

1. Company details

Name of entity:	Crowd Mobile Limited
ABN:	13 083 160 909
Reporting period:	For the year ended 30 June 2017
Previous period:	For the year ended 30 June 2016

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	15.8% to	43,916,479
Loss from ordinary activities after tax attributable to the owners of Crowd Mobile Limited	down	109.7% to	(85,524)
Loss for the year attributable to the owners of Crowd Mobile Limited	down	109.7% to	(85,524)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the Group after providing for income tax amounted to \$85,524 (30 June 2016: profit of \$877,612).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>0.81</u>	<u>(7.42)</u>

4. Control gained over entities

Not applicable.

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.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

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 2017 is attached.

12. Signed



Signed _____

Date: 31 August 2017

Theo Hnarakis
Chairman
Melbourne



CROWD MOBILE LIMITED
ABN 13 083 160 909

**ANNUAL REPORT
FOR 30 JUNE 2017**



“We have the foundations to build a world-class mobile entertainment and digital media company”

Domenic Carosa, CEO, Crowd Mobile

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CORPORATE DIRECTORY

Directors	<p>Theo Hnarakis – Non-Executive Chairman</p> <p>Domenic Carosa –Executive Director & CEO</p> <p>Sophie Karzis – Non-Executive Director and Company Secretary</p>
Registered office	<p>Level 4, 44 Gwynne Street Cremorne, VIC 3121</p> <p>Tel: 1300 034 045 (within Australia) +61 (3) 9020 1468 (outside Australia) Fax: +61 (3) 9923 6507</p>
Share register	<p>Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000</p> <p>Tel: 1300 737 760 (within Australia) +61 (0) 3 9290 9600 (outside Australia) Fax: +61 (2) 9279 0664</p>
Auditor	<p>RSM Australia Partners Level 21, 55 Collins Street Melbourne VIC 3000</p>
Stock exchange listing	<p>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.</p>
Website	<p>www.crowdmobile.com</p>
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 LETTER

I am pleased to present Crowd Mobile's 2017 Annual report. Our second full year on the ASX was again one of great success highlighted by growth, the continued reduction of debt and strategic plans for the future. We are excited by the opportunity within our new division Crowd Media, which includes our recently launched digital influencers Agency business Crowd.Agency.

The Crowd Mobile business has delivered quality financial results with a 16% increase in revenue on the prior year, to a record of \$43.9 million with continuing and growing demand for our broad mobile content services.

With much to do yet, it's nonetheless with a strong sense of passion and pride in my fellow Board members, management team and staff of Crowd Mobile, that I commend the 2017 Annual Report to you and trust that the coming year will be deserving of your loyalty and continued support.

QUESTIONS & ANSWERS (Q&A) DIVISION

Crowd Mobile's Questions & Answers (Q&A) division enjoyed its third consecutive year of record growth in 2017 as we continued to see expansion in territories covered and message volume. Such growth is especially pleasing when considering the strategic shift in the second half of the year towards digital influencer marketing and an increased focus on that business as our next generation of customers.

Across the Group, The Q&A division saw the largest growth in revenue increasing by 26% from \$19.8 million in FY16 to \$24.9 million in FY17 when excluding non-recurring Other income benefit, from that year.

SUBSCRIPTION DIVISION

The Subscription division had its first full year under Crowd Mobile's ownership and was again a strong contributor to both revenue and EBITDA in FY17, at \$19.0 million and \$6.7 million respectively.

Our extensive international mobile payments network has expanded to 212 mobile carriers in 64 countries. It is this billable distribution platform, combined with our proprietary technology platform and experienced international team that positions Crowd Mobile uniquely in the mobile content global economy.

Although the Track acquisition debt diminished performance this year on an annualised basis, the team have demonstrated resilience and commitment as they pursue green shoots and potential new business from within the burgeoning mobile subscription global economy.

CROWD MEDIA DIVISION

Our recent introduction and strategic pivot towards digital influencer commerce and digital media style business will leverage Crowd Mobile's skill sets and in time, offer new and exciting horizons for our stakeholders. Using the Q&A Division as an incubator, we have successfully launched Crowd Media, a division which includes our digital influencers business Crowd.Agency and our proprietary digital influencer commerce platform Crowd.ly.

"Crowd Mobile achieved record results in the 2017 financial year with revenue growing 16% to \$43.9 million. Our core strategy is to combine organic growth, business consolidation and fiscal responsibility with investment in exciting new opportunities such as our recently launched Crowd Media division"

Theo Hnarakis, Chairman, Crowd Mobile

FISCAL RESPONSIBILITY

Our capital positioning was significant in FY17. Crowd Mobile not only refinanced our debt portfolio at the start of the year but raised multiple equity rounds to strengthen the balance. While the financial debt restructure has not been inexpensive the Company has maintained a prudent approach towards capital management that balances appropriate working capital requirements of the business with maintaining an optimal capital structure.

Pleasingly the Company reduced its Net Debt by 81% to \$2.8m during the year, which bodes nicely for a vastly reduced financing cost and improved operating cashflow, looking forward.

The net loss reflects a non-cash, share based payments expense of \$0.5m and non-recurring debt refinancing costs of \$1.0m.

EBITDA RESULTS

Reflecting the continued emphasis on growth within the Q&A and Subscription businesses during the year, Crowd Mobile reported a record EBITDA result for FY17. However, notably high acquisition amortisation as well as interest and other financing costs, weighed heavily on the net result for the year, which recorded a minor loss of (\$0.1m).

When adjusting only for these effects, the Underlying EBITDA for the year is \$11.0 million, as follows:

	\$
Net profit after tax (NPAT)	(85,524)
Add back: income tax expense	276,428
Add back: finance costs	4,204,393
Deduct: interest income	(27,457)
Add back: depreciation and amortisation	5,039,925
Earnings before interest, tax, depreciation and amortisation (EBITDA)	9,407,765
Add back: share-based payments expense	542,849
Add back: re-financing costs (debt)	1,024,028
Underlying EBITDA	10,974,642

The FY17 Underlying EBITDA result converted very strongly into cash flow during the year, with Net Trading Receipts (Operating Cashflow less payments for Interest and Income), of \$10,917,528, which is a 19% increase against the prior year.

BOARD, GOVERNANCE AND MANAGEMENT

The Board is committed to ensuring 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 optimising its management mix to ensure the right personnel are in place to execute on the rollout of new products and new international markets. Our executives are focused on increasing revenue, margins and productivity.

OUTLOOK

FY18 provides a number of valued opportunities for Crowd Mobile including execution of our plans around digital influencer commerce and digital media business, as well as monetising some larger, traditionally more challenging, economic powerhouses within the Q&A and Subscription divisions.

We are enthusiastic over the Company's increased focus on research and development suited for digital influencers, celebrities, brands and businesses and look forward to leveraging our micro job technology in new ways.

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 strong and committed 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 2017

CHIEF EXECUTIVE OFFICER'S REPORT

Dear Shareholders,

Crowd Mobile is proud of the progress achieved in the 2017 financial year. We have delivered record results, impressive growth across key metrics, paid down a significant amount of debt and launched Crowd Media, an exciting new division. Underpinning Crowd Mobile's record FY17 results has been the growing demand for our Q&A and Subscription divisions.

The Q&A division, which connects those seeking answers with experts, saw its third year of consecutive growth. Revenue also grew in the Subscription division, which delivers mobile content to millions of customers worldwide.

By leveraging the knowledge and expertise we have acquired in the Crowd Mobile divisions (Q&A and Subscription) we have successfully launched Crowd Media, a division housing our new digital influencer businesses. Within Crowd Media, we have created Crowd.Agency, a business that connects 3rd party brands with digital influencers and Crowd.ly, our digital influencer commerce platform.

Why is Crowd Mobile investing in this space? At Crowd Mobile, we see social media as the new TV channel and digital influencers as the new TV commercial. Millennials are no longer consuming media in traditional ways, so brands need to be agile and design new methods to reach them. This is where digital influencers – people with clout on social media – come in. Research shows that millennials trust influencers much more than traditional media, making social media an important marketing channel.

Moving forward, we see opportunities for influencers to leverage their popularity to sell both physical and digital products, so we want to empower them to monetise beyond simply advertising.

Backing this all up, we have a global distribution network – fifteen years in the making – that is connected to over 212 telcos worldwide. With this vast network in place, we can bill customer's mobile phones directly. Currently, we are executing over 200 influencer campaigns a month, and to date, we have worked with over 6,000 influencers. We see this as a lucrative growth opportunity and are very excited to be moving into this space.

Although Crowd Mobile has invested resources into Crowd Media, we have also been fiscally responsible in our approach to paying down our debt. In FY17 we reduced our net debt by 81%, positioning us for a major reduction in FY18's finance costs and increase in operating cash flow expectations.

CROWD MOBILE SNAPSHOT

We are a global mobile entertainment and digital media company delivering personalised, mobile experiences that make people smile. In FY17, the Company consisted of two divisions: Q&A and Mobile Subscriptions.

- **Question & Answers (Q&A):** Develops engaging mobile products seamlessly connecting those seeking answers with experts qualified to give them. **FY17 revenue: \$24.9 million, up 26%.**
- **Mobile Content Subscription:** Delivers mobile content - games, mobile security, applications, education, apps, music & video to millions of consumers. **FY17 revenue: \$19 million, up 10%**

We facilitate these two divisions through our growing mobile payments network in 64 countries connected to over 212 mobile telcos. As mentioned, we are incubating Crowd Media within the Q&A division.



KEY METRICS

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 entertainment and digital media 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 number of countries serviced from **54 to 64**
- Increase in number of telco m-payments partners from **160 to 212**
- Increase in questions answered from **9.0 million to 13.4 million**

KEY DRIVERS

Crowd Mobile is positioned to continue capitalising on the global shift towards mobile devices and increasing importance of social media channels. Our target customers continue to be 16-35 years old with highly disposable income and limited financial commitments. These millennials are mobile natives and Crowd Mobile provides value mobile services and entertainment aimed at them. We have also identified the growing trend of digital influencers and see this as a key opportunity going forward. Our product strategy is matched to these demands and trends.

