



**Investor Presentation | 31 May 2018
Thorney Sydney Investment Forum**

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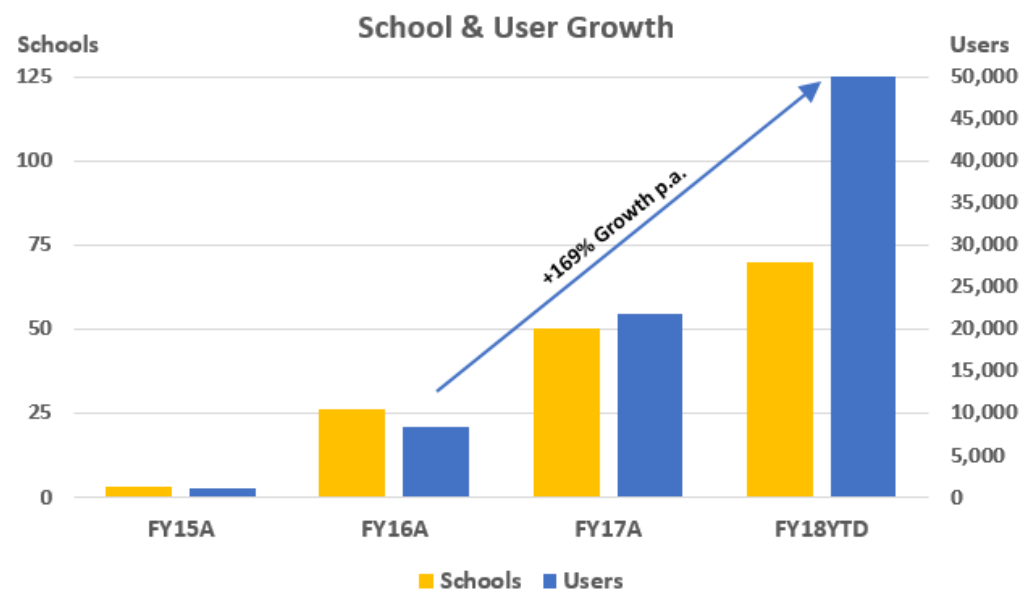
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Investment Overview

- ReadCloud is leading the transition to digital eLearning in Australian secondary schools
- ReadCloud delivers the school curriculum, across all key platforms, integrated from publisher to student
- Very strong start to the 2018 school year, with a significant increase in inbound enquiries from new schools as the ReadCloud platform becomes better known in key school communities
- ReadCloud now has over 50,000 contracted users in 70 schools on its SAAS platform, a 130% increase in users in FY18 year to date and management are rewarded for doubling user numbers again for FY19
- ReadCloud is benefiting from a shorter sales cycle and broader distribution, including via a recent agreement with the Queensland Secondary Principals' Association, giving exclusive marketing access to 210 schools with over 175,000 students
- ReadCloud has the strongest sales pipeline in its history leading into the 2019 school year and has expanded its sales team since the IPO to further accelerate sales
- Based on strong growth in schools and user numbers in calendar year 2018, the Directors estimate that the Company is on track to achieve the management target of \$2 million Total Revenue in FY18 up from \$838,000 in FY17



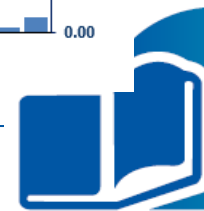
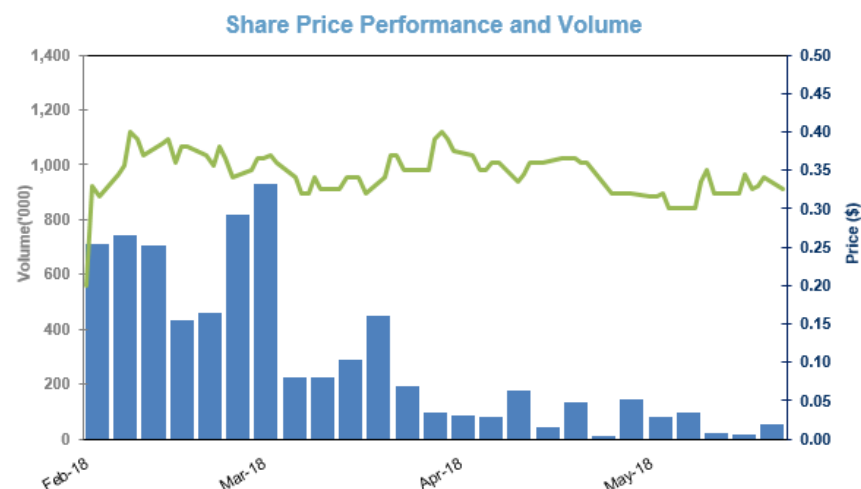
Corporate Summary

