



27 June 2023

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Cleansing Notice

Notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth)

This notice is given by Tinybeans Group Limited ACN 168 481 614 ('**Company**' or '**Tinybeans**') under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* (**Corporations Act**).

On 27 June 2023, Tinybeans announced the launch of a A\$2.5 million (equivalent to approximately US\$1.7 million¹) equity raising of new fully paid ordinary shares (**New Shares**) at an offer price of A\$0.15 per New Share (**Offer Price**).

The Equity Raising (defined below) is comprised of:

- a non-underwritten institutional placement of New Shares to raise gross proceeds of approximately A\$0.5 million (equivalent to approximately US\$0.3 million¹) (utilising ASX Listing Rule 7.1 capacity) to be conducted at the same time as the institutional component of the Entitlement Offer (**Placement**); and
- a fully underwritten² 1-for-4.6 pro rata accelerated non-renounceable entitlement offer of New Shares to raise gross proceeds of approximately A\$2.0 million (equivalent to approximately US\$1.3 million¹) (**Entitlement Offer**),

the Entitlement Offer and Placement are together the **Equity Raising**.

The Placement will be conducted concurrently with the Institutional Entitlement Offer (as described below). New Shares issued under the Placement will not be eligible to participate in the Entitlement Offer. Tinybeans reserves the right to increase the size of the Placement if there is additional demand.

A retail offer booklet will be despatched to eligible retail shareholders (**Eligible Retail Shareholders**) on Tuesday, 4 July 2023.

The Company confirms the following:

1. the Company will offer the New Shares for issue without disclosure to investors under Part 6D.2 of the Corporations Act;
2. this notice is being given under section 708AA(2)(f) of the Corporations Act;
3. as at the date of this notice, the Company has complied with:
 - (a) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - (b) sections 674 and 674A of the Corporations Act;

¹ Assumes AUD:USD foreign exchange conversion of 0.6681.

² Refer to slides 39-42 of the investor presentation dated 27 June 2023 for a description of the terms and conditions of the underwriting arrangement.

4. as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Corporations Act; and
5. the potential effect that the Entitlement Offer will have on the control of the Company, and the consequences of that effect, will depend on a number of factors including the number of New Shares taken up by each eligible shareholder. However, the Company notes the following:

Structure of the Entitlement Offer and Underwriting

- (a) The number of New Shares which will be issued under the Entitlement Offer is approximately 16.7 million New Shares (subject to rounding of fractional entitlements) to raise approximately A\$2.5 million, equating to approximately 27.2% of all the issued shares in the Company following completion of the Entitlement Offer.
- (b) The Entitlement Offer will be conducted in two parts, an institutional component (**Institutional Entitlement Offer**) and a retail component (**Retail Entitlement Offer**).
- (c) The Company will offer a shortfall oversubscription facility as part of the Retail Entitlement Offer (**Oversubscription Facility**). The key terms of the Oversubscription Facility will be as follows:
 - A. Eligible Retail Shareholders who take up their entitlement in full (but excluding the Underwriter and Sub-underwriter and those persons in respect of the Company who are described in Listing Rule 10.11.1 to 10.11.5) will be able to apply for additional New Shares in the Company in excess of their entitlement (**Shortfall Application**), subject to the Corporations Act, the ASX Listing Rules and all other applicable laws and regulations; and
 - B. to the extent Shortfall Applications exceed the number of New Shares available under the facility, the Company will scale back applications:
 - (I) having regard to the pro-rata entitlements of the applicants; and
 - (II) to ensure compliance with the ASX Listing Rules, the Corporations Act and all other applicable laws.
 - C. The Entitlement Offer is proposed to be underwritten by Bell Potter Securities Limited ACN 006 390 772 (**'Bell Potter'** or **'Underwriter'**). Bell Potter may appoint the Company's largest shareholder, the Thorney Investment Group, as the sub-underwriter (**'Thorney'** or **'Sub-underwriter'**) to fully sub-underwrite the Entitlement Offer.
 - D. The key terms of the underwriting agreement between the Company and the Underwriter in connection with the Entitlement Offer (**Underwriting Agreement**) are set out in slides 39-42 of the investor presentation released by the Company on 27 June 2023. In summary, subject to any termination rights in the Underwriting Agreement:
 - (I) entitlements to New Shares for which valid applications are not received before the Institutional Entitlement Offer closes will be taken up by the Underwriter; and
 - (II) entitlements to New Shares for which valid applications are not received before the Retail Entitlement Offer closes will be issued firstly to any Eligible Retail Shareholders who have applied for additional New Shares under the Oversubscription Facility, and then any remainder will be taken up by the Underwriter.

