



# Q1 2022 results

May 10th, 2022



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# Investor highlights



1

**Digitization has fundamentally transformed creative content**, transferring power from companies and agencies to individual creatives

2

**Talenthouse is powering this shift**, providing a technology platform that mediates between creatives, brands, and IP owners in the creator economy

3

**Our model has powerful network effects**, more creatives attract more brands and vice versa – and today Talenthouse counts more than 3.5 million creatives on its platform

4

We are focused on three synergistic business lines, **content creation, content monetization, and community empowerment**



# Executive summary

**Q1 2022 showed growth in a number of key business lines** despite the quarter being a seasonally light trading period (see note below)

**Q1 2022 operating costs were lower by \$536k** owing to integration savings post acquisition starting in the second half of 2021

**Technology stack savings of 20%** across the platforms since acquisition

**242,200 new members** supported by lead-generation initiatives including the creative trends initiative

Post quarter end, **2 completed acquisitions** support a significant expansion of the creative briefs while also driving greater insights and data capabilities to further drive additional revenue

Note: Talenhouse AG does not have IFRS quarterly financials for Q1 2021 to directly compare periods, nor is a direct comparison of one quarter with another particularly informative given the timing of when contracts close. Significant effort has gone into finding areas where comparisons are possible. Nonetheless, going forward, the company will provide quarterly comparisons beginning with the half year-figures which were constructed with the help of its external accounting advisors. Coolabi figures are reported under UK FRS,





Who we are

1

Growth initiatives

2

Q1 2022 Performance

3

We are a tech company harnessing the world's largest creative community to produce high quality digital content for many of the biggest and most innovative brands in the world

# Who we are







Artist: @FadeToBlackLP, EyeEm Community

## **Who we are**

a technology platform company



## **What we do**

next generation high-end digital media content creation

## **How we do it**

inspire our global community of 14.7 million members

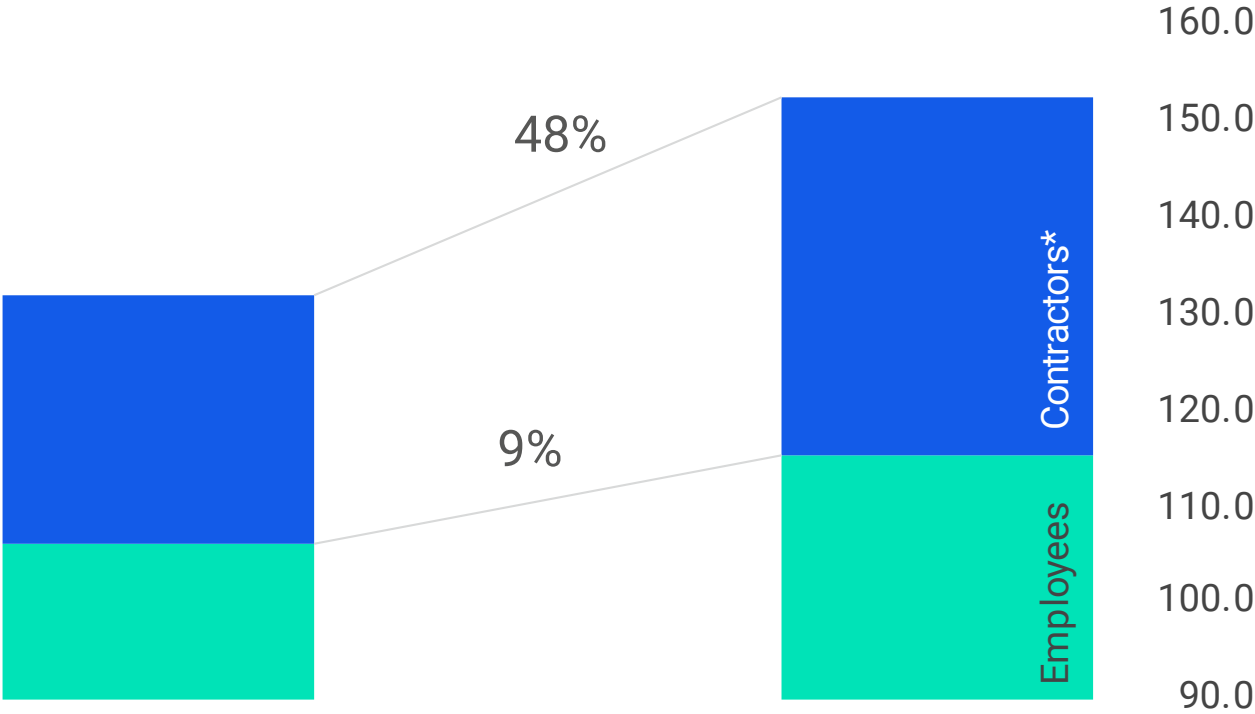
## **How we make money**

we charge a platform fee & management fees for the production of bespoke digital content & license content to companies for advertising & for entertainment

# Exciting team developments



Having the right people allows us to achieve our ambitions, and these additions during Q1 are already making their mark. The quality of our people clearly shows it's not only about the tech



**+3** senior hires to  
be announced shortly

\*Contractors: includes both fixed and temporary arrangements



# Community-first operating model

Creating a digital engagement ecosystem that supports enterprises and creatives alike