GROWING NETWORK: GLOBAL

Approximately 90% of Crowd Mobile's revenue comes from international territories.

As was the case last year, our strategy has been to connect with local telcos to have access to their billing platforms. We are now in 64 countries and are in the process of introducing mobile payment capability to new regions. This facilitates product rollout and rapid time to revenues. Once connected, revenues can be generated in as little as six weeks. Most territories can be managed with one or two key staff, with all billing and back-office being run out of Amsterdam & Australia.

COMPANY OUTLOOK

Crowd Mobile is focused on growth in four main areas:

- Product and advertising monetisation for the expanding digital influencers platform
- Launch a new payment method specifically targeted at the millennial market
- Increase global scalability by exposing our technology via APIs (The Q&A API is now available, the mobile payment API is being built, and eventually we will have a digital influencer commerce API)
- The growth of brand-funded content across social media and live streaming platforms owned run by digital influencers

Crowd Mobile is committed to growing each division in the year ahead and on track to materially reducing our debt in FY18. I thank all of our shareholders for your continued support and look forward to sharing our developments with you all.



Domenic Carosa
Chief Executive Officer
31 August 2017

“Crowd Mobile’s record results for the 2017 financial year were marked by reducing debt while increasing revenue and pursuing innovation. Our core businesses continue to deliver memorable, personalised mobile experiences and our new division, Crowd Media, has now been established and is set to empower brands and digital influencers worldwide”

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 2017.

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	
Sophie Karzis	Appointed on 2 November 2016
Johannes de Back	Resigned on 23 November 2016

PRINCIPAL ACTIVITIES

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

DIVIDENDS

There were no dividends paid, recommended or declared during the current or previous financial year.

REVIEW OF OPERATIONS

The loss for the Group after providing for income tax amounted to \$85,524 (30 June 2016: profit of \$877,612).

During 2017 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 predominately in Europe and Australasia.

FINANCIAL OVERVIEW

The financial results for the year ended 30 June 2017 and for the prior year ended 30 June 2016, ('pcp' or 'prior year') represents those of the Crowd Mobile operating entities, the Track operating entities, and Crowd Mobile Limited.

Crowd Mobile earned revenue, interest and other income for the year ended 30 June 2017 of \$43,916,479 versus \$37,911,487 in the prior year. The net loss after tax for the year was \$85,524 compared with a pcp net profit after tax of \$877,612. The other comprehensive income for the year attributable to the owners of Crowd Mobile was (\$251,234) when accounting for a foreign currency translation loss on foreign operations.

Crowd Mobile's net asset position at 30 June 2017 was \$29,911,258, an increase of 40.3% over the prior year of \$21,312,983 and largely reflecting an increase in capital raising.

For the 2017 financial year, Crowd Mobile generated positive operating cash flow of \$4,512,258 and had balance date net debt of \$2,751,454, comprising \$5,200,089 in cash and cash equivalents and \$7,951,543 in borrowings.

COMPARISON OF YEARS ENDED 30 JUNE 2017 TO 30 JUNE 2016

	2017	2016	Increase/ (decrease)	Percentage change
	\$	\$	\$	%
Revenue	43,887,388	36,994,826	6,892,562	19%
Other income	1,634	876,463	(874,829)	(100%)
Cost of sales	9,337,233	8,418,690	918,543	11%
Selling, general and administration expenses	25,144,024	23,137,160	2,006,864	9%
EBITDA Profit / (Loss)	9,407,765	6,315,439	3,092,326	49%
Interest income	(27,457)	(40,198)	12,741	(32%)
Depreciation and amortisation	5,039,925	3,725,625	1,314,300	35%
Finance costs	4,204,393	2,056,906	2,147,487	104%
Income tax expense / (benefit)	276,428	(304,506)	580,934	(191%)
Net Profit / (Loss) After Tax	(85,524)	877,612	(963,136)	(110%)

Notably, the Company's EBITDA and net loss reflects, a non-cash share based payments charge of \$542,849 and one-off debt re-financing costs, of \$1,024,028 (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 the financial year is a profit of \$10,974,642 (pcp: \$8,342,048), an increase of 32% versus prior year, as follows:

	Consolidated	
	2017	2016
	\$	\$
Net profit/(loss) after tax (NPAT)	(85,524)	877,612
Add back: tax expense/(benefit)	276,428	(304,506)
Add back: finance costs	4,204,393	2,056,906
Deduct: interest income	(27,457)	(40,198)
Add back: depreciation and amortisation	5,039,925	3,725,625
Earnings before interest, tax, depreciation and amortisation (EBITDA)	9,407,765	6,315,439
Deduct: Other income – Q Limited entity shut downs	-	(756,537)
Add back: share-based payments expense (non-cash)	542,849	1,393,897
Add back: transaction costs - Track acquisition	-	1,089,241
Add back: restructure costs - European operations consolidation	-	300,008
Add back: re-financing costs (debt)	1,024,028	-
Underlying EBITDA	10,974,642	8,342,048

REVENUE

	2017	2016	Increase/ (decrease)	Percentage change
	\$	\$	\$	%
Revenue	43,887,388	36,994,826	6,892,562	19%

For FY-17, revenue was represented by Q&A of \$24,879,464 (pcp: \$19,792,603) and Subscription, of \$19,007,924, (pcp: \$17,202,223 which was for eight months only).

The Q&A business produced a strong increase in revenue, up 26% due to continuous paid message volume growth across an expanded m-payments network. Paid message volumes increased by 49% to 13.4m, year on year. The average revenue per paid message for FY-17 was \$1.86 v FY-16 of \$2.23 reflecting the Company's strategy of growing more strongly in lower unit economic countries, as well as an appreciating Australian dollar versus the Euro, compared to the prior comparative period (average rates moved 5% during FY-17 v pcp).

Subscription contributed consolidated revenue of \$19,007,924 and although revenue is generally stable, it remains at the lower end of management's expectations. Management has tangible plans to augment Subscription's product offering in FY-18 which is expected to return the business to a growth profile.

We expect group revenue growth to continue in FY-18 as a result of progressing our recently established digital influencer commerce business as well as from taking existing and new products into existing and new markets in both the Q&A and Subscription businesses.

EXPENSES

(i) Cost of sales

For FY-17, the Group's cost of sales was \$9,337,233 or 22% of revenue (pcp: \$8,418,690 at 23%) and was represented by Q&A at \$6,761,776 (pcp: \$6,250,232) and Subscription of \$2,575,457 (pcp: \$2,168,458). The moderate margin improvement was the result of a strong improvement in the Q&A business from the use of auto responder technology solutions within Q&A.

We expect cost of sales as a percentage of revenue to be relatively flat in FY-18.

(ii) Selling, general and administration expense

For FY-17, the 9% increase in Crowd Mobile's selling, general, and administrative expenses (which includes Marketing and Product-R&D), to \$25,144,024 is mostly due to the Subscription CGU consolidating its results for a full 12 months, whereas the prior comparative period included 8 months only. The increase was significantly less than the increase in revenue and gross profit for the period and the second half of the year's costs were down against the first half, reflecting cost containment efforts in late 2016 calendar year.

We expect selling, general and administration expenses to increase in FY-18 based on the company's strategy to invest into high growth business areas, such as digital influencer commerce.

The larger expenses and or large movements in expenses for FY-17 versus FY-16, were as follows:

	2017	2016	Increase/ (decrease)	Percentage change
	\$	\$	\$	%
Marketing	12,644,021	10,570,729	2,073,292	20%
Employee benefits expense	6,755,092	5,877,285	877,807	15%
Product development	294,810	-	294,810	-
Share-based payment	542,849	1,393,897	(851,048)	(61%)
Transaction costs	-	1,089,241	(1,089,241)	(100%)
Re-finance costs	1,024,028	-	1,024,028	-

- Marketing:** The consolidated marketing expense of \$12,644,021 or 28% of revenue for FY-17 was up by \$2,073,292 or 20% versus FY-16: \$10,570,729 (29% of revenue). Q&A was \$5,581,550 or 22% of revenue for the year, compared to pcp of \$4,333,950, also at 22%. The digital influencer channel produced strong ROI, which offset minor increases in digital and innovation marketing channels. The Subscription expense was \$7,062,471 or 36% (pcp: \$6,236,779 at 36%). Moving forward, we expect a broadly consistent marketing cost income ratio.
- Employee benefits expense:** the consolidated expense increased by \$877,807 or 15% in FY-17 and was mostly driven by the first full 12 month trading period of the Subscription CGU. Q&A for the period, was \$5,213,031, an increase of \$675,299 or 15% versus the prior comparative period. The Subscription expense was \$1,542,061 for the period, versus \$1,392,292 for the 8 months of trading in FY-16. At 15% of group revenue, the employee benefits expense ratio down trended in FY-17 however we expect this ratio to moderately rise in FY-18 as we pursue growth in new businesses.
- Product development:** In FY-17, the Company incurred a product development expense of \$294,810 (pcp: nil), which related to external product consultancy fees within Q&A to build software. In FY-18, we expect to spend significantly more money on product development in line with the Company's strategic plan and the growth of new business opportunities.
- Share-based payment:** The consolidated expense of \$542,849 for FY-17 is a Directors and staff incentive expense and is attributed to Q&A. The reduction of \$851,048 or 61% reflects a diminishing amortisation expense for the December 2014 performance rights and two grants of prior Director options.
- Transaction costs:** These corporate costs relate to the Track acquisition in the prior comparative period only.
- Re-finance costs:** The expense of \$1,024,028 for the year relates to re-financing success fees plus associated corporate advisory services in relation to the JGB convertible note facility that replaced Greensill in August 2016. These costs are not expected to re-occur.

(iii) *Depreciation and amortisation*

	2017	2016	Increase/ (decrease)	Percentage change
	\$	\$	\$	%
Depreciation	258,757	165,215	93,542	57%
Amortisation	4,781,168	3,560,410	1,220,758	34%
	5,039,925	3,725,625	1,314,300	35%

The consolidated depreciation and amortisation expense of \$5,039,925 (FY-16: \$3,725,625) is split between Q&A as \$321,813 (FY-16: \$446,530) and Subscription as \$4,718,114 (FY-16: \$3,279,095).