ASX Code: RCL, RCLO	
Share Price (29 May 2018)	\$0.33
Market capitalisation (@ 33 cents)	\$27.6m
Shares on issue (listed)	43.7m
Escrowed shares	40.1m
Options on issue	21.2m
Performance Rights	11.3m
Current cash (31 March 2018)	\$5.4m
Trading range (since listing)	\$0.22 to \$0.41
Average daily volume	130,934

Substantial Shareholders	
Amity Agency Pty Ltd	17.1%
Thorney Group*	12.8%
Lars Lindstrom	8.6%
Pollaers Family Trust	7.4%
Hunmar Holdings/Darren Hunter*	6.7%
Kimberley Marshall	5.7%
Jonathan Isaacs	5.1%
Top 20	78.2%
Total Board Shareholdings*	18.0%

*Includes indirect holdings

Directors	
Paul Collins	Non-Executive Chairman
Lars Lindstrom	Chief Executive Officer
Darren Hunter	Chief Information Officer
Guy Mendelson	Non-Executive Director
Melanie Leydin	CFO & Company Secretary



ReadCloud Is The Complete Digital Solution



The ReadCloud platform is the complete solution for eLearning and management of all Digital Content.



Fully integrated platform delivering a complete solution for schools, students, publishers and intermediaries

