

ASX Announcement

25 February 2022

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

2021 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 2021.

Current reporting period: Half-year ended 31 December 2021

Previous interim reporting period: Half-year ended 31 December 2020

Previous full year reporting period: Full year ended 30 June 2021

Appendix 4D: Half-Year Report ended 31 December 2021 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 2020)	Movement	31 Dec 2021	31 Dec 2020
Earnings			
Cash receipts from customers	Up 40%	14,131,728	10,091,447
Net cashflow from operating activities	Up 51%	2,501,658	1,659,270
Revenue from ordinary activities	Up 20%	12,854,043	10,671,135
Realised and unrealised gains/(losses) on portfolio	Down 136%	(2,072,555)	5,740,912
Profit/(loss) before income tax	Down 97%	258,523	8,173,797
Profit/(loss) for the period attributable to ordinary equity holders	Down 99%	37,087	5,874,502
Appendix 4D Net tangible asset per share			
Net tangible assets/ (liabilities)	Up 6,496%	8,242,436	124,961
Fully paid ordinary shares on issue at Balance Date		192,629,035	189,768,339
Net tangible assets/(liabilities) backing per issued ordinary share (cents)	Up 6,014%	4.28	0.07
Others			
Cash, financial assets, and motor vehicles (gross)	Up 18%	27,011,543	22,843,554
Cash	Up 29%	8,942,351	6,928,131
Deferred revenue	Up 31%	5,140,797	3,914,961

Commentary of the results

The Company delivered a record revenue from contracts with customers of \$12,854,043 for the half year ended 31 December 2021 representing a 20% increase from the prior corresponding period. (31 December 2020: 10,671,135) These contracts are prepaid and deferred to the Statement of Financial Position to be recognised as customers utilise services over the contract's life, typically twelve months. The Company has already secured unrecognised revenue of \$5,140,797 on the Statement of Financial Position as at 31 December 2021 representing a 13% increase from 30 June 2021's balance of \$4,563,436 or an increase of 31% from 31 December 2020's balance of \$3,914,961. Cash receipts from customers have increased by 40% rising from \$10,091,447 in 31 December 2020 to \$14,131,728 for the period ended 31 December 2021. The Company has also achieved a 51% increase in net cashflow from operating activities to report a net cash inflow from operating activities of \$2,501,658 for the half-year ended 31 December 2021 (31 December 2020: \$1,659,270). This reflects the Company's continued growth in customer contracts and at the same time controlling its costs.

The Company is reporting a net profit before tax of \$258,523 for the half-year period ended 31 December 2021 (31 December 2020:\$8,173,797). The decrease is mainly driven by the realised and unrealised portfolio losses of \$2,072,555 for the half-year ended 31 December 2021 down by \$7,813,467 from prior period's \$5,740,912 portfolio gains. Of the \$7,813,467 movement, \$5,219,046 is attributed to the revaluation of warrants and debentures, primarily a non-cash movement. In real terms cash and assets have increased during the period.

The Company remains well-capitalised with cash and cash equivalents of \$8,942,351 (30 June 2021: \$13,174,127) and financial assets of \$13,930,634 (30 June 2021: \$14,031,882) as at 31 December 2021.

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 2021.

Investor and media enquiries

Jag Sanger
Managing Director
The Market Herald
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The Market Herald

FIRST WITH THE NEWS THAT MOVES MARKETS

**ACCELERATING
CASH GENERATION**

**CONTINUING
GLOBAL EXPANSION**

**LAUNCHING
STREAMING CHANNEL**

**31 December 2021
INTERIM FINANCIAL REPORT**

THE MARKET HERALD (ASX:TMH)
AND ITS CONTROLLED ENTITIES
ACN 611 717 036

INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

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Corporate Directory

Directors

Alec Christopher Pismiris
Gavin John Argyle
Colin Edward Chenu
Jag Sanger

Company Secretary

Ben Donovan

Registered and Principal Office

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Auditor

RSM Australia Partners
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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 2021.