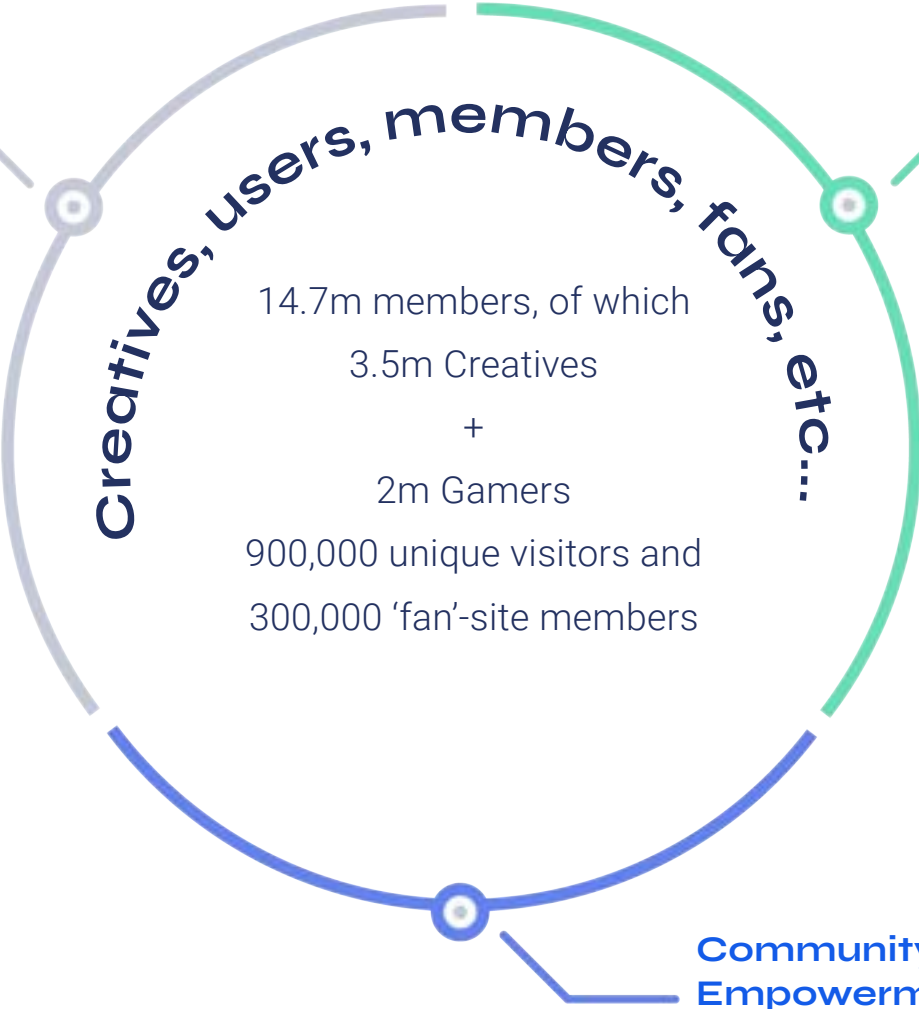


## Content Creation

Our creative members produce bespoke content, such as videos, photography, 3D art, murals, AR for companies accessible through our technology platforms

## Content Monetization

We license images to companies, such as photography; book publishing rights; or the rights to distribute our digital media assets, in return for which we receive royalty payment streams or licensing subscriptions

