



crowd mobile

ASX Announcement | November 7th
Crowd Mobile Limited (ASX:CM8)

Crowd Mobile Operational Transition Continues Significant FY19 Revenue Growth Forecast for Crowd Media Division

Investments highlights

- Crowd Mobile is continuing to shift its focus towards the growing social media marketing industry
- The Crowd Media division works with brands, digital influencers and affiliates while continuing to attract blue chip partners including L'Oréal, Nestle & Snap Inc
- Crowd Media division is projecting first half revenues of \$1.25 million, up from FY18 full year revenue of \$0.5million (up 250%)

November 7th, 2018 - Global mobile entertainment and digital media company Crowd Mobile Limited (ASX: CM8 & FWB: CM3) ("Crowd Mobile" or "the Company") is pleased to provide an update of its operational transition and the performance of its Crowd Media division.

Operational transition continues

As announced to the market in August, the Company is currently undertaking an operational transition to focus on its core strength in social media marketing. [ASX Announcement: August 30 2018].

The transition allows Crowd Mobile to leverage synergies across all three of its divisions (Media, Subscription and Q&A) and gives it a clear positioning in a high growth area. When complete, the Company will transition from being product centric to a platform company, focused on social media marketing predominately to millennials leveraging technology.

In order to better reflect this focus, Crowd Mobile is seeking to change its name to Crowd Media Holdings Limited subject to shareholder approval at the Company's AGM scheduled for November 28 2018.

Crowd Media achieves significant growth

The Crowd Media division works with brands, digital influencers and affiliates to acquire customers on a fee for service and cost per customer acquisition basis. Using the global distribution network and social media marketing expertise the Company has built up over the past five years, the division is performing well.

Crowd Mobile is projecting the Crowd Media division to more than double its FY18 revenue in the first half of FY19. In FY18, Crowd Media revenues were \$0.5m from a zero base and the Company estimates revenue for first six months of FY19 will be circa \$1.25m (up 250%).

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Crowd Media continues to attract blue chip partners including L'Oréal, Nestle and most recently Snap Inc [ASX Announcement: October 8 2018].

The media division is accelerating its growth in two areas: the influencer marketing agency that develops and executes campaigns for international brands on a fee for service basis and affiliate division that sells products for third parties using its expertise in digital marketing to millennials

Crowd Mobile: Q&A and Subscription operational updates

The Q&A division encountered some headwinds and reported softer than expected revenues and profits in the first 4 months of FY19. The expectation is that the business will improve over the coming six months due to its cyclical nature.

The Q&A division continues to test product pivots which leverage its proprietary Artificial Intelligence (AI) technology. AI is now responsible for answering more than 50% of all questions which will help improve operating margins.

The Subscription division performed in line with budgeted revenue and profit expectations in the first 4 months of FY19.

Management has also reviewed all operating costs in the business and has identified cost savings in excess of \$2.0 million per annum which are being progressively realised in FY19.

The Company will provide a more detailed update on all three divisions at the AGM.

Crowd Mobile's Chief Executive Officer, Domenic Carosa:

"Although we encountered some head winds resulting in lower than expected KPIs in the first half, recent initiatives such as cost reductions and a range of new revenue initiatives are expected to start bearing positive results in the medium term. We are also delighted with the progress of our Crowd Media division which is delivering growth and reinforcing our conviction in social media marketing and our rebrand to Crowd Media Holdings Ltd."

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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