

Media release

25 March 2020

Tambla Announces Opening of Convertible Note Subscription and Applies to Delist from ASX

Australian intelligent workforce solutions company **Tambla Limited (ASX: TBL) ('Tambla' or 'the Company')** is pleased to advise that its Convertible Note subscription has opened today.

Tambla has submitted a formal application for the removal of Tambla from the Australian Securities Exchange ('ASX') Official List ('**Official List**') pursuant to ASX Listing Rule 17.11 ('**Delisting**').

Convertible Note

The Company is seeking to raise an amount of \$1.6 million to \$2.0 million through this convertible note. Kestrel Capital and number of existing shareholders have committed to amounts currently totalling \$1.6 million. As previously disclosed, Kestrel Capital is a related entity to Tambla Directors', Niall Cairns and Phillip Carter. The Company expects to complete the transaction on or about Monday 6 April 2020.

The key terms of the Convertible Note Subscription can be found in Schedule 1 attached to this announcement.

Funds from the convertible note subscription will be invested in sales and marketing initiatives, working capital and continued customer-focused product development to accelerate the company's current growth plans. A portion of the funds will also be used to pay costs associated with the delisting of Tambla from the ASX as described below.

Delisting from ASX

Tambla has lodged a formal application for the removal of Tambla from the Official List pursuant to ASX Listing Rule 17.11.

In-principle approval received from ASX

Tambla has received in-principle approval from the ASX of the Company's application to be removed from the Official List, on a date to be determined by ASX in consultation with the Company, subject to compliance with the following conditions:

- a) the Company's removal from the Official List of ASX is approved by a special resolution of shareholders;
- b) the notice of meeting seeking shareholder approval for the Company's removal from the Official List must include a statement, in form and substance, satisfactory to ASX, setting out:
 - a. a timetable of key dates, including the time and date at which the Company will be removed from the ASX if that approval is given; and
 - b. that if Shareholders wish to sell their Shares on ASX, they will need to do so before the Company is removed from the Official List of ASX, and if they do not, details of the processes that will exist after the Company is removed from the

Official List to allow Shareholders to dispose of their holdings and how they can access those processes;

- c) the removal will not take place earlier than one month after the Shareholder approval is obtained; and
- d) the Company releases the full terms of the ASX's in-principle decision to the market upon making a formal application to ASX to remove the Company from the Official List of ASX.

In accordance with the condition set out in d) above, the full terms of the ASX decision are set out above.

In order to satisfy the condition set out in a), Tambla will seek such special resolution from shareholders in its upcoming annual general meeting ('**AGM**'), which is currently scheduled at **10am (AEST) Monday 11 May 2020**. The Company expects to release on ASX and dispatch the Notice of Meeting for the AGM ('**Notice of Meeting**') no later than **Monday 6 April 2020** subject to ASX's approval. Subject to shareholders approving the delisting resolution and in accordance with c), Tambla expects that it will be removed from the Official List of ASX on or about 11 June 2020.

Reasons for delisting from the ASX

The board and management of Tambla believe that the Delisting represents the best opportunity to recognise medium-term shareholder value. Particularly, the Board are of the opinion that:

- a) the current size of the company does not enable it to take advantage of being publicly listed;
- b) a public share price which is not equivalent to comparable valuations in private companies has meant (despite strong industrial logic) numerous M&A opportunities have stalled over value in the last 18 months;
- c) being listed has been detrimental to Tambla winning new enterprise business; and
- d) if the Delisting is completed, compliance costs associated with listing will be eliminated, and management estimate a reduction of approximately \$400k-\$500k per annum in ongoing costs, which will move the Company closer to achieving a NPAT positive result.

Limited liquidity and insufficient Shareholder spread to maintain an orderly market

Under Listing Rule 12.4, the Company is required to maintain a spread of Shareholders that, in ASX's opinion, is sufficient to ensure that there is an orderly and liquid market in its securities.

