

ASX Release

29 April 2025



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

### Highlights

- Strong 1H25 growth in sales and fee revenue of 13%\* driven by exceptional performance of the Company's most material business, VET-in-Schools, which grew 1H25 revenue 29%\* over pcg
- Seasonally strong March quarter generated \$4.6m in customer receipts and positive operating cashflow of \$2.0m, contributing to the cash balance growing from \$1.1m to \$3.5m over the quarter. This would have been even stronger but some receipts were delayed into April, resulting in a further \$2.3m received in the current month to date. The Company remains debt free
- Operating leverage strengthened with 1H25 operating cost growth of only 1% on pcg\*
- The performance positions the Company well to deliver on its previously stated FY25 ambitions of baseline organic growth of 15%, whilst managing cost growth to unlock operating leverage

### Trading Update

The Company is building on FY24's positive underlying EBITDA and operating cashflow results.

- **VET-in-Schools:** Strong performance of the high margin VET-in-Schools business (revenue up 29%\* on pcg) attributable to 94% customer retention, 55 new school customers, an increase in qualifications being taken by retained schools and robust price performance. The performance is ahead of our previously stated target of 25% growth, with momentum expected to continue with strong pre-sales for the 2026 school year.
- **eBooks:** Growth in the domestic Direct eBooks business (revenue up 10%\* on the prior comparable period) driven by 91% customer retention and 7 new school customers. eBooks is a robust business with meaningful strategic optionality. Revenue CAGR in eBooks is 9.5% over the last 5 years. Given the attractiveness of investing growth capital into the VET-in-schools business, ReadCloud is carefully assessing the most impactful approach to accelerating revenue growth in the eBooks business. The Company is investigating and comparing the potential impact of investing in:
  - an additional distribution channel
  - increasing sales efforts in the international market
  - introducing sales efforts in the primary school sector
  - expanding sales efforts in States beyond the traditionally strong Queensland market.

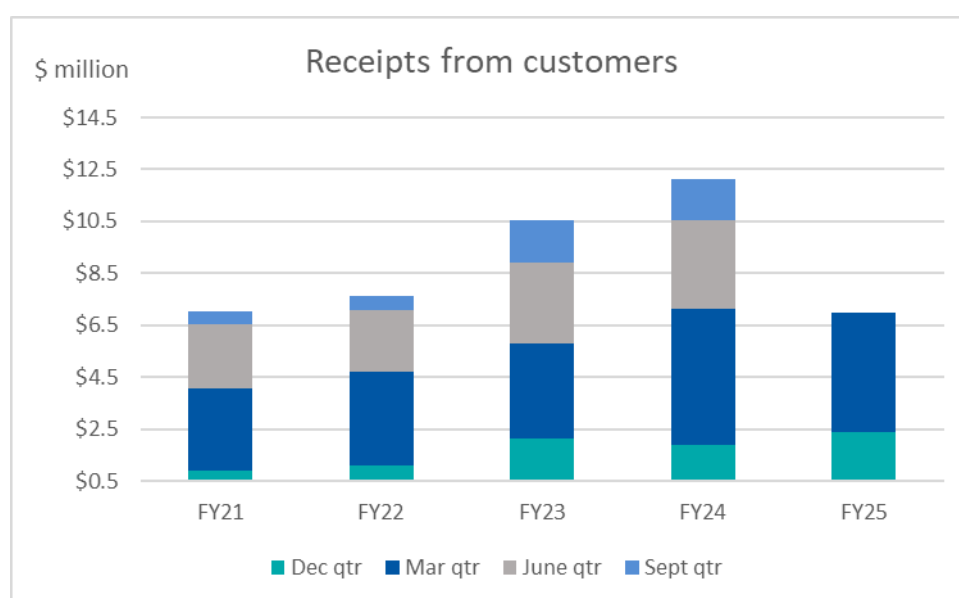
\* Unaudited. The Company has a 30 September year-end.

- The Company is well positioned to invest in growth optionality with \$3.5m in cash and no debt as at 31 March 2025, particularly given forecast operating cashflow positivity in FY25.

The outlook provided with the FY24 Results in November is confirmed. Management remains focussed on disciplined execution that unlocks operating leverage. The baseline target for continuing organic revenue growth is 15%. Cost growth is targeted to be meaningfully lower than revenue growth.

## Finance Update

- \$1.6m net cash from operating activities in 1H25 up 16% on pcip
- Cash payments for operating activities in the March quarter totalled \$2.9m, a \$0.68m or 19% reduction on pcip primarily due to the timing of payments to schoolbook publishers
- 1H25 Employment Costs are 3% lower than pcip\*
- Cash flows from financing activities included \$0.5m received from the exercise of 4.97 million options at \$0.10 each (including by Directors, management and institutional shareholders)
- Payments to related parties (item 6.1 of the attached Appendix 4C) consisted of remuneration paid to directors during the quarter



As at 31 March 2025 ReadCloud had cash reserves of \$3.5m and no debt. The Company's Appendix 4C Cash Flow Statement accompanies this report.

\* Unaudited. The Company has a 30 September year-end.

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



## **CONTACT:**

### **Investors & Media:**

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## **About ReadCloud Limited**

ReadCloud (ASX:RCL) 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.

## Appendix 4C

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

**Name of entity**

ReadCloud Ltd

**ABN**

44 136 815 891

**Quarter ended ("current quarter")**

31 March 2025

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	4,584	6,996
1.2 Payments for		
(a) research and development	(102)	(205)
(b) product manufacturing and operating costs	(956)	(1,611)
(c) advertising and marketing	(79)	(119)
(d) leased assets	(36)	(72)
(e) staff costs	(1,570)	(3,274)
(f) administration and corporate costs	(201)	(426)
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	332	332
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>1,978</b>	<b>1,627</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	(9)	(16)
(d) investments		
(e) intellectual property	-	-
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(9)</b>	<b>(16)</b>

<b>3.</b>	<b>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	497	497
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</b>	<b>Net cash from / (used in) financing activities</b>	<b>497</b>	<b>497</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,073	1,431
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,978	1,627
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(9)	(16)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	497	497
4.5	Effect of movement in exchange rates on cash held		
4.6	<b>Cash and cash equivalents at end of period</b>	<b>3,539</b>	<b>3,539</b>

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	3,539	1,073
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>3,539</b>	<b>1,073</b>

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	126
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>		

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$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.		

<b>8.</b>	<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)	1,978
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,539
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	3,539
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	N/A
<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: 29 April 2025

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.