

1. Company details

Name of entity:	Crowd Mobile Limited
ABN:	13 083 160 909
Reporting period:	For the year ended 30 June 2016
Previous period:	For the year ended 30 June 2015

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	192.1% to	37,911,487
Earnings before interest, tax, depreciation and amortisation (EBITDA)	up	328.7% to	6,315,439
Profit from ordinary activities after tax attributable to the owners of Crowd Mobile Limited	up	122.2% to	877,612
Profit for the year attributable to the owners of Crowd Mobile Limited	up	122.2% to	877,612

Dividends

There were no dividends paid, recommended or declared during the current financial period by Crowd Mobile Limited.

Comments

The profit for the Group after providing for income tax amounted to \$877,612 (30 June 2015: less of \$3,958,532).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(7.42)</u>	<u>1.70</u>

4. Control gained over entities

Name of entities (or group of entities)	Track Holdings B.V
Date control gained	31 October 2015

	\$
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)	1,130,519
Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) for the whole of the previous period (where material)	-

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period by Crowd Mobile Limited.

Previous period

There were no dividends paid, recommended or declared during the previous financial period by Crowd Mobile Limited.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unqualified opinion has been issued.

11. Attachments

Details of attachments (if any):

The Annual Report of Crowd Mobile Limited for the year ended 30 June 2016 is attached.

12. Signed



Signed _____

Date: 31 August 2016

Theo Hnarakis
Chairman
Melbourne



Crowd Mobile Limited
ABN 13 083 160 909

Annual Report for 30 June 2016



“Our extensive international m-payments network has expanded to 160 mobile carriers in 54 countries providing the infrastructure to build a substantial mobile entertainment and mobile content business to capitalise on the global mobile mega trend”

Theo Hnarakis, Chairman Crowd Mobile

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Corporate Directory

Directors	Theo Hnarakis - Chairman Domenic Carosa Johannes de Back
Company secretary	Sophie Karzis
Registered office	Level 4, 44 Gwynne Street Cremorne, VIC 3121 Tel: 1300 034 045 (within Australia) +61 (3) 9020 1468 (outside Australia) Fax: +61 (3) 9923 6507
Share register	Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000 Tel: 1300 737 760 (within Australia) +61 (0) 3 9290 9600 (outside Australia) Fax: +61 (2) 9279 0664
Auditor	RSM Australia Partners Level 21, 55 Collins Street Melbourne VIC 3000
Stock exchange listing	Crowd Mobile Limited shares are listed on the Australian Securities Exchange (ASX code: CM8) Crowd Mobile shares are also dual listed on the Frankfurt Stock Exchange and European Based XETRA (Europe code: CM3)
Website	www.crowdmobile.com
Corporate Governance Statement	<p>The Company's directors and management are committed to conducting the Group's business in an ethical manner and in accordance with the highest standards of corporate governance. The Company has adopted and substantially complies with the ASX Corporate Governance Principles and Recommendations (3rd Edition) ('Recommendations') to the extent appropriate to the size and nature of the Group's operations.</p> <p>The Company has prepared a Corporate Governance Statement which sets out the corporate governance practices that were in operation throughout the financial year for the Company, identifies any Recommendations that have not been followed, and provides reasons for not following such Recommendations.</p> <p>The Company's Corporate Governance Statement and policies, which will be approved at the same time as the Annual Report, can be found on its website: www.crowdmobile.com</p>



Chairman's Review

We are pleased to present to you our 2016 Annual Report. Our first full year on the ASX was one of great success, highlighted by expansion and investment.

Crowd Mobile achieved record growth in 2016 in the Question and Answer (Q&A) business as both our product-set and territories expanded. Such growth is especially pleasing when considering the major acquisition of Track Concepts B.V. which established the Subscription division and changed the scale of the Group's operations.

Our extensive international m-payments network has expanded to over 160 mobile carriers in 54 countries. These partnerships provide the infrastructure to build a substantial mobile entertainment and mobile content business to capitalise on the global mobile mega trend.

Results

The Crowd Mobile business has delivered quality financial results with a 192% increase in net revenue on the prior year to \$37.9 million with continuing and growing demand for our broad mobile content services.

The major growth in revenue was generated from the newly integrated mobile subscription division via the acquisition of Track, which contributed \$17.2 million for the eight months of the year to 30 June.

The original Q&A division grew to \$20.7 million in FY16, up 61.7% from \$12.8 million in FY15.

We achieved strong revenue growth across each of the FY16 quarters, and our key performance metrics of message volume, new territories entered and products in the market have all increased contributing to this growth.

Reflecting the continued emphasis on growth within the Q&A and Subscription businesses during the year, Crowd Mobile is reporting a maiden net profit for the year of \$0.9 million, although notably, this includes a \$0.8 million non-recurring Other income benefit from Q Limited subsidiaries, a \$1.4 million non-cash share based payment charge for the Company's performance incentive plans and a

payment to a financing third party, transaction fees for the Track acquisition of \$1.1 million and European restructure costs of \$0.3 million.

When adjusting only for these effects, the Underlying EBITDA for the year is \$8.3 million, as follows:

	\$
Net profit after tax (NPAT)	877,612
Add back: tax expense/(benefit)	(304,506)
Add back: interest expense	2,056,906
Deduct: interest income	(40,198)
Add back: depreciation and amortisation	<u>3,725,625</u>
Earnings before interest, tax, depreciation and amortisation (EBITDA)	6,315,439
Deduct: Other income – Q Limited entity shut downs	(756,537)
Add back: share-based payments expense (non-cash)	1,393,897
Add back: transaction costs - Track	1,089,241
Add back: restructure costs - European operations consolidation	<u>300,008</u>
Underlying EBITDA	<u>8,342,048</u>

Notably, the FY16 financial performance results converted very strongly into cash flow during the year, with Net Cash from Operating activities of \$7,018,978 after paying interest and other finance costs of \$2,056,906.

Capital Management

Crowd Mobile's core objective is to generate sufficient cash flows to enable debt levels to reduce whilst facilitating continued growth in revenues and profits and with debt on our balance sheet, capital management is crucial.

Our policy is to maintain a prudent approach towards capital management that balances appropriate working capital requirements of the business with maintaining an optimal capital structure.

To this end, post 30 June 2016 there were two significant announcements impacting capital management.

Firstly, Crowd Mobile refinanced its senior debt to a EUR11.8 million convertible note facility. This provides the Company with a higher level of certainty, flexibility and control with the added benefits of providing growth capital and a clear line of sight over debt reduction.

Secondly, the Company also announced a \$3.0 million equity capital raising via a combined placement and rights issue. The proceeds will help support increased marketing initiatives, investments in product development, our earnings growth strategy and debt reduction.

Board, Governance and Management

The Board is committed to ensuring that our business is conducted in accordance with high standards of corporate governance. This, together with, strong management creates a positive culture for shareholders, employees and customers.

Crowd Mobile is proactive in optimizing its management mix to ensure the right personnel are in place to execute on the rollout of new products and new international markets. This expertise contributes to increasing revenue, margins and productivity.

The Company's Future

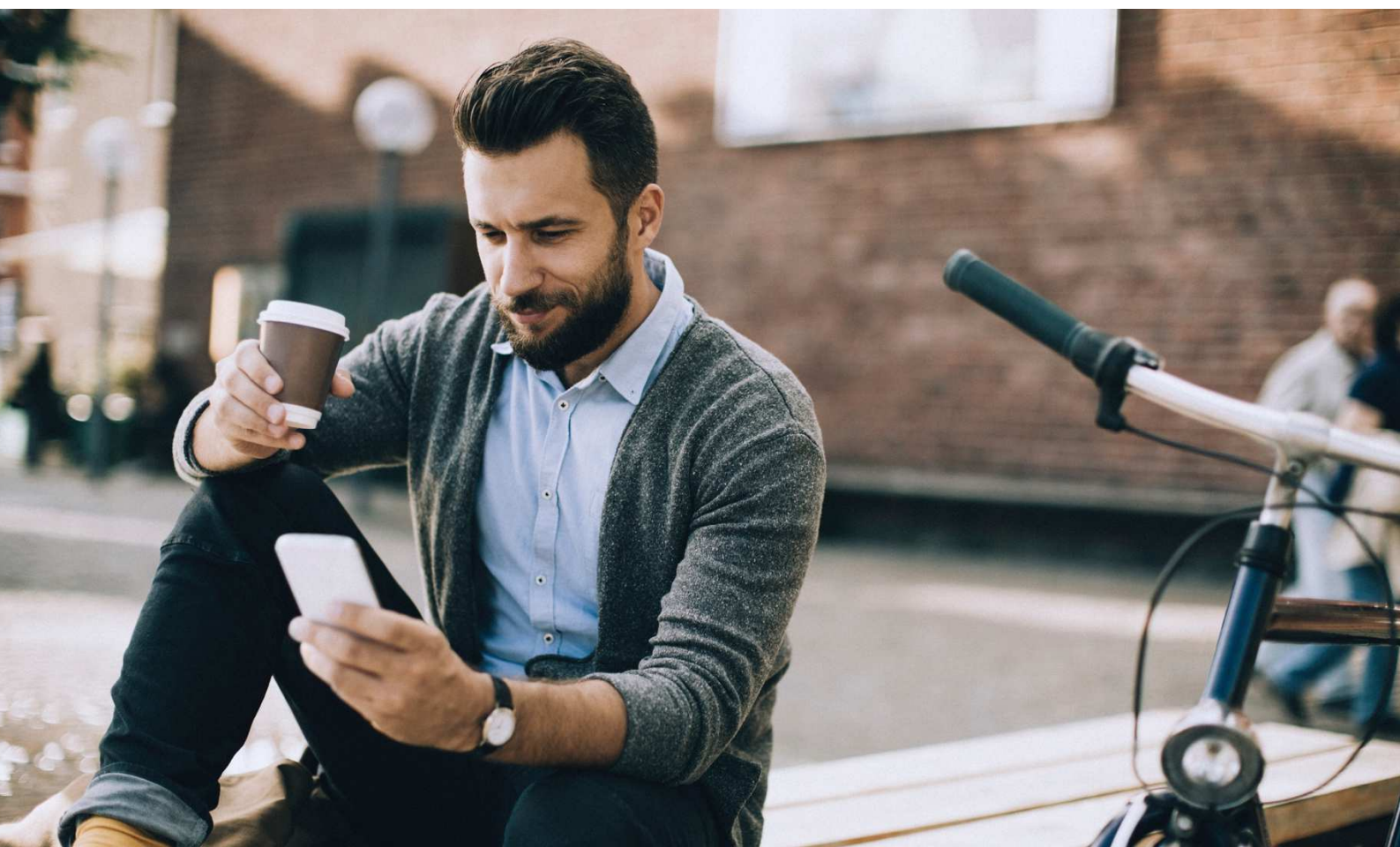
FY17 provides significant opportunities for Crowd Mobile including market entry into China and other large geographies for both the Q&A and Subscription businesses. We are enthusiastic over the Company's growing mobile app portfolio suited for celebrities, brands and businesses and look forward to leveraging our micro job technology in new ways, delivering larger scale product innovations and increasing monetization from such products.

On behalf of the Board, let me close by thanking you our shareholders for your ongoing support. To the Company's Board of Directors, CEO and Managing Director, Domenic Carosa and his growing international team, thank you for your determined and unrelenting effort during the past 12 months.

As Chairman, I look forward to leading Crowd Mobile through another stellar year together as we continue to grow this exciting business.



Theo Hnarakis
Chairman
31 August 2016



Chief Executive Officer's Report

Dear Shareholders,

The progress we have made in the 2016 year in expanding our product portfolio and delivering impressive growth on our key metrics of users, questions answered, partnerships and revenue illustrates our ability to execute on our growth plans.

Less than a year has passed since we completed the acquisition of Track Concepts. The integration process went relatively smoothly and the business has been stabilized and is now being positioned for revenue and earnings growth. Our team continues to develop its expertise around the Subscription business and translate learnings into improved sustainable revenues.

The European offices have been restructured and centralised in Amsterdam, where I am now based, working alongside both businesses every day to ensure maximum operational performance is obtained.

The traction and financial benefits of the Track acquisition and the realization of the potential of the Subscription division remains in very early stages.

I expect the coming year will be operationally focused and I expect to see payback from the heavy investments made in 2016 via management time, additional infrastructure and new personnel in order to build solid foundations for creating an integrated, global, mobile business that is positioned to deliver best of breed revenues, EBITDA, NPAT and cash flow.

Crowd Mobile is tackling the challenge of building a world-class mobile company head-on, and I am excited by the breadth of opportunities we have before us.

Crowd Mobile Snapshot

We are a globally-focused mobile first company with two core divisions:

- **Question & Answers (Q&A):** Develops engaging mobile products seamlessly connecting those seeking answers with experts qualified to give them. **FY16 revenue: \$20.7 million up 60.9%.**

- **Mobile Content Subscription:** Delivers mobile content - games, mobile security, applications, education, apps, music & video to millions of consumers. **FY16 revenue: \$17.2 million (new revenues from Track acquisition).**

We facilitate these two divisions through our growing mobile payments network in 54 countries connected to over 160 mobile telcos.

Key Metrics

All of our core services are in high demand. The combined power of these genuinely delivers a distinct competitive advantage. This diversified yet integrated approach ensures that we have the foundations to build a world-class mobile services company.

Our operations span a diverse range of services and geographies powered by a scaleable platform that can accommodate future growth in message volume, transaction volume and product expansion. In the last financial year we have seen an increase in the:

- Number of countries serviced from **25 to 54**
- Number of telco m-payments partners from **50 to 160**
- Languages covered from **12 to 30+**
- Questions answered from **5.7 million to 9.0 million**

The year to date has shown that Crowd Mobile can scale. The plan in the following year is to capitalize on the emerging opportunities sown from the work this year.

Key Drivers

As stated last year, our core focus is to build a leading mobile first company. This has not changed. With an estimated 6 billion mobile enabled devices anticipated globally by 2018, Crowd Mobile is positioned to capitalise on the global mobile economy mega trend. This strategy focuses on the ever-increasing demand of mobile-enabled devices as a focal point in people's lives. Our target customers continue to be 16-35 years old with highly

disposable income and limited financial commitments.

New Services: Premium Q&A and Emoji

We have been leveraging our Q&A technology to launch into new higher value verticals including finance, legal, tax and celebrities.

New branded EMOJI vertical with EMOJI deals in the process of being executed and launched. Our initial product GazMoji, a branded property associated with the popular MTV show Geordie Shore, is an ephemeral, sticky, millennial product. GazMoji was ranked #1 paid entertainment in 9 countries and top 5 paid apps in 18 countries.

Growing Network: Global Footprint

Approximately 90% of Crowd Mobile's revenue comes from international territories. In a weaker Australian dollar environment this creates considerable revenue opportunities in our global rollout.

