Research as a Service

ReadCloud Ltd

H1 FY25 – Interim Result

Delivering profitable growth

ReadCloud Limited (ASX:RCL) services the education sector through the provision of digital learning content, proprietary interactive technology, and support for students and educators. The company has released its H1 FY25 interim result (September year-end), illustrating a continuation of strong momentum in the core schools-focussed businesses. Group sales and fee revenue grew 13% to $9.2m, underlying EBITDA strengthened 73% to $1.8m, with strong cash conversion delivering operating cash flow of $1.9m for the half, leaving the company with $3.5m cash and no debt at period end. Statutory group NPAT grew 214% from $0.4m to $1.3m. The revenue growth was predominantly driven by an exceptionally strong performance from the VET-in-Schools business which grew revenue 32% over the pcp to $3.8m, whilst maintaining gross margins above 90%. This outperformance in the highest margin division was complemented by continued cost management across the group with total operating expenses growing at only 1%, resulting in EBITDA margin expansion from 12.8% to 19.7% period on period, a clear illustration of emerging operating leverage. The other schools-focussed business is eBooks, which achieved domestic direct revenue growth of ~10% for the period, albeit partially offset by reduced contribution from the international and reseller models. We now look forward to periods ahead where management is focussed on driving eBooks growth both domestically and offshore, particularly now that the business is funded to direct capital towards a reinvigorated strategy and sales process. The Industry Training business, Southern Solutions, was flat following material growth in FY24 but will likely be negatively impacted in the near term by government policy changes in NSW and Victoria affecting funding going forward. We don't see this business as core to the future strategy of RCL and reduce our forecast contribution from the division going forward. We amend our forecasts to reflect the changing business mix, with higher contribution and growth from the school-facing businesses and take a conservative stance on the industry training business. Our DCF valuation decreases marginally from $0.35/share to $0.33/share, representing potential upside of 187% over the current share price.

Business Model

The business derives revenue from both its software platform and the content that it distributes to students and educators across the platform in its three verticals of VET-in-Schools (~40% of sales and fee revenue), eBook solutions (~40% of sales and fee revenue) and Industry Training (~20% of sales and fee revenue).

Positioned for sustained growth

The strategic focus remains the school-facing businesses. We expect VET-in-Schools to deliver continued top-line growth momentum at strong margins and management says it is now investigating strategic options to accelerate growth of eBooks. The business remains debt free and fully funded to deliver our completely organic growth forecasts, which we believe may be further enhanced by acquisitions going forward now that the existing business is in such good shape.

DCF valuation of $0.33/share

Our forecasts at the revenue and EBITDA lines are adjusted to reflect the change in business mix, with upgrades to eBooks and VET-in-Schools being offset by lower forecasts for the Industry Training business. Our DCF valuation decreases from $0.35/share to $0.33/share, representing potential upside of 187% from the current share price.

Earnings history and RaaS' estimates (in A$m unless otherwise stated)

Year end	Revenue	EBITDA adj.*	NPAT adj.*	EPS adj.* (c)	EV/EBITDA (x)	PER (x)
09/23a	10.7	(0.8)	(2.3)	(2.1)	n.a.	n.a.
09/24a	12.3	0.4	(0.6)	(0.2)	37.4	n.a.
09/25f	12.9	0.5	(0.4)	0.1	32.7	n.a.
09/26f	15.0	1.8	0.9	0.7	8.3	19.1
09/27f	17.1	2.8	1.9	1.4	4.6	9.1

Source: RaaS estimates for FY25f and FY27f; Company data for historical earnings; *Adjusted for one-time and non-cash items

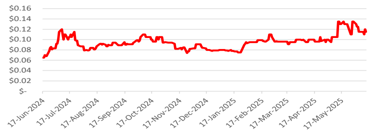
Information Technology – Software & Services

16 June 2025

Share Details

ASX code	RCL
Share price (13-Jun)	$0.115
Market capitalisation	$17.7M
Shares on issue	152.6M
Net cash 30-Mar-2025	$3.5M

Share Performance (12 months)



Upside Case

- Ongoing growth in VET-in-Schools
- Execution of growth strategy in eBooks
- Acquiring growth (all current forecasts are organic)

Downside Case

- Failure or delays in conversion of new sales
- Significant weakness in Industry Training
- Lack of traction in the eBooks model