For FY-17, the \$1,314,300 or 35% increase is due to a full 12 months of amortisation of the Subscription CGU's intangible assets versus only 8 months in FY-16. We expect the consolidated depreciation and amortisation charges to reduce moving forward, as the estimated useful lives of the acquired identified intangible assets within the Subscription business begin to expire.

(iv) Finance costs

The consolidated finance costs for FY-17 of \$4,204,393 is an increase of \$2,147,487 or 104% from FY-16 and reflects a full 12 months of debt holdings in the current period, as well \$650,429 in early termination fees, for the retirement and re-financing of vendor debt, versus 8 months only of debt holding in FY-16. We expect finance costs to significantly decline in FY-18 given the large debt reduction in late FY-17 and the expected further reduction during FY-18.

(v) Income tax expense/(benefit)

The consolidated tax expense for FY-17 of \$276,428 is represented by a Q&A expense of \$562,983 (FY-16: benefit of (\$638,301) and a Subscription benefit of (\$286,555) (FY-16: expense of \$333,795). The tax expense increase versus the prior period of \$580,934 relates mostly to an increase in Q&A's taxable profit due to a correction in FY-16 for earlier over provisions of tax, negated by increased deductibility of finance costs.

CASH FLOW

The Company's net cash from operating activities for the year was \$4,512,258 which was a decrease of \$2,506,720 versus the prior period (FY16: \$7,018,978). The decline reflects significant increases in payments for interest and taxes this year, which were \$4,204,393 and \$2,228,334 respectively. In combination, this represented an increase of \$4,223,637 against the prior year. The increase in interest payments reflects the cost of larger average debt holdings for the year versus the previous year, which contained only 8 months of debt financing, (given the Track acquisition was made at the end of October 2015), as well as one-off penalties for early vendor debt termination.

The FY-17 net trading receipts (excluding interest and tax cash flows) for FY-17 was \$10,917,528, which is a 19% increase over the prior year, of \$9,187,870.

The net cash flow from investing activities in this year was (\$170,739) versus (\$27,060,749) in the prior year, which reflected payments (net of cash acquired) for the Subscription acquisition of Track of \$26,830,896 and minor capital expenditure. The net cash flow from financing activities for the period was (\$1,835,270) versus \$21,383,385 in the prior year and which mostly reflected proceeds from a combination of new equity \$11,612,428 and net debt of \$10,176,907, which was mostly applied to finance the Track acquisition.

LIQUIDITY AND FINANCIAL POSITION

At Crowd Mobile's 30 June 2017 reporting date:

- Cash and cash equivalents ('cash') was \$5,200,089 (FY-16: \$2,902,881).
- Working capital, (defined as current assets less current liabilities), increased by \$6,260,341 to \$4,457,099 (pcp: (\$1,803,242)) and the improvement reflects net debt reduction, from both an increase in cash and a reduction in borrowings.
- Reporting date total current and non-current borrowings ('debt') was \$7,951,543 (30 June 2016: \$17,706,367).
- Net debt (debt less cash), at 30 June 2017 was \$2,751,454, a decrease of \$12,052,032 or 81% from \$14,803,486 at 30 June 2016.
- Net assets at 30 June 2017 were \$29,911,258 (30 June 2016: \$21,312,983).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 1 August 2016, shareholders approved a Convertible Note facility from JGB Management, 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 €7,500,000 loan facility that was in existence at balance date 30 June 2016 (drawn to Euro €7,000,000) 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;
- JGB controls whether monthly redemptions occur and the Company controls whether cash (Euro €450,000) or stock (Euro €720,000) is paid;
- 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 Group 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 at 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.

On 13 October 2016, the Company issued 250,000 ordinary shares for conversion of Performance Rights. Total ordinary shares on issue were 172,846,048 as of 13 October 2016.

In addition, as announced on 20 October 2016, the Company completed an underwritten rights issue to shareholders at \$0.16 per share to raise gross proceeds from the capital raising of \$600,000. The 3,750,000 placement shares were issued with attaching \$0.27 exercise price, 2 year options, on a 1:2 basis (with fractional entitlements rounded up), representing 1,875,000 options. Total ordinary shares on issue were 176,596,048 as of 4 November 2016.

On 23 December 2016, the Company issued 2,200,000 ordinary shares to the former Track owners as a prepayment in lieu of Euro €154,000 (\$220,985) in cash interest due in first quarter of 2017 calendar year. In addition, 118,421 shares were issued to a corporate services supplier, in lieu of \$11,250 cash. Total ordinary shares on issue were 178,914,469 as of 23 December 2016.

On 20 April 2017, the Company successfully raised \$5,300,000 through a placement of 40,769,230 ordinary shares at \$0.13 per share. The \$0.13 per share is a \$0.005 premium to market based on closing price from 14 April 2017 and a 2% premium to the 30 day volume weighted average price \$0.127. Settlement of the placement occurred on 27 April 2017 and the shares were issued on 28 April 2017 and rank equally with existing shares.

On 22 June 2017, the Company completed an early debt repayment of its 15% per annum, \$7,222,804 (Euro €4,900,000) Track Concept ('Track') vendor debt, previously due in October 2018. A discounted early repayment fee of \$577,034 (Euro €391,464) was paid at termination in lieu of interest. The repayment was financed through a combination of cash reserves plus a \$2,935,784 (Euro €2,000,000) draw-down from the existing JGB Loan facility albeit the outlook for finance costs is a much more significant overall reduction. The elimination of this debt is expected to save the Company \$800,000, after payment of the early repayment fee.

As part of the JGB draw-down financing, JGB were paid a one time equity fee of 1,000,000 options, with a strike price of 25 cents and a term of 3 years.

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 14 July 2017, the Company issued a second issue of Performance Rights ('PR') to employees. The three year PRs are based on share price and earnings per share targets and the maximum number of shares that can be issued on conversion is 6,000,000 (excluding a grant to the Chief Executive Officer which will be put to shareholders at the 2017 Annual General Meeting).

On 29 August 2017, the Company resolved that the Class C Performance rights objective had been met, which will result in future conversion of 3,250,000 Performance rights into ordinary shares.

No other matter or circumstance has arisen since 30 June 2017 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 FY-18 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:	Chairman of Dropsuite Ltd (ASX: DSE) (since 28 December 2016), Advisory Board member of Drop Suite Pty Ltd (non-listed), Non-Executive Director of QSR International Pty Ltd (non-listed), Advisory Board member of Longlake Research (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:	2,398,299 ordinary shares (held indirectly)
Interests in options:	3,000,000 options (held directly) 211,012 (held indirectly)
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:	58,888 ordinary shares (held directly) 25,538,101 ordinary shares (held indirectly)
Interests in options:	4,000,000 options (held directly) 781,250 options (held indirectly)
Interests in rights:	2,500,000 performance rights (held directly)

Name:	Sophie Karzis
Title:	Non-Executive Director (appointed on 2 November 2016)
Qualifications:	Bachelor of Laws Degree from Monash University
Experience and expertise:	Sophie is a practising lawyer with over 20 years' experience in corporate law. She is company secretary and general counsel to a number of public, both listed and unlisted, and private companies and is the principal of Corporate Counsel, a business which provides corporate and company secretarial services to Australian companies.
Other current directorships:	Director of Change Up Holdings Limited (non-listed), Director of Collingwood Football Club Foundation (non-listed – not-for-profit)
Former directorships (last 3 years):	Shoply Limited (ASX: SHP, now ASX: HT8) (January 2012 to June 2015)
Special responsibilities:	Company secretary
Interests in shares:	110,000 ordinary shares (held indirectly)
Interests in options:	1,510,000 options (held indirectly)
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 and a Non-Executive Director. Refer to 'Information on directors' section above for experience and expertise.

MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2017, and the number of meetings attended by each director were

Full Board	Attended	Held
Theo Hnarakis	15	15
Domenic Carosa	15	15
Sophie Karzis	7	9
Johannes de Back	5	6

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 director and executive director remuneration is 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 based on their position and responsibility, with a level and mix of remuneration 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, 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 ('PR 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.

- 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');
- 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;
- 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
- 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. However, given that Class A and Class B Performance rights have been earned and converted to ordinary shares previously, only Class C and Class D, totalling 6,500,000 are outstanding.

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.

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 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.

As a legacy tool, the Company has so far maintained, though not activated, 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.

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 statutory key performance indicators of the Group for the three years to 30 June 2017 are summarised below:

	2017	2016	2015
Total comprehensive income for the year attributable to the owners of Crowd Mobile Limited (\$)	(251,234)	379,882	(3,958,266)
Total KMP incentives as percentage of profit/(loss) for the year (%)	(9.27%)	(6.85%)	(0.34%)
Share price at financial year end (\$)	0.14	0.16	0.20
Increase/(decrease) in share price (%)	(12.5%)	(20.0%)	-
Basic earnings per share (cents per share)	(0.05)	0.56	(10.38)

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 2017, 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 2016 Annual General Meeting ('AGM')

At the 23 November 2016 AGM, 84.37% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2016. 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:

- Christian Shaw - Chief Financial Officer;
- Gregor Cooney - General Manager - Q&A; and
- Ivo Urlings - General Manager - Subscription (appointed 1 September 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	Leave benefits	Equity-settled	
2017	\$	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>								
T Hnarakis	135,000	-	-	-	12,825	-	94,227	242,052
S. Karzis	116,898	-	-	-	-	-	47,114	164,012
<i>Executive Directors:</i>								
D Carosa ***	566,855	49,207	17,067	-	5,700	-	306,810	945,639
J de Back **	56,590	-	-	-	-	-	-	56,590
<i>Other Key Management Personnel:</i>								
C Shaw	274,667	67,563	15,365	-	26,093	-	53,772	437,460
G Cooney	209,454	70,552	19,128	-	-	-	31,941	331,075
I Urlings*	125,591	10,183	16,395	-	-	-	-	152,169
	1,485,055	197,505	67,955	-	44,618	-	533,864	2,328,997

* 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

*** D Carosa remuneration includes mobility premium for secondment to The Netherlands of \$197,928 (effective date 1 July 2016)

S Karzis was appointed a Non-Executive Director on 2 November 2016. Accordingly, the remuneration shown above is for the whole year as she was a key management person before becoming a director.

