



The creator economy – a briefing document¹

About Talenthouse

Talenthouse unites the creative community platforms named Talenthouse, EyeEm, Ello, Zooppa and Jovoto. Talenthouse strives to radically innovate how creative content is generated through its proprietary technology and most importantly, giving creative people who contribute creative content on its creative community platforms (the "Creatives") international opportunities to thrive economically and socially across 14 million members (of which about three (3) million are Creatives), via exclusive content briefs. The content then produced by the Creatives is used for a variety of purposes, from official brand marketing to in-film costuming and artwork, official product packaging designs and re-working of international brand designs. Client packages are structured as ad hoc campaigns, packages, and enterprise subscriptions



Summary

The United Nations, which declared 2021 as the “International Year of Creative Economy for Sustainable Development”, defines creative industries as comprising: advertising, architecture, arts and crafts, design, fashion, film, video, photography, music, performing arts, publishing, research & development, software, computer games, electronic publishing, and TV/radio².

The creator economy, sometimes also called the passion economy, refers to the structural trend wherein a greater number of people can earn their living through their creative activities.

The expansion of the creator economy is expected to be led by three major market trends:

- 1) the rise of digital content consumption and
- 2) the growth in digital distribution channels, which are providing the demand drivers for the creator economy; and,
- 3) changes in technology and employment, which are democratizing the tools of the trade and removing the traditional gatekeepers, making room for innovative, more nimble, creator-centric business models and opening up the market to a much wider pool of creative talent.

The creator economy is estimated to employ 30 million people worldwide and to generate \$2.25trillion in annual revenues, equal to 3% of global GDP³. The market for digital creative content, which is the segment addressed by Talenthouse, is worth \$72 billion today, and is growing at a CAGR of 35%, meaning that it will be worth nearly \$250bn by 2024e.

¹ This document is based on a report prepared by FrontierView for the prospectus prepared by New Value AG, Baar, Switzerland (to be renamed Talenthouse AG) (the “Company”) in connection with the listing of shares on SIX Swiss Exchange. It has been slightly edited, and the summary has been added, by the Company. To the fullest extent permissible by applicable law, all information contained herein is for informational purposes only and is provided “AS IS”. The information is provided (i) with no guarantee of accuracy, completeness, timeliness or that any defects will be corrected and (ii) without any representations, warranties or other contractual terms of any kind including, without limitation, warranties of title, merchantability or fitness for a particular purpose. Even if FrontierView or the Company were advised, knew or should have known that claims or damages could arise from the use, misuse, or delay of use of the information, FrontierView and the Company assume no legal liability for any direct, indirect, consequential, special, punitive, or similar claims or damages. The information contained herein does not represent financial, legal, regulatory, or other advice and recommendations from FrontierView or the Company. Any use of the information is undertaken at your sole risk

² UNCTAD, Creative Economy Outlook: Trends in international trade in creative industries, 2019

³ UNESCO/EY, Cultural times The first global map of cultural and creative industries December 2015



Digital content and distribution

The major segments of digital content are expected to grow as follows:



The global digital music segment is expected to reach \$35.6 billion USD by 2025, growing at an 8.9% CAGR from 2021 to 2025.⁴ Most growth is expected to originate in the United States. Influenced by COVID-19, live streaming capabilities allow individuals to connect to events even if they are remote.



The global digital photography segment is expected to reach \$149 billion USD by 2028, a 7.4% CAGR growth from 2020 to 2028.⁵ The increased usage of smartphones and social media platforms allowing users to share high-quality images could be the most impactful drivers of growth.



The global digital video content market is expected to reach \$204 billion USD by 2026,⁶ growth drivers include internet and smartphone penetration, as well as the expansion of 4G and 5G.



The animation market is also expected to grow through 2030.⁷ This is partially driven by growth in the 3D animation market, with more 3D applications across different industries, including media and entertainment.⁸ The gaming and video industries are likely to contribute to the expansion of the animation market. This, in turn, may increase the demand for highly talented creators.



