

ASX Release

27 October 2025



FY25 Preliminary Results (unaudited) and Appendix 4C Quarterly Cash Flow Report for September 2025 Quarter

ReadCloud Limited (ASX: RCL) delivers eLearning solutions to schools and the Vocational Education and Training (“VET”) sector in Australia. The Directors of ReadCloud are pleased to announce the FY25 Preliminary Results¹, quarterly update and cash flow report for the September 2025 quarter.

FY25 unaudited results highlights

- 109% increase in underlying EBITDA to \$757k²
- 29% growth in VET-in-Schools partnering fees to \$5.3m²
- 26% growth driving total VET-in-Schools revenue to \$5.7m²
- Australian domestic direct eBooks sales up 17% to \$4.6m²
- \$12.9m² consolidated revenue, up 5% on pcip
- Positive cash flow of \$489k, a \$767k improvement on pcip
- \$1.9m closing cash balance (30 September) up 34% on pcip

Success with Australian Schools Drives Growth

ReadCloud’s FY25 performance is highlighted by sustained positive earnings momentum and strengthening cashflows. The results were powered by growth in ReadCloud’s key revenue lines that relate to serving technology and content to Schools in Australia. VET-in-Schools partnering fees grew 29%² and domestic direct eBooks sales were up 17%².

Sustained cost discipline means the strong revenue results delivered a 109% increase in underlying EBITDA to \$757k¹ along with ReadCloud’s first positive cash flow.

The biggest detractors from the result were a 28% decline in Southern Solutions (Industry Training) revenue to \$1.9m² and a decline in international eBooks sales to \$55k (down 77%)². The reduction in industry training revenue was identified in ReadCloud’s 1H25 Results and June 2025 Quarterly Report. Southern Solutions is being tightly managed,

¹ For the financial year ending 30 September 2025

² Unaudited

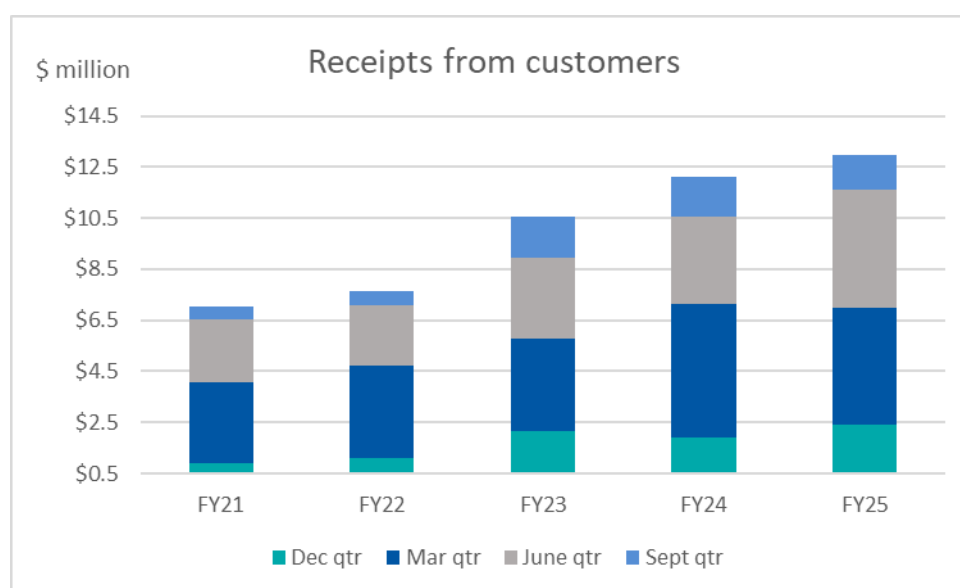
and strategies are being developed to mitigate the impact of future revenue volatility. The eBooks team has been restructured, and leadership of international sales has been transitioned for FY26.

Disciplined cost management kept Employment Expenses flat in FY25. Total operating expenses (statutory profit & loss) increased by \$264k², or 4%, with the increase largely attributable to investments in Advertising & Marketing (up \$65k²) and Travel (up \$54k², primarily to school conferences in Australia, the UK and Indonesia). Investment in these customer facing initiatives are expected to support sales growth in FY26 and FY27.

