ASX ANNOUNCEMENT

ReadCloud Limited | ASX: RCL

26 November 2026

FY26 Full Year Results

ReadCloud Limited (ASX: RCL) reports its results for the year ended 30 September 2026. Underlying EBITDA from continuing operations increased 15% to $1.3 million, ahead of guidance of $1+ million. VET-in-Schools revenue growth and cost discipline drove the result.

FY26 financial highlights

- **$11.2 million in sales and fee revenue** from continuing operations, up 4% from $10.7 million in FY25.
- **$6.9 million in gross profit** from continuing operations, up 8%, with gross margin rising from 60% to 62%.
- **$1.3 million in Underlying EBITDA** from continuing operations, up 15% on FY25 and ahead of previous guidance
- **$303,000 statutory net profit after tax** from continuing operations, up from $64,000 in FY25.
- **$1.4 million statutory Group net loss after tax** compared with a $0.4 million loss in FY25, reflecting the wind-down of Southern Solutions, including a $1.3 million non-cash goodwill impairment.
- **$0.9 million in net operating cash inflow** from continuing operations, representing 71% conversion of Underlying EBITDA. Closing cash was $1.9 million, with no debt. The Group does not anticipate a capital raise to fund operations.

ReadCloudVET - Strong school retention and record VET delivery

Sales and fee revenue rose 11% to $6.3 million, with core auspicing fees up 14% to $6.0 million. ReadCloudVET added 55 schools for the 2026 school year, bringing the total to 385, and retained 92% of school customers. Qualifications per retained school increased from 2.0 to 2.2.

ReadCloudVET delivered a record 775 courses, up 6%, and recorded 17,060 student course enrolments, up 10%. Gross profit increased 11% to $5.9 million, with gross margin steady at 94%.

eBook Solutions - Recurring revenue supported by strong retention

Sales and fee revenue declined 3% to $4.9 million as revenue from new and retained schools fell short of the revenue lost from departing schools. The division added six schools, retained 89% of direct customers and increased average customer tenure from 4.77 to 5.02 years. Gross profit held at $1.0 million, with a 20% gross margin.

Southern Solutions – Exit Completed

ReadCloud completed the wind-down of Southern Solutions in FY26 following a strategic review, allowing the Group to focus its resources on the schools market. The discontinued operation recorded a $1.7 million after-tax loss, including the goodwill impairment. The Group expects no further material financial impact beyond FY26.

FY27 Outlook

ReadCloudVET has secured commitments from 42 new schools for 2027, ahead of the 35 confirmed by early December in the previous sales cycle. A total of 55 new schools ultimately commenced in 2026. ReadCloudVET expects further commitments in the coming weeks. With about 75% of qualification renewals complete, VET-in-Schools customer retention is tracking above 90%.

eBook Solutions has secured four new domestic schools for 2027 so far, and direct customer retention is tracking in line with the 90% target. The Group expects its FY26 investment in sales capability to support new school acquisition across both divisions in 2027 and 2028.

The Group's priorities are to deliver more VET courses per school, selectively broaden its qualification range and expand both businesses into new markets. ReadCloud is also exploring new revenue streams from its technology and intellectual property and assessing complementary bolt-on acquisitions.

Luke Murphy was appointed Interim CEO with effect from 1 June 2026, following Andrew Skelton's departure on 31 May 2026.

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

About ReadCloud Limited

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.