Catalysts

- Ongoing proven momentum materialising
- Clarity around the eBooks strategy
- Potential M&A

Board and Senior Management

Cris Nicolli	Chair
Paul Collins	NED
Jonathan Isaacs	NED
Lars Lindstrom	ED
Darren Hunter	CTO
Andrew Skelton	CEO
Luke Murphy	CFO / Co Sec

Company Contact

Andrew Skelton (CEO) +61 407 107 801
andrew.skelton@readcloud.com

RaaS Contact

Graeme Carson* +61 417 666 802
graeme.carson@raasgroup.com

***The analyst is also a principal of Cyan IM which owns shares in RCL.**

Research as a Service

H1 FY25 Result Financial Highlights

RCL has delivered a strong H1 FY25 result, in-line with RaaS forecasts, containing revenue growth, gross margin expansion, cost management benefit and accelerating operating leverage, as illustrated in Exhibit 1 below.

Exhibit 1: H1 FY25 vs H1 FY24 and RaaS H1 FY25 forecasts (in A$m unless otherwise stated)

Year ending 30 June	H1 FY25	H1 FY24	Change %	H1 FY25 RaaS forecast	Difference %
Sales and fee revenue	9.2	8.1	+13	9.3	(1)
Gross profit	4.9	4.1	+20%	4.9	0
Gross margin %	55	51	+4pts	55	0pts
EBITDA (und.)	1.8	1.0	+73	1.8	0
EBITDA margin %	20	13	+7pts	20	0pts
NPAT	1.3	0.4	+214	1.3	0

Source: Company data for actuals, RaaS forecasts

The key discussion points are:

- **Group revenue growth solid** – Group organic revenue growth of 13% was a strong result as previously flagged at the release of the 4C cash-flow statement earlier in May. The revenue mix differed slightly to our forecast, with outperformance of the VET-in-Schools business partially offset by reduced contribution from reseller and international schools within the eBooks category. That said, the core part of the eBooks business grew well at 10%.

- **Gross profit improving on change in mix** – Gross profit continues to strengthen on the emergence of the VET-in-Schools division which generates margins above 90%, resulting in 20% gross profit growth against the 13% revenue growth.

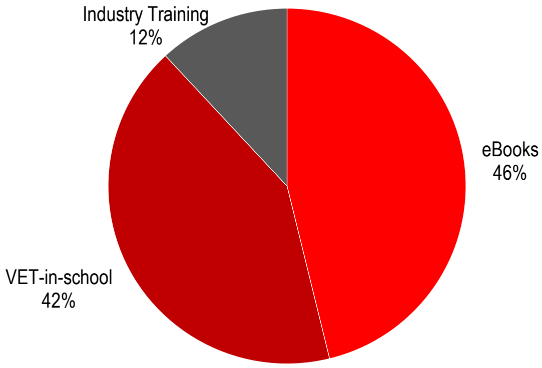
- **Cost management further driving operating leverage and strong EBITDA growth –** Total operating costs increased 1% for the half against the pcp (previous corresponding period). Composition of the cost base has not changed materially with the largest contributor being staff costs, which reduced 3% against the pcp, validating the cost-out initiatives as previously outlined by management. This, combined with the acceleration of operating leverage, resulted in EBITDA growth of 73% to $1.8m for the half.

- **Operating cash flow also strong –** The first half is the seasonally strongest for RCL due to the timing of the Australian school year. A combination of seasonally-strong operating cash flow of $1.9m, complemented by proceeds from the exercise of options totalling $0.5m, delivered a $2.4m improvement over the 31 December cash balance of $1.1m. RCL remains debt free and appears fully funded to deliver our existing estimates with a half-year end cash balance of $3.5m.

Operating And Divisional Performance And Outlook

The revenue contribution from the three operating divisions within the ReadCloud business is shown in Exhibit 2:

Exhibit 2: H1 FY25 divisional revenue contribution (A$m)



Source: Company data, RaaS research

Vocational Education and Training

The vocational education and training part of RCL's business comprises two divisions which both adopt the same technology platform, but operate in the distinctly different markets, being Australian secondary schools and then Industry Training (with the latter under the business name Southern Solutions).

