ReadCloud Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	ReadCloud Limited
ABN:	44 136 815 891
Reporting period:	For the half-year ended 31 March 2026
Previous period:	For the half-year ended 31 March 2025

2. Results for announcement to the market

				$
Revenues from ordinary activities	Up	6%	To	8,521,583
Underlying EBITDA* from continuing operations	Up	5%	To	2,094,859
Profit / (loss) after income tax expense/(benefit) for the half-year from continuing operations	Down	0%	To	1,557,246
(Loss) after income tax expense/(benefit) for the half-year from discontinuing operations	Up	575%		(1,609,136)
Profit/(Loss) from ordinary activities after tax attributable to members	Down	104%		(51,890)
Net Profit/(Loss) for the half-year attributable to members	Down	104%		(51,890)

Dividends

No dividends were recommended, declared or paid during the current financial period.

Comments

Profit after tax for the Group from continuing operations was $1,557,246 (pcp $1,558,519).

Underlying earnings before interest, taxation, depreciation and amortisation and other costs non-underlying in nature ('Underlying EBITDA') from continuing operations was $2,094,859 (pcp $2,003,374).

Southern Solutions Training Services ("Southern Solutions") has been classified as a discontinuing operation in the financial statements.

Southern Solutions is a Registered Training Organisation ("RTO") that delivered nationally accredited vocational training to industry. Southern Solutions does not service ReadCloud's core schools customer segment. Unlike ReadCloud's school facing businesses, Southern Solutions' revenue ebbs and flows with the vagaries of State and Federal government policies and funding initiatives.

A decision has been made to wind down Southern Solutions and exit the industry training sector, enabling ReadCloud to direct its resources and capital towards the stronger growth and higher margin schools market and to school related growth priorities. The exit will (post exit costs) drive an immediate improvement in group financial performance. Southern Solutions' 1H26 Underlying EBITDA (before goodwill impairment) was a loss of $338,438 (pcp $206,298 loss). The decision is further detailed in Note 4 to the financial statements.

Further details on the results are set out in the Review of Operations in the Directors' Report.

For personal use only

* EBITDA and Underlying EBITDA are non-statutory financial measures which are not prescribed by Australian Accounting Standards (AAS). They represent the profit under AAS adjusted for Interest, Tax, Depreciation and Amortisation and certain other specified items. The Directors consider that EBITDA and underlying EBITDA reflect core earnings of the entity consistent with internal reporting.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	1.27	1.21

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

For personal use only

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Half Year Report.

---

11. Attachments

Details of attachments (if any):

The Half Year Report of ReadCloud Limited for the half-year ended 31 March 2026 is attached.

---

12. Signed



Signed _____ Date: 28 May 2026

Cristiano Nicolli
Chairman

For personal use only

ReadCloud Limited

ABN 44 136 815 891

Half Year Report - 31 March 2026

For personal use only

ReadCloud Limited
Contents
31 March 2026

Corporate directory	2
Directors' report	3
Auditor's independence declaration	10
Consolidated statement of profit or loss and other comprehensive income	11
Consolidated statement of financial position	13
Consolidated statement of changes in equity	14
Consolidated statement of cash flows	15
Notes to the consolidated financial statements	16
Directors' declaration	27
Independent review report to the members of ReadCloud Limited	28

For personal use only

ReadCloud Limited
Corporate Directory
31 March 2026

Directors	Mr Cristiano Nicolli (Non-Executive Chairman) Mr Jonathan Isaacs (Non-Executive Director) Mr Lars Lindstrom (Non-Executive Director) Mr Paul Collins (Non-Executive Director)
Company secretary	Mr Luke Murphy
Registered office	Level 1, 126 Church Street Brighton VIC 3186 Phone: +61 3 9078 4833
Principal place of business	Level 1, 126 Church Street Brighton VIC 3186 Phone: +61 3 9078 4833
Share register	Boardroom Limited Level 8, 210 George Street Sydney NSW 2000 Phone: 1300 737 760; +61 2 9290 9600
Auditor	PKF Melbourne Audit & Assurance Pty Ltd Level 15, 500 Bourke Street Melbourne VIC 3000 Phone: +61 9679 2361
Stock exchange listing	ReadCloud Limited shares and options are listed on the Australian Securities Exchange (ASX code: RCL)
Website	www.readcloud.com

For personal use only

For personal use only

The Directors present their report, together with the financial statements, on the consolidated entity (referred to as 'ReadCloud' or the 'Group') consisting of ReadCloud Limited (referred to as the 'Company' or 'parent entity') and the entities it controlled during and at the end of the half-year ended 31 March 2026.

Directors

The following people were Directors of ReadCloud Limited during the whole of the financial half-year and up to the date of this report:

Mr Cristiano Nicolli	-	Non-Executive Chairman
Mr Jonathan Isaacs	-	Non-Executive Director
Mr Lars Lindstrom	-	Non-Executive Director
Mr Paul Collins	-	Non-Executive Director

Principal activities

The principal activities of the Group in 1H26 were:

- the provision of ebook Solutions to domestic and international schools
- the provision of Vocational Education and Training courses to Australian schools ("VET-in-Schools")
- the delivery of nationally accredited vocational training to industry ("industry training", a discontinuing operation).

