

	ENTITLEMENT OFFER BOOKLET Entitlement Offer
	CLUEY LTD ACN 644 675 909
	This Offer Booklet contains details of the Company's recently announced fully underwritten 3 for 4 non-renounceable entitlement offer of New Shares to raise gross proceeds of approximately \$4.5 million
	The Offer Price under the Entitlement Offer is \$0.03 per New Share
	The Entitlement Offer closes at 5pm (Sydney time) on Wednesday, 14 August 2024
	NOT FOR DISTRIBUTION TO US WIRE SERVICES OR RELEASE IN THE UNITED STATES
	This Offer Booklet is an important document that requires your immediate attention This 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

Lead Manager	
	

Enquiries

Before deciding to participate in the Entitlement Offer, Eligible 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 potential additional 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 Offer Booklet (**Entitlement and Acceptance Form¹**); or
- (b) exercise your pro rata 'entitlement' to participate in the Entitlement Offer (your **Entitlement²**), either in part or in full,

please see Sections 2.1 to 2.3 or call the Share Registry on 1300 288 664 (if calling from Australia) or on +61 2 9698 5414 (if calling from New Zealand) between 8.30am and 7pm (Sydney time) Monday to Friday .

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 Offer Booklet, undefined capitalised words and terms used in this Offer Booklet have the meanings given to them in the Glossary.

¹ Eligible Shareholders who have elected to receive documents issued by the Company in electronic form will receive an email which will include a link to this Offer Booklet and to their personalised Entitlement and Acceptance Form. All other Eligible Shareholders will be sent a letter which will include details explaining how they may access these materials and apply for New Shares under the Entitlement Offer online.

² Your Entitlement to New Shares under the Entitlement Offer is shown on your personalised Entitlement and Acceptance Form.

IMPORTANT INFORMATION

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This Offer Booklet is dated 31 July 2024 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 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.

The Entitlement Offer is not being conducted under an Australian prospectus or other form of disclosure document. 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 other form of disclosure document following the provision of certain confirmations to the market.

In the light of the above, it is important for Eligible Shareholders to read and understand the information on the Company and in relation to the Entitlement Offer, prior to accepting some or all of their Entitlement. In particular, Eligible Shareholders should refer to and consider the information in this 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 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 Offer Booklet is based on assumptions and contingencies which are subject to change and which involve (or are dependent upon the non-occurrence of) various known risks (such as those described in Schedule 1) and other 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 Lead Manager) (i) expressly disclaim all responsibility and any liability (including in negligence) for any forward-looking statement and (ii) make no representation or warranty, whether express or implied, as to the accuracy or reliability (including the likelihood of fulfilment) of any such statement.

The information in this 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, 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 Offer Booklet must not be distributed or released in the United States. This 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 ENTITLEMENT OFFER TIMETABLE

Announcement of Entitlement Offer	24 July 2024
‘Ex’ date	26 July 2024
Record Date	7pm (Sydney) on 29 July 2024
Offer Booklet sent to Eligible Shareholders	31 July 2024
Opening Date	1 August 2024
Last day to extend the Closing Date	9 August 2024
Closing Date³	5pm (Sydney) on 14 August 2024
Issue Date⁴	21 August 2024
Trading of New Shares begins⁵	10am (Sydney) on 22 August 2024

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 Lead Manager, to change the times and dates of the above noted 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 Entitlement Offer.

³ It is expected that the New Shares will begin trading (on a deferred settlement basis) on ASX from market open on the Trading Day immediately after the Closing Date.

⁴ It is expected that the New Shares will continue to trade (on a deferred settlement basis) on ASX until market close on the Issue Date.

⁵ It is expected that the New Shares will begin trading (on a normal (i.e. ‘T+2’) settlement basis) on ASX from market open on the Trading Day immediately 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 Shareholders (defined below) the opportunity to participate in the Company's recently announced fully underwritten 3 for 4 non-renounceable entitlement offer of New Shares as set out in this offer booklet (**Offer Booklet**).

The offer set out in this Offer Booklet is available to all Shareholders who are, as at 7pm (Sydney time) on Monday, 29 July 2024 (**Record Date**), registered with an address in Australia or New Zealand and who can make (and by subscribing for New Shares in accordance with Section 2.2 or 2.3 will be deemed by the Company to have made) the representations set out in Section 2.6 (each, an **Eligible Shareholder**).