Our strategy has been to connect with local telcos to have access to their billing platforms. We have entered 54 countries within Europe, Australasia and South America. This facilitates product rollout and rapid time to revenues. Once connected, revenues can be generated in as little as 6 weeks. Most territories can be managed with one or two key staff, with all billing and back-office being run out of Amsterdam, Australia and Hungary.

Entry into China

Crowd Mobile recently announced a letter of intent with Smart Trans (ASX:SMA) to utilise their established m-payments platform in China. This gives Crowd Mobile potential access to the 1 billion customers within the

SmartTrans network. Importantly, it enables us to launch products relatively quickly, whilst bearing lesser risk and ultimately experiencing easier monetisation in the Chinese market. Crowd Mobile's Q&A products have been localised for the Chinese market and we are nearing imminent launch of our pilot.

Company Outlook

Crowd Mobile is focused on growth in three main areas:

- Diversification and launch of new products into existing and new countries by leveraging our existing global m-payment platform;
- Growing our m-payments network into Asia, Africa & South America as the larger our m-payments network, the larger our addressable market; and
- Exploring and extracting revenue synergies (product & customer databases) between the Q&A and Subscription division to drive customer Average Revenue and Average Margin Per User

FY17 will consolidate the work completed this year and provide the basis of future growth. The management team remain committed to executing the above opportunities. We look forward to another successful year in FY17.



Domenic Carosa
Chief Executive Officer
31 August 2016

“Our relationship with SmartTrans enables us to launch products quickly and easily monetise in the Chinese market. Crowd Mobile's Q&A products have been localised for the Chinese market and are ready for a major launch.”

Domenic Carosa, CEO Crowd Mobile



Directors Report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Crowd Mobile Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2016.

Directors

The following persons were directors of Crowd Mobile Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

- Theo Hnarakis - Chairman
- Domenic Carosa
- Johannes de Back

Principal activities

During the financial year the principal continuing activities of the Group consisted of the sale of information and entertainment content services for mobile phones and tablets.

Dividends

Dividends paid/payable during the financial year were as follows:

	Consolidated	
	2016	2015
	\$	\$
Dividends for the year ended 30 June 2016 (2015: 30 June 2015)	-	507,669

All dividends in the 2015 financial year related to pre-acquisition privately held director resolutions of the Crowd Mobile operating entities. The dividends per share were 7,130 cents per share for 30 June 2015.

Review of operations

The profit for the Group after providing for income tax amounted to \$877,612 (30 June 2015: loss of \$3,958,532).

During the 2016 financial year ('financial year' or 'year'), Crowd Mobile Limited was organised into two operating segments, Mobile Content-Q&A (or 'Q&A') and Mobile Content-Subscription (or 'Subscription'). The two active segments represented all of the Company's direct to consumer mobile entertainment products and consumed all resources. The Company operated its Mobile Content businesses globally, although predominantly in Europe and Australasia.

Financial overview

The financial results for the year represent those of the Crowd Mobile operating entities, the Track operating entities from acquisition date of 31 October 2015, and Crowd Mobile Limited (formerly Q Limited) as a publicly listed group. Whereas, the prior year financial results for the year ended 30 June 2015, ('pcp') represents those of Crowd Mobile operating entities for the full year, plus those of Crowd Mobile Limited (formerly Q Limited) from 13 January 2015, being the date of the reverse acquisition of Q Limited.

Crowd Mobile earned revenue, interest and other income for the year ended 30 June 2016 ('FY16') of \$37,911,487 versus \$12,979,446 in the year ended 30 June 2015 ('FY15'). The net profit after tax for the year was \$877,612 compared with a pcp net loss after tax of \$3,958,532. The total comprehensive

income for the year attributable to the owners of Crowd Mobile was \$379,882 when accounting for a foreign currency translation loss on the translation of Track's foreign operations.

Crowd Mobile's net asset position at FY16 was \$21,312,983, an increase of 702% over the prior year at FY15 of \$2,657,785 and largely reflected the Track Holdings acquisition of 31 October 2015 and related financing activities made during the year.

Comparison of years ended 30 June 2016 to 30 June 2015

	2016	2015	Increase/ (decrease)	Percentage change
	\$	\$	\$	%
Revenue	36,994,826	12,852,420	24,142,406	188%
Other income	876,463	118,755	757,708	638%
Cost of sales	8,418,690	4,658,574	3,760,116	81%
Selling, general and administration expenses	23,137,160	11,073,850	12,063,310	109%
EBITDA Profit / (Loss)	6,315,439	(2,761,249)	9,076,688	329%
Interest income	40,198	8,271	31,927	386%
Depreciation and amortisation	3,725,625	411,806	3,313,819	805%
Finance costs	2,056,906	91,754	1,965,152	2142%
Income tax expense / (benefit)	(304,506)	701,994	(1,006,500)	(143%)
Net Profit / (Loss) After Tax	877,612	(3,958,532)	4,836,144	122%

Notably, the Company's Net profit reflects Other income in relation to closing out Q Limited and its subsidiaries of \$756,538, a non-cash share based payments charge of \$1,393,897, one-off transaction costs for acquiring Track, of \$1,089,241 and restructure costs for consolidating European operations of \$300,008 (within Selling, general and administration expenses).

When adjusting only for these effects (consistent with performance measures reported to shareholders during the year), the Underlying EBITDA for FY16 is a profit of \$8,342,048 (FY15: \$2,115,064), as follows:

	Consolidated	
	2016	2015
	\$	\$
Net profit/(loss) after tax (NPAT)	877,612	(3,958,532)
Add back: tax expense/(benefit)	(304,506)	701,994
Add back: interest expense	2,056,906	91,754
Deduct: interest income	(40,198)	(8,271)
Add back: depreciation and amortisation	3,725,625	411,806
Earnings before interest, tax, depreciation and amortisation (EBITDA)	6,315,439	(2,761,249)
Deduct: Other income – Q Limited entity shut downs	(756,537)	-
Add back: share-based payments expense (non-cash) – Q Limited	-	3,107,051
Add back: share-based payments expense (non-cash)	1,393,897	1,123,231
Add back: transaction costs – Q Limited	-	246,629
Add back: transaction costs - Track	1,089,241	399,402
Add back: restructure costs - European operations consolidation	300,008	-
Underlying EBITDA	8,342,048	2,115,064

Revenue

	2016	2015	Increase/ (decrease)	Percentage change
	\$	\$	\$	%
Revenue	36,994,826	12,852,420	24,142,406	188%

For FY16, revenue was represented by Q&A of \$19,792,603 (FY15: \$12,852,420) and Subscription, of \$17,202,223 (for 8 months only in FY16), (FY15: Nil).

The Q&A business produced a strong increase in its revenue, which was up 54% due to continuous paid message volume growth across a significantly expanded m-payments network of 39 country connections at reporting date versus 23 countries at the prior comparative period. Paid message volumes increased by 60% to 9.0 million, year on year.

Subscription was acquired on 31 October 2015 when Crowd Mobile completed the Track acquisition for the purpose of extending the company's global m-payments network to over 160 mobile operators across 50 countries, allowing accelerated growth opportunities. During FY16 and for only eight months to 30 June 2016, Subscription contributed consolidated revenue of \$17,202,223, which whilst at the lower end of management's expectations, reflected focus on building a long-term sustainable business unit.

We expect revenue growth in the financial year ending 30 June 2017 ('FY17') not only as result of a full 12 month's contribution from the Subscription business unit (rather than only 8 months in FY16) but also as a result of taking existing and new products into existing and new markets in both businesses.

Other income

The \$876,463 total of Other income comprises \$756,537 in write-back benefits from liquidating former Q Limited and its subsidiaries during the year, as well as \$119,926 in grant revenue (FY15: \$118,755).

(i) Cost of sales

For FY16, the Group's cost of sales was \$8,418,690 or 23% of revenue (FY15: \$4,658,574 at 36%) and was represented by Q&A at \$6,250,232 (FY15: \$4,658,574) and Subscription of \$2,168,458 (FY15: Nil). The large margin improvement resulted from the introduction of the Subscription business (which has a lower cost of sales than Q&A in general) as well as from the Q&A business from increased volumes and economies of scale.

We expect an increase in consolidated cost of sales (yet further reductions as a percentage of revenue) in FY17 as the Subscription business contributes for a full 12 months.

(ii) Selling, general and administration expense

For FY16, Crowd Mobile's selling, general, and administrative expenses increased due to:

- The ongoing expansion of the Q&A operating segment and the m-payments network across Europe particularly, in line with stated objectives;
- The acquisition of Track Holdings B.V. on 31 October 2015, which resulted in a general increase in costs, plus one-off costs to complete the acquisition; and
- Regulatory, compliance, reporting, shareholder and staff expenses associated with operating for the full year as a dual listed public company, versus only the second half of FY15 and before when, Crowd Mobile was privately owned and operated.

Particularly large movements in expenses for FY16 versus FY15 were as follows:

	2016	2015	Increase/ (decrease)	Percentage change
	\$	\$	\$	%
Marketing	10,570,729	2,646,218	7,924,511	299%
Administration and other expenses	1,734,519	889,285	845,234	95%
Consultants	1,408,833	610,512	798,321	131%
Employee benefits expense	5,877,285	1,850,118	4,027,167	218%
Travel and accommodation	987,548	421,789	565,759	134%
Share-based payment	1,393,897	4,230,282	(2,836,385)	(67%)
Transaction costs	1,089,241	399,402	689,839	173%

- Marketing:** The consolidated marketing expense of \$10,570,729 or 29% of revenue for FY16 was up by \$7,924,511 or 299% versus FY15: \$2,646,218 (21%). Q&A was \$4,333,950 or 22% of revenue for FY16, compared to \$2,646,218 at 21% for FY15, which was pleasing given the high up-front establishment costs associated with the large number of new countries that were monetised. The Subscription expense was \$6,236,779 or 36% (FY15: Nil), which is up from 34% in the first half of the year. We expect an increase in consolidated marketing expense (and a higher consolidated percentage of revenue) for FY17 due mostly to a full year spend within the Subscription business unit.
- Administration and other related costs:** The FY16 consolidated expense increase of \$845,234 related to the introduction of Subscription and also the grow out of the Q&A business operations in Europe compared to the FY15.
- Consultants:** an increase of \$798,321 or 131% from FY15 to \$1,408,833 in FY16 is due to the increased use of outsourced experts to support the changed corporate structure from a private to dual public listed group, the Company's change of scale of business operations brought about by the Track acquisition and the migration and consolidation in Amsterdam that resulted. These expenses relate to accounting, tax, audit, financing, investor and public relations support.
- Employee benefits expense:** the consolidated expense increased by \$4,027,167 or 218% from FY15 to \$5,877,285 in FY16. Q&A was \$4,557,993 for FY16, an increase of \$2,716,942 or 147% due to a significant headcount expansion, particularly in Europe in support and enablement of the expanded m-payments network, plus the introduction of public listed company human resourcing for corporate administration. There was also a restructure in the Q&A business during FY16, when the European operations were consolidated into Amsterdam. The Subscription expense was \$1,319,292 for the eight months between acquisition and reporting dates. We expect an increase in consolidated employee benefits expense for the FY17 due predominantly to a full year period spend within Subscription.
- Travel and accommodation:** an increase in the consolidated expense of \$565,759 or 134% from FY15 to \$987,548 in FY16 due to the establishment and operation of an expanded global m-payments network and increased corporate travel relating to acquisition, capital raising and CEO and CFO travel requirements between Australia and Europe, in line with the Group's strategy. The Subscription segment represented an immaterial part of the consolidated expense.
- Share-based payments:** The consolidated expense of \$1,393,897 for FY16 relates solely to Q&A (given that segment has assumed all corporate costs for FY16). The Directors and staff incentive expense was \$1,024,111 and the balance of \$369,786 was the value of unlisted options issued to an investor relations and promotions firm for services rendered during the year. In FY15, the expense included \$3,107,051 for the reverse listing accounting of Q Limited and \$1,123,121 for Directors and staff incentives.
- Transaction costs:** The consolidated expense for FY16 of \$1,089,241 is a corporate expense and therefore allocated to the Q&A segment. It represents fees directly incurred on the Track acquisition transaction (FY15: \$399,403).

(iii) Depreciation and amortisation

	2016	2015	Increase/ (decrease)	Percentage change
	\$	\$	\$	%
Depreciation	165,215	10,751	154,464	1437%
Amortisation	3,560,410	401,055	3,159,355	788%
	3,725,625	411,806	3,313,819	805%

The consolidated depreciation and amortisation expense of \$3,725,625 (FY15: \$411,806) is split between Q&A as \$446,530 (FY15: \$445,412) and Subscription as \$3,279,095 (FY15: Nil).

For FY16, the \$3,313,819 or 805% increase is due to the 31 October 2015 acquisition of Track wherein significant intangible assets were recognised resulting in compulsory periodic amortisation charges over their estimated useful lives. We expect an increase in consolidated depreciation and amortisation charges for FY17 due to a full year period of amortisation within the Subscription business unit.

(iv) Finance costs

The consolidated finance costs for FY16 at \$2,056,906 is an increase of \$1,965,152 or 2142% from FY15 and reflects increased debt holdings resulting from financing the Track acquisition and the unwinding of a discount on the earn-out payments to Track vendors of \$328,201. During the year, the Company accepted new debt financing totalling \$21,439,071 (Euro 13.9 million) through a combination of European bank debt at 12% p.a. and debt financing from the previous owners of Track, at interest rates between 12-15% p.a. At 30 June 2016 the outstanding debt was \$17,706,367 (Euro 11.9 million). We expect an increase in the consolidated finance costs for FY17 due to a full year period of financing of Track (versus eight months in FY16).

(v) Income tax expense/(benefit)

The consolidated tax benefit for FY16 was \$304,506 and is represented by a Q&A benefit of \$638,301 (FY15: \$701,994 expense) and a Subscription expense of \$333,795 (FY15: Nil). The tax benefit increase versus FY15 was \$1,006,500 and is positively impacted by the result of recognising corrections to prior period over provisions of \$665,361 due to finalisation of FY15 income tax returns recognising the reverse acquisition of Q Limited; closure of Q Limited legacy subsidiaries; utilisation of previously unrecognised carried forward tax losses that became available following the formation of a tax consolidated group; and a lower blended effective tax rate due to the Track acquisition in The Netherlands, where the corporate income tax rate is 25%. We expect an increase in the tax expense for FY17 due to an increased taxable income, predominately resulting from a 12 month contribution from the Subscription business unit.

Cash flow

The Company's net cash from operating activities was \$7,018,978 which is an increase of \$8,135,759 above the prior year (FY15: (\$1,116,781)), reflecting improved Q&A business unit performance as well as a significant contribution for the last eight months of the financial year from the Subscription business unit. The FY16 result is after paying interest and taxes totalling of \$2,209,090, which is inclusive of an earn-out payment discount (for the time value of money) for the Track acquisition, of \$328,201.