The global online streaming services market is expected to grow by \$149.9 billion USD at 18% CAGR through 2024.⁹ Digital streaming has benefited from growing internet and smartphone penetration across regions, as well as the lockdowns caused by the COVID-19 pandemic.



Digital advertising spending is expected to nearly double by 2024,¹⁰ highlighting the rising relevance of the digital economy. On the other hand, traditional media and gatekeepers are rapidly declining. These trends indicate an outsized increase in demand for digital creator content by companies working in the digital sphere, especially in the fields of video, illustration, photography, and storytelling.

⁴ Statista – Digital Music Worldwide, 2021

⁵ PR Newswire - The Digital Photography - Global Market Outlook (2017-2026), 2019

⁶ imarc - Digital Video Content Market: Global Industry Trends, Share, Size, Growth, Opportunity and Forecast 2021-2026, 2021

⁷ Statista - Animation market size worldwide 2017-2020, 2021

⁸ Grandview Research - 3D Animation Market Size, Share & Trends Analysis Report, 2021 – 2028, 2021

⁹ PR Newswire, \$ 149.96 Billion growth expected in Online Streaming Services Market | 14.38% YOY growth in 2020 amid COVID-19 Spread, 2021

¹⁰ Statista - Digital advertising spending worldwide from 2019 to 2024, 2021



Employment and structural factors

Software developments have also empowered new freelancing and outsourcing opportunities, backed by a growing number of independent professionals. Economic disruptions to traditional labour markets are incentivizing innovative employment channels in the creator economy, increasing the need to bridge the gap between creators and companies. These growth trends are expected to generate opportunities.

Furthermore, the increasing digitalisation of economies and the COVID-19 pandemic have catapulted the creator economy's growth forward. Partially due to the increased number of internet users, this is expected to affect growth in IP generation, since IP holders may increase monetisation from creators' expanding audiences. Therefore, we are likely to see high volumes of business opportunities in the creator economy over the next five years. Large companies like Facebook are already investing in these areas, signalling the potential opportunities.

Creators are increasingly becoming large and important audiences for social media platforms, which could make them key marketing players. Their social media activity also enables them to underscore their creativity, talents, and individuality. As it has become more difficult for companies to reach target groups in a meaningful way on large platforms (partly due to GDPR but also audiences becoming more advertising fatigued), there is a growing need to connect quality creators with businesses to convey authentic, on-brand messages, and manage relationships with target audiences.



Technology

Additionally, there are two major technology trends affecting the creator economy: increased advances to AI & ML and the 5G revolution. AI and ML have made enormous contributions to photography and visual arts, improving picture's clarity, the editing process, and search engines for image banks. The proliferation of AI and ML could translate into larger, more efficient, and user-friendly image banks, which are likely to play a paramount role as the digital advertisement sector rises.

Moreover, the 5G revolution may increase bandwidth, boosting the speed of information flows, and therefore, the use of heavier digital content. Therefore, the adoption of 5G networks may expand the demand for high-quality creator content, especially in fields like AR/VR and gaming.



Regulation

While the EU, UK, US, and China are increasing their privacy laws and regulations. This trend is unlikely to pose a threat to the creator economy.



Content Trends, Rise of digital content

Digital music

The global digital music segment is expected to grow from \$25 billion USD in 2021 to \$35.6 billion USD by 2025.¹¹ This is driven by music streaming services, with a market volume of USD 23.2 billion in 2021.¹² Moreover, the number of users is expected to reach 1.3 billion by 2025, or 16% of the projected global population.¹³ On the other hand, download services are expected to decline in the following years.¹⁴

Most revenue is expected to be generated in North America—particularly in the United States.¹⁵ However, internet penetration may boost digital music demand in other markets. From 2016 to early 2021, global internet penetration grew from 43.8% to 59.5%¹⁶ while it has been steadily increasing in the Middle East and North Africa, East Asia, and Pacific, as well as in Latin America and the Caribbean.¹⁷ The digital music sector is likely to mirror the rise of internet penetration rates across emerging markets.

