



ReadCloud Limited

1H26 Results Presentation

28 May 2026

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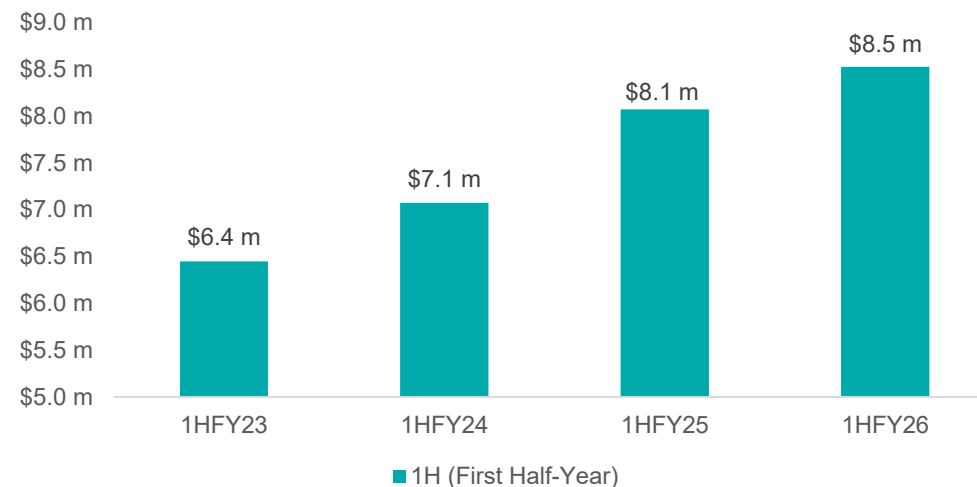


1H FY26 Highlights

- School Businesses performing well: tracking to deliver to plan and financial targets
- 15% growth in core VET-in-schools partnering revenue to \$4.1m
- Cash receipts from School customers \$7.0m – up 22% on prior corresponding period (pcp)
- Operating Cash Flow from the School businesses \$2.5m – up 18%
- Cash position \$3.7m at 31 March 2026 (up from \$1.9m at 30 September 2025*) – debt free, no capital raise anticipated
- Continuing strong customer retention (VET-in-schools 92%, direct eBook Solutions 89%)
- 61 new schools added in FY26, meeting full-year target at the half-year mark
- 441 contracted schools
- Exit of industry training and wind-down of Southern Solutions business (classified as a discontinuing operation)

* ReadCloud has a 30 September financial year-end

Sales & Fee Revenue - Continuing Operations



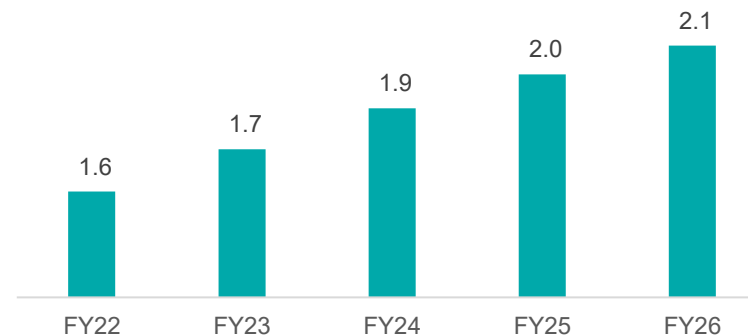


ReadCloudVET — 1H FY26 Highlights

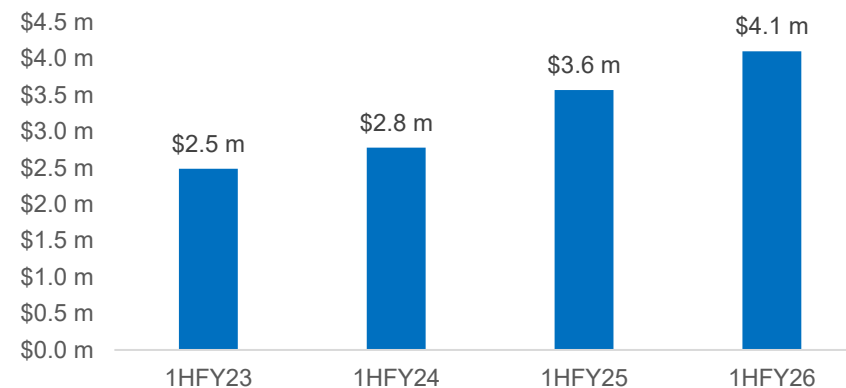
Continued strong growth trajectory

- 385 contracted schools for 2026; 55 new schools added; retention above 90% target
- 775 courses running in 2026 – a record, up 6% on 2025
- Average courses per retained school 2.1 in 2026, up from 2.0 in 2025 – ↑ average customer value and extending multi-year trend
- Student enrolments on track to exceed 16,000 – a record
- 15% growth in core VET-in-schools partnering revenue to \$4.1m
- Gross margins continuing above 90%: business benefits from further scale
- 2027 pipeline strong: 10 new schools already signed, 20 schools in advanced discussions, step up in inbound enquiries

