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15 July 2016

Crowd Mobile Limited (ASX: CM8)

ASX Release

Recording of investor webinar available

Crowd Mobile Limited (ASX: CM8 & FWB-XETRA: CM3) (**Crowd Mobile** or **the Company**) advises that a recording of the investor webinar which was held on Thursday 14 July 2016 is now available for viewing on the Company's website via the following link:

http://crowdmobile.com/media/

A copy of the materials which accompany the recording of the webinar is attached to this announcement.

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About Crowd Mobile

Crowd Mobile is a mobile-first company with a world-leading platform that provides personalised expert advice that go beyond Google & world leading Content Subscription products. Operating across 50 countries and 30 languages, the Company has partnered with over 160 mobile carriers to enable customers to pay for its products and services through their mobile phone or with Google or Apple Pay. Crowd Mobile, which has also developed a diverse range of products in the m-payment, entertainment and infotainment space, is listed on the Australian and Frankfurt stock exchanges (ASX: CM8 & FWB-XETRA: CM3)

Crowd Mobile Ltd

Webinar – Refinance & Company Update

14th July 2016

AGENDA

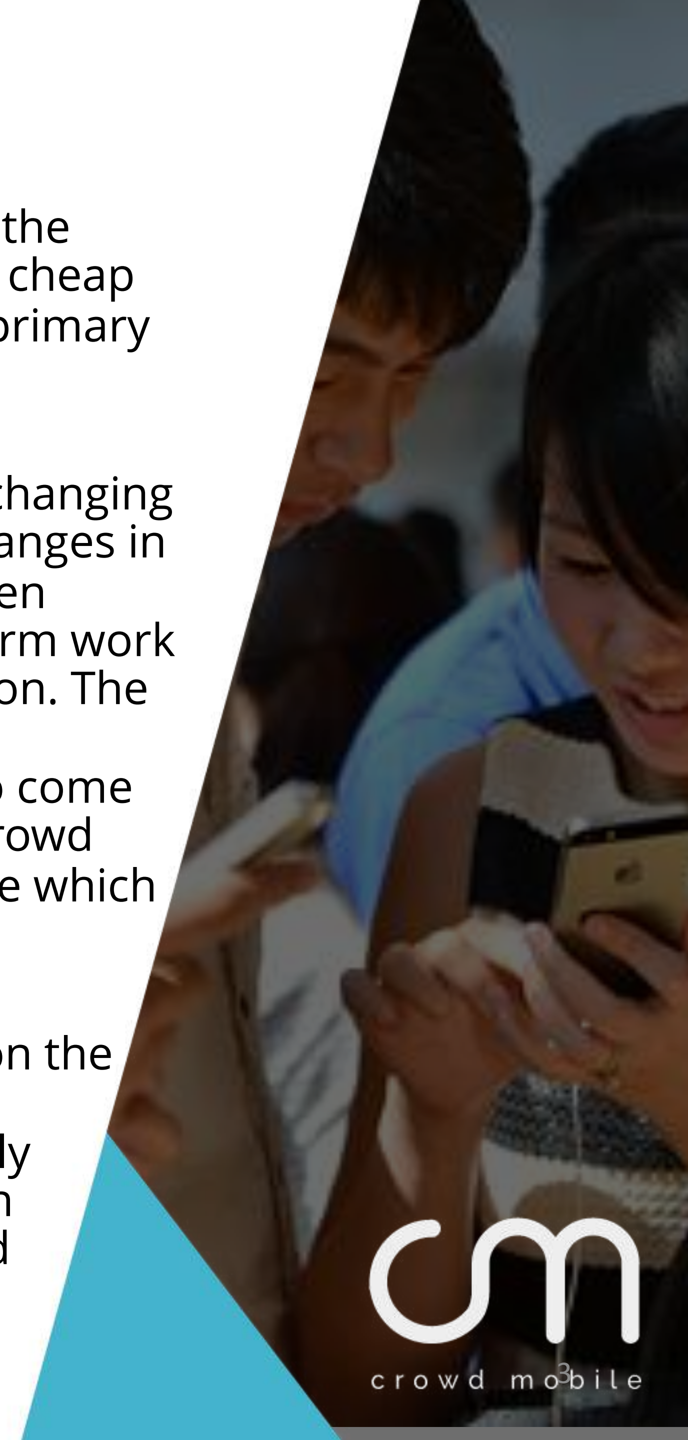
- Macro themes & Business snapshot
- Q&A Re-financing with JGB
- Q&A Re-Financing with Track Vendors
- Q&A Cash flow and business performance
- Key Take-outs

