

1. Company details

Name of entity:	ReadyTech Holdings Limited
ABN:	25 632 137 216
Reporting period:	For the half-year ended 31 December 2025
Previous period:	For the half-year ended 31 December 2024

2. Results for announcement to the market

			\$000
Revenues from ordinary activities	up	5.6% to	61,621
Loss from ordinary activities after tax attributable to the owners of ReadyTech Holdings Limited	down	92.8% to	(1,352)
Loss for the half-year attributable to the owners of ReadyTech Holdings Limited	down	92.8% to	(1,352)

Dividends

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

Comments

The loss for the Group after providing for income tax amounted to \$1,352,000 (31 December 2024: \$18,718,000).

Refer to the 'Review of operations' in the Directors' report for further commentary and analysis on the results.

3. Net tangible assets

	31 Dec 2025 Cents	31 Dec 2024 Cents
Net tangible assets per ordinary security	<u>(45.75)</u>	<u>(49.10)</u>

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.

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 Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report of ReadyTech Holdings Limited for the half-year ended 31 December 2025 is attached.

12. Signed

As authorised by the Board of Directors

Signed 

Tony Faure
Chair
Sydney

Date: 26 February 2026

ReadyTech Holdings Limited

ABN 25 632 137 216

Interim Report - 31 December 2025

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The Directors present their report, together with the financial statements, on the consolidated entity ('Group' or 'ReadyTech') consisting of ReadyTech Holdings Limited ('Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2025 ('1H FY26').

Directors

The following persons were Directors of ReadyTech Holdings Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Tony Faure - Chair and Independent Non-Executive Director
Marc Washbourne - Chief Executive Officer
Timothy Ebbeck - Independent Non-Executive Director
Helen Lea - Independent Non-Executive Director
Mark Summerhayes - Non-Executive Director

Principal activities

During the financial half-year, the principal continuing activities of the Group consisted of:

- Education and Work Pathways - provider of education, apprenticeship and employment services technology powering better outcomes for students, learners and job seekers;
- Workforce Solutions - provider of integrated payroll, rostering, HR and recruitment for the workforce; and
- Government and Justice - provider of technology solutions for local and state government and justice agencies.

Dividends

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

Review of operations

The loss for the Group after providing for income tax amounted to \$1,352,000 (31 December 2024: \$18,718,000).

Commenting on the 1H FY26 result, ReadyTech Co-Founder and CEO, Marc Washbourne said:

"1H FY26 reflected both solid momentum and the realities of a transitioning portfolio, with enterprise flagship revenue expansion offset by headwinds in more mature segments. Strong new contracting activity, including major wins with Skills Tasmania and the Workplace Injury Commission, and continued outperformance from Ready Workforce, demonstrate the strength of our core platforms. At the same time, challenging market conditions, elevated churn in managed payroll and SME Education, and the VETtrak cyber incident impacted performance and required focused remediation."

"Our refreshed strategy, under the banner Clearer, Faster, Stronger, supported by a growing backlog of opportunity across key markets, positions ReadyTech to lift execution velocity and drive stronger, more resilient growth through FY26 and beyond."

Flagship product growth progress enterprise strategy in 1H FY26

ReadyTech delivered total revenue of \$61.6 million in 1H FY26 (an increase of 5.6% on previous corresponding period), driven by growth in enterprise flagship products but moderated by churn in the mature portfolio. Subscription revenue rose 3.8% to \$51.8 million, with recurring revenue now accounting for 84% of total revenue, reinforcing the strength of the SaaS model.

The Education business is positioned for significant long term opportunities across Australia's TAFE and higher education markets.

Work Pathways continued to expand, supported by the major State Government VET win, the landmark Skills Tasmania contract. The transition to the Inclusive Employment Australia contract has strengthened market share, and the Employment Services pipeline remains robust, with meaningful growth opportunities expected in 2H.

Expenses increased 10% to \$44.1 million, reflecting ReadyTech's targeted investment in capabilities to support future revenue growth. ReadyTech continued its investment into flagship products, with 29.5% of revenue invested back into Research & Development.

Material business risks

The following is a summary of material business risks that could adversely affect our financial performance and growth potential in future years.

Disruption to, or failure of, technology systems and software, including security breaches

The Group and its customers are dependent on the effective performance, reliability and availability of the Group's technology platforms, communications systems, servers, the internet, hosting services and the on-premise and cloud-based environments in which it provides such software solutions.

