

ASX Announcement | 22 June, 2017 Crowd Mobile Limited (ASX:CM8)

Crowd Mobile Completes Early Vendor Debt Repayment Amid Strong End to 2017 Financial Year

Highlights

- Crowd Mobile has paid off its 15% per annum Track vendor debt
- The debt has been paid off sooner than expected, having previously been due in October 2018
- A discounted early repayment fee was paid at termination in lieu of interest
- Crowd Mobile estimates its net debt position is AUD \$2.8 million at June 2017
- Crowd Mobile expects to report its strongest quarterly financial results to date for the FY17 financial year in late July 2017

22nd June, 2017 – Crowd Mobile Limited (ASX: CM8 & FWB-XETRA: CM3, Crowd Mobile or the Company) is pleased to announce it has completed an early debt repayment of its 15% per annum \$7.20 million Track Concepts (“Track”) vendor debt, previously due in October 2018.

A discounted early repayment fee of \$0.58 million was paid at termination in lieu of interest. The repayment was financed through a combination of cash reserves plus a \$3 million draw-down from the existing JGB Loan facility with a coupon interest rate. For clarity, this new draw-down will not result in additional coupon interest being paid under the JGB Loan facility. Crowd Mobile estimates the elimination of the Track debt will save the Company \$0.8m (after payment of the early repayment fee).

From FY-18 (and beyond), the Company’s annual interest expense is estimated to be reduced by \$1.0m as a result of this debt reduction.

With a simplified capital structure and modest net debt position of \$2.8 million, or approximately one quarter of the FY17 Underlying Earnings Before Tax, Depreciation and Amortisation (EBITDA), Crowd Mobile’s debt risk has been significantly reduced. The estimated June 2017 net debt of \$2.8 million comprises cash of \$5.1 million and debt of \$7.9 million.

The Company intends to maintain the current cash payment schedule which reduces the JGB Loan principle by approximately \$600,000 per month and on this basis, expects to have the JGB Loan completely paid out in 14 months.

Crowd Mobile is pleased to report its fourth quarter performance [April to June 2017] has been strong and the Company expects to report its strongest quarterly financial results to date, on a normalised basis, for the FY17 financial year. The Company will release a detailed quarterly update in late July 2017.

Crowd Mobile's Chief Executive Officer, Domenic Carosa: "I am delighted to announce the completion of this debt reduction initiative as promised to shareholders following our April capital raising. Paying off the Track debt not only saves us money but also adds to the momentum we gathered in this quarter. I fully expect this momentum to continue in FY18 as we move from a net debt to a net cash position, which will be a major achievement for the Company."

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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).