MACRO THEMES

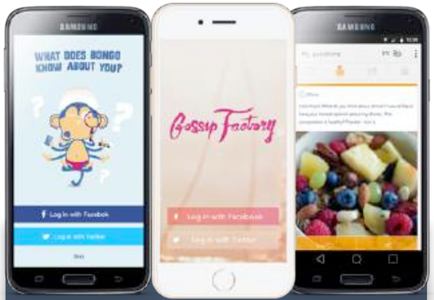
- Mobile First: The penetration of smartphones across the globe is growing rapidly due to to the proliferation of cheap Android devices. The mobile device is becoming the primary gateway to online services and entertainment.

- Global Distributed Workforce: The nature of work is changing around the globe which has been partly driven by changes in technologies. The application of technology has broken down geographical barriers enabling people to perform work remotely as opposed to being tied to a specific location. The rise of platforms such as Freelancer, 99designs and CrowdSource have allowed for clients and workers to come together and transact on a common market place. Crowd Mobile has carved out a niche in the “micro job” space which is a ”job” that takes 10 minutes or less.

- Demand for Personalisation: Many services offered on the internet are automated and are not customised to a user’s personal circumstances. People are increasingly looking for personalisation of services that have been specifically developed for them. CM is well positioned to take advantage of this growing need.



BUSINESS SNAPSHOT

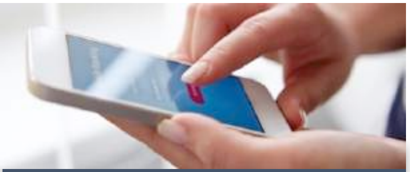


Question & Answer (Q&A)

Crowd Mobile develops engaging mobile products that seamlessly connect those seeking answers with experts qualified to give them

Mobile Content Subscription

Crowd Mobile delivers mobile content including games, mobile security, applications, education, apps, music and video to millions of consumers across the world



Mobile Payments (m-payments)

Both divisions are underpinned by a seamless m-payment process through Crowd Mobile's Telco partners/Apple/Google. Faster and more convenient than credit cards for users

Q&A

Question 1: How much debt is involved in this re-financing and is any of it conditional?

Answer: The maximum proceeds from the note are €10.8m (AUD$15.9m) of which €8.55m (AUD$12.6m) is immediately paid to Crowd Mobile following shareholder approval and the remainder of €2.25m (AUD$3.3m) is follow-on funding.

Follow-on funding is able to be drawn-down each month based on the Company meeting minimum monthly EBITDA covenants.

It should also be noted that most of the company's revenue and cash flows are in €'s (euros) and hence we have a natural hedge with the funding.

* Note: Using AUD/EUR 0.68 FX rate throughout the presentation

Q&A

Question 2: What is the total cost of this convertible note facility?

Answer: The effective cost of the note is determined based on the Company's future repayment pattern and the extent to which JGB elects to convert any part of the debt under the note into shares (if at all).

The Company has flexibility to repay principal and interest in cash, shares, or a combination of both.

Example 1, if the Company paid all of the Convertible Note in cash to maturity, the effective cost would be approximately 9.0%

Example 2, if the Company re-paid one quarter of the facility in shares to maturity, the effective cost would be approximately 11.5%.

Q&A

Question 3: Are principal and interest repayments made each month and how much are they?

Answer: Interest & principle payments are made each month.

These payments can be made in cash *or* shares at Crowd Mobile's <u>sole</u> election.

The monthly amounts are different if we are paying in cash *or* shares.