There is a risk that the Group's systems and software may be adversely affected by damaged or faulty equipment misuse by staff or contractors, disruption, failure, service outages or data corruption that could occur as a result of computer viruses, "worms", malware, ransomware, internal or external misuse by websites, hacking or cyber-attacks, and other disruptions including natural disasters, power surges or outages, terrorist attacks, or other similar events.

There is also a risk that security and technical precaution measures taken by the Group and its third-party operators will not be sufficient to prevent unauthorised access to the Group's networks, systems and databases.

Operational or business delays, and damage to reputation, may result from any disruption or failure of the Group's information systems and product delivery platforms, which may be caused by events outside the Group's control. This could lead to claims against the Group by its customers, reduce the attractiveness of the Group's software and services to its clients, subject the Group to legal action and/or regulatory scrutiny and the potential termination of customer contracts.

Business growth and client retention

ReadyTech's business is dependent on its ability to retain a portion of its existing clients and attract new business. ReadyTech sells its products under various subscription and licence models, all of which are exposed to the risk of expiry, non-renewal, and pricing risks. ReadyTech may fail to retain sufficient existing customers or attract sufficient new business for a number of reasons, such as the failure to meet customer expectations, poor customer service, technology disruptions, pricing or competition.

ReadyTech may also be unable to, or experience delays in, converting pipeline customers into new customers, especially larger customers who generally have longer sales cycles and procurement and tender processes.

Talent retention and acquisition

The Group's success depends to some extent on its ability to attract and retain key personnel; specifically technology talent, implementation and customer success roles, payroll specialists and senior management with extensive experience in, and knowledge of, the education, government, justice and employment industries in which the Group operates.

The loss of key personnel may adversely affect the Group's ability to develop its products, or implement its business strategies and may adversely affect its future financial performance. This continues to be an elevated risk due to a tight labour market, wage inflation driven by an increased demand for this talent by acceleration of digital strategies, lack of migration and skills shortages.

Technology and software

Long term development of software can lead to dependency on dated technology that restricts maintainability, speed of development, security and The Group's competitiveness in the market. Rapid growth can incur technical debt in service of speed to market. As with all information technology and software products, there is a risk of technology obsolescence. New technology may be perceived by customers to have advantages over the Group's current products.

Adoption of regulatory changes

The Group's products are significantly influenced and affected by government policy and regulations which apply to the education, employment and government related entities industries in which the Group operates. There is a risk that the Group may fail to keep abreast of such policy and regulations and potential changes to the same, which may have an adverse impact on its business, operations and financial performance.

Any material new or altered law, regulation or policy which impacts the Group's products could require the Group to increase spending and employee resources on regulatory compliance and/or change its business practices, which would adversely affect the Group's operations and profitability. Further, there is a risk that customers may reduce their usage of the Group's products, or that the Group may fail to attract new customers, if the Group fails to offer solutions with appropriate coverage of compliance or regulatory requirements as sought by its customers.

Global regulators are tightening environmental regulations, including mandatory climate-related financial disclosures (such as AASB S2), sustainability reporting obligations, and potential carbon footprint restrictions. Failure to comply with these evolving regulations could expose the company to legal, financial, and reputational risks.

AASB S2 'Climate-related Disclosures' sets out specific climate related disclosures. It applies to entities required to prepare and lodge a financial report with ASIC under Chapter 2M and is effective for different entities based on certain criteria. This mandatory sustainability reporting is applicable for the Group for the first time for the year ending 30 June 2028.

Significant changes in the state of affairs

There were no other significant changes in the state of affairs of the Group during the financial half-year.

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2025 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.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

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



Tony Faure
Chair

26 February 2026
Sydney

26 February 2026

The Directors
ReadyTech Holdings Limited
Level 2
77 King Street
Sydney NSW 2000

Dear Directors

Auditor's Independence Declaration to ReadyTech Holdings Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the Directors of ReadyTech Holdings Limited.

As lead audit partner for the review of the financial report of ReadyTech Holdings Limited for the half-year ended 31 December 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Sandeep Chadha
Partner
Chartered Accountants

