

1. Company details

Name of entity:	Crowd Media Holdings Limited
ABN:	13 083 160 909
Reporting period:	For the half-year ended 31 December 2021
Previous period:	For the half-year ended 31 December 2020

2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	59.7% to	2,850,203
Loss from ordinary activities after tax attributable to the owners of Crowd Media Holdings Limited	down	87.8% to	(280,550)
Loss for the half-year attributable to the owners of Crowd Media Holdings Limited	down	87.8% to	(280,550)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the Group after providing for income tax amounted to \$280,550 (31 December 2020: \$2,297,252).

Refer to Directors' report for discussion of the results of operation for the half-year.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.77	0.94
Calculated as follows:		
	Consolidated	
	31 Dec 2021	31 Dec 2020
	\$	\$
Net assets	5,756,189	5,619,685
Less: Intangibles	(732,748)	(748,614)
Net tangible assets	5,023,441	4,871,071
Total shares issued (no.)	654,264,587	516,624,996

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

As disclosed in the Appendix 4E lodged with the 30 June 2021 Annual Report, the Group had an interest in a joint venture with VFR Holdings that, at 30 June 2021, had not been fully incorporated.

During the half-year, Crowd terminated the joint venture with VFR Holdings, a technology-driven decision that allows Crowd to focus development efforts on new technologies and the partnership with Aflorithmic Labs Ltd due to discoveries made within the R&D process, leveraging the IP and learnings acquired during the joint venture period. There were no further amounts invested in the joint venture by Crowd during the half-year.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Half Year Report.

11. Attachments

Details of attachments (if any):

The Half Year Report of Crowd Media Holdings Limited for the half-year ended 31 December 2021 is attached.

12. Signed



Signed _____

Date: 28 February 2022

Steven Schapera
Chairman
Perth

Crowd Media Holdings Limited

ABN 13 083 160 909

Half Year Report - 31 December 2021

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The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Crowd Media Holdings Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

Directors

The following persons were directors of Crowd Media Holdings Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Steven Schapera - Chairman
Domenic Carosa
Matthew Blake
Scott Mison
Sytze Voulon (appointed 30 September 2021)

Principal activities

During the financial half-year the principal continuing activities of the Group consisted of the sale of information, entertainment and content and utility services for mobile phones and tablets; the sale of products direct-to-consumer; and development of conversational commerce technology.

Review of operations

Crowd Media Holdings Limited was organised into two operating segments during the financial half-year: Mobile Content-Subscription (or 'Subscription') and Crowd Direct.

Crowd Media Group earned revenue from continuing operations for the half-year ended 31 December 2021 of \$2,850,203 versus \$4,087,534 in the prior half-year ended 31 December 2020 ('pcp' or 'prior half-year'). The Company's earnings before interest, tax, depreciation and amortisation ('EBITDA') was a profit of \$109,530 for the half-year (pcp: loss of (\$703,238)) and the net loss after tax for the half-year was (\$280,550) (pcp: (\$1,364,908)). Crowd Media's net asset position at 31 December 2021 was \$5,756,189, an increase of \$504,741 from the 30 June 2021 balance.

Notably, the Company's EBITDA and net loss includes non-cash impairment expenses of \$335,453, non-cash share-based payment charges of \$61,983 and a non-cash fair value gain on investments of \$479,648. When adjusting only for these effects, consistent with performance measures reported to shareholders during the half-year, the underlying EBITDA for the financial year is a profit of \$36,099, as follows:

	31 Dec 2021 \$	31 Dec 2020* \$	Increase/ (decrease) \$	Percentage change %
Net profit / (loss) after tax ('NPAT')	(280,550)	(1,364,908)	1,084,358	(79%)
Add back: income tax expense / (benefit)	-	125,069	(125,069)	(100%)
Add back: finance costs	112,960	263,525	(150,565)	(57%)
Deduct: interest revenue	(28,895)	(2,230)	(26,665)	1196%
Add back: depreciation and amortisation	306,015	275,306	30,709	11%
Earnings before interest, tax, depreciation and amortisation ('EBITDA')	109,530	(703,238)	812,768	(116%)
Add back: impairment expenses (non-cash)	335,453	-	335,453	-
Add back: share-based payments expense (non-cash)	61,983	266,138	(204,155)	(77%)
Add back: restructuring and financing costs	13,552	35,177	(21,625)	(61%)
Deduct: fair value gain on investments (non-cash)	(479,648)	-	(479,648)	-
Effects of exchange rate changes	(4,771)	(9,571)	4,800	(50%)
Underlying EBITDA	36,099	(411,494)	447,593	(109%)

* Results shown for 31 December 2020 are from continuing operations.

Comparison of half-year ended 31 December 2021 to 31 December 2020

	31 Dec 2021 \$	31 Dec 2020* \$	Increase/ (decrease) \$	Percentage change %
Revenue	2,850,203	4,087,534	(1,237,331)	(30%)
Other income	-	10,000	(10,000)	(100%)
Net fair value gain on investments	479,648	-	479,648	-
Cost of sales	(527,073)	(1,194,421)	667,348	(56%)
Selling, general and administration expenses	(2,366,562)	(3,606,351)	1,239,789	(34%)
Impairment expenses and expected credit losses	(326,686)	-	(326,686)	-
EBITDA Profit / (Loss)	109,530	(703,238)	812,768	(116%)
Interest revenue	28,895	2,230	26,665	1196%
Depreciation and amortisation	(306,015)	(275,306)	(30,709)	11%
Finance costs	(112,960)	(263,525)	150,565	(57%)
Income tax (expense) / benefit	-	(125,069)	125,069	(100%)
Net Profit / (Loss) After Tax ('NPAT')	(280,550)	(1,364,908)	1,084,358	(79%)

* Results shown for 31 December 2020 are from continuing operations.

Revenue

For the half-year, revenue from Crowd Media's continuing operations totaled \$2,850,203 (pcp: \$4,087,534). Revenue was represented by Subscription of \$2,586,599 (pcp: \$3,392,244) and Crowd Direct of \$263,604 (pcp: \$695,290).

