

ASX Announcement | 28th November 2017 Crowd Mobile Limited (ASX:CM8)

Chairman's Address to Shareholders 2017 Annual General Meeting

Opening

Good afternoon ladies and gentleman. My name is Theo Hnarakis, and I am the Non-Executive Chairman of Crowd Mobile Limited. It is my pleasure to welcome you to the Company's 2017 Annual General Meeting.

The 2017 financial year was highlighted by another year of growth, positive financial results, the continued reduction of debt and the launch of an exciting new division.

This year we had a record-breaking performance across our Q&A division and a stabilisation of our Subscription Division. Along the way, we made a significant dent in the repayment of our debt and are on course to have zero net debt in early 2018.

Our new division Crowd Media is focused within the growing digital influencer sector – the only one of its kind run by an Australian listed company.

With all these elements in place, we believe Crowd Mobile has built solid foundations for further growth and we are delighted you are accompanying us on this journey.

Annual Overview

During the 2017 financial year, Crowd Mobile delivered positive financial results.

The Q&A Division, a global network that connects those seeking answers with experts, saw its third consecutive year of growth and ended the year with revenue of \$24.9 million, up 26% on the previous financial year.

Meanwhile, the Subscription Division, which delivers mobile content such as games, apps and video to millions of customers worldwide, achieved revenue of \$19 million. Although down on last year, we are confident that this division's performance has stabilised and we look forward to employing some new initiatives throughout 2018 to begin the regeneration of this division.

As a company committed to innovation, this year Crowd Mobile used its Q&A Division to incubate Crowd Media, an initiative we see as a key opportunity going forward.

Crowd Media is currently executing over 200 influencer campaigns a month and to date has worked with over 6,000 influencers. It is estimated that brands will spend up to \$10 billion per year on influencer marketing by 2020 and through Crowd Media, we are well positioned to capitalise on this trend.

The Q&A and Subscription Division results were important in assisting our continued debt repayment. In the 2017 financial year, we refinanced our debt portfolio, raised equity and made payments which effectively reduced our net debt by 81% from \$14.8 million to \$2.8 million.

Furthermore, we continue to seek out synergies between our Q&A division and Track acquisition, leveraging global telco networks and marketing expertise to optimise our performance for the future.

Crowd Mobile has continued to partner with telecommunications companies all over the world, giving us access to their billing platforms and allowing the rollout of our mobile payment technology. Our global footprint has continued to expand, with our products are now available in 64 countries and 30 languages.

With the successes we are seeing in our two main divisions, the investment in a new and potentially highly lucrative division and significant reduction in debt, we are paving a strong foundation for 2018 and beyond.

Change in reporting

As previously advised, the Board decided as from the September quarter, we would no longer be reporting our results on a quarterly basis but joining what is convention for the majority of ASX listed companies and reporting on a half yearly basis. This we feel will allow management to spend more time achieving our results and goals.

That said, the Board is mindful of our need to keep our shareholders and the market fully informed and we will continue to update the market where necessary on any material changes, which are either positive or negative.

Notwithstanding this recent change, Dom will be updating shareholders today with our most recent performance numbers on a year to date basis to the end of October 2017 and our strategy going forward.

CEO sale of Shares

Last month our CEO, Domenic Carosa sold approximately 5.5m shares. This was done to extinguish some outstanding personal debts. Although it is never ideal when a CEO sells shares, I can confirm it is the Board's understanding that Dom has now settled those issues and is fully committed to holding the balance of his investment in Crowd Mobile and has no intention to sell any more of his shares. Furthermore, he is fully committed to executing our strategy and growing our Company for the benefit of all shareholders and employees.

Outlook

Crowd Mobile is very excited about the new financial year and is focused on growing the monetisation aspect of our digital influencers platform, creating new mobile payment methods for our customers and increasing brand-funded content across digital channels.

In the 2018 financial year, we will further reinforce the foundations created in 2017.

We have an excellent team in place and a Board that is committed to guiding the Company with a steady hand. Our management team is strong, and we enjoy a healthy corporate culture brimming with innovation and positivity.

I will now hand over to Domenic Carosa, our Chief Executive Officer, who will be presenting the Company's 2017 performance to date and strategy for the 2018 financial year in further detail.

On behalf of the Board, I'd like to thank you, the shareholders, for your ongoing support. In closing it is my pleasure to also thank the Company's Board of Directors and Domenic Carosa, whose growing international team is working tirelessly to improve the Company's revenue, productivity and outlook.

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).