

ASX Release

27 November 2019



Chairman's Address to the 2019 Annual General Meeting

The 2019 financial year was a Company defining one for ReadCloud. While achieving our anticipated organic growth with an increased focus on direct sales to schools, management were also able to present and settle the purchase of a respected Registered Training Organisation, AEIT. This acquisition has not only provided Readcloud the ability to enter into the higher margin VET business, but has facilitated a cross sell opportunity of the ReadCloud digital reader platform within secondary schools and also opened up opportunities in a broader non-school VET market. Lars will speak more to this in his presentation.

The Board is pleased that the Company achieved a 125% increase in revenues in 2019 as compared to the 2018 financial year. We believe we now have a strong and broad base with the capacity and desire to do more. The Board is working with management to put in place strategies to continue a strong growth momentum whilst ensuring there is a path to sustained profitability.

It was a busy corporate year for ReadCloud, with the acquisition of AEIT and then at the end of the financial year to position the company for a successful \$2m placement in July 2019. Well done Lars, Darren and Luke for all these corporate achievements. All of our staff have contributed to the strong results in their own way, however I would like to single out Luke Murphy who joined us late last year as CFO just as we were acquiring AEIT and preparing for our half yearly audit. There was so much work to do but Luke took it all on and met every deadline. Well done Luke.

The success of ReadCloud depends on its technology. We believe we have the best in our market but we are committed to investing in ongoing development of our software and platform. These developments are influenced and driven by a number of factors including currency of technology, risk strategies, user feedback and requests, competition and industry standards or initiatives. So we have far reaching development priorities to position the product for current and prospective client needs and also to open up new opportunities. Again, more of that from Lars later.

To Lars, all our staff, my fellow directors and external advisors – thank you for your great work over the last twelve months and your efforts as we continue work hard and smart for the benefit of all stakeholders.

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About ReadCloud Limited

ReadCloud is a leading provider of software solutions, including eBooks, to Schools and the Vocational Education and Training sector in 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.

ReadCloud also provides digital Vocational Education and Training (VET) course materials and services to schools through its subsidiary Australian Institute of Education and Training (AIET), which offers over 40 VET courses and Auspicing services to schools across Australia.