

## ASX Announcement

26 February 2021

ASX: TMH ('The Market Herald' or 'the Company')

## 2020 Appendix 4D – Half-Year Report

The Directors of The Market Herald Limited (ASX:TMH) (**The Market Herald** or the **Company**) are pleased to provide the Appendix 4D and Interim Financial Report for the Half-Year ended 31 December 2020.

Current reporting period: Half-year ended 31 December 2020

Previous interim reporting period: Half-year ended 31 December 2019

Previous full year reporting period: Full year ended 30 June 2020

### Appendix 4D: Half-Year Report ended 31 December 2020 as required by ASX listing rule 4.2.A.3

Results for announcement to the market (all comparisons to the half-year ended 31 December 2019)	Movement	31 Dec 2020	31 Dec 2019
<b>Earnings</b>			
Revenue from ordinary activities	Up 170%	10,671,135	3,948,577
Profit/(loss) before income tax	Up 469%	8,173,797	(2,215,688)
Profit/(loss) for the year attributable to ordinary equity holders	Up 360%	5,874,502	(2,261,945)
<b>Appendix 4D Net tangible asset per share</b>			
Net tangible assets/ (liabilities)	Up 101%	124,961	(16,729,693)
Fully paid ordinary shares on issue at Balance Date	-	189,768,339	188,966,839
Net tangible assets/(liabilities) backing per issued ordinary share (cents)	Up 100%	0.07	(8.85)

### Commentary of the results

The Company is reporting a 469% increase in net profit before tax of \$8,173,797 for the period (31 December 2019: Net loss before tax of \$2,215,688). This includes non-cash share-based payment expenses of \$220,644 (31 December 2019: \$605,052).

Revenue from contracts with customers was \$10,671,135 for the 6 months which is 170% higher than the 2019 corresponding period. These contracts are prepaid and deferred to the Statement of Financial Position to be recognised as customers utilise investor relations services over the contract's life, typically twelve months. The Company has already secured unrecognised revenue of \$3,914,961 on the Statement of Financial Position as at 31 December 2020. The Company has cash and cash equivalents of \$6,928,131 (30 June 2020: \$2,376,193) and financial assets of \$14,609,190 (30 June 2020: \$13,109,011) as at 31 December 2020.

## **Dividend**

As the company remains in a growth period, at present the board has not declared a dividend for the half-year ended 31 December 2020.

## **Investor and media enquiries**

Jag Sanger  
Managing Director  
The Market Herald  
[investors@themarketherald.com.au](mailto:investors@themarketherald.com.au)

# The Market Herald

and its controlled entities

ACN 611 717 036

**Interim Financial Report  
for the Half-Year Ended  
31 December 2020**

**The Market Herald Limited**  
**ACN 611 717 036**

**Corporate Directory**

**Directors**

Alec Christopher Pismiris  
Gavin John Argyle  
Colin Edward Chenu  
Jag Sanger

**Company Secretary**

Ben Donovan

**Registered and Principal Office**

Level 11, BGC Centre  
28 The Esplanade  
Perth  
WA 6000

**Auditor**

RSM Australia Partners  
Level 32 Exchange Tower  
2 The Esplanade  
Perth  
WA 6000

**Bankers**

Westpac Banking Corporation  
109 St Georges Terrace  
Perth  
WA 6000

National Bank of Canada  
600, De La Gauchetière Ouest  
Rez-de-Chaussée  
Montréal (Québec) H3B 4L2

**Solicitors**

Clayton Utz Lawyers  
Level 27, QV1 Building  
250 St Georges Terrace  
Perth  
WA 6000

**The Market Herald Limited**  
**ACN 611 717 036**

**Table of Contents**

	<b>Page</b>
Directors' Report	4
Auditor's Independence Declaration	6
Interim Consolidated Statement of Comprehensive Income	7
Interim Consolidated Statement of Financial Position	8
Interim Consolidated Statement of Changes in Equity	10
Interim Consolidated Statement of Cash Flows	12
Notes to the Consolidated Financial Statements	13
Directors' Declaration	26
Independent Auditor's Review Report	27

# The Market Herald Limited

## ACN 611 717 036

### Directors' Report

The Board of Directors presents their report, together with the interim financial statements of The Market Herald Limited ("the Company" or "The Market Herald") for the half-year ended 31 December 2020.

#### Directors

The names of the Directors of The Market Herald Limited in office during the half-year and until the date of this report are:

- Alec Christopher Pismiris
- Gavin John Argyle
- Colin Edward Chenu
- Jag Sanger

All Directors were in office from the beginning of the half-year until the date of this report unless otherwise stated.

