




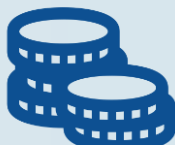



# ReadCloud Limited

CEO Presentation – 2025 Annual General Meeting



# FY24 Financial Highlights

Executing with discipline into a deep pool of opportunity

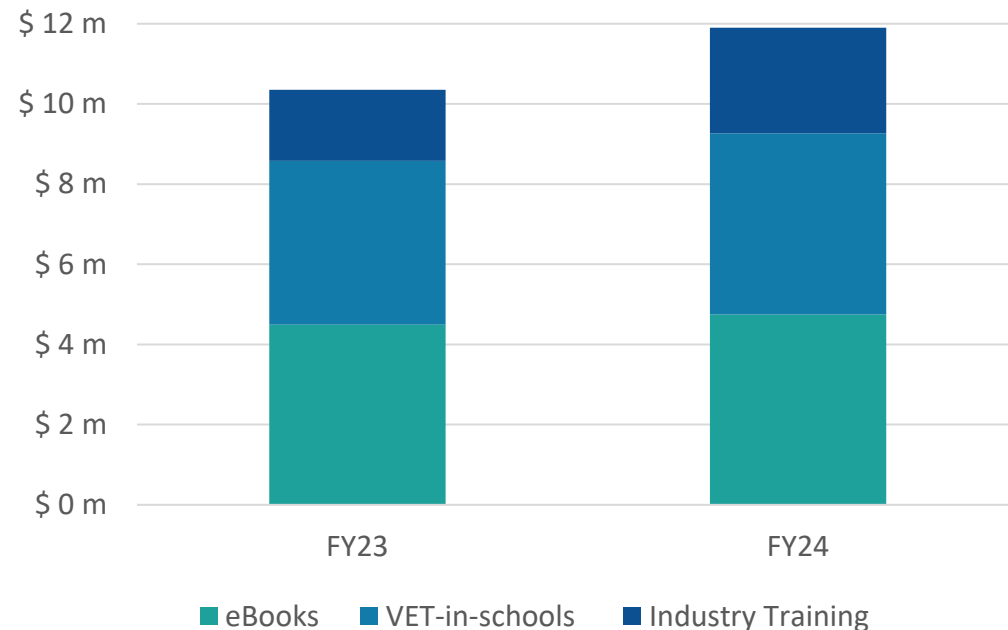
Up 15%	Down 6%	Up 132%	Up 207%	\$1.43m
Sales & Fee Revenue	Operating Costs	Underlying EBITDA	Operating Cashflow	Cash
				
\$11.9m	Restructured workforce	\$0.36m	\$0.23m	Continued Debt Free status
Organic growth in all businesses	The business is now closer to its customers	Breakthrough +ve underlying earnings	Breakthrough +ve operating cashflow	Self-funded for working capital requirements
		\$1.1m underlying EBITDA improvement	\$0.8m improvement	

\*Underlying EBITDA = earnings adjusted for Interest, Tax, Depreciation and Amortisation, Share-based payments, transaction costs incurred on acquisitions and restructuring costs.

