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CROWD MOBILE LIMITED (ASX: CM8)

ASX and Media Release

CROWD MOBILE REPORTS RECORD 1H FY2016 RESULTS WITH REVENUE OF \$14m (up 153%)

Highlights:

- Company reports **significant increase** in all key financial metrics
- Half year **revenue increased 153%** as underlying (EBITDA) jumped 89%
- **Positive Operating Cash flow** up 1,500 % to \$3.2 million
- **Strong growth** in the underlying business is due to growing popularity of question & answer (Q&A) products and expansion into new markets.
- Contribution from recent **Track acquisition** has contributed positively to revenue, earnings and cash flow
- **Integration** of Track is progressing well following acquisition on 31 October 2015
- Management expects **growth momentum** to continue into FY2017 due to growing popularity of Q&A products and strong earnings contribution from Track

Crowd Mobile Limited (Crowd Mobile or the Company), which completed its reverse takeover of Q Limited on 13 January 2015, has today released its Appendix 4D and Half-Year Report for the six months ended 31 December 2015 (**HY Report**).

The results for the latest half-year period reflect those of Crowd Mobile and its subsidiaries (as a public company), whilst the prior comparative period results reflect the performance of Crowd Mobile when it was run as a private entity.

Acquisition by Crowd Mobile of Track

On 31 October 2015, the Company acquired Track Holdings B.V. (**Track**), a Dutch-based mobile subscription content company with global annuity revenues. As such, the half-year results include only two month's contribution from Track to 31 December 2015.

Results

The Crowd Mobile business has delivered strong increases in all key metrics of Revenue, Gross Profit, underlying EBITDA, Operating Cash flow and billed messages.

- Revenue up 153% to \$14.0 million (1H FY2015: \$5.5 million)
- Second quarter (December 2015) revenue of \$9.5 million, 111% up on first quarter performance
- Underlying EBITDA* up 89% to \$2.2 million (1H FY2015: \$1.2 million)
- Operating Cash flow up 1,500% to \$3.2 million (1H FY2015: \$0.2 million)
- Billed messages volumes up 86% to 4.1 million (1H FY2015: 2.2 million)

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Key metrics	1H-FY2015 <i>(private ownership[^])</i>	1H-FY2016 <i>(CM8: public listed)</i>	Growth
Revenue (\$m)	5.53	14.00	153%
EBITDA (\$m) *	0.93	(0.06)	(106%)
Net Profit/(Loss) (\$m)	0.44	(0.75)	(270%)
Underlying EBITDA (\$m) *	1.16	2.19	89%
Operating Cash Flow (\$m)	0.18	3.20	1,500%
Paid messages (m)	2.20	4.10	86%

[^]does not include the Crowd Mobile Limited (public company) or the former Q Limited's results in accordance with accounting standards governing the 13 January 2015 reverse acquisition of Q Limited.

*Furthermore, the Company provides a bridge from NPAT to EBITDA to Underlying EBITDA for the half year as follows:

	\$
Net profit after tax (NPAT)	(752,462)
Deduct: income tax benefit	(766,426)
Add back: interest expense	482,514
Deduct: interest income	(38,603)
Add back: depreciation and amortisation	1,019,026
Equals: Earnings before interest, tax, depreciation and amortisation (EBITDA)	(55,951)
Add back: share based payments expense	1,342,304
Add back: Track transaction costs	903,190
Underlying EBITDA	2,189,543

Capital Management

The Company is pleased with the strong 31 December 2015 cash and equivalents of \$5.94 million and the strong positive cash flow from operations of \$3.2 million and will continue to pay down acquisition liabilities and external debt.

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Outlook

Following the acquisition and subsequent integration of Track, Crowd Mobile has embarked on ensuring that it has all of the key drivers in place to deliver growth for the future.

We have now completed the following:

- Management teams have been restructured, with Hans de Back appointed CEO of Subscription (Track) division and Gregor Cooney appointed GM of the Q&A division.
- We have also recruited a talented support team to ensure the transition through the earn-out of Track both mitigates risk and ensures we retain all critical IP.
- Both divisional teams are collaborating and sharing marketing IP, which we are confident will deliver revenue synergies.

Crowd Mobile now monetises its products and services via more than 160 mobile telco operators in 50 countries and reiterates that it is well placed to deliver continued growth in 2H FY2016 and into FY2017.

The Company looks forward to updating shareholders on the Company's third quarter progress in April 2016.

-ENDS-

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About Crowd Mobile

Crowd Mobile is a mobile-first company with a world-leading platform that provides personalised expert advice that goes beyond Google as well as world leading Content Subscription products. Operating across 50 countries and 30 languages, the Company has partnered with over 160 mobile carriers to enable customers to pay for its products and services through their mobile phone or with Google or Apple Pay. Crowd Mobile, which has also developed a diverse range of products in the m-payment, entertainment and infotainment space, is listed on the Australian and Frankfurt stock exchanges (ASX: CM8 & FWB-XETRA: CM3)

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