#### Principal activities

The Market Herald Limited operates a digital business news and investor relations platform across 3 offers as follows:

- 1) **Digital business news:** The Company operates The Market Herald, the fastest growing Australian and Canadian business digital news masthead. The integrated platform reaches over 2.5 million investors a month across its editorial, communities and video brands. Recently the Company launched a business television streaming service in Australia and is now the largest "Over The Top" provider of breaking market news in Australia.
- 2) **Digital business communities:** The Company also operates HotCopper, Australia's number one stock market internet discussion forum. HotCopper is the largest internet discussion forum in relation to the Australian stock market and has become a popular source of research and discussion for a wide range of investors. From 7 November 2019, The Market Herald successfully acquired Stockhouse ([www.Stockhouse.com](http://www.Stockhouse.com)). Stockhouse has over 1 million visitors a month and is one of North America's largest investor communities.
- 3) **Digital investor relations and wealth brand consulting:** The Market Herald serves the most affluent audiences in each of its markets. To help advertisers and listed companies effectively engage with this audience, the Company launched Advisir, a digital strategy consulting business. The Advisir platform now serves over 400 listed clients and reaches over 2 million investors a month. The heart of the Advisir offer is a sophisticated digital analytics and data platform that allows listed companies and wealth and luxury brands to engage with affluent consumers.

#### Review of operations and results

During the half-year, The Market Herald continued to deliver on its strategic initiatives to build a disruptive financial news platform serving investors and are uniquely positioned to strengthen its position as a market leader in digital consulting, wealth and luxury brand industry.

One of The Market Herald's unique position is its audience. The Company has approximately 2.5 million monthly digital active investors. The upper quartile of the Company's audience has income of \$138 billion per annum and investable assets of \$276 billion. This further strengthens the Company's position to build the world's most valuable audience of affluent luxury and wealth buyers offering advertisers high impact and low wastage.

The Company has further expanded and significantly improved its current product offerings to maintain high audience engagement with a combined 100 million monthly digital page views. The Company's mastheads and communities are destination sites with high search and purchase intent. The high volume engagement is based on high-quality journalism with a high disruptive delivery model leveraging data analytics to create and deliver trending business stories. The Company has also launched new streaming video formats at a greater scale, and speed than any traditional peers serving over 16 million monthly digital stream starts.

The Company has continued to build on the successful launch of Advisir, the Company's consulting arm, to become one of the world's fastest-growing investor relations consulting practice. Advisir has developed a new capital raising format, DealRoom, to build a cross border institutional capital raising platform for private placements. DealRoom is a digital platform that manages the setup and delivery of public company related placements to retail, wholesale, accredited or sophisticated investors. Investors can research and subscribe to offers on a seamless digital platform showing deal listings. For issuers public companies or companies about to list can gain access to more investors at a lower cost compared to the traditional broker model.

# The Market Herald Limited

## ACN 611 717 036

### Directors' Report

#### 31 December 2020 Half-Yearly Results

Financial Performance	31-Dec-20	31-Dec-19	Change	Percentage Change
<b>Income Statement</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>%</b>
Revenue	10,671,135	3,948,577	6,722,558	170%
Other revenue	6,075,844	341,897	5,733,947	1677%
Movement in net gain on equity instruments designated at fair value through other comprehensive income	1,693,087	361,905	1,331,182	368%
<b>Total revenue and other comprehensive income</b>	<b>18,440,066</b>	<b>4,652,379</b>	<b>13,787,687</b>	<b>296%</b>
<b>EBITDA</b>	<b>10,100,327</b>	<b>(1,506,655)</b>	<b>11,606,982</b>	<b>770%</b>
<b>Profit before Tax</b>	<b>8,173,797</b>	<b>(2,215,688)</b>	<b>10,389,485</b>	<b>469%</b>
<b>Total comprehensive income/(loss)</b>	<b>7,323,363</b>	<b>(1,897,629)</b>	<b>9,220,992</b>	<b>486%</b>
<b>Balance Sheet</b>	<b>31-Dec-20</b>	<b>31-Dec-19</b>	<b>Change</b>	<b>Percentage Change</b>
Cash	6,928,131	2,561,007	4,367,124	171%
Financial assets	14,609,190	5,588,669	9,020,521	161%
Assets available for sale (Cars gross value)	1,306,233	287,986	1,018,247	354%
<b>Total cash and assets available for sale</b>	<b>22,843,554</b>	<b>8,437,662</b>	<b>14,405,892</b>	<b>171%</b>

The Company is reporting a 469% increase in net profit before tax of \$8,173,797 for the period (31 December 2019: Net loss before tax of \$2,215,688). This includes non-cash share-based payment expenses of \$220,644 (31 December 2019: \$605,052). Revenue from contracts with customers was \$10,671,135 for the 6 months which is 170% higher than the 2019 corresponding period. These contracts are prepaid and deferred to the Statement of Financial Position to be recognised as customers utilise investor relations services over the contract's life, typically twelve months. The Company has already secured unrecognised revenue of \$3,914,961 on the Statement of Financial Position as at 31 December 2020. The Company has cash and cash equivalents of \$6,928,131 (30 June 2020: \$2,376,193) and financial assets of \$14,609,190 (30 June 2020: \$13,109,011) as at 31 December 2020.

#### Significant changes in state of affairs

There have been no significant changes in the Company's state of affairs during the course of the half-year ended 31 December 2020.

#### Events after balance date

The outbreak of the COVID-19 pandemic is impacting global economic markets. The Directors continue to monitor the situation closely and have considered the impact of COVID-19 on the Group's business and financial performance. However, the situation is continually evolving and the impacts are therefore inevitably uncertain.