Finally, as COVID-19 disrupted live music, live streaming capabilities and social media allow artists and fans to connect even if they are physically remote.¹⁸ While the digital trajectory of the music industry itself may create significant opportunities for companies specialised in co-creation platforms, such as Talenhouse, it is also important to note that other types of content – photography, animation, gaming, et al – are highly likely to continue to follow the pattern of rapid and accelerating conversion to digital established by music, further creating opportunities for digital native platforms like Talenhouse.

Digital photography

The global digital photography market accounted for \$98 billion USD in 2020 and is expected to reach \$149 billion USD by 2028.¹⁹ This may have been driven by the increase of smartphone usage, with 92.1% of internet users relying on mobile devices to connect at least some of the time, and with most G-20 countries with at least a 50% smartphone penetration rate.²⁰

Moreover, social media seems to be revolutionizing photography,²¹ allowing users to share high-quality images instantly and favouring the creation of niche communities of photographers and creators. This trend is likely to continue in the next four years, especially as large emerging markets like China, India, and Indonesia—the first, second, and fourth countries with higher smartphone penetration rates—are expected to significantly grow through 2025.²²

As photography technology spreads, the number of creators is likely to rise, thus, increasing the demand for co-creation platforms like Talenhouse.

¹¹ Statista – Digital Music Worldwide, 2021

¹² Ibid

¹³ Ibid

Worldometer, World Population Projections, 2021

¹⁴ Statista – Digital Music Worldwide, 2021

¹⁵ Statista – Digital Music Worldwide, 2021

¹⁶ ITU, Statistics, 2021

Statista, Global digital population as of January 2021, 2021

¹⁷ World Bank, Individuals using the internet, 2021

¹⁸ Forbes, Music Streaming Subscriptions Surpass 80 million Amid Streaming Boom, RIAA Reports, 2021

¹⁹ PR Newswire - The Digital Photography - Global Market Outlook (2017-2026), 2019

²⁰ Datareportal, Digital around the world, 2021

Newzoo, Top Countries by Smartphone Users, 2021

²¹ Grandview Research, Digital Photography Market Size, Share & Trends, 2021

²² International Monetary Fund, Regional Economic Outlook: Asia Pacific, October 2021



Digital video

The global digital video content market reached \$172 billion USD in 2020²³ and is expected to reach \$204 billion USD by 2026.²⁴

The surge of internet and smartphones penetration has impacted demand for global digital video content.²⁵ Moreover, the expansion of 4G and improved Wi-Fi infrastructure during the last decade also contributed to a surge in demand.²⁶ Therefore, the potential increase of internet connectivity with 5G and improved infrastructure in emerging markets might be a considerable opportunity for the digital video content market.

The digital advertising sector is expected to further increase digital video content demand, as companies expand their advertising in social media.²⁷ Furthermore, the adoption of new filming methods, like Augmented Reality (AR), immersive digital videos, and the proliferation of high-quality short videos, may continue to drive the demand.²⁸ This could boost interest in creators with state-of-the-art filming and editing skills for fast-paced advertising projects.

Digital animation and motion graphics

The animation market, which includes motion graphics, 3D animation CGI, AR/VR, reached \$270 billion USD in 2020,²⁹ and is expected to grow at a 5.2% CAGR through 2030.³⁰

Regarding the 3D animation market, key market drivers include the growing use of 3D animations in many industries, including the continuous expansion of media and entertainment.³¹ Rising consumption of media and entertainment for children is also expected to increase demand for 3D content.³²

The emergence of Virtual Reality (VR) and Artificial Intelligence (AI) is also promising for the 3D animation market. This is evidenced by the increasing demand for immersive content in billboards, scientific visualisations, arts, simulations, and gaming.³³

