

# Appendix 4C — Quarterly Cash Flow Report

Quarter ended: 31 March 2026

Date of release: 14 April 2026

## 1. Headline Results

- ReadCloud’s school businesses generated cash receipts of \$5.2m for the quarter, a record for the Company and a 28% increase on pcp
- 60 new schools have joined ReadCloud for 2026
- ReadCloud is in 440 schools and growing

ReadCloud Limited (ASX: RCL) reports its Appendix 4C for the quarter ended 31 March 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.

### School Businesses Quarterly Cash Receipts and Cash Flow Trend

Period	Receipts from Customers (\$m)	Operating Cash Flow <sup>1</sup> (\$m)	Group Cash Position (\$m)
2Q26 Jan-Mar 2026	\$5.2 up 28%	\$2.5 up 14%	\$3.7
2Q25 Jan-Mar 2025	\$4.1	\$2.1	\$3.5
1Q26 Oct-Dec 2025	\$2.0	\$(0.3)	\$1.5
1H26	\$7.2 up 24%	\$2.2 up 16%	\$3.7
1H25	\$5.8	\$1.9	\$3.5

Group Cash Receipts include Southern Solutions Training Services which is ceasing operations in FY26 and incorporated in Section 3.

## 2. Divisional Commentary

### 2.1 ReadCloudVET Division

ReadCloudVET is growing with the number of school customers, the number of courses delivered, and the number of students enrolled all increasing to new record highs in 2026. ReadCloudVET’s ongoing growth reflects strong demand for VET-in-Schools pathways.

- ReadCloudVET cash receipts of \$1.7m for the quarter up 92% on pcp.
- School retention rate is above the 90% target in 2026
- 55 new schools have confirmed for 2026
- 385 schools are currently contracted for VET partnering services

<sup>1</sup> Incorporates 100% of shared services and corporate costs (ie no apportionment for Southern Solutions/Industry Training)

- A record 775 courses are being run in ReadCloudVET schools, a 6% increase on 2025
- Average customer value of retained schools is increasing. In 2026 continuing schools are delivering 2.1 courses per school, a 5% increase on 2.0 in 2025 and extending a trendline of growth that began in 2022.
- Student enrolments are anticipated to be at a record high and exceed 16,000
- The sales pipeline already includes 20 potential new schools in advanced discussions for a 2027 start, with initial conversations underway with a further 39 schools. 2 new schools have already signed for 2027 suggesting a strong upcoming selling season.
- Upgraded marketing activity is generating momentum, with a stronger focus on initiatives that build brand awareness and demand generation. Sales materials have been refreshed with targeted assets for key audiences. Event activity now prioritises exposure beyond the current school network, leveraging association partnerships and targeted speaking opportunities to strengthen presence in key forums. SEO and organic content initiatives are underway, alongside the development of case studies to support richer marketing and engagement.
- ReadCloudVET has revised its pricing structure for Queensland schools to resonate more strongly with local market buying behaviours and is already generating inbound enquiries for 2027. The new Queensland pricing structure rebalances pricing across course fees and students fees and supports current margins.
- Gross margins are continuing above 90% with the business likely to benefit from additional scale.
- Student numbers account for approximately 60% of ReadCloudVET revenue and are typically finalised in April. Initial indications are that student numbers will maintain a healthy average of 21 per course with possible upside.

## 2.2 eBooks Division

The eBooks division continued to deliver high-quality recurring revenue during the quarter, underpinned by ReadCloud's strong school relationships and differentiated digital learning platform.

- eBooks cash receipts of \$3.6m for the quarter up 11% on pcp
- School retention rate of 89% reflects the mission-critical nature of the platform within schools
- 5 new schools added so far for 2026
- Retention and revenue per customer are both expanding: average revenue per school is on track to exceed \$84,000 in FY26, representing growth of at least 18% on FY24's \$71,000, while average customer tenure has extended to 5.02 years from 4.77 years - a leading indicator of rising lifetime value
- Momentum can be readily sustained. 17% growth in direct sales to Australian schools in FY25 has reset expectations and there is ample runway to increase market share in Australia. Growth can also be driven by upsell of additional titles and expanded student cohorts.
- 2 new digital publishers have been added to the ReadCloud platform for 2026.
- eBooks is set to benefit from upgraded marketing sophistication. A new website was launched in August 2025. SEO and organic content strategies were overhauled and launched in October 2025, resulting in a 247% increase in organic search sessions and a 181% increase in total website visitors. Attendance at school and education conferences is now more targeted and focussed on high-value opportunities. eBooks is now generating inbound interest at a faster cadence than in previous cycles and we expect ongoing expansion in the customer base.
- The international sales pipeline has been rebooted, with schools in China, central and southeast Asia at various stages of negotiations.
- Having bottomed at 10 schools and 7% of eBooks revenue in FY25, the Reseller channel is showing early but clear signs of recovery following a deliberate rebuild of relationships and technology over the past 12 months. School numbers have grown to 13 in FY26, and — most

significantly — the largest school by student enrolments ever secured through the channel has been contracted for a 2027 start, with further schools expected to follow. The channel previously contributed 30% of eBooks revenue, and its restoration is strategically important beyond revenue: it adds a low-cost distribution engine that reduces ReadCloud's reliance on direct sales capacity alone.

