



ASX Announcement
16th June 2020

CROWD MEDIA SIGNS EXCLUSIVE SOCIAL COMMERCE AGREEMENT WITH VITAL INNOVATIONS

Crowd Media Holdings Limited (ASX: CM8 & FWB: CM3) (“Crowd” or “Company”) has executed an exclusive and binding Marketing Services Agreement with London-based VITAL Innovations Ltd (“VITAL”) to market and sell key VITAL portfolio brands and products into the European market (excluding UK).

This arrangement will leverage Crowd’s core strengths (digital marketing / direct-to-consumer digital commerce / social media / influencer marketing / social commerce) to drive web and mobile sales of VITAL products across Europe, thereby enabling VITAL to roll out its award-winning brands into the EU markets.

Crowd and VITAL have executed an exclusive Marketing Service Agreement or an EU based social media, influencer marketing and social commerce partnership that will include the promotion and sale on a Direct to Consumer (D2C) model of some of VITAL’s brands into the European market, as well as development and execution of an all-encompassing digital marketing campaign across Europe.

Founded 40 years ago, VITAL is a UK-domiciled family-owned business that has created and launched a number of successful brands across a number of sectors including healthcare, consumer and water purification sectors. VITAL is headquartered in London and has subsidiary offices in North America, Germany, and Israel. The VITAL portfolio of brands includes Vital Baby, Vital Family & Super Safe. (www.vitalgroup.co.uk)

This intended collaboration marks another milestone in the execution of the Company’s strategic vision, as outlined by Crowd’s Chairman Steven Schapera at the November 2019 AGM, when Mr Schapera highlighted Crowd’s plan to sell exemplary products integral to the lives of European-based millennials on a Direct to Consumer model. Crowd has deep experience in digital marketing to millennials in most European countries, across 12 different languages, and will be using influencer and performance marketing strategies to drive VITAL sales.

Crowd’s CEO Domenic Carosa said: “We are pleased to have executed an exclusive agreement with VITAL. They are a powerful, family-owned company and have been in business more than 40 years. Their portfolio brands are of special interest to Crowd because their target customer is almost always a millennial, perfectly matched to our social media and influencer marketing skills. We have already identified a number of VITAL key products and market segments in the healthcare and consumer space where we will focus our initial efforts. Crowd can really add value here, leveraging our five years of social media, social influencer and social commerce experience for the benefit of both parties.”

VITAL has also agreed to Subscribe for 5 million Crowd Media Holding Ltd shares at 3.0 cents each, a slight premium to the market price. This equity participation, which further cements the relationship between the parties, raises AUD\$150,000 which Crowd will use to assist with the rollout of strategic marketing initiatives to bolster sales.

Further details regarding the agreement are contained in the Appendix below.

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

APPENDIX: SUMMARY OF THE MARKETING SERVICE AGREEMENT

- Crowd Media B.V. (“Crowd”) and Vital Innovations Ltd (“Vital”) have executed a Marketing Services Framework Agreement.
- The Term of the agreement is for 2 years, commencing 1st of July 2020.
- Under the terms of the agreement, Crowd will be the exclusive online marketer of Vital Products, via social media, social influencer and social commerce in the territory of Europe; excluding the UK.
- Vital has also engaged Crowd to offer its online marketing services more broadly, granting Crowd a non-exclusive, worldwide, royalty free license and the right to use, create, perform, reproduce, display, transmit, modify, copy and distribute any advertisement relating to their products and brand as outlined in Agreement.
- Crowd will be receiving 100% of Net Sales, or as agreed on a product-by-product basis
- Revenue Share payments shall be payable on Net Sales generated for Vital Products sold as a result of Crowd’s marketing services as well as all sales generated through various websites controlled by Vital regardless of whether such sales occur during or after the Term. "Net Sales" shall mean the gross revenue generated minus:
 - product cost at predetermined distributor prices;
 - applicable sales tax;
 - bona fide Third-Party Costs;
 - withholding tax or any other indirect taxes;
 - actual and auditable credit card transaction fees;
 - Revenue Share payments shall be payable to Crowd on a monthly basis;
 - Within 15 days after the close of each month, Vital shall furnish to Crowd complete and accurate statements of its sales of the Products and the revenue share due to Crowd.
- Crowd will be responsible for all agreed Sales and Marketing costs which will include influencer marketing, social media performance marketing, creative and design and any other digital marketing initiative in line with Crowd’s existing business.

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ABOUT CROWD MEDIA

Crowd Media Holdings Limited (ASX:CM8 & FWB:CM3) is a global media and marketing company. Crowd Media has two divisions: a Mobile division built upon its Q&A and Subscription tech platforms to produce and deliver content including apps, games and music, and a Digital Marketing division which works with brands and digital influencers to deliver branded content primarily to the fast-growing Millennial and Gen Z markets.

Crowd Media's networks are strengthened by its partnerships with hundreds of mobile carriers internationally and some of the world's largest agencies, brands and media companies. The mobile division operates in more than 50 countries and 30 languages and the media division has worked with more than 10,000 digital influencers worldwide.