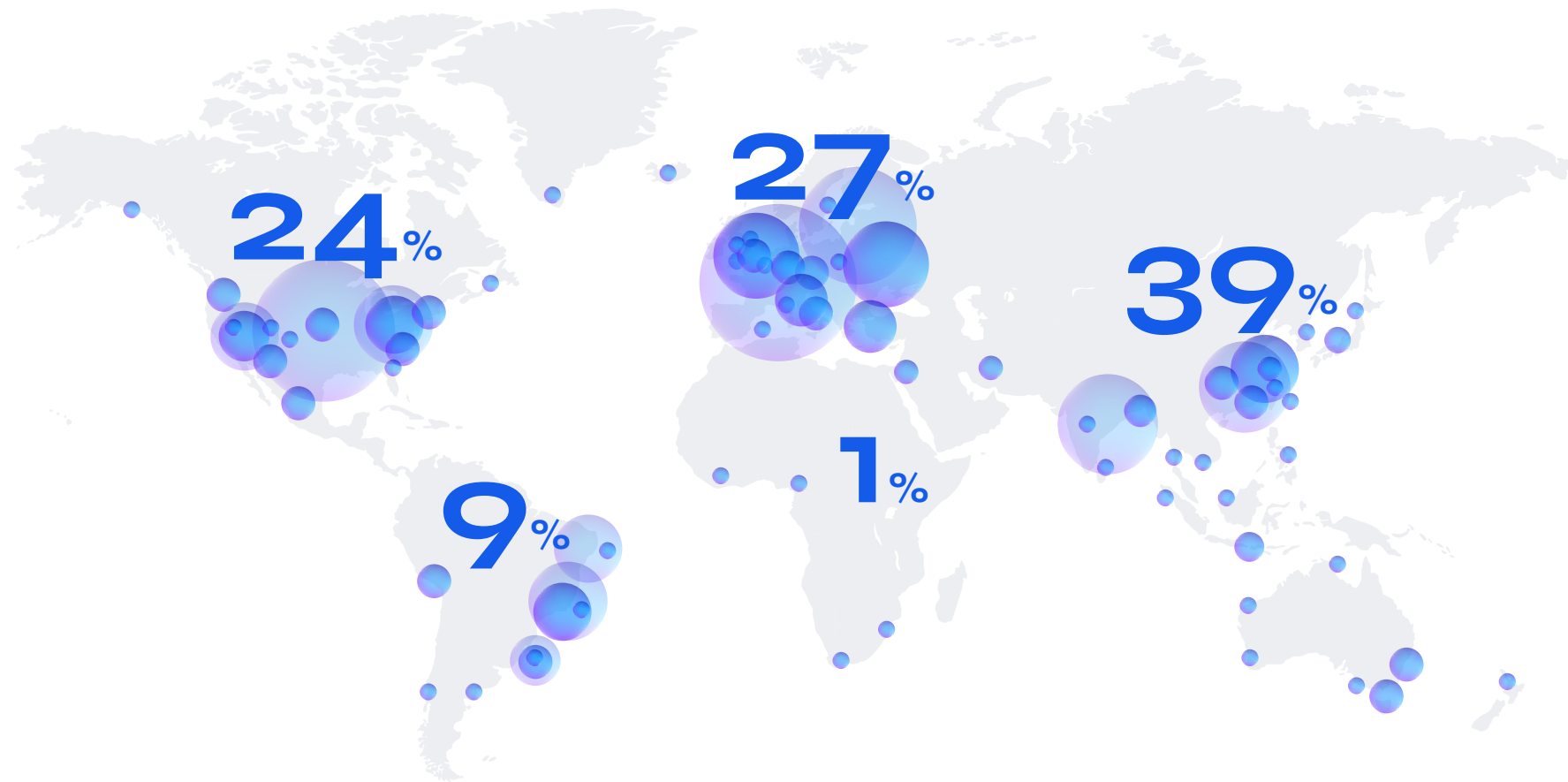


## Community Empowerment

New revenue lines for 2022: Our community of Creatives can pay subscription fees to Talenhouse for services that add value to help them become more efficient or to save them money compared to other options; for example money management services\*

\*Some services provided either directly or indirectly via licensed partners

# International scale and flexibility through our community



In Q1 alone our community has seen an increase of **242.2k** community members across all platforms

Our **multidisciplinary Creatives are able to generate world-class work**. From photography, videography, to AR and 3D, and many more

**63%** of our community are Gen Z / Millennials

Talenthouse's Instagram, has achieved **100K** followers, an **increase of 23%**

Delivering fresh, authentic content at scale for all audiences globally

# Growth initiatives





# Talenthouse is at the centre of the creator economy



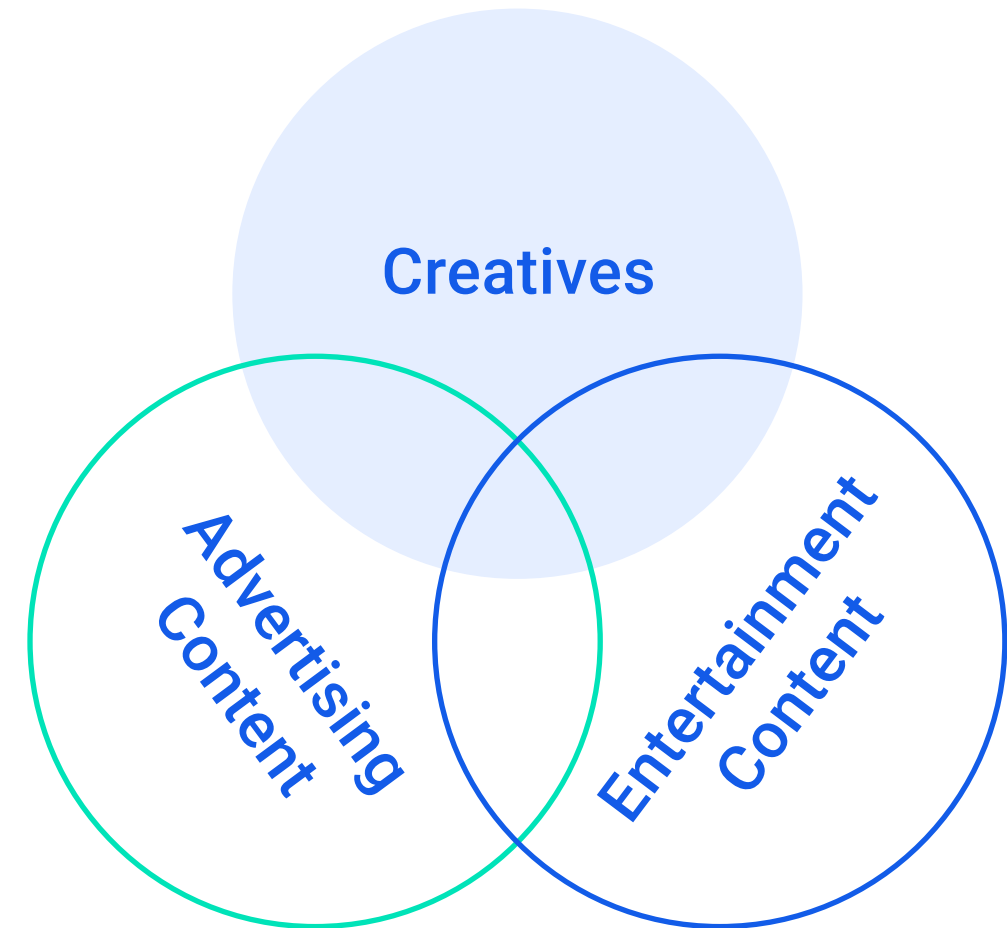
Plan is to solidify this nexus by empowering the creative community

## Enterprise clients have diverse content needs:

- **74% of in-house creative teams** were created in the **last 5 years**
- New content for advertising and for entertainment purposes
- Multiple channels with greater pressure on language, cultural and geographic relevance
- Stock content provide high quality, at scale and speed
- Consumers demanding more relevant and content-rich engagement with brands

## Enterprises need more efficient ways to engage with Creatives

- Payments for completed work are a significant pain-point given KYC/AML issues
- Hard to find people with the right contribution and monitoring is difficult





## Acquisition Strategy

Successfully completed two acquisitions in Q2 2022 so far, with one additional closing planned for Q2 2022:

- introducing Creative Commission to our members
- acquiring the technology and hiring the team from **Sponsokit** to help drive data analytics

## Cross-Selling Opportunity

We are continuing our integration into a seamless end-to-end creative service offering for our clients

## Successful Output

45 productions were completed in Q1, with 1,933 assets produced and **2.7M new assets** were added to the EyeEm Marketplace

\*This figure does not include assets generated for our EyeEm marketplace.