- **VET-in-Schools (ReadCloudVET):** The VET-in-Schools business continues to perform very strongly, with 32% organic revenue growth over the pcp, driven by 11% growth in school customers (to 372), an increase of 14% in qualifications (to 733) and an improvement from 1.9 to 2.1 qualifications per retained school (94% customer retention rate). VET-in-Schools delivers gross margins over 90% as it owns the majority of educational content.
    - In a recent presentation at a microcap conference, management spoke to the opportunity that exists in the Australian VET-in-Schools industry, stating '2026 pre-sales and government recognition of skills shortages create favourable conditions for extended growth'. We believe RCL is well placed to materially increase its current student base of ~14,500 and gain share in a market size of ~250,000 students annually. The business is the market leader in its industry, and is not only becoming entrenched, but is driving an increase in average customer value and beginning to demonstrate pricing power.
    - This business is currently the main growth driver of the group and we see it as very well positioned to perform strongly across the forecast period, as discussed in the 'Outlook' section of this report.

- **Industry Training (Southern Solutions):** The Industry Training business offers training models for 14 qualifications including early childhood education and care, business, aged care, hospitality, logistics and real estate. The business had a strong FY24 whereby it delivered 50% revenue growth. In H1 FY25 it consolidated that revenue base by delivering revenue of $1.1m (+2%) and maintained gross margins in-line with the same period last year. RaaS had forecast H1 FY25 growth to be marginally higher at $1.2m but the H1 performance was solid. The business now appears to be coming under pressure from a revenue perspective with management stating, 'recent government policy changes in NSW and Victoria will negatively affect Southern Solutions' H2 '25 revenue'. Unlike RCL's school-facing divisions, which follow a cyclical pattern tied to the school year, the industry training business is not subject to seasonal variation so H2 FY25 will likely have a more dilutive impact on overall group revenue growth than it did in H1 FY25. Again, we discuss the forecast financial impact in the 'Outlook' section of this report.

eBooks

The eBooks division has delivered a revenue CAGR of 9.5% over the past five years. In recent periods the company has been refining its strategy and areas of focus for the division. It grew revenue by only 2% in H1 FY25 at the divisional level, but sales to domestic direct eBook customers grew by 10% and gross margins were maintained in-line with the pcp. Seven new schools were added, bringing the total to 57 (52 domestic/five international). Retention rates have improved materially over the past two years to now sit at 91% (up from 68% in 2023).

We believe the domestic direct (both primary and secondary) and international direct school markets will be the focus going forward. Reseller agreements formed an important part of the model in the past, but when combined with international sales, revenue in that part of the eBooks business was down 44% in H1 FY25 and now only represents $0.35m, or 8%, of divisional revenue. It appears management is now comfortable with the offering and has revised its sales plan and team structure to position the business for accelerated growth in FY26, with a focus on domestic direct sales and a reinvigoration of the international strategy.

Outlook And Changes To Forecasts

Management provided statements around the outlook for the balance of the year:

- The VET-in-Schools and eBooks businesses (c.88% of total revenue in H1 FY25) remain on track to deliver to ReadCloud's stated baseline growth target of 15% in FY25 (with revenue typically weighted towards the first half of ReadCloud's financial year).
- Recent government policy changes in NSW and Victoria will negatively affect Southern Solutions' H2 FY25 revenue and impact the group's ability to generate the 15% organic revenue growth target for FY25 previously expected.
- The large addressable markets in school-based education continue to benefit from multiple tailwinds, including migration to online education and broad-based recognition of skills shortages and the importance of vocational training.
- Engagement with market participants in the international schools sector during May has highlighted significant opportunity for eBooks growth alongside the continuing momentum in VET-in-Schools.

We have long held the view that the schools-facing businesses are the strength of ReadCloud. VET-in-Schools is the market leader with the most complete offering and is building strong momentum with revenue growth and high margins. eBooks has an opportunity to build on its offering and the RCL business is now capitalised to direct capital towards growth initiatives.

