



ASX Announcement

8 March 2023

Retail Entitlement Offer

As announced to ASX on 3 March 2023, the Company is raising capital to underpin Cluey's path to profitability and execute growth opportunities. Today, the Company has despatched the attached Retail Entitlement Offer Booklet to eligible shareholders. If you have any questions in relation to the Equity Raising, please contact Cluey's Share Registry, Automic on 1300 288 664 (within Australia) +61 2 9698 5414 (from outside Australia) between 9.00am and 5.00pm (Sydney time) Monday to Friday.

ENDS

Authorised for release to the ASX by the Company Secretary of Cluey Ltd.

For enquiries please contact:

Investors

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ABOUT CLUEY

Cluey is an innovative, ASX-listed Edtech company that combines education, technology and data to deliver quality education outcomes and an enhanced experience for students. Cluey has a highly experienced management team and Board with a track record of building successful education businesses and is supported by an Independent Education Advisory Board comprising four eminent independent education sector thought leaders.

Cluey key facts:

- Cluey provides curriculum aligned academic support for students in Australia and New Zealand. In addition, Cluey delivers co-curricular online, holiday camps and after school programs in Australia and the United Kingdom through its wholly owned subsidiary, Code Camp.
- Cluey is headquartered in Sydney.
- Cluey has been recognised in the prestigious HolonIQ inaugural list of most innovative Edtech companies in Australia. Cluey was also the winner of the 2022 Australian Growth Company Awards - Technology Growth Company of the Year; 2021 Technology Scale-up Edtech of the Year Award, and recognised as the 5th fastest growing technology company in Australia in the Deloitte Technology Fast 50 2021 Awards.

	<h1>RETAIL ENTITLEMENT OFFER BOOKLET</h1> <p>Retail Entitlement Offer</p>
	<h2>CLUEY LTD</h2> <p>ACN 644 675 909</p>
	<p>This Retail Offer Booklet contains details of the retail component of the Company's recently announced 1-for-2.6 accelerated non-renounceable entitlement offer of New Shares to raise gross proceeds of up to approximately \$8.0 million</p>
	<p>The Issue Price under the Retail Entitlement Offer is \$0.15 per New Share</p>
	<p>The Retail Entitlement Offer closes at 5pm (Sydney time) on Tuesday, 21 March 2023</p>
	<p>NOT FOR DISTRIBUTION TO US WIRE SERVICES OR RELEASE IN THE UNITED STATES</p>
	<p>This Retail Offer Booklet is an important document and requires your immediate attention</p> <p>This Retail Offer Booklet and the accompanying Entitlement and Acceptance Form should be read carefully and in their entirety. If you are in any doubt about what to do, you should consult your independent professional adviser without delay</p>




Joint Lead Manager	Joint Lead Manager	Financial Adviser
 <p>cg/ Capital Markets Canaccord Genuity</p>	 <p>BELL POTTER</p>	 <p>GRANT SAMUEL</p>

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Enquiries

Before deciding to participate in the Retail Entitlement Offer, Eligible Retail Shareholders should seek advice from their stockbroker, accountant, financial adviser, solicitor, taxation adviser or other independent professional adviser to determine the extent to which any such investment in the Company is suitable for you.

If you have any questions on how to:

- (a) complete the entitlement and acceptance form accompanying this Retail Offer Booklet (**Entitlement and Acceptance Form**);
- (b) exercise your pro rata “entitlement” to participate in the Retail Entitlement Offer (your **Entitlement**), either in full or in part; or
- (c) exercise your Entitlement in full and subscribe for New Shares in excess of your Entitlement (**Additional New Shares**¹),

please see Sections 2.1 to 2.4 or call the Share Registry on 1300 288 664 (if calling from Australia) or on +61 2 9698 5414 (if calling from New Zealand) during business hours Monday to Friday (Sydney time).

Website

For further information in relation to the Company, please visit the Company’s website at www.clueylearning.com.au or peruse the Company’s continuous and periodic disclosures given to and released on ASX (which are available at www.asx.com.au (ASX: CLU)).

Definitions

Unless defined in the body of this Retail Offer Booklet, undefined capitalised words and terms used in this Retail Offer Booklet have the meanings given to them in the Glossary.

¹ A reference in this Retail Offer Booklet to “**New Shares**” includes, as the context requires, a reference to “**Additional New Shares**”.

IMPORTANT INFORMATION

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This Retail Offer Booklet is dated 8 March 2023 and the contracts which arise on the acceptance of applications received under it are governed by the laws applicable in New South Wales, Australia and, accordingly, each applicant submits to the non-exclusive jurisdiction of the courts of New South Wales in this regard. Neither ASX nor ASIC take any responsibility for the contents of this Retail Offer Booklet. Cooling-off rights do not apply to an investment in New Shares. This means that applicants cannot withdraw their application for New Shares once it has been received by the Company.

Neither component of the Entitlement Offer is being conducted under an Australian prospectus or product disclosure statement (**PDS**). Instead, the Company is relying on certain provisions in Chapter 6D of the *Corporations Act 2001* (Cth) (**Corporations Act**) that allow the Company to conduct the Entitlement Offer in Australia without a prospectus or PDS following the provision (by the Company) of certain confirmations to the market.

As a result, it is important for Eligible Retail Shareholders to read and understand the information on the Company and in relation to the Retail Entitlement Offer made publicly available by the Company, prior to accepting some or all of their Entitlement or accepting all of their Entitlement and applying for Additional New Shares. In particular, Eligible Retail Shareholders should refer to and consider the information in this Retail Offer Booklet and in the Company's continuous and periodic disclosures made available on the Company's website at www.clueylearning.com.au or on ASX at www.asx.com.au (ASX: CLU).

This Retail Offer Booklet contains "forward-looking statements". Forward-looking statements include those statements that contain words such as: "anticipate", "believe", "expect", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan", "aim", "will" and other similarly "forward-looking" expressions. Any forward-looking statement, opinion and/or estimate included in this Retail Offer Booklet is based on assumptions and contingencies which are subject to change without notice and which

involve (or are dependent upon the non-occurrence of) various known risks and uncertainties (such as those described in Schedule 1) and any number of unknown risks and uncertainties. Many of these risks and uncertainties are beyond the control of the Company.

Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in any forward-looking statement. Readers are cautioned therefore not to place undue reliance on any forward-looking statement and, except as required by law or regulation, the Company assumes no obligation to (and will not) update any forward-looking statement. Furthermore, and to the maximum extent permitted by law, the Company and its Directors, officers, employees, agents, associates and advisers (including the Joint Lead Managers and the Financial Adviser) (i) expressly disclaim all responsibility and any liability (including in negligence) for any forward-looking statement and (ii) make no representation and no warranty, whether express or implied, as to the accuracy or reliability (including the likelihood of fulfilment) of any such statement.

The information in this Retail Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register the Entitlement Offer (or either component of it), the Entitlements or the New Shares, or otherwise permit an offer of New Shares, in any jurisdiction other than Australia and New Zealand. Furthermore, this Retail Offer Booklet must not be distributed or released in the United States. This Retail Offer Booklet (and any material accompanying it) does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 (**US Securities Act**) or the securities laws of any State or other jurisdiction of the United States. Entitlements may not be acquired and/or taken up by persons in the United States and the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to the registration requirements of the US Securities Act and the securities laws of any applicable State or other jurisdiction of the United States.

INDICATIVE RETAIL ENTITLEMENT OFFER TIMETABLE

Announcement of Entitlement Offer	1 March 2023
“Ex” date	3 March 2023
Record Date	7pm on Friday, 3 March 2023
Retail Offer Booklet sent to Eligible Retail Shareholders	8 March 2023
Opening Date	9am on Wednesday, 8 March 2023
Last day to extend the Closing Date	16 March 2023
Closing Date²	5pm on Tuesday, 21 March 2023
Issue Date³	28 March 2023
Trading of New Shares begins⁴	10am on Wednesday, 29 March 2023

The above referred times and dates are indicative only. The Company reserves the right, subject to the Corporations Act, the Listing Rules and the consent of the Joint Lead Managers, to change the times and dates of the above noted Retail Entitlement Offer timetable and to accept late applications (either generally, or in particular cases) without notice. Any extension of the Closing Date will have a consequential impact on the subsequent indicative dates (including the Issue Date) for the Retail Entitlement Offer.