No other matters or circumstances have arisen since 31 December 2020 that have significantly affected or may significantly affect;

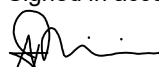
- The Group's operations in future financial years; or
- The results of those operations in future financial years; or
- The Group's state of affairs in future financial years.

#### Auditor's Independence Declaration

The Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 (Cth) for the half-year ended 31 December 2020 is included on page 6 of the Financial Report.

This report is made in accordance with a resolution of the Board of Directors made pursuant to section 306 of the Corporations Act 2001 (Cth).

Signed in accordance with a resolution of the Board of Directors



Alec Pismiris  
Chairman

25 February 2021

**RSM Australia Partners**

Level 32, Exchange Tower  
2 The Esplanade Perth WA 6000  
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100  
F +61 (0) 8 9261 9111

[www.rsm.com.au](http://www.rsm.com.au)

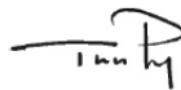
**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of The Market Herald Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 25 February 2021

**THE POWER OF BEING UNDERSTOOD**  
**AUDIT | TAX | CONSULTING**

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation



**The Market Herald Limited**  
**ACN 611 717 036**  
**Interim Consolidated Statement of Comprehensive Income**  
**For the Half-Year Ended 31 December 2020**

	Note	31 December 2020	31 December 2019*
		\$	\$
Revenue from contracts with customers	4	10,671,135	3,948,577
Other income	5	6,075,844	341,897
Employee and director benefits expense		(3,220,956)	(1,804,355)
Share based payments		(220,664)	(605,052)
Depreciation and amortisation		(1,570,829)	(610,315)
Commissions paid		(647,848)	(364,510)
Finance cost		(355,701)	(98,718)
Other expenses	6	(2,557,184)	(3,023,212)
<b>Profit/(loss) before income tax</b>		8,173,797	(2,215,688)
Income tax expense		(2,299,295)	(46,257)
<b>Profit/(loss) for the period attributable to members of the Company</b>		5,874,502	(2,261,945)
<b>Other comprehensive Income</b>			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax):</i>			
Net gain on equity instruments designated at fair value through other comprehensive income		1,693,087	361,905
Movement in foreign currency translation reserve		(244,226)	2,411
<b>Total comprehensive income/(loss) for the period attributable to members of the Company, net of tax</b>		7,323,363	(1,897,629)
<b>Earnings per share attributable to members</b>			
Basic earnings/(loss) per share	7	3.10	(1.73)
Diluted earnings/(loss) per share	7	2.96	(1.73)

\*Restated. Refer to note 2 for details.

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**The Market Herald Limited**  
**ACN 611 717 036**  
**Interim Consolidated Statement of Financial Position**  
**As at Half-Year Ended 31 December 2020**

	Note	31 December 2020 \$	30 June 2020* \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	8	6,928,131	2,376,193
Trade and other receivables	9	2,384,828	1,925,727
Financial assets	10	11,198,732	-
Other current assets		364,183	310,202
<b>TOTAL CURRENT ASSETS</b>		<b>20,875,874</b>	<b>4,612,122</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment		1,385,551	750,815
Right-of-use assets		533,419	696,570
Financial assets	10	3,410,458	13,109,011
Deferred tax asset		69,216	215,410
Other receivables		136,365	137,086
Intangibles	12	23,638,911	25,991,339
<b>TOTAL NON- CURRENT ASSETS</b>		<b>29,173,920</b>	<b>40,900,231</b>
<b>TOTAL ASSETS</b>		<b>50,049,794</b>	<b>45,512,353</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	2,801,564	3,097,096
Lease liability		151,559	241,760
Provisions	14	292,158	236,357
Unearned revenue	15	3,914,961	4,853,747
Interest bearing liabilities	16	2,037,075	2,130,606
Current tax liability		1,832,938	497,853
<b>TOTAL CURRENT LIABILITIES</b>		<b>11,030,255</b>	<b>11,057,419</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	13	-	1,474,905
Lease liability		433,268	472,178
Interest bearing liabilities	16	7,857,464	9,461,090
Deferred tax liabilities		6,964,935	7,019,276
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>15,255,667</b>	<b>18,427,449</b>
<b>TOTAL LIABILITIES</b>		<b>26,285,922</b>	<b>29,484,868</b>
<b>NET ASSETS</b>		<b>23,763,872</b>	<b>16,027,485</b>

**The Market Herald Limited**  
**ACN 611 717 036**  
**Interim Consolidated Statement of Financial Position**  
**As at Half-Year Ended 31 December 2020**

	Note	31 December 2020 \$	30 June 2020* \$
<b>EQUITY</b>			
Issued and paid up capital	17	20,981,009	20,788,649
Reserves		(4,085,092)	(5,754,617)
Retained earnings		6,867,955	993,453
<b>TOTAL EQUITY</b>		<u>23,763,872</u>	<u>16,027,485</u>

\*Restated. Refer to note 2 for details.