The operating cash flow was split into Q&A of \$1,226,820 (FY15: (\$1,116,781)), which includes all corporate overhead and public company payments and Subscription (for 8 months only) of \$5,792,158 after paying interest payments of \$2,056,906 (FY15: nil).

The net cash flow used in investing activities was \$27,060,749 (FY15: \$197,687) reflecting payments (net of cash acquired) for the Subscription acquisition of Track of \$26,830,896 (initial cash consideration and deferred cash consideration) and minor capital expenditure, of \$240,348.

The net cash flow from financing activities was \$21,383,385 (FY15: \$2,147,803) which was mostly represented by proceeds from a combination of new equity \$11,612,428 and net debt of \$10,176,907 that related to payment for the Track acquisition.

Liquidity and Financial Position

Crowd Mobile's 30 June 2016 reporting date cash and cash equivalents ('cash') was \$2,902,881 (FY15: \$1,762,692).

Working capital, (defined as current assets less current liabilities), decreased to (\$1,803,242) although this includes all of the Greensill debt within current borrowings of \$10,415,633 (due to its terms), which was used to finance a business combination, (FY15: \$951,871).

Total current and non-current debt ('debt') was \$17,706,367 (FY15: \$238,427). Net debt (debt less cash), was \$14,803,486 (FY15: (\$1,524,265)).

Net assets at reporting date were \$21,312,983 (FY15: \$2,657,785).

Significant changes in the state of affairs

Track Holdings B.V.

On 31 October 2015, the Company acquired 100% of the share capital of Track Holdings B.V. ('Track') and it is now a wholly owned subsidiary of a newly incorporated entity, Crowd Mobile Co-Operatif UA, which in turn is a fully owned subsidiary, of Crowd Mobile Limited.

As part consideration for Track, the Company issued 15,385,140 shares in Crowd Mobile to the vendors of Track which are subject to voluntary escrow for a period of 12 months from their date of issue.

There were no other significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year

On 1 August 2016, shareholders approved a Convertible Note facility from JGB (Cayman) Newton Ltd ("JGB"), Inc. for a maximum face value of Euro 11,828,005 (funding value Euro 10,805,000) in order to re-finance its senior ranking, Greensill Euro 7.5 million loan facility that was in existence at balance date 30 June 2016 (drawn to Euro 7.0 million) and to provide additional working capital to the Company.

The key terms of the Convertible Note, are as follows:

- Face value of Euro 11,828,005;
- Maximum funding value of Euro 10,805,000 is represented by Euro 7,550,000 initial funding and Euro 3,255,000 follow-on funding;
- Follow-on funding is available (three months after Completion) at between Euro 135,900 and 200,000 per month, dependent on future consolidated business performance and subject to meeting ongoing minimum monthly consolidated EBITDA hurdles;
- Headline coupon interest rate is 6.25% per annum;
- The maturity date is 31 January 2019;
- Noteholder has a conversion right throughout the life of the facility based on a fixed conversion price of \$0.271362 per share ('conversion price');
- JGB received 5,000,000, 5 year, \$0.30 exercise price options over ordinary shares, exercisable between 1 November 2016 and 1 November 2021;
- Company controls monthly redemptions as either repayments in cash (Euro 450,000) or stock (Euro 720,000);
- Cash redemption payments attract a 1.5% premium above the repayment amount;
- Stock redemption payments use a pricing mechanic as the lesser of the conversion price or 90% of the VWAP for the Trading Day immediately prior to the redemption event or 90% of

the average of the 10 lowest VWAPs during 20 consecutive Trading Days immediately prior to the redemption event;

- Consolidated EBITDA is based on a contractual definition which excludes certain expenses such as share based payments or reductions from the full value of certain expenses, such as transaction costs and marketing expenses;
- Financial covenants relate to a minimum cash and cash equivalents holding at all times and a minimum, annualised, consolidated EBITDA hurdle, measured each quarter by multiplying the result by four;
- Consolidated rolling EBITDA performance breaches against covenants may be cured by the Company paying extra principal payments to the Noteholder, at x2 times the shortfall within 60 days of the breach;
- If breaches occur for 4 quarters in a row (and the cumulative breach exceeds Euro 453,000), the Noteholder can ask the Company to repay 50% of the outstanding principal amount, within 90 days of the breach;
- If after 4 consecutive quarters of breaching, the cumulative breach exceeds Euro 1,585,500, the Company is in default of the facility, and at JGB's discretion, the full amount outstanding on the facility, including interest may become immediately due and payable in cash;
- The Noteholder's ability to convert into or be issued stock in the Company during the life of the facility is constrained by not being able to hold more than 4.99% of Crowd Mobile's ordinary shares and not being able to trade more than 20% of the aggregate dollar trading volume of the shares on the ASX over prior 20 consecutive Trading Days; and
- The convertible note is secured by the assets of the Consolidated Entity and cross guarantees exist across all entities in support of the borrowings.

On 5 August 2016, the Company issued 318,906 ordinary shares for conversion of Performance Rights and an additional issue of 500,000 Performance Rights. Total ordinary shares on issue were 157,596,048 as of 5 August 2016.

On 25 August 2016, the Convertible Note facility completed and the Greensill current debt was paid out in full.

On 29 August 2016, the Company completed a share placement to sophisticated investors of 15,000,000 shares at \$0.16 per share to raise gross proceeds from the capital raising of \$2,400,000. The placement shares were issued with attaching \$0.27 exercise price, 2 year options, on a 1:2 basis (with fractional entitlements rounded up), representing 7,447,635 options. In addition, 1,515,023 options were issued to lead managers of the placement as part payment of their fees. Total ordinary shares on issue were 172,596,048 as of 29 August 2016.

In addition, as announced on 19 August 2016, the Company announced a \$1,000,000 rights issue to be underwritten by DJ Carmichael Pty Limited to \$600,000 on the same terms as the share placement. At the date of this report the rights issue had not yet opened.

No other matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

The Directors and management of the Group will focus on targeting growth in the combined business operations, whilst paying down debt in cash, wherever it makes sense to do so. Whilst acquisitions and new openings may be pursued on the basis of strategic fit and investment criteria being satisfied, the focus of the FY17 year is expected to be more operational than acquisitive.

Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on Directors

Name:	Theo Hnarakis
Title:	Non-Executive Chairman
Experience and expertise:	Theo Hnarakis brings a wealth of experience working in the media industry and scaling Australian ASX listed technology businesses. He graduated from The University of South Australia with a Bachelor of Accounting and has held senior roles with News Corporation, Boral Group, the PMP Communications group and was the Managing Director and CEO of Melbourne IT until 2013. He has also held director roles with Neulevel, a JV with US based listed company, Neustar and with Advantate, a JV with Fairfax Media.
Other current directorships:	Advisory Board member of Drop Suite Pty Ltd (non-listed)
Former directorships (last 3 years):	Newzulu Ltd (ASX: NWZ) (October 2014 to February 2016), Melbourne IT Ltd (ASX: MLB) (September 2003 to December 2013)
Special responsibilities:	None
Interests in shares:	1,976,275 ordinary shares (held indirectly)
Interests in options:	3,000,000 options over ordinary shares
Interests in rights:	None

Name:	Domenic Carosa
Title:	Chief Executive Officer and Executive Director
Qualifications:	Masters of Entrepreneurship and Innovation (MEI) from Swinburne University
Experience and expertise:	Domenic Carosa is Chief Executive Officer ('CEO') and Executive Director of Crowd Mobile. With over 20 years' experience in business and technology, Domenic has built a reputation as a leader in the internet space by building one of Australia's leading digital music service providers in the late 90's, and building from scratch Australia's second largest virtual web hosting/communications company which he sold for A\$25 million in 2006-07. Domenic was previously the co-founder and Group CEO of ASX-listed Destra Corporation Ltd which was the largest independent media and entertainment company in Australia with revenues of over A\$100 million. Mr Carosa was a director of Destra Limited until April 2009. Domenic is past Chairman of the Internet Industry Association (IIA). Domenic is Non-Executive Chairman of the Future Capital Development Fund, Non-Executive Chairman of Dominet Digital Corporation Pty Ltd, an internet investment group.
Other current directorships:	None
Former directorships (last 3 years):	Shoply Limited (ASX: SHP, now ASX: HT8) (June 2013 to July 2016) and Collaborate Corporation Limited (ASX: CL8) (August 2014 to May 2016)
Special responsibilities:	None
Interests in shares:	23,704,308 ordinary shares (held indirectly)
Interests in options:	4,000,000 options
Interests in rights:	2,500,000 performance rights

Name:	Johannes de Back
Title:	General Manager - Subscription and Executive Director
Experience and expertise:	Johannes de Back has significant experience across multiple high-technology industries including mobile, gaming, and social media. He holds a master degree in corporate law from Amsterdam University and has extensive international experience having worked with companies throughout Europe, North and South America, the Middle East and Asia Pacific. Mr. de Back is currently the Managing Partner at Incubasia Ventures, which is an unlisted investor and incubator working with innovative and scalable technology companies.
Other current directorships:	None
Former directorships (last 3 years):	iCollege (ASX: ICT) (May 2014 to October 2015), Moko Social Media Limited (ASX: MKB) (April 2010 to April 2015)
Special responsibilities:	None
Interests in shares:	2,000,000 ordinary shares
Interests in options:	3,000,000 options over ordinary shares
Interests in rights:	None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Ms Sophie Karzis is the Company Secretary. Sophie is a practising lawyer with over 15 years' experience as a corporate and commercial lawyer, and company secretary and general counsel for a number of private and public companies. Sophie has interest in 90,000 shares, 1,500,000 options and no interest in rights.

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2016, and the number of meetings attended by each director were

Full Board	Attended	Held
Theo Hnarakis	13	13
Domenic Carosa	13	13
Johannes de Back	13	13

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- has revenue and economic profit as a core component of plan design
- focuses on sustained growth in shareholder wealth, and particularly growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracts and retains high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewards capability and experience
- reflects competitive reward for contribution to growth in shareholder wealth
- provides a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive directors and executive remunerations are separate.

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. Non-executive directors may receive share options or other incentives. Fees are reviewed annually and include superannuation contributions, where required. The non-executive directors do not receive any other benefits.

ASX listing rules require the aggregate non-executive directors remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 9 December 2015, where the shareholders approved an aggregate remuneration of \$500,000.

Executive remuneration

The Group aims to reward executives with a level and mix of remuneration based on their position and responsibility, which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives

- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits (such as rental subsidies), are reviewed annually by the Board, based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

The short-term incentives ('STI') program is designed to align the targets of the business units with the targets of those executives in charge of meeting those targets. STI payments are paid as cash bonuses and are discretionary.

The long-term incentives ('LTI') may include equity based payments in the form of shares, performance rights or options. The Company primarily utilises a Performance Rights Plan as approved by shareholders on 17 December 2014 (supported by 99.98% of the votes received) to grant selected employees (and Directors) Performance Rights which entitles them to receive ordinary shares in the Company, subject to the Group meeting specified performance objectives ('PR Plan'). The Company also established an employee option plan in 2015 called the Crowd Mobile Limited Executive Option Plan ('Option Plan'), which replaces the former Q Limited Incentive Option Scheme. The Plan is open to employees (and Directors). As a legacy tool, the Company has so far maintained The Q Limited Share Plan ('Q Plan') which was established in 2011 fiscal year as part of the then remuneration strategy and the Q Plan currently holds a minor shareholding in the Company. The Board has not yet resolved the application of the Q Plan although intends to do so in the 2017 fiscal year. All LTI incentives are designed and used specifically to align management and shareholder's interests and to assist the Company in the attraction, motivation and retention of appropriately skilled staff. In particular, the plans are designed to provide relevant executives with an incentive for future performance and typically include vesting conditions under the plans.

Group performance and link to remuneration

Remuneration for key management personnel is not directly linked to performance of the Group.

The Board is of the opinion that the continued improved results can be attributed in part to the adoption of performance based compensation and is satisfied that this improvement will continue to increase shareholder wealth if maintained over the coming years.

Use of remuneration consultants

During the financial year ended 30 June 2016, the Company did not engage remuneration consultants to review its existing remuneration policies or provide recommendations on how to improve incentive programs.

Voting and comments made at the Company's 2015 Annual General Meeting ('AGM')

At the 9 December 2015 AGM, 99.58% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2015. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

The key management personnel of the Group consisted of the directors of Crowd Mobile Limited and the following persons:

- Sophie Karzis - Company Secretary;
- Christian Shaw - Chief Financial Officer;
- Tobias Schlitzke - Chief Operating Officer (terminated 31 March 2016); and
- Gregor Cooney - General Manager - Q&A (appointed 1 February 2016)

Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables.

	Short-term benefits				Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Non-monetary	Termination payments	Super-annuation	Long service leave	Equity-settled	
2016	\$	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>								
T Hnarakis	120,000	-	-	-	11,400	-	47,114	178,514
<i>Executive Directors:</i>								
D Carosa	300,000	38,700	74,940	-	32,177	-	388,281	834,098
J de Back ***	200,784	50,000	9,398	-	-	-	47,114	307,296
<i>Other Key Management Personnel:</i>								
S Karzis****	108,764	-	-	-	-	-	23,557	132,321
C Shaw	240,500	46,511	2,075	-	27,266	-	231,824	548,176
T Schlitzke **	170,811	17,321	10,965	122,955	31,872	-	4,298	358,222
G Cooney *	82,491	17,147	30,769	-	-	-	111,342	241,749
	1,223,350	169,679	128,147	122,955	102,715	-	853,530	2,600,376

	Short-term benefits				Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Non-monetary	Termination payments	Super-annuation	Long service leave	Equity-settled	
2015	\$	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>								
T Hnarakis*	64,000	-	-	-	5,700	-	47,603	117,303
J de Back*	59,500	-	-	-	-	-	47,603	107,103
F Giugni**	3,000	-	-	-	-	-	-	3,000
<i>Executive Directors:</i>								
D Carosa	296,500	-	23,501	-	11,875	-	386,240	718,116
<i>Other Key Management Personnel:</i>								
S Karzis****	34,394	-	-	-	-	-	23,802	58,196
C Shaw*	90,000	-	481	-	8,123	-	77,248	175,852
T Schlitzke*	81,673	5,818	7,587	-	-	-	77,248	172,326
	629,067	5,818	31,569	-	25,698	-	659,744	1,351,896

* Remuneration is for the period from appointment as a director or key management personnel

** Remuneration is for the period from 1 July to date of resignation or termination as a director or key management personnel

*** Includes \$36,465 of non-executive director fees between 1 July 2015 and 31 December 2015. From 1 January 2016, director J de Back who is a Director and shareholder of Dutchman Capital PTE Ltd, provides consulting services based on normal commercial terms

**** S Karzis, Company Secretary, is the principal and director of Corporate Counsel Pty Ltd, who provides Company Secretarial and legal consulting services to Crowd Mobile, based on normal commercial terms

For the 2015 financial year, cash salary and fees include the following non-director consulting services for the period to 30 June 2015:

	Consulting service fees (excluding GST)
T Hnarakis	\$4,000
J de Back	\$26,500
F Guigni	\$3,000
D Carosa	\$171,500

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2016	2015	2016	2015	2016	2015
<i>Non-Executive Directors:</i>						
T Hnarakis	74%	59%	-	-	26%	41%
J de Back	-	56%	-	-	-	44%
F Giugni	-	100%	-	-	-	-
<i>Executive Directors:</i>						
D Carosa	48%	46%	5%	-	47%	54%
J de Back	69%	-	16%	-	15%	-
<i>Other Key Management Personnel:</i>						
S Karzis	82%	59%	-	-	18%	41%
C Shaw	50%	56%	8%	-	42%	44%
T Schlitzke	94%	52%	5%	3%	1%	45%
G Cooney	47%	-	7%	-	46%	-

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Domenic Carosa
Title:	Executive Director and Chief Executive Officer
Agreement commenced:	13 January 2015
Term of agreement:	Ongoing

Details: Base annual package *, rent subsidy **, performance based, 'at-risk' STI and discretionary share based LTI remuneration, subject to annual performance review. 12 month termination notice by either party. 6 month non-solicitation clause after termination. The Company may terminate the agreement with cause in certain circumstances such as gross misconduct.