Tambla's share register is highly concentrated with approximately 80% of the issued share capital of Tambla held by the top 35 Shareholders. As at 19 March 2020, there were a total of 258 Shareholders on the share register of the Company.

The table below sets out the distribution of Tambla Shareholders as at 23 March 2020.

Number of Shares	Number of Shareholder	Number of Shares held	Proportion of issued capital (%)
0-1,000	30	4,987	0.03%
1,001 – 5,000	76	182,500	0.92%
5,001 – 10,000	28	206,121	1.04%
10,001 – 100,000	90	3,723,610	18.80%
100,001 and over	34	15,689,094	79.21%
Total	258	19,806,312	100.00%

The Board considers that the current spread of shareholders and their aggregate holdings of Shares may not be sufficient to maintain an orderly and liquid market in the Shares. In addition, the Board does not have any reason to believe that there will be a substantial increase in its shareholder spread or the liquidity in Shares in the future.

Further information on reasons for the Delisting will be provided in the Notice of Meeting to be dispatched to shareholders no later than Monday 6 April 2020 subject to ASX's approval.

Consequences of Delisting

The consequences of the Delisting for Tambla and its shareholders include:

- shares of Tambla ('**Shares**') will no longer be quoted or traded on ASX and shareholders will only be able to sell their Shares via off-market private transactions in accordance with in accordance with the Company's constitution and any shareholders agreement that may be in force;
- as an unlisted public company, Tambla will not have the ability to raise capital from the issue of securities in reliance on a limited disclosure fundraising document. If Tambla wishes to raise capital following the Delisting, this will be by way of an offer of shares pursuant to a full prospectus or by way of a placement to sophisticated and institutional investors (to whom such disclosure is not required); and
- while Tambla continues to have in excess of 100 shareholders after the Delisting, Tambla will be an 'unlisted disclosing entity' for the purposes of the Corporations Act 2001 (Cth).

As set out above, the Delisting is subject to approval by a special resolution of shareholders. Shareholders should be aware that, in addition to the right to participate in discussion and vote at the shareholders' meeting, it is possible to pursue additional remedies under the Corporations Act in relation to the Delisting, including:

- a) under Part 2F.1 of the Corporations Act, pursuant to which a member of a company may apply to a court to make certain orders if an act or proposed act of the company, or a proposed resolution of members, is either (i) contrary to the interests of members as a whole; or (ii) oppressive to, unfairly prejudicial to, or unfairly discriminatory against, a member or members whether in that capacity or any other capacity; or
- b) under Part 6.10, Division 2 Subdivision B of the Corporations Act, pursuant to which any person whose interests are affected by circumstances in relation to the affairs of a company may apply to the Takeovers Panel to seek a declaration that those circumstances are 'unacceptable circumstances' within the meaning of the Corporations Act.

Further information on reasons for the consequences of the Delisting will be provided in the Notice of Meeting to be dispatched to shareholders no later than Monday 6 April 2020 subject to ASX's approval.

Sale of Shares by shareholders

Tambla does not intend to offer a specific liquidity facility in conjunction with its removal from the Official List. However, Shareholders who wish to sell their shares remain able to trade their shares to willing counterparties on-market on the ASX up to the date of suspension of trading of the Company's shares which will occur prior to market opening on the expected date of removal from the Official List. As indicated above, Tambla expects to be removed from the Official List on or about 11 June 2020.

This announcement is authorised for release by the Board.

About Tambla

Tambla is an innovative enterprise HR software company delivering cloud-first intelligent workforce solutions to organisations with large shift-based workforces. Tambla provides these companies with the tools to ensure visibility, optimisation and compliance of their workforces globally. Tambla supports more than 180 customers in over 5800 locations globally, including leading organisations within aviation, transportation, retail, hospitality and health.