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 countries and 3 offers as follows:

- 1) **Digital business news and streaming:** The company operates The Market Herald Australia, one of the fastest growing Australian business digital news masthead. In addition the company operates The Market Herald Canada, one of the fastest growing Canadian business digital news masthead, and The Market Herald Deutschland, a German language digital business news platform serving investors in Germany, Austria and Switzerland.
- 2) **Digital business communities:** The Company also operates the largest digital business communities in Australia and Canada. Combined, the business communities reach 3 million investors on platform and further 2.7 million investors off platform. In addition, the Market Herald Group serves over 100 million page impressions a month and 22 million video streams.
- 3) **Digital investor relations and wealth brand consulting:** The Market Herald group serves the most affluent audiences in each of its markets. To help advertisers and listed companies effectively engage with this audience the Group launched Advisir, a digital strategy consulting business. The Advisir platform serves over 410 listed clients and reaches over 3 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

Accelerating Cash Generation

Over the past 18 months the company has developed a repeatable and consistent model for serving its advertising clients. This is shown in greater revenues, but also an acceleration of cash generation. Cash receipts from clients increased by 40% rising from \$10,091,447 at 31 December 2020 to \$14,131,728 for the period ended 31 December 2021. The Company has also achieved a 51% increase in net cashflow from operating activities to report a net cash inflow from operating activities of \$2,501,658 for the half-year ended 31 December 2021 (31 December 2020: \$1,659,270). This reflects first the successful execution of a proven model, and second costs discipline that allows the company to create scale effects. As the company grows these scale effects will provide a sustainable competitive differentiation from its peers.

Though revenues and cash generation have significantly increased statutory reported profit is less than the previous corresponding period. This is primarily driven by two factors – Warrant valuation and Revenue recognition.

The first factor, warrant valuation, is that the company takes some fees from clients in the form of stock and warrants, and these are held in a non-mandate portfolio that is designed to provide clients fee flexibility. This portfolio is not actively managed, and has no return targets. The valuation methodology used to value warrants during the half year shows a lower value than the previous corresponding period and is reflected in the statutory profit.

The second, revenue recognition, is the changing mix of client contracts, typically for a longer term and larger value than in previous periods. The revenue recognition methodology required of the company means that though cash has been received, a greater amount of revenue is deferred than in previous periods, and this will be released to statutory profit as services are provided. This has resulted in an increase of deferred revenue, with less attributed revenue during the half year.

Review of operations and results

Continuing Global Expansion

During the half-year, The Market Herald continued to deliver on its strategic initiatives to build an analytics-driven, global, multi-media business and finance news platform that builds and engages high-value audiences.

As our strategy outlined at our AGM meetings the company is actively pursuing both organic and non-organic growth opportunities.

Organic geographic expansion during the half year included significantly expanding its operations serving Canadian investors through The Market Herald Canada, broadcasting live from the Canadian Securities Exchange, and the launch of a German language version of the masthead, The Market Herald Deutschland, serving investors and affluent audiences in Germany, Austria and Switzerland.

The Market Herald now serves 3 key markets across 5 significant stock exchanges, with a potential investor and affluent consumer audience of approximately 38 million people, approximately 18k listed companies and approximately 101k programmatic advertisers targeting high income users. Currently The Market Herald group serves 4 million investors, with over 1 million registered subscribers, approximately 410 listed companies and 4,200 programmatic advertisers.

The company will continue its organic global expansion by offering more products and services, especially for luxury and wealth brand advertisers.

The company will continue to update the market and investors on further non-organic growth options as these are progressed.

Review of operations and results

Launching Streaming Channel

2021 was a landmark year for broadcast television in many markets, including the UK, the US and Australia. Ratings companies such as Nielsen reported for the first time streaming television channels equalled or beat their terrestrial rivals.

Legacy broadcasters, advertisers and regulators in many markets are developing responses to this disruption. A recent green paper from the Australian Government lays out how media reform might develop.*

Business and Finance Television is increasingly becoming an important area for streaming services. The combination of media reform, new technologies and changing consumer behaviours means local – and global – traditional broadcasters need to rapidly innovate to compete in a very different media landscape. CNN, a major global channel, describes its recent launch of streaming news as “the most important launch for CNN since Ted Turner launched the network in June of 1980.”

The Market Herald is well placed to be a leading player in the future of streaming business and finance television.

Last year we announced the launch of our pilot streaming business television network powered by Scheduler, our own proprietary technology platform. During our pilot we rapidly became the number 1 business and finance streaming programmer in Australia (Nielsen).

During the last half year we have further invested in the people, platforms and processes to build and launch TMH ONE – a streaming business and finance television channel. We have unique technology, workflow and cultural advantages over our legacy peers to lead in a market undergoing profound disruption. TMH ONE will be available on web, mobile app and all Smart TVs. We will announce more on this significant business development during the next few months.