* Base annual package - \$300,000 per annum plus statutory superannuation

** Rent subsidy - \$168,595 per annum

Name: Christian Shaw

Title: Chief Financial Officer

Agreement commenced: 16 February 2015

Term of agreement: Ongoing

Details: Base annual package *, performance based, 'at-risk' STI and discretionary share based LTI remuneration, subject to annual performance review. 3 months termination by employer, 2 months by executive. The Company may terminate the agreement with cause in certain circumstances such as gross misconduct.

* Base annual package - \$270,000 per annum plus statutory superannuation

Name: Johannes de Back

Title: General Manager – Subscription and Executive Director

Agreement commenced: 1 January 2016

Term of agreement: 2 years

Details: Base annual package*, performance based, 'at-risk' STI and discretionary share based LTI remuneration, subject to annual performance review. No termination by either party in 2016 and thereafter 3 months by employer or 2 months by executive, except the Company may terminate with immediate effect at any time by payment of a termination benefit of €108,000. The Company may terminate the agreement with cause in certain circumstances such as gross misconduct.

* Base annual package - €216,000 (\$321,386) per annum

Name: Gregor Cooney

Title: General Manager – Q&A

Agreement commenced: 1 February 2016

Term of agreement: Ongoing

Details: Base annual package, performance based, 'at-risk' STI and discretionary share based LTI remuneration, subject to annual performance review. 3 months termination by employer, 3 months by executive. The Company may terminate the agreement with cause in certain circumstances such as gross misconduct.

* Base annual package - €137,500 (\$204,586) plus statutory social security

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

During the year ended 30 June 2016, ordinary shares were issued to directors and key management personnel as part of compensation relating to short term incentives and the conversion of performance rights (as approved by shareholders in December 2014). The ordinary share grants made in this financial year are as follows:

Name	Date	Shares	Issue price	\$
D Carosa	2 November 2015	1,250,000	\$0.200	250,000
	13 April 2016	1,250,000	\$0.200	250,000
C Shaw	2 November 2015	349,345	\$0.200	68,869
	7 January 2016	349,344	\$0.200	68,869
	13 April 2016	524,305	\$0.200	104,861
T Schlitzke	2 November 2015	349,345	\$0.200	68,869
G Cooney	2 November 2015	349,345	\$0.200	68,869
	13 April 2016	333,334	\$0.200	66,667

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
10 July 2015	10 July 2015	10 July 2018	\$0.290	\$0.047
30 October 2015	30 October 2015	30 October 2018	\$0.250	\$0.106
10 December 2015	10 December 2015	3 August 2018	\$0.300	\$0.074
10 December 2015	10 December 2015	30 October 2018	\$0.300	\$0.074
10 December 2015	10 December 2015	10 December 2018	\$0.300	\$0.074
10 December 2015	10 December 2015	10 December 2020	\$0.390	\$0.094

Options granted carry no dividend or voting rights.

There were no other options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2016.

Performance rights

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Grant date	Vesting date and exercisable date*	Expiry date*	Share price target for vesting*	Fair value per right at grant date
16 January 2015	16 January 2015	30 November 2018	\$0.000	\$0.200
11 May 2015	11 May 2015	30 November 2018	\$0.000	\$0.200
10 July 2015	10 July 2015	30 November 2018	\$0.000	\$0.200
24 July 2015	24 July 2015	30 November 2018	\$0.000	\$0.200
2 November 2015	2 November 2015	30 November 2018	\$0.000	\$0.200
2 December 2015	2 December 2015	30 November 2018	\$0.000	\$0.200

* The majority of Performance rights are fully vested when granted however they are only exercisable to convert into ordinary shares of the Company by the recipients once each of the four performance tranche goals are met. Certain Performance rights granted had a vesting date of 23 July 2016 as additional criteria.

Performance rights granted carry no dividend or voting rights.

Details of performance rights over ordinary shares granted, vested and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2016 are set out below:

Name	Grant date	Vesting or lapse date	Number of rights granted No.	Value of rights granted \$	Number of rights vested No.	Value of rights vested \$	Number of rights lapsed No.	Value of rights lapsed \$
D Carosa		02/11/2015	-	-	1,250,000	250,000	-	-
		13/04/2016	-	-	1,250,000	250,000	-	-
C Shaw	24/07/2015		1,000,000	200,000	-	-	-	-
	02/11/2015		198,689	39,738	-	-	-	-
		02/11/2015	-	-	349,345	69,869	-	-
		07/01/2016	-	-	349,344	69,869	-	-
		13/04/2016	72,915	14,583	-	-	-	-
		13/04/2016	-	-	524,305	104,861	-	-
T Schlitzke	02/11/2015		99,345	19,869	-	-	-	-
		02/11/2015	-	-	349,345	69,869	-	-
		13/04/2016	-	-	-	-	500,000	100,000
G Cooney	02/11/2015		99,345	19,869	-	-	-	-
		02/11/2015	-	-	349,345	69,869	-	-
		13/04/2016	250,000	50,000	-	-	-	-
		13/04/2016	-	-	333,334	66,667	-	-

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

Ordinary shares					
	Balance at the start of the year	Received as part of remuneration / converted from performance rights *	Additions	Disposals/ other	Balance at the end of the year
T Hnarakis	1,176,275	-	800,000	-	1,976,275
J de Back	-	-	2,000,000	-	2,000,000
D Carosa	18,874,308	2,500,000	2,330,000	-	23,704,308
S Karzis	10,000	-	80,000	-	90,000
C Shaw	-	1,242,994	100,000	(400,000)	942,994
T Schlitzke	-	369,345	-	(180,000)	189,345
G Cooney	-	702,679	-	(369,345)	333,334
	20,060,583	4,815,018	5,310,000	(949,345)	29,236,256

* C Shaw, T Schlitzke and G Cooney received 20,000 shares each as part of remuneration. The balance related to conversion from performance rights

Option holding

The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

Options over Ordinary shares					
	Balance at the start of the year	Granted	Exercised	Expired / forfeited / other	Balance at the end of the year
T Hnarakis	1,000,000	2,000,000	-	-	3,000,000
J de Back	1,000,000	2,000,000	-	-	3,000,000
D Carosa	-	4,000,000	-	-	4,000,000
S Karzis	500,000	1,000,000	-	-	1,500,000
	2,500,000	9,000,000	-	-	11,500,000

Performance rights holding

The number of performance rights over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Performance rights over Ordinary shares				
	Balance at the start of the year	Granted	Vested	Expired / forfeited / other	Balance at the end of the year
D Carosa	5,000,000	-	(2,500,000)	-	2,500,000
C Shaw	1,000,000	1,271,604	(1,222,994)	-	1,048,610
T Schlitzke *	1,000,000	99,345	(349,345)	(500,000)	250,000
G Cooney	1,000,000	349,345	(682,679)	-	666,666
	8,000,000	1,720,294	(4,755,018)	(500,000)	4,465,276

* Balance at the end of the year is an escrowed termination benefit that relates to a performance goal that has been met and will convert to ordinary shares upon coming out of escrow on 13 October 2016

Loans to key management personnel and their related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	2016	2015
	\$	\$
Current borrowings:		
Loan from MP3 Australia Pty Ltd *	-	10,000
Loan from Dominet Digital Corporation Pty Ltd ****	299	228,427
Current provision for dividends payable:		
DSAH Holdings Pty Ltd **	253,834	253,834
Dominet Digital Corporation Pty Ltd ****	-	228,452
MsAnna Pty Ltd ***	25,383	25,383

* MP3 Australia Pty Ltd had current borrowings of \$10,000 owing to it set-off against an application for new shares in the Company as part of the 28 October 2015 Rights issue

** DSAH Holdings Pty Ltd ('DSAH') is a related party entity to CMOE sell-down shareholder and major Crowd Mobile shareholder, Mr Danny Wallis, a Director and shareholder

*** MsAnna Pty Ltd is an entity in which the Crowd Mobile CEO and Director, D. Carosa's sister is a Director and shareholder

**** Dominet Digital Corporation Pty Ltd had current borrowings of \$228,427 and dividends of \$228,452 owing to it set-off against an application for new shares in the Company as part of the 28 October 2015 Rights issue

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Crowd Mobile Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
5 March 2015	4 March 2018	\$0.250	1,000,000
10 July 2015	10 July 2018	\$0.290	2,500,000
30 October 2015	30 October 2018	\$0.250	5,000,000
10 December 2015	3 August 2018	\$0.300	5,000,000
10 December 2015	30 October 2018	\$0.300	5,000,000
10 December 2015	10 December 2018	\$0.300	6,000,000
10 December 2015	10 December 2020	\$0.390	9,000,000
1 August 2016	31 July 2021	\$0.300	5,000,000
29 August 2016	29 August 2018	\$0.270	7,447,635
29 August 2016	29 August 2018	\$0.270	1,515,023
29 August 2016	1 November 2021	\$0.300	5,000,000
			<hr/> <hr/> 47,462,658

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares under performance rights

Unissued ordinary shares of Crowd Mobile Limited under performance rights at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
16 January 2015	30 November 2018	\$0.000	2,500,000
11 May 2015	30 November 2018	\$0.000	1,750,000
10 July 2015	30 November 2018	\$0.000	325,000
24 July 2015	30 November 2018	\$0.000	500,000
2 December 2015	30 November 2018	\$0.000	16,667
13 April 2016	30 November 2018	\$0.000	479,161
5 August 2016	30 November 2018	\$0.000	500,000
			<hr/> <hr/> 6,070,828

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options

There were no ordinary shares of Crowd Mobile Limited issued on the exercise of options during the year ended 30 June 2016 and up to the date of this report.

Shares issued on the exercise of performance rights

During the year ended 30 June 2016 and up to the date of this report, a total of 5,884,215 ordinary shares were issued to staff from the conversion of performance rights as a result of performance goals being met during the 30 June 2016 year.

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Officers of the Company who are former partners of RSM Australia Partners

There are no officers of the Company who are former partners of RSM Australia Partners.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Theo Hnarakis
Chairman

Melbourne, 31 August 2016

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Crowd Mobile Limited for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

**RSM AUSTRALIA PARTNERS****J S CROALL**

Partner

Melbourne, VIC

Dated: 31 August 2016

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RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

Statement of Profit or Loss and other Comprehensive Income (For The Year Ended 30 June 2016)

	Notes	2016 (\$)	2015 (\$)
Revenue			
Revenue from continuing operations		36,994,826	12,852,420
Interest income		40,198	8,271
Other income	5	876,463	118,755
		37,911,487	12,979,446
Cost of sales		(8,418,690)	(4,658,574)
Gross profit		29,492,797	8,320,872
Expenses			
Marketing		(10,570,729)	(2,646,218)
Administration and other related costs		(1,734,519)	(889,285)
Consultants		(1,408,833)	(610,512)
Depreciation and amortisation expense	6	(3,725,625)	(411,806)
Employee benefits expense		(5,877,285)	(1,850,118)
Insurance		(75,108)	(26,244)
Travel and accommodation		(987,548)	(421,789)
Share based payment	6	(1,393,897)	(1,123,231)
Share based payment and listing expense	6	-	(3,107,051)
Transaction costs		(1,089,241)	(399,402)
Finance costs	6	(2,056,906)	(91,754)
Profit/(loss) before income tax expense/(benefit)		573,106	(3,256,538)
Income tax (expense) / benefit	7	304,506	(701,994)
Profit/(loss) after income tax expense for the year attributable to the owners of Crowd Mobile Limited	22	877,612	(3,958,532)
Other Comprehensive Income			
Items that may be reclassified subsequently to profit or loss		-	-
Foreign currency translation		(497,730)	266
Other comprehensive income for the year, net of tax		(497,730)	266
Total comprehensive income for the year attributable to the owners of Crowd Mobile Limited		379,882	(3,958,266)
- Basic earnings/per share	34	0.56	(10.38)
- Diluted earnings/ per share	34	0.56	(10.38)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of Financial Position (As At 30 June 2016)

	Notes	2016 (\$)	2015 (\$)
Assets			
Current Assets			
Cash and cash equivalents	8	2,902,881	1,762,692
Trade and other receivables	9	11,416,618	3,578,085
Other	10	729,691	180,214
Total Current Assets		15,049,190	5,520,991
Non-Current Assets			
Property, plant and equipment	11	423,178	26,737
Intangibles	12	32,990,769	1,211,586
Deferred tax	13	713,246	467,591
Total Non-Current Assets		34,127,193	1,705,914
Total Assets		49,176,383	7,226,905
Liabilities			
Current Liabilities			
Trade and other payables	14	4,511,376	2,988,465
Borrowings	15	10,415,633	238,427
Income tax	16	1,520,558	786,130
Provisions	17	404,865	556,098
Total Current Liabilities		16,852,432	4,569,120
Non-Current Liabilities			
Borrowings	18	7,290,734	-
Deferred tax	19	3,720,234	-
Total Non-Current Liabilities		11,010,968	-
Total Liabilities		27,863,400	4,569,120
Net Assets		21,312,983	2,657,785
Equity			
Issued capital	20	20,071,730	4,536,603
Reserves	21	3,365,956	1,123,497
Accumulated losses	22	(2,124,703)	(3,002,315)
Total Equity		21,312,983	2,657,785

The above statement of financial position should be read with the accompanying notes.