Enquiries/Additional Information

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SCHEDULE 1

Key terms of the Notes

The key terms of the Notes are set out in the table below:

No	Item	Details
1.	Face Value	Each Note has a face value of A\$1.00 in total.
2.	Issue Date	Date of issue of Notes to the Noteholder.
3.	Maturity Date	<p>30 June 2022.</p> <p>The company may at its discretion extend the term by 12 months to 30 June 2023. (Maturity Date 2)</p>
4.	Shareholder approval	<p>The Notes contain conversion rights that are, where required, conditional on, and of no force and effect until, shareholder approval is obtained under Listing Rule 10.11 and Chapter 2E of the Corporations Act.</p> <p>If shareholder approval, where required, is not obtained the Notes remain a basic promissory note accruing interest as set out in item 5 below and being repayable on the Maturity Date.</p> <p>If shareholder approval is obtained, the terms set out in items 6 to 10 below become effective.</p>
5.	Interest	<p>Interest accrues at the rate of 6% per annum on each Note from (and including) Issue Date until (but excluding) the earlier of the date on which the holder converts the Note or the Maturity Date.</p> <p>Accrued interest will be paid by the Company quarterly in arrears and may, at the election of the Company, be capitalised and added to the outstanding amount on the Notes.</p>

No	Item	Details
6.	<p>Conversion*</p> <p>This term becomes effective if shareholder approval is obtained.</p>	<p>If a conversion notice is given by a holder of a Note at any time from the Issue Date until the Maturity Date, the Note will be converted into fully paid ordinary shares in the Company at a conversion price of \$0.25 per Share (Conversion Shares). A minimum of 50,000 Notes must be converted in any given conversion.</p> <p>If a conversion notice is given by a holder of a Note at any time from the Maturity Date until the Maturity Date 2, the Note will be converted into fully paid ordinary shares in the Company at a conversion price of \$0.27 per Share (Conversion Shares). A minimum of 50,000 Notes must be converted in any given conversion.</p> <p>If the issue of any Conversion Shares would result in a breach of section 606 of the Corporations Act, the Company must issue the maximum number of Shares that may be issued so that section 606 is not breached and, at the election of the noteholder, either require the Company to convene and hold a meeting of Shareholders within 60 days to approve the issue of the additional shares or nominate such later date for the issue of additional shares so that section 606 is not breached.</p>

7.	<p>Quotation of Conversion Shares*</p> <p>This term becomes effective if shareholder approval is obtained.</p>	<p>The Company must do all things necessary or desirable to ensure that Conversion Shares are quoted on the ASX and will be freely tradable including by either providing to ASX a cleansing statement within 5 business days of the issue or lodging a prospectus with ASIC.</p>
8.	<p>Repayment on Maturity*</p> <p>This term becomes effective if shareholder approval is obtained.</p>	<p>The Company will provide the noteholder with a repayment notice within 10 business days before the Maturity Date. Upon receipt of the repayment notice, the noteholder may, at any time before the Maturity Date, issue a conversion notice to the Company requiring the conversion of the relevant Notes. If the noteholder does not provide a conversion notice prior to the maturity date the Company must repay the outstanding amount on the Notes (including all accrued interest) within 10 business days following the Maturity Date.</p>
9.	<p>Effect of reconstruction of capital*</p> <p>This term becomes effective if shareholder approval is obtained.</p>	<p>The conversion price and number of securities a holder is entitled to receive on exchange of their Notes will be appropriately adjusted in the event of a reorganisation, reconstruction, consolidation or sub-division of the capital of the Company.</p> <p>In the case of a bonus issue or pro-rata issue, the exercise price of the Convertible Notes will be adjusted in accordance with the formula and criteria specified in the Agreement in accordance with the Listing Rules.</p>
10.	<p>Default Events*</p> <p>This term becomes effective if shareholder approval is obtained.</p>	<p>Upon the occurrence of certain default events, including the Company failing to pay amounts due under the agreement, the Company materially breaching the agreement and insolvency circumstances, the noteholder may accelerate the maturity date of the Notes to the date of written notice of the default event.</p>