

ASX Announcement



10 February 2026

Reckon delivers revenue growth of 15%, EBITDA growth of 29%, and NPAT growth of 94%

27% increase in Reckon One revenue and 15% subscription revenue growth in Legal Group

Reckon Limited (“Reckon” or the “Company”) (ASX: RKN) continued its performance from H1 2025 to deliver impressive growth across revenue, EBITDA and NPAT, supported by the acquisition of Cashflow Manager in January 2025.

Reckon One, the Business Group’s proprietary cloud-based product, drove the Business Group’s organic growth with a 27% improvement in Reckon One revenue over the prior period and provided substantially all of the 8% improvement in total cloud revenue over the same period. The Legal Group delivered subscription revenue growth of 15% over FY24 and, continuing the performance in FY24, again doubled the subscription revenue for the Billing Workflows product lines.

Financial highlights:

- Group revenue of \$62.4m, up 15% on the previous corresponding period (PcP)
- EBITDA up 29% to \$26.1m
- NPAT up 94% to \$7.0m
- Group operating cash flow net of development spend was \$8.7m up by 154%
- Fully franked dividend of \$0.025 per share paid in September 2025 as annual dividend

Operational highlights:

- Transition to Reckon One well underway
- Accelerating sales for Billing Workflows cloud suite
- Legal Group achieved strong subscription revenue growth of 15%
- Business Group performance strengthened with an 8% uplift in cloud revenues, predominantly from 27% increase in Reckon One revenue
- \$15.1m invested predominantly in cloud-based product development to capitalise on growth opportunities in both business units
- Integration of Cashflow Manager completed

Management commentary:

Reckon Group CEO, Mr Sam Allert said: “FY25 delivered an exceptional result across revenue, EBITDA and NPAT supported by the contribution from Cashflow Manager. Organic growth for the group was equally encouraging with significant improvements in revenue, profit and cash generation over FY24.

At a group level, we remained committed to our strategy of driving revenue growth within the highly profitable, cash-generating Business Group while simultaneously investing in the high growth opportunities provided by our US and UK focused Legal Group, trading as Zebraworks.

This year saw us commence the first structured phase for the transition of our legacy customer base to our proprietary software, Reckon One, and the continued promotion and development of Reckon One as our flagship product. From that, the Business Group saw a 27% increase in revenue from Reckon One for the year. Overall Reckon One user numbers remained stable compared to FY24, however the quality of that revenue improved with a 29% increase in annual revenue per user. Reduction in churn for Reckon One was, and will continue to be, a focus for the Business Group. EBITDA margin improved to 52% (32% adjusted EBITDA margin after development costs), resulting in the Business Group maintaining strong cash generation, enabling further investment in Reckon One and its accounting and payroll solutions.

As anticipated, Cashflow Manager provided a significant contribution to our financial performance for the year, and it continues to perform in accordance with our expectations. Cashflow Manager strengthened our market position and continues to provide additional scale and cash flow as we continue advancing our strategy of migrating users to our cutting-edge cloud solutions.

Funded by the \$US4.5 million capital raise at the end of 2024, the Legal Group restructured its sales capabilities during the year to capitalise on the market for value-added products for law firms. These efforts saw annual recurring revenue increase to \$13.7m, with the cloud-based Billing Workflows solution, that includes BillQ, PayQ and DataQ, again achieving a twofold increase in platform subscription revenue. The Legal Group recently launched its first client facing AI tool as part of DataQ AI to provide additional automation and exception alerting for firms. With revenue growth driven by increased subscription numbers, there was also a corresponding increase in the number of attorneys using Billing Workflows compared to the prior period. When all contracted installations are completed, the number of attorneys using Billing Workflows will increase to approximately 5,000 attorneys compared to the 1,600 attorneys at the end of 2024. Document Workflows, the Legal Group's original offering, which includes scan, print, and cost recovery solutions, continued its trend from FY24 with moderate revenue growth and remains the bedrock of the Legal Group's revenue base.

As to the year ahead, Billing Workflows is expected to drive further growth for the Legal Group into the substantial addressable market in the US and UK. The Business Group is expected to be much the same as 2025 with a focus on the acceleration of the transition of its legacy customer base to Reckon One through 2026 and into 2027.