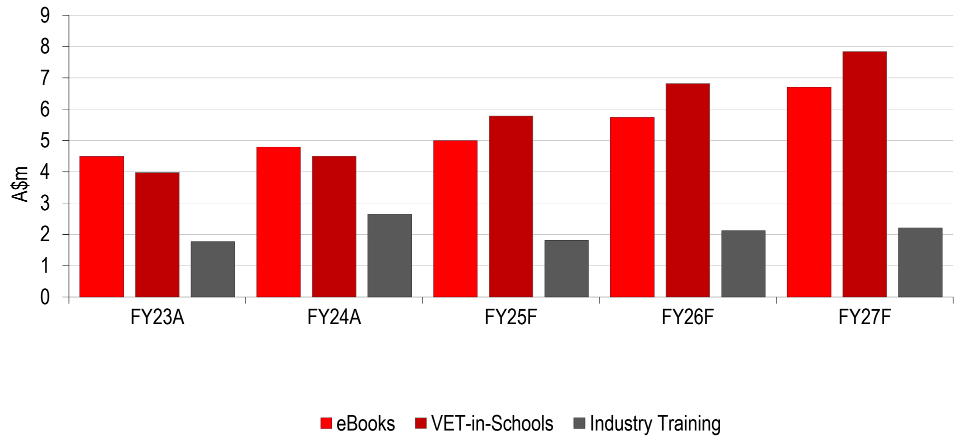
The Industry Training business now faces headwinds that were not previously evident. The industry is crowded and faces vagaries around government policy and funding. That said, it is fast becoming a less significant contributor to RCL revenue and this trend is likely to accelerate, particularly as the other businesses continue to grow.

We have adjusted our forecasts on the back of a change in business mix going forward, as follows:

- **FY25** – We adjust our H2 FY25 revenue forecasts to take a conservative stance for the Industry Training business (Southern Solutions) in light of commentary around government funding risk in NSW and Victoria. Southern Solutions only represented 12% of group revenue in H1 FY25, largely due to seasonality within the schools-facing businesses which generate the bulk of their revenue in the first half. In FY24 the H1/H2 split for the total ReadCloud business was 68/32. The split for H1/H2 at the divisional level was:
    - eBooks: 88/12
    - VET-in-Schools: 64/36
    - Industry Training (Southern Solutions): 41/59
  - Therefore, Southern Solutions derived 59% of its annual revenue in the second half last year, and represented 42% of group H2 FY24 revenue, due to seasonality. Given the government policy changes around funding packages in Victoria and, more notably, NSW for private Registered Training Organisations (as opposed to TAFE's and other institutions), we see downside risk to Southern Solutions in the short to medium term. We expect NSW and Victoria to contribute ~85% of Southern Solutions' revenue. On that basis, we reduce FY25 Industry Training from $2.7m to $1.8m. This is partly offset by changing mix and contribution from the school-facing businesses, but our group revenue forecast reduces from $13.9m to $12.9m. Due to a material drop in revenue in Southern Solutions and the fact that it carries an element of fixed costs, our EBITDA forecasts reduce from $0.9m to $0.5m for FY25 (note, the downgrade is purely as a result of Southern Solutions).
- **FY26** – Again we take a conservative stance on Industry Training on a full-year impact of policy changes and reduce our FY26 revenue forecast by 40% from $3.5m to $2.1m. Ongoing strength in the VET-in-Schools division, complemented by growth in eBooks, drives a 5% forecast revenue upgrade in the school-facing businesses from $11.9m to $12.5m. This partially offsets the Industry Training revenue reduction but our FY26 group revenue forecast is reduced by 3.5% to $15.0m. The change in business mix results in our EBITDA forecasts remaining unchanged at $1.8m, even though revenue is downgraded.
- **FY27** – Change in mix drives revenue reduction of 2.8% but EBITDA upgrade of 7%. It's worth noting that in FY27 the school-facing businesses are forecast to represent 87% of group annual revenue (up from 78% in FY24).

