

ASX Announcement | 18 January 2017
Crowd Mobile Limited (ASX:CM8)

CM8 Reports Strong December Quarter With Momentum Building Into 2017

December Quarter Financial Highlights

- Revenue of \$10.9m
- Underlying EBITDA of \$2.6m
- Continued Positive Operating cash flow generation
- Junior Debt extension of \$7.2m (€4.90m) loan, now due October 2018
- Balance date Net Debt of \$10.6m

December Quarter Operational Highlights

- Q&A Division: Record billed message volumes of 3.0 million
- Viacom International Partnership: Achieves first Geordie Toon apps launch
- Subscription Business: Continues to stabilise
- Several growth opportunities in 2017 will contribute to improving performance

Wednesday, 18 January 2017 – Crowd Mobile Limited (ASX: CM8 & FWB-XETRA: CM3, Crowd Mobile or the Company) is pleased to report its unaudited December Quarter results for the three months to 31 December, 2016. Following a cyclically slower first quarter the second quarter has seen the business build momentum which has continued into the 2017 calendar year.

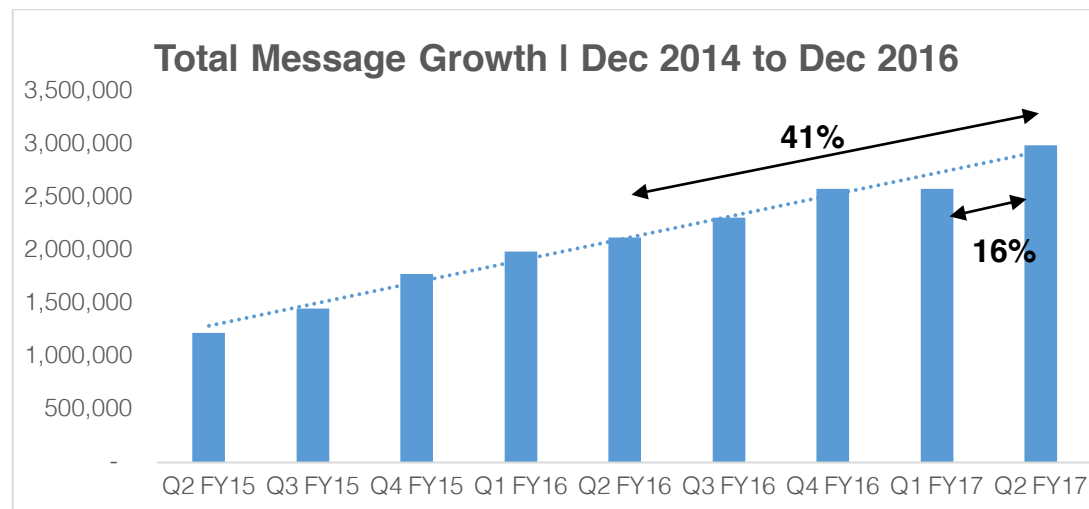
Q&A Division | Strong quarterly and year-on-year growth

Crowd Mobile's Q&A division generated record billed message volumes of 3.0 million in the December quarter, increasing 41% compared with the same quarter of the prior year (FY16) and increasing 16% compared with the first quarter of FY17.

The result was achieved on the back of very strong traction across the global portfolio in November and December. Numerous countries delivered new record monthly message volumes and revenues and the new markets in South America showed positive momentum.

Operating margins improved in Q2 as Artificial Intelligence ('AI') & ChatBot initiatives began to deliver financial rewards and the returns on marketing investment ('ROI') improved as Digital Influencer marketing channels continued to lower customer acquisition costs.

China and the #HitMeUp launch remains an ongoing management focus and are expected to be launched in the March quarter.



Viacom International Partnership | Achieves first Geordie Toon apps launch

Crowd Mobile announced a two-year partnership agreement with Viacom International Media Networks (VIMN), a division of Viacom, Inc (NASDAQ: VIAB, VIA) for the development of new apps in 2016.

The partnership successfully launched its first product set 'Geordie-Toon' in November 2016. The set of six mobile apps are designed around MTV's Geordie Shore television program leveraging Crowd Mobile's proprietary, paid Question and Answer (Q&A) technology.

The Geordie-Toon apps have achieved more than 170,000 downloads to date and while revenues have been moderate several key learnings have been made including that the key product feature used by customers was the Company's Q&A functionality. Crowd Mobile is continuing to work closely with VIMN on learnings, enhancements and future product opportunities.