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes.*

**The Market Herald Limited**  
**ACN 611 717 036**  
**Interim Consolidated Statement of Changes in Equity**  
**For the Half-Year Ended 31 December 2020**

Half-year ended 31 December 2020	Issued and paid up capital	Retained earnings	Share based payment reserve	Fair value reserve of financial assets at FVOCI	Foreign currency translation reserve	Distribution reserve	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2020 *</b>	<b>20,788,649</b>	<b>993,453</b>	<b>1,488,311</b>	<b>2,996,607</b>	<b>(55,312)</b>	<b>(10,184,223)</b>	<b>16,027,485</b>
Profit for the half-year	-	5,874,502	-	-	-	-	5,874,502
Other comprehensive income	-	-	-	1,693,087	(244,226)	-	1,448,861
<b>Total comprehensive income</b>	-	5,874,502	-	1,693,087	(244,226)	-	7,323,363
Issue of Shares	192,360	-	-	-	-	-	192,360
Share based payments	-	-	220,664	-	-	-	220,664
<b>Balance at 31 December 2020</b>	<b>20,981,009</b>	<b>6,867,955</b>	<b>1,708,975</b>	<b>4,689,694</b>	<b>(299,538)</b>	<b>(10,184,223)</b>	<b>23,763,872</b>

\*Restated. Refer to note 2 for details.

**The Market Herald Limited**  
**ACN 611 717 036**  
**Interim Consolidated Statement of Changes in Equity**  
**For the Half-Year Ended 31 December 2020**

Half-year ended 31 December 2019	Issued & paid up capital	(Accumulated losses)/ retained earnings	Share based payment reserve	Fair value reserve of financial assets at FVOCI	Foreign currency translation reserve	Distribution reserve	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2019</b>	<b>11,641,211</b>	<b>1,341,075</b>	<b>874,945</b>	<b>(274,462)</b>	-	<b>(10,184,223)</b>	<b>3,398,546</b>
Loss for the half-year *	-	(2,261,945)	-	-	-	-	(2,261,945)
Other comprehensive income *	-	-	-	361,905	2,411	-	364,316
<b>Total comprehensive income</b>	-	(2,261,945)	-	361,905	2,411	-	(1,897,629)
Issue of shares	9,411,902	-	-	-	-	-	9,411,902
Share issue cost	(264,464)	-	-	-	-	-	(264,464)
Share based payments	-	-	605,082	-	-	-	605,082
<b>Balance at 31 December 2019 *</b>	<b>20,788,649</b>	<b>(920,870)</b>	<b>1,480,027</b>	<b>87,443</b>	<b>2,411</b>	<b>(10,184,223)</b>	<b>11,253,437</b>

\*Restated. Refer to note 2 for details.

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*

**The Market Herald Limited**  
**ACN 611 717 036**  
**Interim Consolidated Statement of Cash Flows**  
**For the Half-Year Ended 31 December 2020**

	Note	31 December 2020	31 December 2019
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		10,091,447	3,608,664
Payments to suppliers and employees		(7,506,917)	(5,167,293)
Receipt from government grants		270,870	-
Interest received		8,880	-
Income tax paid		(1,185,565)	-
Interest paid		(19,445)	(117,799)
<b>Net cash provided by/(used in) operating activities</b>		<b>1,659,270</b>	<b>(1,676,428)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of financial instruments		(5,104,077)	(2,585,880)
Proceeds from sale of financial instruments		11,941,530	2,131,087
Purchase of plant and equipment		(725,202)	(315,356)
Dividends received		2,716	-
Proceeds from sale of plant and equipment		-	13,500
Payment for Stockhouse acquisition, net of cash acquired		(1,448,364)	(15,456,733)
<b>Net cash provided by/(used in) investing activities</b>		<b>4,666,603</b>	<b>(16,213,382)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		192,360	6,954,026
Proceeds of borrowings		-	12,125,731
Payment of lease liabilities		(189,346)	(111,953)
Loan repayment		(1,225,050)	-
Loan to unrelated party		(100,000)	-
Interest paid		(241,852)	-
<b>Net cash (used in)/provided by financing activities</b>		<b>(1,563,888)</b>	<b>18,967,804</b>
Net increase in cash and cash equivalents		4,761,985	1,077,994
Net foreign exchange difference		(210,047)	(9,356)
Cash and cash equivalents at beginning of financial period		2,376,193	1,492,369
<b>Cash and cash equivalents at end of financial period</b>	<b>8</b>	<b>6,928,131</b>	<b>2,561,007</b>

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

**The Market Herald Limited**  
**ACN 611 717 036**  
**Notes to the Consolidated Financial Statements**

---

## **1. General Information and Basis of Preparation**

### **General information**

The interim consolidated financial statements of The Market Herald Limited ("the Company" or "The Market Herald") and its controlled entities (collectively, the Group) were authorised for issue in accordance with a resolution of the directors on 25 February 2021.

The Market Herald Limited is a for-profit limited company, incorporated and domiciled in Australia, whose shares are publicly traded. The Group's principal activities are described in the Directors' Report.

