

ASX Announcement | 31 August 2016 Crowd Mobile Limited (ASX:CM8)

Crowd Mobile Delivers Record FY16 Results Record Revenue, Record EBITDA, Record & Maiden NPAT

Highlights

Crowd Mobile delivers record financial results over 2016 financial year:

- Revenue up 192% to \$37.9m
- EBITDA up 329% to \$6.3m
- Underlying EBITDA up 295% to \$8.3m
- Operational Cashflow up 729% to \$7.0m
- NPAT up 122% to \$0.9m

Crowd Mobile revenue growth fuelled by growth across key divisions:

- Question & Answers (Q&A): FY16 revenue up 61% to \$20.7m
- Mobile Content Subscription: FY16 revenue: \$17.2 million

Crowd Mobile achieves significant growth over 2016 financial year:

- Number of countries serviced from 25 to 54
- Number of telco m-payments partners from 50 to 160
- Languages covered from 12 to 30+
- Questions answered from 5.7m to 9m
- FY17 outlook bolstered following heavy investments made in FY16 through management time, additional infrastructure and new personnel
- Strong foundations in place for ongoing expansion of integrated, global, mobile business positioned to deliver continued revenue growth

Wednesday, 31 August 2016 - Crowd Mobile Limited (ASX: CM8 & FWB-XETRA: CM3, Crowd Mobile, "the Company") is pleased to announce record FY16 Financial Results and release its FY16 Presentation and Annual Report.

The FY16 period was Crowd Mobile's first full financial year on the ASX since completing its reverse takeover of Q Limited on 13 January 2015. Over the 12 months to June 30, 2016 Crowd Mobile has achieved great success, highlighted by expansion and investment.

FY16 Financial Results

Crowd Mobile has delivered record financial results underpinned by continuing and growing demand for its broad mobile content services and supported by its newly integrated mobile subscription division.

Net revenue increased 192% to a record \$37.9 million and EBITDA increased 329% to a record \$6.3 million. Underlying EBITDA increased 295% to \$8.3 million.

Crowd Mobile reported a maiden net profit of \$0.9 million.

FY16 financial performance results converted very strongly into cash flow during the year, with Net Cash from Operating activities of \$7,018,978 after paying interest and other finance costs of \$2,056,906.

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Crowd Mobile's Chief Executive Officer, Domenic Carosa: "Crowd Mobile made significant progress expanding our product portfolio in FY16 while delivering impressive growth on our key metrics of customers, questions answered, partnerships. This success is reflected in our robust financial results."

Comparison of FY15 and FY16 financial results

	2016 \$	2015 \$	Increase (decrease)	% change
Revenue	36,994,826	12,852,420	24,142,406	188%
Other income	876,463	118,755	757,708	638%
Cost of sales	8,418,690	4,658,574	3,760,116	81%
SG&A	23,137,160	11,073,850	12,063,310	109%
EBITDA Profit/(Loss)	6,315,439	(2,761,249)	9,076,688	329%
Interest income	40,198	8,271	31,927	386%
Depreciation and amortisation	3,725,625	411,806	3,313,819	805%
Finance costs	2,056,906	91,754	1,965,152	2142%
Income tax expense/(benefit)	(304,506)	701,994	(1,006,500)	(143%)
Net Profit / (Loss) After Tax	877,612	(3,958,532)	4,836,144	122%

FY16 Divisional Performance

Crowd Mobile is a globally-focused mobile first company with m-payments underpinning its Q&A and Mobile Content Subscription divisions:

Question & Answers (Q&A) | FY16 revenue: \$20.7 million up 60.9%

- Develops engaging mobile products seamlessly connecting those seeking answers with experts qualified to give them
- Q&A has achieved record growth through product and territory expansion

Mobile Content Subscription | FY16 revenue: \$17.2 million

- Delivers mobile content - games, mobile security, applications, education, apps, music & video to millions of consumers.
- New revenues from acquisition of Dutch-based mobile subscription content company Track Holdings B.V. (Track), completed on October 31, 2015

M-Payments | Expanded to more than 160 mobile carriers in 54 countries

- Crowd Mobile facilitates the Q&A and Subscription divisions through its growing mobile payments network (m-payments)
- These partnerships provide the infrastructure to build a substantial mobile entertainment and mobile content business

Crowd Mobile's Chief Executive Officer, Domenic Carosa: "Within less than one year the acquisition of Track has now been completed, integrated and is now being positioned for revenue and earnings growth. The European offices have been restructured and centralised in Amsterdam, where I am now based, to ensure maximum operational performance is obtained."