The virtual reality (VR) and augmented reality (AR) market is poised to grow from \$30.7 billion USD in 2021 to close to \$300 billion USD by 2024.³⁴ With continuous advancements in smartphone technology and the adoption of 5G wireless networks, demand for AR/VR could considerably increase.³⁵ Bernard Marr, a Forbes creative, argues that Light Detection and Ranging (LiDAR) in smartphones—already installed in iPhone 12 and iPad Pro—is a step toward the widespread adoption of AR/VR.³⁶ Moreover, AR/VR headsets are likely to become more efficient and advanced.³⁷

²³ PR Newswire - The Digital Video Content Market: Global Industry Trends, Share, Size, Growth, Opportunity and Forecast 2021-2026, 2021

²⁴ imarc - Digital Video Content Market: Global Industry Trends, Share, Size, Growth, Opportunity and Forecast 2021-2026, 2021

²⁵ PR Newswire - The Digital Video Content Market: Global Industry Trends, Share, Size, Growth, Opportunity and Forecast 2021-2026, 2021

²⁶ Ibid

²⁷ Ibid

²⁸ Grandview Research, Digital Video Advertising Market Size, Share & Trends, 2021

²⁹ Statista - Animation market size worldwide 2017-2020, 2021

³⁰ GlobeNewswire - Animation Market Size, 2021

³¹ Grandview Research - 3D Animation Market Size, Share & Trends Analysis Report, 2021 – 2028, 2021

³² Ibid

³³ Ibid

³⁴ Statista - Augmented (AR), virtual reality (VR), and mixed reality (MR) market size worldwide from 2021 to 2024, 2021

³⁵ Forbes - Future Predictions of How Virtual Reality and Augmented Reality Will Reshape Our Lives, 2021

³⁶ Ibid

³⁷ Ibid



Distribution Trends

Growth of digital gaming

The gaming and video industries contribute to the 3D animation market growth, and they are expected to increasingly use digital visual effects (VFX).³⁸ The global gaming market is expected to grow by 9.64% CAGR through 2026,³⁹ while the video streaming market is expected to grow by 21% CAGR through 2028.⁴⁰

Therefore, the growing interest in animation, coupled with technology innovations, is likely to lift the demand for high-quality creator content. However, companies may strive to find the creator talent to generate advanced animated content. By connecting creators and companies, digital co-creation platforms provide an efficient solution to address these needs and market gaps.

Gaming is one of the main areas of growth for AR/VR. For example, according to Noah Smith - a Washington Post gaming expert - total VR users in Steam, a gaming platform, increased from 1% to 2% of total users in 2020, outpacing Steam's total user growth.⁴¹ These trends are a result of technology advancements coupled with the effects of the COVID-19 pandemic.

Growth of digital streaming

The global online streaming services market is expected to grow by \$149.9 billion USD at 18% CAGR through 2024.⁴² As other areas of the digital economy, digital streaming has significantly benefited from growing internet and smartphone penetration across regions, as well as the lockdowns caused by the COVID-19 pandemic.⁴³

Expected growth of internet and smartphone penetration in the East, South, and Southeast Asia regions presents significant opportunities for streaming services through 2025. Moreover, the adoption of 5G in the most advanced regions and 4G in developing ones, will also contribute to boost digital streaming services, including immersive and Virtual Reality (VR) streaming.

The global video streaming market size was \$50.1 billion USD in 2020 with an expected annual growth of 21% CAGR. Besides, music streaming is valued at \$23 billion in 2021 with a projected annual growth of 10.08% CAGR through 2025.⁴⁴

The growth of digital streaming is driving the growth of digital content creation. As digital streaming continues to grow over the next four years, creators may increasingly rely on streaming services to monetise their work and there will be a growing need for co-creation platforms like Talenthouse.