² It is expected that the New Shares will begin trading (on a deferred settlement basis) on ASX at 10am (Sydney time) on the trading day immediately following the Closing Date.

³ It is expected that the New Shares will continue to trade (on a deferred settlement basis) on ASX until the close of trading on the trading day immediately before the Issue Date.

⁴ It is expected that the New Shares will begin trading (on a normal (i.e. “T+2”) settlement basis) on ASX on the day after the Issue Date.

CHAIRMAN'S LETTER

Introduction

The directors (**Directors**) of Cluey Ltd ACN 644 675 909 (ASX: CLU) (**Company**) are pleased to offer Eligible Retail Shareholders the opportunity to participate in the retail component of the Company's recently announced 1 for 2.6 non-renounceable entitlement offer of New Shares as set out in this offer booklet (**Retail Offer Booklet**).

The offer set out in this Retail Offer Booklet is available to all Shareholders who are, as at 7pm (Sydney time) on Friday, 3 March 2023 (**Record Date**), registered with an address in Australia or New Zealand and who did not receive an offer to participate in the Institutional Entitlement Offer (**Eligible Retail Shareholders**).

Shareholders registered with an address outside of Australia or New Zealand or who received an offer to participate in the Institutional Entitlement Offer (and regardless of whether they participated) are not "Eligible Retail Shareholders" and therefore cannot participate in the Retail Entitlement Offer.

Key details

The Company is inviting Eligible Retail Shareholders the opportunity to participate in the retail component of the Company's recently announced accelerated non-renounceable entitlement offer of new fully paid ordinary shares in the Company (each, a **New Share**) on the ratio of 1 New Share for every 2.6 existing shares in the Company (each, a **Share**) held on the Record Date (**Entitlement Offer**).

The Entitlement Offer consists of 2 components, that being an institutional component that has raised gross proceeds of approximately \$5.6 million (**Institutional Entitlement Offer**) and the retail component (**Retail Entitlement Offer**) the subject of this Retail Offer Booklet. Under the Retail Entitlement Offer the Company is seeking up to a further approximately \$2.4 million. The Institutional Entitlement Offer is expected to be completed on 10 March 2023⁵.

The issue price under the Retail Entitlement Offer is \$0.15 per New Share (**Issue Price**). The Issue Price under the Retail Entitlement Offer is the same as the issue price that was offered to "Exempt" Shareholders under the Institutional Entitlement Offer (and is also the same as that which was offered to Exempt Investors under the Company's recently announced fully underwritten institutional placement (**Institutional Placement**⁶)). The Institutional Placement is also expected to be completed on 10 March 2023.

⁵ An "Exempt" Shareholder or Investor is a person who is eligible to receive an issue offer of New Shares without disclosure under Part 6D.2 of the Corporations Act.

⁶ Under the Institutional Placement (which was conducted in parallel with the Institutional Entitlement Offer), the Company raised an additional approximately \$2.6 million.

Eligible Retail Shareholders (other than an Eligible Retail Shareholder who is a Related Party (or an Associate of a Related Party) of the Company, none of whom are entitled to apply for Additional New Shares) may apply for “**Additional New Shares**” (i.e. New Shares in excess of their Entitlement) under the Retail Entitlement Offer.

The allocation of Additional New Shares will be subject to the availability of Additional New Shares (i.e. if there is a Shortfall) and the Company’s absolute discretion. However, the Company intends (if applicable) to allocate Additional New Shares to existing Eligible Retail Shareholders in priority to the allocation of any subsequent Shortfall to any of the sub-underwriters of the Entitlement Offer.

In the event the Entitlement Offer is oversubscribed, the Company intends, subject to the requirements of the Corporations Act and the Listing Rules (and any other applicable law or regulation), to scale-back applications for Additional New Shares received from Eligible Retail Shareholders in proportion to their proportionate interest in Shares on the Record Date.

The funds raised under the Entitlement Offer will be used by the Company:

- (a) to fund growth opportunities; and
- (b) for general working capital purposes.

Issue Price

The Issue Price represents a 29.2% discount to the TERP⁷ and an approximately 42% discount to the 5-day volume weighted average price of Shares traded on ASX over the 5 trading days on which trades were recorded prior to (and including) 28 February 2023.

No Entitlements trading

Since the Entitlement Offer is “non-renounceable”, Entitlements are not tradeable on ASX or otherwise transferable by or between Eligible Retail Shareholders. This means that you will not receive any value for any Entitlements that you do not take up.

Shortfall

New Shares that correspond to the number of Entitlements not taken up by Eligible Retail Shareholders will form part of the shortfall (**Shortfall**)⁸.

⁷The Theoretical Ex-Rights Price (“TERP”) is the theoretical price at which Cluey shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Cluey shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equate to TERP. TERP is calculated by reference to Cluey’s closing price of \$0.24 on Tuesday, 28 February 2023 and the \$9.5 million underwritten component of the Equity Raising.

⁸ Said differently, the “Shortfall” will be equal to the total number of Entitlements issued under the Retail Entitlement Offer less the number of Entitlements that are exercised by Eligible Retail Shareholders.

In accordance with Exception 3 in Listing Rule 7.2, the Company reserves the right to place any Shortfall that remains on completion of the Entitlement Offer within 3 months after the Closing Date.

Underwriting

The Entitlement Offer is being jointly lead managed and partially underwritten by Bell Potter Securities Limited ACN 006 390 772 and Canaccord Genuity (Australia) Limited ACN 075 071 466 (each, a **Joint Lead Manager** and, together, the **Joint Lead Managers**) in accordance with the terms of the Underwriting Agreement. This means, in the case of the Retail Entitlement Offer, that any Shortfall up to the Retail Underwritten Amount (i.e. any Shortfall up to the Retail Underwritten Amount that remains on completion of the Retail Entitlement Offer (and after the Company has satisfied all applications for Additional New Shares from Eligible Retail Shareholders)) will, provided the Underwriting Agreement remains in full force and effect, be allocated to the Joint Lead Managers (or, and as noted below, to the sub-underwriters).

Approximately \$6.9 million of the approximately \$8.0 million being sought by the Company is being underwritten by the Joint Lead Managers (**Total Underwritten Amount**). Of the Total Underwritten Amount, all of the Institutional Entitlement Offer and approximately \$1.3 million of the Retail Entitlement Offer is underwritten (**Retail Underwritten Amount**).

Eligible Retail Shareholders should note that the Joint Lead Managers have also entered into sub-underwriting arrangements with a number of Exempt Investors (including a number of sub-underwriters that are also Related Parties (or Associates of Related Parties) of the Company and/or who may also be (or may become) “substantial” (i.e. greater than 5%) Shareholders on completion of the Entitlement Offer), meaning that any such Shortfall will ultimately be allocated to these sub-underwriters. The fees payable to the Joint Lead Managers and the identity of any sub-underwriter who is either a Related Party of the Company and/or who is a substantial Shareholder, along with the manner in which the Joint Lead Managers intend to allocate the Shortfall (if any) to these sub-underwriters is detailed in Sections 1.6 and 1.7.

Ineligible Shareholders

The Company will notify Ineligible (Retail) Shareholders of the occurrence of the Retail Entitlement Offer and will advise them that they will not be offered New Shares under the Entitlement Offer.

Concluding remarks

Further information in relation to the Entitlement Offer⁹ (and the Institutional Placement) and their expected impact on the Company is detailed in this Retail Offer Booklet and in the Company’s market release given to ASX on 1 March 2023.

⁹ In particular, the Directors strongly encourage you to consider the risks associated with an investment in the Company some of which are set out in Schedule 1.

On behalf of the Directors and management team of the Company, I invite Eligible Retail Shareholders to consider this investment opportunity carefully and, once again, thank you for your ongoing support of our Company.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Rg', followed by two horizontal lines.

Robert Gavshon AM
Non-Executive Chairman

About Cluey

Cluey Ltd (ASX: CLU) is an education technology company. The Company provides online tutoring and learning support for students in Australia and New Zealand. In addition, the Company delivers online, holiday camps and after school programs in Australia and in the United Kingdom through its wholly owned subsidiary, Code Camp.