ReadyTech Holdings Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2025



		Consolidated	
	Note	31 Dec 2025	31 Dec 2024
		\$'000	\$'000
Revenue from contracts with customers	4	61,618	58,329
Interest revenue calculated using the effective interest method		3	8
Expenses			
Hosting and other direct costs		(4,051)	(3,823)
Employee benefits expense		(34,450)	(32,228)
Third party SaaS variable costs		(1,820)	(1,750)
Depreciation and amortisation expense		(15,572)	(11,203)
Impairment losses of intangible and other assets		-	(20,539)
Advertising and marketing expenses		(698)	(749)
Consultancy and professional expenses		(1,338)	(1,261)
Administration expenses		(553)	(366)
Communication and IT expenses		(1,917)	(1,420)
Occupancy costs		(494)	(421)
Other expenses		(1,013)	(810)
Finance costs		(1,839)	(1,554)
Loss before income tax benefit/(expense)		(2,124)	(17,787)
Income tax benefit/(expense)		772	(931)
Loss after income tax benefit/(expense) for the half-year attributable to the owners of ReadyTech Holdings Limited	12	(1,352)	(18,718)
Other comprehensive loss			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(1,378)	(142)
Other comprehensive loss for the half-year, net of tax		(1,378)	(142)
Total comprehensive loss for the half-year attributable to the owners of ReadyTech Holdings Limited		(2,730)	(18,860)
		Cents	Cents
Basic loss per share	17	(1.09)	(15.57)
Diluted loss per share	17	(1.09)	(15.57)

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

		Consolidated	
	Note	31 Dec 2025 \$'000	30 Jun 2025 \$'000
Assets			
Current assets			
Cash and cash equivalents		12,350	19,696
Trade and other receivables		14,461	11,094
Contract assets		6,616	3,663
Prepayments		3,169	3,186
Total current assets		36,596	37,639
Non-current assets			
Property, plant and equipment		1,637	1,979
Intangibles	5	195,937	201,305
Right-of-use assets	6	4,262	3,870
Contract costs		888	1,309
Deferred tax assets		6,978	4,274
Total non-current assets		209,702	212,737
Total assets		246,298	250,376
Liabilities			
Current liabilities			
Trade and other payables		8,495	10,050
Contract liabilities		25,908	23,540
Derivative financial liability		-	217
Lease liabilities		1,111	1,554
Income tax payable		898	947
Employee benefits		7,168	7,665
Contingent consideration	7	3,708	2,755
Total current liabilities		47,288	46,728
Non-current liabilities			
Contract liabilities		368	648
Borrowings	8	53,897	55,941
Provisions		685	667
Lease liabilities		3,734	2,983
Employee benefits		651	636
Contingent consideration	9	904	1,272
Total non-current liabilities		60,239	62,147
Total liabilities		107,527	108,875
Net assets		138,771	141,501
Equity			
Issued capital	10	221,877	221,877
Reserves	11	(83,517)	(82,139)
Retained profits	12	411	1,763
Total equity		138,771	141,501

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

ReadyTech Holdings Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2025



Consolidated	Issued capital \$'000	Reserves \$'000	Retained profits/ (accumulated losses) \$'000	Total equity \$'000
Balance at 1 July 2024	211,831	(78,526)	17,904	151,209
Loss after income tax expense for the half-year	-	-	(18,718)	(18,718)
Other comprehensive loss for the half-year, net of tax	-	(142)	-	(142)
Total comprehensive loss for the half-year	-	(142)	(18,718)	(18,860)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	4,143	-	-	4,143
Share-based payments	-	842	-	842
Exercise of performance rights	1,191	(1,191)	-	-
Balance at 31 December 2024	<u>217,165</u>	<u>(79,017)</u>	<u>(814)</u>	<u>137,334</u>

Consolidated	Issued capital \$'000	Reserves \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 July 2025	221,877	(82,139)	1,763	141,501
Loss after income tax benefit for the half-year	-	-	(1,352)	(1,352)
Other comprehensive loss for the half-year, net of tax	-	(1,378)	-	(1,378)
Total comprehensive loss for the half-year	-	(1,378)	(1,352)	(2,730)
Balance at 31 December 2025	<u>221,877</u>	<u>(83,517)</u>	<u>411</u>	<u>138,771</u>

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

		Consolidated	
	Note	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		63,131	65,910
Payments to suppliers and employees (inclusive of GST)		(53,764)	(52,811)
		9,367	13,099
Interest received		3	8
Interest and other finance costs paid		(1,750)	(1,413)
Income taxes paid		(2,259)	(1,218)
Net cash from operating activities		5,361	10,476
Cash flows from investing activities			
Payment for purchase of subsidiaries, net of cash acquired		-	(1,761)
Payments for contract costs		-	(180)
Payments for property, plant and equipment		(94)	(1,114)
Payments for intangibles	5	(9,512)	(8,768)
Payment of contingent consideration		(210)	(8,371)
Net cash used in investing activities		(9,816)	(20,194)
Cash flows from financing activities			
Repayment of lease liabilities		(848)	(837)
Repayment of loans		(2,044)	-
Net cash used in financing activities		(2,892)	(837)
Net decrease in cash and cash equivalents		(7,347)	(10,555)
Cash and cash equivalents at the beginning of the financial half-year		19,697	21,867
Cash and cash equivalents at the end of the financial half-year		12,350	11,312

