

ASX Announcement | 27 February 2017
Crowd Mobile Limited (ASX:CM8)

Crowd Mobile Delivers Record First Half Results

First Half Financial Highlights

- Revenue up 53% to \$21.5 million
- EBITDA up 6,061% to \$3.3 million
- Operating Cashflow (includes tax and interest) down 52% to \$1.5 million
- NPAT loss up 22% to (\$0.9 million)
- Underlying EBITDA up 116% to \$4.7 million
- Net Debt down to \$10.7 million (Feb estimate Net Debt \$9.7m)

First Half Divisional Highlights

- Question & Answers (Q&A): Revenue up 16% to \$10.6 million
- Paid Questions answered up 41% to 5.5 million
- Subscription: Revenue up 124% to \$10.9 million
- Product pipeline and incubation at record levels

Second Half Operational Outlook

- Outlook for H2-FY17 Results is an increase in all key financial metrics - Revenue, EBITDA, NPAT and Operating Cashflow compared to H1-FY17
- Foundations in place for ongoing expansion of integrated, global, mobile business positioned to deliver continued revenue growth

Monday, 27 February 2017 - Crowd Mobile Limited (ASX: CM8 & FWB-XETRA: CM3, Crowd Mobile or the Company) is delighted to report record first half results for the six months to 31 December, 2016. Despite a cyclically slower first quarter momentum built in the second quarter, resulting in 53% revenue growth (to \$21.5 million) and 6,061% EBITDA growth (to \$3.3 million) over half year period. The results were achieved due to a strong divisional performance from Crowd Mobile's key businesses.

Over the half-year the majority of top tier, high gross profit markets set new message volume and revenue highs and are demonstrating strong momentum in the second half. Digital influencer engagement took over as the fastest growing, highest ROI, marketing channel and Crowd Mobile's product pipeline and incubation are now at record levels.

The M-Payments network continues to grow with an addressable audience poised to rapidly scale through monetising multiple top 10 countries by total volume of smartphones in the world in Asia and South America (Source: smsGlobal)

Q&A Division

Crowd Mobile's Q&A division continued to achieve records in the first half, generating a strong increase in revenue, up 16% due to continuous paid message volume growth across an expanded m-payments network. Paid message volumes increased by 41% to 5.5 million, half year on half year. The average revenue per paid message for the first half was \$1.91 which declined against the prior comparative period of \$2.23 due to the Company's strategy of growing more strongly in lower unit economic countries and to a lesser extent, from the effect an appreciating Australian dollar to European currencies.

Crowd Mobile's digital influencer experiences have not only become the fastest growing and most profitable customer engagement channel but are opening new revenue opportunities that complement the Company's strategy and core skills.

Subscription Business

Crowd Mobile's Subscription Business increased revenue 124% to \$10.9 million over the first half. As the division continued to stabilise over the six month period Crowd Mobile embarked on a tactical overhaul, including new people and processes. Management remains firmly committed to returning this business to growth through new products in new and existing markets and expect revenue to increase in FY18.

Viacom Partnership

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 October 2016.

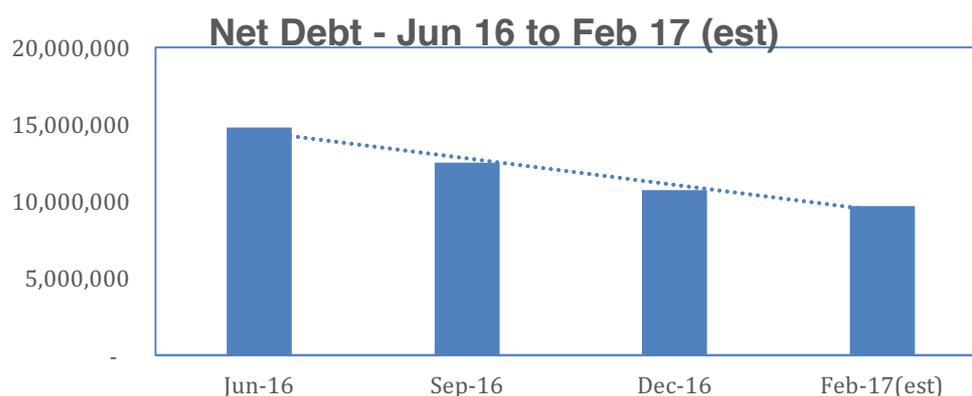
SmartTrans China Partnership

Crowd Mobile signed a Letter Of Intent ("LOI") with SmartTrans Holdings Limited (ASX:SMA) in August 2016 to form a partnership that will give the Crowd Mobile an effective entry point to the Chinese market. The first pilot product BoBo was successfully launched into China's Sichuan Province on February 21, 2017.

Cash & Net Debt Position

At 31 December 2016, Crowd's Net Debt was \$10.7m which is down \$4.1m or 27% to 30 June 2016. Net debt comprises Cash of \$4.7m (rounded) and Debt of \$15.4m (€10.5m). Estimated Net Debt as at 28/2/17 is expected to be \$9.7m

Crowd Mobile continues to pay down debt in cash as part of its long stated commitment. The Company is targeting a gross debt position (before cash deduction) of \$7.0m by February 2018.



Outlook

Crowd Mobile maintains a strong outlook for the second half of the 2017 financial year, on the back of revenue achieving 12-month high in January 2017 and Q&A achieving significant record.

The outlook for H2-FY17 Results is an increase in all key financial metrics - Revenue, EBITDA, NPAT and Operating Cashflow compared to H1-FY17.

The Company has strong foundations in place for the ongoing expansion of integrated, global, mobile business positioned to deliver continued revenue growth.

Digital Influencer Growth Opportunities

Crowd Mobile is working on plans for launching a digital influencer network to tap into the growth of the digital influencer marketplace by establishing a network and agency. More details will be provided to shareholders in due course.

Crowd Mobile's Chief Executive Officer, Domenic Carosa: "Crowd Mobile's strong first half performance has enabled us to springboard strongly into the second half and I expect increases in all key metrics.

The satisfying performance has been achieved thanks to record organic growth in our Q&A business and stabilisation within the Subscription division.

We also continue to investigate new growth opportunities and I am particularly excited about the digital influencer opportunities we are currently working on.

This year will be very exciting and I look forward to updating shareholders on progress with our new initiatives in addition to our ongoing strategic plan.

Ends

Crowd Mobile CEO Domenic Carosa and CFO/COO Christian Shaw present the December half results via a 15 minute video presentation – click to view:

https://youtu.be/M0_ekroZao4

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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).