



crowd mobile

ASX Announcement | 19 November 2018 Crowd Mobile Limited (ASX:CM8)

Crowd Mobile Investor Update

Capturing Growing Demand For Crowd Media Division

Financial Update

- Crowd Mobile is focused on building and growing the **Media Division**, while continuing to restructure the Company's two Mobile Divisions, Subscription and Q&A. Revenues from the Crowd Media division are expected to increase 250% to circa \$1.25 million in the first half of the 2019 financial year (H1FY19).
- The growth path of the Media division, which generates growing revenues from marketing campaigns on social media platforms, requires ongoing investment and which has largely contributed to operating losses.
- The **Subscription Division** continues to generate stable revenues and positive EBITDA although the Company expects some provisions for bad debts to be made in the current half year (H1FY19) as regulatory changes in some markets impact this business division.
- The **Q&A Division** has reported softer than expected revenues and profits in the first four months of FY19 and positive EBITDA contribution is expected in the current half year (H1FY19).
- As a result of the focus on investing in growth of the Media division and potential bad debt provisions from the Mobile divisions, the Company is projecting a small loss for the Half Year (H1FY19)
- Management has identified cost savings in excess of \$2.0 million per annum which are being progressively realised in FY19.
- The Share Purchase Plan (SPP) has been launched to provide extra working capital for the business and to continue paying down the JGB debt facility.
- The Company will provide a comprehensive update at its Annual General Meeting at 4pm, 28th November 2018 in Melbourne and we invite all shareholders to attend.

19th November 2018 - Global mobile entertainment and digital media company Crowd Mobile Limited (ASX: CM8 & FWB: CM3) ("Crowd Mobile" or "the Company") is accelerating the Company's operational transformation to capture growing demand for its Crowd Media division, including plans to rename the Company to Crowd Media Holdings Limited by the end of this year. The Company continues to invest in

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growth of the Media Division and expects some bad debt provisions in the Mobile Division, which is projected to result in a small half year loss (H1 FY19). The Company however remains confident a rebound is in progress underpinned by Crowd Media.

Video | Capturing Growing Demand for Crowd Media

Crowd Mobile has prepared a video providing an update on all Company operations and highlighting how it is capturing demand for the Crowd Media division from the Company's CEO Domenic Carosa, CFO Antoaneta "Toni" Ignatovska and COO Michel de Jong.

[To watch the video please click on this link - https://youtu.be/LPrK77zVVsc](https://youtu.be/LPrK77zVVsc)
(or copy and paste the link into your browser)

Crowd Mobile Accelerating Operational Transformation

The Q&A Division has experienced a challenging September quarter (Q1 FY19) and reported softer than expected revenues and profits in the first four months of FY19, largely to do with the seasonal nature of the Division.

The Subscription Division continues to generate stable revenues and profits largely in line with forecasts. The Company took a conservative view when taking the write down of the Subscription division.

Financial management remains a core focus for Crowd Mobile as we focus on collections and reducing our \$1.6 million in net debt, partly due to timing of cash payment, slower than expected collections in the European summer period and one major supplier changing credit terms.

The Share Purchase Plan (SPP) has been launched to provide extra working capital for the business and to continue paying down the JGB debt facility. Crowd Mobile expects the funds raised from the SPP to strengthen its balance sheet, pay down debt as well as provide working capital. The JGB facility will end at the end of January 2019 and the Company is reviewing a number of refinancing options.

Crowd Media Forecasts FY19 Revenue Growth

Revenues from the Crowd Media division are expected to increase 250% to circa \$1.25 million in the first half of the 2019 financial year (H1 FY19).

In addition to remaining focused on capturing current demand Crowd Media is pitching to large blue-chip companies, including a major global airline, and will keep the market informed of any material developments as they occur.

[To learn more about Crowd Media please click to view our agency pitch deck https://tinyurl.com/CM8-MediaKit](https://tinyurl.com/CM8-MediaKit) (or copy and paste the link into your browser)

Annual General Meeting Invitation

The Company will provide a comprehensive update on its current operations at its Annual General Meeting being held on 28 November 2018 at 4.00pm at the offices of RSM Australia at Level 21, 55 Collins Street Melbourne Victoria and we invite all shareholders to attend.

Crowd Mobile's Chief Executive Officer, Domenic Carosa:

"Following the results of our strategic review Crowd Mobile's management team has taken decisive action to address the areas of our business that need to be transformed and to capture the growing demand from the Crowd Media division.

As we move closer to rebranding our business to Crowd Media in the coming month the Company remains focussed on paying down debt and integrating strong foundations from Q&A and Subscription divisions into Crowd Media.

As we move from a product centric to a platform company leveraging the technology we have created; Artificial Intelligence (AI), mobile payment distribution network and influencer CRM and workflow platforms to strengthen our business.

The Company is uniquely positioned as it has a global footprint and at the forefront of emerging industries. I look forward to updating shareholders on results and developments and results for the second half of 2019, traditionally a much stronger period than the first half."

Share Purchase Plan Timetable

The updated timetable for the Company's SPP offer is set out below.

Record Date	7.00pm (AEST) 7 November 2018
Opening Date	20 November 2018
Closing Date	5.00pm (AEST) 5 December 2018
Issue of SPP Shares	12 December 2018
SPP Shares commence trading on ASX	13 December 2018
Despatch of SPP Shareholding statements	14 December 2018

**This timetable is indicative only and Crowd Mobile may, at its discretion, vary any of the above dates by sending a revised timetable to ASX.*

Ends

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About Crowd Mobile

Crowd Mobile Limited (ASX:CM8) is a global technology company creating digital platforms, building mobile products and working with digital influencers to make customers smile.

Crowd Mobile's business consists of three divisions: Q&A, Subscription and Crowd Media. The Q&A division connects those seeking answers with qualified experts, the Subscription division delivers mobile content including games, apps, music and video and the Crowd Media division is focused on the digital marketing industry. Crowd Media includes [Crowd.Agency](#) a digital influencer marketing agency and [Crowd.ly](#), an influencer commerce platform. All of the company's divisions are underpinned by its mobile payments and distribution network.

Crowd Mobile's networks are strengthened by its partnerships with hundreds of mobile carriers and some of the world's largest agencies, brands and media companies. The Q&A and Subscription divisions operate in over 60 countries and 30 languages and Crowd Media has worked with over 6,000 digital influencers worldwide. Crowd Mobile is listed on Australian (ASX:CM8) and German (FWB: CM3) stock exchanges. To learn more please visit: www.crowdmobile.com.

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