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

Note 1. General information

The financial statements cover ReadyTech Holdings Limited as a Group consisting of ReadyTech Holdings Limited ('Company or 'parent entity') and the entities it controlled at the end of, or during, the period (collectively referred to in these financial statements as the 'Group'). The financial statements are presented in Australian dollars, which is ReadyTech Holdings Limited's functional and presentation currency.

ReadyTech Holdings Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 2, 77 King Street
Sydney
NSW 2000
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 26 February 2026.

Note 2. Material accounting policies

These half-year financial statements for the interim half-year reporting period ended 31 December 2025 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These half-year financial statements are condensed financial statements that 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 June 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 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.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial half-year ended 31 December 2025 and are not expected to have a significant impact for the full financial year ending 30 June 2026.

Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Deficiency of net current assets

The statement of financial position has a deficiency of net current assets of \$10,692,000 (30 June 2025: \$9,089,000) at the reporting date. The deficiency is mainly attributable to (i) contract liabilities of \$25,908,000 (30 June 2025: \$23,540,000) disclosed in current liabilities, which represents upfront payments received from customers on signed sales contracts which will not result in an outflow of cash within the next twelve months; (ii) an amount of \$7,168,000 for employee benefits (30 June 2025: \$7,665,000) is included in current liabilities, for which the majority of this liability is not expected to be settled in cash within the next twelve months.

The Directors are satisfied that the Group will be able to meet its working capital requirements through the normal cyclical nature of receipts and payments and budgeted cash flows generated from operations.

Comparatives

Comparatives have been realigned where necessary, to be consistent with current year presentation. There was no effect on profit, net assets, or equity.

Note 3. Operating segments

Identification of reportable operating segments

The Group is organised into three reportable operating segments: Education and Work Pathways, Workforce Solutions and Government and Justice. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors and Key Management Personnel (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The CODM reviews adjusted EBITDA (earnings before interest, tax, depreciation and amortisation adjusted for non-cash and significant items). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

Types of products and services

The principal products and services of each of these operating segments are as follows:

Education and Work Pathways	mainly provides products and services to tertiary education providers. Core products are its cloud-based student management systems ('SMS') and learning management systems ('LMS') for education and training providers to manage the student lifecycle from student enrolment to course completion. Ready Tech also provides platforms to help state governments manage vocational education and training ('VET') programs, software platforms for the pathways and back-to-work sector to manage apprentices and job seekers, and a competency assessment and skills profiling tools to track on-the-job training through a qualification.
Workforce Solutions	provides products and services to mid-sized company across various industries with payroll software, outsourced payroll services, human resource management ('HRM') and recruitment software solutions to employers to assist them with payroll and the management of their employees. HRM consists of human resource ('HR') administration and talent management. HR administration involves employee records, workplace health and safety ('WHS') and organisational structure.
Government and Justice	provides government and justice case management software as a service solutions to local governments, state governments and justice departments. Core products in asset management, property, licensing and compliance, finance, procurement, HR and payroll, customer management and courts and justice.

Refer to note 4 for disclosure of revenues from external customers for these principal products and services.

Intersegment transactions

No intersegment transactions were made during the half-year ended 31 December 2025 (31 December 2024: \$nil).

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Note 3. Operating segments (continued)

Operating segment information

	Education and Work Pathways \$'000	Workforce Solutions \$'000	Government and Justice \$'000	Corporate \$'000	Total \$'000
Consolidated - 31 Dec 2025					
Revenue					
Sales to external customers	21,094	18,541	21,983	-	61,618
Adjusted EBITDA	9,516	5,871	5,276	(3,193)	17,470
Contingent consideration charged as employee expenses and fair value adjustments					(706)
Integration, restructuring and cyber incident related transaction cost					(1,480)
EBITDA					15,284
Depreciation and amortisation					(15,572)
Interest revenue					3
Finance costs					(1,839)
Loss before income tax benefit					(2,124)
Income tax benefit					772
Loss after income tax benefit					(1,352)

	Education and Work Pathways \$'000	Workforce Solutions \$'000	Government and Justice \$'000	Corporate \$'000	Total \$'000
Consolidated - 31 Dec 2024					
Revenue					
Sales to external customers	20,305	16,549	21,475	-	58,329
Adjusted EBITDA	8,612	5,829	5,563	(2,356)	17,648
Contingent consideration charged as employee expenses and fair value adjustments					(622)
Integration, restructuring and acquisition related transaction cost					(1,525)
Impairment losses of intangible and other assets					(20,539)
EBITDA					(5,038)
Depreciation and amortisation					(11,203)
Interest revenue					8
Finance costs					(1,554)
Loss before income tax expenses					(17,787)
Income tax expense					(931)
Loss after income tax expenses					(18,718)

All assets and liabilities, including taxes are not allocated to the operating segments as CODM reviews and manages on an overall group basis.

