

CROWD MEDIA PLAN IS ON TRACK

As Chairman of Crowd Media Holdings Ltd ("Crowd"), it gives me great pleasure to share this situational update with Shareholders. After 14 eventful months at the helm of Crowd it is opportune to comment on where we have come from, where we are now, and where we are going.

My group invested into Crowd in September 2019. The company was in a vulnerable position financially, with debt and cashflow issues, but it had a very solid core technology built up over a number of years which we recognized had enormous potential: Crowd's Q&A tech, matched correctly to other tech, could transform the world of influencer marketing. We saw a CEO and Management team that had *true grit*, and could battle it out in the trenches. And we saw a loyal group of shareholders who had stood by the company through its ups and downs. *This glass was half full and we were going to fill it.*

Working closely with my co-investor Robert Quandt, and Crowd CEO Domenic Carosa we began our 4-step turnaround:

1. Fix the products or services on offer;
2. Fix the organizational structure / HR;
3. Fix profitability and cashflow;
4. Fix the Balance Sheet.

1. Fix the products / services on offer: Our Subscription vertical is performing well. Our Q&A vertical has faced massive regulatory headwinds and is performing far better than it otherwise would have if we weren't watching it very closely; critically, the underlying tech is the platform upon which we are building our "Talking head". Crowd Direct, our direct-to-consumer vertical now has 5 brands in the portfolio and quarter-on-quarter revenue growth is +136%.

2. Fix the organizational structure / HR: Robert and Domenic wasted no time in realigning the organizational structure and optimizing the size of the Team. It's an ongoing process, but what we have today is substantially leaner and meaner, more agile, and morale is certainly higher than it has ever been before. We have also strengthened the Board with the appointment of John Palermo, bringing with him many years of accounting and listed company experience.

3. Fix profitability and cashflow: After heavy losses in FY2019, we finished FY 2020 with a positive underlying EBITDA of \$140k. We now have the funds to properly finance our R&D and become an innovator again, whilst also having the funds to invest in revenue growth capability.

4. Fix the Balance Sheet: Having just completed a \$4m capital raising at a price representing a significant premium to when we first got involved, we are now sitting on almost \$6m in cash and will look to substantially reduce or extinguish our Billfront debt facility.

We now have a company that is on a mission to lead the conversational commerce space. All our ducks are in a row: we have an absolutely clear strategy to deliver us to our end-goal, and nothing is distracting us from that. We are committed to executing on fintech and insuretech, as planned, in 2021. We are about 12 months ahead of plan for our "talking head" concept and have our beta up and running. To bolster this, we have made a number of small (but strategic) investments into our development partners to guarantee our seat at each of the vital tech tables.



Crowd's future hasn't looked this rosy for a long time, and I couldn't be more proud of the fact that we have tripled shareholder value in the 14 months to date. Thank you for your continued support and loyalty, we cannot do this without you.

Warm regards

A handwritten signature in black ink that reads "Steven Schapera". The signature is fluid and cursive, with a long horizontal line extending from the end of the name.

Steven Schapera
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[ABOUT CROWD MEDIA](#)

Crowd Media Holdings Limited (ASX:CM8 & FWB:CM3) Crowd is a tech-based, vertically integrated social commerce business selling exemplary products and services that are integral to the lives of its customers.