

MARKET RELEASE (ASX:RDY)

Flagship growth and government wins progress enterprise strategy in 1H FY26

26 February 2026 – ReadyTech Holdings Limited (ASX:RDY) (**ReadyTech** or **Company**), a SaaS provider of next generation cloud-based software to the education, workforce, government and justice sectors, is pleased to announce its results for the six months ended 31 December 2025 (**1H FY26**).

1H FY26 delivered renewed sales momentum, supported by strong contracting activity. This included a 10-year Government contract with Skills Tasmania and a major Justice win with the Workplace Injury Commission in Victoria. Ready Workforce also continued to lead the flagship strategy, delivering 24% CAGR over the past two years. These flagship advances were offset by mature portfolio headwinds and some extended sales cycles, while the Company launched a refreshed corporate strategy to deliver a more simplified and robust ReadyTech.

1H FY26¹ highlights

- Total revenue up 5.6% to \$61.6 million
- Subscription revenue of \$51.8 million, with recurring revenue representing 84% of total
- New enterprise contracts and major upgrades of \$19.5 million in CY25 demonstrating improved momentum
- Updated FY26 revenue guidance to \$125-127 million, with FY27 targets withdrawn

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 pcp), 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.

¹All figures are in AUD and comparisons are made against 1H FY25 unless specified.



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.

AI innovation unlocking next generation customer value

ReadyTech's position as the core system of record in regulated, compliance heavy environments, combined with deep domain intelligence, creates a sustainable advantage for AI innovation.

As part of its broader AI strategy, ReadyTech is embedding intelligence directly into flagship products, with strong results now emerging in Ready Workforce. AI-driven hiring is delivering clear, measurable impact, with strong customer adoption of the Recruitment Assistants to streamline hiring processes. These capabilities are materially reducing time across the talent acquisition funnel while enhancing decision quality and consistency. Importantly, monetisation remains disciplined. Early customer outcomes are supporting a renewal-led expansion model, with pricing uplift captured only once value is proven, repeatable and demonstrably durable.

In 2H, ReadyTech is launching Orqestra, a unified intelligence layer embedded across its flagship platforms. Orqestra enables customers to access trusted insights through natural language prompts within their existing workflows, reducing reliance on traditional reporting and enhancing decision velocity.

The strategy is value-led, embedding AI directly into mission-critical systems of record to drive measurable customer outcomes prior to scaled monetisation. All capabilities operate under ReadyTech's ISO 42001 AI governance framework, reinforcing customer trust, compliance integrity and responsible AI deployment across regulated environments.

Strategic progress continues with updated outlook

Commenting on ReadyTech's outlook, Mr Washbourne said:

"Enterprise demand remains strong across all segments. We are seeing substantial opportunity across the enterprise education space and momentum in Local Government as new customer and upgrade opportunities emerge. Our targeted go-to-market investment over the past six months is already expanding the scale and quality of enterprise opportunities across Australia and New Zealand."

"1H FY26 cash margin was impacted by a deliberate investment program. Strategic incremental investments were made in Enterprise product market fit and differentiation, go-to-market and marketing to build pipeline, delivery resources to accelerate implementation revenue, and targeted AI capability."





"ReadyTech's enterprise strategy continues to gain traction, though extended sales cycles and longer implementation timelines have pushed out the timing of P&L contribution. FY26 revenue guidance has been revised to \$125-127 million, and FY27 financial targets have been withdrawn. Underlying cash EBITDA margins for FY26 are expected to be in the low mid-teens."

Analyst conference call details:

An investor call will be hosted by Marc Washbourne (Co-Founder and CEO) and Bryce Thompson (CFO) at 10:30am (AEDT) today.

Attendees can register for the call via the following link, and will receive their dial-in details upon registration: <https://s1.c-conf.com/diamondpass/10052364-5r4e3w.html>

– ENDS –

This announcement has been authorised for release by the Board of Directors of ReadyTech Holdings Limited.

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About ReadyTech

ReadyTech is a leading provider of mission-critical SaaS for the education, employment services, workforce management, government and justice sectors. Bringing together the best in people management systems from students and apprentices to payroll, employment services, and community engagement, ReadyTech creates awesome technology that helps their customers navigate complexity, while also delivering meaningful outcomes. To learn more about ReadyTech's people-centric approach to technology, please visit www.readytech.io.

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