The Subscription business continues to be profitable. Management will continue to expand the product offering, adding new and better-quality third-party content and diversifying revenue in order to lift revenue and profitability.

Crowd Direct has performed below internal expectations as measured by return on marketing spend. Retail marketing dollars are seen to be moving away from bricks and mortar, to aggressive online deployment. Accordingly, this business segment was restructured in the prior financial year in a positive way, to focus on our best-performing brands, Kamu and KINN, which improved profitability for the division.

Expenses

(i) Cost of sales

For the half-year, the Group's cost of sales was \$527,073, or 18% of revenue (pcp: \$1,194,421 at 29% of revenue). The reduction in cost of sales compared to the prior half-year is mainly due to the change in product mix, with the Subscription division having a more favorable cost of sales margin.

(ii) Selling, general and administration expense

Crowd Media's selling, general and administration expenses (including Marketing) of \$2,366,562 for the half-year decreased by 34% compared to the prior period. The decrease is mainly due to a decrease in marketing expenses (-55% versus the prior period), consultants fees (-33% versus the prior period) and share-based payment expenses (-77% versus the prior period).

(iii) Depreciation and amortisation

The consolidated depreciation and amortisation expense for the half-year was \$306,015 (pcp: \$275,306). The increase from prior period is mainly due to amortisation on software intangible assets.

(iv) Finance costs

The consolidated finance costs for the half-year of \$112,960 decreased by 57% from \$263,525 for the prior half-year. The Company fully repaid the loan payable to Vane Finance Technology (formerly BillFront) during the prior year, reducing finance costs in the current year.

(v) Income tax expense/(benefit)

The consolidated income tax expense for the half-year was nil (pcp: \$125,069). The Company wrote off all deferred tax assets and liabilities in the prior year.

Cash flow

The Company's net cash provided by operating activities for the half-year was \$5,517, an improvement of \$1,221,159, or 100%, compared to the prior period cash used of (\$1,215,642).

The net cash flow from investing activities for the period was (\$1,611,768). Crowd invested \$916,351 into Aflorithmic Labs Ltd, lent \$347,422 on a secured loan agreement at 10.00% interest, maturing on 30 April 2022, with Reign (purchaser of the legacy Mobile Q&A business) and spent \$347,995 on development of IP.

Net cash flow from financing activities was \$211,418. Crowd received \$612,101 from the issue of shares during the half-year and used \$233,333 to repay a portion of the Tranche 2 convertible notes at maturity in December 2021. The remaining Tranche 2 notes were converted to shares.

Liquidity and Financial Position

At Crowd Media's 31 December 2021 reporting date:

- Cash and cash equivalents ('cash') were \$1,696,996 (30 June 2021: 3,142,991).
- Working capital (defined as current assets less current liabilities) was \$1,957,205 (30 June 2021: 2,833,099).
- Reporting date total current and non-current borrowings ('debt') were nil, a decrease of \$624,743 from 30 June 2021.
- Net assets were \$5,756,189, an increase of \$504,741 from \$5,251,448 at 30 June 2021.

The financial statements have been prepared on a going concern basis. Refer to note 2 of the financial statements.

Significant changes in the state of affairs

On 16 August 2021, the Company announced the appointment of Mr Idan Schmorak as Chief Executive Officer of the Company with effect from 20 September 2021. Idan previously served as the Director of Business Development at VFR Holdings, an Israeli-based start-up incubator and investment firm. In this position, he was tasked with driving growth in products and services, increasing sales revenue and leading the marketing function across a number of company-owned ventures, including leading the "Talking Head" team as part of the VFR joint venture with Crowd Media.

On 13 August 2021, the Company issued 2,003,065 fully paid ordinary shares on conversion of performance rights and 200,765 fully paid ordinary shares in lieu of interest paid on the Tranche 2 convertible notes.

On 30 September 2021, the Company announced that Sytze Voulon was appointed as non-executive director. Sytze has extensive international business experience, most recently leading Synlab Analytics & Services which was acquired in 2020 via a €550 million (AUD\$851 million) merger.

On 6 December 2021, the Company issued 11,070,044 fully paid ordinary shares on exercise of options.

As disclosed in the 30 June 2021 Annual Report, the Group had an interest in a joint venture that, at 30 June 2021, had not been fully incorporated. During the half-year, Crowd terminated the joint venture with VFR Holdings, a technology-driven decision that allows Crowd to focus development efforts on new technologies and the partnership with Aflorithmic Labs Ltd due to discoveries made within the R&D process, leveraging the IP and learnings acquired during the joint venture period. There were no further amounts invested in the joint venture by Crowd during the half-year.

There were no other significant changes in the state of affairs of the Group during the financial half-year.

Matters subsequent to the end of the financial half-year

On 11 January 2022, the Company issued 12,944,444 fully paid ordinary shares on exercise of options.

On 26 January 2022, the Company received 24,536 preference shares in Uneeq Ltd upon conversion of the US\$250,000 convertible note receivable from Uneeq. The shares were issued at a conversion price of US\$10.73, a discount of 20% to the fair value price at the time of conversion.

On 31 January 2022, the Company issued 2,630,000 fully paid shares at \$0.05 per share for 12 months Consulting fees for European Marketing. The shares will be in voluntary escrow for 12 months.

On 31 January 2022, the Company also issued 3,000,000 performance rights which vest over 3 years (year 1: 20% vest (600,000), year 2: 30% vest (900,000) and year 3: 50% vest (1,500,000)). The performance rights were issued under the Employee Performance Rights Share Plan approved by shareholders at the 2021 Annual General Meeting.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Steven Schapera
Chairman

28 February 2022
Perth

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Crowd Media Holdings Limited and its controlled entities for the half year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

A handwritten signature in blue ink, appearing to read "RSM".**RSM AUSTRALIA PARTNERS**A handwritten signature in blue ink, appearing to read "M Parameswaran".