Capital Management

Crowd Mobile's core objective is to generate sufficient cash flows to enable debt levels to reduce whilst facilitating continued growth in revenues and profits. Two significant capital management announcements have occurred post 30 June, 2016 including:

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- Crowd Mobile has refinanced its senior debt to a EUR11.8 million convertible note facility. This provides the Company with a higher level of certainty, flexibility and control with the added benefits of providing growth capital and a clear line of sight over debt reduction
 - Crowd Mobile has announced a \$3.0 million equity capital raising via a combined placement and rights issue. The proceeds will help support increased marketing initiatives, investments in product development, earnings growth strategy and debt reduction

FY16 Expansion

Crowd Mobile remains focused on building a leading mobile first company to capitalise on the global mobile economy mega trend. With an estimated 6 billion mobile enabled devices anticipated globally by 2018 Crowd Mobile is rapidly accelerating its expansion.

New Services: Premium Q&A and Emoji

- Crowd Mobile has leveraged its Q&A technology to launch into new higher value verticals including finance, legal, tax and celebrities
- New branded EMOJI vertical with new EMOJI deals are in the process of being executed and launched
- Crowd Mobile's initial product GazMoji, a well known celebrity associated with the popular MTV show Geordie Shore, was ranked #1 paid entertainment in 9 countries and top 5 paid apps in 18 countries.

Growing Network: Global Footprint

- Crowd Mobile's strategy is to connect with local telcos to have access to their billing platforms and has billing connections in 54 countries within Europe, Australasia and South America
- As approximately 90% of Crowd Mobile's revenue comes from international territories Crowd Mobile focused on growing into Asia, Africa and Latin America.

Entry into China

- Crowd Mobile announced a letter of intent with SmartTrans Holdings Limited (ASX:SMA) to utilise its established m-payments platform in China.
- Crowd Mobile is nearing imminent launch of its pilot and the company has potential access to the 1 billion customers within the SmartTrans network

FY17 Outlook

In FY17 Crowd Mobile will remain focused on growth in three main areas:

- Diversification and launch of new products into existing and new countries by leveraging its existing global m- payment platform
- Growing the m-payments network into Asia, Africa & South America
- Exploring and extracting revenue synergies (product & customer databases) between the Q&A and Subscription division to drive customer Average Revenue and Average Margin Per User

Crowd Mobile's CEO, Domenic Carosa: "FY17 provides significant opportunities for Crowd Mobile including market entry into China and other large geographies for both the Q&A and Subscription businesses.

We are enthusiastic over the Company's growing mobile app portfolio suited for celebrities, brands and businesses and look forward to leveraging our micro job technology in new ways, delivering larger scale product innovations and increasing monetization from such products."

Crowd Mobile's Chairman Theo Hnarakis "FY17 will consolidate the work completed in FY16 and provide the basis of future growth with a focus on reducing our debt and delivering on building shareholder value."

The Company will be holding a results Webinar Monday 19th September at 4:30pm Australian Eastern Standard Time (AEST) or 8:30am Central European time. To Register [Click Here](#).

Ends

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About Crowd Mobile

Crowd Mobile is a mobile-first company with a world-leading 'Q&A' platform, providing personalised expert advice, and a subscription service giving users access to games, infotainment and security products. We operate across 54 countries and 30 languages and have partnered with more than 160 mobile carriers, allowing users to pay for products and services through their mobile phone or with Google or Apple Pay. Crowd Mobile has developed a diverse range of products in the m-payment, entertainment and infotainment space and is listed on Australian and German stock exchanges (ASX:CM8, FWB-XETRA:CM3).

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