# Revenue Growth Trend

Organic Growth in all business lines

## FY23 v FY24 Sales and Fee Revenue

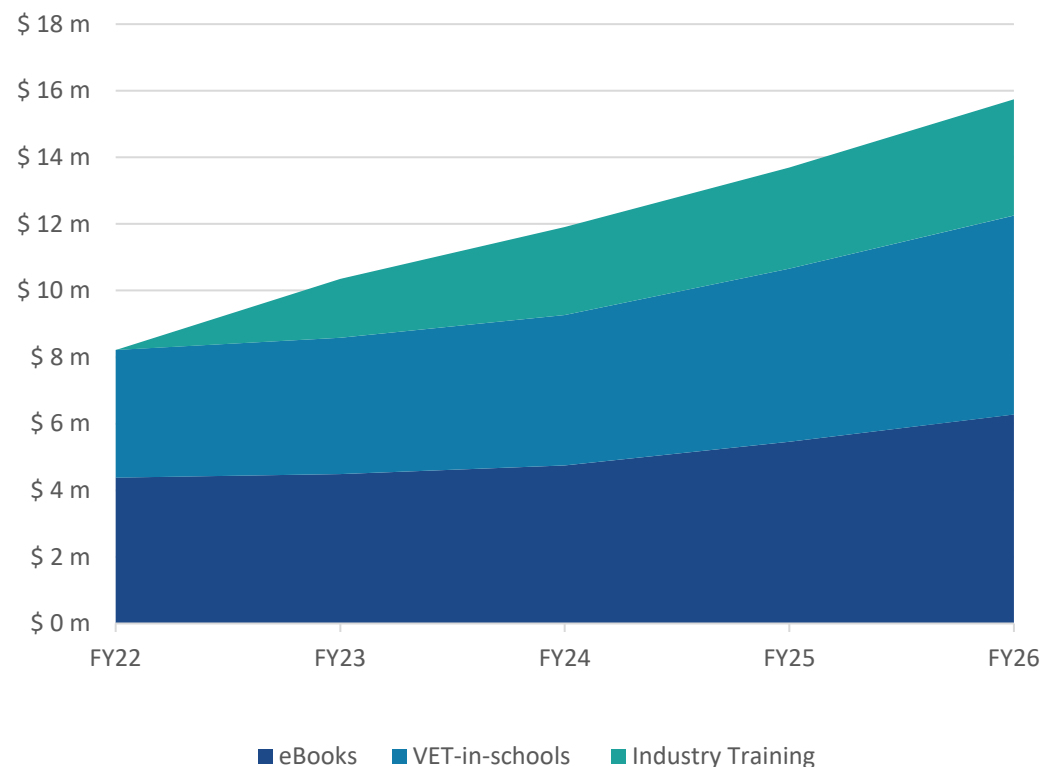


## Drivers of Organic Growth

- Strong retention rate of 93% across eBooks and VET-in-schools
- Addition of new schools
- Strengthening market positioning driving inbound inquiries
- Heightened customer engagement driving referrals
- Differentiated by market leadership in technology, breadth of course options, multi state funding arrangements and customer service

# Organic Growth Horizon

## Demonstration of sustained organic revenue growth at 15%



## Core Growth Levers

### eBooks

- Sales to schools
  - New Australian schools
  - New International schools
  - Increased adoption within existing school customers
- Entry into Booklist category

### VET-in-schools

- Courses delivered in Secondary Schools
  - More courses to existing school customers
  - New schools
- Students enrolled in each Course
- Adding growth Qualifications to Scope of Registration

### Industry Training

- Trainees/workers enrolling in courses, progressing to milestones and completing qualifications
- Self-funded students enrolling in courses
- Expansion in access to State based funding for Training (either in monetary value eg NSW or in enrolled places eg Victoria)

