

ASX Release

19 February 2026



## Annual General Meeting – Chair Address

Over the past 2 years the team at ReadCloud Limited (ASX: RCL) (“**ReadCloud**” or the “**Company**”) has executed against a deliberate and disciplined plan to ensure we built a strong foundation for future growth and profitability. We were and are determined to drive a business that is respected for quality solutions and service by our customers - and for our investors, has strong financial attributes - positive cash flow generation, strong education focused revenue growth and improving positive underlying EBITDA.

With the focus and discipline of the team, we have now established this strong foundation and are now positioned and excited to accelerate growth and increase the value of the business.

During 2025, ReadCloud delivered on significant financial milestones. We grew our core schools-focused education revenue by 16% with our VET-in-schools revenue up an impressive 26%, and direct e-books sales in the Australian market up a very strong 17%. Our international e-books business and industry training business were subdued, with overall sales & fee revenue growth of 6%.

Our focus on the education market, by executing on a disciplined approach to capital allocation, operating costs, and spending below our plan, improved profitability, with underlying EBITDA up 109%. This strong execution of our plan, despite challenges in the industry training sector, enabled ReadCloud to deliver a record set of results. More customers were signed, increased courses delivered, record revenue and profitability achieved, strong cash generation and the balance sheet strengthened with year-end cash up 34% to \$1.9m.

ReadCloud is now in an even stronger position to accelerate education targeted revenue growth, improve profitability, continue to self-fund its working capital needs and maintain a debt free balance sheet.

Given the team has delivered to plan in the 2024 and 2025 Financial Years, I am confident that the future holds even greater promise.

Our unrelenting approach to differentiation through customer service is yielding tangible results through strong retention rates and an increase in new business from referrals. FY25’s revenue growth was entirely organic, and the pattern of double-digit organic revenue growth is established and continuing.

Recent wins in attracting and retaining schools pave the way to have confidence to increase the focus on sales, underpinned by targeted marketing, to further accelerate growth. Execution has, and will, remain disciplined, enabling growth to unlock the operating leverage in the business.



ReadCloudVET, our VET-in-schools business, is our core offering and stands out from its competitors with the most comprehensive range of qualifications in the market. Our vertically integrated approach, embracing our proprietary technology and learning materials, enables responsiveness to school feedback and the timely launch of proactive initiatives that capture the benefits of market and industry trends.

We will continue to prioritise our investments and efforts to further accelerate our position in this market including by non-organic means if opportunities arise.

ReadCloud's eBooks business has a robust offering and differentiates with exceptional personal service for schools and is the only true digital first provider in its category. Built on proprietary technology enabling scale and global reach, it also solves problems for international schools with dispersed students or students in challenged geographies.

eBooks Solutions is continuing to add customers while maintaining its focus on the target customer retention rate of 90%. Average customer lifetime has increased, and we remain optimistic that we are very well positioned for the inevitable push to digital books to become mainstream.

A more assertive marketing approach in 2025 and planned for 2026 is designed to accelerate organic growth. A targeted focus on new geographies may deliver a step change in expanding this segment growth. The year has started well with new schools signed and international interest developing.

We have been disappointed with the variable and volatile lack of support from State Governments in our industry training business, Southern Solutions Training Services. Despite the high quality of training delivered and the efforts of our staff, the withdrawal of funding for programs without notice required a revamp in our approach in late 2025 and while we had seen growth potential in aged care and childcare industry training, the lack of government policy consistency and support, will lead us to reprioritise our investment away from this business. While industry training will negatively impact 2026 performance, the growth and focus on our core business will more than compensate for this from 2027 onwards.

Our 2026 Financial Year has begun strongly, and our plans are on track.

To date 55 new schools have signed with ReadCloud for 2026, bringing the total schools acquiring ReadCloud's technology in 2026 to nearly 500.

The strategy to drive continuing improved performance and prioritise investment in the education market is in focused execution mode. The results are promising with our first quarter results (for the 3 months to 31 December 2025) including:

- Cash receipts from school customers up by 12% on pcp, underpinned by continued growth in eBooks (up 8%) and strong performance from ReadCloud VET (up 15%); and
- Cash operating costs down 4% on pcp



ReadCloudVET continues to establish itself as a high-quality business in its own right. In 2026 ReadCloudVET will be the largest contributor to group revenue and achieve the highest rates for both total revenue growth and annual recurring revenue.

We stand by our previously reported anticipated revenue growth of 15%+ for ReadCloudVET. ReadCloudVET's gross margins are continuing above 90%.

We are executing with discipline into a deep pool of opportunity. We have an outstanding team delivering great customer outcomes and I thank them for their continued loyalty and enthusiasm.

Looking ahead, our customers are resilient and our lead indicators are positive. We are retaining customers, signing increasing numbers of new schools, exploiting the operating leverage in the business, and are well funded for organic growth.

Our aspiration is to double the number of customers and in doing so increase the scale of the business into being a major player in this segment.

We will constantly monitor the opportunity to look to increase our position with targeted and earnings accretive acquisitions provided they meet our strict criteria in order to build scale at a faster rate.

I want to close by thanking our shareholders for their patience and feedback and to the Board for its support and guidance.

ReadCloud is positioned to accelerate, and we are excited about delivering outcomes in 2026 and beyond. If we deliver our plans and grow this great business, I am hopeful that we will all see greater market value being the reward for consistent delivery of growth and continued improved financial performance.

The Board or ReadCloud Limited has approved the release of this announcement.

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## About ReadCloud Limited

ReadCloud is a leading provider of learning 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.