Cash = €450k (AUD$661k) per month

Shares = €720k (AUD$1058k) per month

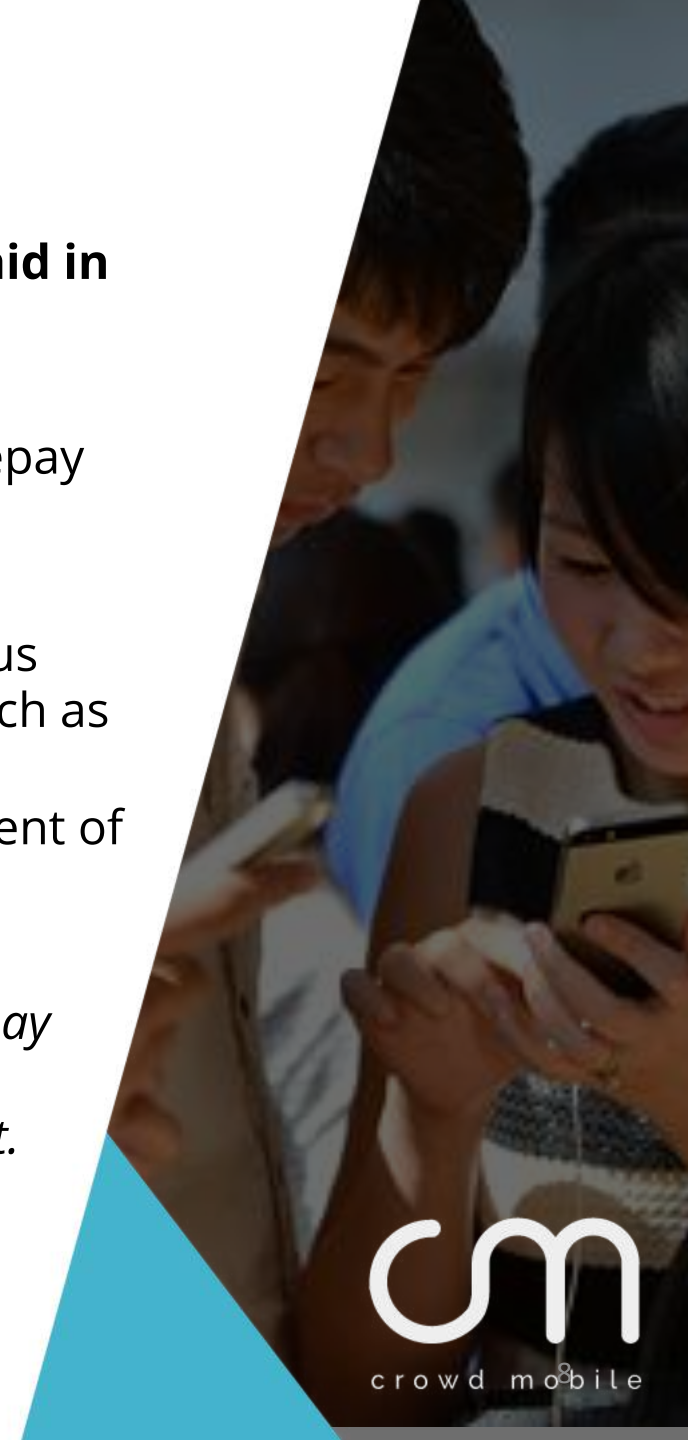
Q&A

Question 4: What proportion of debt will be repaid in cash versus stock?

Answer: Firstly, it's Crowd Mobile's preference to repay principal <u>in cash</u>

However, in practise, the eventual split of cash versus stock repayment will depend upon future events such as Profit and cash flow performance, future business opportunities, share price performance and the extent of JGB's conversion (if any).

The Company confirms its current expectation is to repay the strong majority of monthly payments in cash and minimise shareholder dilution whilst paying down debt.



Q&A

Question 5: If CM8 decides to pay in stock, how will the price be calculated?

Answer: 10% discount to the previous day's VWAP or an average of VWAPs over a 10-day period (defined as **Stock Redemption Price**).

Q&A

Question 6: Can JGB trade the Company's shares leading up to the EGM date?

Answer: No, JGB is deemed an 'insider' by virtue of the financial information provided to it until such time as the Company announces its full year unaudited results to the ASX.