³⁸ Ibid

³⁹ Mordor Intelligence - Gaming Market - Growth, Trends, Covid-19 Impact, and Forecasts (2021 - 2026)

⁴⁰ Grandview Research - Video Streaming Market Size, Share & Trends Analysis, 2021-2028, 2021

⁴¹ The Washington Post - Virtual reality is starting to see actual gains in gaming, 2021

⁴² PR Newswire, \$ 149.96 Billion growth expected in Online Streaming Services Market | 14.38% YOY growth in 2020 amid COVID-19 Spread, 2021

⁴³ Ibid

⁴⁴ Statista, Music Streaming, 2021



Growth of digital advertising spending

Digital advertising is poised for long-term growth. In 2019, global spending on digital advertising was at \$336 billion USD, and forecasts indicate that spending is expected to reach \$646 billion USD by 2024.⁴⁵ It is estimated that digital video and social media advertising are the highest-growth areas in digital advertising.⁴⁶

As the internet-connected population and the digital economy continue to grow, companies are expected to increase their competition for digital advertising space, continue shifting their budgets from the traditional to the digital advertising sector, and focusing on the right message and content, and less on the concept. Outsourcing of content creation is expected.

"On the advertising side, the agency used to come up with the creative concept based on advertising spots. The whole idea was to come with these very creative concepts. You still need creativity in advertising, but the role has been reduced. It is not about cutting the noise of advertising but finding the right message." – Digital Content and Marketing Agency Market Expert

The rise of the digital economy had a profound effect on traditional media, which was also hit by the COVID-19 pandemic. Traditional TV, newspapers, and radio have been losing their audiences. In 2020, TV advertising fell by 16.1%, and it is expected to grow by just 1.1% in 2021. Moreover, newspaper and magazine advertising fell by approximately 25.5%, with a projected decrease of 0.4% and 0.7%, respectively, in 2021. In stark contrast, social media advertising grew by 9.3% in 2020 and is forecasted to grow by 9.3% by 2021; online video advertising grew 7.9% last year, and this year may grow by 12.8%; search engine advertising fell 1.9% in 2020 and is expected to grow by 7.8% in 2021.⁴⁷

This trend goes beyond COVID-19. Over the last 20 years, newspapers' circulation in the US has declined by more than 50%, while its advertising revenues fell by 80%.⁴⁸ The rise of Facebook, Twitter, Google, and YouTube has disrupted the traditional media market.

New media platforms are important channels for accessing niche groups with highly targeted content, which drives outsize retention as compared to the catch-all traditional media. Adding to this highly targeted content the ability to pay Creatives as a part of the communities they serve, plus the benefit of recruiting a much broader cohort of Creatives than traditional media can enfranchise, results in a compounding effect of user retention and loyalty. These services are diversifying the media landscape and contributing to its continuous evolution.

"We have not seen the [complete] erosion of traditional media. Their numbers have crashed. The crash in traditional advertising is going to prefigure a new rise." – Academic expert on marketing, journalism, and digital media

⁴⁵ Statista - Digital advertising spending worldwide from 2019 to 2024, 2021

⁴⁶ IAB - IAB Releases Internet Advertising Revenue Report for 2020, 2021

⁴⁷ Marketing Charts – Not All Traditional Media Expected to Bounce Back Next Year, 2020

⁴⁸ The Economist - Should big tech save newspapers?, 2020



Rising internet users and globalisation of content consumption

The number of internet users more than doubled in the last decade.⁴⁹ As the world becomes more digitised, the demand for digital creative content is likely to grow.

CISCO indicates that between 2018 and 2023, global internet users are expected to increase from 51% to 66% of the total population, with 5.3 billion users. North America is expected to continue to be the region with the highest proportion of users, whereas the fastest growth is expected to occur in the Middle East and Africa, with 10% CAGR. Moreover, within the same timeframe, Wi-Fi speed is expected to increase from 30 Mbps to 92 Mbps, with expectations for an average of 3.6 devices per person, 1.6 of which could be mobile devices.⁵⁰ Mobile's speed is expected to increase from 13 Mbps to 44 Mbps.⁵¹ These trends highlight the continuous growth of internet-related industries as well as the inclusion of emerging regions.

In terms of new internet users, children now make up 40% of that population.⁵² Given the rise and diversification of internet users, improvements in smartphone technology are expected, as well as additional consumption and demand from this younger audience.