J de Back who was a Director and shareholder of Dutchman Capital PTE Ltd, provided consulting services based on normal commercial terms.

	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	Leave benefits	Equity-settled	
2016	\$	\$	\$	\$	\$	\$	\$	\$
Non-Executive Directors:								
T Hnarakis	120,000	-	-	-	11,400	-	47,114	178,514
Executive Directors:								
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
Other Key Management Personnel:								
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

* 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 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.

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

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2017	2016	2017	2016	2017	2016
Non-Executive Directors:						
T Hnarakis	56%	74%	-	-	44%	26%
S Karzis	71%	-	-	-	29%	-
Executive Directors:						
D Carosa	61%	48%	6%	5%	33%	47%
J de Back	100%	69%	-	16%	-	15%
Other Key Management Personnel:						
S Karzis	-	82%	-	-	-	18%
C Shaw	67%	50%	15%	8%	18%	42%
T Schlitzke	-	94%	-	5%	-	1%
G Cooney	64%	47%	21%	7%	15%	46%
I Urlings	88%	-	6%	-	6%	-

Cash bonuses are dependent on the performance of the Group. The amount of the bonus is determined as described above in the section 'Group performance and link to remuneration'. The maximum bonus values are determined by the Board.

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*, 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. <i>* Base annual package - Netherlands annual package €350,000 per annum plus statutory social security, plus Australian Director Fees of \$60,000 per annum plus statutory superannuation</i>

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. 6 months termination by employer, 6 months by executive. The Company may terminate the agreement with cause in certain circumstances such as gross misconduct. <i>* Base annual package - \$310,000 per annum plus statutory superannuation</i>

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. 6 months termination by employer, 3 months by executive. The Company may terminate the agreement with cause in certain circumstances such as gross misconduct. <i>* Base annual package - €158,000 plus statutory social security</i>

Name:	Ivo Urlings
Title:	General Manager – Subscription
Agreement commenced:	1 September 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. 4 months termination by employer, 2 months by executive. The Company may terminate the agreement with cause in certain circumstances such as gross misconduct <i>* Base annual package - €114,000 plus statutory social security</i>

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

SHARE-BASED COMPENSATION

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2017.

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	30 October 2018	\$0.300	\$0.074
10 December 2015	10 December 2015	10 December 2020	\$0.390	\$0.094
4 November 2016	24 October 2018	24 October 2018	\$0.270	\$0.167

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 2017.

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 performance goals are met. Performance rights granted generally also have a time-based vesting criteria.

Performance rights granted carry no dividend or voting rights.

There were no performance rights over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2017.

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	1,976,275	-	422,024	-	2,398,299
J de Back*	2,000,000	-	-	(2,000,000)	-
D Carosa	23,704,308	-	1,892,681	-	25,596,989
S Karzis	90,000	-	20,000	-	110,000
C Shaw	942,994	-	166,852	(150,000)	959,846
G Cooney	333,334	-	-	-	333,334
	29,046,911	-	2,501,557	(2,150,000)	29,398,468

* Disposals/other represents no longer a key management personnel, not necessarily a disposal of holding

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**	3,000,000	-	-	211,012	3,211,012
J de Back*	3,000,000	-	(2,000,000)	(1,000,000)	-
D Carosa**	4,000,000	-	-	781,250	4,781,250
S Karzis**	1,500,000	-	-	10,000	1,510,000
	11,500,000	-	(2,000,000)	2,262	9,502,262

* Expired/forfeited/other represents no longer a key management personnel, not necessarily an expiry of holding

** Other includes T Hnarakis, D Carosa and S Karzis that were granted as part of the October 2016 Rights Issue were 1 for 2 attaching options at an exercise price of 27.0 cents

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	2,500,000	-	-	-	2,500,000
C Shaw	1,048,610	-	-	-	1,048,610
G Cooney	666,666	-	-	-	666,666
	4,215,276	-	-	-	4,215,276

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:

	2017 \$
Current borrowings:	
Loan from Dominet Digital Corporation Pty Ltd	27,696

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	7,000,000
29 August 2016	29 August 2018	\$0.270	8,962,658
29 August 2016	1 November 2021	\$0.300	5,000,000
4 November 2016	24 October 2018	\$0.270	1,875,040
30 June 2017	9 June 2020	\$0.250	1,000,000
			48,337,698

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	Number under rights
16 January 2015	30 November 2018	2,500,000
11 May 2015	30 November 2018	1,500,000
10 July 2015	30 November 2018	325,000
24 July 2015	30 November 2018	500,000
2 December 2015	30 November 2018	16,667
13 April 2016	30 November 2018	479,161
5 August 2016	30 November 2018	500,000
14 July 2017	30 June 2019	6,000,000
		11,820,828

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 2017 and up to the date of this report.

SHARES ISSUED ON THE EXERCISE OF PERFORMANCE RIGHTS

During the year ended 30 June 2017 and up to the date of this report, a total of 568,906 ordinary shares were issued to staff from the conversion of performance rights as a result of performance goals being met during the 30 June 2017 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 2017

RSM Australia Partners

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PO Box 248 Collins Street West VIC 8007

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F +61 (0) 3 9286 8199

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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 2017, 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.

A handwritten signature in blue ink, appearing to read 'RSM'.

RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink, appearing to read 'J S Croall'.

J S CROALL
Partner

Melbourne, VIC
Dated: 31 August 2017

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (FOR THE YEAR ENDED 30 JUNE 2017)

	Notes	2017 (\$)	2016 (\$)
Revenue			
Revenue from continuing operations		43,887,388	36,994,826
Interest income		27,457	40,198
Other income	5	1,634	876,463
		<u>43,916,479</u>	<u>37,911,487</u>
Cost of sales		(9,337,233)	(8,418,690)
Gross profit		<u>34,579,246</u>	<u>29,492,797</u>
Expenses			
Marketing		(12,644,021)	(10,570,729)
Administration and other expenses		(1,631,212)	(1,734,519)
Consultants		(1,391,826)	(1,408,833)
Depreciation and amortisation expense	6	(5,039,925)	(3,725,625)
Employee benefits expense		(6,755,092)	(5,877,285)
Insurance		(110,380)	(75,108)
Travel and accommodation		(749,806)	(987,548)
Product development		(294,810)	-
Share based payment	6	(542,849)	(1,393,897)
Transaction costs		-	(1,089,241)
Re-finance costs		(1,024,028)	-
Finance costs	6	(4,204,393)	(2,056,906)
Profit/(loss) before income tax (expense)/benefit		190,904	573,106
Income tax (expense) / benefit	7	(276,428)	304,506
Profit/(loss) after income tax (expense)/benefit for the year attributable to the owners of Crowd Mobile Limited	22	(85,524)	877,612
Other Comprehensive Income			
		-	-
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(165,710)	(497,730)
Other comprehensive income for the year, net of tax		(165,710)	(497,730)
Total comprehensive income for the year attributable to the owners of Crowd Mobile Limited		(251,234)	379,882
Basic earnings per share	34	(0.05)	0.56
Diluted earnings per share	34	(0.05)	0.47

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 2017)

	Notes	2017 (\$)	2016 (\$)
Assets			
Current Assets			
Cash and cash equivalents	8	5,200,089	2,902,881
Trade and other receivables	9	11,206,630	11,416,618
Other	10	408,963	729,691
Total Current Assets		16,815,682	15,049,190
Non-Current Assets			
Property, plant and equipment	11	400,397	423,178
Intangibles	12	28,139,464	32,990,769
Deferred tax	13	758,254	713,246
Total Non-Current Assets		29,298,115	34,127,193
Total Assets		46,113,797	49,176,383
Liabilities			
Current Liabilities			
Trade and other payables	14	4,821,993	4,511,376
Borrowings	15	6,654,724	10,415,633
Income tax	16	786,757	1,520,558
Provisions	17	95,109	404,865
Total Current Liabilities		12,358,583	16,852,432
Non-Current Liabilities			
Borrowings	18	1,296,819	7,290,734
Deferred tax	19	2,547,137	3,720,234
Total Non-Current Liabilities		3,843,956	11,010,968
Total Liabilities		16,202,539	27,863,400
Net Assets		29,911,258	21,312,983
Equity			
Issued capital	20	28,165,539	20,071,730
Reserves	21	3,955,946	3,365,956
Accumulated losses	22	(2,210,227)	(2,124,703)
Total Equity		29,911,258	21,312,983

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

STATEMENT OF CHANGES IN EQUITY (FOR THE YEAR ENDED 30 JUNE 2017)

Consolidated	Issued capital (\$)	Foreign currency reserve (\$)	Share-based payments reserve (\$)	Convertible note optionality reserve (\$)	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)	-	-	-	(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 (note 20)	15,535,127	-	-	-	-	15,535,127
Share-based payments (note 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
Transactions with owners in their capacity as owners						
Contributions of equity, net of transaction costs (note 20)	8,093,809	-	-	-	-	8,093,809
Share-based payments (note 35)	-	-	542,849	-	-	542,849
Convertible note option	-	-	-	212,851	-	212,851
Balance at 30 June 2017	28,165,539	(663,174)	4,406,269	212,851	(2,210,227)	29,911,258

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

STATEMENT OF CASH FLOWS (FOR THE YEAR ENDED 30 JUNE 2017)

	Notes	2017 (\$)	2016 (\$)
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		44,099,010	40,162,540
Payments to suppliers and employees (inclusive of GST)		(33,181,482)	(30,974,670)
Interest received		27,457	40,198
Interest and other finance costs paid		(4,204,393)	(2,056,906)
Income taxes paid		(2,228,334)	(152,184)
Net cash flows from operating activities	33	4,512,258	7,018,978
Cash flows from investing activities			
Payment for purchase of subsidiary, net of cash acquired		-	(26,830,896)
Payments for property, plant and equipment	11	(155,535)	(240,348)
Payments for security deposits		(15,204)	-
Proceeds from release of security deposits		-	10,495
Net cash flows used in investing activities		(170,739)	(27,060,749)
Cash flows from financing activities			
Proceeds from issue of shares	20	8,532,235	11,612,428
Share issue transaction costs	20	(438,426)	(177,498)
Repayment of borrowings - Greensill loan		(10,456,290)	-
Repayment of borrowings - former Track owners		(7,357,667)	-
Proceeds from borrowings - other		27,397	-
Proceeds from issue of convertible notes, net of principal repayments		8,136,698	-
Dividends paid	29	(279,217)	(228,452)
Net proceeds from/(repayment of) borrowings		-	10,176,907
Net cash flows from financing activities		(1,835,270)	21,383,385
Net increase in cash and cash equivalents		2,506,249	1,341,614
Cash and cash equivalents at the beginning of the financial year		2,902,881	1,762,692
Effects of exchange rate changes on cash and cash equivalents		(209,041)	(201,425)
Cash and cash equivalents at the end of financial year	8	5,200,089	2,902,881

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 2017)

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
Cremorne 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 2017. 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 OR AMENDED 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 incurred losses of \$85,524 for the year ended 30 June 2017 (2016: profit of \$877,612), as at that date the Group has net current assets of \$4,457,099 (2016: 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:

- The Group expects to continue to generate positive operating cash flow which when combined with growth expectations and existing cash reserves, exceeds its debt service obligations in the next year;
- The Group can utilise its equity to repay convertible note debt, at its sole discretion; and
- The Group's proven record of being able to raise funds to support its business plan.

