

National World plc

("the Company" or the Group")

Pre close trading update for the year ended 31 December 2022

***FY22 Adjusted EBITDA ahead of market expectation with a high single digit increase
Digital revenues up 25%
Board to propose maiden dividend***

Highlights

- FY22 revenue expected to be not less than £84.0 million
- FY22 Adjusted EBITDA* expected to be not less than £9.4 million
- Strong balance sheet with a cash balance of £27.0 million held as at 31 December 2022

National World's Chairman, David Montgomery, said:

"We have accelerated the Group's transformation into a premium content and sales business across all platforms in 2022. We continue to launch new products, invest in organic growth, enhance heritage assets and streamline our infrastructure to create further efficiencies.

"Management is pursuing opportunities to build scale and enhance shareholder value through targeted investments and acquisitions. Two online content acquisitions completed at the end of 2022, Scoopdragon and Newschain, have immediately increased National World's online audience by over 10 per cent.

"We look ahead into 2023 with confidence given our rapidly evolving operating model to restore revenue growth and we maintain our expectations for the Group's performance."

Trading

Revenue for full year 2022 is expected to be not less than £84.0 million, underpinned by robust digital revenue growth of 25% with print revenue declining 7% compared with the previous year.

Digital revenue growth was lower in the second half of the year at 12% as a consequence of market and audience volatility, combined with the impact of changes to Google's search algorithm. However, the impact on revenues was mitigated by stronger yields and increased video advertising.

Print advertising revenue declined by 6% and circulation revenue by 9% reflecting subdued consumer confidence in the UK economy because of rising inflation and interest rates.

The Group has managed costs carefully throughout the year enabling it to support digital investments and mitigate the impact of increased newsprint prices and other inflationary cost pressures.

Financial position

The Group maintains a strong financial position with the cash balance increasing by £4.0 million to £27.0 million as at the year end, after investment and repayment of the first tranche of the £2.5 million deferred consideration payable as a result of acquiring JPIMedia Publishing Limited and its subsidiaries ("JPI Group"). In 2023 the Company will pay the second and final tranche of £2.5m deferred consideration for JPIGroup, and repay £1.0m of loan notes, making the Company debt free.

The strength of Group performance, current outlook and prospects has enabled the Board to consider the Company's dividend policy and the Board expects to propose and recommend a maiden dividend in conjunction with the release of its audited results for the year ended 31 December 2022 on 16 March 2023.

Operational progress

Management has accelerated the digitisation of its operations and in 2023 will introduce further technological enhancements to deepen engagement with customers across a wider content agenda. This will be accompanied by the launch of new products for advertisers to attract sustainable, long-term revenues.

Operational highlights:

- Launch of the Peopleworld and 3addedminutes websites, and a US version of nationalworld.com creating a global footprint for the business
- Investment of USD \$1.25 million in social-first media company, The News Movement, in October 2022 to provide National World's audiences with high-quality, fact-based, engaging news and useful information on platforms including TikTok, Instagram, YouTube, Twitter and Snap
- Two acquisitions completed in December 2022 of independent digital football publisher ScoopDragon and video-first content innovator, NewsChain as part of its strategy to develop new formats and increase the size of its customer base

- Delivered targeted annualised cost savings in excess of £4.0 million, with restructuring costs of approximately £3.0 million expensed in the period.

Outlook

The Group is currently accelerating the implementation of its new operating model, focused on building a fully digitised customer-driven business creating sustainable premium content and sales whilst maintaining performance in the near term.

Management continues to pursue acquisition opportunities, primarily targeting businesses that will enhance the Group's digital capability.

National World will release its audited results for the year ended 31 December 2022 on 16 March 2023.

**Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, implementation of IFRS16 and non-recurring items.*

- Ends -

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