Statement of Changes in Equity (For the year ended 30 June 2016)

Consolidated	Notes	Issued capital (\$)	Foreign currency reserve (\$)	Share-based payments reserve (\$)	Retained profits / (accumulated losses) (\$)	Total equity (\$)
Balance as at 1 July 2014		6,288	-	-	1,463,886	1,470,174
Loss after income tax expense for the year		-	-	-	(3,958,532)	(3,958,532)
Other comprehensive income for the year, net of tax		-	266	-	-	266
Total comprehensive income for the year		-	266	-	(3,958,532)	(3,958,266)

Transactions with owners in their capacity as owners

Contributions of equity, net of transaction costs	20	4,530,315	-	-	-	4,530,315
Share-based payments	35	-	-	1,123,321	-	1,123,231
Dividends paid	23	-	-	-	(507,669)	(507,669)
Balance at 30 June 2015		4,536,603	266	1,123,231	(3,002,315)	2,657,785

Consolidated	Notes	Issued capital (\$)	Foreign currency reserve (\$)	Share-based payments reserve (\$)	Retained profits / (accumulated losses) (\$)	Total equity (\$)
Balance as at 1 July 2015		4,536,603	266	1,123,231	(3,002,315)	2,657,785
Loss after income tax expense for the year		-	-	-	877,612	877,612
Other comprehensive income for the year, net of tax		-	-	(497,730)	-	-
Total comprehensive income for the year		-	(497,730)	-	877,612	379,882

Transactions with owners in their capacity as owners

Contributions of equity, net of transaction costs	20	15,535,127	-	-	-	15,535,127
Share-based payments	35	-	-	2,740,189	-	2,740,189
Balance at 30 June 2016		20,071,730	(497,464)	3,863,420	(2,124,703)	21,312,983

The above statement of changes in equity should be read with the accompanying notes.

Statement of Cash Flows (For the year ended 30 June 2016)

	Notes	2016 (\$)	2015 (\$)
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		40,162,540	11,959,577
Payments to suppliers and employees (inclusive of GST)		(30,974,670)	(12,199,752)
Interest received		40,198	8,271
Grants received		-	118,755
Interest and other finance costs paid		(2,056,906)	(19,910)
Income taxes paid		(152,184)	(983,722)
Net cash flows from/(used in)/ operating activities	33	7,018,978	(1,116,781)
Cash flows from investing activities			
Cash acquired on purchase of business		-	453,067
Payment for purchase of subsidiary, net of cash acquired		(26,830,896)	-
Payments for property, plant and equipment		(240,348)	(25,337)
Payments for intangibles		-	(192,258)
Payments for security deposits		-	(38,971)
Proceeds from disposal of property, plant and equipment		-	1,186
Proceeds from release of security deposits		10,495	-
Net cash flows used in investing activities		(27,060,749)	197,687
Cash flows from financing activities			
Proceeds from issue of shares	20	11,612,428	2,671,000
Share issue transaction costs		(177,498)	(131,510)
Dividends paid	23	(228,452)	-
Net proceeds from/(repayment of) borrowings		10,176,907	(391,687)
Net cash flows from financing activities		21,383,385	2,147,803
Net increase in cash and cash equivalents		1,341,614	1,228,709
Cash and cash equivalents at the beginning of the financial year		1,762,692	533,983
Effects of exchange rate changes on cash and cash equivalents		(201,425)	-
Cash and cash equivalents at the end of financial year	8	2,902,881	1,762,692

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements (for the Financial Year ended 30 June 2016)

Note 1. General Information

The financial statements cover Crowd Mobile Limited as a consolidated entity consisting of Crowd Mobile Limited (referred to as 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year (referred to as the 'Group'). The financial statements are presented in Australian dollars, which is Crowd Mobile Limited's functional and presentation currency.

Crowd Mobile Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 4
44 Gwynne Street
Richmond VIC 3121

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 31 August 2016. The directors have the power to amend and reissue the financial statements.

Note 2. Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-

profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, while the Group made a profit of \$877,612 for the year ended 30 June 2016, as at that date the Group had net current liabilities of \$1,803,242.

The Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- \$2.4 million share capital raising through a share placement to sophisticated and professional investors, expected to be completed in September 2016. As at the date of this report, \$2.05 million in cash has been received with the balance applied towards transaction fees taken in lieu of cash. Refer note 36 for further details;
- \$1.0 million rights issue expected to be completed in September 2016. Of the \$1.0 million rights issue, \$0.6 million has been underwritten. Refer note 36 for further details;
- As disclosed in note 36, on 1 August 2016, shareholders approved the refinancing of the Company's borrowings. Under the new arrangement, the current borrowings of Euro 7.0 million (\$10.415 million AUD, refer note 18) that is repayable within 12 months will be replaced by a convertible note facility with a maximum funding value of Euro 10.805 million. The facility is represented by Euro 7.55 million initial funding and the ability to draw-down a further Euro 3.255 million. The initial funding increase of Euro 0.55 million plus the ability for further draw-downs provides additional working capital to the Company; and
- The Group made a profit of \$877,612 and operating cash flows of \$7.0 million in the 2016 financial year and is forecasting growth in the 2017 financial year.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 30.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2016 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The

CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Crowd Mobile Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Revenue is recognised net and after the amounts payable to carriers, aggregators (telecommunication service providers) and app stores. Crowd generates revenues from its customers who are the individually contracted mobile users using its mobile content products, typically via pre-paid and post-paid billings made directly to user's mobile phone accounts.

All revenue is stated net of the amount of goods and services tax (GST).

Grant income

Grant income is recognised when it is received or when the right to receive payment is established.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused

tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 90 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for loans and receivables carried at amortised cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. If there is a reversal of impairment, the reversal cannot exceed the amortised cost that would have been recognised had the impairment not been made and is reversed to profit or loss.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	1.5 - 4 years
Motor vehicles	5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Intellectual property

Significant costs associated with intellectual property are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Distribution network

Costs in relation to distribution network are capitalised as an asset and amortised on a straight-line basis over the period of their expected benefit, being their finite useful life of 4.7 years.

Customer subscriptions

Customer subscriptions acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 1.7 - 5 years.

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 - 6 years.

Databases

Costs in relation to databases are capitalised as an asset and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 - 6 years.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries and other employee benefits expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

Employee benefits not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted

using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, performance rights or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative

charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between

market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the financial year but not distributed at the reporting date.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is

recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Crowd Mobile Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case

it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2016. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 9 Financial Instruments

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2018 and completes phases I and III of the IASB's project to replace IAS 39 (AASB 139) 'Financial Instruments: Recognition and Measurement'. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. Chapter 6 'Hedge Accounting' supersedes the general hedge accounting requirements in AASB 139

and provides a new simpler approach to hedge accounting that is intended to more closely align with risk management activities undertaken by entities when hedging financial and non-financial risks. The Group will adopt this standard and the amendments from 1 July 2018 but the impact of its adoption is yet to be assessed by the Group.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the

guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The Group will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the Group.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease

prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Group will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the Group.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 35 for details of inputs utilised in calculating the fair value of the equity instrument.

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event.

The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated pre-tax discount rates based on the current cost of capital and growth rates of the estimated future cash flows. The pre-tax discount rate used was 20.0% and the growth rates were between 5% and 25%.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Note 4. Operating segments

Identification of reportable operating segments

The Group is organised into two operating segments, Mobile Content - Q & A ('Q&A') and Mobile Content - Subscription ('Subscription'). The Company operates mobile content businesses globally but predominantly in Europe and Australasia. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The Q&A operating segment recognises all corporate costs including public company costs, acquisition costs, share based payments expense and restructure costs.

For operating segment performance, the CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Business combinations

As discussed in note 2, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

The information reported to the CODM is on at least a monthly basis.

Types of products and services

The principal products and services of each of these operating segments are as follows:

Mobile Content Q & A	Crowd Mobile proprietary micro job platform technology that facilitates various Direct Carrier Billing, SMS and App product offerings.
Mobile Content Subscription	Crowd Mobile subscription based, broad content offering of products such as mobile security, games and video portals via an m-payments network.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Operating segment information

	Q&A \$	Subscription \$	Total \$
Consolidated - 2016			
Revenue			
Revenue	19,792,603	17,202,223	36,994,826
Interest income	5,197	35,001	40,198
Other revenue - Grants	119,926	-	119,926
Other revenue - Q Ltd entity write-backs	756,537	-	756,537
Total revenue	20,674,263	17,237,224	37,911,487
EBITDA	(51,118)	6,366,557	6,315,439
Depreciation and amortisation	(446,530)	(3,279,095)	(3,725,625)
Interest income	5,197	35,001	40,198
Finance costs	(15,632)	(2,041,274)	(2,056,906)
Profit/(loss) before income tax benefit	(508,083)	1,081,189	573,106
Income tax benefit			304,506
Profit after income tax benefit			877,612
Assets			
Segment assets	5,271,205	41,002,297	46,273,502
Unallocated assets – Cash and cash equivalents			2,902,881
Total assets			49,176,383
Liabilities			
Segment liabilities	1,672,614	7,758,564	9,431,178
Unallocated assets - Borrowings			18,432,222
Total liabilities			27,863,400

Consolidated - 2015	Q&A	Subscription	Total
	\$	\$	\$
Revenue			
Revenue	12,852,420	-	12,852,420
Interest income	8,271	-	8,271
Other revenue	118,755	-	118,755
Total revenue	12,979,446	-	12,979,446
EBITDA			
	(2,761,249)	-	(2,761,249)
Depreciation and amortisation	(411,806)	-	(411,806)
Interest income	8,271	-	8,271
Finance costs	(91,754)	-	(91,754)
(Loss) before income tax expense	(3,256,538)	-	(3,256,538)
Income tax expense			(701,994)
(Loss) after income tax expense			(3,958,532)
Assets			
Segment assets	7,226,905	-	7,226,905
Total assets			7,226,905
Liabilities			
Segment liabilities	4,569,120	-	4,569,120
Total liabilities			4,569,120

Geographical information

	Revenue		Geographical non-current assets	
	2016	2015	2016	2015
	\$	\$	\$	\$
Australasia	5,214,256	2,662,751	41,119	17,168
Europe	28,702,203	10,316,695	380,258	9,569
Latin America	3,238,491	-	-	-
	37,154,950	12,979,446	421,377	26,737

The geographical revenue above excludes Other income associated with the Q Limited Subsidiaries liquidated during the year that total \$756,537.

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

Note 5. Other Income

	Consolidated	
	2016	2015
	(\$)	(\$)
Q Ltd subsidiary liquidations	756,537	-
Grant income	119,926	118,755
	876,463	118,755

Note 6. Expenses

		Consolidated	
	Notes	2016	2015
		(\$)	(\$)
Profit/(loss) before income tax includes the following specific expenses:			
<i>Depreciation</i>			
Property, plant and equipment	11	165,215	10,751
<i>Amortisation</i>			
Intangibles	12	3,560,410	401,055
Total depreciation and amortisation		3,725,625	411,806
<i>Finance costs</i>			
Interest and finance charges pa		1,728,705	91,754
Unwinding of a discount on earn-out payments to Track vendors		328,201	-
Finance costs expensed		2,056,906	91,754
<i>Net foreign exchange loss</i>			
Net foreign exchange loss		11,189	84,472
<i>Net loss on disposal</i>			
Net loss on disposal of property, plant and equipment		1,532	8,226
<i>Rental expense relating to operating leases</i>			
Minimum lease payments		519,045	135,901
<i>Superannuation expense</i>			
Defined contribution superannuation expense		109,674	59,416
<i>Share-based payments expense</i>			
Share-based payments expense		1,393,897	1,123,231
<i>Share based payments and listing expense</i>			
Share based payments and listing expense		-	3,107,051

Note 7. Income Tax Expenses/(benefit)

	Notes	Consolidated	
		2016 (\$)	2015 (\$)
Income tax expense/(benefit)			
Current tax		1,207,373	1,014,909
Deferred tax - origination and reversal of temporary differences		(846,518)	(312,915)
Adjustment recognised for prior periods		(665,361)	-
Aggregate income tax expense/(benefit)		(304,506)	701,994
Deferred tax included in income tax expense/(benefit) comprises:			
Increase in deferred tax assets	13	(245,655)	(312,915)
Decrease in deferred tax liabilities	19	(600,863)	-
Deferred tax - origination and reversal of temporary differences		(846,518)	(312,915)
Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate			
Profit/(loss) before income tax (expense)/benefit		573,106	(3,256,538)
<i>Net loss on disposal</i>			
Net loss on disposal of property, plant and equipment		1,532	8,226
Tax at the statutory tax rate of 30%		171,932	(976,961)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:			
Entertainment expenses		4,041	594
Share-based payments		418,169	-
Blackhole expenditure		-	1,581,375
Employee entitlement accruals		21,184	56,068
Write-back of Q Subs legacy items		(226,962)	-
Other items (net)		93,481	6,644
		481,845	667,720
Adjustment recognised for prior periods		(665,361)	-
Differences in overseas tax rates		(120,990)	34,274
Income tax expense/(benefit)		(304,506)	701,994

		Consolidated	
	Notes	2016	2015
		(\$)	(\$)
<i>Amounts credited directly to equity</i>			
Deferred tax liabilities	19	(344,600)	-

Note 8. Current assets - cash and cash equivalents

		Consolidated	
		2016	2015
		(\$)	(\$)
Cash at bank		2,902,881	1,762,692

Note 9. Current assets - trade and other receivables

		Consolidated	
		2016	2015
		(\$)	(\$)
Trade receivables		4,567,461	1,789,209
Less: Provision for impairment of receivables		(371,976)	-
		4,195,485	1,789,209
Accrued income		7,220,627	1,780,771
Other receivables		-	7,195
Receivable from related parties		506	910
		11,416,618	3,578,085

The following table details the Group's trade and other receivables exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, with the terms and conditions agreed between the Group and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group. The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

Consolidated	Gross amount \$	Past due and impaired \$	Past due but not impaired				Within initial trade terms \$
			< 30 days overdue \$	30-60 days overdue \$	60-90 days overdue \$	>90 days overdue \$	
2016							
Trade receivables	4,567,461	371,976	45,079	20,898	63,001	58,988	4,007,519
Accrued income	7,220,627	-	3,976	-	6,413	41,797	7,168,441
Receivables from related parties	506	-	-	-	-	-	506
	11,788,594	371,976	49,055	20,898	69,414	100,785	11,176,466

2015							
Trade receivables	1,789,209	-	-	-	73,577	72,091	1,643,541
Accrued income	1,780,771	-	16,139	-	-	-	1,764,632
Other receivables	7,195	-	-	-	-	-	7,195
Receivables from related parties	910	-	-	910	-	-	-
	3,578,085	-	16,139	910	73,577	72,091	3,415,368

Note 10 Current assets - other

	Consolidated	
	2016 (\$)	2015 (\$)
Prepayments	693,261	133,289
Security deposits	36,430	46,925
	729,691	729,691