# Creative Commission

Leading platform connecting creatives with music industry

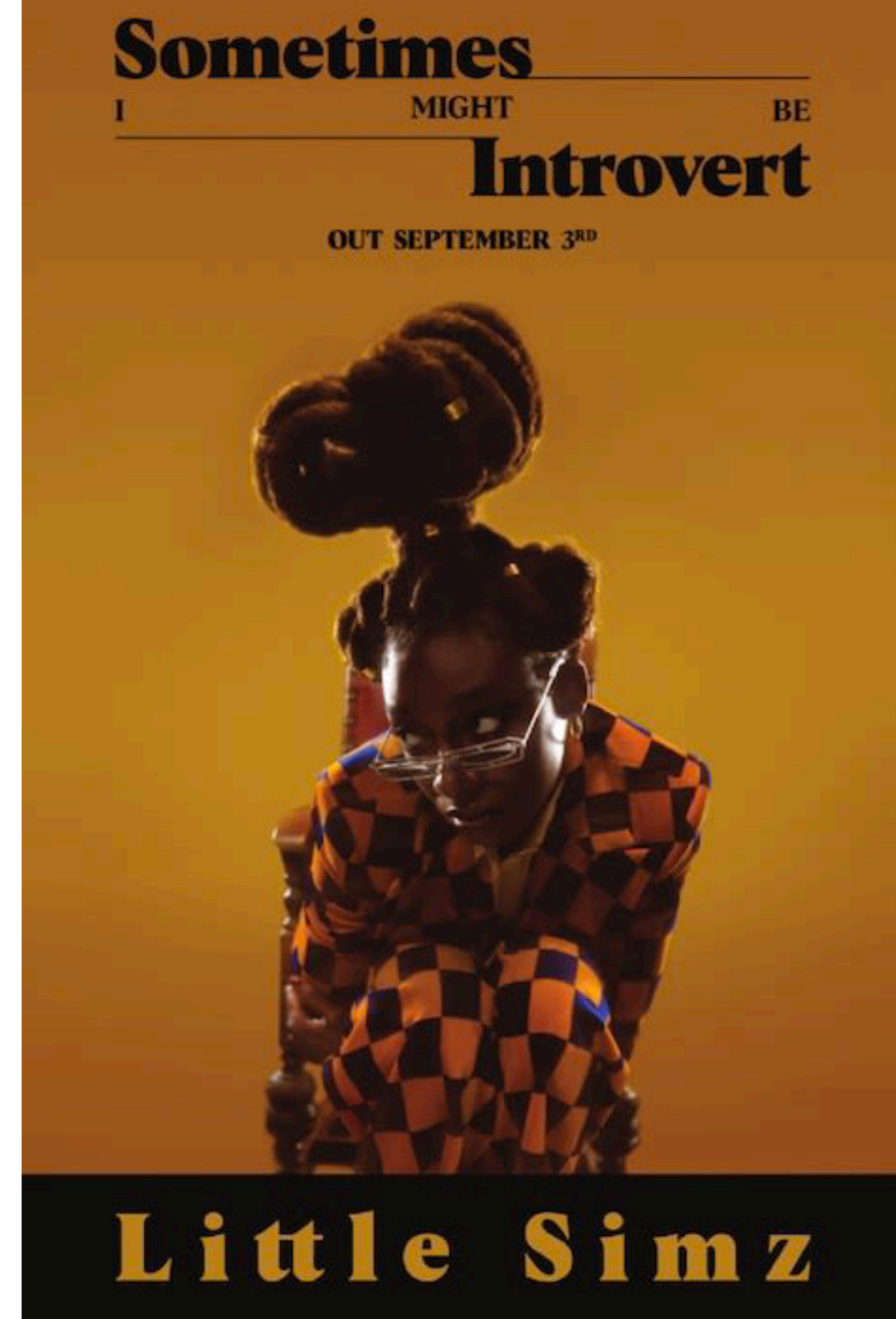
This acquisition is an important step in our **vertical expansion strategy**, strengthening our Creative community and providing them with more opportunities to be discovered and compensated

Facilitated over **\$12 million in work** for Creative talent through their platform since inception

Providing over **800 job opportunities** per year to Talenthouse AG, effectively doubling our existing client bespoke briefs

They bring their robust roster of blue-chip music industry clients, including Warner Music, UMG, Sony Music, Columbia Music, Interscope Records, Atlantic Records and Virgin Records

**Not to brag but...** Creative Commission projects have included producing original, official work for Elton John, Ed Sheeran, Lil Nas, Doja Cat, Tame Impala, Arctic Monkeys, Rolling Stones and more....







