

23 October 2015

Crowd Mobile Limited (ASX: CM8)

ASX Release

Track Concepts acquisition update

Crowd Mobile Limited (ASX: CM8 & FWB-XETRA: CM3) (Crowd Mobile or the Company) is pleased to confirm that all conditions precedent to the completion of the acquisition of 100% of the share capital in Track Holdings B.V. (Track Acquisition) under the share purchase agreement (SPA) have been met except for the completion of financial settlement which will occur at closing next week.

The Company is also pleased to advise that it has entered into a variation to the existing SPA (Variation) to enable the immediate finalisation of the Track Acquisition. The key terms of the SPA are provided below.

The Company expects that the Track Acquisition (for which all formal documentation has now been finalised, settled and executed) will be practically completed on Friday 29 October 2015 CET (European time), upon which Track Holdings B.V. will become a wholly-owned subsidiary of Crowd Mobile.

The Company and DJ Carmichael Pty Limited, the underwriter of Crowd Mobile's recent fully underwritten rights issue, will now finalise the underwritten rights issue shortfall, and Crowd Mobile will proceed to complete the issue of a total of 51,118,760 rights issue shares in accordance with the timetable below.

EVENT	EXPECTED DATE (2015)
Closing Date for the Rights Issue	5.00pm (Melbourne) Thursday 8 October
DvP Settlement	Tuesday 27 October
Shares for which valid applications have been received and accepted by the Company, as well as underwritten shortfall shares, will be issued	Friday 30 October
Shares and options to the vendors as consideration for the Track Acquisition to be issued	Friday 30 October
Appendix 3B to apply for quotation of all rights issue, shortfall and consideration shares and to confirm issue of options to be lodged	Friday 30 October
Normal trading of new shares on ASX expected to commence	Monday 2 November
Mail out of holding statements for the new shares	Friday 6 November

Key terms of SPA

The key terms of the SPA are as follows:

- Total initial consideration of €22.4m (AUD\$35.0m) (Initial Consideration) which is represented by:
 - €18.7m (AUD\$29.2m) Initial Consideration being €17.0m cash and €1.7m shares (as 15.3 million ordinary shares in CM8 with an issue price of AUD16.3 cents escrowed for 12 months);
 - €3.7m (AUD\$5.8m) Initial Consideration for net tangible assets (NTA);
- Vendors' services retained under an enhanced contract until May 2016;

The financing for the acquisition Initial Consideration is as follows:

- €4.5m (AUD\$7.0m) of senior debt as a 3 Year, revolving, 12% p.a. interest, 1st lien secured, flexible facility from a European bank;
- €4.5m (AUD\$7.0m) of vendor debt as an 8 month facility, 12% p.a. interest, 1st lien secured, vendor debt facility;
- €5.0m (AUD\$7.8m) of vendor debt as a 2 year, 15% p.a. interest, 2nd lien secured facility with 10m, 3 year, CM8 options over ordinary shares priced at 25 cents (50%) and 30 cents (50%) respectively;
- AUD\$12.8m (€8.2m) equity as a fully underwritten, 3:5 rights issue at 25.0 cents per share; and
- AUD\$0.4m (€0.2m) existing cash reserves (rounded).

Commenting on the progress, Crowd Mobile CEO Domenic Carosa said:

“All material conditions precedent relating to the Share Purchase Agreement have been fulfilled and we are pleased to move immediately towards completion of the acquisition by way of settlement of funds and shares to the vendors in the week ahead.

“We are delighted to have finalised our initial funding intentions with strong support from existing shareholders and new investors. We look forward to integrating the Track Concepts business into Crowd Mobile with the support and on-going commitment from the vendors.

“The acquisition of Track Concepts provides Crowd Mobile with a global, leading m-payments network generating significant revenues and profits on which to build in 2016 and beyond. We have confidence in the future of the business post the acquisition and are excited by the significant transformation that has occurred since listing on the ASX in January 2015.

“I thank our existing shareholders, new investors, debt provider and the vendors for their level of support in the deal. We anticipate recommencing trade as the ‘new’ Crowd Mobile in the week ahead and look forward to meeting again with our supporters over the coming months with an update on earnings and progress.”

-ENDS

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About Crowd Mobile

Crowd Mobile is a global m-Content, m-Payments, m-Commerce, mobile entertainment and micro job company that allows customers globally to *crowd source* answers to their much-needed questions and pay a small fee for each answer received. Crowd Mobile operates in 40 countries and answers in 28 languages. Crowd Mobile answered more than 5.7 million questions in FY15.