ReadCloud Limited

CEO Presentation – 2026 Annual General Meeting

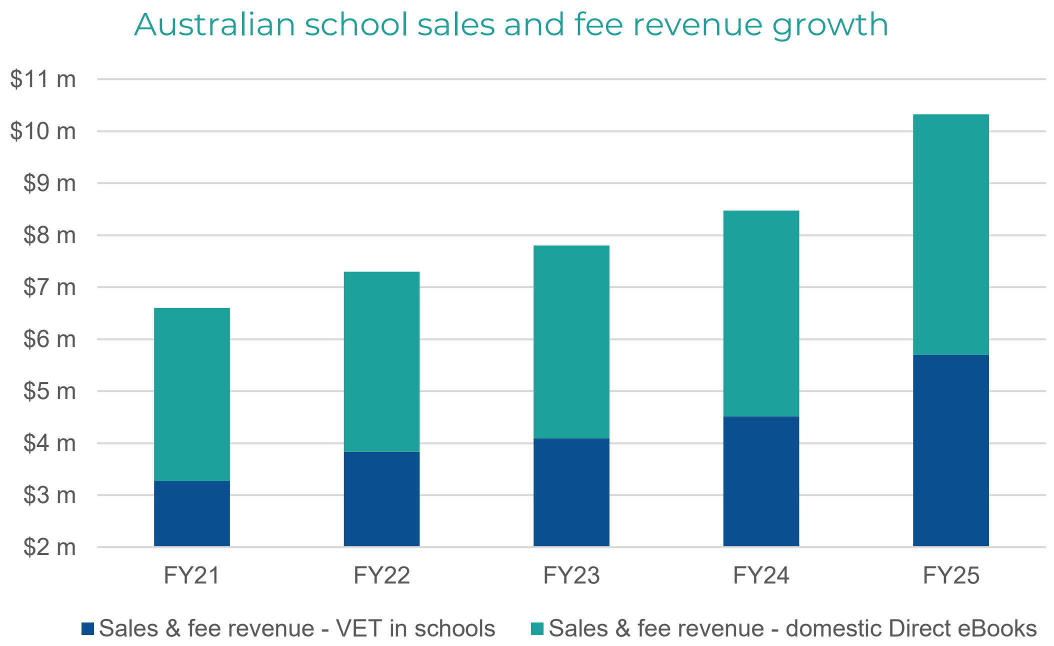
FY25 Highlights

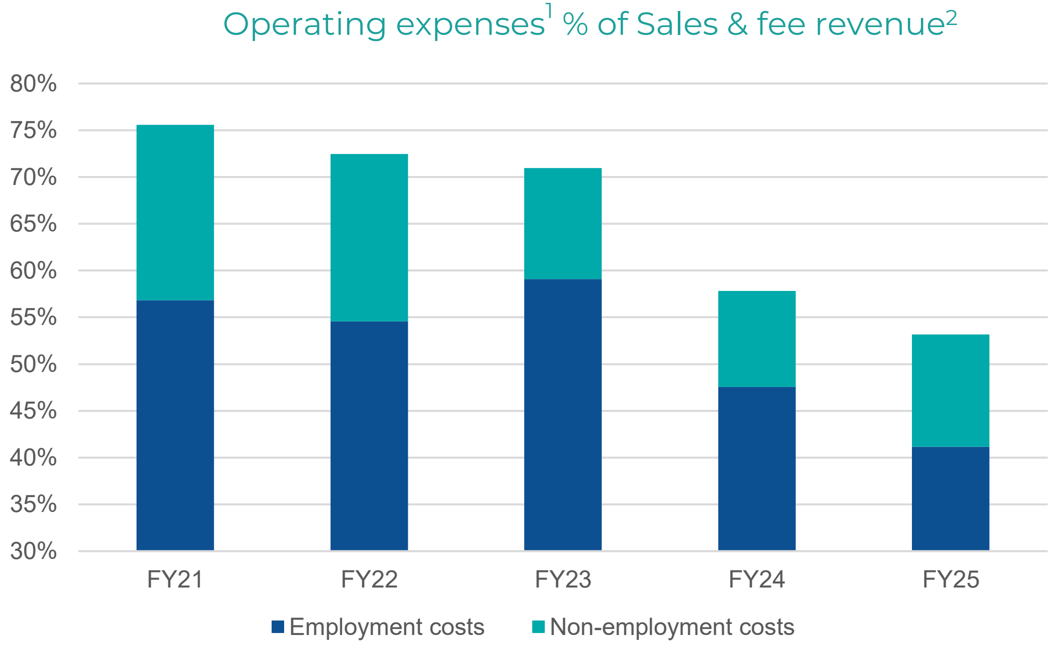
Solid earnings momentum driven by strength of Australian school businesses