Australian developed, all IP owned 100%



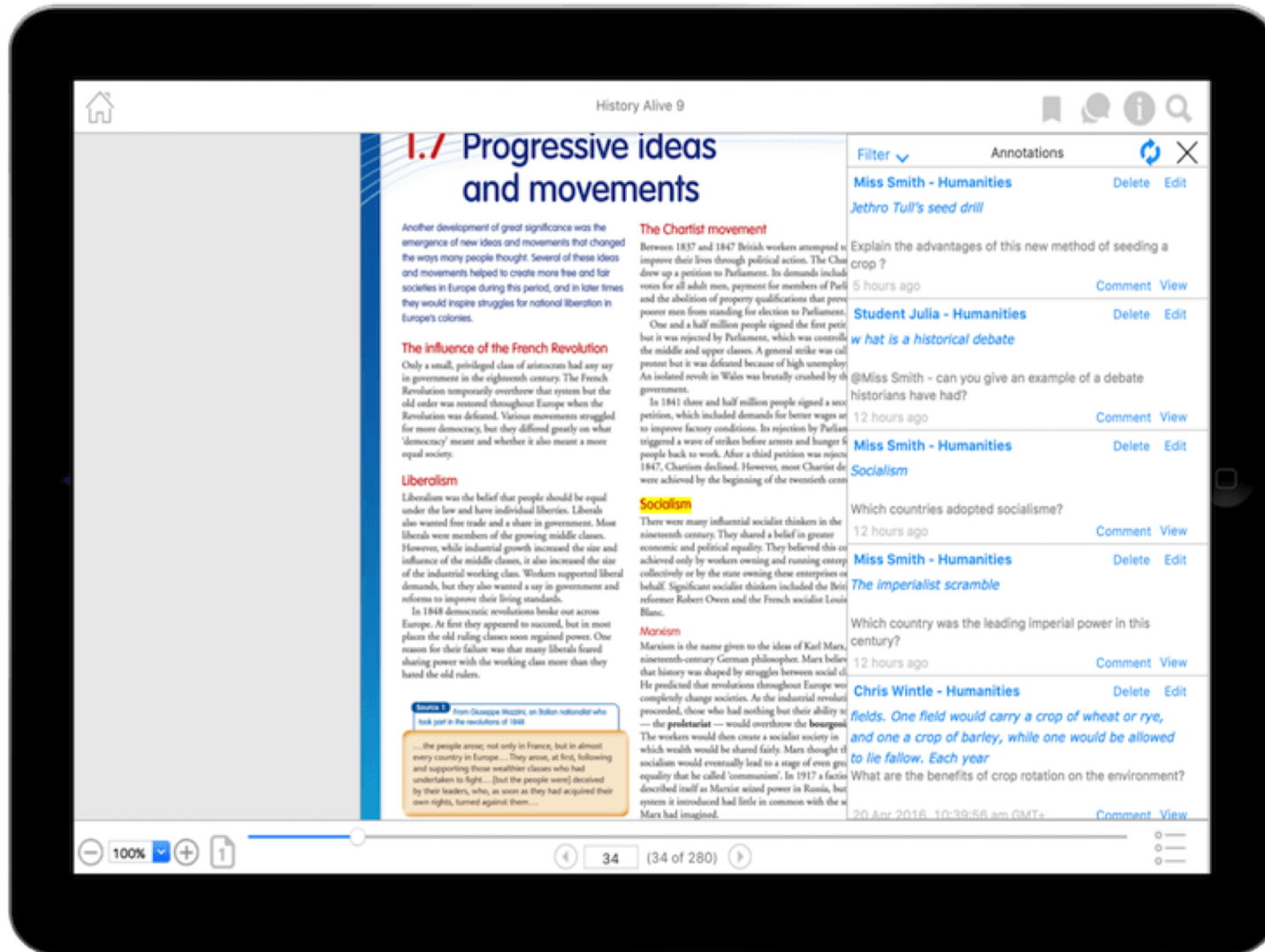
One App, One Password, All eCurriculum



Cross-platform delivery of all digital content in one app (download on up to six devices)



Students Can Collaborate Inside eBooks



Social annotation features designed to encourage critical reasoning



- Global Market
 - Education is a \$5.8 trillion market, with Ed-tech representing just 2% (IBIS)
- Australia
 - 3.8 million students in over 10,000 primary and secondary schools
 - ReadCloud's immediate target market is 2,700 secondary schools with 1,600,000 students
 - Of these target schools, 63% expect to move to 100% digital learning by 2020 (ORC Int. 2017)
- ReadCloud's Market Position
 - Rapid market traction with over 50,000 users in 70 secondary schools on the platform, with the opportunity to rapidly increase market share in the 1.6 million secondary student target market
 - 7,500+ primary schools in Australia provide a longer term growth opportunity
 - Readcloud is accelerating direct sales to schools and benefits from its Channel Partners established school relationships
 - ReadCloud aims to double users in 2019 to more than 100,000



Increasing Market Penetration

- ReadCloud's sales cycle has shortened significantly in 2018 compared to 2017 as the ReadCloud Platform becomes more widely known and accepted in key school communities
- The shortening sales cycle is demonstrated by the sales process for two large schools who have come onto the ReadCloud platform in 2017 and 2018 respectively



4 Months

- February 2017 - Trinity Bay State High School is contacted through an existing school referral
- March/April/May 2017 – Four in person, at school meetings and presentations to Principal and key stakeholders
- 29 May 2017 - Principal confirms school's intention to roll ReadCloud out across Years 7-12 commencing Term 3 2017
- 9 June 2017 - Trinity Bay signs ReadCloud's 4-year software license agreement