Key details

The Company is giving Eligible Shareholders the opportunity to participate in the Company's recently announced non-renounceable entitlement offer of new fully paid ordinary shares in the Company (each, a **New Share**) on the ratio of 3 New Shares for every 4 existing shares in the Company (each, a **Share**) held on the Record Date (**Entitlement Offer**).

The offer price under the Entitlement Offer is \$0.03 per New Share (**Offer Price**).

The funds raised under the Entitlement Offer will be used to strengthen the Company's balance sheet and provide working capital to support the Company's profitability and growth initiatives.

Please see the Company's ASX release and investor presentation each dated (and given to ASX on) 24 July 2024 for further information in relation to the above noted proposed use of funds.

Offer Price

The Offer Price represents an approximately 15.25% discount to the 30-day volume weighted average price of Shares traded on ASX over the 30 Trading Days on which trades were recorded prior to the Announcement Date.

No Entitlements trading

Since the Entitlement Offer is 'non-renounceable', Entitlements are not tradeable on ASX or otherwise transferable by or between Eligible 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 Shareholders under the Entitlement Offer will form part of the 'shortfall' (**Shortfall**)⁶.

Underwriting arrangements

The Entitlement Offer is being managed and partially underwritten by Gleneagle Securities (Aust) Pty Ltd ACN 136 930 526 (**Lead Manager**) in accordance with the terms of an underwriting agreement entered into by the Company and Gleneagle on 24 July 2024 (**Underwriting Agreement**).

Under the Underwriting Agreement, the Lead Manager has committed to subscribe, or procure subscriptions for, up to approximately \$2.25 million of any Shortfall (**Underwritten Amount**)⁷.

In addition to the above noted underwriting commitment, a number of the Company's directors, senior executives and major Shareholders have committed to take up their Entitlement in full and have entered into sub-underwriting arrangements with the Lead Manager to apply for part of any Shortfall.

The above referred arrangements mean that any Shortfall up to the Underwritten Amount will, provided the Underwriting Agreement remains in full force and effect, be allocated to the Lead Manager (and/or to the Directors, senior executives and/or major Shareholders who have provided sub-underwriting commitments).

The extent and potential impact on the Company of these commitments is detailed in Section 1.6 and 1.7, respectively.

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

The fees payable to the Lead Manager are set out in Section 3.33.3. No fees are payable (whether by the Company or the Lead Manager) in respect of the above referred 'firm in relief' or sub-underwriting commitments.

Ineligible Shareholders

The Company will send details of the Entitlement Offer to each Ineligible Shareholder and advise each Ineligible Shareholder that they will not be offered New Shares under the Entitlement Offer.

⁶ Said differently, the 'Shortfall' (if any) will be equal to the total number of Entitlements issued under the Entitlement Offer (which number includes the total number of Entitlements that would have been issued to Ineligible Shareholders had those Shareholders been eligible to participate in the Entitlement Offer) less the total number of Entitlements that are actually exercised by Eligible Shareholders.

⁷ When combined with the 'firm in relief' commitments detailed in Section 1.6, the Lead Manager's commitment to underwrite the Underwritten Amount results in the Entitlement Offer being fully underwritten.

Concluding remarks

Further information in relation to the Entitlement Offer⁸ and its expected impact on the Company is detailed in this Offer Booklet.

On behalf of the Directors and management team of the Company, I invite Eligible 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
Non-Executive Chairman

About Cluey

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

⁸ 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.

1. DETAILS OF THE ENTITLEMENT OFFER

1.1 The Entitlement Offer

The Company is conducting a fully underwritten non-renounceable entitlement offer of New Shares to raise approximately \$4.5 million.

Under the Entitlement Offer, Eligible Shareholders are entitled to subscribe for 3 New Shares (at the Offer Price of \$0.03 per New Share) for every 4 Shares held at 7pm (Sydney time) on the Record Date. 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) are set out in Section 2. This Offer Booklet will be sent to Eligible 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 the Entitlement Offer on the Company's Share structure.

Shares	Number
Number of Shares on issue at 7pm (Sydney time) on the Record Date	201,613,568
Maximum number of New Shares to be issued under the Entitlement Offer	151,210,176
Maximum number of Shares expected to be on issue on completion of the Entitlement Offer	352,823,744

The Company also has a total 10,566,000 options and performance rights (each, with various exercise prices, expiry dates and/or vesting conditions) on issue⁹. The number of options and performance rights on issue is not expected to change as a result of the Entitlement Offer.

