



**ACN 136 815 891  
ABN 44 136 815 891**

Level 1, 426 Glen Huntly Road,  
Elsternwick, Victoria, 3185

**Contact:**

Phone: +61 3 9692 7222  
Email: [contact@readcloud.com](mailto:contact@readcloud.com)

**Board of Directors:**

Paul Collins, *Non- Exec Chairman*  
Lars Lindstrom, *Managing Director*  
Darren Hunter, *Executive Director*  
Guy Mendelson, *Non-Exec Director*

**Company Secretary:**

Melanie Leydin

**Securities on Issue:**

RCL: 83,750,000 ordinary shares  
RCLO: 15,000,000 options

**Website:**

<https://www.readcloud.com/>

ASX Announcement

28 May 2018

## Section 708A Cleansing Statement and Appendix 3B

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This notice is given by ReadCloud Limited (**Company**) under Section 708A(5)(e) of the Corporations Act 2001 (Cth) (**Corporations Act**).

The Company hereby confirms that:

- (a) the Company has issued 1,875,000 fully paid ordinary shares (Shares) at an nil issue price per Share, pursuant to vesting condition for Tranche 1 Class A Performance Rights being satisfied prior to the expiry date and pursuant to the Plan. Shares will be subject to Disposal Restrictions until expiry of a 24-month escrow to 6 February 2020.
- (b) the Shares were issued without disclosure to investors under Part 6D.2 of the Corporations Act;
- (c) the Company is providing this notice under paragraph 5(e) of section 708A of the Corporations Act;
- (d) as at the date of this notice the Company, as a disclosing entity under the Corporations Act, has complied with:
  - a. the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
  - b. section 674 of the Corporations Act as it applies to the Company; and
- (e) as at the date of this announcement, there is no excluded information of the type referred to in Sections 708A(7) and 708A(8) of the Corporations Act.

**FOR FURTHER INFORMATION, PLEASE CONTACTS:**

Melanie Leydin, Company Secretary  
+61 3 9692 7222

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Readcloud Limited

ABN

44 136 815 891

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | +Class of +securities issued or to be issued                                                                                                                                                                                                 | (a) Ordinary Fully Paid Shares ASX escrowed to 6 February 2020<br>(b) Unlisted Options<br>(c) Unlisted Options<br>(d) Unlisted Options                                                                                                                                                                                                                                                                                                                                                                                                   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued                                                                                                                                                | (a) 1,875,000<br>(b) 240,000<br>(c) 120,000<br>(d) 300,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | (a) The Ordinary Fully Paid Shares (Shares) have been issued pursuant to the vesting of Performance Rights under the Company's Long Term Incentive Plan (Plan). The shares will be subject to Disposal Restrictions until expiry of a 24 month escrow to 6 February 2020.<br>(b) Unlisted options exercisable at \$0.33 (33 cents) each, expiring 21 March 2021<br>(c) Unlisted options exercisable at \$0.33 (33 cents) each, expiring 27 March 2021<br>(d) Unlisted options exercisable at \$0.33 (33 cents) each, expiring 7 May 2022 |

+ See chapter 19 for defined terms.

4	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>(a) Yes</p> <p>(b) No. However fully paid ordinary shares issued pursuant to conversion of options will rank in all respects pari passu with existing shares at the date of issue.</p> <p>(c) No. However fully paid ordinary shares issued pursuant to conversion of options will rank in all respects pari passu with existing shares at the date of issue.</p> <p>(d) No. However fully paid ordinary shares issued pursuant to conversion of options will rank in all respects pari passu with existing shares at the date of issue.</p>
5	Issue price or consideration	<p>(a) Nil</p> <p>(b) Nil</p> <p>(c) Nil</p> <p>(d) Nil</p>
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>(a) Issue of Ordinary Fully Paid Shares pursuant to vesting condition for Tranche 1 Class A Performance Rights being satisfied prior to the expiry date and pursuant to the Plan.</p> <p>(b) Issue of unlisted options to employees of the Company in accordance with Employee Share Option Plan</p> <p>(c) Issue of unlisted options to employees of the Company in accordance with Employee Share Option Plan</p> <p>(d) Issue of unlisted options to employees of the Company in accordance with Employee Share Option Plan</p>
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	No
6b	The date the security holder resolution under rule 7.1A was passed	N/A

6c	Number of +securities issued without security holder approval under rule 7.1	Nil						
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil						
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil						
6f	Number of securities issued under an exception in rule 7.2	(a) 1,875,000 Fully Paid Ordinary Shares (b) 240,000 Unlisted options (c) 120,000 Unlisted options (d) 300,000 Unlisted options						
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	N/A						
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A						
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	<table><tr><td>Listing Rule 7.1</td><td>12,562,500</td></tr><tr><td>Listing Rule 7.1A</td><td>-</td></tr><tr><td>TOTAL</td><td>12,562,500</td></tr></table>	Listing Rule 7.1	12,562,500	Listing Rule 7.1A	-	TOTAL	12,562,500
Listing Rule 7.1	12,562,500							
Listing Rule 7.1A	-							
TOTAL	12,562,500							
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	28 May 2018						

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+ See chapter 19 for defined terms.