Management is not aware of any shares being held by JGB.

Q&A

Question 7: Can JGB short the Company’s shares during the life of the facility?

Answer: Naked short selling is prohibited under the agreement and a very serious securities trading offence in the USA.

JGB has stressed that they never engage in such activity.

Q&A

Question 8: How likely is it that JGB will convert to stock during the 30-month life of the facility and what are its plans if it holds large amounts of shares?

Answer: Whether a conversion event even occurs is highly dependent upon share price performance and liquidity. The conversion price will be fixed at a 30% premium to the VWAP share price on the day of the EGM and as such, the Company wants to see that price maximised which is in the interests of all shareholders.

Furthermore, JGB is restricted as to the value they can hold and trade in the Company's shares by both the 'Dollar Value Limitation' (20% of the aggregate dollar trading volume over 20 consecutive trading days) and the 'Beneficial Ownership Limitation' where the maximum shareholding of JGB cannot be greater than 4.99% of the Company at any given point in time.

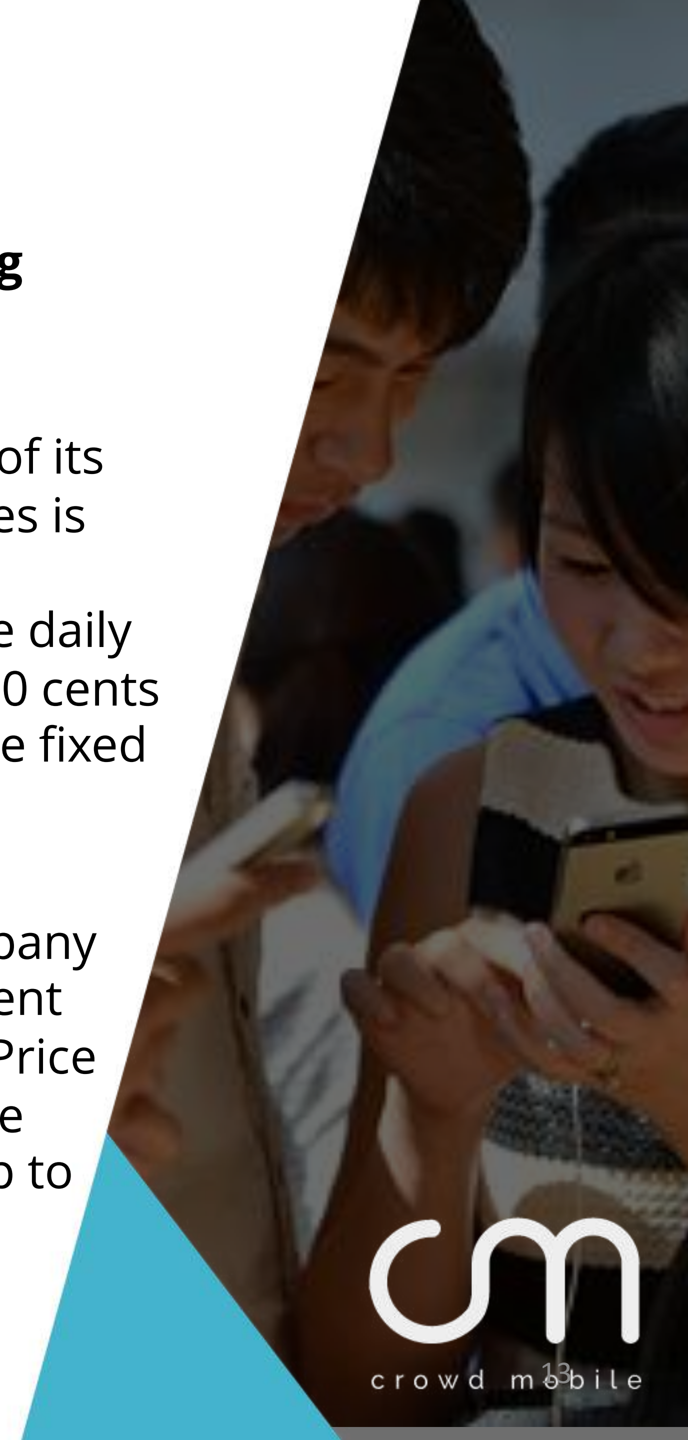
In summary, in the Company's view, if and when a conversion event occurs, it should be reflective of a significant improvement in both share price performance and increased liquidity in the Company's shares on the public exchanges, which we consider as good results for all shareholders.