### **Basis of preparation**

The interim consolidated financial statements for the six months ended 31 December 2020 is a condensed general purpose financial report prepared in accordance with AASB 134 *Interim Financial Reporting*.

This half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the annual financial report.

It is recommended that the half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2020 and considered with any public announcements made by the Group during the half-year ended 31 December 2020 in accordance with the continuous disclosure obligations of the ASX Listing Rules.

### **Accounting policies, disclosures, standards and interpretations**

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2020 unless stated otherwise.

### **New or amended Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**The Market Herald Limited**  
**ACN 611 717 036**  
**Notes to the Consolidated Financial Statements**

## 2. Business Combinations

Business combinations were initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

On 7 November 2019, The Market Herald Limited ("The Market Herald") obtained control of Stockhouse Publishing Limited ("Stockhouse Publishing") by acquiring 100 per cent of its outstanding ordinary shares. Purchase price allocation was completed during the half-year ended 31 December 2020. The following tables summarises the impact on the Consolidated Financial Statements.

		30-Jun-20	
	Provisional	Increase/ (decrease)	Restated
	\$	\$	\$
<b>Consolidated statement of financial position</b>			
Intangibles	21,124,823	4,866,516	25,991,339
Trade and other payables	3,044,472	52,624	3,097,096
Deferred tax liability	632,307	6,386,969	7,019,276
Net assets	17,600,561	(1,573,077)	16,027,484
Reserves	(5,824,976)	70,359	(5,754,617)
Accumulated losses	2,636,888	(1,643,435)	993,453
Total equity	17,600,561	(1,573,076)	16,027,485
	Provisional	31-Dec-19 Increase/ (decrease)	Restated
	\$	\$	\$
<b>Consolidated statement of changes in equity</b>			
Reserves	(8,618,345)	4,003	(8,614,342)
Accumulated losses	(542,110)	(378,760)	(920,870)
Total equity	11,628,195	(374,758)	11,253,437
	Provisional	31-Dec-19 Increase/ (decrease)	Restated
	\$	\$	\$
<b>Consolidated statement of profit or loss and other comprehensive income</b>			
Depreciation and amortisation	231,555	378,760	610,315
Loss before income tax for the period	(1,836,928)	(378,760)	(2,215,688)
Loss after income tax for the period	(1,883,185)	(378,760)	(2,261,945)
Total other comprehensive loss	(1,522,872)	(374,757)	(1,897,629)
<b>Loss per share</b>			
Basic (cents per share)	(1.44)	(0.29)	(1.73)
Diluted (cents per share)	(1.44)	(0.29)	(1.73)



**The Market Herald Limited**  
**ACN 611 717 036**  
**Notes to the Consolidated Financial Statements**

### 3. Segment Information

For management purposes the Group is organised into two operating segments, which involves the operation of the HotCopper and the Market Herald websites, being the "The Market Herald" segment and Stockhouse website, being "Stockhouse" segment. All significant operating decisions are based upon analysis of the Group as two segments. The financial results of this segment are equivalent to the financial statements of the Group as a whole. The accounting policies applied for internal reporting purposes are consistent with those applied in preparation of the financial statements.

	<b>The Market Herald</b>	<b>Stockhouse</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
31 December 2020	3,777,848	6,893,287	10,671,135
31 December 2019	2,809,704	1,138,873	3,948,577
<b>Segment (loss)/profit</b>			
31 December 2020	(123,752)	5,998,254	5,874,502
31 December 2019	(2,033,682)	(228,263)	(2,261,945)
<b>Assets</b>			
As at 31 December 2020	7,253,801	42,795,993	50,049,794
As at 30 June 2020	6,196,970	39,315,383	45,512,353

### 4. Revenue from Contracts with Customers

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue from contracts with customers</b>		
Advertising services – Revenue recognised overtime	5,724,879	520,248
Advertising services – Revenue recognised at a point in time	4,946,256	3,428,329
Total revenue from contracts with customers	10,671,135	3,948,577
<b>Geographical markets</b>		
Australian customers	3,523,486	2,373,678
Overseas customers	7,147,649	1,574,899
Total revenue from contracts with customers	10,671,135	3,948,577

**The Market Herald Limited**  
**ACN 611 717 036**  
**Notes to the Consolidated Financial Statements**

**5. Other Income**

	31 December 2020	31 December 2019
	\$	\$
Fair value gain on equity instruments at fair value through profit or loss	5,740,912	324,539
Dividend	8,342	-
Government grant	289,670	-
Other income	36,920	17,358
	6,075,844	341,897

**6. Other Expenses**

	31 December 2020	31 December 2019
	\$	\$
Included in other expenses are the following significant items:		
Acquisition expenses	-	1,378,195
Consultant fees	272,313	218,128
Subscriptions – office software	280,788	103,671
Hosting fees	99,119	90,168
Market data	293,387	141,977
Marketing and advertising	45,686	107,865
IT Expenses	182,343	134,623

**7. Earnings Per Share (EPS)**

	31 December 2020	31 December 2019
	\$	\$
Basic earnings/(loss) per share (cents)	3.10	(1.73)
Diluted earnings/(loss) per share (cents)	2.96	(1.73)
Net profit/(loss) after income tax	5,874,502	(2,261,945)
Weighted average number of ordinary shares used in calculating basic earnings/(loss) per share	189,442,423	130,422,891
Weighted average number of ordinary shares used in calculating diluted earnings/(loss) per share	198,492,423	130,422,891

Options are anti-dilutive if the company is in a loss position. Therefore the options have the effect of reducing the loss per share.