- Strong retention, an increase in average customer value, and the addition of new schools at a faster rate are expected to generate strong and compounding ARR growth in FY27 and beyond.

## 2.3 Southern Solutions Industry Training

Southern Solutions is a training organisation that services industry. Southern Solutions does not service schools. Operationally, Southern Solutions scores strongly against other training providers. The unpredictable nature of government policy and state funded training generated revenue headwinds over the last 18 months, with industry training detracting from the strong results in ReadCloud's school facing businesses. This business is less attractive than eBooks and ReadCloudVET which are self-funding and the priority for capital moving forward. Southern Solutions has responsibilities to fulfil for its remaining students and the wind down of training activities in 2H26 is expected to generate a negative uEBITDA contribution of \$600k. The Board does not anticipate a negative earnings contribution from Industry Training beyond FY26 with the Company's full focus being placed onto servicing schools.

- Cash receipts from Southern Solutions of \$0.1m for the quarter down 81% on pcp.
- Southern Solutions ceased commencing new students in 1H26 to optimise an efficient exit from the industry training sector, enabling ReadCloud to direct its full resources and capital toward its core school education market where both divisions are generating strong retention and growth.

## 3. Cash Flow Analysis

Net operating cash inflow for the Group for the quarter was a record \$2.3m and an increase of 15% on pcp.

Cash Flow Item	Jan-Mar 2026 (\$m)	Jan-Mar 2025 (\$m)
Cash receipts from customers	\$5.3	\$4.6
Cost of sales	\$(1.3)	\$(1.0)
Staff costs	\$(1.6)	\$(1.6)
Administration & corporate costs	\$(0.4)	\$(0.3)
R&D Incentive and interest	\$0.3	\$0.3
<b>Net operating cash flow</b>	<b>\$2.3</b>	<b>\$2.0</b>
<b>Cash and cash equivalents (closing)</b>	<b>\$3.7</b>	<b>\$3.5</b>

The Company does not anticipate any need to raise capital to fund its operations.

Payments to related parties (item 6.1 of the attached Appendix 4C) consisted of remuneration paid to directors during the quarter.

## 4. Seasonality & Forward Visibility

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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.

- 2Q26 cash receipts from School customers of \$5.2m reflect peak billing season with strengthening customer retention and contracted Annual Recurring Revenue.
- There is current visibility to a further \$2.4m cash receipts from issued invoices for the Schools facing businesses in April-June 2026, with further eBooks and ReadCloudVET invoicing continuing as at the date of this report.
- The Company enters 3Q26 with 440 schools contracted and a 2027 sales pipeline tracking ahead of pcp with numerous prospective schools at various stages of engagement.
- ReadCloud is pleased to report anecdotal signs that efforts to expand into new geographies look likely to gain traction for 2027.

## 5. Outlook

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The Company has secured its FY26 internal targets of 60 new schools which, combined with sustained cost discipline, means the school facing businesses are on track to achieve their financial targets. The Company expects to generate positive operating cash flow for the full year ending 30 September 2026.

ReadCloud's school-based businesses are on track to achieve stated targets:

1. Grow revenue at 10-20%pa
2. Control operating cost increases to less than 7%
3. Add 60+ new school customers each year
4. Retain 90% of school customers
5. Generate \$1m+ of uEBITDA in FY26

Further strengthening is anticipated in FY27. ReadCloud has scalable technology platforms for schools with controlled cost structures. By concentrating resources on core competencies in school-based learning, ReadCloud will deliver stronger, more predictable returns.

ReadCloud is expanding its salesforce in 2026 to leverage its strengthening market presence and brand recognition amongst schools to accelerate growth in upcoming sales cycles.

ReadCloud's strong retention rates, scalable unit economics and growing contracted revenue base provide confidence in the Company's ability to deliver sustained growth. The Company has no debt to service and does not anticipate needing to raise capital.

## 6. Authorisation

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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**

44 136 815 891

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

31 March 2026

<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	5,336	7,535
1.2 Payments for		
(a) research and development	(102)	(206)
(b) product manufacturing and operating costs	(1,275)	(1,854)
(c) advertising and marketing	(57)	(144)
(d) leased assets	(36)	(72)
(e) staff costs	(1,648)	(3,195)
(f) administration and corporate costs	(219)	(510)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	12
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid) / refund	-	-
1.7 Government grants and tax incentives	263	263
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>2,268</b>	<b>1,829</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	-	(6)
(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>(6)</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		
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>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	1,473	1,920
4.2	Net cash from / (used in) operating activities (item 1.9 above)	2,268	1,828
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	<b>(6)</b>

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>3,742</b>	<b>3,742</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	3,742	1,473
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,742</b>	<b>1,473</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
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	-
<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>		

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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</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>		
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. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	2,268
8.2 Cash and cash equivalents at quarter end (item 4.6)	3,742
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	3,742
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: 14 April 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.