If the Underwriting Agreement is terminated, any sub-underwriting arrangements will also be terminated.

Structure of the Entitlement offer and Sub-underwriting

- (d) As at the date of this notice, the proposed Sub-underwriter is the Company's largest beneficial shareholder and directly or indirectly holds a relevant interest in 18.72% of the issued shares of the Company. These holdings are held by Thorney Opportunities Ltd, Thorney Technologies Ltd, TIGA Trading Pty Ltd and Jasforce Pty Ltd

| Holder of relevant interest | Registered holder of securities | Person entitled to be registered as holder | Class and number of securities | Percentage of votes |
|---|---------------------------------|--|--------------------------------|---------------------|
| Thorney Opportunities Ltd | UBS Nominees Pty Ltd | Thorney Opportunities Ltd (this overlaps with the 4,580,664 detailed below) | 4,580,664 ordinary shares | 7.46% |
| Thorney Investment Group & Mr Alex Waislitz | UBS Nominees Pty Ltd | Thorney Technologies Ltd | 1,685,786 ordinary shares | 2.75% |
| | | Thorney Opportunities Ltd | 4,580,664 ordinary shares | 7.46% |
| | | TIGA Trading Pty Ltd | 4,745,072 ordinary shares | 7.73% |
| Jasforce Pty Ltd and Mr Alex Waislitz | Jasforce Pty Ltd | Jasforce Pty Ltd | 481,359 ordinary shares | 0.78% |
| TOTAL | | | | 18.72% |

- (e) The Sub-underwriter is a diversified investment company incorporated under the laws of Australia. According to its website as at the date of this notice, it invests in various sectors including unlisted and listed Australian equities and overseas equities, as well as digital currency and real estate.
- (f) As at the date of this notice, the Sub-underwriter has a nominee on the board of directors of Tinybeans (**Board**), namely Mr Andrew Silverberg.

Rationale for a significant shareholder underwriting the Entitlement Offer

- (g) The Company intends to market the Entitlement Offer to existing shareholders to reduce as far as possible the requirement of the Underwriter (and consequently the Sub-underwriter) to underwrite the Offer.
- (h) In this regard, the Company considers that the Sub-underwriter's backing of the Company is likely to be seen as a positive, making it more likely that the Company will be able to attract additional take up than would be the case if the Underwriter and Sub-underwriter were not fully underwriting the Offer.
- (i) The Company made the decision to enter into the Underwriting Agreement taking into account all other alternatives, including the availability and cost involved in third party underwriting in circumstances where Thorney would not be involved in sub-underwriting.

Management of Conflicts of Interest

- (j) As at the date of this notice, one of the Company's five directors is a nominee of Thorney, namely Mr Andrew Silverberg who is a non-executive director of the Company and:
- A. manages Thorney Investment Group's US listed equities, unlisted investments and properties.
- B. has no present interest in shares or options of Tinybeans.³
- (k) The Company established an independent Board committee (**IBC**) comprising two directors who are independent and independent of the Sub-underwriter (being Andrea Cutright and Chantale Millard), which had full delegated authority in respect of investigating, overseeing and executing the Entitlement Offer, including appointing one or more underwriters and agreeing the terms of any underwriting and agreeing to any sub-underwriting arrangement.

Impact of the Entitlement Offer and Sub-underwriting on Control of the Company

- (l) Thorney has confirmed to the Company that it and its associates will take up their full entitlement to New Shares under the Entitlement Offer.
- (m) The number of New Shares that will be required to be taken up by Thorney, and therefore the increase in Thorney's relevant interest in the voting shares of the Company as a result of the Entitlement Offer and associated sub-underwriting, will depend on how many New Shares are taken up under the Entitlement Offer (including under the Oversubscription Facility) by persons other than Thorney and its associates.
- (n) However, the number of voting shares in which Thorney has a relevant interest may exceed 20% of the issued shares of the Company. The table below sets out the Sub-underwriter's relevant interests in the Company following completion of the Entitlement Offer under several scenarios:

| Event | No, Shares in which Thorney holds a relevant interest^{1,2,4} | Voting power of Thorney^{1,2,4} |
|--|--|--|
| 100% take up by eligible shareholders (other than Thorney and its associates) ³ | 13,991,333 | 17.9% |
| 75% take up by eligible shareholders (other than Thorney and its associates) ³ | 16,702,886 | 21.4% |
| 50% take up by eligible shareholders (other than Thorney and its associates) ³ | 19,414,439 | 24.9% |
| 25% take up by eligible shareholders (other than Thorney and its associates) ³ | 22,125,992 | 28.3% |
| 0% take up by eligible shareholders (other than Thorney and its associates) ³ | 24,837,545 | 31.8% |