⁹ The Company also anticipates issuing up to a further 4.5 million performance rights in FY25 under the Cluey Omnibus Incentive Plan.

1.3 Use of funds raised under the Entitlement Offer

The purpose of the Entitlement Offer is to raise gross proceeds of approximately \$4.5 million to be utilised by the Company for the following purposes¹⁰:

Use of funds raised	Amount	Percentage
To support Cluey's growth and profitability initiatives	\$1.35 million	30%
To pay the costs associated with the Entitlement Offer	\$0.15 million	3%
For general working capital purposes	\$3.00 million	67%
<u>Total</u>	<u>\$4.50 million</u>	<u>100%</u>

1.4 Pro forma balance sheet

The pro forma balance sheet set out in Schedule 3 shows the expected impact of the Entitlement Offer on the Company to give Eligible 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 2023 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 Company's periodic and continuous disclosures.

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 Shareholders. This means that Eligible Shareholders will not receive any value for any Entitlements that they do not take up.

¹⁰ 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.

1.6 Underwriting and sub-underwriting positions

The Lead Manager, the following Shareholders (some of which are Directors) and other Exempt Investors (who are referred to in the table below as 'others') have given the Company the commitments under and in respect of their participation in the Entitlement Offer as detailed below.

Name of Participant	Relevant Interest (in number)	Relevant Interest (as a percentage)	Firm in relief commitment	Sub-underwriting commitment	Total Commitment
Thorney	32,061,180	15.90%	24,045,885	15,954,115	40,000,000
Perennial	30,143,367	14.95%	22,607,525	Nil	22,607,525
Rohald	19,808,967	9.83%	14,856,725	18,476,608	33,333,333
Gavshon	13,375,542	6.63%	10,031,657	Nil	10,031,657
Fordred	5,584,945	2.77%	4,188,709	7,477,958	11,666,667
Lead Manager	Nil	Nil	31,252,717 ¹¹	N/A	31,252,717
Others	3,091,036	1.53%	2,318,277	Nil	2,318,277
Total	104,065,037	51.62%	109,301,495	41,908,681	151,210,176

The above noted underwriting, sub-underwriting and 'firm in relief' commitments, when taken together, result in all of the approximately \$4.5 million sought by the Company under the Entitlement Offer being underwritten.

1.7 Potential effect on the control of the Company

As a consequence of the aggregate commitments given by various different participants (including the underwriting commitment given by the Lead Manager (an independent professional underwriter)), 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 event that all Eligible Shareholders subscribe for their Entitlement in full (and therefore, there is no Shortfall), the proportionate interest of all Shareholders on completion of the Entitlement Offer will not change. In the event of a Shortfall however, the proportionate interests of the persons noted in Section 1.6 will increase. For example, in the unlikely event that no Eligible Shareholder (i.e. other than the Eligible Shareholders noted in Section 1.6) subscribes for any of their Entitlement, the Relevant Interests of those persons is expected to increase on completion of the Entitlement Offer as shown below.

¹¹ Shareholders should note that the Lead Manager's commitment under the Underwriting Agreement is an 'underwriting' commitment rather than a 'firm in relief' commitment. The Lead Manager's total commitment is higher than the amount shown in this table.

Name of Participant	Relevant Interest (in number)	Relevant Interest (as a percentage)	New Shares Issued	Relevant Interest (in number)	Relevant Interest (as a percentage)
Thorney	32,061,180	15.90%	40,000,000	72,061,180	20.42%
Perennial	30,143,367	14.95%	22,607,525	52,750,892	14.95%
M Rohald	19,808,967	9.83%	33,333,333	53,142,300	15.06%
R Gavshon	13,375,542	6.63%	10,031,657	23,407,199	6.63%
G Fordred	5,584,945	2.77%	11,666,667	17,251,612	4.89%
Lead Manager	Nil	Nil	31,252,717	31,252,717	8.86%
Others	3,091,036	1.53%	2,318,277	5,409,313	1.53%
All other Shareholders	97,548,531	48.39%	Nil	97,548,531	27.65%
Total	201,613,568	100%	151,210,176	352,823,744	100%

As can be seen from the table above, in the unlikely event that no Eligible Shareholder (i.e. other than the Eligible Shareholders who have provided a commitment) subscribes for their any of their Entitlement, the Relevant Interests of Thorney, Perennial, Mr Rohald, Mr Gavshon and Mr Fordred are expected to increase (in percentage terms) by 4.52%, nil, 5.23%, nil% and 2.12%, respectively.