Finance Update

Key highlights from the accompanying Appendix 4C Cash Flow Statement include:

- FY25 cash receipts from customers of \$12.95m, up 7% on pcp, with receipts from VET-in-schools and eBooks customers increasing by 22% and 9% respectively, offset by a 23% decline in cash receipts from Industry Training customers



- FY25 Product manufacturing and operating costs of \$5.2m, up 9% on pcp primarily on account of payments to publishers associated with higher eBook sales;
- FY25 payments for staff costs of \$6.4m were up 3% on pcp, with the increase broadly equivalent to short-term incentive payments and employee separation costs relating to FY24 and totalling \$170k;
- FY25 payments for Advertising and Marketing of \$314k (up 84% on pcp) reflect increased investment in marketing and associated travel to drive sales;
- Payments to related parties (item 6.1 of the attached Appendix 4C) consisted of remuneration paid to directors during the quarter;



- \$212k improvement in FY25 net cash used in operating activities of \$46k (pcp \$260k), driven by organic growth in the ReadCloud's key revenue lines and disciplined cost management; and
- Cash used in operating activities in the accompanying Appendix 4C includes payments for leased assets (\$144k) and capitalised software development costs (\$413k versus \$551k for pcp), which are classified as Financing activities and Investing activities respectively in the ReadCloud's statutory accounts.

Outlook

Management is maintaining focus on growth and unlocking operating leverage with disciplined execution. Customer retention and customer value metrics are being closely monitored so that gains from sustained organic growth are captured. Another strong year of revenue growth is anticipated in FY26 in VET-in-Schools and in Australian domestic direct eBooks sales, which should further strengthen the group's gross profit (which increased from \$6.6m in FY24 to \$7.3m² in FY25).

ReadCloud's Appendix 4C Cash Flow Statement accompanies this report.



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About ReadCloud Limited

ReadCloud (ASX:RCL) is a leading provider of eLearning software solutions and training supporting schools and educational institutions.

ReadCloud's eReader platform creates an engaging and collaborative learning environment with seamless access to dynamic, interactive digital content from leading publishers. Teachers and students benefit from social annotations, media-rich embedding options, cross-platform compatibility, and an engaging text-to-speech feature available in 120 languages.

ReadCloudVET enables the delivery of 50 qualifications to 15,000 learners across three specialist Registered Training Organisations (RTOs) in Vocational Education and Training Delivered to Secondary School Students.

ReadCloud's strong connection to industry and career pathways extends to Southern Solutions Training Services, an RTO specialising in flexible and blended training models including delivery in a genuine workplace environment for qualifications in Early Childhood Education and Care, Business, Aged Care, Hospitality, Logistics and Real Estate.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

ReadCloud Ltd

ABN

44 136 815 891

Quarter ended ("current quarter")

30 September 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,320	12,947
1.2 Payments for		
(a) research and development	(110)	(413)
(b) product manufacturing and operating costs	(332)	(5,224)
(c) advertising and marketing	(117)	(314)
(d) leased assets	(36)	(144)
(e) staff costs	(1,583)	(6,419)
(f) administration and corporate costs	(193)	(841)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	9	30
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid) / refund	-	-
1.7 Government grants and tax incentives	-	332
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,042)	(46)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(8)	(28)
(d) investments		
(e) intellectual property	-	(34)
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(8)	(62)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	-	597
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	-	597

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,970	1,431
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,042)	(46)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(8)	(62)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	597
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	1,920	1,920

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,920	2,970
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,920	2,970

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	210
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end	N/A	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,042)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,920
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	1,920
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.85
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Net operating cash flows are expected to strengthen. The September quarter is traditionally the lowest quarter for cash receipts from customers (10% of FY25 cash receipts from customers and 13% of FY24 cash receipts from customers) reflecting the seasonality of the group's businesses (which are largely aligned to the school year). The Company expects operating cash flow to improve in the upcoming quarters.	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	No. Operations are expected to be funded by operating cash flows.	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Yes. At 30 September 2025 the Company had cash reserves of \$1.92m. The Company is debt free. Cash receipts from Year-12 “headstart” eBook sales invoiced late in the September quarter, invoicing of 2026 School auspicing fees and receipt of the Company’s FY25 R&D tax refund of \$0.25 million in the current (December) quarter will see the Company funded through to the traditionally positive cash flow generating March and June quarters.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 October 2025

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity’s activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: “By the board”. If it has been authorised for release to the market by a committee of your board of directors, you can insert here: “By the [name of board committee – eg Audit and Risk Committee]”. If it has been authorised for release to the market by a disclosure committee, you can insert here: “By the Disclosure Committee”.
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council’s *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.