1. DETAILS OF THE ENTITLEMENT OFFER

1.1 The Entitlement Offer

The Company is conducting a partially underwritten accelerated non-renounceable entitlement offer of New Shares. As noted in the Chairman's Letter, the Entitlement Offer is comprised of an institutional component (which has already been completed) and a retail component (i.e. the component of the Entitlement Offer the subject of this Retail Offer Booklet).

Under the Retail Entitlement Offer, Eligible Retail Shareholders are entitled to subscribe for 1 New Share (at the Issue Price of \$0.15 per New Share) for every 2.6 Shares held at 7pm (Sydney time) on the Record Date of 3 March 2023. Fractional entitlements to New Shares will be rounded up to the nearest whole New Share.

Your Entitlement to New Shares is shown on your Entitlement and Acceptance Form. Details on how to accept your Entitlement (or part of it) or how to accept all of your Entitlement and apply for Additional New Shares are set out in Section 2. This Retail Offer Booklet will be sent to Eligible Retail Shareholders together with an Entitlement and Acceptance Form.

1.2 Size of the Entitlement Offer

The table below sets out the expected impact (subject to the effects of rounding) of each component of the Capital Raising on the Company's Share structure.

Shares	Number
Number of Shares on issue at 7pm (Sydney time) on the Record Date	138,280,233
Number of New Shares expected to be issued under the Institutional Placement ¹⁰	17,333,333
Number of New Shares expected to be issued under the Institutional Entitlement Offer	37,364,569
Maximum number of New Shares expected to be issued under the Retail Entitlement Offer	15,820,136
Maximum number of Shares expected to be on issue on completion of the Entitlement Offer	208,798,271 ¹¹

¹⁰ Since the New Shares the subject of the Institutional Placement were issued after the Record Date, those New Shares did not carry an Entitlement to participate in the Entitlement Offer.

¹¹ If the Company is only able to raise the Retail Underwritten Amount, the total number of Shares on issue on completion of the Entitlement Offer will be approximately 7.3 million less.

The Company also has a total 6,172,001 options and performance rights on issue.

1.3 Use of funds raised under the Capital Raising

The purpose of the Capital Raising is to raise gross proceeds of up to approximately \$10.6 million to be utilised by the Company for the following purposes¹²:

Use of funds raised	Amount	Percentage
To fund growth opportunities	\$2.5 million	24%
For general working capital purposes	\$7.5 million	71%
To pay the costs associated with the Capital Raising	\$0.6 million	5%
<u>Total</u>	<u>\$10.6 million</u>	<u>100%</u>

1.4 Pro forma balance sheet

The pro forma balance sheet set out below shows the expected impact of the Capital Raising on the Company to give Eligible Retail Shareholders information on the Company's pro forma assets and liabilities. The pro forma balance sheet is presented in an abbreviated form, insofar as it does not include all the disclosures required by Australian (or international) Accounting Standards applicable to annual financial statements.

The pro forma balance sheet is based off the Company's half year financial statements for the period ended 31 December 2022 and has been prepared on the basis of the Company's normal accounting policies. The pro forma balance sheet is not intended to represent the Company's actual financial position on completion of the Entitlement Offer and should be read together with the notes set out below the pro forma balance sheet and the Company's periodic and continuous disclosures.

¹² Eligible Shareholders should note that the estimated expenditures referred to in the table in this Section 1.3 are subject to modification by the Company depending on a number of factors.

Cluey Ltd - Pro Forma Balance Sheet - 31 December 2022

\$'000	Statutory	Pro Forma adjustments	Pro Forma
Assets			
Cash and cash equivalents	13,974	10,035	24,009
Other current assets	1,442		1,442
Total current assets	15,416	10,035	25,451
Plant and equipment	191		191
Right-of-use assets	507		507
Intangible assets	10,578		10,578
Total non-current assets	11,276	-	11,276
Total assets	26,692	10,035	36,727
Liabilities			
Trade and other payables	3,601		3,601
Contract liabilities	2,411		2,411
Lease liabilities	296		296
Employee benefits	701		701
Total current liabilities	7,009	-	7,009
Lease liabilities	240		240
Deferred tax	220		220
Employee benefits	207		207
Total non-current liabilities	667	-	667
Total liabilities	7,676	-	7,676
Net assets	19,016	10,035	29,051
Equity			
Issued capital	160,076	10,600	170,676
Reserves	(99,649)		(99,649)
Accumulated losses	(41,411)	(565)	(41,976)
Total equity	19,016	10,035	29,051

1.5 No Entitlements trading

Since the Entitlement Offer is “non-renounceable”, Entitlements are not tradeable on ASX or otherwise transferable by or between Eligible Retail Shareholders. This means that Eligible Retail Shareholders will not receive any value for any Entitlements that they do not take up.

1.6 Underwriting and sub-underwriting

Approximately \$6.9 million of the approximately \$8.0 million¹³ being sought by the Company under the Entitlement Offer is underwritten pursuant to the terms of the underwriting agreement entered into by the Company and the Joint Lead Managers on 1 March 2023 (**Underwriting Agreement**). This means, in the case of the Retail Entitlement Offer, that any Shortfall¹⁴ (i.e. any Shortfall up to the Retail Underwritten Amount that remains after the Company has satisfied all applications for Additional New Shares (if any)) will, provided the Underwriting Agreement remains in full force and effect, be allocated to the Joint Lead Managers.

However, since the Joint Lead Managers have entered into sub-underwriting arrangements with various parties (some of whom are named in Section 1.7), any such Shortfall up to the Retail Underwritten Amount will ultimately be allocated to the sub-underwriters. The identity of each sub-underwriter and the manner in which the Shortfall will be allocated to these sub-underwriters is detailed in Sections 1.6 and 1.7.

Please see Schedule 2 for further information.

1.7 Potential effect on the control of the Company

Given the reasonably disperse nature of the Company's register, the dispersion strategies that the Company has employed as terms of the Entitlement Offer and the fact that it is partially underwritten, the Company does not expect the Entitlement Offer to have a material impact on the "control" (as that term is defined in section 50AA of the Corporations Act) of the Company.

In the unlikely event that no Eligible Retail Shareholder applies for any New Shares under the Retail Entitlement Offer and given the various commitments given and underwriting (and sub-underwriting) arrangements entered into by various parties (including Related Parties of the Company) as disclosed below and in the Company's announcements of 1 and 3 March 2023, the maximum impact on the proportionate interests of the Company's substantial Shareholders on completion of the Retail Entitlement Offer is expected to be as set out in the below table. The table below assumes completion of the Institutional Entitlement Offer and the Institutional Placement occurred on 10 March 2023.

¹³ As noted elsewhere in this Retail Offer Booklet, approximately \$1.3 million of the approximately \$2.4 million being sought by the Company under the Retail Entitlement Offer has been underwritten.

¹⁴ The "Shortfall" (if any) will be equal to the number of Entitlements issued under the Retail Entitlement Offer less the number of Entitlements that are taken up by Eligible Retail Shareholders.

Name of Shareholder/sub-underwriter	Relevant Interest (Pre-REO)	Relevant Interest (as a Percentage of all Shares)	Maximum New Shares that may be Acquired	Relevant Interest (on Completion of REO)	Relevant Interest (as a Percentage of total Shares)
Thorney ¹⁵	35,335,314	18.3%	-	35,335,314	17.5%
Perennial ¹⁶	28,889,415	15.0%	1,295,314	30,184,729	15.0%
Mark Rohald ¹⁷	20,485,263	10.6%	2,642,982	23,128,245	11.5%
Milford	13,750,074	7.1%	-	13,750,074	6.8%
Robert Gavshon ¹⁸	13,165,988	6.8%	1,342,781	14,508,769	7.2%
Dufus Pty Ltd	8,579,271	4.4%	3,299,720	11,878,991	5.9%
Acorn Capital	15,364,058	8.0%	-	15,364,058	7.6%

Given that the above table assumes a 100% Shortfall (i.e. no Eligible Retail Shareholders apply for any New Shares (which the Company believes is highly unlikely)), to the extent that Eligible Retail Shareholders do apply for New Shares under the Retail Entitlement Offer, the above noted percentage changes (and therefore the impact on the control of the Company) will be less than shown in the table. In addition, and order to further mitigate the (albeit, already reasonably minimal) potential impact the Entitlement Offer may have on the control of the Company, the Company intends to allocate any Additional New Shares to existing Eligible Retail Shareholders who apply for them in priority to the allocation and issue of any (resulting) Shortfall to the Joint Lead Managers (and therefore to the sub-underwriters).