Review of operations

Highlights for 1H26 include:

- 15% growth in core VET-in-schools partnering revenue to $4.1m
- 6% growth in consolidated Sales & Fee Revenue from continuing operations to $8.5m
- $2.1m net cash generated from operating activities, up 10% on pcp (1H25: $1.9m) and a record, even with the negative contribution from discontinuing operations
- $3.7m cash at 31 March 2026 and debt-free
- 61 new schools have joined ReadCloud for 2026
- Continuing strong customer retention (VET-in-schools 92%, direct eBook Solutions 89%)
- A record 775 courses are being run in ReadCloudVET schools, a 6% increase on 2025
- Gross margin maintained >90% in VET-in-schools
- Key customer metrics for VET-in-schools including courses per school are trending upwards
- Accelerating sales pipeline for 2027, with 12 new schools already signed
- Exit of industry training sector being implemented to focus capital and resources on higher growth businesses

VET-in-schools ("ReadCloudVET")

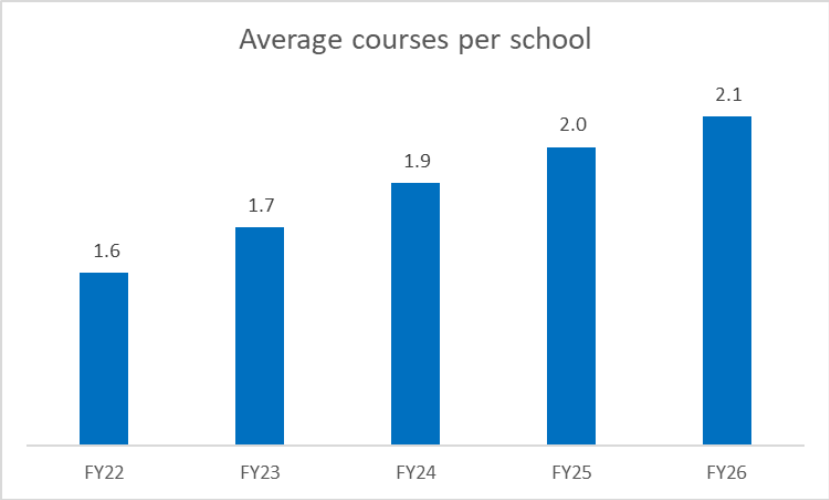
ReadCloudVET continued its strong growth trajectory during 1H26, with the number of partner schools, courses being delivered and student enrolments all increasing to new record highs in 2026. The performance reflects ongoing demand from secondary schools for high-quality VET-in-Schools pathways and further strengthens ReadCloudVET's emerging position as a leading provider in the sector.

ReadCloudVET achieved 11% growth in sales and fee revenue to $4.3m, including 15% growth in core Auspicing revenue to $4.1m. Gross margins remain above 90%, with the business continuing to benefit from the scalability of its operating model.

ReadCloudVET achieved a school retention rate above its 90% target in 2026 and secured 55 new schools for the 2026 school year. 385 Schools are contracted for VET partnering services nationally and a record 775 courses are

For personal use only

being delivered across these schools in 2026, representing a 6% increase on 2025. Average customer value from retained schools has increased, with continuing schools delivering an average of 2.1 courses per school in 2026 compared to 2.0 in 2025, extending a consistent multi-year growth trend that commenced in 2022. At the date of this report, student enrolments for 2026 exceed 16,000, representing another record outcome for the division with mid-year and rolling student enrolments still to come.



The sales pipeline for the 2027 school year is encouraging, with 20 prospective schools currently in advanced discussions and a further 39 schools in early-stage engagement. Ten new schools have already confirmed for a 2027 commencement, providing confidence in the upcoming selling season.

eBook Solutions

eBooks Solutions continued to deliver high-quality recurring revenue during the half-year, underpinned by its strong school relationships and differentiated digital learning platform. The 89% school retention rate reflects the mission-critical nature of the platform within schools.

Six new schools have been added for the 2026 school year to date (including a new school won post 31 March 2026) and revenue per school has continued to strengthen. Average revenue per school is on track to exceed $84,000 in FY26, representing growth of at least 18% compared to FY24's $71,000, demonstrating the opportunity to expand student cohorts and upsell additional digital titles within existing school customers. Average customer tenure has increased to 5.02 years from 4.77 years, supporting continued expansion in customer lifetime value and reinforcing the quality of the division's recurring revenue base.

The ReadCloud platform further strengthened its content offering during the half-year with the addition of two new digital publishers for the 2026 school year.

eBook Solutions is set to benefit from a more sophisticated and targeted marketing approach. A new website was launched in August 2025, followed by the implementation of enhanced SEO and organic content strategies in October 2025. These initiatives contributed to a 247% increase in organic search sessions and a 181% increase in overall website visitors. Attendance at school and education conferences has also become more targeted, with a stronger focus on high-value engagement opportunities. As a result, inbound sales activity is now occurring at a faster cadence than in previous sales cycles, supporting expectations of ongoing expansion in the customer base. There is ample runway to increase market share in Australia.

International business development activity also recommenced during the half-year, with schools in China, Central Asia and Southeast Asia currently at various stages of negotiation.

The reseller channel, which had declined to 10 schools and approximately 7% of eBooks revenue in FY25, has shown early but encouraging signs of recovery following a deliberate rebuild of reseller relationships and supporting technology over the past 12 months. School numbers within the channel have increased to 13 in 1H26 and, significantly, the largest school by student enrolments ever secured through the reseller channel has now been contracted for a 2027 commencement. Additional reseller-supported school opportunities are also progressing. Historically, the reseller channel contributed approximately 30% of eBooks revenue and remains strategically important as a scalable, lower-cost distribution channel that reduces reliance on direct sales capacity alone.

For personal use only

Management expects the combination of strong customer retention, increasing average customer value and an accelerating rate of new school acquisition to support strong and compounding annual recurring revenue growth in FY27 and beyond. Two new eBook Solutions schools have already confirmed for a 2027 commencement.

Industry Training (discontinuing operation)

Group subsidiary Southern Solutions Training Services ("Southern Solutions") is a Registered Training Organisation that delivers nationally accredited vocational training to industry. Southern Solutions does not service schools.