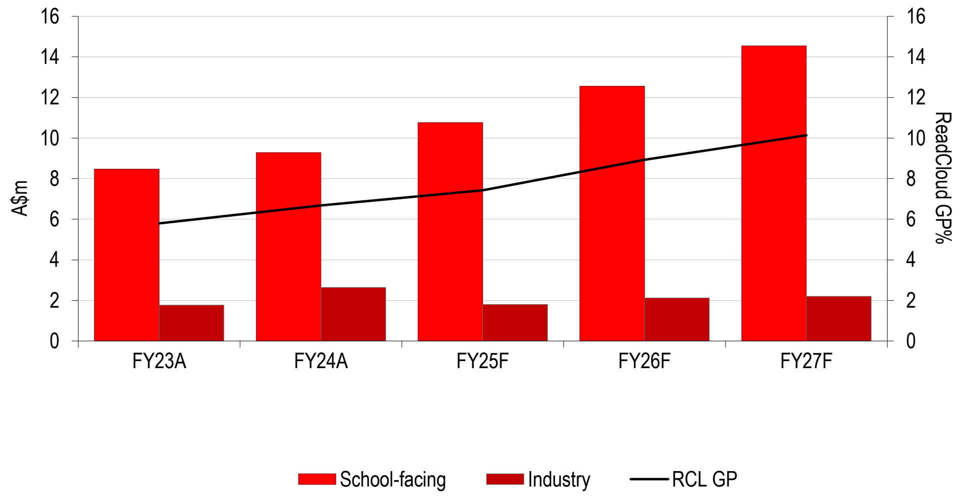
Exhibit 3 illustrates RaaS forecasts for divisional revenue. eBooks and VET-in-Schools continue to grow solidly, whilst we now take a conservative stance on the outlook for the Industry Training business.

Exhibit 3: Divisional revenue forecasts (A$m)



Source: Company data for actuals, RaaS forecasts

Exhibit 4: School versus Industry revenue forecasts and group GP (A$m)



Source: Company data for actuals, RaaS forecasts

Exhibit 4 examines school facing revenue from RCL's two key divisions in VET-in_ASchools and eBooks, versus revenue from Industry training, indicating:

- **Revenue growth from the core business remains strong:** We forecast the eBooks and VET-in-Schools businesses to grow revenue at a CAGR of 14.4% from FY23a to FY27f. This is marginally below the management target of 15% organic growth in the core business.
- **Revenue contribution from schools increasing as a result:** The core business is estimated to represent 87% of group revenue by FY27.
- **Change in mix drives margin expansion:** The change in mix, particularly a larger contribution from the VET-in-Schools business, is forecast to drive gross profit margin expansion from 56% to 61% from FY24a to FY27f.

Our revised forecasts our contained in Exhibit 5.

Exhibit 5: RaaS revised forecasts (in A$m unless otherwise stated)

	FY25 Old	FY25 New	*Change %*	FY26 Old	FY26 New	*Change %*	FY27 Old	FY27 New	*Change %*
Revenue	13.9	12.9	*(7.2)*	15.8	15.0	*(5.0)*	17.6	17.1	*(2.8)*
EBITDA (und)	0.9	0.5	*(44.4)*	1.8	1.8	*0.0*	2.7	2.8	*+3.7*
NPAT (adj.)	(0.1)	(0.3)	*n.a.*	0.9	0.9	*0.0*	1.8	1.9	*+5.5*

Source: RaaS forecasts

Key considerations regarding the amended forecasts are:

- Revenue growth CAGR over the forecast period from FY23a to FY27f is 12.6%.
- Operating cash flow remains strong with ~100% cash conversion.
- RCL is forecast to continue to build its cash balance to $4.7m over the forecast period, remain debt free and fully funded to deliver our organic growth forecasts.
- Building optionality for further investment in organic acceleration and building currency in the equity base of the business to allow for potential accretive M&A to accelerate growth.

DCF Valuation Is $0.33/Share

Our DCF valuation decreases marginally from $0.35/share to $0.33/share. Key metrics include a discount rate of 13.0% (beta 1.5, terminal growth rate of 2.5%), as illustrated in Exhibit 6.

Exhibit 6: Base-case DCF valuation

	Parameters
Discount rate / WACC (%)	13.0
Beta (observed beta is 1.5)*	1.5
Risk-free rate (%)	4.0
Terminal growth rate assumption (%)	2.5
Sum of present value (PV) (A$m)	21.3
PV of terminal value (A$m)	25.9
PV of enterprise (A$m)	47.2
Net cash at 31 March 2025 (A$m)	3.5
Net value – shareholder (A$m)	50.7
No. of shares on issue (m)	152.6
NPV per share A$	**$0.33**