The Group operates predominantly in Australia and New Zealand region.

Note 4. Revenue from contracts with customers

	Consolidated	
	31 Dec 2025	31 Dec 2024
	\$'000	\$'000
Revenue from contracts with customers	<u>61,618</u>	<u>58,329</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Education and Work Pathways \$'000	Workforce Solutions \$'000	Government and Justice \$'000	Total \$'000
Consolidated - 31 Dec 2025				
<i>Major product lines</i>				
Subscription, licence, support and hosting	17,424	16,266	18,148	51,838
Training, consultancy and other	<u>3,670</u>	<u>2,275</u>	<u>3,835</u>	<u>9,780</u>
	<u>21,094</u>	<u>18,541</u>	<u>21,983</u>	<u>61,618</u>

	Education and Work Pathways \$'000	Workforce Solutions \$'000	Government and Justice \$'000	Total \$'000
Consolidated - 31 Dec 2024				
<i>Major product lines</i>				
Subscription, licence, support and hosting	17,237	15,010	17,699	49,946
Training, consultancy and other	<u>3,068</u>	<u>1,539</u>	<u>3,776</u>	<u>8,383</u>
	<u>20,305</u>	<u>16,549</u>	<u>21,475</u>	<u>58,329</u>

Note 5. Non-current assets - intangibles

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$'000	\$'000
Goodwill - at cost	131,851	132,406
Less: Impairment	<u>(19,900)</u>	<u>(19,900)</u>
	<u>111,951</u>	<u>112,506</u>
Patents and trademarks - at cost	<u>438</u>	<u>471</u>
Customer relationships - at cost	47,465	48,392
Less: Accumulated amortisation	<u>(24,796)</u>	<u>(23,081)</u>
	<u>22,669</u>	<u>25,311</u>
Software - at cost	146,061	137,100
Less: Accumulated amortisation	<u>(85,182)</u>	<u>(74,083)</u>
	<u>60,879</u>	<u>63,017</u>
	<u>195,937</u>	<u>201,305</u>

Note 5. Non-current assets - intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Goodwill \$'000	Patents and trademark \$'000	Customer relationships \$'000	Software \$'000	Total \$'000
Balance at 1 July 2025	112,506	471	25,311	63,017	201,305
Additions*	-	-	-	9,512	9,512
Exchange differences	(555)	(33)	(28)	(254)	(870)
Amortisation expense	-	-	(2,614)	(11,396)	(14,010)
Balance at 31 December 2025	<u>111,951</u>	<u>438</u>	<u>22,669</u>	<u>60,879</u>	<u>195,937</u>

* Additions of software during the financial half-year ended 31 December 2025 include internally generated assets of \$9,289,000 (30 June 2025: \$18,302,000) and assets externally acquired amounting to \$223,000 (30 June 2025: \$750,000).

Impairment testing

Goodwill acquired through business combinations has been allocated to the following groups of cash generating units ("CGU"):

	Consolidated	
	31 Dec 2025 \$'000	30 Jun 2025 \$'000
Education and Work Pathways	21,882	23,806
Workforce Solutions	16,975	15,606
Government and Justice	<u>73,094</u>	<u>73,094</u>
	<u>111,951</u>	<u>112,506</u>

Goodwill and the group of CGUs to which it belongs is tested annually for impairment or at the end of each reporting period where an indicator of impairment exists. As at 31 December 2025, management considered whether impairment indicators existed for all the three CGUs and concluded that there were no impairment indicators.

Impact of possible changes in assumptions

Considering the sensitivity of the Government and Justice CGU as at 30 June 2025, Management performed an updated sensitivity analysis as at 31 December 2025. Increases in discount rates or changes in other key assumptions, such as operating conditions or financial performance, may cause the recoverable amount to fall below the carrying values. Subject to all other assumptions being held constant, the sensitivity analysis to key assumptions is as follows:

- An increase in the discount rate by 0.25% would increase the impairment loss by \$900,000.
- A decrease in the terminal growth by 0.5% would increase the impairment loss by \$1,100,000.
- A decrease in the 10-year EBITDA CAGR by 0.25% would increase the impairment loss by \$2,000,000.

