FY21 RESULTS PRESENTATION

ASX:RDY

Presenters
Marc Washbourne – CEO & Co-Founder
Nimesh Shah – Chief Financial Officer

NEXT GENERATION, PEOPLE-CENTRIC

SOFTWARE

Growth across all key metrics

Revenue
↑27.4%
YoY Growth to $50.0m (excl. Open Office 15.1%)

Underlying EBITDA*
↑$18.9m
Margin of 37.8%

Underlying NPATA*
↑$10.6m
FY20: $8.3m

Open Office contribution to FY21 revenue
$4.8m
Achieved 1st earn-out

Gross opportunity pipeline
↑$19m
1H FY21: $13m

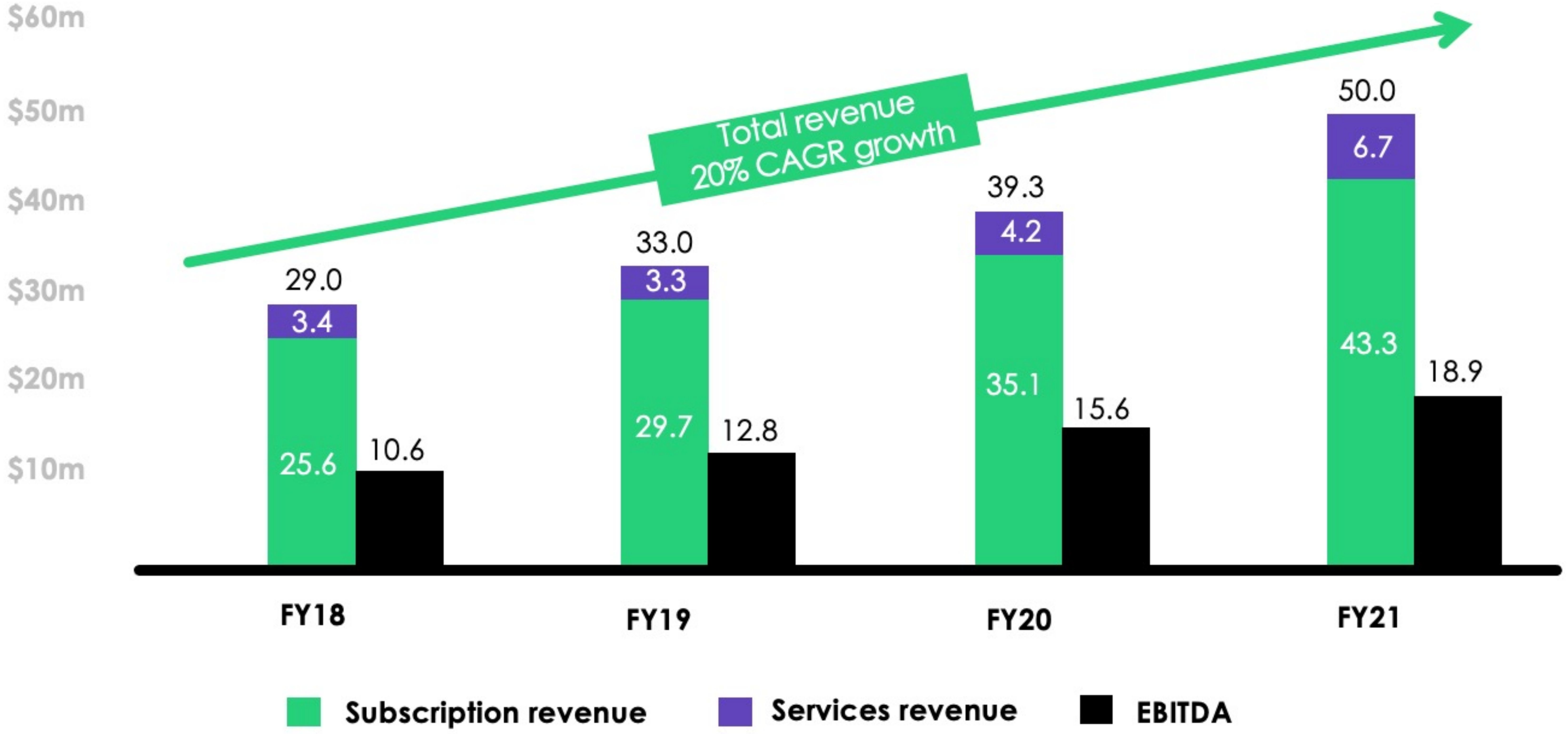
Operation cash flow conversion to EBITDA
↑113%
FY20: 95%

Customer revenue retention
↑96%
FY20: 95%

Recurring revenue
87%

*FY21 Underlying results exclude the impact of transaction and restructuring costs of $2.2m and the impact of revaluation of contingent consideration of $1.8m.

