Appendix 4C — Quarterly Cash Flow Report

Quarter ended: 30 June 2026
Date of release: 28 July 2026

1. Headline Results

- Following a record March quarter, ReadCloud's school businesses generated cash receipts from customers of $3.5m for the June quarter
- Year-to-date (9 months) cash receipts from school customers $10.7m, a record for the Company (up 6% increase on pcp)
- Year-to-date (9 months) cash receipts from VET-in-schools customers $5.7m, up 13% on pcp with growth closely aligned to year-to-date core partnering (auspicing) revenue growth (14%, unaudited)
- $2.6m cash and no debt
- FY26 full-year sales & fee revenue from continuing operations forecast to be between $11.2m and $11.5m (FY25: $10.7m)
- On track to generate $1m+ of uEBITDA from continuing operations in FY26

ReadCloud Limited (ASX: RCL) provides its quarterly activities report and Appendix 4C for the quarter ended 30 June 2026, demonstrating extended positive momentum across its core businesses. ReadCloud sells digital textbooks to Australian and International Schools and Vocational Training Courses to Secondary Schools in Australia.

Year-to-Date Receipts from Customers and Cash From Operating Activities

Metric	FY26 YTD	FY25 YTD	Change	Main takeaway
Schools cash receipts	$10.7m	$10.1m	Up 6%	Core schools businesses continue to grow customer receipts
Discontinuing operations cash receipts[1]	$0.4m	$1.5m	Down 71%	Decline reflects the planned exit from industry training
Group receipt from customers	$11.1m	$11.6m	Down 4%	Group cash receipts lower due to discontinuing operations.
Schools operating cash flow[2]	$1.3m	$1.4m	Down 4%	Continuing operations remained cash-positive
Discontinuing operations cash flow	$(0.7)m	$(0.4)m	Higher cash use	Exit-related costs weighed on Group operating cash flow.
Group operating cash flow	$0.6m	$1.0m	Down 40%	The Group remained operating cash-flow positive despite exit costs

[1] Southern Solutions Training Services which is ceasing operations in FY26

[2] Incorporates 100% of shared services and corporate costs (ie no apportionment for Southern Solutions/Industry Training)

2. Divisional Commentary

2.1 ReadCloudVET Division

Year-to-date ReadCloudVET cash receipts from customers reached $5.7m, up 13% on pcp. This growth is closely aligned with our year-to-date 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 16,400.

ReadCloudVET has achieved strong momentum in the lead-up to the key selling season for 2027, which commences in Term 3 of the 2026 school year. Since the announcement of the Company's 1HFY26 results in late May, we have continued to convert our sales pipeline and are tracking ahead of where we were at the same time last year:

- 15 new schools are now confirmed for 2027 commencement (up from the 10 previously noted);
- 24 prospective schools are currently in advanced discussions; and
- an additional 39 pipeline schools are in early-stage engagement.

Enquiries from potential new schools continue to ramp up.

Based on market feedback and course popularity, we have added 2 new qualifications to the scope of ReadCloudVET's offering for 2027. In addition, we have bolstered the ReadCloudVET sales team with 2 key appointments at the end of June to focus on expanding our customer footprint in key geographies.

2.2 eBooks Division

Year-to-date eBooks cash receipts from customers amount to $5.0 million, down 2% on the prior corresponding period (pcp). This decline is partly due to a higher trade receivables position as of 30 June 2026 compared to the pcp, but it also reflects a similar decline in year-to-date unaudited sales and fee revenue. Despite this, we added 5 new customer schools for 2026 and maintained a strong school customer retention rate of 89% this year. The latter reflects our strong school relationships and the mission-critical nature of the ReadCloud platform within schools, which continues to translate into high-quality recurring revenue.

The eBooks division is building momentum in its domestic Direct sales channel as the 2027 school selling season commences. Two new schools have been secured for 2027, while a further two schools are currently trialling the platform and discussions continue with approximately 20 additional schools. Sales pipeline development has been supported through targeted market engagement, including attendance at the Queensland Secondary Principals Association conference, regional school presentations in Central Queensland, and a growing program of sequenced EDM campaigns, workshops and school visits planned throughout Term 3. The Company is also leveraging customer referrals in key regions and engaging major school networks and associations to broaden market reach.

To support growth opportunities, the eBooks sales team has been expanded with the appointment of an experienced Queensland-based sales consultant, strengthening the Company's presence in priority markets. ReadCloud is also working more closely with publisher partners, including the development of joint marketing initiatives to target prospective schools.

The Reseller channel continues to progress through deeper engagement with existing Reseller partners and the pursuit of new Reseller relationships. ReadCloud has delivered ongoing sales training to Reseller sales teams, with multiple training sessions completed during the year and further sessions scheduled. The Company is also collaborating with Reseller partners on conference attendance, co-marketing activities and sales enablement initiatives to improve market penetration. In addition, discussions are progressing with potential new Reseller partners, supporting the Company's strategy to broaden channel reach and strengthen sales coverage across key education markets.

