

ASX Release

12 February 2025



## Annual General Meeting – CEO Address

ReadCloud Limited (ASX:RCL) (“**ReadCloud**” or the “**Company**”) has established strong foundations and is positioning to accelerate. During 2024 ReadCloud delivered on significant financial milestones. We grew revenue by 15%. We applied a disciplined approach to operating costs, capturing a 6% reduction. This progress, together with other initiatives, enabled ReadCloud to deliver its best financial results so far, recording its first positive underlying earnings and its first positive operating cashflow. ReadCloud is now winning share, growing revenue, and self-funded for its working capital needs.

The Company delivered to plan in 2024 Financial Year and the future holds even greater promise. Our unrelenting approach to customer service is yielding tangible results through higher retention rates and an increase in new business from referrals. FY24’s revenue growth was entirely organic, and the pattern of double-digit organic revenue growth is established and continuing. Our recent wins in attracting and retaining schools pave the way for ReadCloud to increase its focus on sales, underpinned by informed and targeted marketing, to further accelerate growth. Execution has, and will, remained disciplined, enabling growth to unlock the operating leverage in the business.

On 28 January 2025 we reported that 59 new schools had signed with ReadCloud for 2025. 2 additional new schools have signed for 2025 since then, bringing the total schools acquiring ReadCloud’s technology in 2025 to 437, up from 399 in 2024.

ReadCloudVET, our VET-in-schools business, is building strongly. ReadCloudVET is standing out from its competitors with 50 Qualifications across 19 industry areas available to secondary schools – the most comprehensive range in the market. ReadCloudVET’s vertically integrated approach, embracing our proprietary technology and proprietary learning materials, enables responsiveness to school feedback and the timely launch of proactive initiatives that capture the benefits of market and industry trends. This agility was demonstrated in late 2024 when we designed and launched a new Qualification that has already been adopted for 9 school programs, including at 6 new schools that engaged with ReadCloudVET on account of the Qualification being introduced.

Southern Solutions Training Services, our industry training business, is consolidating the materially improved performance it delivered in FY24.

eBooks Solutions is continuing to add customers and strengthen its retention rate – now 93%. Two years ago retention was 69%. Average customer lifetime has extended to 4.8 years from 3.0 years in 2023.

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ReadCloud's eBooks business has built a robust offering, is growing both its school and publisher footprints, differentiates itself with exceptional personal service for schools, and is the only true digital first provider in its category. Our eBooks business is built on proprietary technology, enabling scale and global reach and solves problems for international schools with dispersed students or students in challenged geographies. Within Australia, the recent signing of Brisbane School of Distance Education attests to these abilities. eBooks is a business with strategic options that are being actively considered. A more assertive marketing approach in 2025 is designed to accelerate organic growth. A targeted focus on new geographies may deliver a step change, with ~85% of ReadCloud's Australian eBooks business currently derived from schools in Queensland. Meanwhile, strategic partnerships and innovative distribution arrangements remain topical in the sector.

Our 2025 Financial Year has begun strongly and our plans are on track. The strategy to drive substantially improved performance is being put into action. Our first quarter results (for the 3 months to 31 December 2024) included:

- a 26% increase in cash receipts;
- a 17% increase in revenue (unaudited), exceeding our 15%+ baseline target; and
- operating expenses remained controlled with a 1% increase (unaudited).

ReadCloudVET is establishing itself as a high-quality business in its own right. In 2025 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 25%+ for ReadCloudVET in FY25. ReadCloudVET's gross margins are continuing above 90%. Pre-sales for 2026 indicate growth of new customers will accelerate.

Looking ahead, our customers are resilient and our lead indicators are positive. We are executing with discipline into a deep pool of opportunity. ReadCloud has a long runway of revenue growth ahead of it and is building momentum. We are retaining our customers, nurturing the operating leverage in the business, and are now self-funded for organic growth.

Acknowledgement and thanks are due to our shareholders for their patience and vision, to the Board for its support and guidance, and to the staff that are working tirelessly for our stakeholders. ReadCloud is positioned to accelerate and excited about delivering outcomes in 2025, 2026 and beyond.

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

**Investors & Media:**

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## About ReadCloud Limited

ReadCloud is a leading provider of eLearning software solutions and industry-based training.

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.

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