M PARAMESWARAN
Partner

Dated: 28 February 2022
Melbourne, Victoria

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Crowd Media Holdings Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021

CROWDMEDIA

		Consolidated	
	Note	31 Dec 2021	31 Dec 2020
		\$	\$
Revenue from continuing operations			
Revenue from continuing operations	4	2,850,203	4,087,534
Cost of sales		(527,073)	(1,194,421)
Gross profit		2,323,130	2,893,113
Other income	5	-	10,000
Interest revenue calculated using the effective interest method		28,895	2,230
Net fair value gain on investments		479,648	-
Expenses			
Marketing		(538,174)	(1,194,894)
Administration and other expenses		(314,025)	(578,364)
Consultants		(254,390)	(379,296)
Depreciation and amortisation expense		(306,015)	(275,306)
Employee benefits expense		(1,172,363)	(1,179,347)
Impairment of assets		(335,453)	-
Travel and accommodation		(22,484)	74
Product development		(3,143)	(8,386)
Share-based payment		(61,983)	(266,138)
Recovery of expected credit losses		8,767	-
Finance costs		(112,960)	(263,525)
Loss before income tax expense from continuing operations		(280,550)	(1,239,839)
Income tax expense		-	(125,069)
Loss after income tax expense from continuing operations		(280,550)	(1,364,908)
Loss after income tax expense from discontinued operations	6	-	(932,344)
Loss after income tax expense for the half-year attributable to the owners of Crowd Media Holdings Limited		(280,550)	(2,297,252)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(24,519)	28,085
Other comprehensive income for the half-year, net of tax		(24,519)	28,085
Total comprehensive income for the half-year attributable to the owners of Crowd Media Holdings Limited		(305,069)	(2,269,167)
Total comprehensive income for the half-year is attributable to:			
Continuing operations		(305,069)	(1,336,823)
Discontinued operations		-	(932,344)
		(305,069)	(2,269,167)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Crowd Media Holdings Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021

CROWDMEDIA

		Cents	Cents
Earnings per share for loss from continuing operations attributable to the owners of Crowd Media Holdings Limited			
Basic earnings per share	17	(0.04)	(0.33)
Diluted earnings per share	17	(0.04)	(0.33)
Earnings per share for loss from discontinued operations attributable to the owners of Crowd Media Holdings Limited			
Basic earnings per share	17	-	(0.22)
Diluted earnings per share	17	-	(0.22)
Earnings per share for loss attributable to the owners of Crowd Media Holdings Limited			
Basic earnings per share	17	(0.04)	(0.55)
Diluted earnings per share	17	(0.04)	(0.55)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Crowd Media Holdings Limited
Statement of financial position
As at 31 December 2021

CROWDMEDIA

		Consolidated	
	Note	31 Dec 2021	30 Jun 2021
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		1,696,996	3,142,991
Trade and other receivables	7	773,886	1,241,779
Accrued income		771,184	781,940
Inventories		354,880	412,566
Loans receivable	8	347,422	-
Convertible notes receivable	9	365,166	344,638
Other		126,710	226,513
Total current assets		<u>4,436,244</u>	<u>6,150,427</u>
Non-current assets			
Investments accounted for using the equity method		-	318,833
Other financial assets	10	2,492,937	983,490
Property, plant and equipment	11	100,105	151,753
Right-of-use assets	12	1,339,491	1,498,401
Intangibles	13	732,748	507,020
Convertible notes receivable	9	247,496	235,550
Total non-current assets		<u>4,912,777</u>	<u>3,695,047</u>
Total assets		<u>9,349,021</u>	<u>9,845,474</u>
Liabilities			
Current liabilities			
Trade and other payables		2,130,671	2,241,887
Deferred revenue		-	109,229
Borrowings	14	-	624,743
Lease liabilities		294,708	287,234
Employee benefits		53,660	43,163
Provisions		-	11,072
Total current liabilities		<u>2,479,039</u>	<u>3,317,328</u>
Non-current liabilities			
Lease liabilities		1,113,793	1,276,698
Total non-current liabilities		<u>1,113,793</u>	<u>1,276,698</u>
Total liabilities		<u>3,592,832</u>	<u>4,594,026</u>
Net assets		<u>5,756,189</u>	<u>5,251,448</u>
Equity			
Issued capital	15	40,854,730	40,052,021
Reserves		5,922,235	6,186,647
Accumulated losses		<u>(41,020,776)</u>	<u>(40,987,220)</u>
Total equity		<u>5,756,189</u>	<u>5,251,448</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Crowd Media Holdings Limited
Statement of changes in equity
For the half-year ended 31 December 2021

CROWDMEDIA

Consolidated	Issued capital \$	Foreign currency reserve \$	Share-based-payments reserve \$	Convertible note optionality reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2020	31,599,781	307,038	5,115,887	308,261	(34,749,192)	2,581,775
Loss after income tax expense for the half-year	-	-	-	-	(2,297,252)	(2,297,252)
Other comprehensive income for the half-year, net of tax	-	28,085	-	-	-	28,085
Total comprehensive income for the half-year	-	28,085	-	-	(2,297,252)	(2,269,167)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs	5,079,359	-	-	-	-	5,079,359
Share-based payments	-	-	266,138	-	-	266,138
Convertible note option	-	-	-	(35,900)	-	(35,900)
Cancellation of share capital of subsidiaries on deregistration of entities	-	-	-	-	(2,520)	(2,520)
Balance at 31 December 2020	<u>36,679,140</u>	<u>335,123</u>	<u>5,382,025</u>	<u>272,361</u>	<u>(37,048,964)</u>	<u>5,619,685</u>
Consolidated	Issued capital \$	Foreign currency reserve \$	Share-based-payments reserve \$	Convertible note optionality reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2021	40,052,021	422,889	5,515,084	248,674	(40,987,220)	5,251,448
Loss after income tax expense for the half-year	-	-	-	-	(280,550)	(280,550)
Other comprehensive income for the half-year, net of tax	-	(24,519)	-	-	-	(24,519)
Total comprehensive income for the half-year	-	(24,519)	-	-	(280,550)	(305,069)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs	749,508	-	-	-	-	749,508
Share-based payments	-	-	61,982	-	-	61,982
Cancellation of share capital of subsidiaries on deregistration of entities	-	-	-	-	(1,680)	(1,680)
Issue of shares on vesting of performance rights	53,201	-	(53,201)	-	-	-
Transfer from convertible note optionality reserve	-	-	-	(248,674)	248,674	-
Balance at 31 December 2021	<u>40,854,730</u>	<u>398,370</u>	<u>5,523,865</u>	<u>-</u>	<u>(41,020,776)</u>	<u>5,756,189</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Crowd Media Holdings Limited
Statement of cash flows
For the half-year ended 31 December 2021