Q&A

Question 9: Can you summarise the share pricing mechanics under the JGB facility?

Answer: Firstly, if JGB elects to convert some or all of its notes into shares, the 'Conversion price' of the shares is fixed for the life of the facility and is based on the Conversion Price, which will be set as 30% above the daily VWAP on EGM date. For example, if the VWAP was 20 cents at the EGM date, then the Conversion Price would be fixed at 26 cents for the term of the facility.

Secondly, for monthly redemptions where the Company elects to repay in shares then we use a 'Stock Payment Price' which means the lowest of the Conversion Price or 90% of two separate VWAP calculations which are based on different measurement periods leading up to the relevant date.



Q&A

Question 10: Why is this facility better than the existing European debt for the Company?

Answer:

1. The anticipated effective borrowing cost is lower and provides greater flexibility in payment;

2. It provides the Company with extra working capital which it is able to use in growing the business and increasing shareholder value;

3. It provides a line of sight for debt repayment and as a principal & interest facility, enables investors to make their own assessments as to when the Company's Debt to Equity Ratio is appropriate for their individual risk/return preferences;

Q&A

Question 11: How does the Company see its time to being debt free under this facility?

Answer: The Convertible note facility provides clear line of sight to being debt free in 30 months, however it is likely that the Company will repay the facility in between 24 and 30 months.

Of course in practice, full repayment may occur sooner should JGB convert part of the note principal during the life of the facility.

Q&A

Question 12: Why did the Company re-negotiate with the Track Vendors to extend the €2.0m (AUD$2.9m) Oct-16 Bullet Vendor loan payment to Oct-17?

Answer: The Company simply wanted increased cash flow flexibility to protect against recent macro-economic events and global equity market volatility, and to enable better use of its capital in pursuing more valuable business opportunities.

The Track vendors agreed that this was in the company's best interest.

The Company still has the option to pay back the €2.0 (AUD$2.9m) Vendor loan earlier dependent on future cash flows.

The Track vendors continue to hold approx. 10% in Crowd Mobile.