31 December 2021 Half-Yearly Results

Financial Performance	31-Dec-21	31-Dec-20	Change	Percentage Change
	\$	\$	\$	%
Cashflow Statement				
Cash receipts from customers	14,131,728	10,091,447	4,040,281	40%
Net cashflow from operating activities	2,501,658	1,659,270	842,388	51%
Income Statement				
Revenue from ordinary activities	12,854,043	10,671,135	2,182,908	20%
Other revenue	46,303	6,075,844	(6,029,541)	(99%)
Total revenue	12,900,346	16,746,979	(3,846,633)	(23%)
Realised and unrealised gains/(losses) on portfolio	(2,072,555)	5,740,912	(7,813,467)	(136%)
EBITDA	897,270	10,100,327	(9,203,057)	(91%)
Profit before Tax	258,523	8,173,797	(7,915,274)	(97%)
Balance Sheet				
Cash, financial assets, and motor vehicles (gross)	27,011,543	22,843,554	4,167,989	18%
Cash	8,942,351	6,928,131	2,014,220	29%
Deferred revenue	5,140,797	3,914,961	1,225,836	31%

The Company delivered record revenue from ordinary activities of \$12,854,043 for the half year ended 31 December 2021 representing a 20% increase from the prior corresponding period (31 December 2020: 10,671,135). These contracts are prepaid and deferred to the Statement of Financial Position to be recognised as customers utilise services over the contract's life, typically twelve months. The Company has already secured unrecognised revenue of \$5,140,797 on the Statement of Financial Position as at 31 December 2021 representing a 13% increase from 30 June 2021's balance of \$4,563,436 or an increase of 31% from 31 December 2020's balance of \$3,914,961. Cash receipts from customers have increased by 40% rising from \$10,091,447 in 31 December 2020 to \$14,131,728 for the period ended 31 December 2021. The Company has also achieved a 51% increase in net cashflow from operating activities to report a net cash inflow from operating activities of \$2,501,658 for the half-year ended 31 December 2021 (31 December 2020: \$1,659,270). This reflects the Company's continued growth in customer contracts and at the same time controlling its costs.

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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 2021.

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 2021 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 2021 is included on page 9 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



Jag Sanger
Managing Director

25 February 2022

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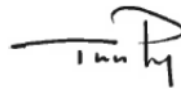
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of The Market Herald Limited for the half-year ended 31 December 2021, 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 2022

Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Half-Year Ended 31 December 2021

	Note	31 December 2021 \$	31 December 2020 \$
Revenue from contracts with customers	3	12,854,043	10,671,135
Other income	4	46,303	6,075,844
Employee and director benefits expense		(5,184,844)	(3,220,956)
Share based payments		–	(220,664)
Depreciation and amortisation		(379,943)	(1,570,829)
Commissions paid		(662,336)	(647,848)
Finance cost		(258,804)	(355,701)
Other expenses	5	(6,155,896)	(2,557,184)
Profit before income tax		258,523	8,173,797
Income tax expense		(221,436)	(2,299,295)
Profit for the period attributable to members of the Company		37,087	5,874,502
Other comprehensive Income			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax):</i>			
Net (loss)/gain on equity instruments designated at fair value through other comprehensive income		(515,349)	1,693,087
Movement in foreign currency translation reserve		149,031	(244,226)
Total comprehensive (loss)/income for the period attributable to members of the Company, net of tax		(329,231)	7,323,363
Earnings per share attributable to members			
Basic earnings per share	6	0.02	3.10
Diluted earnings per share	6	0.02	2.96

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

Interim Consolidated Statement of Financial Position as at Half-Year Ended 31 December 2021