Wider internet access is expected to translate into larger market opportunities from the demand and supply sides of the creative economy. More people joining the internet may translate into more consumers of content, especially of content that monetises data and advertising instead of subscriptions or sales. In addition, increased internet access in emerging markets is expected to bring diversity to the supply side of the creator economy, with more creators from the Middle East, Africa, and other emerging economies. Multinational companies looking for creators with local expertise and cultural sensitivity are likely to benefit from increased supply.

Given higher internet access rates and enhanced wireless infrastructure, localised content is expected to reach global markets and have larger audiences, increasing monetisation for anyone owning creative IP.

Therefore, we are likely to see a high volume of business opportunities over the next five years and large technology companies like Facebook are already investing considerably in these areas.

⁴⁹ International Telecommunications Union - Statistics, 2021
Statista - Global digital population as of January 2021

⁵⁰ Ibid

⁵¹ Ibid

⁵² Ofcom - Children and parents: Media use and attitudes report 2019, 2020



Structural Growth Trends

Increased outsourcing of creative content

Software developments and remote working have created new freelancing and outsourcing models and marketplaces. In the US alone, the number of independent workers grew from 38.2 million in 2020 to 51.2 million in 2021.⁵³ This number shows new labour market trends are shaped not only by economic forces, but also by software technology that enables remote work and connects markets that were previously blocked by geographic barriers. These trends have an impact on the creator economy, as global companies are constantly looking for creators that are sensitive to the local culture and audiences. Moreover, companies are increasingly outsourcing creative content to drive efficiency and speed when responding to changing marketing needs. By decreasing the content creation time, companies ensure that the produced content remains relevant.

As labour markets become more flexible and digitalised, companies are expected to continue to increase their outsourcing of content, especially in the visual and digital arts fields. The creator market is likely to become more globalised, as software technologies connect geographically distant markets. While formal, long-term employment is expected to remain, companies are expected to combine full-time and outsourced human capital, while creators may simultaneously rely on full-time and side jobs.

"Combined creator ability plus hypertargeting, equals digital media advertising. From a business point of view, that is what the creator economy fulfils." – Digital Content and Marketing Agency Market Expert

Acceleration of the creator economy because of disruption to formal employment channels

Economic disruptions to traditional labour markets during the COVID-19 pandemic are likely to have a lasting impact on the creator economy, as creators look for additional sources of revenue and flexible jobs empowered by remote work technology.

The marketplace is expected to continue experiencing increased demand and supply within the creator economy. Demand is likely to continue to come from high-income economies, whereas supply can be increasingly provided by emerging economies, particularly those with higher internet access growth rates.

"This assembly line of creators that left their full-time jobs, with COVID, piled in. I lived through a couple of recessions; a lot of people became entrepreneurs. With recessions you see entrepreneurial renaissances. It's a modality to start your own business based on passions and expertise."

– University of Southern California, Professor and Market Expert

"The current mega trend is the rise of the creators, and anyone can create. There has been a big rise of tools to create, distribute, monetise, and gain an audience."

– Chief Marketing Officer and Market Expert

⁵³ MBO Partners - State of Independence in America, 2020



Outsised growth in the creator economy

The COVID-19 pandemic catalysed acceleration in the already fast-growing creator economy, including increased demand for creative content itself. With an additional \$850 million USD venture capital invested in the creator economy in late 2020, the creator economy is expected to grow by 350% by 2023.⁵⁴

Business opportunities are expected in the next two years; expect growing interest from major technology companies. Facebook, Amazon, Microsoft, YouTube, and Apple are all adapting their platforms to capitalise on sectors of the creative economy, such as digital advertising, AR stories, live streaming, and gaming.⁵⁵

“The scale of investment being made in the creator market has really taken off. and it is not slowing down.” – VP of Marketing and Market Expert

Creators as a trusted voice

Most creators build their audiences by promoting their talents via genuine social media interactions. Their reputation stems from their creativity, uniqueness, and individuality. For these reasons, creators have become key players in reaching targeted audiences.⁵⁶

Creators are expected to continue to engage in business, brand collaboration, and marketing. This trend has been triggered by new granular ad targeting empowered by social media platforms.⁵⁷ E-commerce features for platform users are also likely to boost the role of creators as promoters.⁵⁸

Multinational companies that increasingly face reputational risks over their labour, political engagement, social, and environmental practices are likely to rely on creators that are more sensitive to local cultures.⁵⁹ This, coupled with the potential increase in creators from underrepresented groups and nations, is an opportunity both for creators and companies.