Note 11 Non-current assets – property, plant and equipment

	Consolidated	
	2016 (\$)	2015 (\$)
Plant and equipment - at cost	955,657	63,306
Less: Accumulated depreciation	(532,479)	(36,569)
	423,178	26,737

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Plant and equipment	Motor vehicles	Total
	\$	\$	\$
Balance at 1 July 2014	12,151	9,412	21,563
Additions	25,337	-	25,337
Disposals	-	(9,412)	(9,412)
Depreciation expense	(10,751)	-	(10,751)
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2015	26,737	-	26,737
Additions	240,348	-	240,348
Additions through business combinations (note 31)	288,627	-	288,627
Exchange differences	32,681	-	32,681
Depreciation expense	(165,215)	-	(165,215)
Balance at 30 June 2016	423,178	-	423,178

Note 12 Non-current assets – intangibles

	Consolidated	
	2016	2015
	(\$)	(\$)
Goodwill - at cost	17,612,938	317,214
Intellectual property - at cost	2,653,940	2,653,940
Less: Accumulated amortisation	(2,470,253)	(2,197,691)
	<hr/>	<hr/>
	183,687	456,249
Distribution network - at cost	12,944,772	-
Less: Accumulated amortisation	(1,872,871)	-
	<hr/>	<hr/>
	11,071,901	-
Customer subscriptions - at cost	2,380,648	-
Less: Accumulated amortisation	(952,259)	-
	<hr/>	<hr/>
	1,428,389	-
Software - at cost	2,895,847	213,140
Less: Accumulated amortisation	(458,952)	(123,405)
	<hr/>	<hr/>
	2,436,895	89,735
Databases - at cost	621,900	621,900
Less: Accumulated amortisation	(364,941)	(273,512)
	<hr/>	<hr/>
	256,959	348,388
	<hr/>	<hr/>
	32,990,769	1,211,586

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill	Intellectual property	Distribution network	Customer sub- scriptions	Software	Databases	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2014	317,214	728,811	-	-	99,640	274,718	1,420,383
Additions	-	-	-	-	27,258	165,000	192,258
Amortisation expense	-	(272,562)	-	-	(37,163)	(91,330)	(401,055)
Balance at 30 June 2015	317,214	456,249	-	-	89,735	348,388	1,211,586
Additions through business combinations (note 31)	17,928,946	-	13,418,698	2,467,807	2,776,283	-	36,591,734
Exchange differences	(633,222)	-	(441,729)	(87,159)	(90,031)	-	(1,252,141)
Amortisation expense	-	(272,562)	(1,905,068)	(952,259)	(339,092)	(91,429)	(3,560,410)
Balance at 30 June 2016	17,612,938	183,687	11,071,901	1,428,389	2,436,895	256,959	32,990,769

Goodwill acquired through business combinations is allocated to cash generating units, as follows:

	Consolidated	
	2016	2015
	(\$)	(\$)
Cash generating unit		
Q & A:		
- Bongo IP Ltd	230,774	230,774
- Global AQA IP Pty Ltd	64,393	64,393
- Buddy IP Pty Ltd	22,047	22,047
	317,214	317,214
Subscription		
- Track Holdings B.V.	17,295,724	(36,569)
	17,612,938	317,214

The goodwill acquired through business combinations is deemed recoverable based on value-in-use calculations at the cash generating unit level using discounted cash flow models based on 2 year projection periods and extrapolated for a further 3 years using a steady growth rate and a terminal value based on an average long term growth rate. A pre-tax discount rate of 20% was used to reflect management's estimate of the time value of money and the risk adjusted costs specific to the cash generating units. As a result, no impairment expense has been recognised in the statement of profit or loss and other comprehensive income during the year.

Management has undertaken a discounted cash flow analysis for the Subscription CGU for the purposes of assessing the recoverability of the carrying value of its assets. In relation to the Q&A

business, management believes that there are no reasonable changes in the key assumptions that would result in the recoverable amount of the Q&A business to not exceed the cash-generating unit's carrying amount.

For the Subscription CGU, management has taken into account the relative likely competitive pressures on the sector, the historical market growth rates and its post-acquisition experience for FY16 against FY15. The discount rate used is a pre-tax, risk adjusted, optimal rate which closely approximates the WACC of the Company.

Growth rates and discount rates

In relation to the Subscription business, the following growth rates and discount rates were used in management's value in use calculation:

	FY17	FY18	FY19	FY20	FY21
Subscription	%	%	%	%	%
Growth rates	5.0%	5.0%	1.5%	1.5%	1.5%
Discount rates	20.0%	20.0%	20.0%	20.0%	20.0%

Sensitivity

In relation to the Subscription business, management tested a range of sensitivities including different discount rates ranging from 20% to 24%.

Scenario 1 - applying a pre-tax discount rate of 20%

Under scenario 1, the recoverable amount exceeds the carrying amount by \$12.1 million.

Scenario 2 - applying a pre-tax discount rate of 24%

Under scenario 2, the recoverable amount exceeds the carrying amount by \$4.9 million.

Apart from the considerations described in determining the value-in-use of the cash generating units described above, management is not currently aware of any other probable changes that would necessitate changes in its key estimates.

Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease.

- i) Revenue would need to decrease by more than 12.0% for the Subscription CGU before their assets would need to be impaired, with all other assumptions remaining constant.
- ii) The pre-tax discount rate would be required to increase by 7.9% for the subscription segment before goodwill would need to be impaired, with all other assumptions remaining constant.

Note 13. Non-current assets - deferred tax

	Consolidated	
	2016	2015
	(\$)	(\$)
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Employee benefits	32,695	-
Transaction fees (blackhole expenditure)	645,761	447,935
Other	34,790	19,656
	713,246	467,591
Movements:		
Opening balance	467,591	154,676
Credited to profit or loss (note 7)	245,655	312,915
Closing Balance	713,246	317,214

Note 14. Current liabilities - trade and other payables

	Consolidated	
	2016	2015
	(\$)	(\$)
Trade payables	1,039,717	894,912
Indirect taxes payable (former Q Limited)	425	484,685
Accrued expenses and other payables	3,471,234	1,608,868
	4,511,376	2,988,465

Refer to note 24 for further information on financial instruments.

Note 15. Current liabilities - borrowings

	Consolidated	
	2016	2015
	(\$)	(\$)
Bank loans - Greensill	10,415,334	-
Loan - MP3 Australia	-	10,000
Loan - Dominet Digital Corporation	299	228,427
	10,415,633	238,427

Note 16. Current liabilities – income tax

	Consolidated	
	2016	2015
	(\$)	(\$)
Provision for income tax	10,415,633	238,427

Note 17. Current liabilities - provisions

	Consolidated	
	2016	2015
	(\$)	(\$)
Employee benefits	125,648	48,429
Dividends	279,217	507,669
	404,865	556,098

Note 18. Non-current liabilities - borrowings

	Consolidated	
	2016	2015
	(\$)	(\$)
Loans to related entities - former Track owners	7,290,734	-

Refer to note 24 for further information on financial instruments.

Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

	Consolidated	
	2016	2015
	(\$)	(\$)
Bank loans - Greensill	10,415,334	-
Loans to related entities - former Track owners	7,290,734	-
	17,706,068	-

Borrowings

Greensill – The Greensill loan is a first lien secured, 3 year, master facility, multi draw down, revolving loan. The interest rate is 12% per annum and is deducted up front as draw downs, revolve.

Former Track owners – The outstanding second lien loan is for Euro 4.9 million. It is due in October 2017 and has an interest rate of 15% per annum, which is paid monthly.

Assets pledged as security

The loans to Greensill and the former owners of Track are secured by first and second liens across the assets of the Consolidated Entity and cross guarantees exist across all entities in support of the borrowings.

Note 19. Non-current liabilities – deferred tax

	Notes	Consolidated	
		2016	2015
		(\$)	(\$)
Deferred tax liability comprises temporary differences attributable to:			
Amounts recognised in profit or loss:			
Intangible assets from business acquisitions		4,665,697	-
Accumulated amortisation of intangible assets from business acquisitions		(600,863)	-
		<u>4,064,834</u>	<u>-</u>
Amounts recognised in equity:			
Foreign exchange differences		(344,600)	-
		<u>3,720,234</u>	<u>-</u>
Movements:			
Credited to profit or loss	7	(600,863)	-
Credited to equity	7	(344,600)	-
Additions through business combinations	31	4,665,697	-
Closing Balance		<u>3,720,234</u>	<u>-</u>

Note 20. Equity – issued capital

	Consolidated			
	2016	2015	2016	2015
	Shares	Shares	\$	\$
Ordinary shares - fully paid	157,277,142	85,197,933	20,071,730	4,536,603
			<u>20,071,730</u>	<u>4,536,603</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 Jul 2014	7,120		6,288
Share subdivision 1:200	3 Oct 2014	392,880	\$0.000	-
Elimination of legal acquiree shares	13 Jan 2015	(400,000)	\$0.000	-
Issue of shares on capital raising	13 Jan 2015	3,355,000	\$0.200	671,000
Shares on acquisition of Q Limited	13 Jan 2015	71,717,933	\$0.000	1,965,825
Issue of shares under Placement	5 Mar 2015	10,000,000	\$0.200	2,000,000
Issue of shares on acquisition of Kiss Hugs	5 Mar 2015	125,000	\$0.200	25,000
Less: Share issue transaction costs				(131,510)
Balance	30 Jun 2015	85,197,933		4,536,603
Rights issue	28 Oct 2015	51,128,760	\$0.250	12,782,190
Issue of shares on acquisition of Track Holdings B.V.	30 Oct 2015	15,385,140	\$0.265	4,077,062
Issue of shares on exercise of performance rights	2 Nov 2015	2,734,716	\$0.000	-
Issue of shares on exercise of performance rights	7 Jan 2016	349,344	\$0.000	-
Issue of shares on exercise of performance rights	13 Apr 2016	2,481,249	\$0.000	-
Less: Share issue transaction costs				(1,324,125)
Balance	30 Jun 2016	157,277,142		20,071,730

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment.

The Group will pursue additional investments however in the short term the focus is to integrate and grow its existing businesses in order to maximise synergies.]

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 2015 Annual Report.

Note 21. Equity - reserves

	Consolidated	
	2016	2015
	(\$)	(\$)
Foreign currency reserve	(497,464)	266
Share-based payments reserve	3,863,420	1,123,231
	<u>3,365,956</u>	<u>1,123,497</u>

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Note 22. Accumulated losses

		Consolidated	
	Notes	2016	2015
		(\$)	(\$)
Retained profits/(accumulated losses) at the beginning of the financial year		(3,002,315)	1,463,886
Profit/(loss) after income tax (expense)/benefit for the year		877,612	(3,958,532)
Dividends paid	23	-	(507,669)
Accumulated losses at the end of the financial year		<u>(2,124,703)</u>	<u>(3,002,315)</u>

Note 23. Equity - dividends

	Consolidated	
	2016	2015
	(\$)	(\$)
Dividends for the year ended 30 June 2016 (2015: 30 June 2015)	-	507,669

All dividends in the 2015 financial year related to pre-acquisition privately held director resolutions of the Crowd Mobile operating entities. The dividends per share were 7,130 cents per share for 30 June 2015.

Note 24. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Due to our smaller size and less complex business and including the natural revenue and expense cash flow hedges in the Australian and European operations, whilst we maintain an active dialogue with foreign exchange providers, as yet the Group has not yet sought to use derivative financial instruments such as forward foreign exchange contracts to hedge risk. This may change in the future as our operations and related treasury needs develop. The Group uses different methods to measure different types of risk to which it is exposed. These methods may include sensitivity analysis in the case of interest rate, foreign exchange other price risks, as well as aging analysis for credit risk.

Risk management is carried out between the CEO and key management personnel under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. The CEO and CFO identify, evaluate and hedge financial risks within the Group's operating units (where appropriate) and report to the Board on a monthly basis.

Market risk

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

	Average exchange rates		Reporting date exchange rates	
	2016	2015	2016	2015
Australian dollars				
United Kingdom Sterling	0.4918	0.5309	0.5617	0.4894
European Union Euros	0.6566	0.6962	0.6721	0.6875
United States Dollars	0.7287	0.8373	0.7444	0.7708
Hungarian Forint	205.4081	215.2328	212.4256	216.4910

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

Consolidated	Average exchange rates		Reporting date exchange rates	
	2016	2015	2016	2015
	\$	\$	\$	\$
Australian Dollar	1,687,698	1,916,043	822,351	2,156,615
Euros	11,536,594	2,356,096	20,555,930	480,900
Pound Sterling	1,033,028	1,037,648	828,845	347,437
United States Dollar	19,273	-	14,795	1,930
Hungarian Forint	9,207	17,333	(4,178)	-
New Zealand Dollar	33,700	13,657	-	1,585
	14,319,500	5,340,777	22,217,743	2,988,467

Sensitivity analysis

Consolidated - 2016	% change	AUD strengthened		% change	AUD weakened	
		Effect on profit before tax	Effect on equity		Effect on profit before tax	Effect on equity
United Kingdom Sterling	-	49,400	49,400	-	(49,400)	(49,400)
European Union Euros	5%	128,000	128,000	5%	(128,000)	(128,000)
Other currencies	5%	177,650	177,650	5%	(177,650)	(177,650)
		<u>355,050</u>	<u>355,050</u>		<u>(355,050)</u>	<u>(355,050)</u>

Consolidated - 2015	% change	AUD strengthened		% change	AUD weakened	
		Effect on profit before tax	Effect on equity		Effect on profit before tax	Effect on equity
United Kingdom Sterling	5%	35,823	35,823	5%	(35,823)	(35,823)
European Union Euros	5%	38,595	38,595	5%	(38,595)	(38,595)
Other currencies	5%	74,400	74,400	5%	(74,400)	(74,400)
		<u>148,818</u>	<u>148,818</u>		<u>(148,818)</u>	<u>(148,818)</u>

The analysis above has been carried out on the following basis:

- Management's estimate of what is reasonably possible for changes in exchange rates (ie 5%) in the year ending 30 June 2016.
- Hedged transactions were not taken into consideration. It is reasonable to expect that fluctuations on the value of hedged items are almost fully offset by hedging items.

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

The Group's main interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The policy is to maintain borrowings at fixed rates and to monitor fair value interest rate risk in Australia and Europe to ensure borrowings remain competitively priced. If deemed necessary, the Group may seek to utilise interest rate swaps or re-financing to achieve this when necessary.

As at the reporting date, the Group had the following borrowings:

Consolidated	2016		2015	
	Weighted average interest rate	Balance	Weighted average interest rate	Balance
	%	\$	%	\$
Bank loans - Greensill	12.00%	10,415,334	-	-
Loans to related entities - former Track owners	15.00%	7,290,734	-	-
Other loans	-	299	9.75%	238,427
Net exposure to cash flow interest rate risk		<u>17,706,367</u>		<u>238,427</u>

Sensitivity analysis

The analysis has been performed for floating interest rate financial liabilities.

