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
INDEX

- Introduction to Future Studios
- Our Operating Model
- The Three Pillars of the Video Division
  - Video for Future Brands
  - Social Video
  - External Production
What Future Studios do for Future?

- 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.

Two way benefits....

- c.5% of Group’s revenue in FY 2021
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.

*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
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
Our operating model
Our Production Model- What’s the secret ingredient in the “speedy” system?

Development & Commissioning Stage

- Identify Opportunity
- Develop Response
- Commission / Greenlight

Production Stage

- Casting
- Filming
- Edit

Distribution Stage

- O&O Pages
- Social Channels
- Reporting and learnings

Development Team

- In house and external shooters
- Editing and post production
- Production Management

Production Management
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

UK
London, Bath & Reading

US
NYC, LA & Atlanta
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.
<table>
<thead>
<tr>
<th><strong>What does success look like?</strong></th>
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<tbody>
<tr>
<td><strong>Page View to Video View Ratio (%)</strong></td>
</tr>
<tr>
<td>This measures how many of page views result in a video view.</td>
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<tr>
<td>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.</td>
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<tr>
<td><strong>Video Views (Millions per month)</strong></td>
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<tr>
<td>This is the raw number of videos served to our audience every month.</td>
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<tr>
<td>By growing the amount of video views we are showing greater engagement and are creating more opportunities to sell pre-roll.</td>
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<tr>
<td><strong>Pre-Roll Ad Impressions (Millions per month)</strong></td>
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<tr>
<td>The number of ad Impressions served around our videos.</td>
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<tr>
<td>This is directly tied to revenue as all of these impressions can be sold.</td>
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|  | **+ 6 ppt** | **+ 13 %** | **+ 38 %** |
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)

*FY 2021 data

Video advertising waterfall auction

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

Monetisation optimisation lifecycle stage

- Tech & Gaming
- Women’s Lifestyle
- Entertainment / Knowledge
- Homes
- Wealth
- Sports/Music
Social Video
Motivated by a desire to better the world, Truly is liberating, bold & honest; the home of amazing true stories.

Showcasing extraordinary women who are redefining what beauty means.

Meet amazing disabled people who challenge stereotypes and prove they have what it takes to succeed.

Meet the couples who get judged everyday because of who they fell in love with.

Weight loss stories, eye-popping looks, & extreme fashion; some people will do anything to be noticed.

Packed with the fast and the curious - meet the owners and lift the lid on their own ridiculous rides.

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

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

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

Average views per video 2020:
Facebook

*Tubular Labs February 2021 data
External Production
Experts in long form programming

200+
HOURS PRODUCED FOR SOME OF THE WORLD’S BIGGEST BROADCASTERS

30+
NEW EPISODES PRODUCED FOR BROADCASTERS IN 2021 DESPITE COVID19

#1
SUPPLIER OF SNAP ORIGINALS IN THE UK
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.

60’ linear eps

Digital Formats

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.

*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 - i.e., 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

- **AITCH: CHECK YOURSELF**
  SNAP ORIGINAL

- **CURSE OF THE ANCIENTS**
  SKY HISTORY / A&E INTL

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

- **GAMESMASTER**
  CHANNEL 4 / META

- **REUNITED**
  SNAP ORIGINAL

- **ULTIMATE RIDES**
  A&E US

- **AS I AM**
  SNAP ORIGINAL

- **BIGGEST LITTLE CHRISTMAS SHOWDOWN**
  HGTV

- **FREE TUITION**
  SNAP ORIGINAL

- **TWO SISTERS ONE BODY**
  CHANNEL 4

- **TRUE STORIES**
  CHANNEL 4

- **MY BRAVE FACE**
  A&E US

- **FRONTLINE HEROES**
  SNAP ORIGINAL

- **MIND YOURSELF**
  SNAP ORIGINAL

- **BENIDORM:**
  BRITS ON THE PULL
  CHANNEL 5