# FY24 Summary Profit and Loss

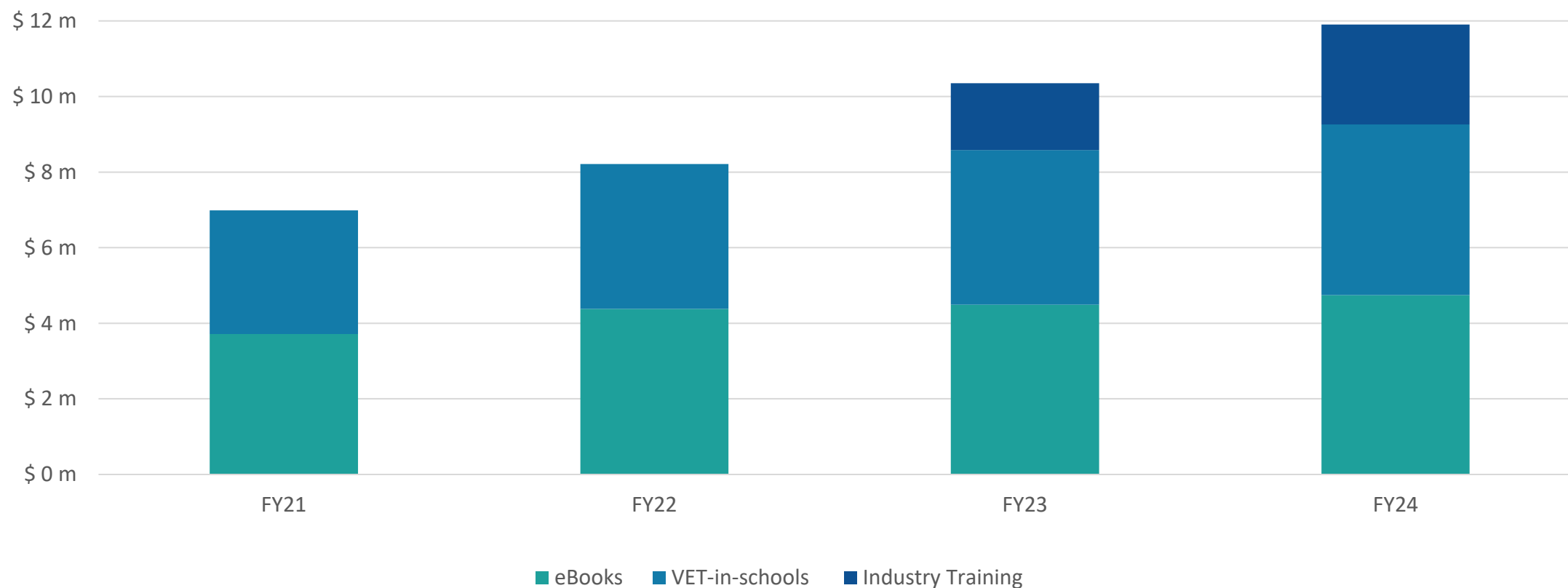
\$'000	30-Sept-24	30-Sept-23	YOY
Sales and fee revenue	11,904	10,349	15%
Less publisher & bookseller fees	(3,974)	(3,619)	10%
Less trainer costs	(1,236)	(877)	41%
Less Cost of sales - Other	(129)	(52)	148%
<b>Gross profit</b>	<b>6,564</b>	<b>5,800</b>	<b>13%</b>
Add: Other revenue	365	356	2%
Less operating expenses:			
Advertising and marketing	(122)	(99)	24%
Computer software	(187)	(154)	21%
Employment expenses	(5,263)	(5,678)	-7%
Legal & compliance	(100)	(98)	2%
Office expenses	(58)	(80)	-27%
Professional services expenses	(425)	(382)	11%
Telephone, internet & data hosting	(103)	(123)	-16%
Travel expenses	(86)	(172)	-50%
Other expenses	(187)	(139)	35%
<b>Total operating expenses</b>	<b>(6,533)</b>	<b>(6,925)</b>	<b>-6%</b>
Less interest revenue	(33)	(17)	99%
<b>Underlying EBITDA*</b>	<b>363</b>	<b>(786)</b>	<b>146%</b>

## Notes

- Sales & Fee Revenue up 15%
- Operating expenses down 6%
  - Employment expenses down 7%.
  - Lower headcount heading into FY25
- Underlying EBITDA up 146%