Source: RaaS estimates

Research as a Service

Exhibit 7: Financial Summary

Readcloud (RCL)					
Profit and Loss (A$m)					
Y/E 30 September	**FY23A**	**FY24A**	**FY25F**	**FY26F**	**FY27F**
Revenue	10.7	12.3	12.9	15.0	17.1
Gross Profit	5.8	6.7	7.4	8.9	10.1
EBITDA reported	(1.1)	0.0	0.3	1.6	2.6
EBITDA underlying	(0.8)	0.4	0.5	1.8	2.8
Depn	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)
Amort	(1.0)	(0.9)	(1.0)	(1.0)	(1.0)
EBIT underlying	(1.9)	(0.6)	(0.6)	0.7	1.7
Interest	0.0	0.0	(0.0)	0.0	0.1
Tax	0.0	0.0	0.0	0.0	0.0
NPAT (Rep)	(2.6)	(1.0)	(0.6)	0.8	1.7
Significant & non-cash items	0.4	0.4	0.2	0.2	0.2
NPAT (adj)	**(2.3)**	**(0.6)**	**(0.4)**	**0.9**	**1.9**
Cash flow (A$m)					
Y/E 30 September	**FY23A**	**FY24A**	**FY25F**	**FY26F**	**FY27F**
EBITDA	(0.8)	0.4	0.5	1.8	2.8
Interest	0.0	0.0	(0.0)	0.0	0.1
Tax	0.0	0.0	0.0	0.0	0.0
Working capital changes	0.3	(0.0)	0.2	0.2	0.2
Operating cash flow	(0.4)	0.4	0.7	2.0	3.0
Mtce capex	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Free cash flow	(0.4)	0.4	0.7	2.0	3.0
Capitalised Dev. Costs	(0.5)	(0.5)	(0.6)	(0.6)	(0.6)
Acquisitions/Disposals	(0.7)	0.0	0.0	0.0	0.0
Other	(0.0)	(0.0)	(0.2)	(0.2)	(0.2)
Cash flow pre financing	(1.7)	(0.1)	(0.1)	1.2	2.1
Equity	1.5	0.0	0.5	0.0	0.0
Debt	(0.2)	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0
Net cash flow for year	(0.5)	(0.1)	0.4	1.2	2.1
Balance sheet (A$m)					
Y/E 30 September	**FY23A**	**FY24A**	**FY25F**	**FY26F**	**FY27F**
Cash	1.7	1.4	1.7	2.7	4.7
Accounts receivable	1.2	1.0	1.4	1.7	1.9
Inventory	0.0	0.0	0.0	0.0	0.0
Other current assets	0.1	0.1	0.1	0.1	0.1
Total current assets	3.0	2.5	3.3	4.6	6.8
PPE	0.1	0.0	0.1	0.1	0.1
Intangibles and Goodwill	10.8	8.7	8.6	8.5	8.5
Investments	0.0	0.0	0.0	0.0	0.0
Deferred tax asset	0.0	0.0	0.0	0.0	0.0
Other non current assets	0.2	0.0	0.4	0.2	0.1
Total non current assets	11.1	8.8	9.0	8.8	8.7
Total Assets	14.1	11.3	12.3	13.4	15.5
Accounts payable	1.0	1.1	1.2	1.4	1.6
Short term debt	0.0	0.0	0.0	0.0	0.0
Tax payable	0.0	0.0	0.0	0.0	0.0
Other current liabilities	2.3	0.4	1.4	1.6	1.7
Total current liabilities	4.1	2.3	3.4	3.7	4.1
Long term debt	0.0	0.0	0.0	0.0	0.0
Other non current liabs	0.1	0.0	0.1	0.1	0.1
Total non-current liabilities	0.3	0.2	0.3	0.3	0.3
Total Liabilities	4.4	2.6	3.7	4.0	4.3
Net Assets	**9.7**	**8.8**	**8.6**	**9.4**	**11.2**
Share capital	19.8	19.8	20.2	20.2	20.2
Accumulated profits/losses	(10.4)	(11.4)	(12.0)	(11.2)	(9.5)
Reserves	0.3	0.4	0.4	0.4	0.4
Minorities	0.0	0.0	0.0	0.0	0.0
Total Shareholder funds	**9.7**	**8.8**	**8.7**	**9.4**	**11.2**

Share price (16 June 2025)						A$	0.115
Interim (A$m)		**1H23a**	**2H23a**	**1H24a**	**2H24a**	**1H25a**	**2H25f**
Revenue		7.4	3.3	8.3	4.0	9.3	3.6
EBITDA (und)		0.5	(1.5)	1.1	(0.6)	1.8	(0.7)
NPAT (adj)		(0.1)	(1.5)	0.4	(1.0)	1.3	(1.8)
EPS (normalised)		(0.1)	(1.20)	0.29	(0.68)	0.87	(1.16)
Dividend (cps)		-	-	-	-	-	-