Operationally, Southern Solutions scores strongly against other training providers, particularly in terms of student outcomes. However, Southern Solutions is heavily impacted by State government policy and funding, the unpredictable nature of which has created significant revenue headwinds over the last 18 months. This has detracted from the strong results in ReadCloud's core school facing businesses.

The decision has been made to wind down Southern Solutions and exit the industry training sector, enabling the Group to direct its full resources and capital towards its core school education market. Southern Solutions has responsibilities to fulfil for its remaining students and the wind-down of training activities is expected to be completed in 2H26, with no financial impact from this division on Group results expected beyond FY26.

Southern Solutions has been classified as a discontinuing operation in this financial report. For 1H26 Southern Solutions generated a loss of $1.6m after tax, which includes an impairment charge of $1.3m to the value of goodwill corresponding to the 2022 acquisition of Southern Solutions.

Financial performance

Cash flows continue to strengthen, with cash receipts from school customers up 22% to $7.0m in 1H26 and Operating Cash Flow from the school businesses up 18% to $2.5m in 1H26 (with that calculation including 100% of cash outflows from shared services and corporate costs without any apportionment for Southern Solutions / Industry Training). The Company does not anticipate any need to raise capital to fund its operations.

The Group delivered a 5% increase in 1H26 Underlying EBITDA* from continuing operations to $2.09m. The 1H26 statutory profit after tax from continuing operations was $1.57m (1H25: $1.56m). In FY26 some advisory and technology consulting costs have been weighted towards the first half.

The Group's Industry Training business (trading as Southern Solutions – Training Services) is being wound down and its financial contribution classified as a discontinuing operation. The 1H26 statutory result from discontinuing operations was a loss of $1.62m (1H25: $0.24m) which incorporates an impairment of intangible assets of $1.26m. This is detailed in Note 4 to the financial statements.

Underlying EBITDA* is reconciled to the statutory profit as detailed below. This reconciliation adds back the effect of certain non-operating and non-recurring items which would not ordinarily relate to the Group's underlying performance.

For personal use only

		Consolidated	
		31 March 2026	31 March 2025 Restated
		$	$
Sales & fee revenue		8,521,583	8,068,887
Less direct costs		(3,802,175)	(3,672,534)
Gross Profit		4,719,408	4,396,353
Add: Other income		124,707	129,246
Less operating expenses:			
Advertising & marketing		(104,550)	(54,913)
Computer software		(65,443)	(64,605)
Employment expenses		(1,958,309)	(1,957,594)
Legal & compliance		(69,749)	(51,089)
Office expenses		(29,129)	(25,409)
Professional services expenses		(367,899)	(215,604)
Telephone, internet & data hosting		(50,792)	(45,748)
Travel expenses		(50,495)	(41,674)
Other expenses		(52,890)	(65,589)
		(2,749,256)	(2,522,225)
Underlying EBITDA* from continuing operations		**2,094,859**	**2,003,374**
Add:	Net interest revenue / (expense)	6,102	3,660
Less:	Depreciation and amortisation	(380,180)	(421,439)
	Restructuring Costs	(44,443)	-
	Share based payments	(119,092)	(27,076)
Statutory net profit after tax from continuing operations		**1,557,246**	**1,558,519**
(Loss) after income tax expense/(benefit) for the half-year from discontinuing operations		(1,609,136)	(238,322)
Profit / (loss) after income tax from for the half-year		**(51,890)**	**1,320,197**

** EBITDA and underlying EBITDA are non-statutory financial measures which are not prescribed by Australian Accounting Standards (AAS). They represent the profit under AAS adjusted for Interest, Tax, Depreciation and Amortisation and certain other specified items including restructuring costs and share-based payments. The Directors consider that EBITDA and underlying EBITDA reflect core earnings of the entity consistent with internal reporting.*

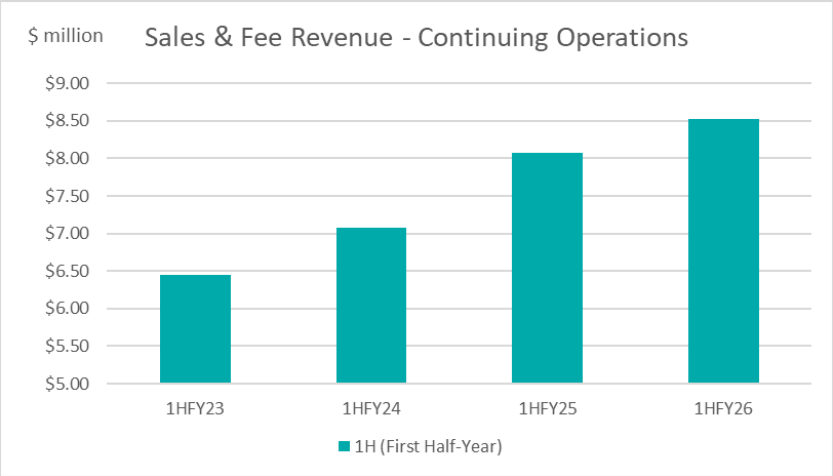
Material revenues and expenses included in the statutory net profit after tax for 1H26 are discussed below.

Revenue and gross margins – continuing operations

Revenue
Sales and fee revenue from continuing operations increased 5.6% to $8.5m in 1HFY26 (pcp $8.1m). Growth was primarily driven by the VET-in-Schools division, which delivered revenue growth of 11.1% to $4.3m, underpinned by continued expansion in auspicing fee revenue. Auspice fees, the division's core recurring revenue stream, increased 14.9% year-on-year to $4.1m, reflecting strong customer retention, 55 new school customers for 1HFY26 and an increase in average customer value of retained schools.

