

11<sup>th</sup> November 2020

## CROWD MEDIA LAUNCHES “TALKING HEAD” BETA AND SIGNS TWO STRATEGIC PARTNERSHIPS

### Highlights:

- Launched a beta version of its *conversational commerce* “talking head” 12 months ahead of schedule
- Crowd’s “talking head” has applications across influencer marketing, ecommerce, education and many other sectors
- As part of this limited beta trial, CM8’s first “talking head” is an AI driven Chatbot that can be used to help customers select the appropriate products for the [www.MDcomplete.eu](http://www.MDcomplete.eu) brand (exclusive distribution agreement announced 9<sup>th</sup> September 2020). A proof of concept “talking head”, can be viewed at <https://bit.ly/CM8-EmmaBeta>
- CM8 has entered into a strategic partnership with NZ based UneeQ Ltd for the creation of “Digital Ambassadors” to help power Conversation Commerce activity & influencer marketing
- CM8 will form a 50-50 Joint Venture (“Talking-Head JV”) with Israeli based VFR Assets and Holdings Ltd ([www.Zoe01.com](http://www.Zoe01.com)) to create a platform for the scalable creation of “talking heads” for the digital influencer, education and various other sectors
- CM8 has agreed to invest up to USD\$250k into the Talking-Head JV

Crowd Media Holdings Limited (ASX: CM8 & FWB: CM3) (“Crowd” or “Company”) has accelerated its push into conversational commerce via the beta launch of its first “talking head” 12 months ahead of schedule. Crowd’s first “talking head” (in limited beta) will help customers select the appropriate products from the [www.MDComplete.eu](http://www.MDComplete.eu) brand as announced to the ASX 9<sup>th</sup> September 2020. The AI driven technology leverages Crowd’s 10 years of experience and technology infrastructure in the Q&A Chatbot space.

Crowd’s AI driven Chatbot technology is unique in that it combines answers from both AI and real humans answering questions. In the last 12 months over 65% of all questions are answered by AI and the platform has been responsible for processing in excess of 180 million questions and answers over its lifetime within its Q&A mobile business.

Crowd has also entered into two (2) new partnerships in order to accelerate its stated Horizon 3 strategy as outlined by Chairman Steven Schapera at the November 2019 AGM. They are:

### UneeQ Limited (“UneeQ”)

Crowd has executed a 3-year binding Heads of Agreement (HOA) with UneeQ Limited for the creation of “Digital Ambassadors” to help power Conversation Commerce activity & influencer marketing. UneeQ has created an AI driven platform that is currently used across customer support and sales across a number of industries.

The key terms of the agreement are:

- Work together to develop methods and technologies on the creation of ‘Digital Ambassadors’ to help power ecommerce and #conversationcommerce activity, as well as influencer marketing which includes the launch of Crowd’s first “talking head”

- Activities may include, sharing and development of relevant strategies, people exchange, identification of opportunities for mutual use of the technology including Crowd's AI Chatbot tech
- The partnership will be managed through a Management Board which will meet once a month. Membership of the Management Board will consist of Crowd's CEO and UneeQ's CEO
- The Management Board will review the collaborative activities and agree on new activities based on the alignment of strategy and objectives, levels of engagement and commitment between the Parties, communications and forthcoming opportunities
- Crowd shall pay to UneeQ the actual costs incurred in connection with the creation of "Digital Ambassadors" plus a margin agreed between the Parties from time to time

## VFR Assets and Holdings Ltd ("VFR") ([www.Zoe01.com](http://www.Zoe01.com)) Joint Venture ("Talking-Head JV")

Crowd has executed a binding Heads of Agreement (HOA) to form a Joint Venture with Israeli based VFR Assets and Holdings Ltd ([www.Zoe01.com](http://www.Zoe01.com)) for the creation of a platform which will allow the scalable creation of the "talking head" visuals which will power the next wave of conversational commerce and digital influencer one to one interactions.

VFR has created one of the world's first virtual digital influencers Zoe Dvir (i.e. a digital influencer that doesn't actually exist in real life). Current platforms to create visual "talking heads" are cumbersome, expensive and usually take many weeks to create just one single virtual "talking head".

The Talking-Head JV will bring together the technical and commercial expertise of both parties to create a platform that will allow Crowd to roll out many "talking heads" in days and at a fraction of the cost of current platforms. This is particularly attractive in markets where there are distinct consumer preferences and will enable Crowd to meet these preferences in a timely manner, improving speed-to-market.

The key terms of the agreement are:

- Crowd and VFR will own 50% each of the Talking-Head Joint Venture to develop a Proof of Concept (POC) within 180 days and the Term of Talking-Head JV will be for a period of 12 months
- VFR will work on the technical and design aspects while Crowd will provide access to its AI Chatbot technology and back office and marketing capabilities
- New IP created will be owned by the Talking-Head JV
- Crowd will provide an investment of USD\$250k into an incorporated JV while VFR will provide the IP, know-how and development resources to develop the POC
- The use of funds by the Talking-Head JV will be to finance the Development Team's salaries and expenses
- The Board of the Talking-Head JV and each subsidiary shall consist of a total of up to three (3) members (the "Directors"), as follows: (i) one member designated by VFR; (ii) one member designated by Crowd, which director shall also serve as the Chairman of the Board; and (iii) Independent as mutually agreed
- Crowd will be responsible for providing Legal & Accounting, Crowd's AI Q&A Chatbot technology Product, Business Management Services, Sales & account management, PR & Promotion

These partnerships already complement the recent investment into Forever Holdings Ltd (as announced to the ASX 11<sup>th</sup> September 2020). Forever Holdings is a London based voice-and-visual Interactive Digital Media company. Their technology can enable one-to-one digital encounters between an influencer and any follower who wants to converse with them 1:1. Forever Holdings' has existing applications across multiple platforms already in place, including smartphone/tablet as well as life-size Museum-type installations including the Holocaust museum in Germany which showcases the technology: <https://bit.ly/ForeverCM8>



These “talking head” partnerships will leverage Crowd’s well-proven and mature AI-driven Q&A Chatbot technology platform which work across multiple languages. By leveraging Crowd’s Chatbot technology, we can significantly accelerate development of Crowd’s “talking head” across various markets. The beta product will be showcased to prospective Crowd Direct brand partners, highlighting the commercial application of conversational commerce across multilingual markets.

This opens unlimited commercial opportunities across entertainment, sport, influencer marketing, health and educational fields.

The three Horizon 3 collaborations mark a significant milestone in the execution of the Company’s strategic vision, as outlined at the November 2019 AGM, when we highlighted Crowd’s mission to develop the “Holy Grail” of influencer marketing: a platform that enables conversational commerce between follower and influencer, augmented with a digital visual “talking head” experience.

Crowd Media’s Chairman, Steven Schapera said: “By linking Crowd’s existing Q&A Chatbot technology with the voice and visual technology of our respective partners, we will create an entertaining “conversational commerce” experience between consumer and influencer. The commercial opportunity is tectonic. As the nature of influencer marketing changes, this gives us a seat at the table”.

Crowd’s CEO Domenic Carosa said: “We believe conversational commerce is the future of ecommerce and are excited to have executed these various initiatives that bring forward the reality of one to one conversation’s between influencers and their respective followers. It takes us that much closer to our stated goal of actually changing the way products and services are sold via digital influencers. Our beta version was launched 12 months ahead of schedule and showcases our core AI driven chatbot technology and that of our partners. By launching this beta version, we can undergo the next level of testing, build on our artificial intelligence and data pools, and advance the technology to extend its commercial capabilities across different products, services and interactions.”

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

(ends)

#### [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.