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## **Our Story**

* Marchex began as a company focused on connecting businesses to potential customers through a range of search and vertical websites.
* We wanted to be the conduit through which businesses could efficiently access their target audience via websites and online directories. The idea was to reach beyond Google.
* Acquiring a valuable domains portfolio was key to this. It allowed us to expand advertising real estate through owned & operated web sites that matched our advertiser categories.
* As we’ve grown, we’ve been driven to take risks and experiment to meet customer needs and evolve with the market.
* Some of these experiments didn’t pan out how we’d hoped. But some very much did, including calls.
* In 2009, we saw Call Analytics take off. More and more national and local businesses were using our technology to better understand which marketing campaigns, including search, drove calls.
* It made sense. Search was great, but it didn’t hit the mark for every business – especially those offering more complex services, like insurance, which typically talk to customers over the phone.
* These companies needed more than simply being searched for online. They needed people to dial them up.
* With technology we developed and the emergence of mobile, opportunity was, quite literally, calling.
* We bet big here and two years later, we were proven right. The rise of mobile device usage had breathed new life into the value of a phone call.
* Which brings us to the spin-off.
* Why are we doing this now? A trifecta of forces. (1) There’s the explosive growth of smartphones driving higher call volume, (2) increased demand from advertisers who want ROI from their mobile spend, which we’re able to provide through our pay-for-call business model, and (3) huge strides in our technology that drive measurability.
* All this created a perfect opportunity for Marchex to move forward aggressively with our mobile advertising business focused on calls and performance.
* Meanwhile, the domains and clicks side of our business has remained an important part of our core. But it has been basically operating as a separate and under-resourced entity.
* It became clear to us that domains needed its own pot and soil to grow into something greater.
* A spin-off will help Marchex unlock maximum value out of each side. Operating two distinct businesses will give more strategic focus to both entities and help crystallize the Marchex story.

## **The Growth of Marchex**

* Several years ago, we recognized something profound was happening: Consumers were starting to use their mobile phones to search for business information and call businesses directly.
* We started to listen to the market and we started to reap the rewards. Advertisers were ready and willing to buy quality calls on a performance basis.
* We saw 10X growth for our product, which was still very much in its infancy, during a time when our country was on the brink of economic collapse.
* We sawclear and convincing evidence that the majority of this market was ahead of us – not behind. We focused on owning this space.
* We recently hit a nearly $120 million annualized revenue milestone. We believe this growth is on an upward trajectory.
* The fact is, mobile display ads don’t perform. And this leaves the field wide open for us.
* We found that it can take as many as 250,000 mobile display impressions to convert just one customer. Current CPM rates make this mode cost-prohibitive for even large national advertisers with well-known brands.
* Marchex can drive conversion rates ranging from 25% to 50% at volumes that make it worth a customers’ time.
* Our company is the largest mobile advertising company few have heard of. But most important, it’s driving better advertiser ROI than any other mobile business.

## **The Birth of Archeo**

* Archeo’s goal is to develop the industry’s most dynamic domain and advertising marketplace.
* We have one of the most valuable and unique portfolios in the world. Now we’ll have the right people and systems in place to monetize this asset-rich resource.
* We will take a build or partner approach to develop businesses complementary to our vertical focus and expand our strategic domain sales support efforts. This includes entering the buy-now market where we did not previously participate.
* Our premium vertical PPC product will focus on innovative new features and entering new verticals.
* Our unique and highly valuable domain portfolio and history in performance advertising provides a limitless ability to build new businesses.
* The root of the name Archeo derives from the ancient Greek word “arche,” which means beginning and discovery.
* It’s exactly what this spin-off means to us – the start of a new journey, brimming with infinite possibilities.