The eBook Solutions division delivered stable revenue performance, with sales and fee revenue increasing 0.6% to $4.3m. Domestic direct sales revenue remained resilient at $3.9m, while reseller channel revenue was broadly consistent with the prior period. The result reflects the high recurring nature of the Company's school customer base and continued customer retention across the eBooks platform.

Across the Group, the revenue mix continued to evolve toward higher-quality, recurring and contracted revenue streams, particularly within the VET-in-Schools division. While ancillary revenue streams such as TAE training fees moderated during the period, core recurring revenue streams continued to expand and provide a solid foundation for future growth.



Gross margins

Gross profit increased 7.3% to $4.7m in 1HFY26 (pcp $4.4m), with consolidated gross margin improving to 55.4% from 54.5% in the prior corresponding period. The improvement was driven primarily by the continued growth of the VET-in-Schools division, which operates at structurally higher gross margins than the eBook Solutions division.

The VET-in-Schools division generated gross profit of $4.0m, representing growth of 11% over pcp, while maintaining a gross margin of 93%. The division's strong margin profile reflects the scalable nature of its auspicing services and the operational leverage inherent in the business model.

Gross profit within the eBook Solutions division declined 7.2% to $0.8m, with gross margin reducing to 18.0% from 19.5% in the prior corresponding period. The reduction largely reflected changes in product mix and pricing dynamics during the period. Despite this, the division continued to generate strong recurring cash flows and maintained stable revenue performance.

Operating expenses – continuing operations

With the exception of targeted investments in growth initiatives and operational capability, reflected in higher advertising and marketing costs and professional services fees, 1H26 operating expenses remained relatively stable and broadly consistent with the prior corresponding period, reflecting continued cost discipline across the business.

As a result of continued revenue growth and disciplined cost management, underlying EBITDA from continuing operations increased 5% to $2.1m for the half year (pcp $2.0m).

Significant operating expenses are discussed below.

Advertising and marketing

Advertising and marketing expenditure increased during the period as the Group continued to invest in customer acquisition, market engagement and growth initiatives across its schools facing businesses.

For personal use only

For personal use only

Employment expenses

Employment expenses were consistent with the prior corresponding period at $2.0m (pcp $2.0m), demonstrating continued cost discipline.

Professional services expenses

Professional services expenses increased on account of cyber security consulting project costs, including non-recurring expenditure associated with penetration testing of the Company's technology platform, and expanded utilisation of outsourcing services to support operating efficiency initiatives.

Statutory net profit after tax from discontinuing operations

The loss after income tax benefit from discontinued operations for 1HFY26 was $1.6m (pcp: $0.2m loss), reflecting the planned wind down of the Southern Solutions business following the decision to cease commencing new students.

Sales and fee revenue for the Southern Solutions business declined 45% to $0.6m (pcp $1.1m), contributing to a 52% reduction in gross profit to $0.2m (pcp: $0.5m). Operating expenses decreased 18% to $0.6m (pcp $0.7m), reflecting cost reduction initiatives implemented as part of the wind-down process, notwithstanding the inclusion of restructuring costs of $0.04m during the period.

The Group recognised a non-cash impairment charge of $1.3m against goodwill associated with Southern Solutions, reducing the carrying value of goodwill attributable to the business to nil.

The wind-down of Southern Solutions' training activities is expected to be completed in 2H26, with no financial impact from this division on Group results expected beyond FY26.

Outlook

The Company has secured its FY26 internal targets of 60 new schools which, combined with strong customer retention and 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 from continuing operations for the full year ending 30 September 2026.

eBook Solutions is expected to deliver single digit revenue growth in FY26, aside from which 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 from continuing operations in FY26

Further strengthening of revenue and earnings 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.

Significant changes in the state of affairs

Other than the commencement of the wind-down of industry training operations disclosed in the Review of Operations above, there were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

Since 31 March 2026, management has continued to progress with the wind-down of Southern Solutions, including cessation of student enrolments, finalisation of existing student assessments and review of operational requirements.

As announced to the ASX on 13 May 2026, the Company advised that Chief Executive Officer Andrew Skelton will conclude his role effective 31 May 2026, following three years of leadership during which the Company has been fundamentally transformed and positioned for its next phase of sustainable growth. Luke Murphy, currently Chief Financial Officer, has been appointed Interim Chief Executive Officer effective 1 June 2026.

No other matter or circumstance has arisen since 31 March 2026 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



Cristiano Nicolli
Chairman

28 May 2026

For personal use only

PKF Melbourne Audit & Assurance Pty Ltd
ABN 75 600 749 184
Level 15, 500 Bourke Street
Melbourne, Victoria 3000
T: +61 3 9679 2222
F: +61 3 9679 2288
info@pkf.com.au
pkf.com.au

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF READCLOUD LIMITED

In relation to our review of the financial report of ReadCloud Limited for the half-year ended 31 March 2026, I declare to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
(b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is made in respect of ReadCloud Limited and the entities it controlled during the financial period.

PKF
Melbourne, 28 May 2026

Kaitlynn Brady
Partner

For personal use only

PKF Melbourne Audit & Assurance Pty Ltd is a member of PKF Global, the network of member firms of PKF International Limited, each of which is a separately owned legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s). Liability limited by a scheme approved under Professional Standards Legislation.