Eligible Shareholders should note that the Lead Manager will determine the manner in which any Shortfall is allocated between the various sub-underwriters and may do so either by having regard to the proportions which each sub-underwriter's sub-underwriting commitment bears to the total commitments of all sub-underwriters or in such other manner as the Lead Manager may, in its absolute discretions, determine (including, without limitation, by providing priority to those individual sub-underwriters that are existing Shareholders).

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 which allows the Company to make the Entitlement Offer in Australia without a prospectus or other form of disclosure document provided certain statutory conditions are satisfied.

This Offer Booklet is not a prospectus or other form of disclosure document under the Corporations Act and has not been (and will not be) lodged with the Australian Securities and Investments Commission (**ASIC**) (or with any other 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 and 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 lodge financial statements and other reports periodically and to notify ASX about material events and matters as they arise 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 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 708AA of the Corporations Act (i.e. the exemption that allows the Company to conduct the Entitlement Offer without a prospectus), the Company is required to lodge a 'cleansing notice' under section 708AA(2)(f) 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:
 - (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 audit, 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 24 July 2024.

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 Entitlement Offer on 21 August 2024. Accordingly, it is expected that quotation of the New Shares will, subject to ASX approval, begin from market open on 22 August 2024.

The fact that ASX may quote the New Shares the subject of the 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 Entitlement Offer and all application monies received will be refunded (without interest).

The Company, Lead Manager 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 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, the Lead Manager or the Share Registry or otherwise or who trade or purport to trade 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 Shareholders

The offer set out in this Offer Booklet is available to all Shareholders who are, as at 7pm (Sydney time) on the Record Date, registered (in accordance with the records of the Share Registry) with an address in Australia or New Zealand and who can make (and by subscribing for New Shares in accordance with Section 2.2 or 2.3 will be deemed by the Company to have made) the representations set out in Section 2.6.

Shareholders registered with an address outside of Australia or New Zealand or who are unable to make the representations set out in Section 2.6 are not 'Eligible Shareholders' (i.e. they are '**Ineligible Shareholders**' for the purposes of the Entitlement Offer) and therefore cannot participate in the Entitlement Offer. Neither the Offer Booklet nor the Entitlement and Acceptance Form will be sent to Ineligible Shareholders.

New Zealand

The New Shares the subject of the Entitlement Offer are not being offered to the public within New Zealand other than to existing Shareholders 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 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 Entitlement Offer to any Shareholder with a registered address outside Australia or New Zealand. Accordingly, the 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 Entitlement Offer to each Ineligible Shareholder and will advise them that they will not be entitled to participate in the Entitlement Offer¹².

1.11 Overseas Shareholders

The information in this 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, 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 Offer Booklet must not be distributed or released in the United States. This 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 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.

1.12 Discretion

The Company may however, in its absolute discretion, make offers to certain Shareholders in jurisdictions other Australia and New Zealand (and if it does so, it 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 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.

¹² Please note that the Company reserves the right to reject any application for New Shares that it believes is from an Ineligible Shareholder.

1.13 Nominee holders

Shareholders who are nominees, trustees or custodians are advised to seek advice as to whether they may participate in the 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 Offer Booklet and may not permit any beneficial Shareholder to participate in the Entitlement Offer, in any country outside of Australia and New Zealand except with the consent of the Company.

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 (either 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/or 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. SUBSCRIBING FOR NEW SHARES

2.1 Your choices

If you are an Eligible Shareholder, you may:

- (a) exercise part of your Entitlement (see Section 2.2);
- (b) exercise all of your Entitlement (see Section 2.3); or
- (c) do nothing (see Section 2.4).

Eligible Shareholders who have elected to receive documents issued by the Company in electronic form will receive an email on or about 31 July 2024 which will include a link to this Offer Booklet and to their personalised Entitlement and Acceptance Form. All other Eligible Shareholders will be sent a letter which will include details explaining how they may access these materials and apply for New Shares under the Entitlement Offer online.

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

2.2 Exercise part of your Entitlement

If you wish to exercise part of your Entitlement (and therefore to allow the unexercised balance of your Entitlement to lapse¹³) please complete and submit 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.