CROWDMEDIA

		Consolidated	
	Note	31 Dec 2021	31 Dec 2020
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		3,222,728	7,528,355
Payments to suppliers and employees (inclusive of GST)		(3,137,841)	(8,643,809)
Interest received		28,895	2,230
Government grants (COVID-19)		-	113,506
Interest and other finance costs paid		(108,265)	(230,096)
Income taxes refunded		-	14,172
		<u>5,517</u>	<u>(1,215,642)</u>
Net cash provided by/(used in) operating activities			
Cash flows from investing activities			
Payments for investments		(916,351)	-
Payments for intangibles		(347,995)	(151,909)
Loans given to third parties		(347,422)	-
Payment for convertible notes		-	(331,749)
		<u>(1,611,768)</u>	<u>(483,658)</u>
Net cash used in investing activities			
Cash flows from financing activities			
Proceeds from issue of shares (net of transaction costs)	15	332,101	4,633,000
Proceeds received for shares to be issued		280,000	-
Share issue transaction costs	15	(7,224)	-
Repayment of borrowings - BillFront		-	(1,647,416)
Repayment of convertible notes - European Investment Consortium		(233,333)	-
Repayment of lease liabilities		(160,126)	(211,606)
		<u>211,418</u>	<u>2,773,978</u>
Net cash provided by financing activities			
Net increase/(decrease) in cash and cash equivalents		(1,394,833)	1,074,678
Cash and cash equivalents at the beginning of the financial half-year		3,142,991	1,913,953
Effects of exchange rate changes on cash and cash equivalents		(51,162)	(19,437)
		<u>1,696,996</u>	<u>2,969,194</u>
Cash and cash equivalents at the end of the financial half-year			

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Crowd Media Holdings Limited as a consolidated entity consisting of Crowd Media Holdings Limited (referred to as 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year (referred to as the 'Group'). The financial statements are presented in Australian dollars, which is Crowd Media Holdings Limited's functional and presentation currency.

Crowd Media Holdings Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

202/37 Barrack Street
 Perth WA 6000
 Australia

Principal place of business

95B Piet Heinkade
 1019 GM Amsterdam
 Netherlands

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 February 2022. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a loss after tax of \$280,550 for the financial half-year ended 31 December 2021.

Despite the above results, the Directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern, after consideration of the following factors:

- The Group's current assets exceeded current liabilities by \$1,957,205 at 31 December 2021;
- The Group did not have any borrowings outstanding at 31 December 2021; and
- The Group's proven record of being able to raise funds to support its business plan, which includes receiving capital (net of transaction costs) for approximately \$6.8 million through share placements during the financial year ended 30 June 2021.

Accordingly, the directors of Crowd Media Holdings Limited believe the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the half year financial report.

Note 3. Operating segments

Identification of reportable operating segments

The Group has two operating segments during the financial half-year: Mobile Content - Subscription (or 'Subscription') and Crowd Direct. The Company operates mobile content businesses globally but predominantly in Europe, Latin America and Australasia. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

Effective 1 May 2021, the Group sold its Mobile Premium SMS ('Q&A') business. The underlying Q&A AI-driven technology platform remained the property of Crowd and these assets have been transferred to the Mobile Content - Subscription segment for reporting from 1 May 2021. The Subscription operating segment recognises all corporate costs including public company costs, acquisition costs, share based payments expense and restructure costs. In the prior period, these were reported under the Q&A segment and have been transferred to Subscription due to the sale of the Q&A business.

For operating segment performance, the CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on at least a monthly basis.

Types of products and services

The principal products and services of each of these operating segments are as follows:

Mobile Content - Subscription	Crowd Mobile subscription based, broad content offering of products such as mobile security, games and video portals via an m-payments network. Effective 1 May 2021 with the sale of the Q&A division, the underlying AI-driven technology platform is reported under the Subscription division.
Crowd Direct	Crowd Direct (direct-to-consumer) works with brands and digital influencers to sell products and/or services that it owns, or part-owns, or is strategically aligned with.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Note 3. Operating segments (continued)

Operating segment information

		<i>Continuing Crowd</i>		<i>Discontinued</i>	
	<i>Subscription*</i>	<i>Direct</i>	<i>Total</i>	<i>Q&A</i>	<i>Total</i>
	\$	\$	\$	\$	\$
Consolidated - 31 Dec 2021					
Revenue					
Sales to external customers	2,586,599	263,604	2,850,203	-	2,850,203
Interest income	18,527	10,368	28,895	-	28,895
Total revenue	<u>2,605,126</u>	<u>273,972</u>	<u>2,879,098</u>	<u>-</u>	<u>2,879,098</u>
EBITDA	518,447	(73,464)	444,983	-	444,983
Depreciation and amortisation	(260,852)	(45,163)	(306,015)	-	(306,015)
Impairment of assets	(15,488)	(319,965)	(335,453)	-	(335,453)
Interest income	18,527	10,368	28,895	-	28,895
Finance costs	(112,960)	-	(112,960)	-	(112,960)
Profit/(loss) before income tax expense	<u>147,674</u>	<u>(428,224)</u>	<u>(280,550)</u>	<u>-</u>	<u>(280,550)</u>
Income tax expense					-
Loss after income tax expense					<u>(280,550)</u>
Assets					
Segment assets	8,186,465	1,162,556	9,349,021	-	9,349,021
Total assets					<u>9,349,021</u>
Liabilities					
Segment liabilities	3,520,426	72,406	3,592,832	-	3,592,832
Total liabilities					<u>3,592,832</u>

* Crowd Mobile (Subscription) segment includes Group Corporate costs. These were recorded under the Q&A segment in the prior financial half-year.