	Note	31 December 2021 \$	30 June 2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	8,942,351	13,174,127
Trade and other receivables	8	2,917,036	2,887,353
Financial assets	9	13,272,987	12,457,341
Other current assets		306,396	246,081
TOTAL CURRENT ASSETS		25,438,770	28,764,902
NON-CURRENT ASSETS			
Plant and equipment		4,206,896	2,187,541
Intangibles	10	24,805,140	24,637,385
Right-of-use assets		778,665	451,355
Financial assets	9	657,647	1,574,541
Other receivables	8	62,291	46,623
Other assets		162,491	137,207
Deferred tax assets		487,598	-
TOTAL NON-CURRENT ASSETS		31,160,728	29,034,652
TOTAL ASSETS		56,599,498	57,799,554
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	1,594,316	2,850,804
Lease liability		285,483	159,166
Provisions	12	660,613	535,165
Contract liabilities	13	5,140,797	4,563,436
Interest bearing liabilities	14	2,163,336	2,146,388
Current tax liability		1,303,693	685,983
TOTAL CURRENT LIABILITIES		11,148,238	10,940,942
NON-CURRENT LIABILITIES			
Interest bearing liabilities	14	6,181,129	7,205,896
Deferred tax liabilities		5,669,579	6,215,581
Lease Liability		552,976	346,433
TOTAL NON-CURRENT LIABILITIES		12,403,684	13,767,910
TOTAL LIABILITIES		23,551,922	24,708,852
NET ASSETS		33,047,576	33,090,702
EQUITY			
Issued and paid up capital	15	21,683,184	21,397,079
Reserves		(8,578,450)	(8,212,132)
Retained earnings		19,942,842	19,905,755
TOTAL EQUITY		33,047,576	33,090,702

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

Interim Consolidated Statement of Changes in Equity for the Half-Year Ended 31 December 2021

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
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	20,788,649	993,453	1,488,311	2,996,607	(55,312)	(10,184,223)	16,027,485
Profit for the half-year	-	5,874,502	-	-	-	-	5,874,502
Other comprehensive income	-	-	-	1,693,087	(244,226)	-	1,448,861
Total comprehensive income	-	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
Balance at 31 December 2020	20,981,009	6,867,955	1,708,975	4,689,694	(299,538)	(10,184,223)	23,763,872

Half-year ended 31 December 2021	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
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	21,397,079	19,905,755	1,708,975	-	263,116	(10,184,223)	33,090,702
Profit for the half-year	-	37,087	-	-	-	-	37,087
Other comprehensive income	-	-	-	(515,349)	149,031	-	(366,318)
Total comprehensive income	-	37,087	-	(515,349)	149,031	-	(329,231)
Exercise of option	286,105	-	-	-	-	-	286,105
Balance at 31 December 2021	21,683,184	19,942,842	1,708,975	(515,349)	412,147	(10,184,223)	33,047,576

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

Interim Consolidated Statement of Cash Flows for the Half-Year Ended 31 December 2021

	Note	31 December 2021 \$	31 December 2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		14,131,728	10,091,447
Payments to suppliers and employees		(10,938,468)	(7,506,917)
Receipt from government grants		-	270,870
Interest received		22,275	8,880
Income tax paid		(690,825)	(1,185,565)
Interest paid		(23,052)	(19,445)
Net cash provided by operating activities		2,501,658	1,659,270
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of financial instruments		(7,202,646)	(5,104,077)
Proceeds from sale of financial instruments		5,127,382	11,941,530
Purchase of plant and equipment		(2,260,355)	(725,202)
Proceeds from convertible note repayment		35,000	-
Payment for security deposit		(69,463)	-
Dividends received		-	2,716
Proceeds from sale of plant and equipment		10,750	-
Payment for Stockhouse acquisition, net of cash acquired		(1,355,843)	(1,448,364)
Net cash (used in)/provided by investing activities		(5,715,175)	4,666,603
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		286,106	192,360
Payment of lease liabilities		(122,812)	(189,346)
Loan repayment		(1,084,676)	(1,225,050)
Loan to unrelated party		-	(100,000)
Interest paid		(201,407)	(241,852)
Net cash (used in) financing activities		(1,122,789)	(1,563,888)
Net (decrease)/increase in cash and cash equivalents		(4,336,306)	4,761,985
Net foreign exchange difference		104,530	(210,047)
Cash and cash equivalents at beginning of financial period		13,174,127	2,376,193
Cash and cash equivalents at end of financial period	7	8,942,351	6,928,131

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

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 2022.

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 2021 is a condensed general purpose financial report prepared in accordance with AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Accounting Standard 34 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 2021 and considered with any public announcements made by the Group during the half-year ended 31 December 2021 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 2021 unless stated otherwise.

New or amended Accounting Standards and Interpretations adopted

The Group 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.

2. Segment Information

For management purposes the Group is organised into three operating segments, which involves the operation of the Australian digital community and the Market Herald websites, being the "The Market Herald" segment, Canadian digital community, being "Stockhouse" segment, and car leasing business, being "Subscribacar segment". All significant operating decisions are based upon analysis of the Group as three segments.