# Insight is the best sight



Our focus in product development in 2022 is on growing our three new tools that improve the quality and excellence of our service for our community and clients

## **SponsoKit**

+100m influencers at our fingertips with data to match. Allowing us to gain further knowledge and accurately target client audiences

## **Insights By Talenthouse**

helping independent artists, such as games developers, to take products to market quicker and more cost effectively

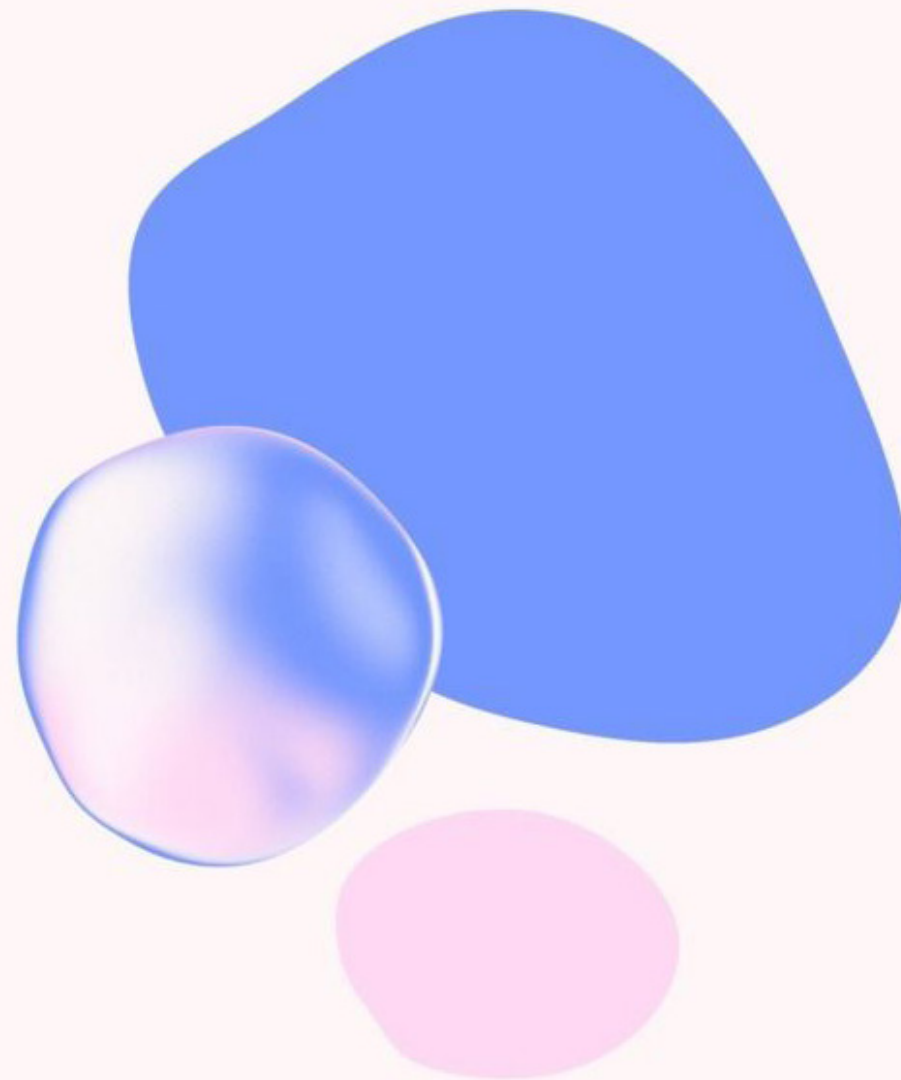
## **Creator Search Tool**

This saves production team's time and ensures high quality matches for our clients

# Q1 2022 performance overview



# Revenue commentary & analysis



**88%**

y-o-y growth on average  
deal size for Talenthouse

**36%**

y-o-y growth in EyeEm's  
booked revenue

Q1 saw the team secure key clients who have confirmed ongoing partnerships with us throughout 2022

As we secured **\$200k from our partnership** with Snap during Q1 2022, deals were also signed to expand the partnership into the next quarter

The Media Foundry team **clinched the first transactions** for the platform, with the likes of Snowcastle and Directive Games

Total **booked revenue** between Snap and Media Foundry for H1 2022 is already **north of \$750k combined**



# Revenue commentary & analysis

**We've extended our longstanding relationship** with **Warner Media** into Warner Games in Q1. This signifies a move away from our historic fan art briefs into our land and expand strategy whereby we are able to offer our full end-to-end services

After successful work in 2021, we continued our collaboration with **Activision** for an additional brief of focusing on **Call of Duty**

**Extended rate card agreements** with key clients such as Henkel and BCG into 2022. Additionally, our partnership with EY has extended to us being one of their **global approved providers**



**ACTIVISION**®



WarnerMedia



**BCG**

# Q1 2022 pro forma revenue

Given the seasonally lighter activity when typically compared to Q2 and Q4, the results are directionally encouraging



Q1 2022 highlights

	Revenue (\$ millions)	Gross Margin (%)	Adjusted EBITDA (\$ millions)
Pro forma (including 100% entertainment revenue from Coolabi)	\$4.9m	63%	\$(1.3)m
Pro forma (excluding entertainment revenue from Coolabi)	\$2.6m	47%	\$(2.3)m

# Q1 2022 Pro forma operating results

incl. entertainment revenue from Coolabi



\$ millions Calendar Q1 31 March 2022	Talenthouse*	Entertainment**	Pro forma Total***
<b>Revenue</b>	<b>2.6</b>	<b>2.3</b>	<b>4.9</b>
Payments to Creatives	(0.7)	(0.3)	(1.1)
Net revenue	1.9	1.9	3.9
Cost of sales	(0.7)	(0.0)	(0.08)
<b>Gross margin</b>	<b>1.2</b>	<b>1.9</b>	<b>3.1</b>
<i>Gross profit margin</i>	<i>47%</i>	<i>82%</i>	<i>63%</i>
Operating costs	(3.5)	(0.9)	(4.4)
<b>Adjusted EBITDA</b>	<b>(2.3)</b>	<b>1.0</b>	<b>(1.3)</b>
Exceptional items & one offs	(2.2)	(0.1)	(2.2)
<b>EBITDA</b>	<b>(4.4)</b>	<b>0.9</b>	<b>(3.5)</b>

