

ASX Release

18 February 2025



Notification of Expiry of Options

ReadCloud Limited (ASX RCL) advises that the attached letter has been sent to the holders of 12,183,589 unlisted options exercisable at \$0.10 (10 cents) each, expiring on 1 March 2025.

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

-Ends-

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About ReadCloud Limited

ReadCloud is a leading provider of eLearning 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.



Dear ReadCloud Shareholder

This letter is for Shareholders that participated in the August 2023 pro-rata non-renounceable entitlement issue who hold unlisted options

I am writing to remind you that your ReadCloud Limited (ASX: RCL) unlisted options are approaching their expiry date. As a valued shareholder, we want to ensure you are aware of this important deadline and the opportunity it represents.

As you consider whether to exercise your options, I'd like to highlight why we believe additional investment in ReadCloud represents an attractive opportunity:

- **Financial Performance is strengthening substantially**
 - Revenue is currently growing at 15%
 - Operating costs are being actively controlled, reducing by 6% in FY24
 - The company has recently delivered breakthrough positive results for operating cash flow and for underlying earnings
- **The business has strong momentum**
 - ReadCloudVET, which delivers technology and vocational training courses to secondary schools in Australia, is growing quickly with revenue growth of 25%+ expected in the current year
 - Customer retention has strengthened to 93%
 - ReadCloudVET Pre-sales for 2026 indicate growth in new customers will continue
- **Expanding market opportunities**
 - ReadCloud's customers are resilient, the majority being secondary schools, and our industry customers are based primarily in childcare and aged care
 - ReadCloud's technology is scalable and the large addressable market in education presents a deep pool of opportunity
 - Gross margins are healthy and the business is positioned to accelerate

ReadCloud is now self-funding its working capital requirements. Additional capital can be used to bring forward an escalation in sales actions and product enhancements that add further momentum to revenue growth. With strengthening retention rates and healthy margins, additional revenue growth directly impacts the bottom line.



Important Information About Your Options

Exercise Price: 10c Expiry Date: 1 March Action Required By: 28 February

To exercise your options, please refer to the enclosed personalised Application for Shares on Exercise of Options, which contains BPAY instructions for payment of the aggregate exercise price in respect of the number of options that you wish to exercise.

If you have any questions about exercising your options or would like to discuss ReadCloud's growth strategy in more detail, please contact me.

Thank you for your continued support of ReadCloud as we work to transform digital education in Australia and beyond.

Yours sincerely

Andrew Skelton
Chief Executive Officer

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