

**ASX Announcement | 31 August 2017**  
**Crowd Mobile Limited (ASX:CM8)**

## **Crowd Mobile Delivers Record FY17 Results** **Generating Record Revenue & EBITDA**

### **FY17 Financial Highlights**

- Revenue up 16% to \$43.9 million
- EBITDA up 49% to \$9.4 million
- Underlying EBITDA up 32% to \$11 million
- Operational Cashflow down 36% to \$4.5 million
- Net Debt down 81% to 2.8 million

### **FY17 Divisional Highlights**

- Question & Answers (Q&A): FY17 revenue up 26% to \$24.9 million
- Mobile Content Subscription: FY17 revenue up 10% to \$19.0 million

### **FY17 Growth Highlights**

- Number of countries serviced up from 54 to 64
- Number of telco mobile payments partners up from 160 to 212
- Questions answered up from 9.0 million to 13.4 million

### **FY18 Outlook**

- Expected to improve key financial metrics
- Positive momentum in new Digital Influencer business
- Significantly reduced debt burden and strong portfolio of opportunities leveraging existing business models

**Thursday, 31 August 2017** – Global mobile entertainment and digital media company Crowd Mobile Limited (ASX: CM8 & FWB-XETRA: CM3) is pleased to announce record FY17 Financial Results and release its FY17 Investor Presentation and Annual Report.

In its second full financial year on the Australian Securities Exchange (ASX), Crowd Mobile achieved results reflecting strong organic growth in its core businesses as well as a strategic focus on the growing digital influencer commerce sector.

### **FY17 Financial Results**

Crowd Mobile delivered record financial results underpinned by continuing and growing demand for its Q&A division and supported by the Subscription division.

Net revenue increased 16% to \$43.9 million and EBITDA increased 49% to a record \$9.4 million. Underlying EBITDA increased 32% to \$11.0 million.

FY17 financial performance results converted strongly into cash flow during the year, with Net Cash from Operating activities of \$4.5 million after making significant payments for interest and tax of \$6.4 million.

The Company reported a minor net loss of (\$0.09m) which included \$5.0m of non-cash, Depreciation and Amortisation.

### Comparison of FY17 and FY16 Financial Results

	2017 (\$m)	2016 (\$m)	Increase / (decrease)	% change
<b>Revenue *</b>	<b>43.89</b>	<b>37.87</b>	<b>6.02</b>	<b>16%</b>
Cost of sales	9.34	8.42	0.92	11%
SG&A	25.14	23.14	2.01	9%
<b>EBITDA Profit/(Loss)</b>	<b>9.41</b>	<b>6.32</b>	<b>3.09</b>	<b>49%</b>
Interest income	0.03	0.04	(0.01)	-32%
Depreciation and amortisation	5.04	3.73	1.31	35%
Finance costs	4.20	2.06	2.15	104%
Income tax expense/(benefit)	0.28	(0.30)	0.58	-191%
<b>Net Profit / (Loss) After Tax</b>	<b>(0.09)</b>	<b>0.88</b>	<b>(0.96)</b>	<b>-110%</b>

\* includes Other income

### FY17 Divisional Performance

In FY17 the Company consisted of two mobile divisions: Q&A and Subscription.

#### Q&A Division

- FY17 revenue of \$24.9 million, up 26%
- An engaging mobile product connecting questions to experts
- Three years consecutive record growth

#### Subscription Division

- FY17 revenue of \$19.0 million, up 10%
- Delivers mobile content (games, mobile security, applications, education, music and video) to millions of customers globally
- Leveraging the core business into new subscription products using digital influencers is key to growth

### Capital Management and Debt Reduction

After a re-finance early in FY17, Crowd Mobile aggressively reduced its outstanding convertible note debt to JGB and to the Track vendors, through a combination of equity raising and the application of organic cashflow that is generated by the group businesses.

- FY17 Net Debt was \$2.8 million with JGB Convertible note debt of \$8.0 million and Cash of \$5.2 million
- Net Debt reduced by 81% in FY17 which positions for a significant reduction in FY18's finance costs and an increase in operating cash flow expectations

## FY18 Outlook

In FY18 Crowd Mobile will be focused on the following areas:

- Growing Digital Influencer commerce network: Worked with over 6,000 influencers to date and the more influencers, the greater the revenue opportunities.
- Expand our mobile payments and distribution networks: Launch a new payment method called **content locking** (ie. consumer doing an action like watching a video instead of paying) useful for the millennial market.
- Increase number of API's: Increase global scalability by exposing our technology via APIs (Q&A API now available and now building a mobile payment API – eventually connecting to a digital influencer commerce API).
- Create Brand funded content and digital personalities: Grow brand funded content across social media, live streaming and Digital Influencers.

## Executive Commentary

**Crowd Mobile's Chief Executive Officer, Domenic Carosa:** "Crowd Mobile has proven in FY17 that the organic growth strategy that focused on reducing debt whilst increasing revenue and commercial innovation opportunities, was the right call and our results reflect this. We are now significantly de-leveraged and with substantially less financing costs.

FY18 provides a solid platform for Crowd Mobile to grow revenue, profit and cashflow. We will continue to build our existing divisions whilst we leverage our digital influencer skills and resources into exciting new areas of business, across the world. I'm excited for the next evolution in the Crowd Mobile journey."

**Crowd Mobile's Chairman, Theo Hnarakis:** "Crowd Mobile's record FY17 results are testament to the Company's successful organic growth over a year in which we also achieved debt reduction. I am encouraged by the significant progress that was made over the 2017 financial year and the strategic opportunities for the Company in the year ahead.

Crowd Mobile's digital influencer business presents a particularly exciting opportunity for our company. We look forward to growing this business upon the strong foundations that have been laid and track record Crowd Mobile has delivered across its broader operations."

## Shareholder Invitation

Crowd Mobile will be holding a results Webinar on Wednesday 13<sup>th</sup> September 2017 at 430pm Australian Eastern Standard Time (AEST) To register, [Click Here](#).

## Ends

**For further information, please contact:**

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### **About Crowd Mobile**

Crowd Mobile is a global mobile entertainment and digital media company partnering with hundreds of mobile carriers, thousands of digital influencers and some of the largest agencies, brands and media houses from around the world to produce highly engaging mobile product and digital marketing solutions. We operate in more than 50 countries and 30 languages and make millions of customers smile every year. Crowd Mobile's focus is on youth driven areas of interest, such as entertainment and infotainment and we are listed on Australian (ASX:CM8) and German (FWB-XETRA:CM3) stock exchanges. To learn more please visit: [www.crowdmobile.com](http://www.crowdmobile.com)