Financial commentary and operations overview:

Group revenue from continuing operations was \$62.4m, up 15% on the Pcp and up 4% excluding the contribution from Cashflow Manager. The group remains committed to its core strategy of generating consistent growth in revenue and profit supported by an ongoing priority on R&D spending.

Group Net Profit After Tax (NPAT) was \$7.0m, up 94% compared to the Pcp and up 48% excluding the contribution from Cashflow Manager. Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) during the year was \$26.1m, up 29% on the Pcp and up 13% excluding the contribution from Cashflow Manager.

Cashflow Manager contributed \$6.1m in revenue, \$3.3m in EBITDA and \$1.6m in NPAT for FY25.

Group operating cashflow after accounting for \$15.1m of development spend was \$8.7m compared to \$3.4m after \$14.4m of development spend in FY24.

Net Debt increased from \$2.9m at the end of FY24 to \$5.4m at 31 December 2025 following the acquisition of Cashflow Manager in January 2025. The Board maintains its intention to pay one dividend annually after the half year.

Cloud-based subscription revenue for the Business Group rose by 8% to \$27.6m with Reckon One contributing \$8.9m for FY25 compared to \$7m in FY24, a 27% increase. Subscription revenue from all products contributed 95% of total revenue for the division, providing safe recurring revenue

The Legal Group, trading as Zebraworks, reported a 15% increase in subscription revenue to \$13.2m (12% increase in constant currency), with a 111% increase in revenue on the cloud-based Billing Workflows platform (107% increase in constant currency). Document Workflows ARR was stable at \$12.3m with Billing Workflows increasing to \$1.4m from \$0.6m in FY24.

The full year result for the Legal Group validates the Company's strategy to pursue topline growth for its document and billing workflow software in the lucrative US legal market. Zebraworks' management estimate the current serviceable addressable market for Billing Workflows to be 77,000 attorneys, with sales to date for Billing Workflows for approximately 5,000 attorneys with 2,600 installed by the end of FY25.

Zebraworks works with 12 of the 20 largest firms worldwide and 40% of the AmLaw 200 largest firms and has a unique opportunity to leverage its footprint and deliver ongoing organic revenue growth.

Zebraworks' strategy is being spearheaded by a highly regarded on-ground management team with a successful track record of developing and distributing legal practice management software in the US market.

Segment performance:

Business Group

- Revenue of \$48.6m. Cashflow Manager contributed \$6.1m (Revenue of \$42.5m excluding Cashflow Manager compared to \$41.8m for the Pcp)
- Cloud subscription revenue of \$27.6m, up 8% on Pcp
- Total subscription revenue comprising 95% of revenue
- EBITDA of \$25.4m. Cashflow Manager contributed \$3.3m (EBITDA of \$22.1m excluding Cashflow Manager compared to \$21.3m for the Pcp)

Legal Group

- Subscription revenue of \$13.2m, up 15% from Pcp
- Consistent subscription revenue growth with subscription revenue comprising 95% of revenue
- Substantial increase in EBITDA to \$3.3m compared to \$1.1m in FY24
- Capitalised development costs stable at \$5.1m compared to \$4.8m in FY24

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About Reckon:

Reckon is an Australian listed software company (ASX:RKN) that provides world class software for Start Ups, sole traders, SMEs, accountants, bookkeepers, and lawyers. The company has offices in Australia, UK and the USA.

Reckon currently operates two divisions:

1. Business Group: provides accounting and payroll software for small to medium sized businesses and personal wealth management software branded as Reckon One, Reckon Mobile and Reckon Accounts Hosted, Reckon Accounts Business, Reckon Accounts Personal and Cashflow Manager.
The Business Group operates in Australia and New Zealand.
2. The Legal Group operates under the Zebraworks brand. Zebraworks is a document and billing workflow company that leverages the power of its Zebraworks cloud-based integration platform to deliver digitalisation, billing and collections automation, cost recovery and analytics solutions for law firms and government and corporate legal departments.

Zebraworks' products are its server-based Document Workflows products across scan, print, document workflow, and cost recovery systems together with its cloud based Billing Workflows technology providing the billings workflow solution, BillingQ and business intelligence tool, DataQ together with online payments through PayQ.

Zebraworks is based in the USA with additional operations in the United Kingdom and re-sellers in other parts of the world.

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