	The Market Herald \$	Stockhouse \$	Subscribacar \$	Total \$
Revenue				
31 December 2021	3,727,248	8,276,889	849,906	12,854,043
31 December 2020	3,484,085	6,893,286	293,764	10,671,135
Segment (loss)/profit				
31 December 2021	(1,332,063)	1,499,163	(130,013)	37,087
31 December 2020	(56,930)	5,998,254	(66,822)	5,874,502
Assets				
As at 31 December 2021	8,007,661	44,465,003	4,126,834	56,599,498
As at 30 June 2021	7,089,855	48,679,429	2,030,270	57,799,554

3. Revenue from Contracts with Customers

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

	31 December 2021 \$	31 December 2020 \$
Revenue from contracts with customers		
Advertising service	12,004,137	10,377,371
Subscription income	849,906	293,764
	12,854,043	10,671,135
Timing of revenue income		
Advertising services and subscription income – Revenue recognised overtime	6,918,707	5,724,879
Advertising services – Revenue recognised at a point in time	5,935,336	4,946,256
	12,854,043	10,671,135
Geographical markets		
Australian customers	4,479,828	3,523,486
Overseas customers	8,374,215	7,147,649
	12,854,043	10,671,135

4. Other Income

	31 December 2021 \$	31 December 2020 \$
Gain on revaluation of FVTP&L assets	–	1,813,454
Gain on disposal options and shares	–	3,927,458
Dividend	–	8,342
Government grant	4,235	289,670
Other income	42,068	36,920
	46,303	6,075,844

5. Other Expenses

	31 December 2021 \$	31 December 2020 \$
Included in other expenses are the following significant items:		
Consultant fees	591,032	272,313
Subscriptions – office software	300,548	280,788
Hosting fees	121,175	99,119
Market data	390,148	293,387
Loss on revaluation of FVTP&L assets	1,519,669	–
Loss on disposal of FVTP&L assets	552,886	–
Marketing and advertising	75,530	45,686
IT Expenses	164,252	182,343

6. Earnings Per Share (EPS)

	31 December 2021 \$	31 December 2020 \$
Basic earnings per share (cents)	0.02	3.10
Diluted earnings per share (cents)	0.02	2.96
Net profit after income tax	37,087	5,874,502
Weighted average number of ordinary shares used in calculating basic earnings per share	192,014,923	189,442,423
Weighted average number of ordinary shares used in calculating diluted earnings per share	198,204,227	198,492,423

7. Cash and Cash Equivalents

	31 December 2021 \$	30 June 2021 \$
Cash at bank	8,942,351	13,174,127
	8,942,351	13,174,127

8. Trade and Other Receivables

	31 December 2021 \$	30 June 2021 \$
Current		
Trade receivables at amortised cost	2,464,839	2,217,377
Allowance for expected credit loss	(505,173)	(578,538)
Other receivables	957,370	1,248,514
	2,917,036	2,887,353
Non-Current		
Other receivables	62,291	46,623
	62,291	46,623

Trade receivables are measured at amortised cost. The other receivables balance includes subscription monies held in trust pending the allotment of shares.

9. Financial Assets

	31 December 2021 \$	30 June 2021 \$
Current		
Fair value through profit or loss – options and debentures	5,235,300	6,325,670
Fair value through profit or loss – listed shares	8,037,687	6,131,671
	13,272,987	12,457,341
Non-Current		
Fair value through other comprehensive income – quoted shares	657,647	1,574,541
	657,647	1,574,541

10: Intangibles

	31 December 2021 \$	30 June 2021 \$
Software development		
Gross carrying value – at cost	788,277	788,277
Accumulated amortisation	(670,646)	(644,992)
Net carrying amount	117,631	143,285
Software development		
Net carrying amount at 1 July	143,286	222,026
Amortisation	(25,654)	(78,740)
Net carrying amount	117,632	143,286
Intangibles arising from business combinations AASB 3		
Customer Relationship		
Net carrying amount at 1 July	–	1,455,261
Addition	–	–
Foreign exchange difference	–	(28,180)
Amortisation	–	(1,427,081)
Net carrying amount	–	–
Trademarks		
Net carrying amount at 1 July	20,779,848	20,627,103
Addition	–	–
Foreign exchange difference	164,081	152,745
Net carrying amount	20,943,929	20,779,848
Goodwill		
Net carrying amount at 1 July	3,714,251	3,686,949
Addition	–	–
Foreign exchange difference	29,328	27,302
Net carrying amount	3,743,579	3,714,251
Total	24,805,140	24,637,385