⁵⁴ Influencer Marketing Hub - The State of Influencer Marketing 2021: Benchmark Report, 2021

⁵⁵ The Economist – The new rules of the “creator economy”, 2021

⁵⁶ Forbes – Six Influencer Marketing Trends to Watch in 2021, 2021

⁵⁷ Ibid

⁵⁸ Ibid

⁵⁹ Ibid



Bridging creators with companies

Growth in the creator economy has allowed companies to connect brands with creators. While creators have the talent, expertise, and local culture sensitivity, they may lack business resources to promote and monetise their work as well as to protect it with IP. On the other hand, brands may have resources but lack the human capital and outreach capability that creators have. This presents an opportunity for companies to connect creators with brands. Moreover, software technology developments allow companies to efficiently manage and promote creator-customer relationships.

With a growing number of creators and larger audiences, there could be an increasing need to manage creator-customer relationships.

"There are a lot of challenges with creators and brands working together. How do you improve communication and payments? It is complicated for a brand. They are not used to paying many contractors from a creative perspective."

– Chief Marketing Officer and Market Expert

"Companies do not want to pay creators directly. Agencies add something on top (%) to take care of that. With Upwork, I can pay Upwork and then Upwork pays the creator. There is a huge opportunity in terms of [payment] technology here."

– VP of Marketing and Market Expert

Decline of traditional gatekeepers

Under the traditional creative model, content was expensive for an individual to produce and promote. There were no iPhones to film videos or take digital photos; expensive, high-end production equipment was inaccessible to everyday individuals. Creating content required specialised knowledge and expertise; there were no creators online sharing tutorials on the fly or online marketplaces to cost-effectively hire specialised freelancers. Most importantly, even the best content would not see the light of day without "receiving approval" from industry gatekeepers; there was no way for an individual to reach a large audience through their own efforts.



Technology Trends

Artificial intelligence (AI) and advances to machine learning (ML)

AI has enormously contributed to photography and visual arts. AI features in smartphones allow cameras to balance colours, increase clarity, and/or introduce digital features.⁶⁰ AI also provides an “image processing capability” that interprets images. This has tremendous potential to enhance image database capabilities and search engines. Some of these applications have already been implemented—for example, by Google and Apple—but they are expected to become more precise through data generation and machine learning.

Companies like Talenhouse can benefit from enormous image banks with highly efficient search engines. Creators are benefiting from “computational photography,” which enhances cameras regardless of their optical capabilities, democratizing photography and image editing.

5G revolution

Networks are expected to be much faster, have a larger capacity, and reduced latency (time required for a packet of data to travel between two points).⁶¹ The 5G revolution is considered among the key innovations of our time, and it may have a considerable impact on AI, automation, remote work, global connectivity, among other areas. Advanced connectivity is expected to play a key role in the creator economy, given that **W**more people from emerging markets are expected to join the global flows of information. According to a study, online video represents most of the internet traffic, a trend that is expected to only increase in the coming years.⁶² Moreover, more people are expected to join the internet and increase their time online.⁶³ In 2021, the US already has approximately 2,700 cities with 5G infrastructure, and smartphones increasingly have 5G capabilities.⁶⁴ However, on a global scale, the 5G Revolution is expected to arrive later to less developed regions that lack infrastructure.⁶⁵

Increased opportunities within the creator economy are expected as new technologies are empowered by 5G and more people join the internet. This is expected to cause positive disruptions in AI, VR/AR, gaming, and the traditional labour market as wireless networks become more efficient.