Note 3. Operating segments (continued)

	<i>Subscription</i>	<i>Continuing Crowd Direct</i>	<i>Total</i>	<i>Discontinued Q&A*</i>	<i>Total</i>
	\$	\$	\$	\$	\$
Consolidated - 31 Dec 2020					
Revenue					
Sales to external customers	3,392,244	695,290	4,087,534	2,885,135	6,972,669
Interest income	-	-	-	2,230	2,230
Total revenue	<u>3,392,244</u>	<u>695,290</u>	<u>4,087,534</u>	<u>2,887,365</u>	<u>6,974,899</u>
EBITDA	838,767	(817,974)	20,793	(1,489,142)	(1,468,349)
Depreciation and amortisation	(214,417)	(4,221)	(218,638)	(103,089)	(321,727)
Interest income	-	-	-	2,230	2,230
Finance costs	(1,314,703)	1,250	(1,313,453)	1,044,220	(269,233)
Profit/(loss) before income tax expense	<u>(690,353)</u>	<u>(820,945)</u>	<u>(1,511,298)</u>	<u>(545,781)</u>	<u>(2,057,079)</u>
Income tax expense					(240,173)
Loss after income tax expense					<u>(2,297,252)</u>
Consolidated - 30 Jun 2021					
Assets					
Segment assets	8,350,787	1,494,687	9,845,474	-	9,845,474
Total assets					<u>9,845,474</u>
Liabilities					
Segment liabilities	4,415,813	178,213	4,594,026	-	4,594,026
Total liabilities					<u>4,594,026</u>

* Q&A includes Group Corporate costs.

Geographical information

	Sales to external customers		Geographical non-current assets	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	30 Jun 2021
	\$	\$	\$	\$
Australasia	4,968	19,800	766,017	501,325
Europe	2,693,383	6,650,187	4,146,762	3,193,724
Latin America	113,025	213,909	-	-
Other	38,827	88,773	-	-
	<u>2,850,203</u>	<u>6,972,669</u>	<u>4,912,779</u>	<u>3,695,049</u>

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

Note 4. Revenue

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	<i>Continuing Subscription \$</i>	<i>Continuing Crowd Direct \$</i>	<i>Total \$</i>	<i>Discontinued Q&A \$</i>	<i>Total \$</i>
Consolidated - 31 Dec 2021					
<i>Major product lines</i>					
Information	-	-	-	-	-
Entertainment and content	2,586,599	-	2,586,599	-	2,586,599
Direct-to-consumer	-	263,604	263,604	-	263,604
	<u>2,586,599</u>	<u>263,604</u>	<u>2,850,203</u>	<u>-</u>	<u>2,850,203</u>
<i>Geographical regions</i>					
Australasia	4,968	-	4,968	-	4,968
Europe	2,429,779	263,604	2,693,383	-	2,693,383
Latin America	113,025	-	113,025	-	113,025
Other	38,827	-	38,827	-	38,827
	<u>2,586,599</u>	<u>263,604</u>	<u>2,850,203</u>	<u>-</u>	<u>2,850,203</u>
<i>Timing of revenue recognition</i>					
Goods transferred at a point in time	<u>2,586,599</u>	<u>263,604</u>	<u>2,850,203</u>	<u>-</u>	<u>2,850,203</u>
	<i>Continuing Subscription \$</i>	<i>Continuing Crowd Direct \$</i>	<i>Total \$</i>	<i>Discontinued Q&A \$</i>	<i>Total \$</i>
Consolidated - 31 Dec 2020					
<i>Major product lines</i>					
Information	-	-	-	2,885,135	2,885,135
Entertainment and content	3,392,244	-	3,392,244	-	3,392,244
Direct-to-consumer	-	695,290	695,290	-	695,290
	<u>3,392,244</u>	<u>695,290</u>	<u>4,087,534</u>	<u>2,885,135</u>	<u>6,972,669</u>
<i>Geographical regions</i>					
Australasia	19,800	-	19,800	-	19,800
Europe	3,151,424	695,290	3,846,714	2,803,473	6,650,187
Latin America	189,057	-	189,057	24,852	213,909
Other	31,963	-	31,963	56,810	88,773
	<u>3,392,244</u>	<u>695,290</u>	<u>4,087,534</u>	<u>2,885,135</u>	<u>6,972,669</u>
<i>Timing of revenue recognition</i>					
Goods transferred at a point in time	<u>3,392,244</u>	<u>695,290</u>	<u>4,087,534</u>	<u>2,885,135</u>	<u>6,972,669</u>

Note 5. Other income

	Consolidated	
	31 Dec 2021	31 Dec 2020
	\$	\$
Government grants (COVID-19)	-	10,000

During the half-year the Group received payments from the Australian Government amounting to \$nil (31 December 2020: \$10,000) as part of its 'Boosting Cash Flow for Employers' scheme in response to the Coronavirus pandemic. These non-tax amounts have been recognised as government grants and recognised as income once there was reasonable assurance that the Company could comply with any conditions attached.

Note 6. Discontinued operations

Sale of Q&A Business

Effective 1 May 2021, the Group sold its Mobile Premium SMS ('Q&A') business for a nominal amount to improve overall profitability of the Group by allowing the Mobile division to focus solely on the profitable Subscription business. The underlying Q&A AI-driven technology platform remained the property of Crowd and the purchaser were provided with a non-exclusive license to use the platform. The discontinued operations figures below relate to the discontinued operation.