Change in accounting estimates

During the half-year ended 31 December 2025, management reassessed the economic useful life of capitalised product development of some products in the Government and Justice segment. The previous estimate of 10 years was updated to 5 years, due to technological advancements and changes in market conditions that are expected to reduce the period over which these assets generate economic benefits.

This revision qualifies as a change in accounting estimate and has been applied prospectively in accordance with AASB 108. As a result of the change, amortisation expense for the half-year ended 31 December 2025 has increased by \$1,825,000.

Note 6. Non-current assets - right-of-use assets

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$'000	\$'000
Right-of-use assets - at cost	9,793	9,432
Less: Accumulated amortisation	(5,531)	(5,562)
	<u>4,262</u>	<u>3,870</u>

The Group leases land and buildings for its offices under agreements of 5 to 7 years (30 Jun 2025: 5 to 7 years). At the inception of a lease, management determines the non-cancellable period of a lease, including options to extend the lease if it is reasonably certain to exercise that option.

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Right-of -use asset \$'000
Balance at 1 July 2025	3,870
Additions	1,187
Exchange differences	(3)
Depreciation expense	(792)
Balance at 31 December 2025	<u>4,262</u>

Note 7. Current liabilities - contingent consideration

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$'000	\$'000
Contingent consideration	<u>3,708</u>	<u>2,755</u>

During the half-year ended 31 December 2025, a total contingent consideration of \$210,000 was paid.

Refer to note 9 for non-current portion of contingent consideration.

Note 8. Non-current liabilities - borrowings

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$'000	\$'000
Borrowings	54,000	56,044
Less: establishment fees	(103)	(103)
	<u>53,897</u>	<u>55,941</u>

Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

Note 8. Non-current liabilities - borrowings (continued)

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$'000	\$'000
Total borrowings	<u>54,000</u>	<u>56,044</u>

Assets pledged as security

Borrowings are secured over the assets of the Group.

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$'000	\$'000
Total facilities		
Borrowings (Facility A and A1)	40,000	40,000
Borrowings (Facility B)	<u>20,000</u>	<u>20,000</u>
	<u>60,000</u>	<u>60,000</u>
Used at the reporting date		
Borrowings (Facility A and A1)	40,000	40,000
Borrowings (Facility B)	<u>14,000</u>	<u>16,044</u>
	<u>54,000</u>	<u>56,044</u>
Unused at the reporting date		
Borrowings (Facility A and A1)	-	-
Borrowings (Facility B)	<u>6,000</u>	<u>3,956</u>
	<u>6,000</u>	<u>3,956</u>

The Group has established two facilities, Facility A and Facility B:

- Facility A and A1 - \$40,000,000 (30 June 2025: \$40,000,000) as a non-revolving cash advance loan term for a period of 3 years and an interest rate set at BBSY plus a margin of 1.95-2.75% (30 June 2025: 1.95-2.75%) depending on the Net Leverage Ratio of the Group. As at 31 December 2025, \$40,000,000 (30 June 2025: \$40,000,000) of the total facility has been drawn down.
- Facility B- \$20,000,000 (30 June 2025: \$20,000,000) as a revolving cash advance facility for a period of 3 years and an interest rate set at BBSY plus a margin of 1.95-2.65% (30 June 2025: 1.95-2.65%) depending on the Net Leverage Ratio of the Group. As at 31 December 2025, \$14,000,000 (30 June 2025: \$16,044,000) of the total facility has been drawn down.

In addition, the Group has a bank guarantee facility of \$2,000,000 (30 June 2025: \$2,000,000) (refer to note 15).

The debt facility is subject to certain financial covenants and these are assessed on a quarterly basis. As at 31 December 2025, the covenants have been met. The facility will be repayable immediately if the covenants are breached. The Group is not aware of any facts or circumstances that indicate that it may have difficulty complying with the covenants within 12 months after the reporting period.

Note 9. Non-current liabilities - contingent consideration

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$'000	\$'000
Contingent consideration	<u>904</u>	<u>1,272</u>

Note 9. Non-current liabilities - contingent consideration (continued)

The amount as at 31 December 2025 represents contingent consideration that is not expected to be settled within 12 months.

