

JUNE QUARTER 2021 ACTIVITIES REPORT

Highlights:

- Total operating cash flow for the quarter ending 30 June 2021 was (\$0.1M) (vs. \$0.3M for the previous quarter) and (\$1.0M) for financial year 2021 – **an improvement of 46% versus the prior financial year**
- **Cash at Bank of \$3.1 million** at 30 June 2021
- **Crowd signs binding heads of Agreement with Healthcare company PangeaMed**
- T1 of the European Investments Consortium convertible notes were partially converted to shares (\$545k) and repaid in cash (\$460k) in June 2021, **reducing outstanding debt by \$1.0M** to \$0.55M at 30 June 2021
- Showcased Crowd's beta version of Digital Dom - View here: <https://youtu.be/sA24myK9Eis>
- Completed second tranche of investment of USD \$91k (AUD \$122k) of the agreed USD \$250k into Crowd's Joint Venture with **Israeli-based VFR Assets and Holdings Ltd.** (www.zoe01.com) - JV to **create the visual Talking Head proof of concept**
- The Mobile Subscription division continues to deliver ongoing profits
- Completed second tranche of investment of GBP 250k (AUD \$458k) with **AI voice-cloning company** Aflorithmic Labs Ltd (AFLR) in July 2021

Financial Update:

- The balance of cash on hand as at 30 June 2021 was \$3.1 million, after partial cash repayment of the Tranche 1 convertible notes of \$460k (the remaining face value of \$545k was converted to shares).
- Net cash used in operating activities for the quarter was (\$56k), with positive net trading receipts of \$9k and interest costs paid of (\$79k). The interest costs mainly relate to repayment of accrued interest on the Tranche 1 convertible notes at maturity in June 2021.
- Net cash flow from investing activities for the period was (\$249k). Crowd invested \$122k in the joint venture with VFR Assets and Holdings Ltd.
- Net cash flow from financing activities was (\$672k) for the quarter. Crowd used \$460k for the repayment of T1 convertible notes.
- Total borrowings were \$0.55 million at 30 June 2021, consisting of the European Investments Consortium and Director Domenic Carosa Tranche 2 convertible notes that expire in December 2021.

Crowd Signs Binding Heads of Agreement with Healthcare Company PangeaMed:

Crowd is pleased to announce that it has executed a Binding Heads of Agreement (HOA) with South African healthcare company PangeaMed.

PangeaMed (<https://pangeamed.com/index.html>) is a patient-focused medical company specialising in enhanced recovery after surgery (“ERAS”), health advocacy, patient awareness, data, innovation and training. Pangea Med currently delivers their programs across 50 African countries.

The HOA outlines how Crowd and PangeaMed will collaborate to integrate Crowd’s Q&A technology into the healthcare sector in Africa. This integration will improve the quality of healthcare by facilitating better communication (across all language groups) between patients and healthcare providers in an efficient and error-free way.

This HOA covers the development and operation of the project in two phases: Phase 1 is about making use of Crowd’s text-based Q&A AI driven technology platform (the “Conversational Platform”) to improve communication between patients and healthcare providers, whilst Phase 2 is about developing a full digital human interactive version of a healthcare provider which will interact with patients, leveraging Crowd’s “talking head” technology and that of its partners.

The financial terms of the partnership will be negotiated and agreed in good faith and on an arm’s length basis including the SaaS licensing of Crowd’s Q&A AI driven technology platform.

It should be noted that PangeaMed is currently in the process of raising capital to fund growth and several of Crowd’s directors have invested into PangeaMed on an arm’s length basis.

Talking Head Update:

Crowd has released its beta version of the “Digital Dom - Talking Head”. This digital twin of Crowd’s director, Domenic Carosa, which showcases Crowd’s integration of our partner technologies (Aflorithmic for Dom’s voice cloning and our Israeli VFR 50:50 Joint Venture for the Digital Dom), will serve as a platform for conversational commerce. View here: <https://crowdmedia.com/digital-dom>

This announcement is in line with the Company’s strategic vision as outlined by the Chairman, Steven Schapera, to develop ‘voice-and-visual’ products as the next frontier of conversation commerce applications.

Mobile Subscription Update:

- The Mobile Subscription division continues to deliver ongoing profits to Crowd notwithstanding regulatory and other headwinds in the sector. The Company continues to optimise its cost base within the division in order to maximise short term profits and cashflow. The Company is not expecting any growth within this segment, as previously communicated to the market.

Subsequent events:

- Crowd completed the second tranche of the investment of GBP 250k (AUD \$458k) in **AI voice-cloning company** Aflorithmic Labs Ltd (AFLR) in July 2021.

Crowd Media's Chairman, Steven Schapera said: *"The Plan is coming together: it all hinges upon the integration of Crowd's Q&A tech with our Investee Partner's tech. Combined, they are the conversational commerce platform that delivers the product. Although it might seem clunky and fake to you today, by the end of next year it will appear very real indeed."*

Crowd Media welcomes investors to join the Company's mailing list for the latest updates and industry research by subscribing at: <https://crowdmedia.com/newsletter>.

Related Party Payments:

Section 6 of the Appendix 4C released today discloses payments to related parties of \$230k, reflecting payments for salaries, fees and consulting services, executive and non-executive directors and their associates.

This announcement has been authorised for release to the ASX by the Board of Directors of CM8.

(ENDS)

For further Information:

Steven Schapera, Chairman

Crowd Media Holdings:

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ABOUT CROWD MEDIA

Crowd Media is an Artificial Intelligence company that is leveraging its AI platform for applications in Conversational Commerce.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Crowd Media Holdings Ltd

ABN

13 083 160 909

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3,025	13,678
1.2 Payments for		
(a) research and development	(91)	(224)
(b) product manufacturing and operating costs	(657)	(3,902)
(c) advertising and marketing	(280)	(3,001)
(d) leased assets		
(e) staff costs	(872)	(4,863)
(f) administration and corporate costs	(1,116)	(2,917)
1.3 Dividends received (see note 3)		
1.4 Interest received	10	19
1.5 Interest and other costs of finance paid	(79)	(350)
1.6 Income taxes paid		
1.7 Government grants and tax incentives	4	138
1.8 Other (provide details if material)		452
1.9 Net cash from / (used in) operating activities	(56)	(970)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		
(e) intellectual property	(122)	(1,326)
(f) other non-current assets	(127)	(284)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(249)	(1,610)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		5,600
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	51	1,891
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(7)	(639)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	(460)	(2,107)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)	(256)	(644)
3.10	Net cash from / (used in) financing activities	(672)	4,101

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,219	1,914
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(56)	(970)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(249)	(1,610)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(672)	4,101
4.5	Effect of movement in exchange rates on cash held	(99)	(292)
4.6	Cash and cash equivalents at end of period	3,143	3,143

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,143	4,219
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,143	4,219

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	230
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	2,768	0
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities	2,768	0
7.5	Unused financing facilities available at quarter end		2,768
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p>Crowd Media has a two-year revolving credit facility with BillFront. No amounts were drawn or outstanding at 30 June 2021 and the maximum amount that can be drawn is EUR 1,750,000. The effective annual interest rate is 11.3% and the maturity date is 25 April 2023.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(56)
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,143
8.3	Unused finance facilities available at quarter end (item 7.5)	2,768
8.4	Total available funding (item 8.2 + item 8.3)	5,911
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	105.6
	<p><i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i></p>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	<p>Answer:</p>	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	<p>Answer:</p>	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	<p>Answer:</p>	
	<p><i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i></p>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: ...29 July 2021.....

Authorised by: ...the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.