11: Trade and Other Payables

	31 December 2021 \$	30 June 2021 \$
Current		
Trade creditors	220,772	210,339
GST/HST payable	321,402	181,463
Other current liabilities	781,726	–
Sundry payables and accrued expenses	–	883,101
Stockhouse consideration – deferred consideration**	–	1,051,099
Stockhouse consideration – contingent consideration***	270,416	524,802
	1,594,316	2,850,804

**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.

12. Provisions

	31 December 2021 \$	30 June 2021 \$
Current		
Employee benefits	660,613	535,165
	660,613	535,165

13. Unearned Revenue

Movements in unearned revenue for the period ended 31 December 2021 is as follows:

	31 December 2021 \$	30 June 2021 \$
Opening balance	4,563,436	4,853,747
Additions:	8,093,015	13,514,245
Revenue recognised in the period from:		
– Amounts included in the deferred revenue at the beginning of the period	(3,587,309)	(4,770,920)
– Advance payments applied to current period	(3,928,345)	(9,033,636)
Closing balance	5,140,797	4,563,436

14. Interest-bearing Liabilities

	31 December 2021 \$	30 June 2021 \$
Current	2,163,336	2,146,388
Non-current	6,181,129	7,205,896
Total	8,344,465	9,352,284

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.

15. Issued and Paid Up Capital

	31 December 2021 Number	30 June 2021 Number	31 December 2021 \$	30 June 2021 \$
(a) Share Capital				
Ordinary shares – fully paid	192,629,035	191,472,617	21,683,184	21,379,079

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

Date	Details	No. of shares	\$
1 July 2020	Shares on issue	188,966,839	20,788,649
1 September	Options exercise	101,500	24,360
14 September	Options exercise	700,000	168,000
18 February	Options exercise	504,278	126,070
2 March	Options exercise	200,000	50,000
2 June	Options exercise	1,000,000	240,000
30 June 2021	Shares on issue	191,472,617	21,397,079
5 August	Options exercised	279,768	69,942
12 October	Options exercised	576,650	144,163
9 December	Options exercised	300,000	72,000
31 December 2021	Shares on issue	192,629,035	21,683,184

(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

16. 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 2021	18,884,183	0.19
Options exercised	(1,156,418)	0.25
Outstanding at 31 December 2021	17,727,765	0.17

17. Related Party Transactions

	31 December 2021 \$	30 June 2021 \$
Interest receivable owing from director, Mr Jag Sanger. Relates to the limited recourse loan facility of \$1,500,000	60,246	45,164
	60,246	45,164

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.

18. 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 financial assets as at 31 December 2021.

Fair value measurement using:	Total \$	Quoted prices in active markets (Level 1) \$	Significant observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$
Assets				
Ordinary shares at fair value through other comprehensive income (Note 9)	657,647	657,647	-	-
Ordinary shares at fair value through profit or loss (Note 9)	8,037,687	8,037,687	-	-
Options and debentures at fair value through profit or loss (Note 9)	5,235,300	166,424	5,068,876	-
	13,930,634	8,861,758	5,068,876	-
Liabilities				
Contingent consideration at fair value through profit or loss (Note 11)	270,416	-	-	270,416
	270,416	-	-	270,416

The following table provides the fair value measurement hierarchy of the Group's financial assets as at 30 June 2021.

Fair value measurement using:	Total \$	Quoted prices in active markets (Level 1) \$	Significant observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$
Assets				
Ordinary shares at fair value through other comprehensive income (Note 9)	1,574,541	1,574,541	-	-
Ordinary shares at fair value through profit or loss (Note 9)	6,131,671	6,131,671	-	-
Options and debentures at fair value through profit or loss (Note 9)	6,325,670	85,435	6,240,235	-
	14,031,882	7,791,647	6,240,235	-
Liabilities				
Deferred consideration at fair value through profit or loss (Note 11)	1,051,099	-	-	1,051,099
Contingent consideration at fair value through profit or loss (Note 11)	524,802	-	-	524,802
	1,575,901	-	-	1,575,901

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.

19. 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 2021 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.

20. Dividends Paid or Provided For

No dividends were paid during the half-year ended 31 December 2021 (31 December 2020: \$nil).

Directors' 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 2021 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2021 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



Jag Sanger
Managing Director

25 February 2022

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**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 2021, 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 2021 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.

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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.

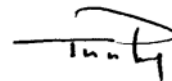
Conclusion

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 2021 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

RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 25 February 2022

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