Completion of acquisition of College of Sound and Music Production

Further to the announcement released to the ASX on 27 October 2020, the Directors of ReadCloud Limited ("ReadCloud" or "the Company"; ASX: RCL, RCLO) are pleased to confirm it has completed the acquisition of PKY Media Pty Ltd, trading as College of Sound and Music Production ("COSAMP").

Pursuant to the Share Purchase Agreement, ReadCloud has paid the initial cash consideration of $1,050,000 from existing cash reserves. As previously announced, two further tranches of consideration comprising up to $400,000 of RCL shares (to be issued at a minimum issue price of $0.38 per share) are payable subject to the achievement of defined revenue targets for FY21 and FY22.

The acquisition expands ReadCloud's product offering and market presence in the Vocational Education and Training ("VET") in schools market, a key strategic focus for ReadCloud, and takes ReadCloud to over 500 school customers (+40%). More importantly, the acquisition provides a very significant cross-selling opportunity both to deliver proprietary VET music industry courses to ReadCloud's existing school customers and to deliver ReadCloud's broader offering of 43 VET courses and ReadCloud's full digital education platform to COSAMP's school customers. Marketing and cross-selling has already commenced and is showing promising results.

- Ends –

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About ReadCloud Limited

ReadCloud is the leading provider of eLearning software solutions, including eBooks, to Schools and the Vocational Education and Training (VET) sector in Australia. ReadCloud's proprietary eBook platform 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, delivering the full Australian school curriculum in digital form in all States, on one platform. In the Vocational Education and Training (VET) sector, ReadCloud provides over 40 digital VET courses and auspicing services to schools across Australia.

ReadCloud services over 500 secondary school customers with over 112,000 users on its platforms.

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