

**ASX Announcement**

**18 May 2020**

## **OPERATIONAL AND STRATEGY UPDATE AND NAME CHANGE**

The board of HotCopper Holdings Limited (“HotCopper” or the “Company”) is pleased to provide an update on the Company’s strategy to build a global finance news and investor relations platform.

HotCopper is successfully delivering on its strategic initiatives as presented at the 29<sup>th</sup> November 2019 AGM. Since November 2019, the Company has successfully delivered the following:

1. **Established The Market Herald as the fastest\* growing Australian breaking market news platform**, reaching over 1 million investors a month across its communities, live and magazine brands, and launched the masthead in Canada. The vision for The Market Herald is a breaking news multi-platform brand that initially targets the \$AU800m pa digital market for luxury and wealth brand advertising across Australia and Canada.
2. **Established Advisir as a fast-growing disruptive investor relations and communications consultancy for ASX companies**, serving over 200 ASX companies across its consulting, ventures and campaign offers, and launched the practice in North America. The vision for Advisir is a digital first professional services practice that initially targets the \$150m pa small to mid-cap listed investor relations and communications markets in Australia and Canada.
3. **Successfully integrated the \$22m acquisition of Stockhouse, the leading North American investor community**, increasing revenues and launching new products across multiple exchanges and markets. Through this acquisition the group now serves 2 out of the 5 largest exchange markets by listings in the world and generates approximately 100m page impressions a month.

To further reinforce the Company’s growth and successful execution of its disruptive digital strategy, HotCopper proposes the following initiatives:

- 1) To change the name of the holding company to reflect the mission and direction of future initiatives, from HotCopper Holdings Ltd to The Market Herald Ltd.
- 2) To change the current ASX market code from HOT to TMH.

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The Board of HotCopper has further resolved to change the current auditor. RSM Australia was the successful tenderer for the group's Australian and Canadian audit requirements and, subject to ASIC consent, the Board of HotCopper has resolved to appoint RSM Australia as its auditor.

A notice of general meeting will be circulated to shareholders shortly.

## **Managing Director Commentary**

### **Our vision**

"Our vision is to digitally disrupt the finance and business news media industry by serving the needs of individuals with self-directed wealth. In Australia alone, if this segment were to be a fund, it would manage almost \$800bn. The heart of our offer is understanding the needs and behaviours of this affluent and hard to reach audience, and then connecting the right companies and brands in the right ways to this community. "

### **Our response to media disruption**

"Globally, media is facing un-precedented disruption. The traditional giants of media are finding it hard to adapt. Their legacy models and culture mean digital is a threat. We are different. From our beginning, we have been built for digital. Our workflows, newsroom, technology and culture embrace digital – not fight it. Every day we cover more ASX market breaking news stories than any other news organisation. We deliver this seamlessly over online, video – and soon print. And we do this at a cost of delivery that's not possible by traditional media."

### **Our sustainable format and technology advantage**

"We focus on breaking news – not talking heads. We've hired, trained and deployed a very different kind of journalist. Our team is multi-platform, they write for the web, for broadcast, and soon print. Our formats are directed at investors. We give them what they need to make fact based and informative decisions – quickly. Our news gathering, creation and delivery is based on our own platforms and technology that we have built. The combination of investor focused formats, operational efficiencies and proprietary technology means we have a sustainable advantage over traditional media organisations. We can do far more for far less."

### **Our use of data and proprietary analytics**

"We have a unique investor sentiment database of tens of millions of first party data points that give us insights that are unavailable to other media organisations. Currently we use this to inform story creation and cohort targeting. This means we create the right information for the right audience. In the future as we apply more sophisticated machine learning based analysis we will create a wide range of behavioural finance based sentiment indicators for use by financial markets participants. We believe we are in a unique position to do this and our data driven products will be a key differentiator in the future.

### **Our global expansion**

"We've pioneered a new way of gathering, creating and delivering breaking market news to affluent audiences. We've created a multi-platform and multi-brand structure under a common masthead to create operational efficiencies. Our audience and revenue growth –

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during a period when most media organisations have contracted – shows our business model and playbook works. We’ve identified similar markets where we believe we have the same combination of large investor audiences served by legacy media incumbents. Our global expansion will be to expand our masthead and model to these markets, sharing knowledge and costs. In this thoughtful and measured way we will create a global finance news and investor relations platform.”

\*-Based on a peer group of The Australian Financial Review, The Australian and larger digital mastheads sourced from Nielsen 2020. Growth based on reported data during the period Jan – April 2020 (Source: The Australian Financial Review, The Australian, Roy Morgan, 2019, 2020)