Up 26%	Up 17%	Up 109%	Up 26%	Up 34%
VET-in-Schools Sales & Fee Revenue	Direct eBooks sales to Australian schools	Underlying EBITDA*	Operating Cashflow	Year-end Cash
$5.7m Positive momentum in key customer metrics	$4.6m Increase in average customer value	$0.8m Underlying earnings doubled year-on-year	$0.5m Strong cash conversion - 121% of statutory EBITDA	$1.9m Self-funded for BAU

*Underlying EBITDA = earnings adjusted for Interest, Tax, Depreciation and Amortisation, share-based payments and one-off restructuring costs.

Core revenue growth and cost discipline driving earnings momentum





Sales to Australian schools represented 82% of FY25 group sales and fee revenue and grew 22% over pcp (3-year CAGR 12%)

Operating expenses % of Sales reduced

[1] Excluding Industry Training operating costs and abnormal items

[2] Excluding Industry Training revenue

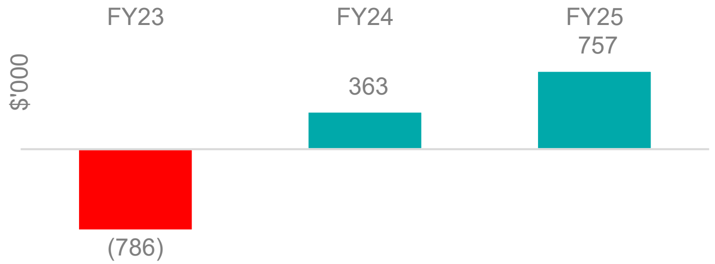
FY25 Summary Profit and Loss

$'000	30-Sept-25	30-Sept-24	YOY
Sales and fee revenue	12,634	11,904	6%
Less direct costs	(5,338)	(5,340)	0%
Gross profit	**7,295**	**6,564**	**11%**
Gross profit %	58%	55%	
Add: Other revenue	289	365	-21%
Less operating expenses:			
Advertising and marketing	(188)	(122)	53%
Computer software	(182)	(187)	-3%
Employment expenses	(5,286)	(5,263)	0%
Legal & compliance	(114)	(100)	14%
Office expenses	(60)	(58)	3%
Professional services expenses	(509)	(425)	20%
Telephone, internet & data hosting	(96)	(103)	-7%
Travel expenses	(140)	(86)	62%
Other expenses	(221)	(187)	18%
Total operating expenses	**(6,796)**	**(6,533)**	**4%**
Less interest revenue	(31)	(33)	-7%
Underlying EBITDA*	**757**	**363**	**109%**

*Underlying EBITDA = earnings adjusted for Interest, Tax, Depreciation and Amortisation and one-off restructuring costs.

Ongoing earnings improvement –
FY25 uEBITDA* up 109%

Underlying EBITDA*



- 26% revenue growth for VET-in-Schools
- 17% growth in Australian direct eBooks sales
- 28% decline in industry training revenue
- Group Sales and fee revenue up 6%
- Gross profit up 11%

Operating expenses up 4%

- Employment expenses stable
- Increased investment in advertising & marketing and travel (conferences and school visits)