At the date of this report, based on the expected improvement in operating profitability, the Group's recent success in capital raising and the ongoing support of the lender to the Company, the Directors are confident that the Group can continue to meet its debts as and when they become due and payable. As such, 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.

The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

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 2017 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.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

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

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 2017. 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 and no material impact of its adoption is envisaged.

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 and no material impact of its adoption is envisaged.

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.

Given the number of operating leases the Group has on hand with its properties, there will be a material impact on the statement of financial position. The operating leases will no longer be off the balance sheet and will instead be recognised on the balance sheet. A right of use asset and lease liability will be recognised, initially measured at present value of unavoidable future lease payments. The impact on gross assets and gross liabilities is estimated to be approximately \$0.26m. There will be no material impact on a net basis. Further, there will be no material impact on the statement of comprehensive income although instead of a rental expense, depreciation on right of use assets and interest on lease liabilities will be recognised.

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 17.9% and the growth rates were between 0% and 5%.

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.

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.

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.

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 Q&A 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 - 2017			
Revenue			
Sales to external customers	24,879,464	19,007,924	43,887,388
Interest income	27,414	43	27,457
Other income	1,634	-	1,634
Total revenue	24,908,512	19,007,967	43,916,479
EBITDA			
Depreciation and amortisation	(321,811)	(4,718,114)	(5,039,925)
Interest income	27,414	43	27,457
Finance costs	(1,683,855)	(2,520,538)	(4,204,393)
Profit/(loss) before income tax expense	701,342	(510,438)	190,904
Income tax expense			(276,428)
Profit after income tax expense			(85,524)
Assets			
Segment assets	7,539,205	33,374,503	40,913,708
Unallocated assets – Cash and cash equivalents			5,200,089
Total assets			46,113,797
Liabilities			
Segment liabilities	3,625,391	4,653,301	8,278,692
Unallocated liabilities - Borrowings			7,923,847
Total liabilities			16,202,539
Consolidated - 2016			
Revenue			
Sales to external customers	19,792,603	17,202,223	36,994,826
Interest income	5,197	35,001	40,198
Other income - grants	119,926	-	119,926
Other income – Q Ltd entity write backs	756,537	-	756,537
Total revenue	20,674,263	17,237,224	37,911,487
EBITDA			
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 liabilities - Borrowings			18,432,222
Total liabilities			27,863,400

GEOGRAPHICAL INFORMATION

	Revenue		Geographical non-current assets	
	2017	2016	2017	2016
	\$	\$	\$	\$
Australasia	5,833,355	5,054,132	40,205	41,119
Europe	35,055,233	28,702,203	368,911	380,258
Latin America	2,430,611	3,238,491	-	-
Europe, the Middle East and Africa	553,976	-	-	-
Other	14,213	-	-	-
	43,887,388	36,994,826	409,116	421,377

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	
	2017 (\$)	2016 (\$)
Q Ltd subsidiary liquidations	1,634	756,537
Grant income	-	119,926
	1,634	876,463

NOTE 6. EXPENSES

		Consolidated	
	Notes	2017 (\$)	2016 (\$)
Profit/(loss) before income tax includes the following specific expenses:			
Depreciation			
Property, plant and equipment	11	258,757	165,215
Amortisation			
Intangibles	12	4,781,168	3,560,410
Total depreciation and amortisation		5,039,925	3,725,625
Finance costs			
Interest and finance charges pa		4,204,393	1,728,705
Unwinding of a discount on earn-out payments to Track vendors		-	328,201
Finance costs expensed		4,204,393	2,056,906
Net foreign exchange loss			
Net foreign exchange loss		-	11,189
Net loss on disposal			
Net loss on disposal of property, plant and equipment		-	1,532
Rental expense relating to operating leases			
Minimum lease payments		549,941	519,045
Superannuation expense			
Defined contribution superannuation expense		96,188	109,674
Share-based payments expense			
Share-based payments expense		542,849	1,393,897

NOTE 7. INCOME TAX EXPENSES/(BENEFIT)

	Notes	Consolidated	
		2017 (\$)	2016 (\$)
Income tax expense/(benefit)			
Current tax		1,450,689	1,207,373
Deferred tax - origination and reversal of temporary differences		(1,174,261)	(846,518)
Adjustment recognised for prior periods		-	(665,361)
Aggregate income tax expense/(benefit)		276,428	(304,506)
Deferred tax included in income tax expense/(benefit) comprises:			
Increase in deferred tax assets	13	(45,008)	(245,655)
Decrease in deferred tax liabilities	19	(1,129,253)	(600,863)
Deferred tax - origination and reversal of temporary differences		(1,174,261)	(846,518)
Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate			
Profit/(loss) before income tax (expense)/benefit		190,904	573,106
Tax at the statutory tax rate of 30%		57,271	171,932
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:			
Entertainment expenses		11,534	4,041
Share-based payments		162,855	418,169
Employee entitlement accruals		6,103	21,184
Write-back of Q Subs legacy items		-	(226,962)
Capitalised legal fees		2,001	-
Interest expense (JGB Optionality)		24,560	-
Other items (net)		84,523	93,481
		348,847	481,845
Adjustment recognised for prior periods		-	(665,361)
Differences in overseas tax rates		(72,419)	(120,990)
Income tax expense/(benefit)		276,428	(304,506)

	Notes	Consolidated	
		2017 (\$)	2016 (\$)
Amounts credited directly to equity			
Deferred tax liabilities	19	(43,844)	(344,600)

NOTE 8. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	Consolidated	
	2017	2016
	(\$)	(\$)
Cash at bank	5,200,089	2,902,881

NOTE 9. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

	Consolidated	
	2017	2016
	(\$)	(\$)
Trade receivables	4,675,834	4,567,461
Less: Provision for impairment of receivables	(371,673)	(371,976)
	4,304,161	4,195,485
Accrued income	6,902,469	7,220,627
Receivable from related parties	-	506
	11,206,630	11,416,618

PAST DUE BUT NOT IMPAIRED

The following tables detail 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.

	Within initial trade terms	Past due but not impaired				Past due and impaired	Total
		< 30 days overdue	30-60 days overdue	60-90 days overdue	>90 days overdue		
Consolidated 2017	\$	\$	\$	\$	\$	\$	\$
Trade receivables	2,227,742	817,650	339,360	586,400	333,009	371,673	4,675,834
Accrued income	6,801,412	-	106,598	(19,230)	13,689	-	6,902,469
	9,029,154	817,650	445,958	567,170	346,698	371,673	11,578,303

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

NOTE 10 CURRENT ASSETS - OTHER

	Consolidated	
	2017	2016
	(\$)	(\$)
Prepayments	357,329	693,261
Security deposits	51,634	36,430
	<u>408,963</u>	<u>729,691</u>

NOTE 11 NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	2017	2016
	(\$)	(\$)
Plant and equipment - at cost	1,119,564	955,657
Less: Accumulated depreciation	(719,167)	(532,479)
	<u>400,397</u>	<u>423,178</u>

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
	\$
Balance at 1 July 2015	26,737
Additions	240,348
Additions through business combination (note 31)	288,627
Exchange differences	32,681
Depreciation expense	(165,215)
Balance at 30 June 2016	<u>423,178</u>
Additions	155,535
Exchange differences	80,441
Depreciation expense	(258,757)
Balance at 30 June 2017	<u>400,397</u>

NOTE 12 NON-CURRENT ASSETS – INTANGIBLES

	Consolidated	
	2017	2016
	(\$)	(\$)
Goodwill - at cost	17,538,217	17,612,938
Intellectual property - at cost	2,660,313	2,653,940
Less: Accumulated amortisation	(2,613,554)	(2,470,253)
	46,759	183,687
Distribution network - at cost	12,946,841	12,944,772
Less: Accumulated amortisation	(4,541,124)	(1,872,871)
	8,405,717	11,071,901
Customer subscriptions - at cost	2,378,704	2,380,648
Less: Accumulated amortisation	(2,378,704)	(952,259)
	-	1,428,389
Software - at cost	2,893,932	2,895,847
Less: Accumulated amortisation	(935,465)	(458,952)
	1,958,467	2,436,895
Databases - at cost	621,900	621,900
Less: Accumulated amortisation	(431,596)	(364,941)
	190,304	256,959
	28,139,464	32,990,769

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 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
Exchange differences	(74,721)	6,374	2,070	(1,944)	(1,916)	-	(70,137)
Amortisation expense	-	(143,302)	(2,668,254)	(1,426,445)	(476,512)	(66,655)	(4,781,168)
Balance at 30 June 2017	17,538,217	46,759	8,405,717	-	1,958,467	190,304	28,139,464

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

	Consolidated	
	2017	2016
	(\$)	(\$)
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
	<u>317,214</u>	<u>317,214</u>
Subscription		
- Track Holdings B.V.	17,221,003	17,295,724
	<u>17,538,217</u>	<u>17,612,938</u>

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 17.9% 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 FY17 against FY16. 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:

	FY18	FY19	FY20	FY21	FY22
	%	%	%	%	%
Growth rates	-	-	-	-	-
Discount rates	17.9%	17.9%	17.9%	17.9%	17.9%

Sensitivity

In relation to the Subscription business, management tested a range of sensitivities including different discount rates ranging from 17.9% to 19.9%.

