

ASX Release

23 July 2025



Quarterly Activities Report & Appendix 4C for June 2025 Quarter

Highlights

- 35% increase in cash receipts for the June quarter on pcip to \$4.6m
- VET-in-Schools growth continues >25% with gross margins >90%
- Operating leverage retained with disciplined cost control (payments for operating activities excluding publisher and trainer costs down 4% on pcip)
- \$3.0m cash and no debt
- FY25 full-year revenue forecast to be between \$12.7m and \$13.0m
- On track for positive underlying EBITDA and operating cash flow in FY25

Trading Update (unaudited)

- VET-in-Schools sales and fee revenue for the nine months to 30 June 2025 is up 27% on pcip to \$5.4m.
- Domestic Direct eBook revenue for the nine months to 30 June 2025 is up 13% on pcip to \$4.1m, bringing total eBook Solutions revenue for the nine months to \$4.5m.
- ReadCloud attended its first international schools conference in May, with participation reaffirming confidence in the Company's eBooks platform. Prospects and leads from the conference indicate an acceleration in international sales in 2026.
- The 1H25 results release set out that recent State government policy changes are impacting industry training revenues with Southern Solutions' YTD (9 months) sales and fee revenue down 24% on pcip to \$1.4m. In response, the Company has restructured its Industry Training workforce.

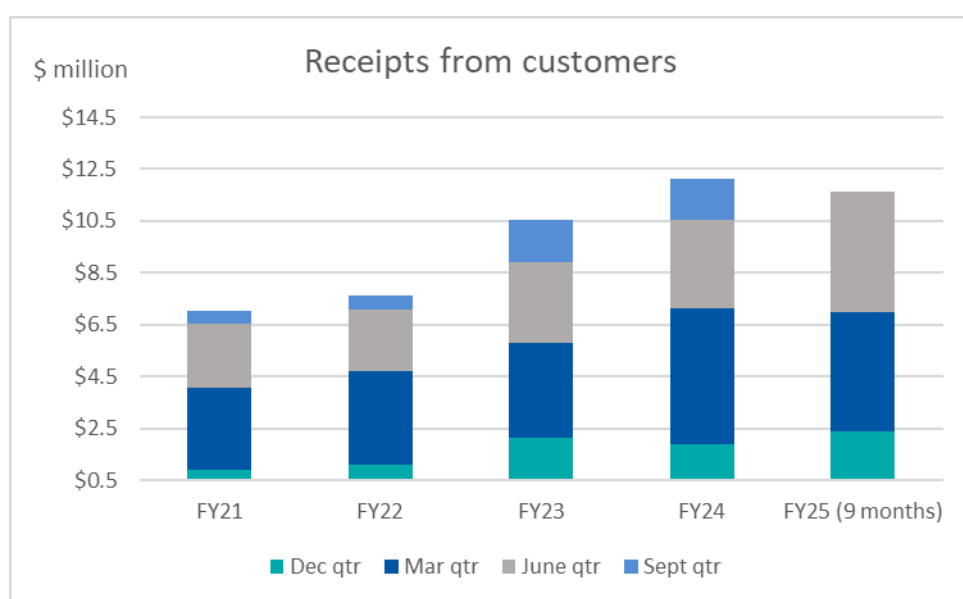
Positive operating cash flow for FY25 provides a solid foundation to accelerate growth initiatives. Management is focused on unlocking operating leverage with disciplined execution.

Finance Update

Key points from the accompanying Appendix 4C Cash Flow Statement:

- \$4.6m cash receipts from customer for June quarter, a record June quarter and up 35% on pcip (\$3.4m)
- \$11.6m YTD (9 months) cash receipts from customers up 10% on pcip (\$10.6m)

- Payments for operating activities excluding volume costs (ie publisher and trainer costs) for the quarter were \$2.0m, down 4% on pcg (\$2.1m)
- June quarter cash payments for “product manufacturing and operating costs” (ie publisher and trainer costs) totalled \$3.3m, a \$1.5m increase on pcg primarily due to the timing of payments to publishers relating to eBook sales made in the March and June quarters
- June quarter Employment Costs were 3% lower than pcg
- Cash flows from financing activities include \$0.1m from the exercise of 1,020,408 options at 9.8c each by the Company’s Chief Executive Officer
- Payments to related parties (item 6.1 of the attached Appendix 4C) consisted of remuneration paid to directors during the quarter



ReadCloud is on strong financial footing with \$3.0m cash and no debt as at 30 June 2025. An encouraging sales pipeline, disciplined cost management, and positive operating cash flow position ReadCloud to capitalise on growth opportunities in FY26.

The Company’s Appendix 4C Cash Flow Statement accompanies this report.



CONTACT:

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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")

30 June 2025

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	4,631	11,627
1.2 Payments for		
(a) research and development	(98)	(303)
(b) product manufacturing and operating costs	(3,281)	(4,892)
(c) advertising and marketing	(78)	(197)
(d) leased assets	(36)	(108)
(e) staff costs	(1,562)	(4,836)
(f) administration and corporate costs	(222)	(648)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	15	21
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid) / refund	-	-
1.7 Government grants and tax incentives	-	332
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(631)	996
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(4)	(20)
(d) investments		
(e) intellectual property	(34)	(34)
(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	(38)	(54)

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	100	597
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	100	597

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,539	1,431
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(631)	996
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(38)	(54)

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)	100	597
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	2,970	2,970

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	2,970	3,539
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)	2,970	3,539

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	92
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>		

7.	Financing facilities <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>	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)	(631)
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,970
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	2,970
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	4.7
<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: 23 July 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.