



## Quarterly Activities Report & Appendix 4C for December 2025 Quarter

### Highlights

- ReadCloud had a strong selling season with >50 new schools signed for 2026 across the VET-in-Schools and eBooks divisions
- Strengthening in the schools-based businesses continues and drives closing cash to \$1.5m (pcp \$1.1m), with December / January typically the low point in the Company's cash cycle
- Receipts from school customers increased during the quarter. Receipts from Industry Training decreased during the quarter.
  - ReadCloudVET - \$1.4m cash receipts (up 15% on pcp)
  - eBooks - \$0.6m cash receipts (up 8% on pcp)
  - Industry Training - \$0.2m cash receipts (down 66% on pcp)
- The strong school selling season is complemented by solid retention rates for existing school customers. Retention is anticipated to once again exceed 90%.
- Expenses were controlled as planned. Payments for staff costs decreased to \$1.5m (pcp \$1.7m). Payments for advertising and marketing increased to \$87k (pcp \$40k) as part of the ReadCloud's plans to accelerate growth in FY27.

ReadCloud Limited ("ReadCloud" or "the Company") (ASX: RCL) provides learning solutions to secondary schools and the Vocational Education and Training ("VET") sector in Australia.

### Trading update

ReadCloud has experienced a strong school selling season, with more than 50 new schools signed for the 2026 school year across the VET-in-Schools and eBooks divisions. This momentum is expected to continue over the coming month as Australian schools return from the summer holidays. School customer retention also remains robust, with retention rates expected to remain above 90%.

In addition to new school wins and strong retention, average qualifications taken per retained school—another key driver of revenue—continues to trend upwards.



ReadCloud is forecasting FY26 VET-in-Schools revenue growth to exceed 15%. Gross margins will continue above 90%.

The eBooks revenue base is expected to grow through the addition of new schools in 2026 and be supplemented by incremental growth from existing customers. Recent wins for the eBooks division include the signing of ReadCloud's first direct South Australian government school customer.

International school opportunities are developing, with the sales pipeline building following increased investment in marketing and a renewed sales approach. An additional new school in Indonesia has just initiated a trial of ReadCloud.

Southern Solutions, ReadCloud's industry training business, continues to be impacted by the unpredictable nature of State government funding. Its Smart and Skilled funding contract with NSW remains under threat, with no certainty regarding continuation or renewal. Its Skills First allocation in Victoria, along with 57 other RTOs, has been reduced to zero for 2026. Southern Solutions is not commencing new students in NSW or Victoria until regulatory and funding challenges are resolved. When compared with the Company's school-facing businesses—which benefit from more predictable and recurring cash flows—Industry Training revenue is expected to play a reducing role in the months ahead. Management has proactively adjusted the cost base of the Industry Training business to reflect this outlook.

## Finance Update

The Company's results are seasonal with the March and June quarters in each year being the strongest for sales and cash receipts.

Key highlights from the accompanying Appendix 4C Cash Flow Statement include:

- Receipts from school customers increased by 12% on pcp, underpinned by continued growth in eBooks (up 8% to \$0.6m) and strong performance from ReadCloudVET (up 15% to \$1.4m). This growth was offset by a 66% decline in cash receipts from Industry Training customers to \$0.2m (pcp \$0.7m). Overall receipts from customers decreased by 9% on pcp to \$2.2m (pcp: \$2.4m).
- Payments for staff costs decreased to \$1.5m (pcp \$1.7m), with the decrease mostly relating to Industry Training (restructured industry training workforce and reduced variable staff costs associated with lower activity).
- Operating costs decreased 4% on pcp. The cost mix was broadly in line with pcp with staff costs continuing to be the most material contributor.
- Net operating cash outflow for the quarter was \$0.4m as expected, with the March and June quarters in each year being the strongest for sales and cash receipts.
- Payments to related parties (item 6.1 of the attached Appendix 4C) consisted of remuneration paid to directors during the quarter.



As at 31 December 2025 ReadCloud had cash reserves of \$1.5m and no debt, placing the Company in a strong cash position leading into the March and June quarters when the majority of the revenue is received from customers.

The Company's Appendix 4C Cash Flow Statement accompanies this report.

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

#### **CONTACT:**

##### **Investors & Media:**

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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.

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.

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity			
ReadCloud Ltd			
ABN		Quarter ended (“current quarter”)	
44 136 815 891		31 December 2025	
Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>			
1.1	Receipts from customers	2,199	2,199
1.2	Payments for		
	(a) research and development	(104)	(104)
	(b) product manufacturing and operating costs	(581)	(581)
	(c) advertising and marketing	(87)	(87)
	(d) leased assets	(36)	(36)
	(e) staff costs	(1,547)	(1,547)
	(f) administration and corporate costs	(291)	(291)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	6	6
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes (paid) / refund	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(441)</b>	<b>(441)</b>
<b>2. Cash flows from investing activities</b>			
2.1	Payments to acquire or for:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	(6)	(6)
	(d) investments		
	(e) intellectual property	-	-
	(f) other non-current assets		

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
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)		
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(6)</b>	<b>(6)</b>
<b>3. Cash flows from financing activities</b>		
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)		
<b>3.10 Net cash from / (used in) financing activities</b>	-	-
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	1,920	1,920
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(439)	(439)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(6)	(6)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
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	<b>Cash and cash equivalents at end of period</b>	<b>1,473</b>	<b>1,473</b>
<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,473	1,920
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,473</b>	<b>1,920</b>
<b>6. Payments to related parties of the entity and their associates</b>		<b>Current quarter \$A'000</b>	
6.1	Aggregate amount of payments to related parties and their associates included in item 1		78
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.	<b>Financing facilities</b> <i>Note: the term 'facility' includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end</b> <b>\$A'000</b>	<b>Amount drawn at quarter end</b> <b>\$A'000</b>
		-	-
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		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.	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>	
8.1	Net cash from / (used in) operating activities (item 1.9)		(441)
8.2	Cash and cash equivalents at quarter end (item 4.6)		1,473
8.3	Unused finance facilities available at quarter end (item 7.5)		-
8.4	Total available funding (item 8.2 + item 8.3)		1,473
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>		3.3
	<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: 23 January 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.