ReadCloud Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 March 2026



For personal use only

	Note	Consolidated 31 March 2026 $	Consolidated 31 March 2025 Restated $
Revenue and other income			
Sales revenue	5	8,521,583	8,068,887
Other income	5	136,218	135,120
Total revenue and other income		8,657,801	8,204,007
Expenses			
Advertising & marketing		104,550	54,913
Computer software		65,443	64,605
Depreciation and amortisation		380,180	421,439
Employment expenses		2,002,751	1,957,594
Legal & compliance		69,749	51,089
Office expenses		29,129	25,409
Professional services expenses		367,899	215,604
Publisher and bookseller fees expense		3,712,215	3,607,044
Share based payments		119,092	27,076
Telephone, internet & data hosting		50,792	45,748
Trainer costs		89,960	65,491
Travel expenses		50,495	41,674
Other expenses		52,890	65,589
Finance costs		5,410	2,213
Profit before income tax expense/(benefit)		**1,557,246**	**1,558,519**
Income tax expense/(benefit)		-	-
Profit after income tax expense/(benefit) for the half-year from continuing operations		**1,557,246**	**1,558,519**
(Loss) after income tax expense/(benefit) for the half-year from discontinuing operations		**(1,609,136)**	**(238,322)**
Profit/(loss) after income tax expense/(benefit) for the half-year attributable to the owners of ReadCloud Limited		**(51,890)**	**1,320,197**
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income / (loss) for the year attributable to the owners of ReadCloud Limited		**(51,890)**	**1,320,197**

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

		31 March 2026	31 March 2025
Earnings Per Share:		**Cents**	**Cents**
Basic earnings per share from continuing operations	13	1.02	1.05
Basic earnings / (loss) per share from discontinuing operations	13	(1.05)	(0.16)
Diluted earnings per share from continuing operations	13	1.02	1.05
Diluted earnings / (loss) per share from discontinuing operations	13	(1.05)	(0.16)

For personal use only

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

ReadCloud Limited
Consolidated statement of financial position
As at 31 March 2026

For personal use only

	Note	Consolidated 31 March 2026 $	Consolidated 30 September 2025 $
Assets			
Current assets			
Cash and cash equivalents		3,732,498	1,919,780
Trade and other receivables	6	3,736,493	801,995
Prepayments		166,841	147,605
Total current assets		7,635,832	2,869,380
Non-current assets			
Non-current deposits		36,300	36,300
Property, plant & equipment		36,200	40,173
Intangible assets	7	7,054,189	8,422,222
Right-of-use assets	8	147,066	214,943
Total non-current assets		7,273,755	8,713,638
Total assets		14,909,587	11,583,018
Liabilities			
Current liabilities			
Trade and other payables	9	3,235,414	1,065,906
Provision for employee entitlements	10	345,548	383,217
Contract liabilities	11	1,886,388	692,829
Lease liabilities	8	143,514	138,169
Total current liabilities		5,610,864	2,280,121
Non-current liabilities			
Provision for employee entitlements	10	125,876	122,020
Lease liabilities	8	22,323	95,071
Deferred tax liability		-	2,484
Total non-current liabilities		148,199	219,575
Total liabilities		5,759,063	2,499,696
Net assets		9,150,524	9,083,322
Equity			
Contributed equity	12	20,470,899	20,470,899
Reserves		501,308	382,216
Accumulated losses		(11,821,683)	(11,769,793)
Total equity		9,150,524	9,083,322

The above statement of financial position should be read in conjunction with the accompanying notes.

ReadCloud Limited
Consolidated statement of changes in equity
For the half-year ended 31 March 2026



Consolidated	Issued capital $	Share-based payment reserve $	Accumulated losses $	Total equity $
Balance at 1 October 2024	19,754,944	424,468	(11,399,034)	8,780,378
Profit after income tax expense/(benefit) for the half-year			1,320,197	1,320,197
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	1,320,197	1,320,197
Transactions with Owners in their capacity as Owners:				
Exercise of RCLAU listed options (net of transaction costs)	485,296	-	-	485,296
Share-based payments	-	27,076	-	27,076
Balance at 31 March 2025	20,240,240	451,544	(10,078,837)	10,612,947

Consolidated	Issued capital $	Share-based payment reserve $	Accumulated losses $	Total equity $
Balance at 1 October 2025	20,470,899	382,216	(11,769,793)	9,083,322
Profit after income tax expense/(benefit) for the half-year	-	-	(51,890)	(51,890)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(51,890)	(51,890)
Transactions with Owners in their capacity as Owners:				
Share-based payments	-	119,092	-	119,092
Balance at 31 March 2026	20,470,899	501,308	(11,821,683)	9,150,524

The above statement of changes in equity should be read in conjunction with the accompanying notes.

For personal use only

ReadCloud Limited
Consolidated statement of cash flows
For the half-year ended 31 March 2026

For personal use only

	Note	Consolidated 31 March 2026 $	Consolidated 31 March 2025 $
Cash flows from operating activities			
Receipts from customers		7,313,299	6,863,145
Payments to suppliers and employees		(5,488,941)	(5,287,479)
Research and development tax incentive refund		263,141	331,689
Interest income		11,511	7,096
Net cash received from operating activities		2,099,010	1,914,451
Cash flows from investing activities			
Payments for property, plant and equipment		(5,992)	(16,044)
Payments for software development	7	(207,487)	(204,955)
Net cash used in investing activities		(213,479)	(220,999)
Cash flows from financing activities			
Repayment of lease liabilities	8	(67,403)	(68,881)
Interest paid on lease liabilities and borrowings	8	(5,410)	(2,505)
Proceeds from issue of shares		-	496,629
Share issue transaction costs		-	(11,333)
Net cash generated from / (used in) financing activities		(72,813)	413,910
Cash and cash equivalents at the beginning of the financial half-year		1,919,780	1,431,178
Cash and cash equivalents at the end of the financial half-year		3,732,498	3,538,540

The above statement of cash flows should be read in conjunction with the accompanying notes.