\* Unaudited, combined pro forma for January through March 2022 (Q1 2022), including group companies controlled at the end of 2021

\*\* Entertainment refers to Coolabi. These unaudited numbers assume it is 100% owned during January through March 2022 (Q1 2022). We currently own 33% of Coolabi and intend to complete the acquisition in Q2 2022

\*\*\* Unaudited combined Talenthouse (IFRS) and Entertainment (UK FRS) figures, without adjustments



# Q1 2022 tailwinds and headwinds



## Talenthouse

## Entertainment (inc. 100% of Coolabi)

### Tailwinds

- North American revenue is up 16%
- Deal size is up 88% at Talenthouse
- EyeEm booked revenue is up 36%
- Overheads are lower by \$536k owing to integration initiatives/savings

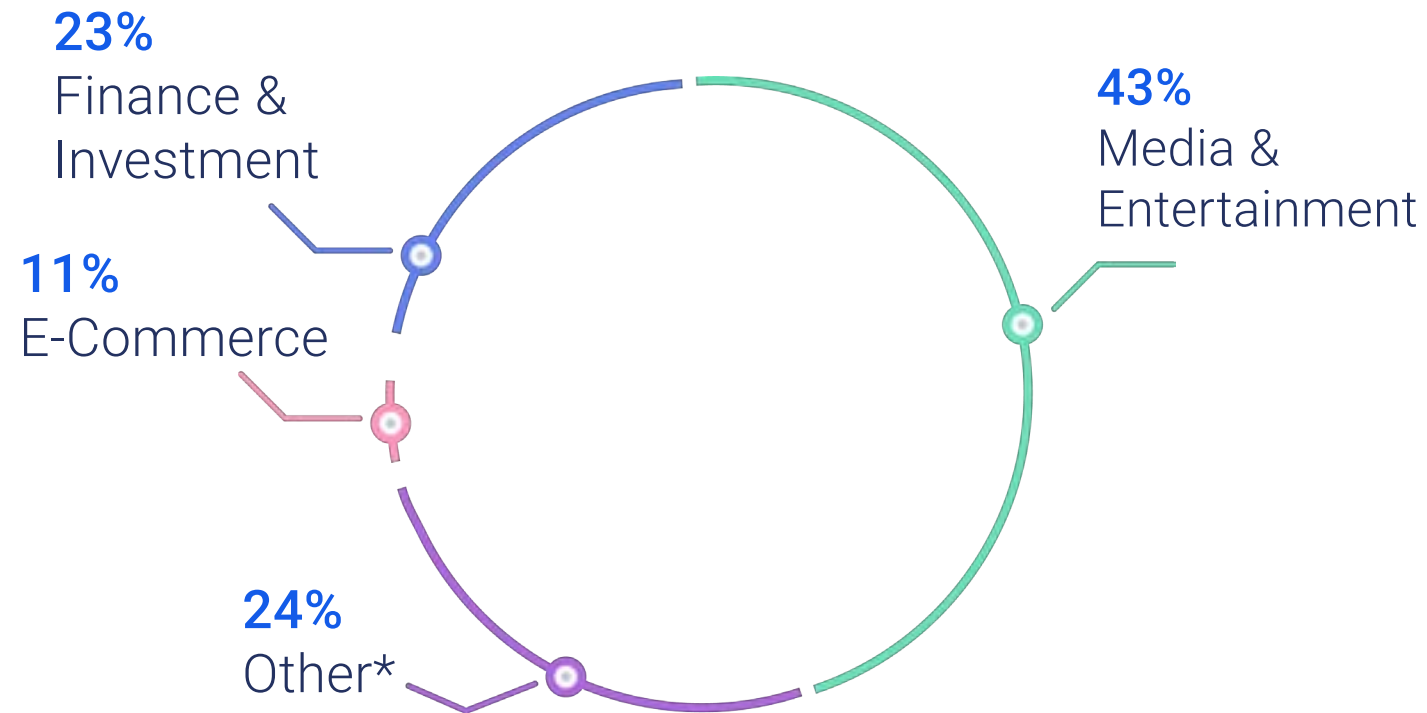
- Publishing and digital revenue continue to show strong growth
- Book publishing in China has grown 2x
- EBITDA was stronger off the back of higher gross margin and lower overhead

### Headwinds

- Global Partnership revenue at EyeEm had a particularly weak start to the year despite strong growth in Booked Revenue, citing the troubling news around the Russia/Ukraine uncertainty
- Timing related to bookings means some revenue has slipped into Q2
- New hires, although necessary for our new growth initiatives, will impact overheads in coming quarters

- Timing differences in TV production & distribution contracts (notoriously lumpy anyway) occurring later in the fiscal year
- Late delivery of supplies from China impacted merchandise revenue, again impacting timing of recorded sales

# Revenue by industry



Strong initiatives toward **new media and technology** clients (e.g. Snap) are paying off with 'land and expand' being highly visible success with such clients

