

MediaValet Inc.

(TSXV:MVP)

The Future of Digital Asset Management

Company Description

MediaValet Inc. (TSXV:MVP) offers a cloud-based, software-as-a-service (“SaaS”) solution to help large organizations manage and protect their high-value digital assets. Their Digital Asset Management Solution (“DAMS”) addresses a rapidly-growing need by companies of all sizes, across all industries and global regions. MediaValet was built exclusively on Microsoft Azure and is currently available on 44 highly-secure and scalable Microsoft data centres around the world. To date, 60% of MediaValet’s clients are US based with the remaining, evenly split between Canada and the rest of the world. A few notables of the Company’s 120 diverse client base include the New England Patriots, the US Naval Institute, and DuPont. Today, the Company offers one of the only systems that can handle millions of assets and tens of thousands of users for a single customer, no matter its size or location. MediaValet operates a high-margin (80%+), sticky SaaS business model and continues to grow its Annualized Recurring Revenue (“ARR”) by 70% YoY.

Investment Highlights

- **New channel program anticipated to accelerate ARR growth.** MediaValet completed its first sales from its channel program (referral and sales partners) in H2/2017. The program has been successful in its early days, as the Company reached record quarterly revenue in Q3/2017, and has potential to materially increase the Company’s deal flow and win rate going forward as it adds new channel partners both regionally and by industry. MediaValet believes most of its sales will be driven by channel programs by 2020.
- **The DAM market is anticipated to grow to US\$7.8B by 2024 from US\$2.1B in 2017 (MarketsandMarkets Research).** While DAM technology has been around for 30 years, the amount of media assets being produced today and how they are being used throughout organizations is requiring a new breed of DAM solutions. For reference, According to the International Data Corp (“IDC”), the digital universe is expected to double every year to 40,000 Exabytes (42.9B gigabytes) by 2020. Consequently, this gives MediaValet a compelling opportunity to meet a growing market demand with innovative, cloud-based DAM solutions that leverage new technologies, including artificial intelligence, machine learning, and blockchain.
- **Ongoing R&D provides a pipeline of unlocked value.** MediaValet recently launched its new Publishing and Analytics platform, which allows streamlining and tracking of assets from MediaValet. This new platform solution improves productivity, saves costs and optimizes marketing spend. Of note, MVP is exploring ways to leverage blockchain technologies to improve the management, tracking and transfer of intellectual property ownership throughout the lifecycle of media assets. This is a problem that continues to plague the creative industry globally and, if solved, would be a significant value driver moving forward.

Financial Analysis

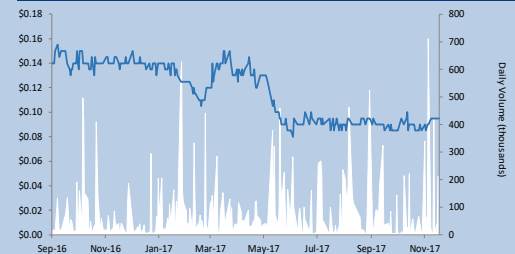
On December 20, 2017, MediaValet announced a \$7.5M financing led by Canaccord and Gravitus Securities at \$0.06/share. Proceeds are anticipated to fund product innovation, sales & marketing, and to pay down long-term debt. In mid-November, the Company also completed a \$1M secured debenture with its major institutional shareholder.

MediaValet recorded revenue of \$599K in Q3/2017, up 12% QoQ and 64% YoY. Based on a run rate of \$2.4M as of Q3/17, MVP trades at EV/Sales of 5.2x, a discount compared to peers, which trade at an average of 9.1x. Management anticipates being cashflow positive by early 2019.

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Price Performance



Market Data (TSXV:MVP)

Price (January 9 close, 2018)	\$0.095
52 Week Range	\$0.06 - \$0.135
Market Cap (M)	\$8.4
Current Shares Outstanding (basic, M)	88.0
Current Shares Outstanding (fully diluted, M)	96.6
Free Float	73%
Average Daily Volume (3 months)	207K
Revenue (LTM, \$M)	\$2.0
Revenue (2016, \$M)	\$1.3
Total Debt (M)	\$4.3
Current Cash (M)	\$0.2
Total Assets (M)	\$0.9

Headquarters

Vancouver, BC., Canada

Website

<https://www.mediavalet.com/>

Top Shareholders

David MacLaren	18%
Fidelity	14%
Robert Chase	8%

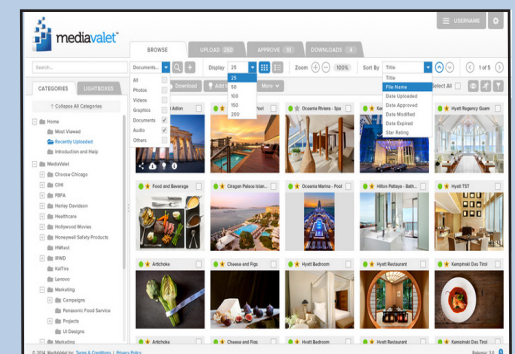
Management

Robert Chase	Chairman
David MacLaren	CEO
Kevin Leong	CFO
Jean Lozano	CTO
Bob Garnett	Director
Judi Richardson	Director
Barry Jinks	Director

All figures in CAD unless otherwise stated.

Source: Company Reports, Thomson Reuters

Figure 1: MediaValet’s Library Advanced Search



Source: Company Website (www.mediavalet.com)

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