For personal use only

Note 1. Basis of preparation and significant accounting policies

The financial statements cover ReadCloud Limited as a consolidated entity ('the Group') consisting of ReadCloud Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency. ReadCloud Limited is a listed public company limited by shares, incorporated and domiciled in Australia.

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 May 2026.

These general-purpose financial statements for the half-year reporting period ended 31 March 2026 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 September 2025 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The material accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. This has not resulted in any material impacts to the financial statements.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. These are not anticipated to result in any material impacts to the reported financial position or performance.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. The key judgements and estimates used by Management in applying the Group's policies for the period have been updated to reflect the latest information available. Those judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

Capitalised software development costs
The Group capitalises software development costs associated with the ReadCloud platform, based on management's judgement that technological and economic feasibility is confirmed. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project and the expected period of benefits.

Impairment of non-financial assets
The Group tests goodwill annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Other non-financial assets are assessed at each reporting date by evaluating conditions specific to the Group and to the particular asset that may indicate an impairment trigger. Resultant testing requires the recoverable amount of the asset or cash-generating unit, as relevant, to be determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

For personal use only

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Income tax
Judgement is required in determining amounts impacting the provision for income tax, such as in relation to entitlements to access R&D offset as of the interim reporting date. Liabilities are determined on the Group's current understanding of the tax law.

Share-based payments
The grant date fair value of share-based payments is recognised as an expense with a corresponding increase in equity, over the period that the recipients unconditionally become entitled to the awards. The Group follows the guidelines of AASB 2 Share-based payment and takes into account all performance conditions in estimating the probability and expected timing of achieving these performance conditions. Accordingly, the expense recognized over the vesting period may vary based upon information available and estimates made at each reporting period, until the expiry of the vesting period.

Estimation of useful lives of assets
The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Note 3. Operating segments

Segment information is based on the information that management uses to make decisions about operating matters and allows users to review operations through the eyes of management. Operating segments represent the information reported to the chief operating decision makers (CODM), being the executive management team, for the purposes of resource allocation and assessment of segment performance. The Group's reportable segments under AASB 8 comprise:

Continuing operations:

- the provision of ebook Solutions to domestic and international schools ("eBook solutions segment"); and
- the provision of Vocational Education and Training courses to Australian schools ("VET-in-schools segment").

Discontinuing operations:

- the delivery of nationally accredited vocational training to industry ("Industry Training").

Previously, Industry Training was reported as part of a broader VET Cash Generating Unit, grouped with the VET-in-schools division on the basis of centralisation of key functions and consolidation of learning platforms. Following the decision to withdraw from the industry training sector integration initiatives have ceased. The cash flows generated by Southern Solutions are entirely independent of the cash flows generated by the VET-in-schools division and management has determined that Industry Training should be reassessed as a distinct stand-alone CGU and classified as a discontinuing operation.

The Consolidated Statement of Profit or Loss and Other Comprehensive Income and prior period segment reporting information in this note have been restated to align with the requirements of AASB5 as Southern Solutions has met the criteria of a discontinuing operation.

Cyclical nature of the Group's continuing operations

Each segment has a different revenue profile. For the eBook solutions segment revenue from eBook sales is recognised at the time of eBook purchases by schools, with the majority of eBook sales occurring in the months of December through February (just prior to and immediately following the commencement of the Australian school year).

For personal use only

Note 3. Operating segments (continued)

For the VET-in-schools segment, the Group receives auspicing fees for the provision of services to secondary schools that enables these schools to offer their students nationally accredited VET courses under the auspices of one of the Group's Registered Training Organisation ("RTO") licences. Revenue is earned in line with the provision of services provided.

The trade receivables and payables profiles are impacted by the cyclical nature of the Group's business, when viewed from the half-year and year-end perspectives.

Consistent with information presented for internal management reporting purposes, segment performance is measured by underlying EBITDA contribution, where underlying EBITDA (a non-statutory financial measure not prescribed by Australian Accounting Standards – "AAS") represents the profit under AAS adjusted for Interest, Tax, Depreciation and Amortisation and certain other specified items including restructuring costs and share-based payments.

Consolidated – 31 March 2025 (restated)

	eBook Solutions	VET-in-schools segment	Unallocated public company costs	Total
	$	$	$	$
Sales to external customers	4,226,626	3,842,260	-	8,068,886
Other revenue	135,119	-	-	135,119
Total revenue	4,361,745	3,842,260	-	8,204,005
Underlying EBITDA from continuing operations	188,292	2,043,139	(228,057)	2,003,374
Depreciation and amortisation	(382,777)	(38,662)	-	(421,439)
Share based payments	(12,700)	(14,376)	-	(27,076)
Net interest revenue / (expense)	3,660	-	-	3,660
Income tax benefit /(expense)	-	-	-	-
Reported (statutory) net profit after tax from continuing operations	(203,525)	1,990,101	(228,057)	1,558,519
Loss after income tax benefit from discontinuing operations				(238,322)
Profit after income tax expense/(benefit) for the half-year attributable to the owners of ReadCloud Limited				1,320,197

30 September 2025	eBook Solutions	VET-in-schools segment	Discontinuing Operations	Total
Total segment assets	4,567,860	5,676,026	1,339,132	11,583,018
Total segment liabilities	(1,747,936)	(596,929)	(154,831)	(2,499,696)

For personal use only

Note 3. Operating segments (continued)