Notes:

1. Assumes the Underwriting Agreement is not terminated prior to settlement of any aspect of the Entitlement Offer, and the Underwriter complies with its obligations under the Underwriting Agreement and Thorney, as Sub-underwriter, complies with its obligations under the sub-underwriting agreement.

2. Assumes no amount is sub-underwritten by any other party.

3. Calculated on the basis of 1 New Share per 4.6 existing shares held at the Record Date.

4. Subject to rounding.

- (o) The Company understands that, to the extent Thorney's relevant interests in the Company exceed 20% (as a result of its sub-underwriting arrangement), Thorney intends to rely on the

³ As at the date of this announcement, it is anticipated that new options will be issued to Directors of Tinybeans under the terms of its incentive plan, of such number and on terms that are yet to be determined. The issue of any options is subject to the finalisation of terms and the approval of shareholders.

exception to section 606 of the Corporations Act set out in item 10A of section 611 of the Corporations Act.⁴ To that end:

- A. the Entitlement Offer will be extended to shareholders in Australia, New Zealand, Hong Kong and the USA and the conditions of the exception in item 10A of section 611 of the Corporations Act will not be satisfied in relation to foreign shareholders; and
 - B. with respect to holders in other jurisdictions, the Company will implement the nominee procedure set out in section 615 of the Corporations Act. To that end, the Company has sought ASIC consent to the appointment of Bell Potter Nominees Limited as nominee for the purposes of section 615 of the Corporations Act.
- (p) If the relevant interest of Thorney increases to more than 25% following completion of the Entitlement Offer, Thorney would have a sufficient voting interest to block any special resolution on which it is entitled to vote at a general meeting of the Company, whether under its constitution, the Corporations Act or otherwise (including, for example, the implementation of a takeover of the Company by way of a scheme of arrangement).

Intentions of Thorney if it obtains effective control over the Company

- (q) Thorney has confirmed to the Company that, if it increases its influence in the Company as a result of the Entitlement Offer and associated sub-underwriting:
- A. It has no present intention to:
 - (I) change the business of the Company;
 - (II) inject further capital into the Company, this may however change on the basis of the Company's future funding requirements;
 - (III) make any changes regarding the future employment of present employees of the Company;
 - (IV) transfer any assets between the Company and the Underwriter or its associates;
 - (V) redeploy the fixed assets of the Company; or
 - (VI) significantly changes the financial or dividend distribution policies of the Company; and
 - B. has a present intention to:
 - (I) execute the Company's strategy as previously disclosed to the market and support the long-term ambitions of the Company; and
 - (II) assist the Company and its management team with business transformation required to achieve profitability and positive cashflow in the near term, including through M&A transactions, capital management initiatives and ongoing strategic advice.

For and on behalf of Tinybeans Group Limited.

Elizabeth Spooner

⁴ This increase in voting power above 20% is subject to ASIC consenting to the appointment of Bell Potter Nominees Limited as nominee for the purposes of section 615 of the *Corporations Act 2001* (Cth).

Company Secretary
Tinybeans Group Limited

Authorised and approved by the Board of Tinybeans Group Limited.

—ENDS—

About Tinybeans Group

Tinybeans Group Limited (ASX:TNY, OTCQB:TNYF) is the only high trust app and web platform offering a personalized experience for new and growing families that helps them achieve their #1 goal in life—to raise amazing kids. Our purpose is bigger than simply making parenting easier. We help families thrive by giving them a safe, useful and inspirational place to go to capture and share memories, engage with trustworthy content and find thoughtful recommendations tailored to their family's needs, interests and where they live.

Tinybeans engages 28 million mindful parents every month, enjoys over 150,000 5-star reviews in the Apple App and Google Play stores, and has been recognized by Apple for excellence in both content—top 3 most viewed and exclusive parenting partner for Apple Guides, and utility—twice being named U.S. app of the day.

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