



ASX Release

23 November 2021

Annual General Meeting – Chair Address

I would like to take this opportunity to reflect on the past 12 months and provide an update on our outlook for the year ahead.

2021 continued to be a challenging year for ReadCloud with the continuation of COVID 19 restrictions impacting our target market penetration and expansion of our go to market options.

I am pleased to report that despite these challenges, the business has continued to grow, with an annualised revenue run rate now approaching nine million dollars (\$9m). With continued strong cost control, we achieved our first underlying positive EBITDA and our Balance Sheet remained strong with 6.3 million dollars (\$6.3m) in cash at June close.

ReadCloud completed two key acquisitions in the VET, or Vocational Education Training, market by adding the College of Sound and Music Production, or COSAMP, and later in the year, Ripponlea to our portfolio, enabling ReadCloud to establish a strong and market leading position in the VET segment of the market. With the addition of these acquisitions to the Australian Institute of Education and Training, or AIET, ReadCloud is now the second largest private operator in VET in schools by number of students and the largest by number of courses offered.

We continued to win new schools in the School Curriculum market while churn remained low, and we were able to increase the number of resellers engaged on the ReadCloud Platform.

Perhaps the most important investment for the year has been our progress in enhancing the ReadCloud platform. This will become the cornerstone for building out Digital services and the scalability of our solutions and delivery capabilities, across the full curriculum schools and the VET business.

The progress made in enhancing the platform provides ReadCloud with a differentiator in the market and is potentially a driver of further growth within the markets we service. It also provides us with a SaaS, or software as a service, platform that can be used by operators in overseas markets.

We have been focused on consolidating our market position through the past 12 months, building the platform and processes for scale and new opportunities, repositioning the VET businesses for a new rebranded launch into 2022, and exploring new opportunities to drive growth leveraged from the functionality and capabilities contained within the ReadCloud platform.



The interest received from new markets in the utilisation of the ReadCloud platform as a SaaS engine to provide leverage in delivering secure, seamless digital content and services for the schools market is encouraging. To this end, we have commenced a focused investment into qualifying and winning new reseller or distribution opportunities, including those in targeted overseas countries.

The VET segment presents many encouraging opportunities to increase our growth rate. The development of the ReadCloud platform will allow for improved service delivery and the scale ramp for onboarding new schools, courses, and students. The addition of COSAMP and RIPPONLEA together with AIET provides a strong base of customers, solutions, and individual teachers connections to sell multiple solutions into the one segment. The opportunity for the strong leadership and capability in our VET segment to drive this business and increase the cross-selling opportunity is potentially very exciting provided we stay grounded on the ability to deliver our promises to clients and stay focused on the user.

The focus for FY22 and beyond is to further drive the opportunities created by the ReadCloud platform, execute an aggressive growth path within the VET market, while continuing to build on the sales momentum in full curriculum schools. These three segments of growth will accelerate our performance in FY22.

These three pillars of growth provide positive momentum to increase revenue and establish stronger positions within the VET and full curriculum schools market, while providing a potentially new business stream as a SaaS platform through the ReadCloud platform.

The traditional curriculum schools business continues to develop with new resellers appointed to expand and grow market share while our direct sales approach appears to be gaining good FY22 traction. The new business win rate is well in advance of FY21 and with churn being low, we are confident of returning to a more robust growth rate for this market. Significantly, as schools start to return to a more normalised form of teaching, it will give decision makers time to reflect on the impact of digital based solutions on teachers and students and how the ReadCloud platform could present a strong solution for remote digital learning in case of further lockdowns.

As the ReadCloud platform adds increased functionality and expands the areas of coverage, the possibilities for building scale and new solutions through the platform are becoming increasingly evident. The functionality, agility and security of the platform will cornerstone the VET relaunch in March 2022. The ability of the platform to streamline process and create greater digital agility and security, provides a significant opportunity to scale the VET business.

Having been in the role of Chair for less than 12 months, I recently spent some quality time with each of the management team on an individual basis and was delighted with their enthusiasm, loyalty, and commitment to the business. They are openly positive about the potential they see in the business, and I am confident that through strong focus on growth in the segments above, they will execute our plans well and take ReadCloud to the next level of scale and performance.



I would like to take this opportunity to thank all the ReadCloud employees for the hard work and enthusiasm they have shown during this difficult year. I would also like to thank my fellow directors for their continued efforts and their strong commitment to building a more robust business and one that is driving for accelerated growth and quality of delivery.

I would also like to thank our shareholders for their loyalty and support and look forward to delivering improved results over the next years.

ReadCloud has a strong committed set of employees, a strong cash position, supportive customers and a platform that combined with our customers provides a strong opportunity to take the company to a stronger performance in FY22 and beyond.

-Ends-

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

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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 55 digital VET courses and auspicing services to schools across Australia.

ReadCloud currently has over 116,000 users on its platform.