



ASX RELEASE

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H1 FY2026 Results:
Revenue of \$33.6M, EBITDA of \$3.04m
Fully franked 4.5 cents per share dividend

The directors have released to the market HiTech's half yearly FY2026 results as follows.

For the first half financial year ending 31 December 2025, the consolidated entity's results are:

- Revenue of \$33.64m down 3.3% on pcp
- Gross Profit of \$4.92m down 29% on pcp
- EBITDA is \$3.03m
- EBIT is \$2.99m
- Interim dividend of 4.5 cents per share
- NTA per share \$0.27
- Cash Balance (zero debt) of \$10.5m

First half results summary and outlook

As detailed at the FY25 AGM, trading conditions during the first half of FY26 have proven challenging, driven by macroeconomic headwinds primarily linked to government spending patterns. Despite revenue remaining in line with expectations year on year, operating margins have declined on a select number of engagements under a new supplier panel arrangement, reducing H1FY26 earnings to date compared to the previous corresponding period (H1FY25). Profitability has been pressured by increased investment in staff and systems, made in anticipation of higher demand from deferred projects and reduced government spending. We expect the benefit of this investment to materialise in H2FY26. A key focus area for us is to ensure our key staff members, some of which are shareholders, are well supported to keep delivering high standard results.

We have taken decisive action to protect margins by securing new agreements with major clients, reducing both fixed and variable costs, and increasing our focus on departments and agencies where margins and revenue quality remain strong. These initiatives are expected to take effect in H2FY26. As a result, we are now positioned to benefit from economies of scale, enabling additional volume growth without materially increasing our cost base and supporting ongoing margin expansion and improved profitability. In parallel, by ensuring that core systems such as HiBase do not rely on external service providers, we remove third-party dependency and further strengthen the long term stability of our operations.

The HiTech Group's core business and annuity-style revenue streams remain robust, underpinned by a strong cash position of \$10.5 million and no debt. We continue to prioritise partnerships with organisations that value quality outcomes over cost minimisation such as the Department of Defence, ensuring stable, long-term earnings for the Group. While macroeconomic conditions will continue to influence the pace of recovery, we remain firmly committed to restoring performance and returning to the high growth trajectory and industry leading performance that have defined the HiTech Group for the past 11 years.

HiTech remains committed to delivering long-term value for shareholders and will continue to explore avenues for sustainable growth in alignment with market demand as H2FY26 progresses. The results for FY26 will be dependent on the economic conditions we face and the budgets the government will allocate for ICT services.

Dates applicable for the interim dividend are:

- Ex-dividend date: 10 March 2026
- Record date: 11 March 2026
- Payment date: 25 March 2026

This announcement has been authorised for release by the board of directors of HiTech Group Australia Limited.