Scenario 1 - applying a pre-tax discount rate of 17.9%

Under scenario 1, the recoverable amount exceeds the carrying amount by \$4,724,200.

Scenario 2 - applying a pre-tax discount rate of 19.9%

Under scenario 2, the recoverable amount exceeds the carrying amount by \$1,199,781.

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 8.5% 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 2.8% 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	
	2017	2016
	(\$)	(\$)
<hr/>		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Employee benefits	29,537	32,695
Transaction fees (blackhole expenditure)	710,931	645,761
Other	17,786	34,790
	<hr/>	<hr/>
	758,254	713,246
<hr/>		
Movements:		
Opening balance	713,246	467,591
Credited to profit or loss (note 7)	45,008	245,655
	<hr/>	<hr/>
Closing balance	758,254	713,246
	<hr/>	<hr/>

NOTE 14. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	Consolidated	
	2017	2016
	(\$)	(\$)
<hr/>		
Trade payables	1,479,228	1,039,717
Indirect taxes payable (former Q Limited)	-	425
Accrued expenses and other payables	3,342,765	3,471,234
	<hr/>	<hr/>
	4,821,993	4,511,376
	<hr/>	<hr/>

Refer to note 24 for further information on financial instruments.

NOTE 15. CURRENT LIABILITIES - BORROWINGS

	Consolidated	
	2017	2016
	(\$)	(\$)
<hr/>		
Bank loans - Greensill	-	10,415,334
Convertible notes payable - JGB	6,627,028	-
Loan - Dominet Digital Corporation	27,696	299
	<hr/>	<hr/>
	6,654,724	10,415,633
	<hr/>	<hr/>

Refer to note 24 for further information on financial instruments.

NOTE 16. CURRENT LIABILITIES – INCOME TAX

	Consolidated	
	2017	2016
	(\$)	(\$)
Provision for income tax	786,757	1,520,588

NOTE 17. CURRENT LIABILITIES - PROVISIONS

	Consolidated	
	2017	2016
	(\$)	(\$)
Employee benefits	95,109	125,648
Dividends	-	279,217
	95,109	404,865

NOTE 18. NON-CURRENT LIABILITIES – BORROWINGS

	Consolidated	
	2017	2016
	(\$)	(\$)
Convertible notes payable - JGB	1,296,819	-
Loans to related entities - former Track owners	-	7,290,734
	1,296,819	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	
	2017	2016
	(\$)	(\$)
Bank loans - Greensill	-	10,415,334
Convertible notes payable - JGB	7,923,847	-
Loans to related entities - former Track owners	-	7,290,734
	7,923,847	17,706,068

Convertible notes payable – JGB

The JGB convertible note balance date debt is Euro €5,410,000. The loan repayments are made monthly at the discretion of the issuer and in cash, although the Company has discretion to pay in equity. The headline coupon rate is 6.25% although the effective finance cost (which depends on the facility usage) is estimated at 15.0% per annum, inclusive of cash premiums, origination issuer discount and JGB's conversion right. The maturity date is 31 January 2019, however assuming no new draw-downs and all cash repayments, the Company will have repaid the facility by September 2018.

Loans to related entities - former Track owners

The loan was a Euro €4,900,000, second lien, loan due to be paid in full on 31 October 2018 with an interest rate of 15% per annum payable monthly. On 22 June 2017, the Company completed an early debt repayment of its 15% per annum, \$7,222,804 (€4,900,000) Track Concepts vendor debt, previously due in October 2018. A discounted early repayment fee of \$577,034 (€391,464) was paid at termination in lieu of interest. The repayment was financed through a combination of cash reserves plus a \$2,935,784 (€2,000,000) draw-down from the existing JGB Loan facility. The elimination of this debt is expected to save the Company \$800,000, after payment of the early repayment fee.

Assets pledged as security

The JGB convertible note facility is secured by all assets of the Group and cross guarantees exist across all entities in support of the facility.

The loan to Greensill was previously secured by first and second liens across the assets of the Group and cross guarantees exist across all entities in support of the borrowing.

NOTE 19. NON-CURRENT LIABILITIES – DEFERRED TAX

	Notes	Consolidated	
		2017 (\$)	2016 (\$)
<i>Deferred tax liability comprises temporary differences attributable to:</i>			
Amounts recognised in profit or loss:			
Intangible assets from business acquisitions		3,720,234	4,665,697
Accumulated amortisation of intangible assets from business acquisitions		(1,129,253)	(600,863)
		<u>2,590,981</u>	<u>4,064,834</u>
Amounts recognised in equity:			
Foreign exchange differences		(43,844)	(344,600)
		<u>2,547,137</u>	<u>3,720,234</u>
Movements:			
Opening balance		3,720,234	-
Credited to profit or loss	7	(1,129,253)	(600,863)
Credited to equity	7	(43,844)	(344,600)
Additions through business combinations	31	-	4,665,697
Closing balance		<u>2,547,137</u>	<u>3,720,234</u>

NOTE 20. EQUITY – ISSUED CAPITAL

	Consolidated			
	2017	2016	2017	2016
	Shares	Shares	\$	\$
Ordinary shares - fully paid	219,683,699	157,277,142	28,165,539	20,071,730

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 Jul 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		-
Issue of shares on exercise of performance rights	7 Jan 2016	349,344		-
Issue of shares on exercise of performance rights	13 Apr 2016	2,481,249		-
Less: Share issue transaction costs		-		(1,324,125)
Balance	30 Jun 2016	157,277,142		20,071,730
Issue of shares on exercise of performance rights	5 Aug 2016	318,906		-
Issue of shares on capital raising	29 Aug 2016	15,000,000	\$0.160	2,400,000
Issue of shares on exercise of performance rights	13 Oct 2016	250,000		-
Issue of shares on capital raising	24 Oct 2016	1,765,476	\$0.160	282,476
Issue of shares on capital raising	27 Oct 2016	422,024	\$0.160	67,524
Issue of shares on capital raising	4 Nov 2016	1,562,500	\$0.160	250,000
Issue of shares	28 Dec 2016	2,200,000	\$0.100	220,985
Issue of shares	28 Dec 2016	118,421	\$0.095	11,250
Issue of shares on capital raising	28 Apr 2017	40,769,230	\$0.130	5,300,000
Less: Share issue transaction costs		-		(438,426)
Balance	30 Jun 2017	219,683,699		28,165,539

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 2016 Annual Report.

NOTE 21. EQUITY - RESERVES

	Consolidated	
	2017	2016
	(\$)	(\$)
Foreign currency reserve	(663,174)	(497,464)
Share-based payments reserve	4,406,269	3,863,420
Convertible note optionality reserve	212,851	-
	<u>3,955,946</u>	<u>3,365,956</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.

Convertible note optionality reserve

The reserve is used to recognise the value of the optionality component of the convertible note over the life of the facility.

NOTE 22. ACCUMULATED LOSSES

	Consolidated	
	2017	2016
	(\$)	(\$)
Accumulated losses at the beginning of the financial year	(2,124,703)	(3,002,315)
Profit/(loss) after income tax (expense)/benefit for the year	(85,524)	877,612
Accumulated losses at the end of the financial year	(2,210,227)	(2,124,703)

NOTE 23. EQUITY – DIVIDENDS

There were no dividends paid, recommended or declared during the current or previous financial year.

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	
	2017	2016	2017	2016
Australian dollars				
United Kingdom Sterling	0.595	0.492	0.591	0.562
European Union Euros	0.692	0.657	0.673	0.672
United States Dollars	0.754	0.729	0.768	0.744
Hungarian Forint	214.672	205.408	207.870	212.426

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

	Assets		Liabilities	
	2017	2016	2017	2016
Consolidated	\$	\$	\$	\$
Australian Dollar	2,335,999	1,687,698	838,765	822,351
Euros	10,238,012	11,536,594	10,183,498	20,555,930
Pound Sterling	2,078,236	1,033,028	756,281	828,845
United States Dollar	1,748,093	19,273	986,732	14,795
Hungarian Forint	6,377	9,207	(3,199)	(4,178)
New Zealand Dollar	-	33,700	11,462	-
	16,406,717	14,319,500	12,773,539	22,217,743

Sensitivity analysis

Consolidated - 2017	AUD strengthened			AUD weakened		
	% change	Effect on profit before tax	Effect on equity	% change	Effect on profit before tax	Effect on equity
United Kingdom Sterling	5%	85,654	85,654	(5%)	(85,654)	(85,654)
European Union Euros	5%	142,770	142,770	(5%)	(142,770)	(142,770)
Other currencies	5%	19,254	19,254	(5%)	(19,254)	(19,254)
		247,678	247,678		(247,678)	(247,678)

Consolidated - 2016	AUD strengthened			AUD weakened		
	% change	Effect on profit before tax	Effect on equity	% change	Effect on profit before tax	Effect on equity
United Kingdom Sterling	5%	49,400	49,400	(5%)	(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)
		355,050	355,050		(355,050)	(355,050)

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 2017.
- 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:

	2017		2016	
	Weighted average interest rate	Balance	Weighted average interest rate	Balance
Consolidated	%	\$	%	\$
Bank loans - Greensill	-	-	12.00%	10,415,334
Convertible notes payable	15.00%	7,923,847		
Loans to related entities - former Track owners	-	-	15.00%	7,290,734
Loans to related entities - Dominet Digital Corporation	-	27,696	-	299
Net exposure to cash flow interest rate risk		<u>7,951,543</u>		<u>17,706,367</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 2017 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:

	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
Consolidated - 2017						
Parallel yield curve	-*	-	-	-*	-	-
	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
Consolidated - 2016						
Parallel yield curve	500	102,845	102,845	500	(102,845)	(102,845)

*The JGB convertible note facility is fixed rate, whereas in the prior year the Greensill loan was variable rate

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 2017 or 30 June 2016.