Management considers that a change in interest rates of 500 basis points in the year ending 30 June 2016 is reasonably possible. The impact of such a change in interest rates of floating interest rate financial liabilities, had it occurred at the end of the current reporting period, has been assessed in terms of changing of their cash flows and therefore in terms of the impact on net expenses and has been quantified as follows:

Consolidated - 2016	Basis points increase			Basis points decrease		
	Basis points change	Effect on profit before tax	Effect on equity	Basis points change	Effect on profit before tax	Effect on equity
Parallel yield curve	500	<u>102,845</u>	<u>102,845</u>	500	<u>(102,845)</u>	<u>(102,845)</u>

Consolidated - 2015	Basis points increase			Basis points decrease		
	Basis points change	Effect on profit before tax	Effect on equity	Basis points change	Effect on profit before tax	Effect on equity
Parallel yield curve	500	<u>4,588</u>	<u>4,588</u>	500	<u>(4,588)</u>	<u>4,588</u>

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. To date, the significant portion of credit risk relates to the telecommunications aggregator companies from which the Group receives its cash flows after 7 to 180 days post month end. The Group tries to ensure that it transacts with the largest aggregator companies available in the various countries in which it conducts business and makes regular industry reference checks and sets credit limits to mitigate credit risk. If a risk concentration is deemed too great in a particular country then the Group seeks to utilise multiple aggregators.

The Group has no significant credit risk at 30 June 2016 or 30 June 2015.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
Consolidated - 2016	%	\$	\$	\$	\$	\$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	1,039,717	-	-	-	1,039,717
Other payables and accrued expenses	-	3,471,659	-	-	-	3,471,659
<i>Interest-bearing - variable</i>						
Bank loans	12.00%	10,415,334	-	-	-	10,415,334
Loans to related entities - former Track owners	15.00%	-	7,290,734	-	-	7,290,734
Other loans	-	299	-	-	-	299
Total non-derivatives		14,927,009	7,290,734	-	-	22,217,743

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
Consolidated - 2015	%	\$	\$	\$	\$	\$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	894,912	-	-	-	894,912
BAS payables	-	484,685	-	-	-	484,685
Other payables and accrued expenses	-	1,608,868	-	-	-	1,608,868
<i>Interest-bearing - variable</i>						
Other loans	9.75%	238,427	-	-	-	238,427
Total non-derivatives		3,226,892	-	-	-	3,226,892

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 25. Fair value measurement

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Note 26. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	2016	2015
	(\$)	(\$)
Short-term employee benefits	1,521,176	666,454
Post-employment benefits	102,715	25,698
Termination benefits	122,955	-
Share-based payments	853,530	659,744
	<u>2,600,376</u>	<u>1,351,896</u>

Detailed remuneration disclosures can be found in the remuneration report and equity interests in the directors' report.

Note 27. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Company:

	Consolidated	
	2016	2015
	(\$)	(\$)
Audit services - RSM Australia Partners		
Audit or review of the financial statements	<u>97,880</u>	<u>20,750</u>

Note 28. Commitments

	Consolidated	
	2016	2015
	(\$)	(\$)
<i>Lease commitments - operating</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	415,036	139,067
One to five years	1,058,954	124,984
	<u>1,473,990</u>	<u>264,051</u>

Operating lease commitments includes contracted amounts for various offices and plant and equipment under non-cancellable operating leases. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

The Group had no finance lease commitments at 30 June 2016 or 30 June 2015.

Note 29. Related party transactions

Parent entity

Crowd Mobile Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 32.

Key management personnel

Disclosures relating to key management personnel are set out in note 26 and the remuneration report included in the directors' report.

Note 30. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2016	2015
	(\$)	(\$)
Loss after income tax	(4,944,737)	(1,878,897)
Total comprehensive income	(4,944,737)	(1,878,897)

Statement of financial position

	Parent	
	2016	2015
	(\$)	(\$)
Total current assets	473,602	1,377,979
Total assets	28,731,389	13,952,666
Total current liabilities	1,504,719	7,571,996
Total liabilities	1,504,719	7,571,996
Equity		
Issued capital	79,497,174	63,962,047
Share-based payments reserve	4,119,149	1,378,960
Accumulated losses	(56,389,653)	(58,960,337)
Total equity	27,226,670	6,380,670

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity has guarantees in place for its subsidiary, Crowd Mobile Co-Operatif UA, to both the senior and junior lenders, in relation to the borrowing facilities in existence that were introduced to fund the Track acquisition.

Contingent liabilities

The parent entity has a contingent liability at 30 June 2016 in relation to the Track acquisition and the former owners of Track, refer to note 31. At 30 June 2015 no contingent liabilities existed.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2016 and 30 June 2015.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 31. Business combinations

Track Holdings B.V.

On 31 October 2015, Crowd Mobile purchased the full share capital of Track Holdings B.V and its numerous operating subsidiaries, via a newly formed entity, Crowd Mobile Co-Operatif UA, under a Share Purchase Agreement. The business was acquired to extend the Company's global m-payments network to over 160 mobile operators across 50 countries, allowing Crowd Mobile to accelerate its launch of existing products into new markets and offering significant cross promotion opportunities and customer acquisition synergies.

The total consideration is \$43,337,769 (Euro €28,098,000). The initial consideration included assets given as \$17,254,677 in cash (Euro €11,187,053), 15,385,140 Crowd Mobile fully paid ordinary shares equivalent to \$4,077,062 (Euro €2,643,359), and a total of 10,000,000, 3 year options over Crowd Mobile fully paid ordinary shares (half each at 25.0 and 30.0 cents exercise prices) equivalent to \$900,009 (Euro €583,520). In addition, two arms-length loans were incurred to the vendors as deferred consideration. The first for \$6,786,468 (Euro €4,400,000) is an eight month, 12.0% p.a. shared first lien loan and the second, is a \$7,711,896 (Euro €5,000,000), 2 year, 15.0% p.a. second lien loan.

The deferred earn-out consideration to a maximum of \$6,607,657 (Euro €4,284,068) has been paid in cash between January 2016 and June 2016 based on agreed earn-out performance for the 2015 calendar year.

In addition, contingent deferred cash consideration is owed on the initial 15,385,140 shares, based on 50% of the value of any share price uplift between the three month VWAP on the Company's shares traded ending on 30 October 2016 and 16.3 cents. The consideration is unable to be reliably measured at reporting date and as such is unrecognised.

The acquired business contributed revenues of \$17,202,223 and net profit after tax of \$796,718 for the period from 1 November 2015 to 30 June 2016. If the acquisition occurred on 1 July 2015, the combined Group's consolidated results for the full year to 30 June 2016 would have been revenues of \$47,397,422, Earnings Before Interest, Tax, Depreciation and Amortisation ('EBITDA') of \$11,298,101, and Net Profit After Tax of \$2,098,688. These numbers exclude the Other income one-off benefit of \$756,538 for Q Limited entity shut-downs and include share based payments

expense of \$1,393,897, Track transaction costs of \$1,089,241 and European operational restructure costs of \$300,008.

The values identified in relation to the acquisition of Track Holdings B.V. are preliminary as at 30 June 2016.

Details of the acquisition are as follows:

	Fair value \$
Cash and cash equivalents	4,192,488
Trade and other receivables	9,763,828
Property, plant and equipment	288,627
Intangible assets	18,662,788
Trade and other payables	(2,833,211)
Deferred tax liability	(4,665,697)
Net assets acquired	<u>25,408,823</u>
Goodwill	<u>17,928,946</u>
Acquisition-date fair value of the total consideration transferred	<u><u>43,337,769</u></u>
Representing:	
Initial consideration - Cash	17,254,677
Initial consideration - Crowd Mobile acquired stock	4,077,062
Initial consideration - Crowd Mobile stock options	900,009
Deferred loan consideration - incurred to former owners	14,498,364
Deferred consideration	6,607,657
	<u><u>43,337,769</u></u>
Acquisition costs expensed to profit or loss	<u><u>1,089,241</u></u>
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	43,337,769
Less: cash and cash equivalents	(4,192,488)
Less: initial consideration - Crowd Mobile acquired stock	(4,077,062)
Less: initial consideration - Crowd Mobile stock options	(900,009)
Less: deferred consideration - funded via loan from former owners	(14,498,364)
Less: deferred consideration - earn out	(6,607,657)
Net cash used at acquisition date	<u><u>13,062,189</u></u>

Goodwill represents: the assembled workforce, the Track workforce expertise and acquisition of new gateways and new customer subscriptions.

Note 32. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2016 %	2015 %
Bongo Operations Pty Ltd	Australia	100.00%	100.00%
Bongo IP Pty Ltd	Australia	100.00%	100.00%
Global AQA Pty Ltd	Australia	100.00%	100.00%
Global AQA IP Pty Ltd	Australia	100.00%	100.00%
Buddy Operations Pty Ltd	Australia	100.00%	100.00%
Buddy IP Pty Ltd	Australia	100.00%	100.00%
Crowd Mobile IP Pty Ltd	Australia	100.00%	100.00%
Crowd Mobile Australia Pty Ltd	Australia	100.00%	100.00%
Bongo Europe Pty Ltd	Australia	100.00%	100.00%
Digital Global Marketing Pty Ltd	Australia	100.00%	100.00%
Crowd Mobile EU Kft	Europe	100.00%	100.00%
Crowd Butler UK Ltd	United Kingdom	100.00%	100.00%
Crowd Mobile Co-Operatif U.A.	The Netherlands	100.00%	-
Crowd Mobile QA Services B.V.	The Netherlands	100.00%	-
Track Holdings B.V.	The Netherlands	100.00%	-
Track Online B.V.	The Netherlands	100.00%	-
Track Concepts B.V.	The Netherlands	100.00%	-
Be Tracked Media B.V.	The Netherlands	100.00%	-
Vivazz Mobile B.V.	The Netherlands	100.00%	-
Track Mobile B.V.	The Netherlands	100.00%	-
Immediato B.V.	The Netherlands	100.00%	-
Mobilizo B.V.	The Netherlands	100.00%	-
Q TDI Pty Ltd *	Australia	-	100.00%
Q FRA Pty Ltd	Australia	100.00%	100.00%
Q FMG Pty Ltd *	Australia	-	100.00%
Q MKT Pty Ltd *	Australia	-	100.00%
Q Share Plan Pty Limited	Australia	100.00%	100.00%
Q NZ Limited *	New Zealand	-	100.00%
Q NZ Holdings Limited *	New Zealand	-	100.00%

*Entity liquidated during the year

Note 33. Reconciliation of profit/(loss) after income tax to net cash from/(used in) operating activities

	Consolidated	
	2016	2015
	\$	\$
Profit/(loss) after income tax (expense)/benefit for the year	877,612	(3,958,532)
Adjustments for:		
Depreciation and amortisation	3,725,625	411,806
Net loss on disposal of property, plant and equipment	-	8,226
Share based payments	1,393,897	1,123,231
Share based payments and listing expense	-	3,107,051
Non-cash interest on loans	-	71,844
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	1,925,295	(2,178,084)
Increase in deferred tax assets	(245,655)	(312,915)
Decrease/(increase) in prepayments	(559,972)	75,863
Increase in trade and other payables	35,992	455,113
Increase in provision for income tax	734,428	31,187
Decrease in deferred tax liabilities	(945,463)	-
Increase in employee benefits	77,219	48,429
Net cash from/(used in) operating activities	<u>7,018,978</u>	<u>(1,116,781)</u>

Note 34. Earnings per share

	Consolidated	
	2016	2015
	(\$)	(\$)
Profit/(loss) after income tax attributable to the owners of Crowd Mobile Limited	<u>877,612</u>	<u>(3,958,532)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	156,391,448	38,146,699
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	19,795,082	-
Performance rights	9,241,151	-
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>185,427,681</u>	<u>38,146,699</u>

	Cents	Cents
Basic earnings per share	0.56	(10.38)
Diluted earnings per share	0.47	(10.38)

Options and performance rights have been excluded from the above calculation in the prior year as their inclusion would be anti-dilutive.

Note 35. Share based payments

Executive Share Options Plan ('ESOP')

A share option plan has been established by the Group and approved by shareholders at a general meeting, whereby the Group may, at the discretion of the Board, grant options over ordinary shares in the Company to certain key management personnel (and Directors) of the Group. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Board.

Set out below are summaries of options granted under the plan:

2016

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
09/07/2015	10/07/2018	\$0.290	-	2,500,000	-	-	2,500,000
10/12/2015	10/12/2020	\$0.390	-	9,000,000	-	-	9,000,000
			-	11,500,000	-	-	11,500,000

Set out below are summaries of additional options issued to the vendors of Track Holdings B.V. ('Track') as partial consideration for the sale of Track to the Company, and to suppliers for capital raising and investor relations services rendered during the reporting period, outside of the ESOP:

2016

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
05/03/2015	04/03/2018	\$0.250	1,000,000	-	-	-	1,000,000
30/10/2015	30/10/2018	\$0.250	-	5,000,000	-	-	5,000,000
10/12/2015	03/08/2018	\$0.300	-	5,000,000	-	-	5,000,000
10/12/2015	30/10/2018	\$0.300	-	5,000,000	-	-	5,000,000
10/12/2015	10/12/2018	\$0.300	-	6,000,000	-	-	6,000,000
			1,000,000	21,000,000	-	-	22,000,000

2015

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
05/03/2015	04/03/2018	\$0.250	-	1,000,000	-	-	1,000,000
			-	1,000,000	-	-	1,000,000

Performance rights

On 17 December 2014, shareholders approved a Performance Rights Plan ('PR Plan'). Under the PR Plan, selected employees and Directors may be granted performance rights which will entitle them to receive ordinary shares in the Company, subject to the Company meeting performance objectives specified below.

The performance rights may be issued in four tranches which will convert to ordinary shares in the Company on the satisfaction of the following Performance Conditions: (i) 3,250,000 Class A Performance Rights – on Crowd Mobile achieving EBITDA of \$4,000,000 on an annualised basis within any consecutive 6 month period within 4 years of completion of the acquisition by the Company of the Crowd Mobile businesses ('Acquisition'); (ii) 3,250,000 Class B Performance Rights – on Crowd Mobile achieving revenue of \$15,000,000 on an annualised basis within any consecutive 6 month period within 4 years of completion of the Acquisition; (iii) 3,250,000 Class C Performance Rights – on Crowd Mobile achieving App downloads of 500,000 within 4 years of completion of the Acquisition; and (iv) 3,250,000 Class D Performance Rights – on Crowd Mobile rolling out 50 Apps within 4 years of completion of the Acquisition.

The maximum number of shares that can be issued on conversion of the Performance rights is 13,000,000 ordinary shares.

