



13 September 2016

Dear Shareholder

**Crowd Mobile Limited**  
**Pro-Rata Non-Renounceable Rights Issue**

On Monday 12 September 2016, Crowd Mobile Limited ACN 083 160 909 (**Crowd** or the **Company**) announced that it would undertake a pro-rata non-renounceable rights issue on a 1-for-18 basis (**Offer** or **Rights Issue**) to holders of ordinary shares (**Shares**) in the Company (**Shareholders**) with a registered address in Australia or New Zealand (**Eligible Shareholders**) as at 7:00pm (Melbourne time) on Thursday 15 September 2016 (**Record Date**), with 1 free attaching option (**Attaching Option**) (exercisable at \$0.27 and expiring on the date which is 2 years from the date of issue of the Attaching Options) for every 2 new Shares acquired under the Offer.

The Company has prepared a Prospectus in relation to the Offer. The Prospectus was lodged with the Australian Securities and Investments Commission (**ASIC**) and the Australian Securities Exchange (**ASX**) on Monday 12 September 2016, and a copy is available on the ASX website at [www.asx.com.au](http://www.asx.com.au) (ASX: CM8).

The Prospectus will be despatched to Eligible Shareholders in Australia and New Zealand on Monday 19 September 2016.

**Treatment of ineligible shareholders**

The Company has determined that it would be unreasonable to extend the Offer to shareholders with a registered address outside Australia or New Zealand, (**Ineligible Shareholders**) having regard to:

- the small number of shareholders with addresses in such other countries;
- the number and value of the shares they hold; and
- the cost to the Company of complying with applicable legal and regulatory requirements in such other countries.

Accordingly, Eligible Shareholders are those shareholders who:

- will be on the Company's register of shareholders as at the Record Date; and
- have a registered address in Australia or New Zealand.

**Details of the Offer**

Pursuant to the Offer, which is made on a 1-for-18 basis, the Company will issue up to 9,588,669 fully paid ordinary Shares (**New Shares**) in the capital of the Company at an issue price of \$0.16 each, to raise up to approximately \$1,534,187.04 (before costs of the Offer). The Company will also issue up to 4,794,335 Attaching Options (being 1 Attaching Option for every 2 New Shares).

The rights issue offers Eligible Shareholders the right to take up 1 New Share for every 18 Shares held as at the Record Date at an issue price of \$0.16 per New Share, with 1 Attaching Option for every 2 New Shares (**Entitlement**). The right to subscribe for New Shares and Attaching Options in accordance with an Entitlement under the Offer will be non-renounceable. Shareholders who subscribe for their full Entitlement will also be entitled to apply for additional New Shares in excess of their full Entitlement under a shortfall facility. The Company will only issue up to the aggregate number of New Shares that are offered

under the Offer, being 9,588,669 Shares, therefore it may be necessary to scale-back applications for additional shares under the shortfall facility if all applications exceed this number.

The Offer is partially underwritten by DJ Carmichael Pty Limited (**Underwriter**), and any sub-underwriters appointed by the Underwriter, up to a maximum amount of \$600,000 (**Underwritten Amount**). The Underwriter will ensure that at least \$600,000 is raised pursuant to the Rights Issue by subscribing (or having sub-underwriters subscribe) for Shortfall Securities (if any) to the extent that the total funds raised under the Offer fall short of \$600,000 net of costs. For example, if the Offer raises \$500,000, the Underwriter (or sub-underwriters) will subscribe for \$100,000 to ensure a total minimum capital raise under the Rights Issue of \$600,000. As such, the Offer will raise at least \$600,000. Messrs Theo Hnaraki and Domenic Carosa, Directors of the Company, will act as sub-underwriters.

In the event that there is a shortfall (above the minimum \$600,000 Underwritten Amount) following the closing date of the Offer, the Underwriter will also act as lead manager with respect to a placement of that shortfall (**Shortfall Placement**). Under the Shortfall Placement, any shortfall which is not taken up under the Offer by Eligible Shareholders, the Underwriter, or any sub-underwriters may be issued to investors sourced by the Underwriter within 3 months after the closing date. Shares and Attaching Options issued under the Shortfall Placement will be issued at the same price as offered to Eligible Shareholders under the Offer.

New Shares issued pursuant to the Offer will be fully paid and will rank equally with the Company's existing Shares. The Company will make an application to the ASX for official quotation of the New Shares. The Attaching Options will be unquoted.

The number of Shares on issue in the Company at the date of this letter and the total number of Shares that will be on issue in the Company following the Offer, assuming the Offer is fully subscribed, are as follows:

EVENT	NO. OF SHARES
Shares on issue at date of Prospectus	172,596,048
Maximum New Shares issued pursuant to the Offer	9,588,669
<b>Maximum total Shares on issue after completion of the Offer</b>	<b>182,184,717</b>

#### **Purpose of Offer and use of funds**

Crowd Mobile is making the Offer to raise funds. After payment of the costs and expenses of the Offer, the proceeds from the Offer will further strengthen the Company's balance sheet, which will help support increased marketing initiatives and help solidify a number of material partnership opportunities.

#### **Offer timetable**

EVENT	DATE
Announcement of Rights Issue	Pre-market Monday 12 September 2016
Prospectus lodged with ASIC	Monday 12 September 2016
Lodgement of the following documents with ASX: ▪ and Appendix 3B; and ▪ this Prospectus	Pre-market Monday 12 September 2016
Letter to Option Holders sent and lodged with ASX	Monday 12 September 2016
Notice sent to Shareholders containing ASX Appendix 3B details and indicative timetable	Tuesday 13 September 2016
"Ex" date where the Company's existing Shares will commence trading without the entitlement to participate in the Offer	Wednesday 14 September 2016

Record Date to determine Entitlements under the Offer	7.00pm (Melbourne time) Thursday 15 September 2016
Opening Date for the Rights Issue	Monday 19 September 2016
Mailing of Prospectus and Entitlement and Acceptance Form to Eligible Shareholders	
Last day to extend Closing Date of the Rights Issue	Wednesday 28 September 2016
Closing Date of Rights Issue	5.00pm (Melbourne time) Tuesday 4 October 2016
Shares quoted on a deferred settlement basis	Wednesday 5 October 2016
Notification of under-subscriptions to Underwriter and ASX	Friday 7 October 2016
New Shares for which valid applications have been received and accepted by the Company will be issued	Monday 10 October 2016
Deferred settlement trading ends	Monday 10 October 2016
Normal trading of New Shares on ASX expected to commence	Tuesday 11 October 2016
Deadline for Shortfall Placement	Wednesday 4 January 2017

This timetable is indicative only and subject to change. Subject to the Corporations Act and the ASX Listing Rules, the Company reserves the right to vary these dates, including the closing date of the Offer, without prior notice.

The Company also reserves the right not to proceed with the whole or part of the Offer at any time prior to the issue date. In that event, application monies will be refunded in full without interest.

### Dealing with Entitlements

Eligible Shareholders have the following alternatives available in relation to the Rights Issue:

1. accept their Entitlement in full;
2. accept their Entitlement in full and apply for additional Shares under the shortfall facility;
3. partially accept their Entitlement; or
4. allow their Entitlement to lapse.

To the extent that Shareholders do not take up their Entitlement, their interest in the Company will be diluted.

Full details of the terms and conditions of the Offer will be contained in the Prospectus lodged with ASX and to be despatched to Eligible Shareholders in accordance with the timetable set out above.

Yours faithfully



Sophie Kafzis  
**Company Secretary**