“Roll out of technology has been critical. At least 4G is needed to download videos. Technology has certainly been one of the biggest changes.”

– VP of Partnerships and Market Expert

⁶⁰ The Verge - How AI is changing photography, 2019

⁶¹ Verizon - 5G Revolution: How 5G will change the world, 2021

⁶² Cisco – Cisco Visual Networking Index Predicts Global Annual IP Traffic to Exceed Three Zettabytes by 2021, 2017

⁶³ Cisco - Projecting the future of digital transformation (2018—2023), 2020

⁶⁴ Verizon - 5G Revolution: How 5G will change the world, 2021

⁶⁵ World Bank – Policy Choices Can Help Keep 4G and 5G Universal Broadband Affordable, 2021



Regulatory Trends

Privacy laws and digital regulations

The global digital economy is moving toward greater privacy regulations led by the European Union (EU), United Kingdom (UK), United States (US), and China. Privacy regulations have entered into force over the last three years, including the General Data Protection Regulation (GDPR) in the EU in 2018, the UK-GDPR framework or Data Protection Act (DPA) from 2018, and the California Consumer Privacy Act (CCPA) in the US in 2020. Besides, this year China adopted the Data Security Law, the Personal Information Law (PIPL), and a weekday gaming ban for people under 18.

Although privacy laws are more stringent in the EU, UK, US, and China, they are unlikely to cause major disruptions to niche creator economy platforms.

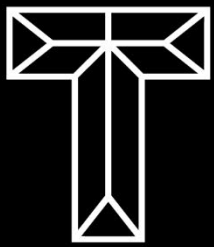


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What is the creator economy, anyway?

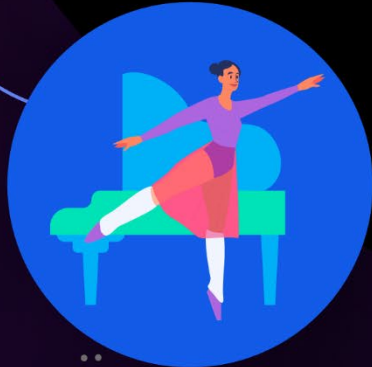
The creator economy is the money made from all creative activities – everything from arts and crafts to fashion and computer games



The creator economy is

MASSIVE.

over **30m**
people employed by the
creator economy

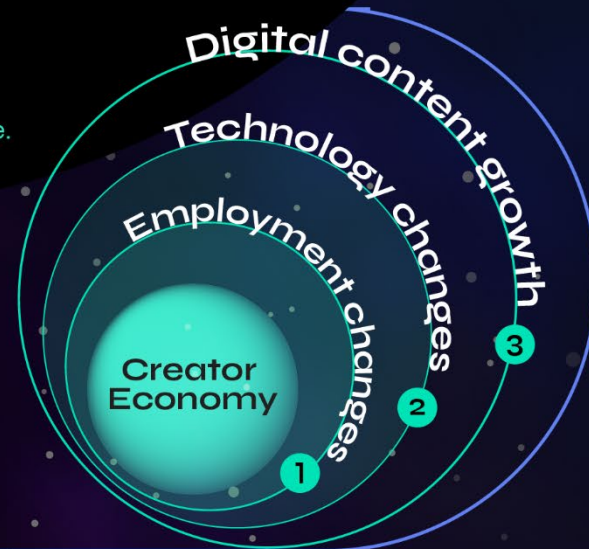


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3% of GDP
or an economy the size of France.

\$2.25 trillion dollars
annually generated by the
creator economy

The creator economy is a structural growth market, whose expansion is underpinned by three major market trends:



\$347.9bn
Digital Animation

\$35.6bn

Global Digital Music

\$120.3bn

Digital Photography

**The digital
content
market**

\$198bn

Digital Video

The digital content market is the fastest growing segment of the market which, just by itself, will be worth

\$700bn
annually by 2025e.

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