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 - 2017	%	\$	\$	\$	\$	\$
Non-derivatives						
Non-interest bearing						
Trade payables	-	1,479,228	-	-	-	1,479,228
Other payables and accrued expenses	-	3,342,765	-	-	-	3,342,765
Interest-bearing - variable						
Loans to related entities - Dominet Digital Corporation	-	27,696	-	-	-	27,696
Interest-bearing – fixed rate						
Convertible notes payable	-	6,627,028	1,296,819	-	-	7,923,847
Total non-derivatives		11,476,717	1,296,819	-	-	12,773,536

	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						
Non-interest bearing						
Trade payables	-	1,039,717	-	-	-	1,039,717
Other payables and accrued expenses	-	3,471,659	-	-	-	3,471,659
Interest-bearing - variable						
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

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 following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Unobservable inputs for the asset or liability

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Consolidated - 2017				
Liabilities				
Convertible notes payable	-	-	7,923,847	7,923,847
Total liabilities	-	-	7,923,847	7,923,847

There were no transfers between levels during the financial year.

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. The discount rate used is 23%.

Valuation techniques for fair value measurements categorised within level 2 and level 3

Unquoted investments have been valued using a discounted cash flow model.

Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

	Convertible notes	Total
	\$	\$
Consolidated		
Balance at 1 July 2015	-	-
Balance at 30 June 2016	-	-
Additions	7,923,847	7,923,847
Balance at 30 June 2017	7,923,847	7,923,847

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	
	2017	2016
	(\$)	(\$)
Short-term employee benefits	1,750,515	1,521,176
Post-employment benefits	44,618	102,715
Long term benefits	-	-
Termination benefits	-	122,955
Share-based payments	533,864	853,530
	2,328,997	2,600,376

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	
	2017	2016
	(\$)	(\$)
Audit services - RSM Australia Partners		
Audit or review of the financial statements	130,305	97,880
Audit services - RSM Netherlands		
Audit or review of the financial statements	86,705	106,544

NOTE 28. COMMITMENTS

	Consolidated	
	2017	2016
	(\$)	(\$)
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	391,509	415,036
One to five years	879,347	1,058,954
	1,270,856	1,473,990

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 2017 or 30 June 2016.

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.

TRANSACTIONS WITH RELATED PARTIES

The following transactions occurred with related parties:

	2017	2016
	\$	\$
Payment for services:		
DJ Carmichael Pty Ltd (Director D Carosa is a 5.87% shareholder) provided capital raising services for the Track acquisition to Crowd Mobile Limited. Compensation was provided as a combination of cash, shares and options	125,259	906,105
Wholesale Investor Pty Ltd (Director D.Carosa is a 8.39% shareholder) provided investor promotions services to Crowd Mobile Limited	14,750	17,318
The Social Club Limited (Director D.Carosa is a 0.67% shareholder) provided marketing services to Crowd Mobile Limited subsidiaries	27,382	-
Mish Guru Limited (Director D.Carosa is a 0.25% shareholder) provided marketing services to Crowd Mobile Limited subsidiaries	60,060	-

Payment for other expenses:

Dominet Digital Corporation Pty Ltd (a Carosa vendor) provided administrative support, telephone and credit via card facilities, at cost, to Crowd Mobile Limited and her subsidiaries	41,576	214,965
DJ Carmichael Pty Ltd (Director D.Carosa is a 5.87% shareholder) was reimbursed for travel expenses associated with capital raising activities for Crowd Mobile Limited	4,553	6,673

Receivable from and payable to related parties

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

	Consolidated	
	2017	2016
	(\$)	(\$)
Current receivables:		
Receivable from Domenic Carosa	-	506
	-	506

Loans to/from related parties

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

	Consolidated	
	2017	2016
	(\$)	(\$)
Current borrowing:		
Loan from Dominet Digital Corporation Pty Ltd	27,696	299
Current provision for dividend payable		
DSAHA Holdings Pty Ltd*	-	253,834
MsAnna Pty Ltd**	-	25,383

* DSAHA Holdings Pty Ltd ('DSAHA') is a related party entity to 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

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

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	
	2017	2016
	(\$)	(\$)
Loss after income tax	(6,313,203)	(4,944,737)
Total comprehensive income	(6,313,203)	(4,944,737)

STATEMENT OF FINANCIAL POSITION

	Parent	
	2017	2016
	(\$)	(\$)
Total current assets	19,236,396	473,602
Total assets	47,548,606	28,731,389
Total current liabilities	16,677,987	1,504,719
Total liabilities	17,974,806	1,504,719
Equity		
Issued capital	87,401,807	79,497,174
Share-based payments reserve	4,661,998	4,119,149
Convertible note optionality reserve	212,851	-
Accumulated losses	(62,702,856)	(56,389,653)
Total equity	29,573,800	27,226,670

GUARANTEES ENTERED INTO BY THE PARENT ENTITY IN RELATION TO THE DEBTS OF ITS SUBSIDIARIES

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2017 and 30 June 2016.

CONTINGENT LIABILITIES

The parent entity has no contingent liabilities at 30 June 2017. The parent entity had a contingent liability at 30 June 2016 in relation to the Track acquisition and the former owners of Track.

CAPITAL COMMITMENTS - PROPERTY, PLANT AND EQUIPMENT

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2017 and 30 June 2016.

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

2017

The entity had no business combinations occurring in the year ended 30 June 2017.

2016

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 \$43,366,732 (Euro €28,119,000). 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.

Deferred earn-out consideration of \$6,607,657 (Euro €4,284,068) was 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 of \$28,963 (Euro €21,000) was paid 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.

In financial year 2017, the acquired business contracted revenues of \$19,607,924, earnings before interest, tax, depreciation and amortisation ('EBITDA') of \$6,728,171 and net profit after tax of \$220,984. For the prior year, the 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 final as at 30 June 2017.

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	25,408,823
Goodwill	17,957,909
Acquisition-date fair value of the total consideration transferred	43,366,732

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	6,636,620
	<u>43,366,732</u>
Acquisition costs expensed to profit or loss	<u>1,089,241</u>

	2017	2016
	\$	\$
Cash used to acquire business, net of cash acquired:		
Acquisition-date fair value of the total consideration transferred	-	43,366,732
Add: payments made for prior period acquisition	28,963	-
Less: cash and cash equivalents	-	(4,192,488)
Less: payments to be made in future periods	-	(28,963)
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	<u>28,963</u>	<u>13,062,189</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	
		2017 %	2016 %
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%	100.00%
Crowd Mobile QA Services B.V.	The Netherlands	100.00%	100.00%
Track Holdings B.V.	The Netherlands	100.00%	100.00%
Track Online B.V.	The Netherlands	100.00%	100.00%
Track Concepts B.V.	The Netherlands	100.00%	100.00%
Be Tracked Media B.V.	The Netherlands	100.00%	100.00%
Vivazz Mobile B.V.	The Netherlands	100.00%	100.00%
Track Mobile B.V.	The Netherlands	100.00%	100.00%
Immediato B.V.	The Netherlands	100.00%	100.00%
Mobilizo B.V.	The Netherlands	100.00%	100.00%
Yulara B.V.	The Netherlands	100.00%	-
Crowd Mobile QA Operations B.V.	The Netherlands	100.00%	-
Crowd Mobile IP B.V.	The Netherlands	100.00%	-
Crowd Media B.V.	The Netherlands	100.00%	-
Q FRA Pty Ltd	Australia	100.00%	100.00%
Q Share Plan Pty Limited	Australia	100.00%	100.00%

NOTE 33. RECONCILIATION OF PROFIT/(LOSS) AFTER INCOME TAX TO NET CASH FROM/(USED IN) OPERATING ACTIVITIES

	Consolidated	
	2017	2016
	\$	\$
Profit/(loss) after income tax (expense)/benefit for the year	(85,524)	877,612
Adjustments for:		
Depreciation and amortisation	5,039,925	3,725,625
Share based payments	542,849	1,393,897
Change in operating assets and liabilities:		
Decrease in trade and other receivables	209,988	1,925,295
Increase in deferred tax assets	(45,008)	(245,655)
Decrease/(increase) in prepayments	335,932	(559,972)
Increase in trade and other payables	451,533	35,992
Increase/(decrease) in provision for income tax	(733,801)	734,428
Decrease in deferred tax liabilities	(1,173,097)	(945,463)
Increase/(decrease) in employee benefits	(30,539)	77,219
Net cash from operating activities	4,512,258	7,018,978

NOTE 34. EARNINGS PER SHARE

	Consolidated	
	2017	2016
	(\$)	(\$)
Profit/(loss) after income tax attributable to the owners of Crowd Mobile Limited	(85,524)	877,612
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	181,161,181	156,391,448
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 diluted earnings per share	181,161,181	185,427,681
	Cents	Cents
Basic earnings per share	(0.05)	0.56
Diluted earnings per share	(0.05)	0.47

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:

2017			Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Grant date	Expiry date	Exercise price					
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	-	-	(2,000,000)	7,000,000
			11,500,000	-	-	(2,000,000)	9,500,000

2016			Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Grant date	Expiry date	Exercise price					
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:

2017			Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Grant date	Expiry date	Exercise price				
01/08/2016	31/07/2021	\$0.300	5,000,000	-	-	5,000,000
29/08/2016	01/11/2021	\$0.300	5,000,000	-	-	5,000,000
			10,000,000	-	-	10,000,000

2016			Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Grant date	Expiry date	Exercise price				
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
			22,000,000	-	-	22,000,000

PERFORMANCE RIGHTS

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 C Performance Rights – on Crowd Mobile achieving App downloads of 500,000 within 4 years of completion of the Acquisition; and
- ii) 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 outstanding Performance rights is 6,500,000 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:

2017		Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Grant date	Expiry date					
16/01/2015	30/11/2018	2,500,000	-	-	-	2,500,000
11/05/2015	30/11/2018	1,750,000	-	(250,000)	-	1,500,000
10/07/2015	30/11/2018	325,000	-	-	-	325,000
24/07/2015	30/11/2018	500,000	-	-	-	500,000
02/12/2015	30/11/2018	16,667	-	-	-	16,667
13/04/2016	30/11/2018	479,161	-	-	-	479,161
05/08/2016	30/11/2018	-	500,000	-	-	500,000
		5,570,828	500,000	(250,000)	-	5,820,828

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

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 1.4 years (30 June 2016: 2.4 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
29/08/2016	01/11/2021	\$0.140	\$0.300	50.00%	-	2.08%	\$0.034

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	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
05/08/2016	30/11/2018	\$0.190	50.00%	-	2.08%	\$0.032

NOTE 36. EVENTS AFTER THE REPORTING PERIOD

On 14 July 2017, the Company issued a second issue of Performance Rights ('PR') to employees. The three year PRs are based on share price and earnings per share targets and the maximum number of shares that can be issued on conversion is 6,000,000 (excluding a grant to the Chief Executive Officer which will be put to shareholders at the 2017 Annual General Meeting).