¹⁵ Immediately prior to the commencement of the Capital Raising, Thorney had a Relevant Interest in 9,025,512 Shares (equivalent to approximately 6.53% of the Company's issued Share capital).

¹⁶ Immediately prior to the Commencement of the Capital Raising, Perennial had a Relevant Interest in 20,365,017 Shares (equivalent to approximately 14.73% of the Company's issued Share capital).

¹⁷ Immediately prior to the commencement of the Capital Raising, Mr Rohald had a Relevant Interest in 14,794,912 Shares (equivalent to approximately 10.70% of the Company's issued Share capital).

¹⁸ Immediately prior to the commencement of the Capital Raising, Mr Gavshon had a Relevant Interest in 9,508,769 Shares (equivalent to approximately 6.88% of the Company's issued Share capital).

1.8 Entitlement Offer pursuant to section 708AA of the Corporations Act

The Entitlement Offer is being conducted by the Company in accordance with section 708AA of the Corporations Act (as notionally modified by the ASIC Corporations Instruments¹⁹) which allows the Company to make the Entitlement Offer in Australia without a prospectus (or other form of disclosure document) or PDS provided certain statutory conditions are satisfied.

This Retail Offer Booklet is not a prospectus (other form of disclosure document) or PDS under the Corporations Act (or under any other Australian or foreign law) and has not been (and will not be) lodged with the Australian Securities and Investments Commission (**ASIC**) (or with any other Australian or foreign regulatory authority).

The Company is a “disclosing entity” for the purpose of section 111AC of the Corporations Act and as such it is subject to regular reporting and continuous disclosure obligations under Chapter 2M of the Corporations Act, under sections 674 and 674A of the Corporations Act and under the listing rules of ASX (**Listing Rules**).

The obligations referred to in the preceding paragraph require the Company to notify ASX (in the form of a continuous disclosure announcement) of information about specified events and matters as they arise and to lodge financial statements and other reports periodically in each case to allow ASX to disseminate that information to market participants.

In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions set out in Listing Rule 3.1A) to notify ASX immediately once it becomes aware of any information concerning the Company which a “reasonable person” would expect to have a material effect on the price or value of its securities.

For the Company to rely on the disclosure exemption in section 708AA²⁰ of the Corporations Act (which exception allows the Company to conduct the Entitlement Offer without a prospectus or PDS), the Company is required to lodge a “cleansing notice” under section 708AA(2)(f) of the Corporations Act with ASX. The cleansing notice is required, amongst other things, to:

- (a) set out any information that has been excluded from disclosure under the Listing Rules that investors and their professional advisers would reasonably require, and would reasonably expect to find in a disclosure document, for the purpose of making an informed assessment of:

¹⁹ ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 are together referred to in this Retail Offer Booklet as the “**ASIC Corporations Instruments**”.

²⁰ A reference in this Retail Offer Booklet to section 708AA (or to any related entitlement offer provision) of the Corporations Act is, as the context requires, a reference to section 708AA (or to any of related entitlement offer provision) as notionally modified by the ASIC Corporations Instruments.

- (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (ii) the rights and liabilities attaching to the New Shares;
- (b) certify to the market that the Company has complied with the financial reporting and continuous disclosure provisions of the Corporations Act; and
- (c) state the potential effect the issue of the New Shares the subject of the Entitlement Offer will have on the control of the Company and the consequences of that effect.

The Company lodged a cleansing notice in relation to the Entitlement Offer with ASX on 1 March 2023.

1.9 Issue and quotation of New Shares

It is expected that the Company will issue (and will apply for quotation on ASX of) the New Shares the subject of the Retail Entitlement Offer on 28 March 2023. Accordingly, it is expected that quotation of the New Shares will, subject to ASX approval, begin from 10am (Sydney time) on 29 March 2023.

The fact that ASX may quote the New Shares the subject of the Retail Entitlement Offer should not be taken in any way as an indication of the merits of the Company or of the investment opportunity to which the New Shares relate.

If the Company's application for quotation of the New Shares is not approved by ASX, the Company will not issue any New Shares under the Retail Entitlement Offer and all application monies received will be refunded (without interest).

The Company, Joint Lead Managers and the Share Registry and each of their respective related bodies corporate, affiliates, directors, officers, employees, agents, consultants and advisers will have no responsibility and disclaim all liability to the maximum extent permitted by law to persons who trade New Shares (and, if applicable, Additional New Shares) they believe have been issued to them before they receive an updated holding statement, whether on the basis of a confirmation provided by the Company or the Share Registry or otherwise or who trade or purport to trade New Shares (and, if applicable, Additional New Shares) in error or which they do not hold or are not entitled to hold. If you are in any doubt in relation to these matters, you should seek professional advice.

1.10 Eligible Retail Shareholders

The offer set out in this Retail Offer Booklet is available to all Shareholders who are, as at 7pm (Sydney time) on the Record Date of 3 March 2023, registered (in accordance with the records of Automic Group (**Share Registry**)) with an address in Australia or New Zealand and who did not receive an offer (other than as nominee) to participate in the Institutional Entitlement Offer.

Shareholders registered with an address outside of Australia or New Zealand or who received an offer to participate in the Institutional Entitlement Offer (and regardless of whether they participated in the Institutional Entitlement Offer) are not “Eligible Retail Shareholders” (i.e. they are “**Ineligible Shareholders**”) and therefore cannot participate in the Retail Entitlement Offer.

This Retail Offer Booklet and an Entitlement and Acceptance Form will only be sent to Eligible Retail Shareholders.

Australia

The Retail Entitlement Offer is being conducted by the Company in Australia in accordance with section 708AA of the Corporations Act.

New Zealand

The New Shares the subject of the Retail Entitlement Offer are not being offered to the public within New Zealand other than to existing Shareholders (who did not participate in the Institutional Entitlement Offer) with a registered address in New Zealand to whom the offer for issue of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021. This Retail Offer Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and therefore may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Ineligible Shareholders

In accordance with Listing Rule 7.7.1 and section 9A of the Corporations Act, the Company has decided that it is unreasonable to extend the Retail Entitlement Offer to any retail Shareholder with a registered address outside Australia or New Zealand. Accordingly, the Retail Entitlement Offer is not being extended to, and no Entitlements or New Shares will be issued to, Shareholders who have a registered address outside of Australia or New Zealand. The Company will send details of the Retail Entitlement Offer to each Ineligible Shareholder and will advise them that they will not be entitled to participate in the Retail Entitlement Offer.

Please note that the Company reserves the right to reject any application that it believes is from an Ineligible Shareholder.

1.11 Overseas Shareholders

This Retail Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register the Retail Entitlement Offer, the Entitlements or the New Shares, or otherwise permit a public offering of the Entitlements or New Shares, in any jurisdiction other than Australia and New Zealand.

This Retail Offer Booklet (and any material accompanying it) may not be distributed or released in the United States. This Retail Offer Booklet does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. The Entitlements and the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any State or other jurisdiction of the United States. The Entitlements may not be acquired and/or taken up by persons in the United States and the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to the registration requirements of the US Securities Act.

1.12 Discretion

The Company may however, in its absolute discretion, make offers to certain Shareholders in jurisdictions other than those in Australia and New Zealand (and if it does so will only offer those Shareholders such number of New Shares that is equivalent to the entitlement to New Shares under the Entitlement Offer that those Shareholders would have received had they been eligible to participate in the Retail Entitlement Offer (i.e. had they been registered in either Australia or New Zealand)) provided that the relevant Shareholder is able to receive such an offer without any lodgement, disclosure document or other legal formality in the jurisdiction in which they reside.

1.13 Nominee holders

Shareholders who are nominees, trustees or custodians are advised to seek advice as to whether they may participate in the Retail Entitlement Offer on behalf of their beneficial holders. It is the responsibility of any such Shareholder to ensure compliance with any laws of a country relevant to the particular application. Nominees and custodians may not distribute this Retail Offer Booklet, and may not permit any beneficial Shareholder to participate in the Retail Entitlement Offer, in any country outside of Australia and New Zealand except with the consent of the Company.