Average courses per retained school



Partnering revenue





eBooks — 1H FY26 Highlights

- School retention 89%; 5 new schools added; average annual revenue per school tracking to exceed \$84,000 in FY26 (up 18%+ on FY24)
- Average customer tenure extended to 5.02 years (from 4.77 years) – rising lifetime value indicator
- 2 new Schools already signed for 2027
- Reseller channel growing: school numbers up 30% to 13 in FY26; largest school ever contracted for 2027 start
- Reseller channel previously contributed 30% of eBooks revenue – its recovery adds low-cost distribution capacity
- International pipeline: schools in China, central and southeast Asia in negotiation
- 2 new digital publishers added to the platform in 2026

Southern Solutions — Exit on Plan

- Decision to exit industry training was strategic: government funding volatility resulted in this business detracting from the stronger and more differentiated ReadCloud school-facing model
- Southern Solutions ceased commencing new students in 1H FY26 – wind-down executing to plan
- Cash receipts from Southern Solutions customers \$0.3m, down 73% on pcp, reflecting the deliberate cessation of new enrolments
- Net cash used in operating activities \$0.4m (pcp \$0.2m outflow)
- Expected negative uEBITDA* contribution of < \$600k in FY26 – fully absorbed and finite
- No earnings drag from industry training in FY27 and beyond
- ReadCloud's full capital, management attention, and salesforce capacity are now directed exclusively to school-facing businesses
- From FY27, investors will see ReadCloud's school businesses operating without industry training noise in the financials

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

Group Cash Flow and Financial Position

- 1H26 cash receipts from school customers \$7.0m, up 22% on pcp (1H25: \$5.7m)
- Operating cash flow from the School businesses \$2.5m, up 18% on pcp (1H25: \$2.1m)
- Cash position \$3.7m at 31 March 2026 – up from \$1.9m at 30 September 2025 year-end
- No debt; no financing facilities drawn; company does not anticipate any need to raise capital
- Forward cash visibility: \$2.1m in issued invoices outstanding for school-facing businesses as at reporting date, with further invoicing continuing
- Company expects to generate positive operating cashflow for the full year ending 30 September 2026

FY26 Targets — On Track

- Target: 60+ new school customers per year | Status: Achieved at the half-year mark — 61 new schools already contracted for 2026
- Target: Retain 90%+ of school customers | Status: On track and above target
- Target: Revenue growth of 10-20% per annum | Status: On track in VET-in-Schools. eBooks on track for single digit revenue growth in FY26. Cash receipts from School customers up 22% in 1H26
- Target: Control operating cost increases to less than 7% | Status: On track – disciplined cost management maintained
- Target: Generate \$1m+ uEBITDA* in FY26 | Status: On track for outperformance with positive operating cashflow and earnings momentum continuing
- Target: Positive operating cashflow for full year FY26 | Status: On track – \$2.1m generated in 1H26

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

Investment Highlights

- Two focused school divisions – ReadCloudVET and eBooks – serving 440+ schools across Australia and internationally and on-track to outperform \$1m+ uEBITDA* guidance for FY26
- ReadCloudVET: 90%+ gross margins, 90%+ school retention, increasing revenue per school – up 53% since FY22
- eBooks: 89% school retention, rising average customer tenure and revenue per school, reseller channel recovering
- Strong ARR base with 90-95% school retention rates – high revenue visibility and low churn across both divisions
- Operationally self-funding and debt free – \$3.7m cash, no capital raise anticipated
- Southern Solutions wind-down complete: from FY27, financials reflect the pure-play school EdTech business

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

Corporate Snapshot

ASX Code: RCL

| | |
|-------------------------------------|---------|
| Share Price (26 May 2026) | \$0.07 |
| Market capitalisation (@ 7.0 cents) | \$10.7m |
| Shares on issue | 153.6m |
| Options on issue (unlisted) | 6.1m |
| Current cash (31 March 2026) | \$3.7m |

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 | CEO (to 31 May 2026) |
| Luke Murphy | Interim CEO (from 1 June 2026) |
| Darren Hunter | Chief Information Officer |

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 | 65.3% |

*Includes indirect holdings

RCL ASX Chart



Additional Information



1H26 Financials (Continuing Operations)



| \$'000 | 1H26 | 1H25 | YOY |
|------------------------------------|----------------|----------------|-----------|
| Sales and fee revenue | 8,521 | 8,069 | 6% |
| Less Direct Costs | (3,802) | (3,673) | 4% |
| Gross profit | 4,719 | 4,396 | 7% |
| Gross profit % | 55% | 54% | |
| Add: Other revenue | 124 | 129 | -4% |
| Less operating expenses: | | | |
| Advertising and marketing | (105) | (55) | 90% |
| Computer software | (65) | (65) | 1% |
| Employment expenses | (1,958) | (1,957) | 0% |
| Legal & compliance | (70) | (51) | 37% |
| Office expenses | (29) | (25) | 15% |
| Professional services expenses | (368) | (216) | 71% |
| Telephone, internet & data hosting | (51) | (46) | 11% |
| Travel expenses | (50) | (42) | 21% |
| Other expenses | (53) | (65) | -19% |
| Total operating expenses | (2,749) | (2,522) | 9% |
| Underlying EBITDA* | 2,094 | 2,003 | 5% |