8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	Number	+Class
		43,680,552	Fully paid ordinary shares
		15,000,000	Options exercisable at \$0.30 (30 cents) each, expiring 30 November 2020
9	Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	Number	+Class
		244,539	Fully paid ordinary shares subject to ASX escrow for 12 months to 28 June 2019
		39,824,909	Fully paid ordinary shares subject to ASX escrow for 24 months to 6 February 2020
		11,250,000	Performance Rights subject to 24 months escrow to 6 February 2020
		1,666,663	Options exercisable at \$0.30 (30 cents) each, expiring 1 February 2019
		3,333,332	Options exercisable at \$0.30 (30 cents) each, expiring 7 February 2020
		375,000	Unlisted options, exercisable at \$0.20 (20 cents) each, expiring 7 February 2021
		225,000	Unlisted options, exercisable at \$0.20 (20 cents) each, expiring 7 February 2022

240,000	Unlisted options, exercisable at \$0.33 (33 cents) each, expiring 21 March 2021
120,000	Unlisted options, exercisable at \$0.33 (33 cents) each, expiring 27 March 2021
300,000	Unlisted options, exercisable at \$0.33 (33 cents) each, expiring 7 May 2022

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A
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## Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the <sup>+</sup> securities will be offered	N/A
14	<sup>+</sup> Class of <sup>+</sup> securities to which the offer relates	N/A
15	<sup>+</sup> Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A

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<sup>+</sup> See chapter 19 for defined terms.

18	Names of countries in which the entity has <sup>+</sup> security holders who will not be sent new issue documents  Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of <sup>+</sup> security holders	N/A
25	If the issue is contingent on <sup>+</sup> security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do <sup>+</sup> security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do <sup>+</sup> security holders sell <i>part</i> of their entitlements	N/A

	through a broker and accept for the balance?	<div style="border: 1px solid black; height: 25px; width: 350px;"></div>
32	How do <sup>+</sup> security holders dispose of their entitlements (except by sale through a broker)?	<div style="border: 1px solid black; height: 40px; width: 350px; text-align: center; vertical-align: middle;">N/A</div>
33	<sup>+</sup> Despatch date	<div style="border: 1px solid black; height: 30px; width: 350px; text-align: center; vertical-align: middle;">N/A</div>

## Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of securities  
(tick one)

(a) ☒ Securities described in Part 1.

(b) ☐ All other securities  
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

35 ☐ If the <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders

36 ☐ If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37 ☐ A copy of any trust deed for the additional <sup>+</sup>securities

### Entities that have ticked box 34(b)

38	Number of securities for which <sup>+</sup> quotation is sought	<div style="border: 1px solid black; height: 30px; width: 350px;"></div>
39	Class of <sup>+</sup> securities for which quotation is sought	<div style="border: 1px solid black; height: 30px; width: 350px;"></div>

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<sup>+</sup> See chapter 19 for defined terms.



40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)

Number	+Class

## Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Date: 28 May 2018

Print name:

Melanie Leydin  
(Company secretary)

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+ See chapter 19 for defined terms.

# Appendix 3B – Annexure 1

## Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12

### Part 1

Rule 7.1 – Issues exceeding 15% of capital	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>Insert</b> number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	80,000,000
<b>Add</b> the following: <ul style="list-style-type: none"> <li>Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>Number of fully paid ordinary securities issued in that 12 month period with shareholder approval</li> <li>Number of partly paid ordinary securities that became fully paid in that 12 month period</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>Include only ordinary securities here – other classes of equity securities cannot be added</li> <li>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</li> <li>It may be useful to set out issues of securities on different dates as separate line items</li> </ul>	1,875,000 Shares – 27 March 2018 1,875,000 Shares – 24 May 2018
<b>Subtract</b> the number of fully paid ordinary securities cancelled during that 12 month period	-
<b>“A”</b>	83,750,000

<b>Step 2: Calculate 15% of “A”</b>	
<b>“B”</b>	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply “A” by 0.15</b>	12,562,500
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><b>Insert</b> number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable ) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	
<b>“C”</b>	-
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
<b>“A” x 0.15</b>  <i>Note: number must be same as shown in Step 2</i>	12,562,500
<b>Subtract “C”</b>  <i>Note: number must be same as shown in Step 3</i>	-
<b>Total [“A” x 0.15] – “C”</b>	12,562,500  <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b>  <i>Note: number must be same as shown in Step 1 of Part 1</i>	-
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10  <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	-
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <i>Notes:</i> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	-
<b>“E”</b>	-

<b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>	
<b>“A” x 0.10</b>  <i>Note: number must be same as shown in Step 2</i>	-
<b>Subtract “E”</b>  <i>Note: number must be same as shown in Step 3</i>	-
<b>Total</b> [“A” x 0.10] – “E”	-  <i>Note: this is the remaining placement capacity under rule 7.1A</i>

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+ See chapter 19 for defined terms.