

13th April 2016

## Crowd Mobile Limited (ASX: CM8)

### ASX Release

# Crowd Mobile reports record quarterly result

#### Highlights:

- Both revenue and earnings before interest, tax, depreciation and amortisation (EBITDA) jumped to a record in the March quarter
- Revenue for the three months to end March increased 242% over the previous corresponding period (pcp) to \$11.5 million and underlying EBITDA increased 515% over the pcp to \$3.25 million
- EBITDA in latest quarter already exceeds Crowd Mobile's half year Underlying EBITDA of \$2.2 million
- Total billed messages from the Question & Answer (Q&A) division rose 59% to 2.3million over the pcp and 9% against the previous quarter – the ninth consecutive quarterly gain
- Q&A division growing strongly in all key metrics and growth is expected to be sustained with Crowd Mobile rapidly expanding into the professional services sectors
- The Company continues to generate free operating cashflow on a month-to-month basis in line with expectations
- Management focusing on improving margins over short-term revenue growth while building a sustainable revenue base

**Crowd Mobile Limited (ASX: CM8 & FWB-XETRA: CM3, Crowd Mobile, “the Company”)** is pleased to report its best quarterly result on record for the three months to 31<sup>st</sup> March 2016 as its Q&A business continues to gain momentum.

Group revenue for the Mar-16 quarter increased 242% over the same period last year to a record \$11.5 million and underlying EBITDA jumped 515% versus the pcp to a record \$3.25 million. Underlying EBITDA for the first three months of 2016 has already exceeded the prior six months, as reported in the first half result, of \$2.2 million.

The Company also continues to generate free operating cashflow on a month-to-month basis which is inline with management expectations.

The strong growth is largely driven by the Q&A division with total billed messages rising 59% to 2.3million pcp – the ninth straight quarter of gains. This uptrend is expected to be sustained over the medium term due to organic growth and the previously announced build-out of the Company's m-payment network into new countries. The company has also commenced investigations into integrating its Q&A Crowd experts platform into the Facebook Chatbot technology leveraging the recently announced Facebook's Chatbot API tools.

“We are pleased with the performance of the Q&A division and we are now focusing on driving greater efficiencies and innovation across the group to ensure we are well placed to achieve the next phase of growth and also leveraging synergies between our Q&A and Subscription business.” said Domenic Carosa, the CEO of Crowd Mobile.

Revenue and EBITDA from Track (Subscription division) is consistent with the lower end of our original modelling forecasts as the Company ramps up its investment to build a more sustainable business. Crowd Mobile has already hired an experienced CEO for its Subscription business and has recruited the right talent across sales, business development, marketing and technology.

“We are prioritising margin improvement and product innovation over near-term revenue growth for the Subscription division to enable us to build a stronger platform to maximize longer-term growth for this business unit.”

Furthermore, in January 2016, Crowd Mobile paid the first of two tranches for the Track Vendor earn-out of €2 million (circa \$AUD3m) using existing cash flow and it is expecting to pay the second and final tranche of €2.5m (circa AUD\$3.8m) in June 2016 from organic cash flow.

The Company is also in negotiations to refinance its senior debt facility on materially more favourable terms and will provide the market with an update in due course.

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**About Crowd Mobile**

Crowd Mobile is a mobile-first company with a world-leading platform that provides personalised expert advice that go beyond Google. Operating across 50 countries and 30 languages, the Company has partnered with over 160 mobile carriers to enable users to pay for its products and services through their mobile phone or with Google or Apple Pay. Crowd Mobile, which has also developed a diverse range of products in the m-payment, entertainment and infotainment space, is listed on the Australian and Frankfurt stock exchanges.

