ASX Release

3 May 2022

NWR Investor Presentation

Readcloud Limited (ASX: RCL) ("Readcloud" or the "Company") is pleased to provide the investor presentation to be presented by its CEO & Managing Director Lars Lindstrom at the NWR Virtual Conference – Series 11, as announced on 29 April 2022.

Presentation time: 2.25 PM AEST, Tuesday May 3

Investors and interested parties can register for the presentation via the following link:
https://us02web.zoom.us/webinar/register/WN_fi1oEncbR2-eybXeeaAskw

Investors are invited to submit questions prior to the event to
Simon@nwrcommunications.com.au

More information can be found at https://nwrconference.webflow.io/

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This announcement is authorised for release to the market by the CEO & Managing Director of Readcloud Limited.

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About ReadCloud Limited

ReadCloud is the leading provider of eLearning software solutions, including eBooks, to over 600 Schools and in 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 60 digital VET courses and auspicing services to schools across Australia.

READCLOUD IS A MARKET LEADER IN DIGITAL CONTENT DELIVERY TO SCHOOLS IN AUSTRALIA

We deliver the school curriculum and VET-in-Schools content and assessments digitally

- ReadCloud is a highly scalable SaaS platform and is integrated from publisher to student

- Our product provides sophisticated collaborative learning tools and is well placed for both in-school and remote learning settings

We operate in a large and growing market

- 2,775 secondary schools with 1.6 million students

- 236,000 students yearly doing VET-in-Schools

SaaS platform overview

ReadCloud VET Group

Teacher Approval	Student Enrolment	eBook Courses	Online Assessments	Teacher Marking	Certificate Issue

ReadCloud Curriculum and Resellers

| Publishers eContent	Encryption of eBooks	Integration to Publisher Portals, Reseller eCommerce and School Timetables	Cross platform eReading Apps	Social Annotations

Continued investment in the ReadCloud platform further strengthens our competitive advantage

Business update

- ReadCloud platform is now used by **over 600 schools** and educational institutions

- Concluded the **most successful on-boarding season** to date during the March quarter

- **New market opportunities** leveraging ReadCloud's core SaaS platform continue to progress

- Just **21%** of the three ReadCloud RTO's collective schools' customers have used more than one of the VET providers in FY22, up from 15% in FY21, and management expect this to increase in the coming years

- Already seeing a **positive pipeline** for the VET segment for 2023

- Planned launch of **ReadCloud VET Group** in May 2022

- Strong **cash balance of $5.4 million** on 31 March 2022, positioning the Company well for growth
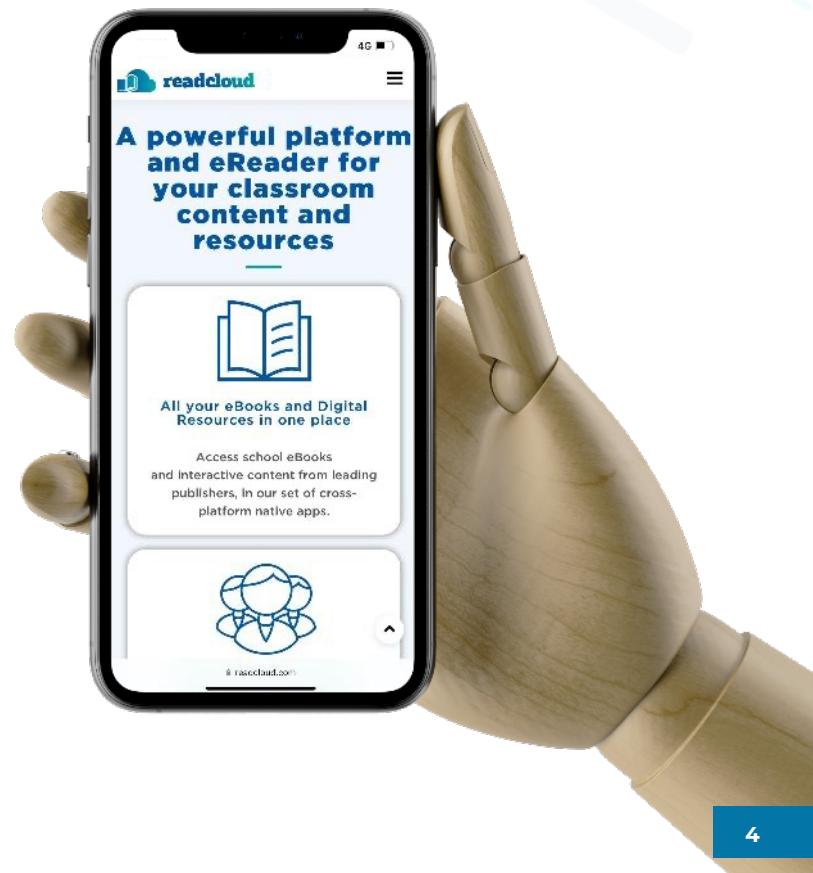
March Quarter 2022 Highlights