2.3 Exercise your Entitlement in full

If you wish to exercise your Entitlement in full please complete and submit the online version of your personalised Entitlement and Acceptance Form in accordance with the instructions detailed on that form and pay the corresponding application monies specified on your form electronically (i.e. either by BPAY® or by 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.

¹³ Your proportionate 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 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 action¹⁴.

2.5 Payment for New Shares

The Offer 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 22 August 2024.

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.

When paying for your New Shares by BPAY® or EFT, please follow the 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. If you pay by EFT, please cite the unique reference number either provided to you during the online application process or set out on your personalised Entitlement and Acceptance Form.

Applicants using BPAY® or who pay their application monies by EFT 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 processed overnight) and ensure that the application monies are received by 5pm (Sydney time) on the Closing Date. Regardless of the number of New Shares specified on your Entitlement and Acceptance Form, you will be deemed to have subscribed for such number of New Shares as your application monies received by the Share Registry will pay for in full.

2.6 Entitlement and Acceptance Form is binding

A submitted Entitlement and Acceptance Form will constitute a binding commitment to subscribe for New Shares under the Entitlement Offer¹⁵.

¹⁴ 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.

¹⁵ If the Entitlement and Acceptance Form is not completed correctly, it may still be treated by the Company as a valid application.

By subscribing for New Shares in accordance with Section 2.2 or 2.3, you (and any person on whose behalf you are acting) will be deemed by the Company to have represented that you:

- (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 Offer Booklet and agree to be bound by the terms of the 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 following the receipt by the Company of your application monies;
- (e) acknowledge that once the Company receives your Entitlement and Acceptance Form or any application monies, you may not withdraw your application or application monies provided except as allowed by law;
- (f) authorise the Company, the Share Registry, the Lead Manager 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;
- (g) 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;
- (h) acknowledge that the information contained in this 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;
- (i) 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;
- (j) acknowledge that neither the Company, nor the Lead Manager, 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;
- (k) 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;

- (l) 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;
- (m) 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 to issue New Shares under any applicable laws and regulations;
- (n) represent and warrant that you are and that you are eligible to participate in the Entitlement Offer as an Eligible 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;
- (o) 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
- (p) 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 Entitlement Offer should be regarded as a speculative investment. Accordingly, Eligible Shareholders who are considering whether to participate in the 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 2) (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 Entitlement Offer).

Eligible 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 Offer 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 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 securities¹⁶.

In deciding whether to participate in the Entitlement Offer, the Directors recommend that Eligible 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 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 as such the Directors recommend that all prospective investors consult their own tax advisers before participating in the Entitlement Offer.

3.3 Underwriting

The Company has agreed to pay the Lead Manager a management fee of \$25,000 and an underwriting fee of \$100,000 (in each case, excluding GST).

¹⁶ In the case of the Company, most (if not all) of these factors are beyond the control of the Company and the Directors.

No fees are payable (whether by the Company or the Lead Manager) in respect of the 'firm in relief' or sub-underwriting commitments referred to in Section 1.6.

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 released to the market by the Company on 24 July 2024.

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

3.4 No cooling-off rights

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.

3.5 No brokerage or stamp duty

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

3.6 Further disclaimers

Neither the Lead manager, nor any of its Related Bodies Corporate, affiliates, directors, officers, employees, agents, consultants or advisers (together, the **LM Parties**), or any other person have authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Offer Booklet (or any other materials released by the Company in relation to the Entitlement Offer) and, except to the extent expressly referred to in this Offer Booklet, none of the LM Parties make or purports to make any statement in this Offer Booklet which has been verified by or is based on any statement by any of them.

The Lead Manager is a 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 Lead Manager is acting solely as agents for the Company and not for any other person. The Lead Manager 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 Offer Booklet

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

No person is authorised to give any information, or to make any representation in connection with the Entitlement Offer that is not contained in the Offer Booklet. Any information that is not in this 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 Offer Booklet.

3.8 Appointment of Approved Nominee

Subject to the receipt of the ASIC Approval, the Company will appoint a nominee affiliated with the Lead Manager and will issue that nominee with the Entitlements which would otherwise have been available for subscription by Ineligible Shareholders (i.e. had they been Eligible Shareholders).

The Entitlements issued to the Approved Nominee will then be offered for sale and, to the extent that there is any value (referred to as a 'premium') realised from that sale, that premium (less any expenses associated with that sale) will be remitted pro rata to all Ineligible Shareholders.

