



**readcloud**

# **ReadCloud Limited**

Chairman's Presentation to  
Annual General Meeting

13 February 2023





## Virtual AGM Access

**A live webcast of the ReadCloud Annual General Meeting is available via [https://us06web.zoom.us/webinar/register/WN\\_Zlxe-f5TCujITacmkVmxg](https://us06web.zoom.us/webinar/register/WN_Zlxe-f5TCujITacmkVmxg)**

The AGM will commence at 11.00am AEDT on Monday, 13 February 2023.





## READCLOUD IS A MARKET LEADER IN DIGITAL CONTENT DELIVERY FOR EDUCATION IN AUSTRALIA

We deliver eBooks Solutions to schools, VET-in-Schools and post-secondary training 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



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



**Acquisition of Southern Solutions to take ReadCloud into the broader VET market which has an audience of 3.9 million students annually**



**VET-In-School user numbers of 15,000\* (+25% increase YoY)**



**eBooks Solutions user numbers of 70,000\* (+23% increase YoY)**

\*Figures as at end of FY22 (30 September 2022)

# FY22 OVERVIEW



Revenue **\$8.21 million**, up 17.5% on pcip

Record cash receipts of **\$7.88 million** (versus \$7.20 million pcip)



Agreement to acquire Southern Solutions Training Services, a leading provider of training for certificates in Early Childhood Education & Care

Execution of first overseas eBook Solutions deal with leading London-based international online school King's InterHigh



School and user growth driven by organic growth (new school customers and additional sales to existing customers) and acquisition of Ripponlea Institute

# VET IN SCHOOLS INVESTMENT SETTING THE PATH FOR CONTINUED GROWTH



Standardisation of operational systems and processes across the three Registered Training Organisations (“RTOs”)



Hiring of a dedicated ReadCloud VET Group sales team



A national marketing launch of the ReadCloud VET Group



Development of a new learning management platform deployed for ALET schools in 2022 and launched for all three Vet In Schools RTO's in the 2023 school year



Upgrading (in terms of quality and breadth) of a large proportion of the VET course resources used by the three VET in schools businesses

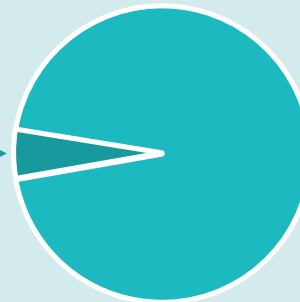
# READCLOUD'S MARKET OPPORTUNITY



1.7 million students in  
2,816 secondary  
schools in Australia<sup>2</sup>



241,000  
students in  
VET-in-school  
courses<sup>1</sup>



3.9 million students  
enrolled in VET  
courses with 3,519  
training providers in  
Australia

## Continued Investment

### ReadCloud eBook solutions

- The full-curriculum eBooks (maths, English, science etc.)
- We estimate a market size in Australia of \$170 million (conservative estimate of \$100 per student p.a. for learning resources)
- Continue to pursue overseas expansion after signing King's InterHigh

## Increased Investment

### ReadCloud Vocational Education & Training-in-schools

- 241,000 school students took VET courses in 2020<sup>1</sup>, implying nearly 1 in 2 senior students in years 11 and 12 study VET courses
- With VET in secondary school courses costing approximately \$250-300 per course per annum, ReadCloud estimates it is a \$60-75 million industry

## New Investment

### Broader VET market

- Acquiring Southern Solutions launches ReadCloud into a large market with skills shortages
- Government funding in this area averages in excess of \$8,000 per student and the total funding in VET is \$7.5 billion
- The ReadCloud SaaS Platform is designed to support the Broader VET market

1. National Centre for Vocational Education Research – VET in Schools 2020 report (up from 60,000 students in 1996)

2. Australian Curriculum, Assessment & Reporting Authority



# TRADING UPDATE & OUTLOOK



Growth in organic revenue for FY23 expected to be achieved



December quarter cash receipts from customers shows an encouraging increase on the prior comparable period



VET in schools growth is expected to ramp in FY23 with 28% of the three ReadCloud RTO's collective schools' customers having signed up to use more than one of the RTOs in FY23, up from 21% in FY22. Management expects this positive trend to continue



The acquisition of Southern Solutions post FY22 year-end provides a significant growth opportunity for the Company, in a market that is adjacent to ReadCloud's core business and in an industry with skills shortages and high national government funding and focus



International opportunities present upside to growth without significant increased investment

