

ASX Release

31 July 2019



ReadCloud receives firm commitments for \$2.0m in a well supported Placement

Highlights

- Firm commitments received for a Placement to raise \$2 million (before costs)
- Demand for the Placement significantly exceeded the funds the Company was seeking to raise, with strong support from existing and new institutional investors, including participation from major shareholder Thorney Investment Group
- Funds raised will be used to assist with marketing and system development to accelerate expansion into growing opportunities in the Vocational Education and Training sector
- Follows recent strong results including 129% increase in unaudited FY19 revenue to \$4.8m, positive net operating cash flow of \$0.7m in Q4 FY19 and breakeven underlying H2 FY19 EBITDA (unaudited)

ReadCloud Limited (“ReadCloud” or the “Company”) (ASX: RCL, RCLO) a leading provider of education software solutions, including eBooks, to schools and the Vocational Education and Training (“VET”) sector in Australia is pleased to announce it has received firm commitments from institutional and sophisticated investors for a single tranche Placement to raise \$2.0 million (“Placement”), before costs. The Company will issue approximately 5.6 million new fully paid ordinary shares at \$0.36 per share, utilising its available placement capacity under ASX Listing Rule 7.1.

The Company is delighted with the strength of support for the Placement from both existing and new institutional and sophisticated investors, including major institutional shareholder Thorney Investment Group. Demand for the Placement significantly exceeded the funds the Company was seeking to raise.

Patersons Securities Limited acted as Lead Manager to the Placement.

The capital raised will provide additional funding for the Company to increase marketing and system development for its continued expansion in the Vocational Education and Training (“VET”) sector.

Lars Lindstrom, CEO of ReadCloud said *“Off the back of our recent record quarter, we have a very strong growth pipeline in the school sector, and we are very excited at the extent of the opportunity presenting itself in the VET sector. The additional funds raised will enable our development team to continue to improve our Platform, adding an integrated media*



overlay to enrich content amongst other improvements. We expect our Strategic Distribution Agreement with Australian Training Products will continue to provide significant opportunities in the VET sector, and the recently launched multi-year buying opportunity for the Queensland Secondary Principals Association is already seeing results.

We appreciate the support from existing and new shareholders, it is particularly pleasing to see new institutional investors join our register. We look forward to providing the market with updates on business developments in due course."

- Ends -

CONTACTS:

Investors & Media:

Luke Murphy, Chief Financial Officer
+61 409 933 924

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 40 VET courses and Auspicing services to schools across Australia.