Financial performance information

	Consolidated	
	31 Dec 2021	31 Dec 2020
	\$	\$
Revenue	-	2,885,135
Government grants (COVID-19)	-	103,506
Total revenue	-	2,988,641
Cost of sales	-	(888,509)
Loans forgiven	-	332,423
Marketing	-	(958,555)
Administration and other related costs	-	(331,937)
Consultants	-	(49,392)
Depreciation and amortisation expense	-	(46,421)
Employee benefits expense	-	(1,679,764)
Impairment of intangible assets	-	(165,000)
Insurance	-	(13,017)
Finance costs	-	(5,709)
Total expenses	-	(3,805,881)
Loss before income tax expense	-	(817,240)
Income tax expense	-	(115,104)
Loss after income tax expense from discontinued operations	-	(932,344)

During the Coronavirus ('COVID-19') pandemic, the Group received JobKeeper support payments from the Australian Government amounting to \$nil (31 December 2020: \$103,506) which were passed on to eligible employees. These were recognised as government grants in the financial statements and recorded as other income over the periods in which the related employee benefits were recognised as an expense. The Group was eligible for JobKeeper support from the government on the condition that employee benefits continue to be paid.

Note 7. Trade and other receivables

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
<i>Current assets</i>		
Trade receivables	1,050,270	1,499,382
Less: Allowance for expected credit losses	(278,454)	(276,292)
	<u>771,816</u>	<u>1,223,090</u>
Other receivables	<u>2,070</u>	<u>18,689</u>
	<u><u>773,886</u></u>	<u><u>1,241,779</u></u>

Allowance for expected credit losses

The Group has recognised a recovery of \$8,767, in profit or loss, in respect of the expected credit losses for the half-year ended 31 December 2021 (31 December 2020: loss of \$nil).

Note 8. Loans receivable

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
<i>Current assets</i>		
Loan receivable	<u>347,422</u>	<u>-</u>

On 18 October 2021, the Company entered into a secured loan agreement with Reign (purchaser of the Mobile Q&A business), whereby Crowd agreed to lend up to \$350,000 at 10.00% interest, maturing on 30 April 2022. The amount outstanding at 31 December 2021 was \$347,422.

Note 9. Convertible notes receivable

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
<i>Current assets</i>		
Convertible notes receivable	<u>365,166</u>	<u>344,638</u>
<i>Non-current assets</i>		
Convertible notes receivable	<u>247,496</u>	<u>235,550</u>

The current convertible note receivable from Uneeq Ltd was recorded at the principal face amount of USD\$250,000 (circa AUD\$344,062) plus accrued interest of AUD\$21,104 at 31 December 2021. The note bears interest at 6.00% per annum and matures on 8 May 2022. Subsequent to 31 December 2021, the note was converted to 24,536 preference shares in Uneeq Ltd at a conversion price of US\$10.73, a discount of 20% to the fair value price at the time of conversion.

The non-current convertible note receivable from Forever Holdings Ltd was recorded at the principal face amount of GBP£125,000 (circa AUD\$232,804) plus accrued interest of AUD\$14,692 at 31 December 2021. The note bears interest at 8.00% per annum and matures on 15 March 2024.

Note 10. Other financial assets

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
<i>Non-current assets</i>		
Investment in Aflorithmic Labs Ltd	2,399,815	891,490
Investment in Forever Holdings Ltd	93,122	92,000
	<u>2,492,937</u>	<u>983,490</u>

Reconciliation

Reconciliation of the carrying amounts at the beginning and end of the current and previous financial half-year are set out below:

Opening carrying amount	983,490	-
Additions	974,906	983,490
Revaluation increments	479,648	-
Exchange differences	54,893	-
	<u>2,492,937</u>	<u>983,490</u>

Note 11. Property, plant and equipment

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
<i>Non-current assets</i>		
Plant and equipment - at cost	909,114	917,430
Less: Accumulated depreciation	(809,009)	(765,677)
	<u>100,105</u>	<u>151,753</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	<i>Plant and equipment \$</i>
Balance at 1 July 2021	151,753
Additions	966
Exchange differences	(561)
Depreciation expense	<u>(52,053)</u>
Balance at 31 December 2021	<u>100,105</u>

Note 12. Right-of-use assets

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
<i>Non-current assets</i>		
Buildings - right-of-use	2,058,234	2,079,271
Less: Accumulated depreciation	(718,743)	(580,870)
	<u>1,339,491</u>	<u>1,498,401</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	<i>Buildings - right-of-use</i>
	\$
Balance at 1 July 2021	1,498,401
Exchange differences	(11,817)
Depreciation expense	(147,093)
Balance at 31 December 2021	<u>1,339,491</u>

Note 13. Intangibles

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
<i>Non-current assets</i>		
Intellectual property - at cost	128,595	1,491,480
Less: Accumulated amortisation	-	(1,362,810)
Less: Impairment	(17,168)	-
	<u>111,427</u>	<u>128,670</u>
Software - at cost	798,126	480,894
Less: Accumulated amortisation	(232,409)	(130,455)
	<u>565,717</u>	<u>350,439</u>
Databases - at cost	234,195	621,900
Less: Accumulated amortisation	(234,195)	(456,900)
Less: Impairment	-	(165,000)
	<u>-</u>	<u>-</u>
Website and other intangibles - at cost	79,512	47,381
Less: Accumulated amortisation	(23,908)	(19,470)
	<u>55,604</u>	<u>27,911</u>
	<u>732,748</u>	<u>507,020</u>

Note 13. Intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	<i>Intellectual property</i> \$	<i>Software</i> \$	<i>Website and other intangibles</i> \$	<i>Total</i> \$
Consolidated				
Balance at 1 July 2021	128,670	350,439	27,911	507,020
Additions	-	321,476	26,519	347,995
Exchange differences	(75)	(3,408)	5,253	1,770
Impairment of assets	(17,168)	-	-	(17,168)
Amortisation expense	-	(102,790)	(4,079)	(106,869)
Balance at 31 December 2021	<u>111,427</u>	<u>565,717</u>	<u>55,604</u>	<u>732,748</u>

Note 14. Borrowings

	Consolidated
	31 Dec 2021 30 Jun 2021
	\$ \$

Current liabilities

Convertible notes payable - European Investments Consortium	<u>-</u>	<u>624,743</u>
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On 29 August 2019, the Company entered into an agreement with a consortium of strategic investors, the European Investment Consortium, under which the members agreed, amongst other things, to subscribe for convertible notes with a face value of up to \$3.7 million via two tranches.