FY25 Cashflow

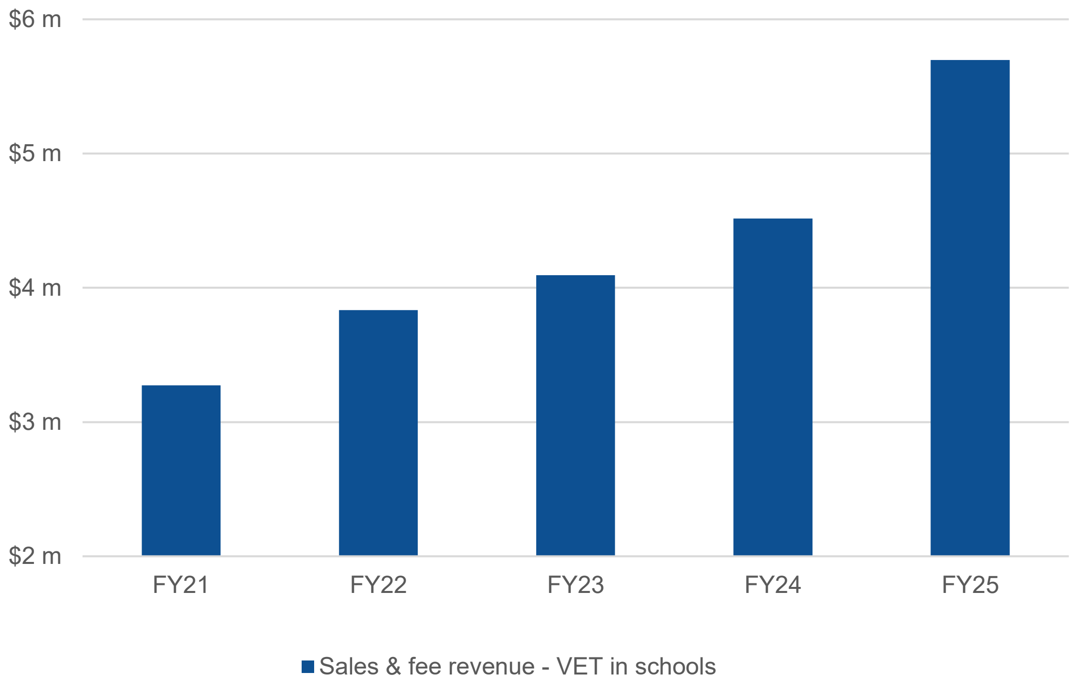
$'000	30-Sept-25	30-Sept-24	YOY
Receipts from customers	12,558	12,042	4%
Payments to suppliers and employees	(12,398)	(12,006)	3%
Research and development tax incentive refund	332	333	0%
Interest income	31	33	-7%
Income tax	-	12	-100%
Net cash from operating activities	**523**	**414**	**26%**
Payments for property, plant and equipment	(27)	(19)	40%
Payments for software development	(414)	(523)	-21%
Purchase of intangible assets	(34)	(10)	230%
Net cash used in investing activities	**(475)**	**(552)**	**-14%**
Repayment of lease liabilities (including interest)	(143)	(139)	2%
Proceeds from issue of shares (net of costs)	584	-	-
Net cash from / (used in) financing activities	**441**	**(139)**	**+416%**
Net increase/(decrease) in cash	489	(278)	+276%
Cash at the beginning of the financial year	1,431	1,709	-16%
Cash at end of the financial year	**1,920**	**1,431**	**34%**

Notes

- Cash generated from operating activities up 26%
- Self funded for BAU
- Effective Working Capital Management
- 121% Statutory EBITDA to operating cashflow conversion
- Directors, management and institutional shareholders exercised options at $0.10 each

ReadCloudVET (VET-in-Schools)