The Retail Entitlement Offer is being made to Eligible Retail Shareholders only. Nominees with a registered addresses in Australia or New Zealand, irrespective of whether they participated in the Institutional Entitlement Offer, may however, also be entitled to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Shareholders (**Eligible Beneficiary**).

In the event that a nominee or custodian holds Shares on behalf of more than 1 Eligible Beneficiary, the nominee or custodian may only apply for Additional New Shares on behalf of an Eligible Beneficiary on whose behalf they applied for their full Entitlement to be taken up (i.e. unless the relevant Eligible Beneficiary is a Related Party (or Associate of a Related Party) of the Company, in which case they may not apply for Additional New Shares), notwithstanding the nominee or custodian may not have taken up, on behalf of all of their Eligible Beneficiaries, all of their Entitlements.

1.14 Rights and liability attaching to New Shares

The New Shares will, from issue, rank equally with existing Shares. Details of the rights and liabilities attaching to Shares are set out in the Company's constitution a copy of which is available by contacting the Company.

1.15 Privacy Act

If you complete an application for New Shares, you will be providing personal information to the Company (directly or via the Share Registry). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder and to send corporate communications to you as a Shareholder and carry out administration. Please contact the Share Registry if you wish to access, correct, and update the personal information that the Company holds about you. Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth), the Corporations Act and certain rules such as the Listing Rules.

You should note that if you do not provide the information required on the application for New Shares, the Company may not be able to process your application.

2. APPLYING FOR NEW SHARES

2.1 Your choices

If you are an Eligible Retail Shareholder, you may:

- (a) exercise part of your Entitlement (see Section 2.2);
- (b) exercise your Entitlement in full (see Section 2.3);
- (c) exercise your Entitlement in full and apply for Additional New Shares²¹ (see Section 2.4); or
- (d) do nothing (see Section 2.5).

2.2 Exercise part of your Entitlement

If you wish to exercise part of your Entitlement (and therefore to allow the unexercised remainder of your Entitlement to lapse²²), please complete the online version of your personalised Entitlement and Acceptance Form in accordance with the instructions detailed on that form (including by specifying the number of New Shares that you wish to subscribe for) and pay the corresponding application monies electronically (i.e. either by BPAY® or by Electronic Funds Transfer (**EFT**)) such that the online Entitlement and Acceptance Form is submitted and the requisite application monies are received by the Share Registry by 5pm (Sydney time) on the Closing Date.

The online version of the Entitlement and Acceptance Form is available at <https://investor.automic.com.au>.

2.3 Exercise your Entitlement in full

If you wish to exercise your Entitlement in full, Please complete the online version of your personalised Entitlement and Acceptance Form in accordance with the instructions detailed on that form and pay the application monies for the full amount shown on your form electronically (i.e. either by BPAY® or by Electronic Funds Transfer (**EFT**)) such that the online Entitlement and Acceptance Form is submitted and the requisite application monies are received by the Share Registry by 5pm (Sydney time) on the Closing Date.

The online version of the Entitlement and Acceptance Form is available at <https://investor.automic.com.au>.

²¹ An Eligible Retail Shareholder who is a Related Party (or an Associate of a Related Party) of the Company is not entitled to apply for Additional New Shares.

²² Your interest in the Company will be diluted in proportion with the extent of your Entitlement that you allow to lapse. You will not receive any value for any lapsed Entitlements.

2.4 Exercise your Entitlement in full and apply for Additional New Shares

If you wish to exercise your Entitlement in full and apply for Additional New Shares, please complete the online version of your personalised Entitlement and Acceptance Form in accordance with the instructions detailed on that form (including by specifying the number of Additional New Shares that you also wish to subscribe for) and pay the corresponding application monies electronically (i.e. either by BPAY® or by Electronic Funds Transfer (**EFT**)) such that the online Entitlement and Acceptance Form is submitted and the requisite application monies are received by the Share Registry by 5pm (Sydney time) on the Closing Date.

The online version of the Entitlement and Acceptance Form is available at <https://investor.automic.com.au>.

2.5 Not take up any of your Entitlement

If you do not wish to accept any part of your Entitlement, you do not need to take any further action²³.

2.6 Payment for New Shares

The Issue Price for each New Share subscribed for is payable on application. Application monies received will be held on trust for applicants until the issue of the New Shares.

Any application monies received for more than your final allocation of New Shares will be refunded (except where the amount is less than \$5.00, in which case it will be retained) by the Company on or about 30 March 2023.

No interest will be paid by the Company on any application monies received or refunded. Interest earned on application monies will be for the benefit of the Company.

Paying your application monies electronically

Please follow the BPAY® or EFT payment instructions on (or, if applicable, generated on electronic submission of) the Entitlement and Acceptance Form carefully. Following submission of the online Entitlement and Acceptance Form, a unique reference number will be generated to facilitate the payment of your application monies and to process your application for New Shares (and, if applicable Additional New Shares).

²³ Your proportionate interest in the Company will be diluted in proportion with the extent of your lapsed Entitlement. You will not receive any value for any lapsed Entitlements.

Applicants should be aware of their financial institution's cut-off time (i.e. the time before which payment must be made to enable it to be process overnight) and ensure that the application monies are received by 5pm (Sydney time) on the Closing Date. Regardless of the number of New Shares (and, if applicable Additional New Shares) specified on your Entitlement and Acceptance Form, you will be deemed to have subscribed for such number of New Shares (and, if applicable Additional New Shares) as your application monies received by the Share Registry will pay for in full.

If you pay your application monies electronically you do not also need to complete and send your Entitlement and Acceptance Form to the Share Registry.

2.7 Entitlement and Acceptance Form is binding

A submitted Entitlement and Acceptance Form will constitute a binding commitment to subscribe for New Shares (and, if applicable Additional New Shares) under the Retail Entitlement Offer²⁴.

By submitting an Entitlement and Acceptance Form you will be deemed to have represented that you (and any person on whose behalf you are acting):

- (a) have full legal capacity and power to perform all of your obligations under the Entitlement and Acceptance Form;
- (b) agree to provide (or direct your nominee or custodian to provide) any requested substantiation of your holding of Shares as at the Record Date;
- (c) have read and understood this Retail Offer Booklet and agree to be bound by the terms of the Retail Entitlement Offer, the Entitlement and Acceptance Form and the Company's constitution;
- (d) authorise the Company to register you as the holder of the number of New Shares actually issued to you on completion of the Retail Entitlement Offer;
- (e) acknowledge that once the Company receives your Entitlement and Acceptance Form or any application monies, you may not withdraw your application or funds provided except as allowed by law;
- (f) agree to apply for and be issued with up to the number of New Shares specified by you in the Entitlement and Acceptance Form or for which you have submitted payment of any application monies;

²⁴ If the Entitlement and Acceptance Form is not completed correctly, it may still be treated by the Company as a valid application.

- (g) authorise the Company, the Share Registry, the Joint Lead Managers and any of their respective officers or agents to do anything on your behalf necessary to allow the New Shares to be issued to you;
- (h) declare that you were the registered holder of the number of Shares indicated on your Entitlement and Acceptance Form as being held by you on the Record Date;
- (i) acknowledge that the information contained in this Retail Offer Booklet and your Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you, given your investment objectives, financial situation or particular needs;
- (j) acknowledge that an investment in the Company is speculative and involves many risks (many of which are outside of the control of the Company and the Directors) and that any such investment may result in the loss of some or all of your invested capital;
- (k) acknowledge that neither the Company, nor the Joint Lead Managers, or any of their respective related bodies corporate, affiliates, directors, officers, employees, agents, consultants or advisers guarantees the performance of the Company (or of the New Shares) or the repayment of capital;
- (l) authorise the Company (or any person acting on its behalf) to correct any error in your Entitlement and Acceptance Form and, furthermore, you acknowledge that the Company's corrections, amendments, decisions and/or discretions in this regard are final and binding on you;
- (m) acknowledge that the Company reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed, is not accompanied by the correct application monies or that is received after the Closing Date;
- (n) are not in the United States and/or are not otherwise a person (such as a "US person") to whom it would be illegal to make an issue offer of or issue New Shares (and, if applicable Additional New Shares) under any applicable laws and regulations;
- (o) represent and warrant that you are and that you are eligible to participate in the Retail Entitlement Offer as an Eligible Retail Shareholder and that there has been no (and will not be any) breach of any applicable laws or regulatory requirements in relation to you or your application;
- (p) confirm that you did not receive an offer to participate (other than, if applicable as nominee) and did not participate (other than, if applicable as nominee) in the Institutional Entitlement Offer;

- (q) acknowledge that none of the Entitlements and/or New Shares have been, nor will be, registered under the US Securities Act (or the securities laws of any State or other jurisdiction in the US) and accordingly, the Entitlements and/or New Shares may not be offered, sold or otherwise transferred, except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws; and
- (r) undertake that if in the future you decide to sell your New Shares on ASX that you will only do so in regular way transactions where neither you nor any person acting on your behalf know, or have reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States.