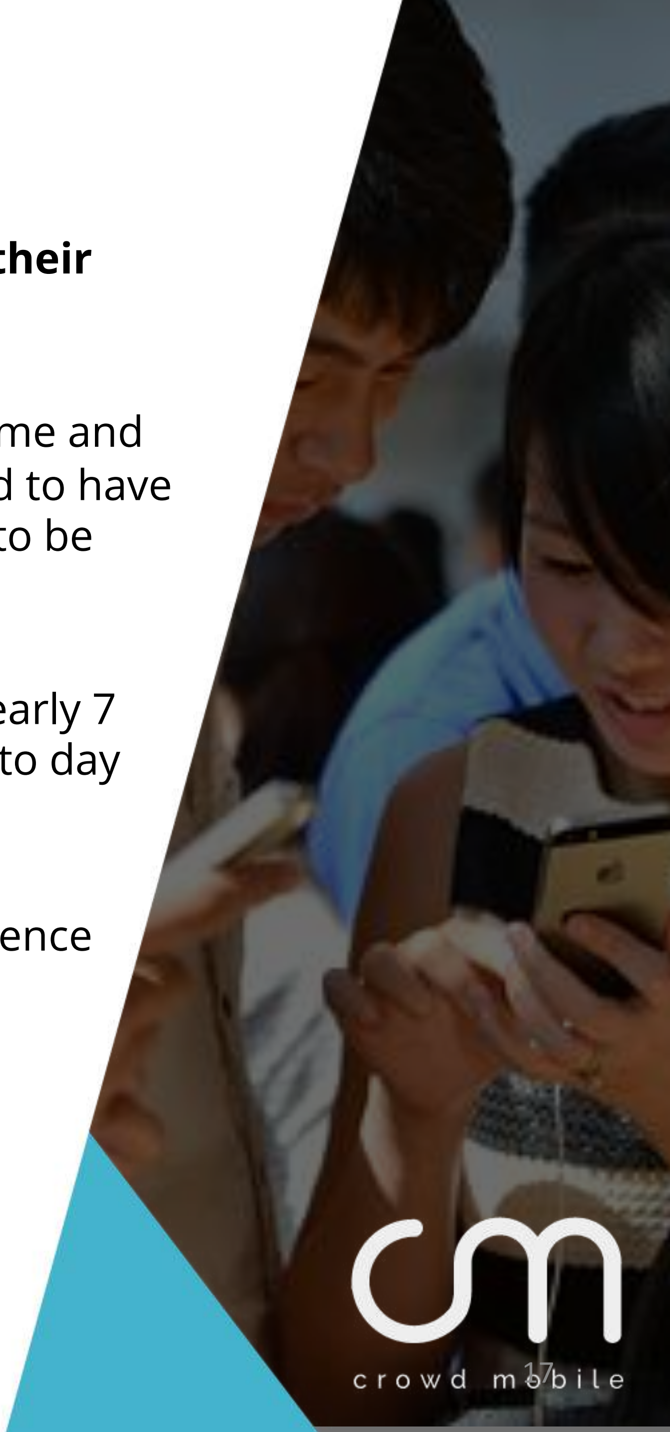
Q&A

Question 13: Do the Track Vendors receive a salary for their extended consultation?

Answer: They receive an hourly consulting fee based on time and usage demanded by the Company. The Company is pleased to have secured this scalable arrangement albeit it is not intended to be heavily utilised.

The Track Vendors have been operating the business for nearly 7 years and no amount of handover can replace lengthy day to day experience they have had in the business.

The Track vendors own approx. 10% of the Company and hence it’s in their best interests for the business to perform.



Q&A

Question 14: Can you clarify the Debt movement in the last 6 months and explain how it relates to cash flow generation?

Answer: At 31 Dec 2015 the Company had €11.9m (AUD$17.5m) in total debts plus Earn-Out obligations to the Vendors of € 4.5m (AUD$6.7m) and Cash of AUD$5.9m, = Net Debt of AUD$18.5m.

At 30 Jun 2016 total debts were €11.9m (A$17.7m), no Earn-Out obligation, and Cash of AUD$2.7m, = Net Debt of AUD$15.0m.

So based on unaudited figures (and incl. Earn-Out), in the 6 months to 30 Jun 2016, the Net Debt reduction was AUD $3.5m.

This $3.5m reduction is positive cash flow generation *after* paying interest, tax and one-time costs for the Track acquisition and European restructure into Amsterdam headquarters.

When excluding one-time costs, the Cash flow generated for the 6 months to 30 Jun-16 was circa AUD$4.0m.

crowd mobile

Q&A

Question 15: Explain how refinancing benefits the Company’s working capital position.

Answer: The Company has accepted €2.25m (AUD3.3m) in additional proceeds from JGB to provide sufficient working capital to more aggressively pursue new market growth and market share in existing markets.