Tranche 1 matured on 25 June 2021.

Under Tranche 2, the Company raised \$1,080,000 (less associated fees and costs) and issued 1,080 convertible notes with a face value of AUD\$1,000 each on 31 January 2020. The Tranche 2 notes are convertible into shares at a fixed price of \$0.02 and matured on 18 December 2021. At maturity, the 650 remaining notes were repaid in shares (417 notes) and cash (233 notes).

The fair value of the conversion right of the notes is recorded as a reserve within equity.

Total secured liabilities

The total secured liabilities are as follows:

	Consolidated
	31 Dec 2021 30 Jun 2021
	\$ \$

Convertible notes payable - European Investment Consortium	<u>-</u>	<u>624,743</u>
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Note 15. Issued capital

		Consolidated		
	31 Dec 2021	30 Jun 2021	31 Dec 2021	30 Jun 2021
	Shares	Shares	\$	\$
Ordinary shares - fully paid	654,264,587	620,030,418	40,854,730	40,052,021

Note 15. Issued capital (continued)

Movements in ordinary share capital

Details	Date	No of shares	Issue price	\$
Balance	1 July 2021	620,030,418		40,052,021
Issue of shares on vesting of performance rights to employees (excluding directors)	13 August 2021	2,003,064	\$0.02656	53,201
Issue of shares in lieu of interest	13 August 2021	200,765	\$0.02470	4,959
Issue of shares on exercise of options	6 December 2021	11,070,044	\$0.03000	332,101
Issue of shares on convertible note conversion	16 December 2021	20,833,333	\$0.02000	416,667
Issue of shares in lieu of interest	16 December 2021	126,963	\$0.03690	4,685
Deregistration of entities				(1,680)
Less: share issue transaction costs				(7,224)
Balance	31 December 2021	<u>654,264,587</u>		<u>40,854,730</u>

Note 16. Fair value measurement

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Consolidated - 31 Dec 2021				
<i>Assets</i>				
Investments	-	-	2,492,937	2,492,937
Convertible notes receivable	-	-	612,662	612,662
Total assets	-	-	3,105,599	3,105,599
<i>Liabilities</i>				
Convertible notes payable	-	-	-	-
Total liabilities	-	-	-	-
Consolidated - 30 Jun 2021				
<i>Assets</i>				
Convertible notes receivable	-	-	580,188	580,188
Total assets	-	-	580,188	580,188
<i>Liabilities</i>				
Convertible notes payable	-	-	(624,743)	(624,743)
Total liabilities	-	-	(624,743)	(624,743)

There were no transfers between levels during the financial half-year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities. The discount rate used is 23%.

Note 16. Fair value measurement (continued)

Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current financial half-year are set out below:

	<i>Investments</i>		<i>Convertible notes receivable</i>		<i>Convertible notes payable</i>	
	<i>Aflorithmic Labs Ltd</i>	<i>Forever Holdings Ltd</i>	<i>UneeQ Ltd</i>	<i>Forever Holdings Ltd</i>	<i>European Investments Consortium</i>	<i>Total</i>
	\$	\$	\$	\$	\$	\$
Consolidated						
Balance at 1 July 2021	891,490	92,000	344,638	235,550	(624,743)	938,935
Additions	974,906	-	21,104	9,400	-	1,005,410
Repayments	-	-	-	-	233,333	233,333
Conversions/fair value adjustments	479,648	-	-	-	391,410	871,058
Exchange differences	53,771	1,122	(576)	2,546	-	56,863
Balance at 31 December 2021	<u>2,399,815</u>	<u>93,122</u>	<u>365,166</u>	<u>247,496</u>	<u>-</u>	<u>3,105,599</u>

Note 17. Earnings per share

	Consolidated	
	31 Dec 2021	31 Dec 2020
	\$	\$
<i>Earnings per share for loss from continuing operations</i>		
Loss after income tax attributable to the owners of Crowd Media Holdings Limited	<u>(280,550)</u>	<u>(1,364,908)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>625,106,101</u>	<u>417,310,078</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>625,106,101</u>	<u>417,310,078</u>
	Cents	Cents
Basic earnings per share	(0.04)	(0.33)
Diluted earnings per share	(0.04)	(0.33)
	Consolidated	
	31 Dec 2021	31 Dec 2020
	\$	\$
<i>Earnings per share for loss from discontinued operations</i>		
Loss after income tax attributable to the owners of Crowd Media Holdings Limited	<u>-</u>	<u>(932,344)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>625,106,101</u>	<u>417,310,078</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>625,106,101</u>	<u>417,310,078</u>
	Cents	Cents
Basic earnings per share	-	(0.22)
Diluted earnings per share	-	(0.22)

Note 17. Earnings per share (continued)

	Consolidated	
	31 Dec 2021	31 Dec 2020
	\$	\$
<i>Earnings per share for loss</i>		
Loss after income tax attributable to the owners of Crowd Media Holdings Limited	<u>(280,550)</u>	<u>(2,297,252)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>625,106,101</u>	<u>417,310,078</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>625,106,101</u>	<u>417,310,078</u>
	Cents	Cents
Basic earnings per share	(0.04)	(0.55)
Diluted earnings per share	(0.04)	(0.55)

Options, performance rights and convertible notes have been excluded from the above calculations at 31 December 2021 and 31 December 2020 as their inclusion would be anti-dilutive.