Consolidated – 31 March 2026

	eBook Solutions	VET-in-schools segment	Unallocated public company costs	Total
	$	$	$	$
Sales to external customers	4,253,345	4,268,238	-	8,521,583
Other income	136,218	-	-	136,218
Total revenue	4,389,563	$4,268,238	-	8,657,801
Underlying EBITDA from continuing operations	292,630	2,084,154	(281,924)	2,094,860
Depreciation and amortisation	(369,043)	(11,137)	-	(380,180)
Share based payments	(57,475)	(61,617)	-	(119,092)
Restructuring costs	(44,443)	-	-	(44,443)
Net interest revenue / (expense)	6,101	-	-	6,101
Reported (statutory) net profit after tax from continuing operations	(172,230)	2,011,400	(281,924)	1,557,246
Loss before impairment and after income tax benefit from discontinuing operations				(348,404)
Impairment of non-current assets associated with discontinuing operations				(1,260,732)
Loss after income tax expense/(benefit) for the half-year attributable to the owners of ReadCloud Limited				(51,890)

	eBook Solutions	VET-in-schools segment	Discontinuing Operations	Total
Total segment assets	5,934,309	8,636,094	339,184	14,909,587
Total segment liabilities	(3,215,946)	(2,369,787)	(173,330)	(5,759,063)

For personal use only

Note 4. Discontinuing operations

Group subsidiary Southern Solutions Training Services ("Southern Solutions") is a Registered Training Organisation that delivers nationally accredited vocational training to industry. Southern Solutions is heavily impacted by State government policy and funding, the unpredictable nature of which has created significant revenue headwinds over the last 18 months. As a result, the decision has been made to wind down Southern Solutions and exit the industry training sector, enabling the Group to direct its full resources and capital towards its core school education market. Southern Solutions is classified as a discontinuing operation.

As Southern Solutions has met the criteria of a discontinuing operation, the prior period comparative information in the Consolidated Statement of Profit or Loss and Other Comprehensive Income has been restated to align with the requirements of AASB 5 Non-current Assets Held for Sale and Discontinued Operations. At the date of this report, the Directors do not anticipate any claims or repayment of funding payable in relation to the wind-up of the discontinuing operations.

Financial Performance Information	**Consolidated**	
	31 March 2026 $	**31 March 2025 $**
Revenue		
Sales revenue	601,095	1,086,844
Other income	-	742
Total revenue and other income	601,095	1,087,586
Expenses		
Advertising and marketing	(1,088)	(18,096)
Computer software	(19,684)	(20,747)
Depreciation and amortisation expense	(12,450)	(32,024)
Employment expenses	(512,546)	(579,575)
Impairment of goodwill	(1,260,732)	-
Legal & compliance	(14,219)	(5,370)
Office expenses	(839)	(640)
Professional services expenses	(6,860)	(53,725)
Publisher and bookseller fees expense	(14,697)	(25,903)
Share-based payments	-	-
Telephone, internet & data hosting	(977)	(1,520)
Training costs	(329,528)	(514,874)
Travel expenses	(1,604)	(10,668)
Other expenses	(37,491)	(62,766)
Loss before income tax benefit	(1,611,620)	(238,322)
Income tax expense benefit	2,484	-
Other comprehensive income	-	-
Total comprehensive loss from discontinuing operations	(1,609,136)	(238,322)
Cash flow information		
Net cash used in operating activities	(418,291)	(210,850)
Net cash used in investing activities	(1,338)	(7,739)
Net cash used in financing activities	-	-

For personal use only

Note 5. Revenue and other income

	Consolidated	
	31 March 2026 $	31 March 2025 $
Sales revenue		
eBook sales	4,047,949	3,981,345
Licence fees	213,347	254,236
Auspicing fees	4,096,857	3,566,000
Training fees	109,822	201,814
Sales & fees - other	53,608	65,492
	8,521,583	8,068,887
Other income		
Government grants – R&D tax incentive	124,707	129,246
Interest revenue calculated using the effective interest method	11,511	5,874
	136,218	135,120
Total Revenue and Other income	8,657,801	8,204,007
The Group's total sales revenue is recognised according to the following timing:		
Goods transferred at a point in time	4,101,557	4,046,838
Services transferred over time	4,420,026	4,022,049
	8,521,583	8,068,887

Note 6. Current assets - trade and other receivables

	Consolidated	
	31 March 2026 $	30 September 2025 $
Trade receivables	2,081,118	551,606
Less provision for doubtful debts	(10,770)	-
	2,070,348	551,606
Accrued revenue	1,554,190	-
R&D tax incentive receivable	111,955	250,389
	3,736,493	801,995

For personal use only

Note 7. Non-current assets – intangible assets

	Consolidated	
	31 March 2026 $	30 September 2025 $
Goodwill	8,449,045	8,449,045
Less: Impairment	(3,048,492)	(1,787,760)
	5,400,553	6,661,285
Software – at cost	6,575,753	6,368,266
Less: Accumulated amortisation	(4,947,621)	(4,653,665)
	1,628,132	1,714,601
Registered Training Organisation Licence	200,000	200,000
Less: Accumulated amortisation	(200,000)	(194,231)
	-	5,769
Intellectual property in Vocational Education & Training course materials	813,844	813,844
Less: Accumulated amortisation	(788,340)	(773,277)
	25,504	40,567
Total	7,054,189	8,422,222

Reconciliation

Consolidated	Software at cost $	Goodwill $	Registered Training Organisation licence $	Intellectual property in course materials $	Total $
Balance at 1 October 2025	1,714,601	6,661,285	5,769	40,567	8,422,222
Additions	207,487	-	-	-	207,487
Amortisation expense	(293,956)	-	(5,769)	(15,063)	(314,788)
Impairment of goodwill	-	(1,260,732)	-	-	(1,260,732)
Balance at 31 March 2026	1,628,132	5,400,553	-	25,504	7,054,189

Impairment of Goodwill

On the basis of the decision to wind down Southern Solutions and exit the industry training sector, the Directors have determined that the goodwill associated with Southern Solutions is no longer recoverable. Accordingly, an impairment charge of $1,260,732 has been recognised, reducing the carrying value of goodwill attributable to Southern Solutions to nil.

