

ASX Release

27 July 2023



Fully-underwritten Entitlement Offer to raise \$1.46 million

Highlights:

- ReadCloud to raise \$1.46 million through a fully underwritten, non-renounceable entitlement offer ("**Offer**")
- Funds raised will be used primarily to support increased marketing and business development and intensified sales activities
- The capital raising will support ReadCloud on its pathway to positive EBITDA and positive operating cashflow expected in FY24
- The Offer has received strong support from members of the ReadCloud Board and from senior management

ReadCloud Limited (ASX:RCL) ("**ReadCloud**" or "**the Company**") is pleased to announce it is undertaking a fully underwritten renounceable rights issue to raise \$1.46 million to be utilised to support increased marketing and business development, intensified sales activities and for working capital ("**Entitlement Offer**").

The Entitlement Offer will be on the basis of one (1) new fully paid ordinary share ("**New Share**") for every five (5) shares held, together with one (1) free attaching un-listed option for every two (2) New Shares subscribed for and issued. The free attaching options will be exercisable at \$0.10 each and expire 18 months from the date of issue ("**New Options**"). The Company will not apply for the New Options to be quoted on the ASX.

The Rights Issue offer price represents a discount of:

- 19.0% to the 10-day Volume-Weighted Average Price ("**VWAP**") of the Company's shares; and
- 8.6% to the 20-day VWAP of the Company's shares.

The Entitlement Offer will be offered to shareholders registered at the Record Date of 3 August 2023 with a registered address in Australia and New Zealand ("**Eligible Shareholders**"). Eligible Shareholders will also have an opportunity to apply for additional New Shares and New Options ("**Shortfall Securities**") in addition to their pro rata entitlement. The issue of Shortfall Securities so applied for will be at the discretion of the Directors in consultation with the Underwriter.

On completion, the Company will be well-funded through raising \$1.46 million before costs to complement existing cash reserves to enable acceleration of planned sales and marketing activities, to pursue business development and for general working capital.

Canaccord Genuity (Australia) Limited is Lead Manager and Underwriter to the Entitlement Offer ("**Underwriter**"). Sub-underwriting support of \$0.50 million has been received from ReadCloud Directors and senior executives.

A prospectus in relation to the Rights Issue ("**Prospectus**") will be lodged with ASIC on Friday 28 July 2023 and, together with a personalised Entitlement and Acceptance Form, will be sent to Eligible Shareholders on Monday, 7 August 2023.

Eligible Shareholders should consider the Prospectus in deciding whether to subscribe under the Rights Issue and will need to follow the instructions on the Entitlement and Acceptance Form that will accompany the Prospectus.

Indicative Timetable

The following are indicative dates in respect of the Rights Issue:

Lodgement of Prospectus with ASIC and ASX	Friday, 28 July 2023
Ex date	Wednesday, 2 August 2023
Record Date for determining Entitlements	Thursday, 3 August 2023
Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed	Monday, 7 August 2023
Last day to extend the Closing Date	Wednesday, 23 August 2023
Closing Date as at 5:00pm ¹	Monday, 28 August 2023
Securities quoted on a deferred settlement basis	Tuesday, 29 August 2023
Announcement of results of issue	Tuesday, 29 August 2023
ASX and Underwriter/Sub-Underwriter notified of under subscriptions	Tuesday, 29 August 2023
Underwriter subscribes for Shortfall under terms of Underwriting/Sub-Underwriting Agreement	Thursday, 31 August 2023
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the New Shares	Friday, 1 September 2023
Quotation of New Shares issued under the Offer ²	Monday, 4 September 2023

¹ The above dates are indicative only and may change subject to compliance with the Corporations Act and the ASX Listing Rules

² The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. Accordingly, the date the New Shares are expected to commence trading on ASX may vary.

-Ends-

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About ReadCloud Limited

ReadCloud is a leading provider of eLearning software solutions and industry-based training, supporting over 600 schools and educational institutions.

ReadCloud's eReader platform creates an engaging and collaborative learning environment with seamless access to dynamic, interactive digital content from leading publishers. Teachers and students benefit from social annotations, media-rich embedding options, cross-platform compatibility, and an engaging text-to-speech feature available in 120 languages.

ReadCloudVET enables the delivery of over 50 qualifications to 15,000 learners across three specialist Registered Training Organisations (RTOs) in Vocational Education and Training Delivered to Secondary School Students.

ReadCloud's strong connection to industry and career pathways extends to Southern Solutions Training Services, an RTO specialising in flexible and blended training models including delivery in a genuine workplace environment for qualifications in Early Childhood Education and Care, Business, Aged Care, Hospitality, Logistics and Real Estate.

This announcement is authorised for release to the market by the Board of Directors of ReadCloud Limited.