**The Market Herald Limited**  
**ACN 611 717 036**  
**Notes to the Consolidated Financial Statements**

**8. Cash and Cash Equivalents**

	<b>31 December 2020</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	6,928,131	2,376,193
	<u>6,928,131</u>	<u>2,376,193</u>

**9. Trade and Other Receivables**

	<b>31 December 2020</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
Trade receivables at amortised cost	2,277,385	2,095,356
Allowance for expected credit loss	(523,565)	(738,928)
Other receivables	631,008	569,299
	<u>2,384,828</u>	<u>1,925,727</u>

Trade receivables are measured at amortised cost.

**10. Financial Assets**

	<b>31 December 2020</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Fair value through profit or loss – options and debentures	6,147,192	-
Fair value through profit or loss – quoted shares	5,051,540	-
	<u>11,198,732</u>	<u>-</u>
 <b>Non-Current</b>		
Fair value through profit or loss – options	-	4,225,874
Fair value through other comprehensive income – quoted shares	3,410,458	8,883,137
	<u>3,410,458</u>	<u>13,109,011</u>

**The Market Herald Limited**  
**ACN 611 717 036**  
**Notes to the Consolidated Financial Statements**

## 11. Business Combination

On 7 November 2019, The Market Herald Limited ("The Market Herald") obtained control of Stockhouse Publishing Limited ("Stockhouse Publishing") by acquiring 100 per cent of its outstanding ordinary shares. The Market Herald's acquisition of Stockhouse Publishing is a key step in its strategy to grow a global finance news and retail investor relations platform. The following table summarises the consideration paid and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date.

Consideration	AU\$
Cash	16,296,598
Deferred payment	2,232,834
Equity instruments (a)	2,268,617
Contingent consideration arrangement (b)	920,207
Estimated working capital adjustment	(496,406)
<b>Total consideration transferred</b>	<b>21,221,850</b>

- (a) 16,950,876 ordinary shares of The Market Herald were issued as part of the consideration. The fair value of the ordinary shares issued was based on the listed price of The Market Herald's ordinary shares on the acquisition date.
- (b) The Group has agreed to pay the selling shareholders in two years' time additional consideration of AU\$920,207 (CAD\$: 903,459) if revenue of the acquiree exceeds AU\$11 million (CAD\$10 million) for the year ended 31 December 2020. The additional consideration will be paid in four equal quarterly instalments commencing 31 March 2021.

Recognised amounts of identifiable assets acquired and liabilities assumed	AU\$
Cash	1,850,700
Financial assets	2,956,090
Property, plant and equipment	310,863
Financial liabilities	(3,901,491)
Deferred tax liability	(29,812)
<b>Total identifiable net assets</b>	<b>1,186,350</b>
Trademark	19,721,595
Customer relationship	2,895,397
Goodwill	3,525,096
Deferred tax liabilities	(6,100,588)
<b>Total</b>	<b>21,221,850</b>

Key factors contributing to goodwill arising on acquisition are the synergies existing within the acquired business, and synergies expected to be achieved as a result of combining Stockhouse Publishing with the rest of the Group.

**The Market Herald Limited**  
**ACN 611 717 036**  
**Notes to the Consolidated Financial Statements**

**Note 12: Intangibles**

	<b>Consolidated</b>	
	<b>31 December 2020</b>	<b>30 June 2020*</b>
<b>Software development</b>	<b>\$</b>	<b>\$</b>
Gross carrying value – at cost	788,277	788,277
Accumulated amortisation	(619,756)	(566,251)
Net carrying amount	168,521	222,026
<b>Software development</b>		
Net carrying amount at 1 July	222,026	356,466
Amortisation	(53,505)	(134,440)
Net carrying amount	168,521	222,026
<b>Intangibles arising from business combinations AASB 3</b>		
<b>Customer Relationship</b>		
Net carrying amount at 1 July	1,455,262	-
Addition	-	3,163,786
Foreign exchange difference	(27,767)	(65,089)
Amortisation	(1,203,796)	(1,643,436)
Net carrying amount	223,699	1,455,262
<b>Trademarks</b>		
Net carrying amount at 1 July	20,627,103	-
Addition	-	21,549,688
Foreign exchange difference	(905,508)	(922,585)
Net carrying amount	19,721,595	20,627,103
<b>Goodwill</b>		
Net carrying amount at 1 July	3,686,949	-
Addition	-	3,851,855
Foreign exchange difference	(161,853)	(164,906)
Net carrying amount	3,525,096	3,686,949
<b>Total</b>	<b>23,638,911</b>	<b>25,991,339</b>

\*Restated. Refer note 2 for details.

