

FY26 Preliminary Results (unaudited) and Appendix 4C — Quarterly Cash Flow Report

Quarter ended: 30 September 2026

Date of release: 27 October 2026

1. Headline Results

- \$1.3m¹ FY26 Underlying EBITDA from continuing operations (versus guidance of \$1m+)
- \$11.2m¹ FY26 sales & fee revenue from continuing operations (FY25: \$10.7m)
- 14% growth in VET-in-Schools partnering fees to \$5.3m¹
- \$11.6m FY26 cash receipts from school customers, a record (up 6% on pcg)
- \$6.2m FY26 cash receipts from VET-in-schools customers, up 11% on pcg
- \$0.4m FY26 cash inflow from continuing operations operating activities
- \$1.9m cash and no debt

ReadCloud Limited (ASX: RCL) reports preliminary unaudited FY26 underlying EBITDA from continuing operations of \$1.3 million, exceeding guidance of \$1+ million, and sales and fee revenue from continuing operations of \$11.2 million, approximately 4% above FY25.

This announcement provides the Company's quarterly activities report and Appendix 4C for the quarter ended 30 September 2026. ReadCloud delivers nationally recognised vocational education and training programs to Australian secondary schools and supplies digital textbooks to schools in Australia and internationally.

FY26 Receipts from Customers and Cash From Operating Activities

Year ended 30 September	FY26 (\$m)	FY25 (\$m)	Change	Main takeaway
Schools cash receipts	\$11.5	\$10.9	Up 6%	Core schools businesses continue to grow customer receipts
Discontinuing operations cash receipts ²	\$0.9	\$2.0	Down 57%	Decline reflects the exit from industry training
Group receipt from customers	\$12.4	\$12.9	Down 4%	Group cash receipts lower due to discontinuing operations.
Schools operating cash flow ³	\$0.4	\$0.4	Down 2%	Continuing operations remained cash-positive
Discontinuing operations cash flow	\$(0.4)	\$(0.4)	Higher cash use	Exit-related costs weighed on Group operating cash flow.
Group operating cash flow	\$(0.04)	\$(0.05)	Down 24%	Group operating cash flow impacted by the exit from industry training

¹ Unaudited ² Southern Solutions Training Services which ceased operations in FY26

³ Incorporates 100% of shared services and corporate costs (i.e. no apportionment for Southern Solutions/Industry Training)

2. Divisional Commentary

2.1 ReadCloudVET Division

FY26 ReadCloudVET cash receipts from customers reached \$6.2m, up 11% on pcp. This growth is closely aligned with FY26 core partnering (auspicing) revenue growth of 14% (unaudited), driven by the following key factors:

- a school retention rate above the 90% target for 2026;
- an increase in the average number of courses taken per retained school;
- the addition of 55 new schools for 2026;
- a record 775 courses being run in ReadCloudVET schools (a 6% increase on 2025); and
- a record number of students, exceeding 17,000.

ReadCloudVET's confirmed new school commitments for 2027 are ahead of the prior year's selling timetable:

- 37 new schools are confirmed to commence in 2027, compared with 35 confirmed by early December in the previous selling season and 55 ultimately commencing in 2026;
- 13 prospective schools are in advanced discussions; and
- a further 47 prospective schools are in early-stage engagement.

Approximately 50% of qualification renewals for 2027 have been completed, broadly in line with the same point last year. Based on renewal progress to date, ReadCloudVET expects school customer retention to remain above 90%, consistent with recent years. Schools that discontinue delivery typically cite shortages of qualified VET teachers or insufficient student enrolments.

2.2 eBooks Division

FY26 eBooks cash receipts were \$5.3 million, broadly in line with FY25. Sales and fee revenue was \$4.9 million (unaudited), down 3%.

Five new schools commenced in 2026 and school customer retention was 89%. Revenue from new and retained schools did not fully offset revenue lost from departing schools. Revenue from the lower-margin reseller channel was broadly unchanged, while international revenue increased 40% from a low base to \$73,000.

Sales activity has increased following the appointment of an experienced salesperson in Queensland. For 2027:

- three new domestic schools have been secured;
- negotiations or quotations are underway with a further five prospective Queensland schools;
- discussions are underway with two Western Australian schools, which would be the division's first direct school customers in the state;
- the largest school by student enrolments ever secured through the reseller channel has been contracted for a 2027 commencement; and
- a new international school has been secured.

2.3 Southern Solutions Industry Training

The wind-down of Southern Solutions was completed during the quarter, allowing capital, management attention and sales resources to be focused on the Company's core schools businesses.