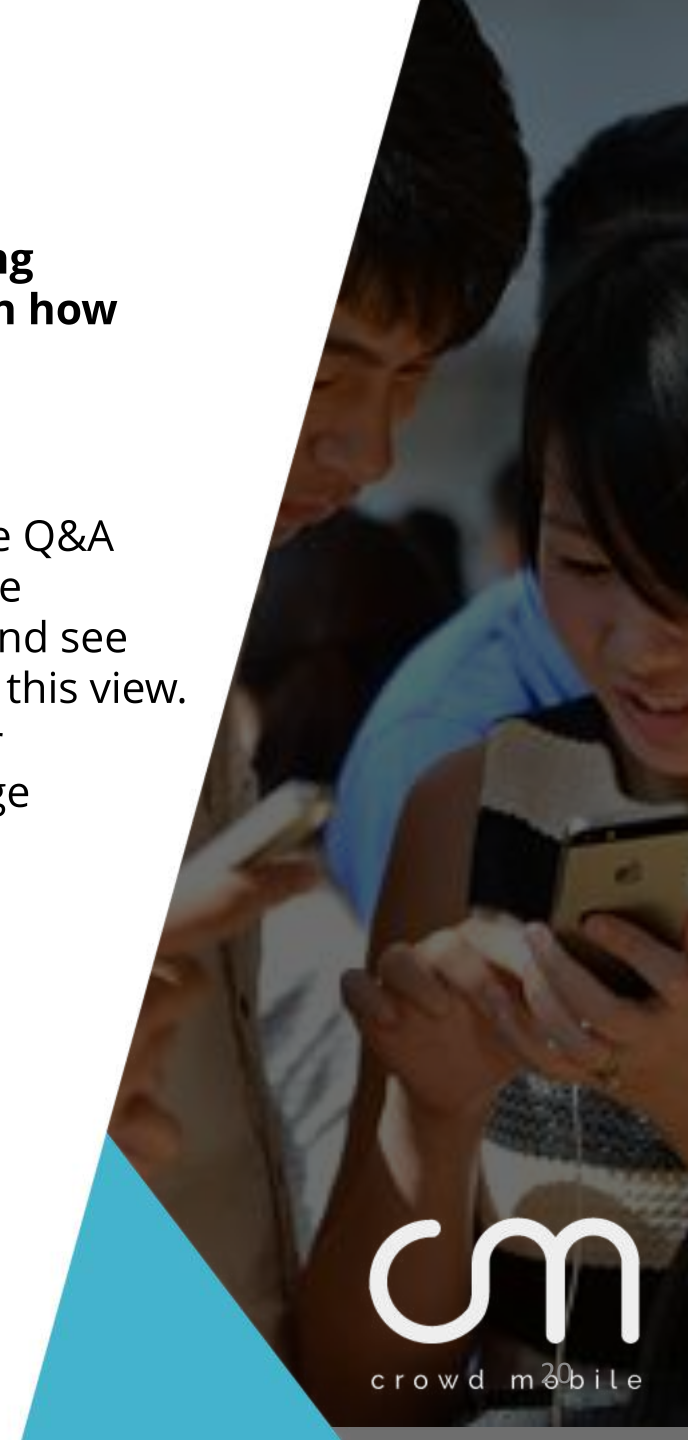
Whilst the first half of 2016 focused on paying down the €4.5m (AUD$6.6m) Vendor Earn-Out obligations (now complete), the second half will focus on improving growth whilst paying down debt.

It is important to note that JGB convertible debt proceeds provides the company the right to repay in shares and the Noteholder the right to convert debt to equity, (assuming the stock trades above the conversion price with a sufficient amount of liquidity.)

Q&A

Question 16: Are you happy with the growth rates being achieved within the business and can you elaborate on how JGB saw the performance development of the Q&A vs Subscription (Track) business units?

Answer: As we've previously reported to shareholders, the Q&A division is the relative out performer in the Company at the moment. We continue to be very pleased with its results and see strong opportunities for this business in FY-17. JGB shares this view. Our Subscription (Track) business unit continues to deliver significant EBITDA and cash flow, and remains in early stage integration and development at Crowd Mobile.



Q&A

Question 17: Will shareholders receive a trading update before the EGM (1st August 2016)?

Answer: The Company intends to release a Jun-16 quarter update to shareholders via the ASX in the same way as was done for the Mar-16 quarter, within the coming week and Management re-iterates the previous advice that the Company's expected performance for Jun-16 quarter is materially consistent with the prior quarter. Cash flow remains healthy and in line with expectations.

Q&A

Live questions will now be answered during the Webinar

KEY TAKE-OUTS

- Crowd Mobile is a Profitable and Cash flow generative technology business operating in a market with strong thematics and growth opportunities

- The business generated circa AUD$4m in Cash Flow in 6 months to Jun-16 (excluding abnormal items)

- Our Q&A division continues to out perform while our Subscription (Track) business continues to stabilise

- The new Convertible note funding facility from JGB lowers the cost of debt, provides top-up working capital, commits the Company to principal and interest pay-down, whilst importantly, providing capital structure flexibility as the company grows

Q&A

THANK YOU ☺