**The Market Herald Limited**  
**ACN 611 717 036**  
**Notes to the Consolidated Financial Statements**

### 13. Trade and Other Payables

	31 December 2020	30 June 2020*
	\$	\$
<b>Current</b>		
Trade creditors	77,443	212,211
GST/HST payable	152,143	161,183
Other current liabilities	621,079	-
Sundry payables and accrued expenses	-	782,896
Stockhouse consideration – deferred consideration**	968,875	1,434,887
Stockhouse consideration – contingent consideration***	982,024	505,919
	<u>2,801,564</u>	<u>3,097,096</u>
<b>Non-Current</b>		
Stockhouse consideration – deferred consideration**	-	983,736
Stockhouse consideration – contingent consideration***	-	491,169
	<u>-</u>	<u>1,474,905</u>

\*Restated. Refer to note 2 for details.

\*\*The fair value of the deferred consideration was discounted at a discount rate of 5.9 percent.

\*\*\*The fair value of the contingent consideration arrangement was estimated by applying the income approach. The fair value measurement is based on significant Level 3 inputs. Key assumptions include a discount rate range of 5.9 per cent and assumed probability-adjusted revenues.

### 14. Provisions

	31 December 2020	30 June 2020
	\$	\$
<b>Current</b>		
Employee benefits	292,158	236,357
	<u>292,158</u>	<u>236,357</u>

**The Market Herald Limited**  
**ACN 611 717 036**  
**Notes to the Consolidated Financial Statements**

## **15. Unearned Revenue**

Movements in unearned revenue for the period ended 31 December 2020 is as follows:

	<b>31 December 2020</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
Opening balance	4,853,747	1,431,969
Additions:	5,508,572	10,840,397
Revenue recognised in the period from:		
- Amounts included in the deferred revenue at the beginning of the period	(3,522,536)	(2,989,442)
- Advance payments applied to current period	(2,924,822)	(4,429,177)
Closing balance	<u>3,914,961</u>	<u>4,853,747</u>

## **16. Interest-bearing Liabilities**

	<b>31 December 2020</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
Current	2,037,075	2,130,606
Non-current	<u>7,857,464</u>	<u>9,461,090</u>
Total	<u>9,894,539</u>	<u>11,591,696</u>

The initial value of the term loan is CAD \$11m with interest rate of Canadian Prime rate plus 1.95% per annum. The loan repayments consist of monthly interest only during each of the first six (6) months, followed by straight-line amortization over the subsequent sixty-six (66) months by way of blended payments of principal and interest. This loan is secured by first-ranking charge on all of the present and after-acquired personal property of the borrower (Report Card Media Canada Ltd) and each of its subsidiaries.

**The Market Herald Limited**  
**ACN 611 717 036**  
**Notes to the Consolidated Financial Statements**

**17. Issued and Paid Up Capital**

	<b>31 December 2020 Number</b>	<b>30 June 2020 Number</b>	<b>31 December 2020 \$</b>	<b>30 June 2020 \$</b>
<b>(a) Share Capital</b>				
Ordinary shares –fully paid	178,229,878	177,428,378	20,981,009	20,788,649
Ordinary shares – other*	11,538,461	11,538,461	-	-
	<b>189,768,339</b>	<b>188,966,839</b>	<b>20,981,009</b>	<b>20,788,649</b>

\*Shares issued under the long term incentive plan to the Managing Director is subject to repayment of a limited recourse loan made to the Managing Director. The shares may not be traded until the limited recourse loan in respect to those shares has been paid in full.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

**(b) Movement in ordinary share capital**

<b>Date</b>	<b>Details</b>	<b>No. of shares</b>	<b>\$</b>
<b>1 July 2019</b>	<b>Shares on issue</b>	<b>106,985,001</b>	<b>11,641,211</b>
28 October	Issue under capital raising	42,838,335	5,568,983
6 November	Issue under capital raising	10,654,166	1,385,041
7 November	Issued as part consideration for the acquisition of Stockhouse (refer Note 11a)	16,950,876	2,457,878
7 November	Share issue cost		(264,464)
27 December	Issued under long term incentive plan	11,538,461	-
<b>30 June 2020</b>	<b>Shares on issue</b>	<b>188,966,839</b>	<b>20,788,649</b>
1 September	Issue under capital raising	101,500	24,360
14 September	Issue under capital raising	700,000	168,000
<b>31 December 2020</b>	<b>Shares on issue</b>	<b>189,768,339</b>	<b>20,981,009</b>

**(c) Capital Risk Management**

The Group's objectives when managing its capital are to safeguard its ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a capital structure balancing the interests of all shareholders.

The Board will consider capital management initiatives as is appropriate and in the best interests of the Group and shareholders from time to time, including undertaking capital raisings, share buy-backs, capital reductions and the payment of dividends.