Note 18. Share-based payments

Options

Consultant options

On 1 October 2020, 7,500,000 options were granted to Perpetual Capital Investments Pty Ltd in consideration for corporate advisory and consulting services provided by Perpetual Capital Management Pty Ltd.

Set out below are summaries of options granted:

31 Dec 2021

<i>Grant date</i>	<i>Expiry date</i>	<i>Exercise price</i>	<i>Balance at the start of the half-year</i>	<i>Granted</i>	<i>Exercised</i>	<i>Expired/ forfeited/ other</i>	<i>Balance at the end of the half-year</i>
02/04/2019	02/04/2022	\$0.0500	2,000,000	-	-	-	2,000,000
06/12/2019	06/12/2021	\$0.0300	8,514,488	-	(8,514,488)	-	-
06/12/2019	06/12/2021	\$0.0500	2,000,000	-	-	(2,000,000)	-
06/12/2019	06/12/2021	\$0.1000	5,000,000	-	-	(5,000,000)	-
13/12/2019	13/12/2022	\$0.0300	10,000,000	-	-	-	10,000,000
13/12/2019	13/12/2022	\$0.0500	5,850,000	-	-	-	5,850,000
13/12/2019	13/12/2022	\$0.0700	5,850,000	-	-	-	5,850,000
30/01/2020	31/12/2023	\$0.0300	4,752,000	-	-	-	4,752,000
01/10/2020	30/09/2023	\$0.0300	7,500,000	-	-	-	7,500,000
			<u>51,466,488</u>	<u>-</u>	<u>(8,514,488)</u>	<u>(7,000,000)</u>	<u>35,952,000</u>

Performance rights

On 17 December 2014, shareholders approved a Performance Rights Plan ('PR Plan') and an update to this plan was approved in the 2021 Annual General Meeting on 10 December 2021. Under the PR Plan, selected employees may be granted performance rights which will entitle them to receive ordinary shares in the Company, subject to the Company meeting performance objectives.

Note 18. Share-based payments (continued)

2019

On 31 July 2019, the Company agreed to issue 11,000,000 Performance Rights ('PRs') to employees, excluding the directors and CEO. The PRs will be issued to employees that have been continuously employed by Crowd as of the vesting date. The PRs vest over 3 years at 20% in Year 1, 30% in Year 2 and 50% in Year 3. As of 31 December 2021, only the Year 3 PRs from this tranche remain outstanding and will vest on 30 June 2022. Any extenuating circumstances regarding continuous employment are subject to Board approval.

2020

On 5 November 2020, the Company agreed to issue 4,500,000 Performance Rights to employees, excluding the directors and CEO. The PRs will be issued to employees that have been continuously employed by Crowd as of the vesting date. The PRs vest over 3 years at 20% in Year 1, 30% in Year 2 and 50% in Year 3. As of 31 December 2021, the Year 2 and Year 3 PRs from this tranche remain outstanding and will vest on 30 June 2022 and 30 June 2023, respectively. Any extenuating circumstances regarding continuous employment are subject to Board approval.

2021

On 20 September 2021, the Company agreed to issue 3,000,000 Performance Rights to senior executives, excluding the directors. The PRs will be issued to employees that have been continuously employed by Crowd as of the vesting date. The PRs vest over 3 years at 20% in Year 1, 30% in Year 2 and 50% in Year 3. Any extenuating circumstances regarding continuous employment are subject to Board approval. These were issued subsequent to period end.

Set out below are summaries of performance rights granted:

31 Dec 2021

Grant date	Expiry date	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
18/12/2019	30/06/2021	3,300,000	-	(3,300,000)	-	-
18/12/2019	30/06/2022	5,500,000	-	-	-	5,500,000
05/11/2020	30/06/2021	900,000	-	(900,000)	-	-
05/11/2020	30/06/2022	1,350,000	-	-	-	1,350,000
05/11/2020	30/06/2023	2,250,000	-	-	-	2,250,000
20/09/2021	30/06/2022	-	600,000	-	-	600,000
20/09/2021	30/06/2023	-	900,000	-	-	900,000
20/09/2021	30/06/2024	-	1,500,000	-	-	1,500,000
		13,300,000	3,000,000	(4,200,000)	-	12,100,000

Valuation model inputs

For the performance rights granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
20/09/2021	30/06/2022	\$0.0240	-	-	-	\$0.0240
20/09/2021	30/06/2023	\$0.0240	-	-	-	\$0.0240
20/09/2021	30/06/2024	\$0.0240	-	-	-	\$0.0240

Note 19. Events after the reporting period

On 11 January 2022, the Company issued 12,944,444 fully paid ordinary shares on exercise of options.

On 26 January 2022, the Company received 24,536 preference shares in UneeQ Ltd upon conversion of the US\$250,000 convertible note receivable from UneeQ. The shares were issued at a conversion price of US\$10.73, a discount of 20% to the fair value price at the time of conversion.

On 31 January 2022, the Company issued 2,630,000 fully paid shares at \$0.05 per share for 12 months Consulting fees for European Marketing. The shares will be in voluntary escrow for 12 months.

Note 19. Events after the reporting period (continued)

On 31 January 2022, the Company also issued 3,000,000 performance rights which vest over 3 years (year 1: 20% vest (600,000), year 2: 30% vest (900,000) and year 3: 50% vest (1,500,000)). The performance rights were issued under the Employee Performance Rights Share Plan approved by shareholders at the 2021 Annual General Meeting.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Steven Schapera
Chairman

28 February 2022
Perth

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Crowd Media Holdings Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Crowd Media Holdings Limited ("the company") and its Controlled Entities ("the consolidated entity") which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows] for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the consolidated entity is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Crowd Media Holdings Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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Responsibility of the Directors' for the Financial Report

The directors of Crowd Media Holdings Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in blue ink, appearing to read 'RSM'.

RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink, appearing to read 'M Parameswaran'.

M PARAMESWARAN

Partner

Dated: 28 February 2022
Melbourne, Victoria