Post impairment, the carrying value of the Group's goodwill is $5,400,553 relating to the VET-in-schools segment.

For personal use only

Note 8. Leases

A. Cash flows

	Consolidated 31 March 2026 $	Consolidated 31 March 2025 $
Total cash outflow for leases	72,813	71,386

B. Right-of-use assets

	Consolidated 31 March 2026 $	Consolidated 30 September 2025 $
Right-of-use assets – at cost	631,468	631,468
Less: Accumulated depreciation	(484,402)	(416,525)
	147,066	214,943

Reconciliation

Opening balance	214,943
Depreciation charge	(67,877)
Balance at end of financial period	147,066

C. Lease liabilities

	Consolidated 31 March 2026 $	Consolidated 30 September 2025 $
Current	143,514	138,169
Non-current	22,323	95,071
Balance at end of financial period	165,837	233,240

Additional information

As at 31 March 2026 the Company had only one property lease in place, being for its Head Office located at Level 1, 126 Church Street Brighton VIC 3186. For the purpose of calculating unavoidable future lease payments only the current term of this property lease has been considered on the basis that there is no installed critical infrastructure at this location and therefore the property is viewed as readily replaceable.

Weighted average lease term
The average unavoidable property lease term, weighted by the outstanding lease liability as 31 March 2026 is 1.08 years (30 September 2025: 1.58 years).

For personal use only

Note 9. Current liabilities - trade and other payables

	Consolidated	
	31 March 2026 $	30 September 2025 $
Trade payables	2,078,947	339,851
Accrued expenses	896,620	546,481
GST payable / (receivable)	65,356	(26,093)
Other payables	194,491	205,667
	3,235,414	1,065,906

Note 10. Provision for employee entitlements

	Consolidated	
	31 March 2026 $	30 September 2025 $
Annual leave (current)	215,333	257,654
Long service leave (current)	130,215	125,563
	345,548	383,217
Long service leave (non-current)	125,876	122,020

Note 11. Current liabilities – Contract liabilities

	Consolidated	
	31 March 2026 $	30 September 2025 $
Unearned revenue - software	6,435	18,485
Unearned revenue - distribution agreement	-	100,000
Unearned revenue – auspicing fees	1,879,953	574,344
	1,886,388	692,829

For personal use only

Note 12. Equity - contributed equity

	Consolidated			
	31 March 2026 Shares	30 September 2025 Shares	31 March 2026 $	30 September 2025 $
Ordinary shares - fully paid	153,619,763	153,619,763	20,470,899	20,470,899

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	30 September 2025	153,619,763		20,470,899
Movements		-		-
Balance	31 March 2026	153,619,763		20,470,899

Share buy-back
There is no current on-market share buy-back.

For personal use only

Note 13. Earnings per share

	Consolidated 31 March 2026	Consolidated 31 March 2025
	$	$
Profit/(loss) after income tax expense/(benefit) for the half-year from continuing operations	1,557,246	1,558,519
(Loss) after income tax expense/(benefit) for the half-year from discontinuing operations	(1,609,136)	(238,322)
Profit/(Loss) after income tax attributable to the Owners of ReadCloud Limited	(51,890)	1,320,197
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	153,619,763	148,134,971
Weighted average number of ordinary shares used in calculating diluted earnings per share	153,619,763	148,134,971
	Cents	Cents
Basic earnings per share from continuing operations	1.02	0.89
Basic earnings / (loss) per share from discontinuing operations	(1.05)	(0.16)
Diluted earnings per share from continuing operations	1.02	1.05
Diluted earnings / (loss) per share from discontinuing operations	(1.05)	(0.16)

Note 14. Events after the reporting period

Since 31 March 2026, management has continued to progress with the wind-down of Southern Solutions, including cessation of student enrolments, finalisation of existing student assessments and review of operational requirements.

As announced to the ASX on 13 May 2026, the Company advised that Chief Executive Officer Andrew Skelton will conclude his role effective 31 May 2026, following three years of leadership during which the Company has been fundamentally transformed and positioned for its next phase of sustainable growth. Luke Murphy, currently Chief Financial Officer, has been appointed Interim Chief Executive Officer effective 1 June 2026.

No other matter or circumstance has arisen since 31 March 2026 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 March 2026 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Cristiano Nicolli
Chairman

28 May 2026

For personal use only

PKF Melbourne Audit & Assurance Pty Ltd
ABN 75 600 749 184
Level 15, 500 Bourke Street
Melbourne, Victoria 3000
T: +61 3 9679 2222
F: +61 3 9679 2288
info@pkf.com.au
pkf.com.au

For personal use only

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF READCLOUD LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of ReadCloud Limited (the 'Company') and its subsidiaries (collectively the 'Group'), which comprises the consolidated statement of financial position as at 31 March 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the accompanying half-year financial report of ReadCloud Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Group's financial position as at 31 March 2026 and of its performance for the half-year ended on that date; and
(b) complying with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the Auditor's responsibilities for the review of the half-year financial report section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our review of the half-year financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the Directors for the half-year financial report

The Directors' of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 March 2026 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



PKF
Melbourne, 28 May 2026



Kaitlynn Brady
Partner

PKF Melbourne Audit & Assurance Pty Ltd is a member of PKF Global, the network of member firms of PKF International Limited, each of which is a separately owned legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s). Liability limited by a scheme approved under Professional Standards Legislation.