Note 10. Equity - issued capital

	Consolidated	
	31 Dec 2025	30 Jun 2025
	Shares	Shares
Ordinary shares - fully paid	<u>123,564,107</u>	<u>123,564,107</u>

Note 11. Equity - reserves

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$'000	\$'000
Foreign currency reserve	(1,264)	114
Share-based payments reserve	853	853
Common control reserve	(10,058)	(10,058)
Reorganisation reserve	<u>(73,048)</u>	<u>(73,048)</u>
	<u>(83,517)</u>	<u>(82,139)</u>

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Common control reserve

Common control reserve is used to recognise the difference between the consideration paid and the historical values of assets and liabilities acquired, between entities under common control.

Reorganisation reserve

Reorganisation reserve is used to recognise the difference between the consideration paid and the historical values of assets and liabilities acquired, between ReadyTech Holdings Limited and the subsidiaries it acquired.

Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

Consolidated	Foreign currency \$'000	Share-based payments \$'000	Common control \$'000	Reorganisation \$'000	Total \$'000
Balance at 1 July 2025	114	853	(10,058)	(73,048)	(82,139)
Foreign currency translation	<u>(1,378)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,378)</u>
Balance at 31 December 2025	<u>(1,264)</u>	<u>853</u>	<u>(10,058)</u>	<u>(73,048)</u>	<u>(83,517)</u>

Note 12. Equity - Retained profits

	Consolidated	
	31 Dec 2025 \$'000	30 Jun 2025 \$'000
Retained profits at the beginning of the financial half-year	1,763	17,904
Loss after income tax benefit/(expense) for the half-year	(1,352)	(16,141)
Retained profits at the end of the financial half-year	<u>411</u>	<u>1,763</u>

Note 13. Equity - dividends

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

Note 14. Fair value measurement

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated - 31 Dec 2025	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<i>Liabilities</i>				
Contingent consideration	-	4,612	-	4,612
Total liabilities	-	4,612	-	4,612
Consolidated - 30 Jun 2025	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<i>Liabilities</i>				
Foreign exchange forward payable	-	217	-	217
Contingent consideration	-	4,027	-	4,027
Total liabilities	-	4,244	-	4,244

There were no transfers between levels during the financial half-year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 2 and level 3

Derivative financial instruments have been valued using quoted market rates. This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates.

Contingent consideration has been valued using a combination of discounted cash flow and Black Scholes models.

Refer to note 7 and note 9 for further details of the contingent consideration.

Note 15. Contingent liabilities

The Group has given bank guarantees as at 31 December 2025 of \$1,328,000 (30 June 2025: \$1,328,000). The bank guarantees are for various office leases. No cash outflows are expected from the bank guarantees given by the Group.

Note 16. Share-based payments

FY2024 Plan

The long term incentives ('LTI') performance rights are subject to an earnings per share ('EPS') hurdle (50% of grant value) and a recurring revenue hurdle (50% of grant value).

These LTI performance rights will be evaluated three years from the beginning of the performance period.

If the compound annual growth rate of EPS is less than the target of 13%, no vesting will occur. If the target is met, 50% of rights will vest. In the event that performance is up to 4% above the target, vesting will be pro-rated between 50-100%.

If the compound annual growth rate of recurring revenue is less than the target of 13%, no vesting will occur. If the target is met, 50% of rights will vest. In the event that performance is up to 4% above the target, vesting will be pro-rated between 50-100%.

FY2025 Plan

The LTI performance rights are subject to a cash earnings before interest, tax, depreciation and amortisation ('EBITDA') hurdle (50% of grant value) and a recurring revenue per share hurdle (50% of grant value).

These LTI performance rights will be evaluated three years from the beginning of the performance period.

If the compound annual growth rate of EPS is less than the target of 11%, no vesting will occur. If the target is met, 30% of rights will vest. In the event that performance is up to 6% above the target, vesting will be pro-rated between 30-100%.

If the compound annual growth rate of recurring revenue is less than the target of 11%, no vesting will occur. If the target is met, 30% of rights will vest. In the event that performance is up to 6% above the target, vesting will be pro-rated between 30-100%.

Note 16. Share-based payments (continued)

FY2026 Plan

There are three equity plans granted during the first half of 2026 financial year:

(1) *Retention plan*

The retention performance rights are subject to participants staying until September 2026 and meet or exceed expectations in the execution of their responsibilities.