3. GENERAL INFORMATION

3.1 Risks

An investment in the New Shares the subject of the Retail Entitlement Offer should be regarded as a speculative investment. Accordingly, Eligible Retail Shareholders who are considering whether to participate in the Retail Entitlement Offer should (i) carefully consider all of the disclosures made by the Company (which are available at www.asx.com.au) and the risks associated with any investment in the Company (some of which are described in Schedule 1) (ii) carefully consider the merits of such an investment in the context of their individual risk profile, investment objectives and financial circumstances and (iii) consult their stockbroker, accountant, financial adviser, solicitor, taxation adviser or other independent professional adviser (and do so before deciding whether to participate in the Retail Entitlement Offer).

Eligible Retail Shareholders should also be aware that there are many risks associated with investment in the securities of companies listed on a stock exchange. In almost all cases, the value of listed securities can be expected to fluctuate (meaning, in the Company's case, that the prevailing price of Shares on ASX may be higher or lower than the Issue Price) depending on various factors including the general condition of the local economy, general worldwide economic and political (including geopolitical) conditions, changes in government policies, taxation and regulatory changes, investor sentiment, movements in interest rates, industrial disruption, environmental incidents and natural disasters and many other factors any of which may affect the listed company's financial performance and condition and/or the price or value of its securities²⁵.

In deciding whether to participate in the Retail Entitlement Offer, the Directors recommend that Eligible Retail Shareholders carefully consider the risk factors set out in Schedule 1.

3.2 Tax consideration for investors

The Directors do not consider it appropriate to give advice regarding the taxation consequences of subscribing for (or acquiring) any of the securities the subject of the Retail Entitlement Offer. Furthermore, none of the Company, its Directors or its advisers accept any responsibility or liability for any taxation consequences applicable to an investment in the New Shares (and, if applicable, an investment in Additional New Shares) and as such the Directors recommend that all prospective investors consult their own tax advisers before participating in the Retail Entitlement Offer.

²⁵ In the case of the Company, most (if not all) of these variables are beyond the control of the Company and the Directors.

3.3 Underwriting and corporate adviser fees

The Company has agreed to pay the Joint Lead Managers a fee of up to \$366,000 for managing and underwriting the Capital Raising. These fees will be split between the Joint Lead Managers.

Further information in relation to the above referred fee arrangements (including for the purposes of Exception 2 in Listing Rule 10.12) is included in the Appendix 3B for the Entitlement Offer which was given to ASX on 1 March 2023.

Please see Schedule 2 for a summary of the material terms of the Underwriting Agreement.

The Company has agreed to pay the Financial Adviser a fee of \$110,000 (calculated on the total amount to be raised under the Entitlement Offer) for the provision of corporate advisory and related strategic advice to the Company in relation to the Entitlement Offer.

3.4 No cooling-off rights

Cooling-off rights do not apply to an investment in New Shares (or, if applicable, to an investment in Additional New Shares). This means that applicants cannot withdraw their application for New Shares (and, if applicable, for Additional New Shares) once it has been received by the Company.

3.5 No brokerage or stamp duty

No brokerage or stamp duty is payable by Eligible Retail Shareholders who participate in the Retail Entitlement Offer.

3.6 Further disclaimers

None of the Joint Lead managers, or any of their respective related bodies corporate, affiliates, directors, officers, employees, agents, consultants or advisers (together, the **JLM Parties**), or any other person have authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Retail Offer Booklet (or any other materials released by the Company in relation to the Entitlement Offer (or either component of it)) and, except to the extent expressly referred to in this Retail Offer Booklet, none of the JLM Parties make or purports to make any statement in this Retail Offer Booklet which has been verified by or is based on any statement by any of them.

Each Joint Lead Manager is a full service financial institution engaged in various activities which may include trading, financing, financial advisory, investment management, research, principal investment, hedging, market-making, brokerage and other financial and non-financial activities including activities for which they have received or expect to receive fees and commissions. The Joint Lead Managers are acting solely as agents for the Company and not for any other person. The Joint Lead Managers may, from time to time, also hold interests in the securities of, or earn brokerage, fees or other benefits from, the Company.

3.7 Responsibility for this Retail Offer Booklet

This Retail Offer Booklet has been prepared by the Company. No party other than the Company has authorised or caused the issue of this Retail Offer Booklet or takes any responsibility for, or makes or gives any statements, representations, warranties or undertakings in, this Retail Offer Booklet.

No person is authorised to give any information, or to make any representation in connection with the Retail Entitlement Offer that is not contained in the Retail Offer Booklet. Any information that is not in this Retail Offer Booklet may not be relied on as having been authorised by the Company or by any of its related bodies corporate, affiliates, directors, officers, employees, agents, consultants or advisers. Except as required by law, and only to the extent so required, none of the Company or any of its related bodies corporate, affiliates, directors, officers, employees, agents, consultants and advisers warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Retail Offer Booklet.

3.8 Timetable

For detail in relation to the key indicative times and dates applicable to the Retail Entitlement Offer, please see the corporate action timetable for the Retail Entitlement set out in this Retail Offer Booklet under the heading “Indicative Retail Entitlement Offer Timetable”.

3.9 Date of this Retail Offer Booklet

This Retail Offer Booklet is dated 8 March 2023. Subject to the following paragraph, statements in this Retail Offer Booklet are made only as of the date of this Retail Offer Booklet unless otherwise stated, and the information in this Retail Offer Booklet remains subject to change without notice. Unless required by law, the Company will not update this Retail Offer Booklet.

There may be additional announcements that are made by the Company (including after the date of this Retail Offer Booklet) that may be relevant to your decision as to whether to apply for New Shares. Therefore, the Company recommends that you check whether further announcements have been made by the Company before you submit an application for New Shares.

3.10 Not a recommendation

The information in this Retail Offer Booklet does not constitute a financial advice or a recommendation to subscribe for New Shares and nor does this Retail Offer Booklet purport to contain all of the information that an Eligible Retail Shareholder may require to evaluate the merits of making an investment in the New Shares (and, if applicable, Additional New Shares). Prospective investors should note that neither the New Shares nor any Additional New Shares carry any guarantee with respect to the payment of dividends, the return of capital or their post-issue market price or liquidity profile.

3.11 Reconciliations

As with any entitlement offer, investors may believe that they own more shares on the record date than they actually do. This may result in a need for reconciliation to ensure all Eligible Retail Shareholders have the opportunity to receive their full Entitlement. The Company may need to issue a small number of additional New Shares to ensure all Eligible Retail Shareholders have the opportunity to receive their appropriate allocation of New Shares. The price at which these New Shares would be issued, if required, is the same as the Issue Price.

The Company reserves the right to reduce the number of Entitlements or New Shares issued to an Eligible Retail Shareholder if the Company believes in its absolute discretion that their claims are overstated or if they, or their nominees, fail to provide any information requested to substantiate their claims. In this case, the Company may, in its discretion, require the relevant Shareholder to transfer the excess New Shares to the Share Registry at the Issue Price per New Share transferred. If necessary, the Shareholder also need to transfer Shares held by them or to purchase additional Shares on-market to meet this obligation. The relevant Shareholder will bear any and all losses caused by subscribing for New Shares in excess of their Entitlement and any actions that they are required to take in that regard.

By applying for New Shares under the Retail Entitlement Offer, those doing so irrevocably acknowledge and agree to do the above as required by the Company in its absolute discretion. Those applying for New Shares under the Retail Entitlement Offer acknowledge that there no time limit on the ability of the Company to require any of the remedial actions referred to above.