**Fintech and finance clients** are also showing strong traction this quarter

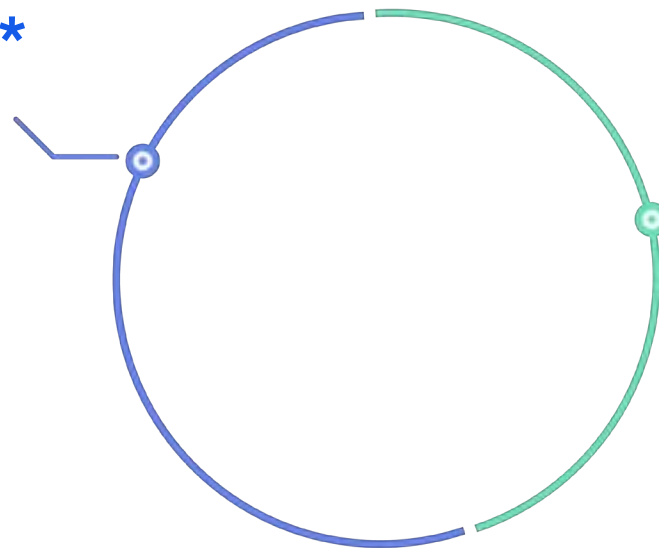
We are realising our message that **creativity is relevant for all industries**, but some industries are more open to change than others

# Key revenue lines driving the business in Q1 2022



## Content Monetization

53%\*



## Content Creation

47%

### Content Creation & Content Monetization

Content creation and content monetization have been key revenue lines historically with revenue growth coming from our expansion strategy with key clients. We saw the shift in Q1 and balance in the growth of content creation versus content monetization. This is very much dependent on the seasonality of the content licensing part of our business.

### Community Empowerment

Community empowerment kicked started in Q1 2022 with the technical developments of three key products; ElloU, ElloWorks, and Media Foundry. These three products will super charge the growth initiatives for our third revenue line for Talenthouse, without the usual customer acquisition costs associated as we have the customer (the Creative) already onboarded to one of the Talenthouse platforms.

\* This includes Coolabi and our licensing revenue. These unaudited numbers include Coolabi as if it was 100% owned during Q1 2022 ; we currently own 33% of Coolabi and intend to complete the acquisition in Q2 2022



# We were born out of a need for change

*We want to make the creative industry more inclusive.*







Artist: @mzaas, EyeEm Community

# ArtsHelp x Talenthouse



Exciting new collaboration awarding \$3.5M to insight change towards climate action

Brief 1 of 3

**68k**

Brief Views

**11k**

Editorial Page Views

**265k**

Social media impressions

**160**

Submissions

Q1 saw the launch of Talenthouse AG's seminal partnership with Arts Help, as we teamed up to distribute \$3.5m to fund inspiring work from our creative community. The opening of the first round of grant applications was an iterative exercise which has allowed us to refine the application process for the second round of funding, which opened in April '22.

The second brief has over 1,000 submissions to date with 2 more weeks to run.

# Our people & commitment to social impact

**To build a sustainable and inclusive organisation that uses creativity as a force for good**

**We care for mental health** - We've implemented a collaboration with Nilo Health, in order to offer mental illness resources to our team, across the globe

**Hybrid work** - We are back to hybrid working, increasing touchpoints between team members, and generating more opportunities through events and workshops for talent inclusion

- **Training talent development** 1,160 hours in Q1

- **Adding talent:** 24 heads (20.7 FTE)

**Rewarding our community** in Q1 manifests itself in the launch of the Creative Trends Initiative, where we will be launching multiple briefs throughout the year offering new opportunities for revenue, the first one, which was completed in Q1 offered \$10,000 to 20 Creatives selected for our "localised perspectives" brief



# Creative trends initiative

Continuing the work with our Visual Trends Report, we are launching the ***Creative Trends Initiative*** that looks at generating content directly from our community on the trends we identified as key for 2022

