Youtube

600k
Long form assets on Youtube

The Power of Movement

CONTINUED EXECUTION OF STRATEGY

Demonstration of diversified strategy enhancing advertising revenues, social monetisation and increasing margins

PLATFORM EFFECT

Creation of centre of excellence, unlocking significant margin upside whilst creating halo effect/revenue synergies in Future Group

Content is partially evergreen in nature

ATTRACTIVE MARKET CHARACTERISTICS

High growth market for video

Increasing Future's exposure to fast developing social audiences

MARKET LEADERSHIP

We're one of the most viewed media groups in the UK, with over 120 million * followers and over 500 million* views a month on social media.

FUTURE

*Tubular Labs 2021 data & platform audience insights

Glossary

AVOD- Advertising based Video On Demand- advertising revenues generated by platforms as a result of adverts played during video content provided by publishers

CPM- cost per mille (the amount an advertiser pays a website per one thousand visitors who see its advertisements)

Direct deals- guaranteed impressions with an insertion order - ie, the advertiser is guaranteed a certain number of impressions for their spend

O&O- owned and operated- Future's branded websites where advertising revenue is generated from adverts typically before the video content (adverts sold in house and programmatically)

Programmatic Advertising- the use of software to automate the buying and selling of digital advertising

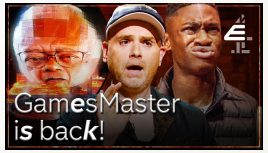
Programmatic Guaranteed- a type of programmatic advertising- an automated version of a direct deal

Video Carousel- the videos which are put in a carousel in order to facilitate them playing effectively on the O&O site and ensuring there are a range of videos for the user to watch

RECENT HIGHLIGHTS

From External Production

REAL TIME CRIME
INVESTIGATION DISCOVERY



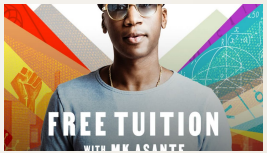
GAMESMASTER
CHANNEL 4 / META

BIGGEST LITTLE CHRISTMAS SHOWDOWN
HGTV

MY BRAVE FACE
A&E US

AITCH: CHECK YOURSELF
SNAP ORIGINAL

REUNITED
SNAP ORIGINAL



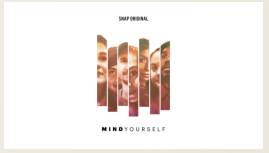
FREE TUITION
SNAP ORIGINAL

FRONTLINE HEROES
SNAP ORIGINAL

CURSE OF THE ANCIENTS
SKY HISTORY / A&E INTL

ULTIMATE RIDES
A&E US

TWO SISTERS ONE BODY
CHANNEL 4



MIND YOURSELF
SNAP ORIGINAL

ATTACK ON PEARL HARBOR: MINUTE BY MINUTE
CHANNEL 5 / NAT GEO

AS I AM
SNAP ORIGINAL

TRUE STORIES
CHANNEL 4

BENIDORM: BRITS ON THE PULL
CHANNEL 5