Divisions/Categories		**FY23A**	**FY24A**	**FY25F**	**FY26F**	**FY27F**
eBooks (Direct Domestic Interna		4.5	4.8	5.0	5.7	6.7
VET in Schools (Auspicing)		4.0	4.5	5.8	6.8	7.8
Training (VET)		1.8	2.6	1.8	2.1	2.2
Sales & fee revenue		**10.2**	**11.9**	**12.6**	**14.7**	**16.7**
Other income		0.4	0.4	0.4	0.4	0.4
Total Revenue		**10.7**	**12.3**	**12.9**	**15.0**	**17.1**
EBITDA (normalised)		(0.8)	0.4	0.5	1.8	2.8

Margins, Leverage, Returns		FY23A	FY24A	FY25F	FY26F	FY27F
EBITDA		(7.3%)	3.4%	3.7%	11.9%	16.1%
EBIT		(18.0%)	(5.0%)	(4.5%)	4.8%	9.9%
NPAT pre significant items		(24.5%)	(8.0%)	(4.6%)	5.0%	10.2%
Net (Debt)/ Cash		1.7	1.4	1.7	2.7	4.7
ROA		(13.7%)	(5.4%)	(4.8%)	5.4%	10.9%
ROE		(23.3%)	(6.8%)	(5.1%)	9.8%	17.2%
ROIC		(33.8%)	(12.0%)	(11.3%)	11.8%	21.2%
Working capital		0.2	(0.1)	0.3	0.3	0.4
WC/Sales (%)		1.4%	(1.2%)	2.1%	2.1%	2.1%
Revenue growth		26.8%	14.7%	5.4%	16.3%	13.8%

Pricing		**FY23A**	**FY24A**	**FY25F**	**FY26F**	**FY27F**
No of shares (y/e)	(m)	146	146	153	153	153
Weighted Av Dil Sha	(m)	124	146	149	153	153
EPS Reported	cps	(1.54)	(0.67)	(0.40)	0.49	1.14
EPS Normalised/Dilu	cps	(2.12)	(0.41)	(0.29)	0.60	1.26
EPS growth (norm/dil)		n/a	n/a	n/a	n/a	109%
DPS	cps	-	-	-	-	-
DPS Growth		n/a	n/a	n/a	n/a	n/a
Dividend yield		0.0%	0.0%	0.0%	0.0%	0.0%
PE (x)		-	-	-	19.1	9.1
PE market		18.0	18.0	18.0	18.0	18.0
Premium/(discount)		n/a	n/a	n/a	6.0%	(49.4%)
EV/Revenue		1.4	1.3	1.2	1.0	0.7
EV/EBITDA		n/a	37.4	32.7	8.3	4.6
FCF/Share	cps	n/a	0.3	0.4	1.3	2.0
Price/FCF share		n/a	42.6	26.6	8.7	5.9
Free Cash flow Yield		n/a	2.3%	3.8%	11.5%	17.0%

Source: RaaS estimates; Company data for actuals

FINANCIAL SERVICES GUIDE

RaaS Research Group Pty Ltd

ABN 99 614 783 363

Corporate Authorised Representative, number 1248415, of

BR SECURITIES AUSTRALIA PTY LTD; ABN 92 168 734 530; AFSL 456663

Effective Date: 26th March 2024

About Us

BR Securities Australia Pty Ltd (BR) is the holder of Australian Financial Services License ("AFSL") number 456663. RaaS Research Group Pty Ltd (RaaS) is an Authorised Representative (number 1248415) of BR.

This Financial Service Guide (FSG) is designed to assist you in deciding whether to use RaaS's services and includes such things as who we are, our services, how we transact with you, how we are paid, and complaint processes

Contact Details, BR and RaaS

BR Head Office: Level 1, 160 Edward Street, Brisbane, QLD, 4000 www.brsecuritiesaustralia.com.au

RaaS:. c/- Rhodes Docherty & Co Pty Ltd, Suite 1, Level 1, 828 Pacific Highway, Gordon, NSW, 2072.