On 29 August 2017, the Company resolved that the Class C Performance rights objective had been met, which will result in future conversion of 3,250,000 Performance rights into ordinary shares.

No other matter or circumstance has arisen since 30 June 2017 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 2017)

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 2017 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
Chairman

Melbourne, 31 August 2017

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INDEPENDENT AUDITOR'S REPORT To the Members of Crowd Mobile Limited

Opinion

We have audited the financial report of Crowd Mobile Limited (the Company) and its subsidiaries (the Group), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed this matter
Recognition of Revenue and Accrued Revenue	
<p>The Group's revenue relates to the sale of information and entertainment content services for mobile phones and tablets.</p> <p>Total revenue for the year ended 30 June 2017 was \$43.9m. We have considered the recognition of revenue due to its size and magnitude in the financial statements.</p> <p>The nature and timing of recognition of accrued revenue at year-end involves management judgement and is complex.</p> <p>We have considered the recognition of revenue and the associated accrued revenue as a key audit matter because of the reasons above.</p>	<p>We obtained a detailed understanding of the processes of capturing and recording revenue. Our key audit procedures in relation to the recognition of revenue included:</p> <ul style="list-style-type: none"> Assessing that the Group's revenue recognition policies were in compliance with Australian Accounting Standards; On a sample basis, vouching aggregator reports of sales data to revenue recognised in the general ledger Comparing accrued revenue to subsequent aggregator reports and funds receipted Checking the accuracy of foreign exchange transactions recorded and the reconciliation of information into the ledger
Carrying value of Goodwill	
Refer to Note 12 in the financial statements	
<p>The Group has goodwill of \$17.5m of which \$17.2m relates to its acquisition of its Dutch subsidiary Track Holdings B.V in 2015. We identified this area as a Key Audit Matter due to the size of the goodwill balance, and because the directors' assessment of the 'value in use' of the cash generating unit ('CGU') involves judgements about the future underlying cash flows of the business and the discount rates applied to them.</p> <p>For the year ended 30 June 2017 management have performed an impairment assessment over the goodwill balance by:</p> <ul style="list-style-type: none"> calculating the value in use for each CGU using a discounted cash flow model. These models used cash flows (revenues, expenses and capital expenditure) for each CGU for 5 years, with a terminal growth rate applied to the 5th year. These cash flows were then discounted to net present value using the Company's weighted average cost of capital (WACC); and comparing the resulting value in use of each CGU to their respective book values. <p>Management also performed a sensitivity analysis over the value in use calculations, by varying the assumptions used (growth rates, terminal growth rate and WACC) to assess the impact on the valuations.</p>	<p>Our audit procedures in relation to management's impairment assessment involved the assistance of our Corporate Finance team where required, and included:</p> <ul style="list-style-type: none"> Assessing management's determination that the goodwill should be allocated to a single CGU based on the nature of the Group's business and the manner in which results are monitored and reported; Assessing the valuation methodology used; Challenging the reasonableness of key assumptions, including the cash flow projections, exchange rates, discount rates, and sensitivities used; Checking the mathematical accuracy of the cash flow model, and reconciling input data to supporting evidence, such as approved budgets and considering the reasonableness of these budgets; and Reviewing management's sensitivity analysis on the key assumptions in the impairment model, including the consideration of the available headroom and assessing whether the assumptions had been applied on a consistent basis across each scenario. Utilising the RSM corporate finance team as auditor's experts to assist with the audit procedures listed above.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report*Opinion on the Remuneration Report*

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Crowd Mobile Limited., for the year ended 30 June 2017, complies with section 300A of the Corporations Act 2001.

Responsibilities

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.

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

Partner

Melbourne, VIC

Dated: 31 August 2017

ADDITIONAL SECURITIES EXCHANGE INFORMATION

In accordance with ASX Listing Rule 4.10, the Company provides the following information to shareholders not elsewhere disclosed in this Annual Report. The information provided is current as at 16 August 2017 (**Reporting Date**).

CORPORATE GOVERNANCE STATEMENT

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 (Third Edition) (**Recommendations**) to the extent appropriate to the size and nature of the Group's operations.

The Company has prepared a 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 (**Corporate Governance Statement**).

In accordance with ASX Listing Rules 4.10.3 and 4.7.4, the Corporate Governance Statement will be available for review on Crowd Mobile's website, www.crowdmobile.com (**Website**), and will be lodged together with an Appendix 4G with ASX at the same time that this Annual Report is lodged with ASX.

The Appendix 4G will particularise each Recommendation that needs to be reported against by Crowd Mobile and will provide shareholders with information as to where relevant governance disclosures can be found.

The Company's corporate governance policies and charters are all available on Crowd Mobile's Website.

SUBSTANTIAL HOLDERS

Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Domenic Carosa	25,596,989	11.65
DSAH Holdings Pty Ltd, Daniel Wallis	20,086,783	9.14
Collins Street Asset Management	18,831,620	8.57

DISTRIBUTION OF EQUITY SECURITIES

As at the Reporting Date, the number of holders in each class of equity securities:

	Number of holders
Fully paid ordinary shares	2,970
Options	13
Performance Rights	29
Convertible Notes	1

DISTRIBUTION OF ORDINARY SHAREHOLDERS

	Holders	Total Units	%
1 -1,000	1,130	66,173	0.030
1,001 - 5,000	389	1,285,052	0.585
5,001 - 10,000	322	2,722,803	1.239
10,001 - 100,000	873	33,689,959	15.336
100,001 and over	256	181,919,172	82.810
	<u>2,970</u>	<u>219,683,699</u>	<u>100.000</u>

DISTRIBUTION OF HOLDERS OF OPTIONS, PERFORMANCE RIGHTS & CONVERTIBLE NOTES

	Option holders	Performance right holders	Convertible note holders
1 -1,000	158	-	1
1,001 - 5,000	54	-	-
5,001 - 10,000	13	-	-
10,001 - 100,000	15	13	-
100,001 and over	3	16	-
	<u>243</u>	<u>29</u>	<u>1</u>

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	<u>219,683,699</u>	<u>387,356</u>	<u>1,285</u>	<u>0.17632</u>

QUOTED SECURITIES

TWENTY LARGEST QUOTED EQUITY SECURITY HOLDERS

The Company only has one class of quoted securities, being ordinary shares. The names of the 20 largest holders of ordinary shares, and the number of ordinary shares and percentage of capital held by each holder is as follows:

	Ordinary shares	
	Number held	% of total shares issued
JP MORGAN NOMINEES AUSTRALIA LIMITED	19,729,096	8.981%
D.S.A.H. HOLDINGS PTY LTD	15,275,000	6.953%
DOMINET DIGITAL CORPORATION PTY LTD <CAROSA FAMILY A/C>	13,076,624	5.952%
DOMINET DIGITAL INVESTMENTS PTY LTD <DOMINET DIGITAL INVES FAM AC>	9,951,516	4.530%
MR RENE RATH	8,792,570	4.002%
MR HENDRIKUS ANTONIUS JOHANNES KUSTERS	8,792,570	4.002%
RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LTD <VFA A/C>	7,900,236	3.596%
NATIONAL NOMINEES LIMITED	4,905,529	2.233%
LEMPIP NOMINEES PTY LTD <LEMPIP SUPER FUND A/C>	4,378,349	1.993%
DSAH HOLDINGS PTY LTD	3,209,045	1.461%
AUSTRALCO SUPER INVESTMENTS PTY LTD <HNARAKIS FAMILY S/F A/C>	2,398,299	1.092%
MS ZI YI ZHANG	2,046,500	0.932%
JIWA NADAN	1,872,713	0.852%
MSANNA.COM PTY LTD <ANNA CAROSA FAMILY A/C>	1,844,894	0.840%
ARMCO BARRIERS PTY LTD	1,622,000	0.738%
TIGER DOMAINS PTY LTD <TIGER DOMAINS UNIT A/C>	1,602,738	0.730%
MR WILLIAM CAMERON CAPE	1,567,000	0.713%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,247,765	0.568%
MR MARTIN MING LIN	1,200,000	0.546%
MR FREDDY DUBASH & MS HUTOXI DUBASH <ZUHROF SUPER FUND A/C>	1,143,000	0.520%
	<u>112,555,444</u>	<u>51.235%</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 \$0.30 each expiring 3 August 2018	5,000,000	1
Options exercisable at \$0.27 each expiring 29 August 2018	8,962,658	55
Options exercisable at \$0.27 each expiring 24 October 2018	1,875,040	243
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	7,000,000	3
Options exercisable at \$0.30 each, vesting 1 November 2016 and expiring 1 November 2021	5,000,000	1
Options exercisable at \$0.25 each expiring 9 June 2020	1,000,000	1
Performance Rights	11,820,828	29
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; 1,000,000 options exercisable at \$0.25 expiring 9 June 2020 and 1 convertible note are held by JGB (Cayman) Newton Ltd.

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 no securities on issue in Crowd Mobile that are subject to voluntary escrow.

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).

BUYBACKS

No securities were purchased on-market during the reporting period under or for the purposes of an employee incentive scheme or to satisfy the entitlements of the holders of options or other rights to acquire securities granted under an employee incentive scheme.

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.

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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