FY26 cash receipts from Southern Solutions customers of \$0.9m (including final payment of \$0.4m for NSW training delivery) was down 57% on pcp. FY26 net cash used in operating activities attributable to discontinuing operations (Southern Solutions) was \$0.4m, which includes staff

redundancy payments of \$0.15m. The Board does not anticipate a negative earnings contribution from Industry Training beyond FY26.

3. Cash Flow Analysis

ReadCloud's eBooks and VET-in-Schools businesses are subject to well-understood seasonal patterns. The majority of recurring billings occur in January–March aligned to the start of the Australian school year, resulting in naturally stronger cash receipts in that period relative to subsequent quarters. While revenue is recognised over the course of the school year, receiving upfront cash payments at the start of the school year puts ReadCloud in a strong working capital position.

The components of FY26 full-year net cash outflow from operating activities of \$0.04m as per the attached Appendix 4C are shown in the table below:

Cash Flow Item	FY26 (\$m)	FY25 (\$m)
Continuing operations (schools businesses):		
Cash receipts from customers	11.6	10.9
Cost of sales	(4.7)	(4.6)
Advertising & marketing	(0.4)	(0.3)
Staff costs	(5.0)	(4.8)
Research & development costs	(0.4)	(0.4)
Leased assets	(0.1)	(0.1)
Administration & corporate costs	(0.9)	(0.7)
R&D Incentive and interest income	0.3	0.4
Net cash from continuing operations	\$0.4	\$0.4
Net cash used in discontinuing operations	\$(0.4)	\$(0.4)
Net operating cash flow – Group	\$(0.04)	\$(0.05)
Cash and cash equivalents (closing)	\$1.9	\$1.9

Payments to related parties (item 6.1 of the attached Appendix 4C) consisted of remuneration paid to directors during the quarter.

The Company had cash of \$1.9m at 30 September 2026, has no debt to service and does not anticipate needing to raise capital to fund its operations.

4. Outlook

ReadCloud enters FY27 with 37 new ReadCloudVET schools confirmed, additional eBooks school wins and an expanded sales team. Continued high customer retention, together with increased average customer value and further school acquisitions, are expected to support strong revenue growth in FY27.

Completion of the Industry Training wind-down allows management and capital to be focused on the core schools businesses. Maintaining control of the cost base as revenue grows is expected to improve operating leverage.

ReadCloud's focus on the schools education market provides exposure to recurring demand for curriculum resources and vocational training. VET-in-Schools participation continues to grow, supported by government investment in vocational pathways and school-to-work transitions. The

Company believes these characteristics, together with its strong school customer retention, position its core businesses for sustained growth and resilience.

5. Authorisation

This report is authorised for release by the Board of Directors of ReadCloud Limited.

About ReadCloud

ReadCloud supports schools to deliver quality education through digital learning resources and nationally recognised vocational education and training programs.

ReadCloudVET supports secondary schools with vocational programs, learning resources, assessment tools and delivery support.

Its proprietary eBook platform provides students and teachers with access to educational content from leading publishers and simplifies textbook procurement for schools.

ReadCloud is listed on the Australian Securities Exchange (ASX: RCL) and partners with more than 400 schools across Australia and internationally.

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 2026

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		1,294	12,411
1.2 Payments for			
(a) research and development		(114)	(428)
(b) product manufacturing and operating costs		(281)	(4,847)
(c) advertising and marketing		(94)	(364)
(d) leased assets		(37)	(146)
(e) staff costs		(1,296)	(6,017)
(f) administration and corporate costs		(166)	(946)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		10	39
1.5 Interest and other costs of finance paid		-	-
1.6 Income taxes (paid) / refund		-	-
1.7 Government grants and tax incentives		-	263
1.8 Other (provide details if material)		-	-
1.9 Net cash from / (used in) operating activities		(684)	(35)
2. Cash flows from investing activities			
2.1 Payments to acquire or for:			
(a) entities			
(b) businesses			
(c) property, plant and equipment		(11)	(20)
(d) investments			
(e) intellectual property		-	-
(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	(11)	(20)

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		
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	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,560	1,920
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(684)	(35)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(11)	(20)

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)	-	-
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	1,865	1,865

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	1,865	2,560
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)	1,865	2,560

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	76
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)	(684)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,865
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	1,865
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<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?	
	N/A	
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?	
	N/A	
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?	
	N/A	
<i>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.</i>		

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 2026

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.