Sales and fee revenue growth is accelerating



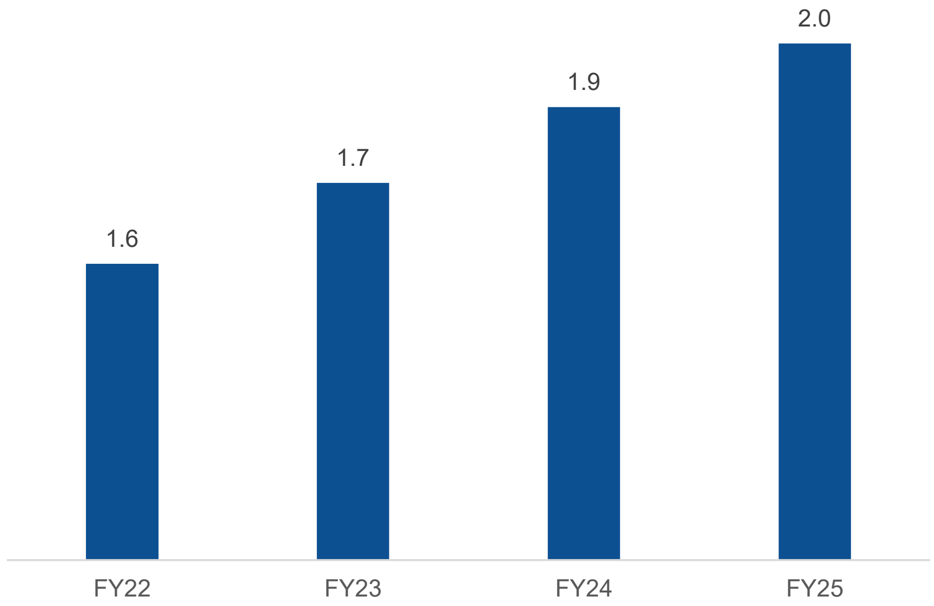
26% Sales and fee revenue growth, including 29% growth in VET-in-Schools partnering fees

- 92% School customer retention
- 11% growth in customer numbers: 55 Schools added (372 total)
- 5% increase in courses per retained School from 1.9 to 2.0
- 14% growth in total courses delivered to 733
- ReadCloudVET's premium offering translating to stronger price performance
- Gross margins continuing > 90% with growth translating to stronger earnings

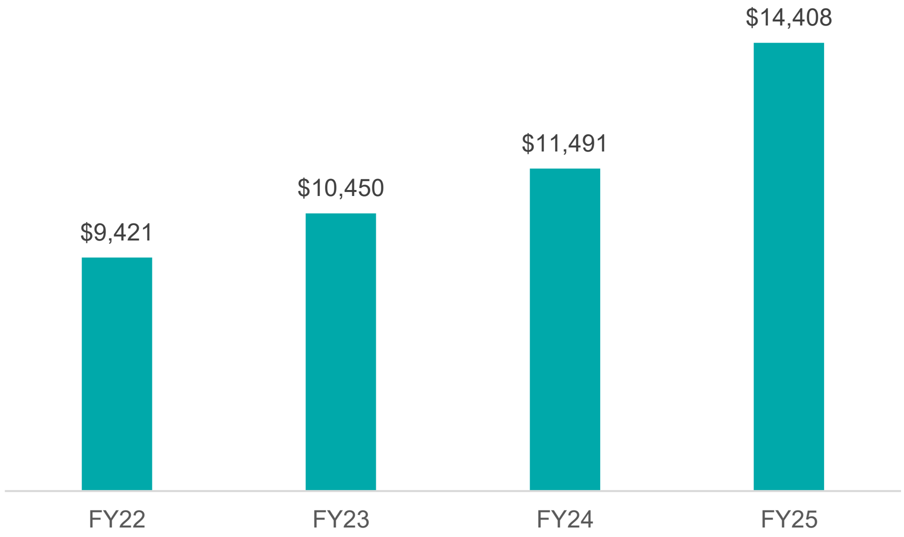
ReadCloudVET (VET-in-Schools)

Key customer indicators showing sustained upward momentum

Courses per school



Average partnering fee revenue per school



eBooks

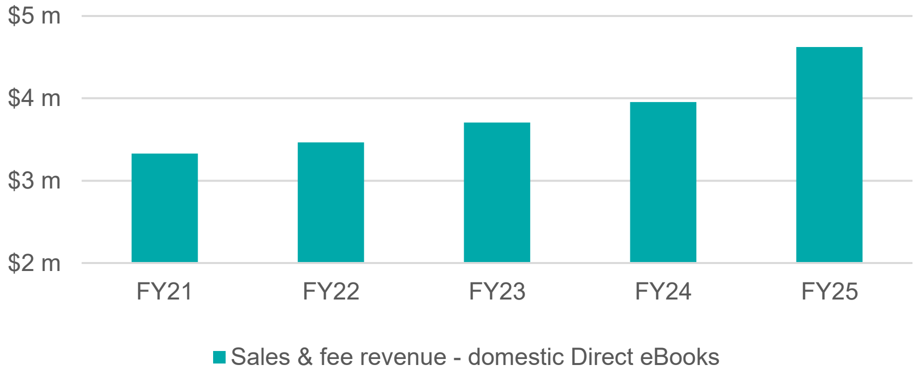
17% Growth in Australian direct eBooks sales

