

ASX Announcement

31 August 2022

## Crowd Media continues major financial turnaround in FY22

### FY22 Highlights:

- Revenue of \$5.4M
- Positive operating cash flow of \$0.01M
- Underlying EBITDA loss of \$0.05M, a significant \$1M improvement on -\$1.05M in FY21
- \$2.2M cash on hand as of 30 June 2022
- Additional \$0.6M secured in August 2022, after the FY22 reporting period
- NPAT loss of -\$3.2M included -\$2.3M in non-cash impairments and investment write downs, a substantial improvement on previous year (FY21: -\$6.2M)
- First revenue generated from the Talking Head platform with commercial partnerships now signed with PangeaMed, SourceFlare and Impssbl
- Mobile Subscription division shows ongoing profitability alongside implementing growth measures on all business fronts; growing profitability per user and implementing new technologies.

Crowd Media Holdings Limited (ASX: CM8 | FRA: CM3) is pleased to release its FY22 Annual Report for the year ended 30 June 2022, where the Company made significant improvements in its financial and operational performance, highlighted by a \$1 million improvement in underlying EBITDA and positive operating cash flow.

FY22 was a continuation of Crowd Media's business transformation that started in 2019 when the Company undertook a major restructure in accordance with its existing technology and vision to pivot its application into the field of conversational AI. The 3-year transformation flagged CY2022 as the year of commercialization for its Talking Head platform following 2-years of development work under a strict cash management regime. Doing so under a partnerships model in collaboration with AI leaders around the world, Crowd Media has reached the commercialization stage ahead of schedule with the first revenue from the Talking Head platform generated in April 2022 through its partnership with PangeaMed, and two more commercial agreements signed since with SourceFlare and Impssbl.

Crowd Media generated \$5.4M in revenue across FY22 with positive operating cash flow of \$0.01M. Investment in technology continues to be the largest expense where Crowd has limited expenditure where possible, utilizing its equity partnership with Aflorithmic Labs and other strategic partners to drive development.

Crowd Media's mobile subscription division continues to show ongoing profitability with limited operating expenditure where new opportunities have been opened through integration of Crowd's Talking Head platform. This resulted in new revenue-generating products being launched in FY22 and more planned in FY23 through partnership with mobile network operators in new territories.



At an underlying EBITDA level, Crowd Media generated a (\$0.05M) loss which is a significant improvement on the (\$1.05M) loss in FY21. This is the result of Crowd's strict cash management regime while advancing the Talking Head platform through to commercialization, as well as the first full financial year since Crowd divested its loss-making Mobile Premium SMS business in April 2021.

At the statutory level, Crowd incurred (\$1.01M) in non-cash impairment expenses, (\$1.15M) in non-cash losses from investments, (\$0.09M) in non-cash share based payments and (\$0.07M) in foreign exchange losses. These non-cash items contributed to a statutory EBITDA loss of (\$2.38M) which represented a 14.7% improvement on the previous year, accounting for discontinued operations.

Crowd Media is now debt free which aligns with plans to increase Crowd's tech and commercial teams in line with rising workloads and the pipeline of further opportunities being explored.

Crowd Media's CEO, Idan Schmorak said: "The last few Covid years have changed the world by increasing online activity which has permeated across all industries from education, professional services, retail, entertainment and many more. At the forefront of conversational AI solutions to meet rising demand for digital labor, Crowd Media is committed to developing a scalable and profitable platform.

"This year we have thickened our IP to a substantial, competitive software that is written by top engineers and researched by academic leaders, launched a live beta version and are working on deep enhancements, improvements and feature which will allow us to further commercialize a unique product that will allow firms to communicate with clients in a new form.

"While building a deep-tech development office in Barcelona, Spain - we have got the Amsterdam team and the subscription division closer using the new technology and implementing it with their products, bringing growth to the year-on-year profitable division while optimizing cash flow.

"We proved the commercial viability of our vision with commercial contracts, partnerships, agreements and integrations across several verticals (entertainment, medical, advertisement) and counting. With each of these commercial agreements, Crowd enhances its portfolio of products and potential clients which is why FY23 will be a period of right sizing our teams and scaling the platform to accommodate rising demand for conversational AI solutions.

"Thank you to Crowd Media shareholders and team members for their support throughout the year. Your support has positioned Crowd to capitalize on a pipeline of commercial opportunities that we look forward to progressing."

**(ENDS)**

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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.

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