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Receipts from customers
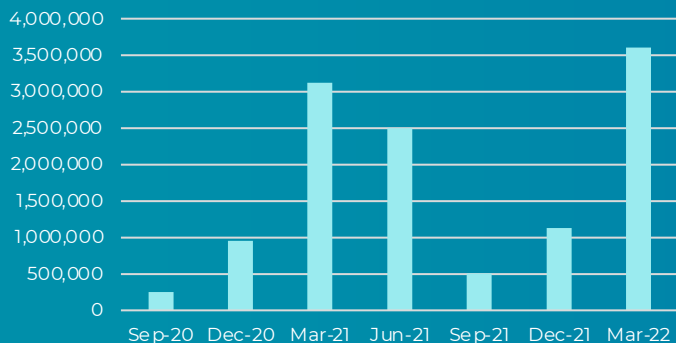
Channel	April 2022	April 2021	% Change
Direct full-curriculum schools	69,000	56,000	+23%
Reseller schools	47,000	45,000	+4%
VET-in-schools	15,000	12,000	+25%
Total Users	131,000	113,000	+16%

Record cash receipts from customers of **$3.6m** for the quarter, up 15% on the prior March quarter

25% yoy increase in VET user numbers to 15,000 users

$1.4m positive net cash from operations

23% yoy increase in Direct Full-Curriculum ReadCloud platform user numbers to 69,000 users

Unaudited consolidated revenue for 1H FY22 of **$7.1m**, up 35% on the prior corresponding period

Australian Vocational Educational Sector

Increased delivery of VET courses in-school is a key component of the Australian government's strategy to increase secondary school student retention and improve year 12 or equivalent completion rates, by providing broader options for all students.

1.6 million students in 2,700 secondary schools in Australia[2]

236,000 students in VET-in-school courses[1]

4.2 million students enrolled in VET courses with 4,193 training providers in Australia[3]

Courses help address skill shortages across all industry sectors.

236,000 school students took VET courses in 2019[1], implying that nearly 1 in 2 senior students in years 11 and 12 study VET courses[2].

With VET in secondary school courses costing approximately $250-300 per course per annum, ReadCloud estimates it is a $50-75 million industry.

1. National Centre for Vocational Education Research – VET in Schools 2019 report (up from 60,000 students in 1996)
2. Based on 1.6 million secondary students in 2016 (Australian Bureau of Statistics) and assuming that one third of these students were in years 11 & 12
3. National Centre for Vocational Education Research Total VET students and courses 2017

VET-in-schools trend

National Centre of Vocational Training Research ("NCVER") shows an increase in VET-In-Schools Enrolments of 30% for Private RTOs and a decline in all other categories over the last five years.

Schools prefer to deal with fewer RTOs as it reduces the administrative compliance burden.

Schools who are RTOs themselves are often finding it difficult to keep up with the regulatory changes and compliance demands.
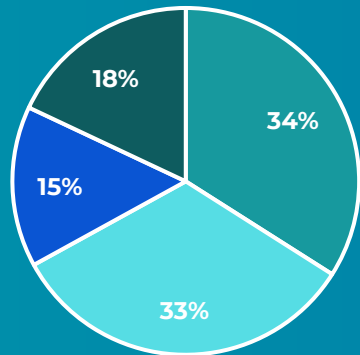
□ School RTOs   □ Private RTOs   □ Tafe   □ Unis & Other

5-YEAR TREND (2016-2020)

School RTOs	⬇	12%
Private RTOs	⬆	30%
TAFE	⬇	20%
Unis & Other	⬇	21%

Continued growth in VET in-schools

- The ReadCloud VET Group is now the largest Private operator of VET-in-schools in Australia by scope of courses offered.

- In FY21, ReadCloud acquired the number one supplier in the Music Industry vertical in VET-in-Schools, COSAMP, and the number one supplier in the Applied Languages vertical in VET-in-Schools, Ripponlea Institute.

- A strong sense of excitement in anticipation of a nationwide launch of the ReadCloud VET Group planned for May 2022.

- By bringing many of the systems used by Readcloud's three RTOs together and integrating the ReadCloud eReader for the delivery of VET course materials, efficiencies are already being extracted.

- The cross-selling of each of the RTO's services to the customers of the other RTOs presents a significant growth opportunity.

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Accelerating growth in direct/resellers

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Direct Curriculum Customers

- Continued organic growth in existing schools choosing to expand user numbers across year levels and increase the eBooks penetration rate
- Continued cross selling of VET into Direct Curriculum Customers
- Given COVID learnings to date, the outbound sales strategy implemented in FY21 supported by dedicated sales staff actively managing numerous opportunities across each key market, has yielded a strong conversion of schools for the 2022 school year

Resellers Curriculum Customers

- ReadCloud continues to partner with Resellers who offer a one-stop-shop solution to schools wanting a combination of eBooks and physical books/stationary and have recently signed up two new Resellers who both have large school customer bases
- This provides a strong pathway to market for FY22 and beyond

M&A

- ReadCloud will continue to access further consolidation opportunities as management has a strong track record of successfully acquiring and growing businesses substantially