(2) *Equity plan*

The equity plan performance rights will be evaluated in two tranches. The first of which, equivalent to 50% of the total grant value, will be evaluated from 1 September 2025 to 31 August 2027. The second of which, equivalent to 50% of the total grant value, will be evaluated from 1 September 2025 to 31 August 2028. Vesting of these performance rights is subject to:

- i. achievement of an acceptable level of individual performance during the award period; and
- ii. continued employment from 1 September 2025 to 31 August for the relevant vesting year.

(3) *FY2026 LTI plan*

The FY2026 LTI performance rights are subject to a total revenue hurdle (50% of grant value) and a total shareholder return ('TSR') hurdle (50% of grant value).

These LTI performance rights will be evaluated three years from the beginning of the performance period.

If the compound annual growth rate of total revenue is less than the target of 9%, no vesting will occur. If the target is met, 30% of rights will vest. In the event that performance is up to 7% above the target, vesting will be pro-rated between 30-100%.

If the annual growth rate of TSR is less than the target of 11%, no vesting will occur. If the target is met, 30% of rights will vest. In the event that performance is up to 9% above the target, vesting will be pro-rated between 30-100%.

All performance rights are not subject to an exercise price.

Set out below are summaries of performance rights granted under the plan:

31 Dec 2025

Grant date	Expiry date	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
11/10/2022	30/06/2025	197,627	-	-	(197,627)	-
15/11/2022	30/06/2025	47,380	-	-	(47,380)	-
22/09/2023	30/06/2026	676,551	-	-	-	676,551
05/12/2023	30/06/2026	100,334	-	-	-	100,334
14/10/2024	30/06/2027	639,807	-	-	-	639,807
19/11/2024	30/06/2027	127,516	-	-	-	127,516
15/09/2025	30/09/2026	-	115,075	-	-	115,075
10/12/2025	31/08/2027	-	437,674	-	-	437,674
10/12/2025	31/08/2028	-	437,648	-	-	437,648
10/12/2025	30/06/2028	-	756,061	-	-	756,061
		<u>1,789,215</u>	<u>1,746,458</u>	<u>-</u>	<u>(245,007)</u>	<u>3,290,666</u>

The weighted average share price during the financial half-year was \$2.30 (30 June 2025: \$2.93).

The weighted average remaining contractual life of performance rights outstanding at the end of the financial half-year was 1.68 years (30 June 2025: 1.29 years).

Note 16. Share-based payments (continued)

For the performance rights granted under retention plan and equity plan during the current half-financial year, the valuation model inputs used to determine the fair value of are using the share price as at 15 September 2025 and 10 December 2025, which is \$ 2.14 and \$2.40 respectively.

For the LTI performance rights, the valuation model inputs used to determine the fair value at the grant date include the share price at grant date of \$2.40, expected volatility of 37%, dividend yield of 0%, and risk-free interest rate of 4.28%.

None of the performance rights that vested are exercisable at 31 December 2025 (30 June 2025: none).

Note 17. Earnings per share

	Consolidated	
	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Loss after income tax attributable to the owners of ReadyTech Holdings Limited	(1,352)	(18,718)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	123,564,107	120,202,577
Weighted average number of ordinary shares used in calculating diluted earnings per share	123,564,107	120,202,577
	Cents	Cents
Basic loss per share	(1.09)	(15.57)
Diluted loss per share	(1.09)	(15.57)

3,290,666 unissued ordinary shares under performance rights (31 December 2024: 1,901,332) were not included in the calculation of diluted loss per share as they are contingently issuable and the conditions were not met as at the periods presented.

Note 18. Events after the reporting period

No matter or circumstance has arisen since 31 December 2025 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 December 2025 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



Tony Faure
Chair

26 February 2026
Sydney

Independent Auditor's Review Report to the Members of ReadyTech Holdings Limited

Conclusion

We have reviewed the half-year financial report of ReadyTech Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2025, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes to the financial statements, including material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 31 December 2025 and of 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*.

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*. 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 APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional and Ethical Standards Board ("the Code") that are relevant to our audit of the annual financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

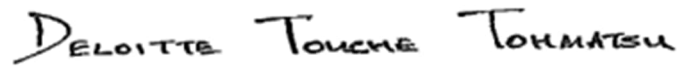
Directors' Responsibilities for the Half-year Financial Report

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 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 gives a true and fair view and 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 makes us 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 December 2025 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.

A handwritten signature in black ink that reads "DELOITTE TOUCHE TOHMATSU". The letters are written in a cursive, flowing style.

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink that reads "Sandeep Chadha". The signature is written in a cursive, flowing style.

Sandeep Chadha
Partner
Chartered Accountants
Sydney, 26 February 2026