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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: 87,750,000 ordinary shares
RCLO: 16,666,663 options

Website:

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

ASX Announcement

1 April 2019

Operational Update

The Directors of ReadCloud Limited ("ReadCloud" or "the Company"; ASX: RCL, RCLO) are pleased to release an Operational Update.

The FY19 onboarding season for ReadCloud has been excellent, better than any previous years, with existing and new customers providing positive feedback around the new 2019 ReadCloud App suite and services provided.

Revenue for the half-year to 31 December 2018 increased by 97% to \$2.33 million which is higher than the revenue for the FY18 full-year (\$2.1 million);

Management estimates that 2H19 revenue will exceed 1H19 revenue.

ReadCloud has continued to sign up new schools after the 1H19 results announcement in February 2019 and is pleased to report an increase in its school customer numbers:

- 257 schools will now be using the ReadCloud platform for school year 2019 which is a 267% increase (versus 197% announced in February 2019) in schools from 70 in FY18 including Vocational Education and Training ("VET") courses;
- 43 Direct school customers are now using ReadCloud which is a 115% increase in schools from 20 in FY18;
 - Significant ground work was laid in the Direct school business by the newly appointed sales staff during 2018 in building the sales pipeline for 2020, which is stronger than ever;
 - A ReadCloud competitor LearningField recently decided to pull out of the market for 2020 leaving 60 new Direct school or Reseller opportunities;
- 74 Reseller schools are now using ReadCloud which is a 48% increase in schools from 50 in FY18;
 - Management estimate that the current Resellers and newly appointed resellers will continue to grow strongly;
- 140 schools have been signed by AIET which is a 54% increase in the number of AIET schools from 91 in FY18.
 - 96 of these schools have already been onboarded on the ReadCloud platform with the remainder to follow in the next month;
 - The digitisation of AIET has been a major driver of growth for the business and management estimates that it will continue to grow strongly given the best of breed course material and digital compliance offering it can now provide.

Management remains confident that there will be substantial cross-selling opportunities between ReadCloud and AIET schools.

The Directors anticipate releasing an investor presentation in conjunction with a roadshow in early April.

-Ends-

CONTACTS:
Investors & Media:

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About ReadCloud Limited (“ReadCloud”)

ReadCloud is a leading provider of software solutions, including eBooks, to schools within Australia. ReadCloud’s proprietary eBook reader delivers digital content to students and teachers with extensive functionality, including the ability to make commentary in, and import third party content into eBooks.

Students and teachers can share notes, questions, videos and weblinks directly inside the eBooks turning the eBook into a place for discussion, collaboration and social learning, substantially improving learning outcomes. ReadCloud sources content for its solutions from multiple publishers so that together with its reseller Channel Partners, ReadCloud is able to deliver the Australian school curriculum in digital form in all States, on one platform.