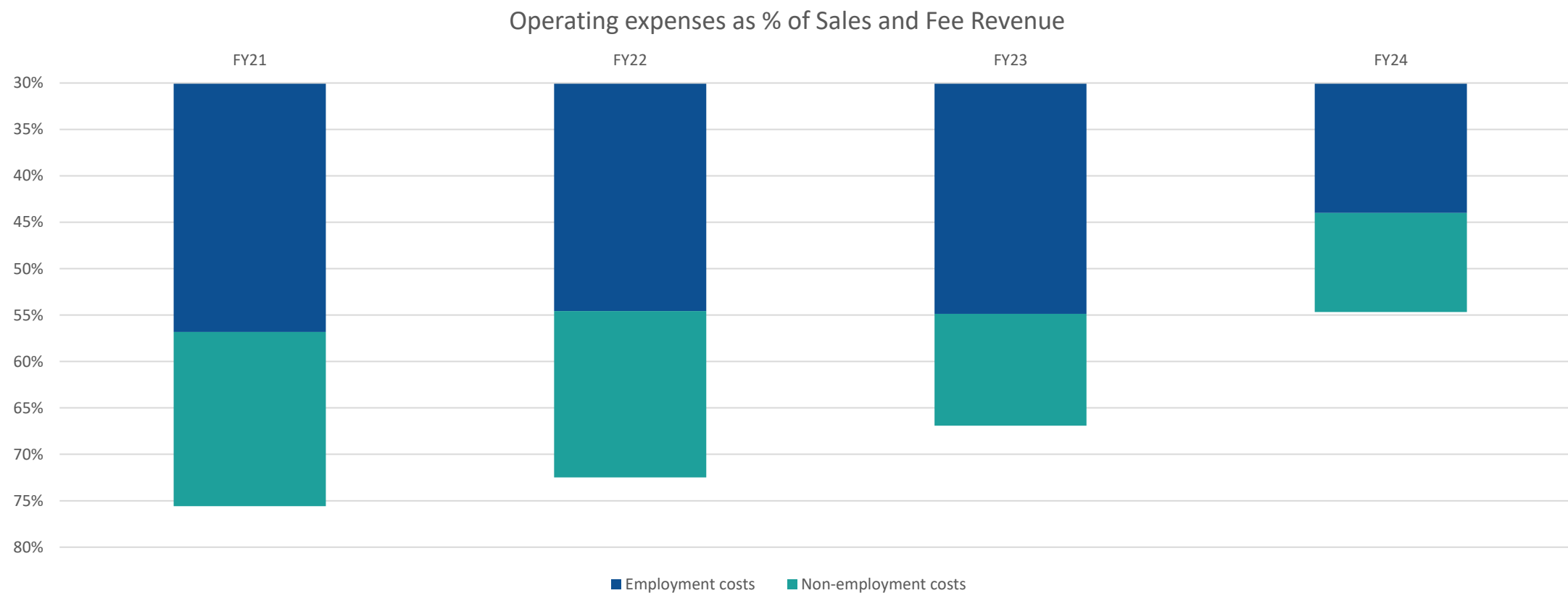
# Strong track record of revenue growth

Sales and Fee Revenue by business



# Operating Expenses actively managed

Executing with discipline into a deep pool of opportunity



# Key Services and What They Do

eBooks					
Services & solutions	Application	Problem solved	Benefits & competitive advantage	Pricing & scalability	Total Addressable Market
Provisioning	Australian book hire schools	No more multiple logins for different publishers	Reduces administrative burden	Retail margin on books	Australian schools k-12
Library Management	International book list schools	All students use the same version of the book	Enhances student engagement	Software Fee	International schools that teach in English (~14,000 schools)
Timetable Integration					
Student Tools	Distance Education		Provides instant access to resources		
Teaching Tools		Simplified book storage and transport	Fast and flexible support		

# 1Q25 Results

## Strong start to FY25 for ReadCloud with record December Quarter

- 26% increase in cash receipts
- 17% increase in revenue (unaudited)
- Operating expenses up 1% on pcp (unaudited) following a 6% reduction in FY24
- 59 new school customers in 2025
- eBooks retention rate strengthened further to 93%
- Southern Solutions industry training consolidating its materially improved performance in FY24

## VET-in-Schools division: ReadCloudVET growth accelerating

- 25%+ Revenue growth forecast in FY25
- Gross margins maintained >90%
- Annual Recurring Revenue on track for 15%+ growth in FY25
- 52 new schools commence in 2025
- New schools are delivering 79 courses in 2025, up 55% on pcp
- Pre-sales for 2026 indicate growth of new customers will accelerate
- New products coming online in 2026 expand addressable market

# Outlook

1. School customers are resilient
2. Lead indicators are positive
3. Organic growth anticipated to continue
4. Retention rates are strengthening
5. Operating leverage unlocked
6. Self-funded growth
7. Positioned to accelerate