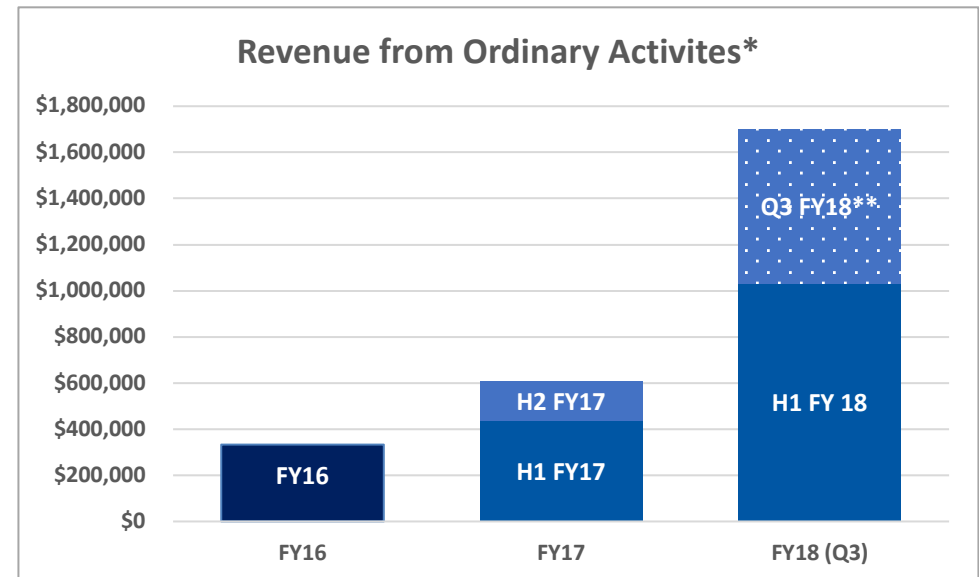
3 Weeks

- 21 March 2018 - Gordonvale State High School attends ReadCloud's stand at the National Future Schools Expo and Conference in Melbourne
- 27 March 2018 - ReadCloud presentation to Principal, Deputy Principal, key HODs and Teacher Librarian at school
- 27 March 2018 - Principal confirms school's intention to roll-out ReadCloud across Years 7-12 commencing Term 3 2018
- 16 April 2018 - Gordonvale signs ReadCloud's 3-year software license agreement



Q3 FY18 Highlights

- User number growth has accelerated, more than doubling in 9 months from 21,800 in FY17 to 50,200 in Q3 FY18, with the Company's strongest ever sales pipeline leading into school year 2019
- Year to date revenue growth was strong with \$1.7m in revenue from Ordinary activities in Q3 FY18 YTD. Revenues are seasonal, due to the school year cycle, with the majority of revenue booked in Q2 and Q3 in each financial year
- Strong growth in Queensland schools was a direct result of targeting Book Hire schools with a very competitively priced eBook curriculum
- Significant investment in capabilities in 2018, more than doubling employee numbers to 14, with two new developers and five dedicated sales staff significantly expanding the Company's capabilities
- The ReadCloud platform, with its competitive eBook pricing, has opened a large opportunity for expansion of direct sales in QLD, NSW, SA & WA states who have predominantly Book Hire schools
- Higher margin direct sales have increased from 12% to 29% of total user numbers with sales via Resellers representing 71% of users
- Ongoing Platform development with deeper integration with school Learning Management Systems and new features added



* Operating Revenue excluding R&D tax incentives and other income ** Unaudited revenue



Investment Summary

- ReadCloud is the leading digital education solution for Australian schools, delivering clear educational benefits and saving schools and students money
- Large market opportunity in Australia with an immediate target market of 2,700 secondary schools with 1.6 million students
- Users numbers are up 130% in FY18 year to date with 50,000 users in 70 schools in Q3 FY18, with the strongest sales pipeline in the Company's history, and an increasing proportion of higher margin direct sales to schools
- Recently expanded sales team with 4 new sales people to accelerate market share growth
- Strategically positioned with Channel Partners who resell the ReadCloud platform including Jacaranda (John Wiley), OfficeMax Australia, Harley's Educational Supplies and Impact Office Supplies
- Expanding distribution channels through the recent partnership with the Queensland Secondary Principals' Association, giving exclusive marketing access to 210 schools with over 175,000 students
- Highly scalable platform is leveraged to improving operating margins as user numbers increase
- Experienced and motivated team with a clear growth strategy
- ReadCloud is on track to exceed \$2 million in Total Revenue in FY18, with performance targets based on Total Revenue of \$7.5 million and 100,000 users in FY19





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