We launched our first brief in Q1 and here is a quick round up of numbers

**118.5k**

total submissions

**70K**

brand-new submissions

**47.4k**

brief page views

**4.1M**

social media impressions

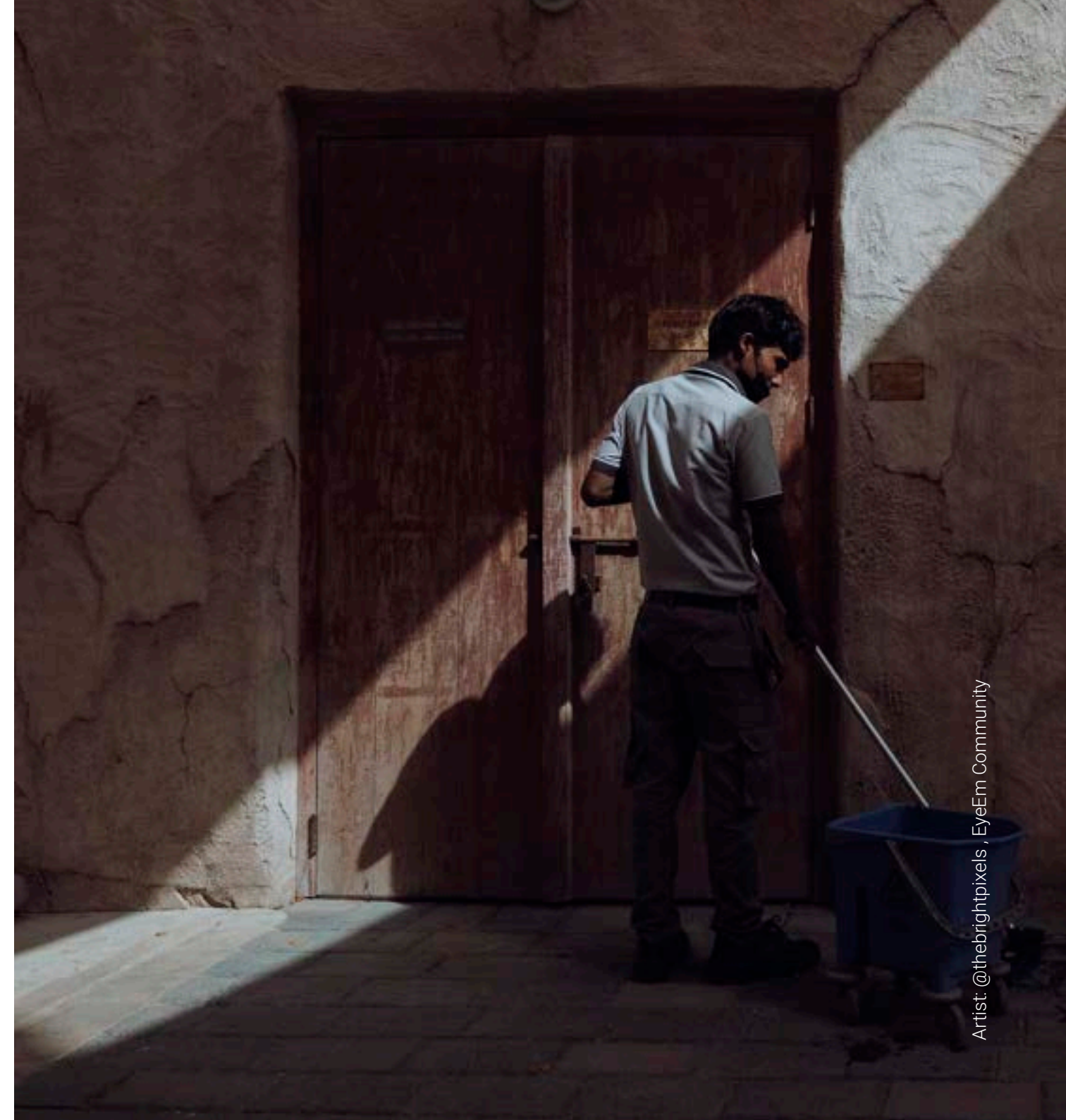
**520**

new Creatives to our  
EyeEm community

**95%**

conversion rate from hub  
to EyeEm website

The second brief launches in Q2



Artist: @thebrightpixels , EyeEm Community



Focus on technology







Artist: @DavidpartSalvemini, Elio Community

# Operational excellence tech cost savings

Through the integration in H2 2021, modernisation initiatives and major cost savings efforts were undergone across our platforms. It is about modernisation and increasing efficiency

We are now happy to see the following cost efficiencies. Better results, seamless platforms, lower cost

**0%**

Q3 21 (\$286k)

**-13%**

Q4 21 (\$248k)

**-20%**

Q1 22 (\$260k)

**\$260k**

Total annualised Savings

We are continuously looking at our tech services to ensure we have the best price in order to be able to invest in the right areas

# ElloWorks

We've launched our new product, ElloWorks, which allows creatives to engage directly with clients through our platform. We are encouraging growth and pushing for career progression by letting their design choices directly in their hands. Also, we are generating revenue and have the first happy customers

25

hot leads

9k

total page sessions

\$0

marketing budget spent -  
all organic growth

Some of the first key users:



Azar

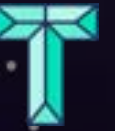


## ElloWorks x Ukraine

We've launched in Q1 е-Креатив, or e-Creative in English. This is a not for profit collaboration for creatives translating to "there is creative work". The first client was **TryNoAgency** and the first payments to Creatives have already been processed







# Constellation of creativity

Thanks to acquisitions and product development, Talenthouse comprises 11 synergistic platforms - **the most comprehensive platform for the Creator Economy** - delivering end-to-end integrated creative services to clients globally



Talenthouse



Talenthouse  
Media  
FOUNDRY



by Talenthouse



creative  
commission



by Talenthouse



by Talenthouse



by Talenthouse



by Talenthouse



by Talenthouse



Untitled  
by Talenthouse



WORKS  
by Talenthouse

# Summary

**Q1 2022 performance shows strong momentum despite seasonality and external market headwinds**

**Q2 2022 booked sales to date (not yet invoiced) are 2x compared to the same period last year.** H1 sales averaged 36% of annual sales over the past 2 years, indicating not only quarterly variations, but 6-monthly variations as well

**Investment in growth** is complemented by **reductions in overhead** through integration and efficiency (i.e. successful cost rationalisation to support growth expenditures)

**Acquisitions will continue to feature** in group development as we selectively partner with quality platforms to accelerate growth







#Wearetalenthouse

Q & A





Artist: @thebrightpixels, EyeEm Community

*"This photo was taken during the celebration of the Heritage Festival in Abu Dhabi UAE."*

*This symbolizes the life, dignity, and honor of Emirati Culture in UAE."*

**- Localized Perspectives Brief Photo Winner**



Artist: @lavju, EyeEm Community

*"I'm very happy ! especially in this difficult time! Ukraine is a beautiful, free country, and not people - wonderful, kind, brave! we all love our Ukraine very much and pray for victory and a peaceful sky over our heads every minute!"*

**- Localized Perspectives Brief  
Photo Winner**



# Collaborations we care about



## World Food Program

The World Food Program and **jovoto by Talenthouse** have partnered up to run a successful **pilot project** together. Through this project, we successfully supported **40 creatives** in Kenya and Iraq with inspirational, creative and financial resources and ultimately providing **creative empowerment** through our platforms & community.

We are actually democratizing creativity!



**Save the Children**

## Save the Children - SHIFT Accelerator

Through Talenthouse, SHIFT and Save the Children will be able to scale up their creative services to communities around the world. Analogue agencies in each of the countries doesn't offers localised creativity at scale.

We are providing **5,000 young creators** with educational tools and resources.

This work will amplify young people's voices and raise awareness about the causes they care about.