**The Market Herald Limited**  
**ACN 611 717 036**  
**Notes to the Consolidated Financial Statements**

## 18. Share Based Payments

The following table illustrates the outstanding options granted, exercised and forfeited during the half-year:

	Number	Weighted average exercise price \$
Outstanding at 30 June 2020	23,188,461	0.23
Options exercised	(801,500)	0.24
Options expired	(4,548,500)	0.24
Director incentive options (i)	2,750,000	0.32
Outstanding at 31 December 2020	<u>20,588,461</u>	<u>0.21</u>

- (i) 2,750,000 options were issued to the Directors, or their nominees as approved at the AGM held on 30 November 2020. The option is exercisable at \$0.32 on or before 31 January 2023. The options valuation is based on assumptions being, risk free rate of 0.31%, expected volatility of 58% and expected dividend of 0%. Fair value per option is \$0.08. Total share based payments expense recognised for the half-year ended 31 December 2020 is \$220,664.

## 19. Related Party Transactions

	31 December 2020 \$	30 June 2020 \$
Interest receivable owing from director, Mr Jag Sanger. Relates to the limited recourse loan facility of \$1,500,000	30,287	15,246
	<u>30,287</u>	<u>15,246</u>

### Terms and conditions of transactions with related parties

Outstanding balances at reporting date are unsecured. There have been no guarantees provided or received for any related parties.

## 20. Dividends Paid or Provided For

No dividends were paid during the half-year ended 31 December 2020 (31 December 2019: \$nil).

**The Market Herald Limited**  
**ACN 611 717 036**  
**Notes to the Consolidated Financial Statements**

## 21. Fair Value Measurement

The Group invests in the issue of ordinary shares as part of a capital raising by existing clients of the Group. These investments are paid for in cash at the time of the application on the same price terms as other investors applying for ordinary shares in the capital raising.

The following table provides the fair value measurement hierarchy of the Group's assets as at 31 December 2020.

		Fair value measurement using		
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	\$	\$	\$	\$
<b>Assets</b>				
Ordinary shares at fair value through other comprehensive income (Note 10)	3,410,458	3,410,458	-	-
Ordinary shares at fair value through profit or loss (Note 10)	5,051,540	5,051,540	-	-
Options and debentures at fair value through profit or loss (Note 10)	6,147,192	40,255	6,106,937	-
	<u>14,609,190</u>	<u>8,502,253</u>	<u>6,106,937</u>	<u>-</u>
<b>Liabilities</b>				
Deferred consideration at fair value through profit or loss (Note 13)	968,875	-	968,875	-
Contingent consideration at fair value through profit or loss (Note 13)	982,024	-	982,024	-
	<u>1,950,899</u>	<u>-</u>	<u>1,950,899</u>	<u>-</u>

**The Market Herald Limited**  
**ACN 611 717 036**  
**Notes to the Consolidated Financial Statements**

## 21. Fair Value Measurement (Continued)

The following table provides the fair value measurement hierarchy of the Group's assets as at 30 June 2020.

		Fair value measurement using		
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	\$	\$	\$	\$
<i>Assets</i>				
Ordinary shares at fair value through other comprehensive income (Note 10)	8,883,137	8,883,137	-	-
Options at fair value through profit or loss (Note 10)	4,225,874	124,352	4,101,522	-
	<u>13,109,011</u>	<u>9,007,489</u>	<u>4,101,522</u>	<u>-</u>
<i>Liabilities</i>				
Deferred consideration at fair value through profit or loss (Note 13) *	2,418,623	-	-	2,418,623
Contingent consideration at fair value through profit or loss (Note 13)	505,919	-	-	505,919
Contingent consideration at fair value through profit or loss (Note 13)	491,169	-	-	491,169
	<u>3,415,711</u>	<u>-</u>	<u>-</u>	<u>3,415,711</u>

\*Restated. Refer to note 2 for details.

The fair value measurement is based on significant Level 3 inputs. Key assumptions include a discount rate range of 5.9 per cent and assumed probability-adjusted revenues.

## 22. Events After Balance Date

The outbreak of the COVID-19 pandemic is impacting global economic markets. The Directors continue to monitor the situation closely and have considered the impact of COVID-19 on the Group's business and financial performance. However, the situation is continually evolving and the impacts are therefore inevitably uncertain.

No other matters or circumstances have arisen since 31 December 2020 that have significantly affected or may significantly affect;

- The Group's operations in future financial years; or
- The results of those operations in future financial years; or
- The Group's state of affairs in future financial years.

**The Market Herald Limited**  
**ACN 611 717 036**  
**Director's Declaration**

---

In accordance with a resolution of the directors of The Market Herald Limited, I state that:

In the opinion of the directors:

- (a) The financial statements and notes of The Market Herald Limited for the half-year ended 31 December 2020 are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
  - (ii) complying with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Regulations 2001*; and
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the board



Alec Pismiris  
Chairman

25 February 2021

**RSM Australia Partners**

Level 32, Exchange Tower  
2 The Esplanade Perth WA 6000  
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100  
F +61 (0) 8 9261 9111  
[www.rsm.com.au](http://www.rsm.com.au)

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF  
THE MARKET HERALD LIMITED**

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of The Market Herald Limited which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

*Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of The Market Herald Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**THE POWER OF BEING UNDERSTOOD**  
**AUDIT | TAX | CONSULTING**

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of The Market Herald Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.


*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of The Market Herald Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 25 February 2021