Ineligible Shareholders should note however that since the Entitlement Offer is structured as a non-renounceable entitlement offer, it is not expected that this sale process will generate any premium (less expenses) to be remitted to Ineligible Shareholders.

3.9 Timetable

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

3.10 Date of this Offer Booklet

This Offer Booklet is dated 31 July 2024. Statements in this Offer Booklet are made only as of the date of this Offer Booklet unless otherwise stated, and the information in this Offer Booklet remains subject to change without notice. Unless required by law, the Company will not update this Offer Booklet.

There may be additional announcements that are made by the Company (including after the date of this Offer Booklet) that may be relevant to your decision as to whether to subscribe 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.

3.11 Not a recommendation

The information in this Offer Booklet does not constitute a financial advice or a recommendation to subscribe for New Shares and nor does this Offer Booklet purport to contain all of the information that an Eligible Shareholder may require to evaluate the merits of making an investment in the New Shares. Prospective investors should note that the New Shares do not carry any guarantee with respect to the payment of dividends, the return of capital or their post-issue market price or liquidity profile.

3.12 Withdrawal of Entitlement Offer

The Company reserves the right, subject to all applicable legal requirements, to withdraw the Entitlement Offer and the information in this 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 Shareholders can obtain a copy of this Offer Booklet during the period in which the Entitlement Offer is open by downloading it from www.clueylearning.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) between 8.30am and 7pm (Sydney time) Monday to Friday (Sydney time).

The electronic version of the Offer Booklet on the ASX website will not include your personalised Entitlement and Acceptance Form.

3.14 Authorisation

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

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

Robert Gavshon
Non-Executive Chairman

4. GLOSSARY

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

Term	Meaning
ASIC Approval	means ASIC's approval of the Approved Nominee for the purposes of section 615 of the Corporations Act
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
Closing Date	means the date on which the Entitlement Offer closes
Exempt Investor	means a person who is eligible to receive an issue offer of securities without disclosure under Part 6D.2 of the Corporations Act
Approved Nominee	means the person appointed as nominee on behalf of foreign holders in accordance with the ASIC Approval
GST	Goods and Services Tax
Issue Date	means the date on which the New Shares the subject of the Entitlement Offer are expected to be issued to successful applicants
Perennial	means Perennial Value Management
Related Body (or Bodies) Corporate	has the meaning given in section 50 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
Settlement Date	means the Trading Day immediately prior to the Issue Date
Shareholder	means a holder of 1 or more Shares
Share Registry	means Automic Pty Ltd
Thorney	means Thorney Investment Group
Trading Day	has the meaning given in the Listing Rules

Schedule 1 – Risk Factors

This Section of this 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 New Shares.

The Company is subject to risk factors that are both specific in nature and those that are more general. 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 New 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 Offer Booklet should be read in conjunction with the Company's continuous and periodic disclosures given 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 Directors as at the date of this Offer Booklet.

Speculative nature of investment

Any investor should be aware that subscribing for New Shares involves various risks. The New Shares to be issued under the 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 growth in the future. The ability to profitably scale the Company's 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. A failure to attract and/or retain skilled staff and key personnel could materially impact the Company's ability to operate its business, implement business strategies and develop the Company's products.

Tutor selection, retention, quality control and tutor costs

The Company's business model requires that it selects, engages, trains and quality-assures an increasing number of tutors and teachers as it increases the scale of its business. If the Company is unable to effectively execute and scale its tutor and teacher operations and maintain quality standards, its business, financial condition and profitability (if applicable) may be adversely affected. Further, if the average rate paid to the Company's tutors and/or teachers increases at a faster rate than anticipated, then the Company's operating margins may be adversely affected.

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 new students to use of its products and services 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 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 and is expected to continue to experience net losses in the near 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 it continuing to make losses.

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, reputational damage and a loss of trust by its customers, tutors and employees, each of which might have an adverse effect on the Company's operational and financial condition and/or performance.

In addition, laws relating to data privacy are evolving. If data privacy standards are adopted in Australia, or other markets in which the Company enters, which are more stringent than those which are currently in place, then this could possibly lead to additional costs for compliance and negatively impact the Company's operational and financial condition and/or performance.