Performance rights may be issued to all employees and Directors of the Company and any Subsidiary. The number of performance rights (if any) to be offered from time to time to each person shall be determined by the Board in its discretion. The performance rights in respect of an employee will vest no earlier than on meeting the relevant Performance Condition. Unissued performance rights will be issued pro-rata at the time the relevant Performance Condition is met. The employee must still be employed by the Company at the time of vesting, unless otherwise agreed by the Board in limited circumstances. Any performance rights that have been earned but remain unvested will vest in the event of a takeover or similar event occurring. Should the holder of performance rights resign, all rights not yet vested will be forfeited.

Set out below are summaries of performance rights granted under the plan:

2016							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
16/01/2015	30/11/2018	\$0.000	5,000,000	-	(2,500,000)	-	2,500,000
11/05/2015	30/11/2018	\$0.000	4,000,000	-	(1,750,000)	(500,000)	1,750,000
10/07/2015	30/11/2018	\$0.000	-	725,000	(325,000)	(75,000)	325,000
24/07/2015	30/11/2018	\$0.000	-	1,000,000	(500,000)	-	500,000
02/11/2015	30/11/2018	\$0.000	-	568,750	(561,298)	(7,452)	-
02/12/2015	30/11/2018	\$0.000	-	50,000	(8,333)	(25,000)	16,667
13/04/2016	30/11/2018	\$0.000	-	718,745	(239,584)	-	479,161
			9,000,000	3,062,495	(5,884,215)	(607,452)	5,570,828

2015							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
16/01/2015	30/11/2018	\$0.000	-	5,000,000	-	-	5,000,000
11/05/2015	30/11/2018	\$0.000	-	4,000,000	-	-	4,000,000
			-	9,000,000	-	-	9,000,000

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 2.4 years (30 June 2015: 3.4 years).

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
10/07/2015	10/07/2018	\$0.190	\$0.290	50.00%	-	2.08%	\$0.047
30/10/2015	30/10/2018	\$0.250	\$0.250	50.00%	-	3.25%	\$0.106
10/12/2015	03/08/2018	\$0.260	\$0.300	50.00%	-	2.08%	\$0.074
10/12/2015	30/10/2018	\$0.260	\$0.300	50.00%	-	2.08%	\$0.074
10/12/2015	10/12/2018	\$0.260	\$0.300	50.00%	-	2.08%	\$0.074
10/12/2015	10/12/2020	\$0.260	\$0.390	50.00%	-	2.08%	\$0.064

For the performance rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
10/07/2015	30/11/2018	\$0.200	\$0.000	-	-	-	\$0.200
24/07/2015	30/11/2018	\$0.200	\$0.000	-	-	-	\$0.200
02/11/2015	30/11/2018	\$0.260	\$0.000	-	-	-	\$0.200
02/12/2015	30/11/2018	\$0.280	\$0.000	-	-	-	\$0.200

Note 36. Events after the reporting period

On 1 August 2016, shareholders approved a Convertible Note facility from JGB (Cayman) Newton Ltd (“JGB”) for a maximum face value of Euro 11,828,005 (funding value Euro 10,805,000) in order to re-finance its senior ranking, Greensill Euro 7.5 million loan facility that was in existence at balance date 30 June 2016 (drawn to Euro 7.0 million) and to provide additional working capital to the Company.

The key terms of the Convertible Note, are as follows:

- Face value of Euro 11,828,005;
- Maximum funding value of Euro 10,805,000 is represented by Euro 7,550,000 initial funding and Euro 3,255,000 follow-on funding;
- Follow-on funding is available (three months after Completion) at between Euro 135,900 and 200,000 per month, dependent on future consolidated business performance and subject to meeting ongoing minimum monthly consolidated EBITDA hurdles;
- Headline coupon interest rate is 6.25% per annum;
- The maturity date is 31 January 2019;
- Noteholder has a conversion right throughout the life of the facility based on a fixed conversion price of \$0.271362 per share (‘conversion price’);

- JGB received 5,000,000, 5 year, \$0.30 exercise price options over ordinary shares, exercisable between 1 November 2016 and 1 November 2021;
- Company controls monthly redemptions as either repayments in cash (Euro 450,000) or stock (Euro 720,000);
- Cash redemption payments attract a 1.5% premium above the repayment amount;
- Stock redemption payments use a pricing mechanic as the lesser of the conversion price or 90% of the VWAP for the Trading Day immediately prior to the redemption event or 90% of the average of the 10 lowest VWAPs during 20 consecutive Trading Days immediately prior to the redemption event;
- Consolidated EBITDA is based on a contractual definition which excludes certain expenses such as share based payments or reductions from the full value of certain expenses, such as transaction costs and marketing expenses;
- Financial covenants relate to a minimum cash and cash equivalents holding at all times and a minimum, annualised, consolidated EBITDA hurdle, measured each quarter by multiplying the result by four;
- Consolidated rolling EBITDA performance breaches against covenants may be cured by the Company paying extra principal payments to the Noteholder, at x2 times the shortfall within 60 days of the breach;
- If breaches occur for 4 quarters in a row (and the cumulative breach exceeds Euro 453,000), the Noteholder can ask the Company to repay 50% of the outstanding principal amount, within 90 days of the breach;
- If after 4 consecutive quarters of breaching, the cumulative breach exceeds Euro 1,585,500, the Company is in default of the facility, and at JGB's discretion, the full amount outstanding on the facility, including interest may become immediately due and payable in cash;
- The Noteholder's ability to convert into or be issued stock in the Company during the life of the facility is constrained by not being able to hold more than 4.99% of Crowd Mobile's ordinary shares and not being able to trade more than 20% of the aggregate dollar trading volume of the shares on the ASX over prior 20 consecutive Trading Days; and
- The convertible note is secured by the assets of the Consolidated Entity and cross guarantees exist across all entities in support of the borrowings.

On 5 August 2016, the Company issued 318,906 ordinary shares for conversion of Performance Rights and an additional issue of 500,000 Performance Rights. Total ordinary shares on issue were 157,596,048 as of 5 August 2016.

On 25 August 2016, the Convertible Note facility completed and the Greensill current debt was paid out in full.

On 29 August 2016, the Company completed a share placement to sophisticated investors of 15,000,000 shares at \$0.16 per share to raise gross proceeds from the capital raising of \$2,400,000. The placement shares were issued with attaching \$0.27 exercise price, 2 year options, on a 1:2 basis (with fractional entitlements rounded up), representing 7,447,635 options. In addition, 1,515,023 options were issued to lead managers of the placement as part payment of their fees. Total ordinary shares on issue were 172,596,048 as of 29 August 2016.

In addition, as announced on 19 August 2016, the Company announced a \$1,000,000 rights issue to be underwritten by DJ Carmichael Pty Limited to \$600,000 on the same terms as the share placement. At the date of this report the rights issue had not yet opened.

No other matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Directors' Declaration (For The Financial Year Ended 30 June 2016)

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2016 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Theo Hnarakis
Director

Melbourne, 31 August 2016



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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

CROWD MOBILE LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Crowd Mobile Limited, which comprises the statement of financial position as at 30 June 2016, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Crowd Mobile Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of Crowd Mobile Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Crowd Mobile Limited for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.



RSM AUSTRALIA PARTNERS



J S CROALL

Partner

Melbourne, VIC

Dated: 31 August 2016

Shareholder Information

The shareholder information set out below was applicable as at 29 August 2016.

Distribution of equity securities

Analysis of number of equity security holders by size of holding:

Distribution of ordinary shareholders

	Holders	Total Units	%
1 -1,000	1,149	72,148	0.042
1,001 - 5,000	412	1,317,703	0.763
5,001 - 10,000	348	2,994,775	1.735
10,001 - 100,000	836	30,646,699	17.756
100,001 and over	224	137,564,723	79.703
	2,969	172,596,048	100.000

Distribution of option holders

	Holders of \$0.25 options expiring 4 Mar 2018	Holders of \$0.29 options expiring 10 Jul 2018	Holders of \$0.25 options expiring 3 Aug 2018	Holders of \$0.25 options expiring 30 Oct 2018	Holders of \$0.27 options expiring 29 Aug 2018	Holders of \$0.30 options expiring 30 Oct 2018	Holders of \$0.30 options expiring 10 Dec 2018	Holders of \$0.39 options expiring 10 Dec 2020	Holders of \$0.30 options vesting 1 Nov 2016 & expiring 1 Nov 2021
1 - 1,000	-	-	-	-	-	-	-	-	
1,001 - 5,000	-	-	-	-	-	-	-	-	
5,001 - 10,000	-	-	-	-	2	-	-	-	
10,001 - 100,000	-	-	-	-	28	-	-	-	
100,001 and over	1	3	1	2	23	2	1	4	
	1	3	1	2	53	2	1	4	

Distribution of performance rights holders

	Holders of performance rights
1 -1,000	-
1,001 - 5,000	-
5,001 - 10,000	-
10,001 - 100,000	9
100,001 and over	6
Total	15

Distribution of convertible note holders

	Holders of convertible notes
1 -1,000	1
1,001 - 5,000	-
5,001 - 10,000	-
10,001 - 100,000	-
100,001 and over	-
Total	1

Less than marketable parcels of ordinary shares (UMP Shares)

The number of holders of less than a marketable parcel of ordinary shares based on the closing market price at the Reporting Date is as follows:

	Total Shares	UMP Shares	UMP Holders	% of issued shares held by UMP holders
Holding less than a marketable parcel	172,596,048	670,769	1,401	0.38864

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
D.S.A.H. HOLDINGS PTY LTD	15,275,000	8.850%
DOMINET DIGITAL CORPORATION PTY LTD <CAROSA FAMILY A/C>	10,936,624	6.337%
DOMINET DIGITAL INVESTMENTS PTY LTD <DOMINET DIGITAL INVES FAM AC>	8,389,016	4.860%
Q HOLDINGS B V	7,692,570	4.457%
IBERA B V	7,692,570	4.457%
DSAH HOLDINGS PTY LTD	3,209,045	1.859%
NATIONAL NOMINEES LIMITED	2,602,776	1.508%
DOMINET DIGITAL CORPORATION PTY LTD <THE CAROSA FAMILY A/C>	2,040,000	1.182%
MR JOHANNES RUDOLF DE BACK	2,000,000	1.159%
AUSTRALCO SUPER INVESTMENTS PTY LTD <HNARAKIS FAMILY S/F A/C>	1,976,275	1.145%
DJ CARMICHAEL PTY LTD	1,879,936	1.089%
JIWA NADAN	1,872,713	1.085%
MSANNA.COM PTY LTD <ANNA CAROSA FAMILY A/C>	1,844,894	1.069%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,842,701	1.068%
ARMCO BARRIERS PTY LTD	1,608,000	0.932%
TIGER DOMAINS PTY LIMITED	1,602,738	0.929%
MR WILLIAM CAMERON CAPE	1,542,000	0.893%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 3	1,250,000	0.724%
EMBR CAPITAL LLC	1,250,000	0.724%
MS ZI YI ZHANG	1,136,500	0.658%
	<u>77,643,358</u>	<u>44.986%</u>

Unquoted equity securities

The number of each class of unquoted equity securities on issue, and the number of their holders, are as follows:

Class of Equity Securities	Number of unquoted Equity Securities	Number of holders
Options exercisable at \$0.25 each expiring 4 March 2018	1,000,000	1
Options exercisable at \$0.29 each expiring 10 July 2018	2,500,000	3
Options exercisable at \$0.25 each expiring 3 August 2018	5,000,000	1
Options exercisable at \$0.27 each expiring 29 August 2018	8,962,658	53
Options exercisable at \$0.25 each expiring 30 October 2018	5,000,000	2
Options exercisable at \$0.30 each expiring 30 October 2018	5,000,000	2
Options exercisable at \$0.30 each expiring 10 December 2018	6,000,000	1
Options exercisable at \$0.39 each expiring 10 December 2020	9,000,000	4
Options exercisable at \$0.30 each, vesting 1 November 2016 and expiring 1 November 2021	5,000,000	1
Performance Rights	6,070,828	15
Convertible Notes	1	1

Except as listed below, no persons hold 20% or more of the equity securities in any unquoted class that were not issued or acquired under an employee incentive scheme.

- 1,000,000 options exercisable at \$0.25 each expiring 4 March 2018 and 6,000,000 options exercisable at \$0.30 each expiring 10 December 2018 are held by DJ Carmichael Pty Limited.
- 5,000,000 options exercisable at \$0.30 each expiring 3 August 2018 are held by Incipient Capital Ltd.
- 2,500,000 options exercisable at \$0.25 each expiring 30 October 2018 and 2,500,000 options exercisable at \$0.30 each expiring 30 October 2018 are held by Q Holdings BV.
- 2,500,000 options exercisable at \$0.25 each expiring 30 October 2018 and 2,500,000 options exercisable at \$0.30 each expiring 30 October 2018 are held by Ibera BV.
- 5,000,000 options exercisable at \$0.30 each, vesting 1 November 2016 and expiring 1 November 2021, and 1 convertible note are held by JGB (Cayman) Newton Ltd.

Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
DSAH Holdings Pty Ltd, Daniel Wallis	20,086,783	11.64
Dominet Digital Corporation Pty Ltd, Dominet Digital Investments Pty Ltd, Domenic Carosa	23,704,308	13.73

Voting rights

The only class of equity securities on issue in the Company which carry voting rights is ordinary shares.

At a general meeting of the Company, every holder of ordinary shares is entitled to vote in person or by proxy or attorney; and on a show of hands every person present who is a member has one vote, and on a poll every person present in person or by proxy or attorney has one vote for each ordinary share he holds.

Voluntary escrow

There are 15,385,140 ordinary shares in the Company held in voluntary escrow until 30 October 2016.

Stock Exchange Listing

The Company's ordinary shares are quoted on the Australian Securities Exchange (ASX) (ASX issuer code: CM8) and on the Frankfurt Stock Exchange and European based XETRA (European stock code: CM3).

On-market buyback

The Company is not currently conducting an on-market buy-back.

Item 7 issues of securities

There are no issues of securities approved for the purposes of item 7 of section 611 of the Corporations Act which have not yet been completed.

Post-reinstatement to quotation use of cash and assets

During the financial year ended 30 June 2016, the Company has used the cash and assets in a form readily convertible to cash that it had as at the Reinstatement Date in a way consistent with its business objectives.

Company Secretary

The Company's secretary is Ms Sophie Karzis.

Registered Office

The address and telephone number of the Company's registered office are:

Level 4, 44 Gwynne Street
CREMORNE VIC 3121

Telephone: +61 3 9020 1468

Share Registry

The address and telephone number of the Company's share registry, Boardroom Pty Limited, are:

Street Address:

Level 12
225 George Street
SYDNEY NSW 2000

Telephone: +61 2 9290 9600

Crowd Mobile Limited
ABN: 13 083 160 909



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