P: +61 414 354712

E: finola.burke@raasgroup.com

RaaS is the entity providing the authorised AFSL services to you as a retail or wholesale client.

What Financial Services are we authorised to provide? RaaS is authorised to

- provide general advice to retail and wholesale clients in relation to
  - Securities

The distribution of this FSG by RaaS is authorized by BR.

Our general advice service

Please note that any advice given by RaaS is general advice, as the information or advice given will not take into account your particular objectives, financial situation or needs. You should, before acting on the advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Prospectus, Product Disclosure Statement or like instrument. As we only provide general advice we will not be providing a Statement of Advice. We will provide you with recommendations on securities.

How are we paid?

RaaS earns fees for producing research reports about companies we like, and/or producing a financial model as well. When the fee is derived from a company, this is clearly highlighted on the front page of the report and in the disclaimers and disclosures section of the report. Sometimes we write reports using our own initiative.

Associations and Relationships

BR, RaaS, its directors and related parties have no associations or relationships with any product issuers other than when advising retail clients to invest in managed funds when the managers of these funds may also be clients of BR. RaaS's representatives may from time to time deal in or otherwise have a financial interest in financial products recommended to you but any material ownership will be disclosed to you when relevant advice is provided.

Complaints

If you have a complaint about our service, you should contact your representative and tell them about your complaint. The representative will follow BR's internal dispute resolution policy, which includes sending you a copy of the policy when required to. If you aren't satisfied with an outcome, you may contact AFCA, see below.

BR is a member of the Australian Financial Complaints Authority (AFCA). AFCA provide fair and independent financial services complaint resolution that is free to consumers.

Website: www.afca.org.au; Email: info@afca.org.au; Telephone: 1800931678 (free call)

In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne, VIC, 3001.

Professional Indemnity Insurance

BR has in place Professional Indemnity Insurance which satisfies the requirements for compensation under s912B of the Corporations Act and that covers our authorized representatives.

DISCLAIMERS and DISCLOSURES

This report has been prepared and issued by RaaS Research Group Pty Ltd on behalf of ReadCloud Ltd. RaaS Research Group has been paid a fee, in the form of a monthly retainer, by ReadCloud to prepare this report. RaaS Research Group and its principals, employees and associates may hold shares in companies that are covered and, if so, this will be clearly stated on the front page of each report. RaaS Research Group, its principals, employees and associates operate under RaaS's policies on personal dealing and conflicts of interest. This research is issued in Australia by RaaS Research Group and any access to it should be read in conjunction with the Financial Services Guide on the preceding two pages. All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable. Opinions contained in this report represent those of the principals of RaaS Research Group at the time of publication. RaaS Research Group provides this financial advice as an honest and reasonable opinion held at a point in time about an investment's risk profile and merit and the information is provided by the RaaS Research Group in good faith. The views of the adviser(s) do not necessarily reflect the views of the AFS Licensee. RaaS Research Group has no obligation to update the opinion unless RaaS Research Group is currently contracted to provide such an updated opinion. RaaS Research Group does not warrant the accuracy of any information it sources from others. All statements as to future matters are not guaranteed to be accurate and any statements as to past performance do not represent future performance.

Assessment of risk can be subjective. Portfolios of equity investments need to be well diversified and the risk appropriate for the investor. Equity investments in listed or unlisted companies yet to achieve a profit or with an equity value less than $50 million should collectively be a small component of a balanced portfolio, with smaller individual investment sizes than otherwise.

The science of climate change is common knowledge and its impacts may damage the global economy. Mitigating climate change may also disrupt the global economy. Investors need to make their own assessments and we disclaim any liability for the impact of either climate change or mitigating strategies on any investment we recommend.

Investors are responsible for their own investment decisions, unless a contract stipulates otherwise. RaaS Research Group does not stand behind the capital value or performance of any investment. Subject to any terms implied by law and which cannot be excluded, RaaS Research Group shall not be liable for any errors, omissions, defects or misrepresentations in the information (including by reasons of negligence, negligent misstatement or otherwise) or for any loss or damage (whether direct or indirect) suffered by persons who use or rely on the information. If any law prohibits the exclusion of such liability, RaaS Research Group limits its liability to the re-supply of the Information, provided that such limitation is permitted by law and is fair and reasonable.