Technology

The Company has entered into various software licenses which are required to operate the technology platforms, systems and operations of the business. If a problem arises in relation to the Company's software licences, then this could negatively impact the Company's ability to carry out its operations and negatively impact the Company's operational and financial condition and/or performance.

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 operational and financial condition and/or 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 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 Entitlement Offer or the payment of dividends.

Price of Cluey's shares may fluctuate

The price of the Company's shares (including those issued under the 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 Offer 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 (including, if applicable, the *Closing Loopholes No. 2 Bill 2023* (Cth)), regulations, rules or government policy. 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.

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 Lead Manager to manage and 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 required to launch, give effect to and complete the Entitlement Offer (**Offer Documents**);
- all due diligence investigations being undertaken and completed by the Company to the satisfaction of the Lead Manager;
- receipt by the Company of any necessary regulatory, statutory and Listing Rule approvals or consents; and
- receipt by the Lead Manager 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 Lead Manager that are considered to be standard for an agreement of this nature. Furthermore, the Company has (subject to certain limitations) has agreed to indemnify the Lead Manager and its 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 Entitlement Offer.

‘Unqualified’ termination events

The Lead Manager may terminate its obligations under the Underwriting Agreement if any of the following termination events occurs:

- (defective disclosure) any of the Offer Documents or any aspect of the Entitlement Offer does not comply with the Corporations Act or the Listing Rules or if any statement contained in any Offer Document is or becomes false, misleading or deceptive or likely to mislead or deceive (including by omission);
- (new circumstance) in the reasonable opinion of the Lead Manager, a new circumstance arises that would have been required by the Corporation Act to be disclosed in the Offer Documents had that new circumstance arisen before the Offer Documents were released;
- (ASIC Approval) the ASIC Approval (if required to ensure that the exception in Item 10 of section 611 is available) is not given on or before the Settlement Date, or if it is given, it is withdrawn or revoked or ASIC indicates that the ASIC Approval is likely to be withdrawn or revoked before the Settlement Date;

- (market fall) the S&P/ASX 200 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 on which the Entitlement Offer is announced (**Announcement Date**)) at any time from the Announcement Date until completion of the Entitlement Offer.

Qualified termination events

The Lead Manager may terminate its obligations under the Underwriting Agreement if any of the following events occur and that event has, or is likely to have, in the reasonable opinion of the Lead Manager, a material adverse effect on the success, marketing or settlement of the Entitlement Offer, the value of the Shares or the willingness of investors to subscribe for the New Shares or the performance of the secondary trading market for the New Shares at any time during the 30 day period following the Issue Date:

- (disclosures) any information supplied by or on behalf of the Company to the Lead Manager is or becomes misleading or deceptive in a material respect, including by way of omission;
- (adverse change) there is an adverse change, or an event occurs which is likely to give rise to an adverse change, in the financial position, results, operations or prospects of the Company;
- (compliance with agreements and regulatory requirements) a contravention by the Company of the Corporations Act, the Company's constitution, or any of the Listing Rules, or Cluey commits a fraudulent act; or
- (market or trading disruption) there is a suspension or material limitation in trading in securities generally or there is any adverse change or disruption to the existing financial market or the political or economic conditions of Australia, Japan, Hong Kong, the Republic of China, the United Kingdom, the United States of America or a member state of the European Union.

Schedule 3 – Pro Forma Balance Sheet – 31 December 2023

\$'000	Statutory	Pro Forma adjustments	Pro Forma
Assets			
Cash and cash equivalents	7,952	4,350	12,302
Other current assets	1,372		1,372
Total current assets	9,324	4,350	13,674
Plant and equipment	74		74
Right-of-use assets	217		217
Intangible assets	7,757		7,757
Total non-current assets	8,048	-	8,048
Total assets	17,372	4,350	21,722
Liabilities			
Trade and other payables	2,948		2,948
Contract liabilities	2,108		2,108
Lease liabilities	240		240
Employee benefits	553		553
Total current liabilities	5,849	-	5,849
Lease liabilities	-		-
Deferred tax	220		220
Employee benefits	221		221
Total non-current liabilities	441	-	441
Total liabilities	6,290	-	6,290
Net assets	11,082	4,350	15,432
Equity			
Issued capital	169,449	4,500	173,949
Reserves	(99,476)		(99,476)
Accumulated losses	(58,891)	(150)	(59,041)
Total equity	11,082	4,350	15,432

The cash balance (unaudited) at 30 June 2024 was \$4.5m.