3.12 Withdrawal of Retail Entitlement Offer

The Company reserves the right, subject to all applicable legal requirements, to withdraw the Retail Entitlement Offer and the information in this Retail Offer Booklet at any time, subject to applicable laws, in which case the Company will refund all application monies received in relation to any New Shares not already issued in accordance with the Corporations Act and without interest.

3.13 Further information

Eligible Retail Shareholders can obtain a copy of this Retail Offer Booklet during the period in which the Retail Entitlement Offer is open by downloading it from <https://investor.automic.com.au> or by calling the Share Registry on 1300 288 664 (if calling from Australia) or on +61 2 9698 5414 (if calling from New Zealand) during business hours Monday to Friday (Sydney time).

Persons who access the electronic version of this Retail Offer Booklet should ensure that they download and read the entire Retail Offer Booklet. The electronic version of the Retail Offer Booklet on the ASX website will not include your personalised Entitlement and Acceptance Form. A replacement Entitlement and Acceptance Form can be requested by calling the Share Registry.

3.14 Authorisation

This Retail Offer Booklet has been authorised for release by the Board.

A handwritten signature in black ink, consisting of a stylized 'R' followed by a 'G' and a horizontal line.

Robert Gavshon AM
Non-Executive Chairman

GLOSSARY

Unless defined in the body of this Retail Offer Booklet, undefined capitalised words and terms used in the body of this Retail Offer Booklet have the meanings given to them below.

Term	Meaning
Associate	has the meaning given in sections 11 to 17 of the Corporations Act
ASX	means ASX Limited, or as the context requires, the financial market operated by it
Capital Raising	means the Institutional Placement together with the Entitlement Offer
Closing Date	the date on which the Entitlement Offer closes
Cluey	means Cluey Ltd ACN 644 675 909
Incentive Plan	means the Company's omnibus executive incentive plan
Issue Date	the date on which the New Shares the subject of the Retail Entitlement Offer are expected to be issued
Related Body Corporate	has the meaning given in section 9 of the Corporations Act
Related Party	has the meaning given in section 228 of the Corporations Act
Relevant Interest	has the meaning given in section 608 of the Corporations Act
Offer Documents	means each of the transactions documents necessary to give effect (or ancillary) to the Capital Raising
Shareholder	a holder of 1 or more Shares

SCHEDULE 1 (RISK FACTORS)

This section of this Retail Offer Booklet describes some of the potential risks associated with the Company's business, the industry in which it operates and the risks associated with an investment in the Shares.

The Company is subject to risk factors that are both specific and those that are more general in nature. Any of these risk factors may, if they eventuate, have an adverse effect on the Company's business, financial position, operating and financial performance, growth and/or the value of the Shares.

Many of the circumstances giving rise to these risks and the occurrence of the consequences associated with each risk are partially or completely outside of the Company's control. This section of the Retail Offer Booklet should be read in conjunction with the Company's continuous and periodic disclosures to ASX.

The selection of risks set out below is based on an assessment of a combination of the probability of the risk occurring and the impact of the risk if it did occur. The assessment is based on the knowledge of the Company's directors as at the date of this Retail Offer Booklet.

Speculative nature of investment

Any potential investor should be aware that subscribing for New Shares involves various risks. The New Shares to be issued pursuant to the Retail Entitlement Offer carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those shares. An investment in New Shares should therefore be considered speculative.

Cluey may be unable to scale its business and achieve profitability

The Company's ability to increase revenue and achieve profitability is dependent on its ability to profitably scale (whether by organic growth or by acquisition) its business in its key markets. While the Company has been successful in achieving a rapid level of growth in a relatively short period of time, there is no guarantee that the Company will be able to achieve the same level of rapid growth in the future. The ability to profitably scale the Company business in Australia and potentially other markets is dependent on the Company both expanding its existing customer, tutor and teacher bases and retaining existing and new customers for repeat use of the Company's services.

Loss of key management personnel

The Company has to date relied on the collective skills and expertise of a limited number of top management executives. Retaining these key management personnel in their current position is critical to the Company's short and medium term success.

Customer acquisition, retention risk and competitive pricing

The Company's growth depends on its ability to attract new students to use its products and services and to increase the level of engagement by existing students.

The Company may not succeed in attracting more students to its services or the use of its learning platform and if students do not increase their level of engagement with the platform, revenues may grow more slowly than expected or decline.

The Company may be unable to maintain and grow its student user base if it is unable to offer competitive prices for its products and services. If the Company fails to expand its user base its business, financial and operating performance and condition would be adversely affected.

History of losses and uncertainty on future profits

The Company has reported net losses since listing on ASX and is expected to continue to experience net losses in the future. As it pursues profitability, the Company expects to make ongoing investments in the development and expansion of its business (including by acquisition) and as such operating expenses may increase. Cluey may not succeed in increasing revenues sufficiently to offset these higher expenses resulting in continued unprofitability.

Competition

The Company expects that existing competitors and new entrants to the outside-of-school K-12 education segment will constantly revise and improve their business models in response to challenges from competing businesses, including the Company. If these or other market participants introduce new or improved delivery of online K-12 education and technology-enabled services that the Company cannot match or exceed in a timely or cost-effective manner, the Company's business, financial condition and performance and profitability (if applicable) may be adversely affected.

Cybersecurity and data protection

The Company collects and holds a significant amount of personal information about its customers. Unauthorised access to, or breach or failure of, the Company's digital infrastructure due to cyber-attacks, negligence, human error or other third-party actions, could disrupt the Company's operations and result in the loss or misuse of data or sensitive information exposing the Company to litigation, claims, fines and penalties and of which might have an adverse effect on the Company's financial position and performance and/or the value of the New Shares.

Cluey's systems and platforms may be disrupted, become redundant, cease to operate efficiently, or fail

The Company is reliant on the performance, reliability and availability of its technology platforms, communications systems, servers, the internet, hosting services and the cloud-based environment in which it provides its services (whether provided in-house or sourced from third parties). There is a risk that these systems may be adversely affected by various factors such as damage, faulty or aging equipment, power surges or failures, computer viruses, or misuse by staff or contractors. Other factors such as hacking, denial of service attacks, or natural disasters may also adversely affect these systems and cause them to become unavailable.

Acquisitions, expansion or growth initiatives by Cluey may not be successful

As part of its growth strategy, the Company may investigate and undertake expansion, acquisition and other growth initiatives from time to time. The risks that the Company may face in relation to these various strategic initiatives, include:

- difficulty in integrating and migrating the operations, systems, technologies, employees and customers of the acquired business;
- disruption to the Company's existing business and diversion of financial and management resources on the transition and integration of the acquired business;
- difficulty in entering markets in which the Company has limited direct or prior experience where competitors have established market positions;
- potential loss of key employees, customers or suppliers of the acquired business;
- differences in corporate culture and expectations between the Company and the acquired business;
- assumption of liabilities and incurrence of debt to fund acquisitions;
- assumption of contractual obligations that contain terms that are not beneficial to the Company;
- failure to realise the anticipated synergies, economies of scale and increases in the revenue, margins and net profit from the acquired business;
- difficulty in accurately valuing the acquired business resulting in overpayment;
- incomplete or inaccurate due diligence analysis of the acquired business; and
- failure to obtain appropriate warranties and indemnities from the vendors and warranty insurance in relation to the acquired business.

Changes in curriculum and standardised testing

The Company's ability to adapt to changes in curricula and/or standardised testing and the associated costs in doing so, may impact the Company's ability to retain existing customers and therefore its revenue and operating expenses.

New products or expansion into new territories may not achieve intended outcomes

If the Company introduces new product or service features, products or services, or expands into new territories or market segments, there are risks that these initiatives may result in unforeseen costs, fail to achieve expected revenue or otherwise may not achieve the intended outcomes. The Company's plans for growth may be constrained by unforeseen issues particular to a territory or market segment, including changes to the regulatory, taxation and foreign exchange environment.

Failure to realise benefits from product development costs

Developing software and technology is expensive and often involves an extended period of time to achieve a return on investment. An important part of the Company's business strategy is to continue to make investments in innovation and related product development opportunities, to maintain its competitive position. The Company may not, however, receive significant revenues from these investments for several years or may not realise such benefits at all.