1H26 versus 1H25:

- 6% Growth in Sales & fee revenue driven by:
 - VET-in-schools core partnering revenue ↑ 15%
 - Stable eBook Solutions sales & fee revenue
- Gross profit ↑ 7%, exceeding sales and fee revenue growth, driven by growth in VET-in-schools (which generates margins > 90%)
- 1HFY26 Operating expenses relatively stable and consistent with pcp with exception of targeted investments in:
 - Advertising & marketing (up 90%);
 - Cyber-security improvements; and
 - Expanded utilisation of offshore services to support operating efficiency (ii and iii reflected in higher professional services fees)

* Underlying EBITDA = earnings adjusted for Interest, Tax, Depreciation and Amortisation and certain other specified items including restructuring costs and share-based payments

* Continuing operations = eBook Solutions and VET-in-schools (ie excluding Southern Solutions / industry training)

1H26 Financials

Reconciliation of Underlying EBITDA* to Statutory profit

| \$'000 | 1H26 | 1H25 | YOY |
|---|--------------|--------------|--------------|
| Underlying EBITDA* (continuing operations) | 2,094 | 2,003 | 5% |
| Add: Net interest revenue / (expense) | 6 | 4 | 67% |
| Less: Depreciation and amortisation | (380) | (421) | -10% |
| Less: Restructuring Costs | (44) | - | 100% |
| Less: Share based payments | (119) | (27) | 340% |
| Statutory NPAT from continuing operations | 1,557 | 1,558 | 0% |
| Loss after tax from discontinuing operations | (1,609) | (238) | 575% |
| Statutory Profit / (loss) after tax | (52) | 1,320 | -104% |

Underlying EBITDA* from continuing operations ↑ 5% to \$2.1 million:

Loss after tax from discontinuing operations includes impairment of acquisition-related intangible assets of \$1.3m associated with Southern Solutions

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

1H26 Financials

Balance Sheet



| \$'000 | Note | 31-March-26 | 30-Sep-25 |
|--------------------------------------|------|---------------|---------------|
| Cash and cash equivalents | | 3,732 | 1,920 |
| Trade and other receivables | | 3,736 | 802 |
| Prepayments | | 167 | 147 |
| Total current assets | 1 | 7,635 | 2,869 |
| Non-current deposits | | 36 | 36 |
| Property, plant & equipment | | 36 | 40 |
| Intangible assets | 2 | 7,054 | 8,422 |
| Right-of-use assets | | 147 | 215 |
| Total non-current assets | | 7,273 | 8,713 |
| Total assets | | 14,909 | 11,583 |
| Trade and other payables | 3 | 3,235 | 1,066 |
| Contract liabilities | 4 | 1,886 | 693 |
| Employee entitlements (Current & NC) | | 471 | 505 |
| Lease Liabilities (Current & NC) | | 166 | 233 |
| Deferred tax liability | | - | 2 |
| Total liabilities | | 5,759 | 2,499 |
| Net assets | | 9,151 | 9,083 |

Notes

1. 244% Improvement in net working capital from FY25 year-end
2. Intangible assets includes capitalised software development (\$1.6m) and goodwill and other acquired intangibles associated with VET-in-schools businesses (\$5.4m). Carrying value of goodwill and other intangibles attributable to Southern Solutions reduced to nil.
3. Includes trade creditors and accruals of \$2.8m mainly relating to amounts owing to third-party publishers in respect of eBook sales
4. Revenue in respect of which performance obligations will be fulfilled post 31 March 2026 (majority of performance obligations will have been fulfilled by year-end, resulting in release of majority of this revenue to the P&L)

1H26 Financials

Cash Flows



| \$'000 | 31-Mar-26 | 31-Mar-25 | YOY |
|---|--------------|--------------|--------------|
| Receipts from customers | 7,313 | 6,863 | 7% |
| Payments to suppliers and employees | (5,489) | (5,287) | 4% |
| R&D tax incentive refund | 263 | 332 | -21% |
| Interest income | 11 | 7 | 62% |
| Net cash received from operating activities | 2,099 | 1,914 | 10% |
| Payments for PP&E | (5) | (16) | -63% |
| Software development | (207) | (205) | 1% |
| Net cash used in investing activities | (213) | (221) | -3% |
| Repayment of lease liabilities (incl interest) | (73) | (71) | 2% |
| Net proceeds from issue of shares | - | 496 | N/A |
| Net cash from / (used in) financing activities | (73) | 414 | -118% |
| Net increase in cash | 1,812 | 2,107 | -14% |
| Cash at the beginning of half year | 1,920 | 1,431 | N/A |
| Cash at end of half year | 3,732 | 3,539 | 5% |

Strong operating cash flow performance achieved even with \$0.4 million net operating cash outflow from Industry Training for 1HFY26:

- Strong cash conversion (100%) of uEBITDA* from continuing operations to operating cash flow
- Net cash received from operating activities up 10%

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

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