Growth driven by:

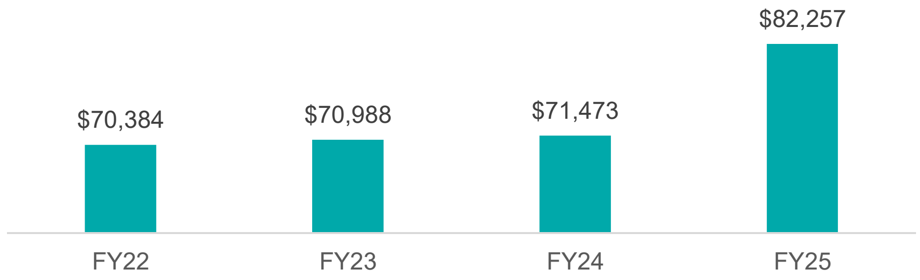
- 91% customer retention
- 7 new school customers
- 15% increase in average customer value

- Overall eBooks sales and fee revenue growth 6% over pcp
- International channel contracted in FY25 and performance of Reseller channel was subdued
- eBooks team has been restructured and leadership of international sales transitioned for FY26

Australian eBooks strengthening



Average revenue per Direct school



Southern Solutions Training Services (Industry Training)

- Southern Solutions has commitments to ~250 enrolled students and childcare providers which it will fulfil
- The unpredictability of state funded training revenue has reduced the attractiveness of industry training relative to ReadCloud's school facing businesses
- Southern Solutions is not commencing new students as it considers an orderly exit of the sector
- $0.45m of cost-out has been implemented in FY26
- 1Q26 cash receipts down 66% on pcp
- ReadCloud expects a negative uEBITDA contribution from Industry Training in FY26 of $400k - $600k
- The Board does not anticipate a negative earnings contribution from Industry Training beyond FY26

Southern Solutions relative to other private training providers based on the 2025 NCVER Survey - snapshot	Students across all private training providers	Students at Southern Solutions	Outperformance
Improved employment status after training	64.9%	84.1%	+19.2%
Employed after training	78.0%	86.5%	+8.5%
Likely to recommend the training provider	85.3%	94.6%	+9.3%

Outlook – Focus on Schools

ReadCloud's school-based businesses are expected to:

1. Grow revenue at 10-20%pa
2. Control operating cost increases to less than 7%
3. Add 60+ new school customers each year
4. Retain 90% of school customers
5. Generate $1m+ of uEBITDA in FY26

ReadCloud has scalable technology platforms for schools with controlled cost structures. By concentrating resources on core competencies in school-based learning, ReadCloud can deliver stronger, more predictable returns.

Corporate Snapshot

ASX Code: RCL	
Share Price (18 February 2026)	$0.082
Market capitalisation (@ 8.2 cents)	$12.6m
Shares on issue	153.6m
Options on issue (unlisted)	6.1m
Current cash (18 February 2026)	$1.9m

Board & Management	
Cristiano Nicolli	Non-Executive Chairman
Paul Collins	Non-Executive Director
Jonathan Isaacs	Non-Executive Director
Lars Lindstrom	Non-Executive Director (Founder)
Andrew Skelton	Chief Executive Officer
Darren Hunter	Chief Information Officer
Luke Murphy	Chief Financial Officer & Co Sec

Substantial Shareholders	
Board and management shareholdings*	22.7%
Thorney Group*	12.2%
Microequities Asset Management	8.7%
Hunmar Holdings/Darren Hunter*	4.9%
Lars Lindstrom	4.8%
Cyan Investment Management	4.0%
Top 20	65.2%
*Includes indirect holdings	

RCL ASX Chart

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