Reputation damage

Maintaining the strength of the Company's reputation is important to retaining and increasing its customer base and successfully implementing its business strategy. The Company's reputation could be affected by the actions of third parties, such as business partners, competitors, technology providers and its customer base. There is also a risk that unforeseen issues or events or unsubstantiated social or other media coverage may adversely affect the Company's reputation. This may impact on the Company's future growth and profitability.

Internet availability, cost and reliability

The Company's services require customer, tutor and teacher access to reliable internet connection. There is a risk that future access to the internet for existing and prospective customers is compromised by rising costs, unreliable connection or general unavailability in rural and remote locations. This could result in a slower adoption of the Company's services, which could adversely affect the Company's future operating and financial performance.

Changes in law and regulations

The Company may be adversely impacted by the introduction or changes in government policy, regulation or legislation applying to tutoring services, after-school and holiday camp services and /or education providers.

Failure to protect intellectual property rights

Actions taken by the Company to protect its intellectual property may not be adequate, complete or enforceable and may not prevent the misappropriation of its intellectual property and proprietary information or deter independent development of similar technologies by others.

Economic and financial market conditions may deteriorate

The Company is subject to general market conditions and the risks inherent to all entities whose securities are publicly listed on a securities exchange. General economic conditions (both domestically and internationally), long-term inflation rates, exchange rate movements, interest rate movements and movements in the general market for ASX and internationally listed securities may adversely affect the market price of its shares (including the New Shares issued under the Retail Entitlement Offer) and its ability to pay dividends. None of the Company, its directors or any other person guarantees the market performance of the New Shares issued under the Retail Entitlement Offer or the payment of dividends.

COVID-19 pandemic

The COVID-19 pandemic has had an unprecedented impact on financial markets in Australia and worldwide. The impact of the COVID-19 pandemic has led to increased unemployment levels, deteriorating household income and worsening financial performance of businesses throughout Australia and worldwide.

The full impact of the COVID-19 pandemic is inherently uncertain and there is a risk that the economic and financial markets and business conditions could weaken. There is a risk that weak economic conditions driven by COVID-19 could impact the Company's future financial condition, performance and/or the price or value of the New Shares.

Price of Cluey's shares may fluctuate

The price of the Company's shares (including those issued under the Retail Entitlement Offer) on ASX may increase or decrease due to a number of factors. These factors may cause New Shares to trade at prices below the Issue Price. There is no assurance that the price of the New Shares will increase following their quotation on ASX. Some of the factors which may affect the price of the Company's shares (including the New Shares) include:

- the number of potential buyers or sellers of Shares on ASX at any given time;
- fluctuations in the domestic and international market for listed stocks;
- changes in fiscal, monetary or regulatory policies, legislation or regulation;
- inclusion in or removal from market indices;
- the nature of the markets in which the Company operates;
- variations in sector performance, which can lead to investors exiting one sector to prefer another;
- initiatives by other sector participants which may lead to investors switching from one stock to another; and
- general operational and business risks.

Shareholders may suffer dilution

In the future, the Company may elect to issue new shares, including pursuant to management and employee incentive arrangements, or engage in institutional fundraisings including to fund capital requirements or future acquisitions that the Company may decide to make. While the Company will be subject to the constraints of the Listing Rules regarding the percentage of its capital that it is able to issue within a 12-month period (other than where exceptions apply), some or all existing Shareholders may be diluted as a result of such issues of shares and fundraisings.

Trading in shares may not be liquid

There may be relatively few potential buyers or sellers for the Company's shares on ASX at any given time. This may increase the volatility of the market price of the Company's shares (including the New Shares). It may also affect the prevailing market price at which Shareholders are able to sell their shares. This may result in shareholders receiving a market price for their shares that is less or more than the price they paid for their shares.

Employment

The Company's business relies significantly on its staff, tutors and teachers. Its financial position may be affected by adverse changes to employment laws, regulations or rules. In addition, in recent times there have been large underpayments of wages and benefits identified under Australian awards and enterprise agreements. Much complexity and uncertainty exist in regard to award coverage and staff entitlements generally and consequently historical or future claims cannot be ruled out.

Taxation

There may be tax implications arising from applications for New Shares under the Retail Entitlement Offer, the receipt of dividends (both franked and unfranked) (if any) from the Company, participation in any on-market share buy-back and on the disposal of shares.

Litigation

The Company is subject to the usual business risk that disputes or litigation may arise from time to time in the ordinary course of its business activities. Litigation risks relating to the Company include, but are not limited to, debtor claims, contractual claims, occupational health and safety claims, employee claims and regulatory disputes. There is a risk that material or costly disputes could affect the Company's operation and financial performance or condition.

SCHEDULE 2 (SUMMARY OF UNDERWRITING AGREEMENT)

Conditions precedent

The obligation of the Joint Lead Managers to fully underwrite the Institutional Placement and to partially underwrite the Entitlement Offer is subject to the satisfaction of certain conditions precedent. These conditions precedent include:

- the preparation and release of all Offer Documents;
- all due diligence investigations being undertaken and completed to the satisfaction of the Joint Lead Managers;
- receipt by the Company of any necessary regulatory, statutory and listing rule approvals or consents; and
- receipt by the Joint Lead Managers of certain (generally) customary opinions, reports, sign-offs and certificates from the Company and its advisers.

Warranties and indemnities

The Underwriting Agreement contains a number of representations and warranties by and undertakings from the Company in favour of the Joint Lead Managers that are considered to be standard for an agreement of this nature. Furthermore, the Company has (subject to certain limitations) agreed to indemnify the Joint Lead Managers and their Related Bodies Corporate and each of their respective directors, officers, employees, contractors, advisers and representatives against any and all losses incurred in connection with the Capital Raising.

“Unqualified” termination events

The Joint Lead Managers may terminate their obligations under the Underwriting Agreement if any of the following termination events occurs:

- (defective disclosure) any statement contained any Offer Document is or becomes false, misleading or deceptive or likely to mislead or deceive (including by omission);
- (new circumstance) a new circumstance occurs which would have been required by the Corporation Act to be disclosed by the Company had that new circumstance arisen before the Offer Documents were released;
- (material adverse change) any material adverse change in the assets, liabilities, financial condition, position, performance or prospects of the Company (or any of its material subsidiaries) occurs;
- (KMP changes) there is a change to the key management personnel of the Company, or a prospective change is announced with regards to the key management personnel;

- (information) the information provided by or on behalf of the Company to the Joint Lead Managers in relation to the Capital Raising, the due diligence investigations in respect thereof or the Offer Documents, is false, misleading or deceptive or likely to mislead or deceive (including by omission); or
- (market fall) the S&P/ASX 300 Index falls by 10% or more (i.e. 10% or more from its level as at the close of trading on the day before the date of the Underwriting Agreement) at any time from the date of the Underwriting Agreement until completion of the Entitlement Offer.

Qualified termination events

The Joint Lead Managers may terminate their obligations under the Underwriting Agreement if any of the following events occur and that event has, or is likely to have (in the Joint Lead Managers' reasonable opinion), a material adverse effect on the assets, liabilities, financial condition, position, performance or prospects of the Company, the success of the Capital Raising, the ability of the Joint Lead Managers to market or settle the Capital Raising (or any component of it) or any investor's decision to invest in New Shares:

- (litigation) litigation, arbitration, administrative or industrial proceedings of any nature is commenced against the Company or any of its subsidiaries, other than any claim disclosed to the market, in writing to the Underwriter prior to the date of the Underwriting Agreement;
- (contravention) there occurs a contravention by the Company of any provision of its constitution, the Corporations Act, the ASX Listing Rules or any other applicable regulation or legislation or any requirement of ASIC or any other relevant regulatory body;
- (representations and warranties) an obligation, undertaking, representation or warranty made or given by the Company under the Underwriting Agreement is breached or proves to be, or has been, or becomes, untrue or incorrect or misleading or deceptive;
- (offer to comply) the Company, any Offer Document or any aspect of the Capital Raising, does not or fails to comply with the Company's constitution, the Corporations Act, the ASX Listing Rules or any other applicable regulation or legislation or any requirement of ASIC or any other relevant regulatory body;
- (political, financial or economic conditions) the occurrence of any adverse change or disruption to political (including geopolitical), financial or economic conditions or financial markets in any member of the Australia, New Zealand, the United States, the United Kingdom, Hong Kong or Singapore.