Subscription Business | Continues to stabilise

Customer volumes, revenue and profit performance for the Subscription division in Q2 was flat against Q1. Management continues to work diligently on lifting performance through delivering improved innovation and diversification in the Subscription business.

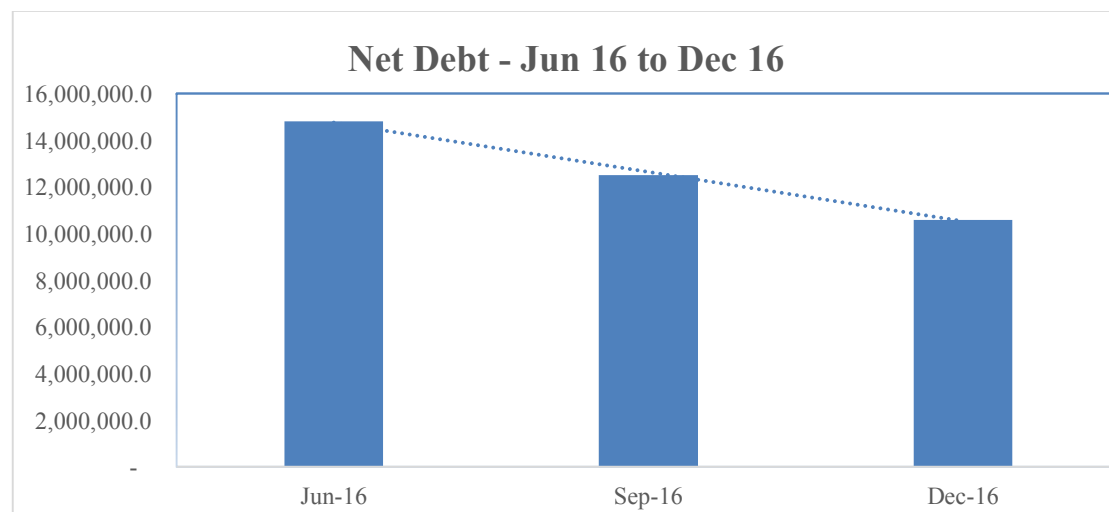
Several new product initiatives and market opportunities were identified and initiated during Q2 including establishing a Direct Media Buying Desk. However, the extent and timing of their material impact on the divisional financial results is not expected until FY18.

Cash & Net Debt Position I Improves net debt position

At 31 December 2016, Crowd's Net Debt was \$10.6m which is down from \$12.5m at end of Q1. Net debt comprises Cash of \$4.6m and Debt of \$15.2m (€10.45m).

During Q2, the Company repaid its Convertible Note obligations to JGB in cash and at balance date, the outstanding principal owed is \$8.1m (€5.55m). The remaining debt of \$7.2m (€4.90m) is owed to the former Track owners and the due date of this debt was extended during the quarter to October 2018 (previously October 2017).

The Company confirms that if the existing outstanding JGB Convertible Note principal continues to be paid in cash only and assuming no draw-downs are made, that the facility is projected to be fully repaid by February 2018. It should also be noted that most revenue is in EUR and all the debt is in EUR, hence there is a natural currency hedge.



Crowd Mobile's Chief Executive Officer, Domenic Carosa: "Crowd Mobile is pleased to report a good quarter of solid results. Our Revenue at \$10.9m and Underlying EBITDA of \$2.6m have grown from the last quarter. Our balance sheet is improving. By the next quarter I expect the Company's net debt will be less than x1.0 the current annualised Underlying EBITDA.

Crowd Mobile has commenced the 2017 calendar year with strong momentum. We are working hard behind the scenes around launching a digital influencer marketplace and expect to release details shortly. We are excited about the significant growth opportunity ahead and I thank shareholders for their ongoing support."

Video Interview with Management is available at: <https://youtu.be/009TVFpiDFY>

Ends.

For further information, please contact:

Crowd Mobile

Domenic Carosa
Chief Executive Officer
M: +61 411 196 979 / +31 611 227 235
E: dom@crowdmobile.com

Media enquiries

Julia Maguire
The Capital Network
M: +61 419 815 386
E: julia@thecapitalnetwork.com.au

www.crowdmobile.com



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).