Internationally, the Company continues to build its schools sales pipeline following its second year exhibiting at the Council of International British Schools (COBIS) conference in London, where engagement levels and lead generation exceeded the prior year. Follow-up activities with conference leads are underway, supported by targeted campaigns and platform demonstrations. ReadCloud is also working closely with foundation international customer King's InterHigh to drive adoption and sales growth, including the development of promotional content to support parent and student engagement. The international pipeline continues to develop, with the Company currently in the quoting process with one online school and one international school as it pursues further expansion opportunities.

2.3 Southern Solutions Industry Training

As previously announced, the strategic decision was made earlier in the year to exit ReadCloud's industry training business (trading as Southern Solutions) in response to government funding volatility, which resulted in low revenue visibility and control of business dynamics. The exit enables the Company to focus capital, management attention and sales capability exclusively on the core schools-facing businesses, which are achieving strong customer retention and growth.

Southern Solutions has now fully ceased all training delivery. There are no students left in the system and all trainers and operational staff have concluded their employment. Southern Solutions has received payment for all training delivered to students in Victoria and South Australia, and expects to receive payment of circa $0.4m in the current quarter for training delivered to students in NSW.

- Year-to-date cash receipts from Southern Solutions customers of $0.4m, down 71% on pcp
- Year-to-date net cash used in operating activities attributable to Southern Solutions $(0.7)m, 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 year-to-date net cash from operating activities of $0.6m as per the attached Appendix 4C are shown in the table below:

Cash Flow Item	FY26 YTD ($m)	FY25 YTD ($m)
Continuing operations (schools businesses):		
Cash receipts from customers	10.7	10.1
Cost of sales	(4.6)	(4.4)
Advertising & marketing	(0.3)	(0.2)
Staff costs	(3.7)	(3.6)
Research & development costs	(0.3)	(0.3)

Cash Flow Item	FY26 YTD ($m)	FY25 YTD ($m)
Leased assets	(0.1)	(0.1)
Administration & corporate costs	(0.7)	(0.5)
R&D Incentive and interest income	0.3	0.4
Net cash from continuing operations	$1.3	$1.4
Net cash used in discontinuing operations	$(0.7)	$(0.4)
Net operating cash flow – Group	$0.6	$1.0
Cash and cash equivalents (closing)	$2.6	$3.0

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 $2.6m at 30 June 2026, has no debt to service and does not anticipate needing to raise capital to fund its operations.

4. Outlook

ReadCloud remains on track to generate $1m+ of uEBITDA from continuing operations in FY26.

Further strengthening is anticipated in FY27, driven by:

- continuing strong customer retention rates;
- increasing average customer value;
- a growing contracted revenue base;
- an expanded salesforce, leveraging our market presence and brand recognition among schools;
- onboarding new schools at a faster rate, with encouraging early momentum leading into the 2027 selling season; and
- scalable unit economics and controlled cost structures.

Ultimately, strong customer retention, increased average customer value, and accelerated new school acquisition are expected to generate strong, compounding ARR growth in FY27 and beyond.

5. Authorisation

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

About ReadCloud

At ReadCloud, everything we do is designed to support schools to deliver quality education.

Our proprietary eBook platform gives students and teachers seamless access to global educational resources, making curriculum content more engaging and inclusive while simplifying the textbook procurement process.

For schools looking to unlock choice and opportunity for students, our VET-in-Schools service delivers nationally recognised vocational programs that open up genuine pathways and build real-world skills. From platform implementation to tailored VET program design, we're proud to support secondary schools in shaping impactful learning experiences for every student.

ReadCloud is listed on the Australian Securities Exchange (RCL), partnering with over 400 schools across Australia and internationally to shape meaningful, inclusive, and future-focused learning.

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	30 June 2026

Consolidated statement of cash flows			Current quarter $A'000	Year to date (9 months) $A'000
1.	**Cash flows from operating activities**			
1.1	Receipts from customers		3,582	11,117
1.2	Payments for			
	(a)	research and development	(108)	(314)
	(b)	product manufacturing and operating costs	(2,712)	(4,566)
	(c)	advertising and marketing	(126)	(270)
	(d)	leased assets	(37)	(109)
	(e)	staff costs	(1,526)	(4,721)
	(f)	administration and corporate costs	(270)	(780)
1.3	Dividends received (see note 3)		-	-
1.4	Interest received		17	29
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**		**(1,180)**	**649**

2.	**Cash flows from investing activities**			
2.1	Payments to acquire or for:			
	(a)	entities		
	(b)	businesses		
	(c)	property, plant and equipment	(3)	(9)
	(d)	investments		
	(e)	intellectual property	-	-
	(f)	other non-current assets		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 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**	**(3)**	**(9)**

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	3,742	1,920
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,180)	649
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	(9)

	Consolidated statement of cash flows	Current quarter $A'000	Year to date (9 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**	**2,560**	**2,560**

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	2,560	3,742
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)**	**2,560**	**3,742**

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	68
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

7.	**Financing facilities** *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.*	**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)	(1,180)
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,560
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	2,560
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	N/A

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.

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

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.

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: 28 July 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.