

ASX Announcement

23rd February 2021

Successful pilot launch of North American Strategic Ventures Consultancy

- **Successful pilot launch of Advisir Ventures in North America, a data led consultancy that combines digital media, corporate venturing, and strategic communications advice**
- **46 strategic investments made across North America, focused on listed high growth businesses, receiving cash fees for services and equity for future growth**
- **\$71m market cap average portfolio company, \$73k average strategic investment, \$85k average services revenue, 70% average share price increase during pilot period, \$3.9m annualised revenues contracted during pilot period excluding any capital growth**

The Market Herald Limited (ASX:TMH “The Market Herald”) is pleased to provide an update on the pilot launch of its strategic consulting offer in North America through its wholly owned subsidiary Advisir Ventures (“Advisir Ventures Canada”).

Advisir has been an integral part of The Market Herald business model and with its success in Australia, is now being rolled out in the North American market to complement our expansion into North America.

Advisir is a strategic consultancy that works with listed businesses and wealth brands to help communicate their story to retail investors and affluent consumers. Advisir is data analytics led and has a unique and differentiating advantage through developing insights from the world’s largest proprietary database of retail investor intent. This database is wholly owned, first party, anonymised, and is made up of hundreds of millions of structured and unstructured datapoints tracking the behaviours of millions of investors across thousands of listed businesses. Advisir is an example of the extension into consulting that other large global business newspapers are making. A peer would be Longitude, a strategic consultancy acquired by The Financial Times Group.*

Advisir Ventures is a corporate venturing portfolio that invests primarily in listed and pre-IPO businesses. Advisir Ventures has a unique and differentiating advantage through its use of data and analytics to identify high growth listed and pre-IPO businesses raising capital that are highly likely to benefit from the consulting approach of Advisir, and the creative, production and distribution capabilities of the broader Market Herald group. This significantly reduces the costs of active portfolio management and greatly increases the universe of potential investments. Advisir Ventures is an example of the extension into direct media for equity investment that other large global business newspapers are making. A peer would be Scale Up Media Fund, an equity portfolio owned by NewsCorp Ltd.**

The Market Herald North American Strategic Ventures Consultancy pilot results

The first beta trial of the North American Strategic Ventures consultancy launched in the first quarter of calendar 2020, with extensive development during the year. The results for the period July 1 2020 to December 31 2020 are as follows, with the majority of investment later CY2020:

- **Leveraged a team of capital market strategists with new workflows and data analytics building on an existing successful strategy**
- **Developed an analytic model to guide investments based on raising, sector, and liquidity, increasing reach and minimising portfolio risk**
- **46 strategic investments in listed and pre IPO companies, with average market cap of \$74m, engaging with senior management and directors**
- **Focus on small and mid cap high growth companies across all sectors, on selected exchanges, with a low cost coverage model**
- **\$74k average investment in portfolio companies, risk model limits at 0.01% of marcap, ensuring upside potential with low downside risk**
- **\$3.9m annualised revenues from portfolio investments, \$522k above invested amount, ensuring alignment with portfolio companies**
- **70% increase in share price of portfolio investments, realised and unrealised, demonstrating effective portfolio design and value delivered**
- **Quantified and refined insights to continued business strategy of launching the model in other markets and exchanges**

The Market Herald North American Strategic Ventures Consultancy is a leading example of media company evolution and a key platform for future growth

Jag Sanger, Managing Director of The Market Herald commented:

“Our AGM presentations of November 2019 and November 2020 laid out our strategy of building a consulting business that would help listed, wealth and luxury clients leverage the insights of our global digital communities and tell their investor stories.

Our successful North American pilot brings together two key strategies that leading global business publishers are pursuing, and gives us learnings as we extend this offer to other markets:

The first is building a consulting offer – Advisir: As announced in our AGM presentation of November 2020, leading global business news publishers, such as The Financial Times and The Wall Street Journal, are building or acquiring strategic consulting capabilities. This helps their clients build better campaigns, and helps publishers build deeper and richer client relationships. Through our wholly owned strategic consultancy, Advisir, we have refined and re-imagined this model, and have taken the successful elements of our peers and built a digital led practice that best serves high growth public and pre-IPO companies. This assists our brand partners to best navigate the on and off platform choices they have when delivering messages to our influential and affluent audiences. Key differentiators of Advisir are first its focus on data and analytics, helping develop insights and strategies at a far lower cost to serve than peers. Second, Advisir takes a channel agnostic view of campaign delivery, helping its brand partners access digital channels on social platforms such as LinkedIn and Reddit, and messaging platforms such as Twitter, but sharing the same campaign assets, such as videos. This reduces client cost and increases campaign effectiveness.

The second is refining the strategic ventures model – Advisir Ventures: For decades media businesses have entered into media for payment and increasingly media for equity deals. The goal is to help fast growth business that are in the early stages of their

development best use the distribution of large media companies. However as with any form of corporate venturing smaller investee companies face the challenge of ensuring they get benefits beyond the value of the deal. Equally large media businesses need to assign top level executives to what are often smaller and non-core investments. The result is the successful model of media company corporate venturing is a small number of high commitment deals – commitment in terms of both investment and management time. Through our ventures portfolio, Advisir Ventures, we have again refined and re-imagined this model. Instead of few high commitment, high value partnerships we have built a model that lets us make many low commitment, low value partnerships, increasing the reach of investments at low risk. This creates more value for The Market Herald and our partner companies.”

**<https://digiday.com/media/ft-bolsters-commercial-services-acquisition-longitude/>*

***<https://scaleupmediafund.com/>*

About The Market Herald

The Market Herald is a multi-platform business and finance news organisation building the world's largest audience of active investors, and the most valuable audience of affluent luxury and wealth buyers. Every month The Market Herald and its global financial communities deliver over 100m page impressions reaching over 2.5 million investors with investable assets of over \$300bn. By leveraging our unique analytics and data led way to create and deliver business stories we are able to capture insights into investor thinking, giving us a distinct advantage to compete and win in a \$4bn revenue market serving active investors.

Investor and media enquiries

Jag Sanger

Managing Director

The Market Herald

investors@themarketherald.com.au

This announcement has been authorised for release by the Board of The Market Herald.