Outstanding growth in recurring SaaS revenue and EBITDA



High value new business wins underpin continued growth

Substantial FY21 new business performance with **21 high value customers**, each generating over **$100k in annualised subscription and implementation value**, with an aggregate annual value of $5m.

High conviction pipeline of $19m with opportunities across the sectors of tertiary education, local government, justice tech and stand-up economy for Workforce Solutions.

Open Office achieved **first earn-out** in June 2021, ahead of expectations, driven by new local government wins, **upsell of modules** to existing customers, and **successful roll-out** of the UK Ministry of Justice contract.

Growth in sales and marketing investment as planned of 11.0% of revenue (FY20: 9.6%), with continued focus on enterprise and account-based marketing, enterprise sales and **pipeline conversion**.

Key Education & Work Pathways customer wins

NBI

FEDCAP Employment The Power of Possible

Key Workforce Solutions customer wins

BOSTOCK New Zealand

TASCO petroleum Quality Fuels & Lubricants

ESTD 1928 De BORTOLI FAMILY WINEMAKERS

Key Government & Justice customer wins

GLEN INNES SEVERN COUNCIL

Goondiwindi REGIONAL COUNCIL

Legal Services Commission OF SOUTH AUSTRALIA

Laser focus on strategic execution

ReadyTech is building a vertical SaaS playbook

Delivering high value to segments and verticals

Education
Student Management & Work Pathways

Workforce Solutions
Payroll, HR & Workforce Management

NEW
Government & Justice
Local/State Government & Justice Case Management

Shared platform – Best practice SaaS
Principles: Customer Centric - Usability - Configurability - Agility

Technology & Product

Customers

Product Strategy
Innovation & Market Fit

Software Development
Quality & Velocity

Infrastructure & Security
Scale & Efficiency

Brand & Marketing
Awareness & Lead Generation

Sales Excellence
New & Upsell/ Cross-Sell

Customer Success
Retention & Advocacy

One high-performing ReadyTech culture
Customer and future focused

Increased growth achieved through ongoing investment

Product-market fit

Focused product alignment for superior retention and customer acquisition.

Go-to-market

Grow sales and marketing spend and target higher value customers.

Scaling

Efficient and streamlined operations to support accelerated growth.

Investing for growth throughout FY21

Product-market fit	Go-to-market	Scaling
14 new roles **31% R&D of revenue**	**7 new roles** **11% sales & marketing of revenue**	**7 new customers** **Onboarding roles**

Key growth initiatives

Product-market fit

- Software Development Centre of Excellence & ReadyTech Academy
- Product portability studies in key international markets for Work Pathways and Justice tech sectors
- Deeper investment in product management capability and skills

Go-to-market

- Enterprise sales roles and playbook
- Account-based marketing
- ReadyTech brand strategy
- International focus – 7% of revenue now generated offshore
- Expansion of channel partners & new reseller in NZ

Scaling

- Strategic talent acquisition
- Consolidation of customer onboarding best practice with deeper investments in automation and self-service
- Unified ReadyTech practices and playbooks

FY21 financial performance

Solid revenue growth of 27.4%

$ MILLIONS	FY21	FY20	YoY % change
Subscription and licence revenue	43.3	35.1	23.4%
Implementation, training and other revenue	6.7	4.2	61.7%
Total revenue	**50.0**	**39.3**	**27.4%**
Total revenue (excl. Open Office)	*45.2*	*39.3*	*15.1%*
Total expenses	**(31.1)**	**(23.7)**	**(31.4%)**
***Underlying EBITDA**	**18.9**	**15.6**	**21.4 %**
Underlying EBITDA margin	***37.8%***	***39.6%***	***(1.9%)***
Depreciation & amortisation	(4.7)	(3.9)	(20.5%)
Amortisation of acquired intangibles	(6.4)	(5.5)	(16.4%)
Net finance expenses	(1.0)	(1.0)	3.7 %
Income tax expense	(0.6)	(0.7)	13.8 %
***Underlying NPAT**	**6.2**	**4.5**	**36.9 %**
Add: amortisation of acquired intangibles (post-tax)	4.4	3.8	15.3 %
***Underlying NPATA**	**10.6**	**8.3**	**27.0 %**

** FY21 Underlying results excludes the impact of transaction and restructuring costs of $2.2m and the impact of revaluation of contingent consideration of $1.8m.*

- Total revenue of $50.0m representing 27.4% YoY growth and 15.1% YoY growth excluding Open Office. Subscription and license revenue was $43.3m representing 87% total revenue and a 23.4% YoY growth.

- Open Office contributed revenue of $4.8m with subscription and license revenue being $3.7m.

- Total revenue growth was driven by new customer wins, upsell/ cross-sell to existing customers, resulting in average revenue per new customer of $35.5k (24% growth) and significant user license and module upgrades.

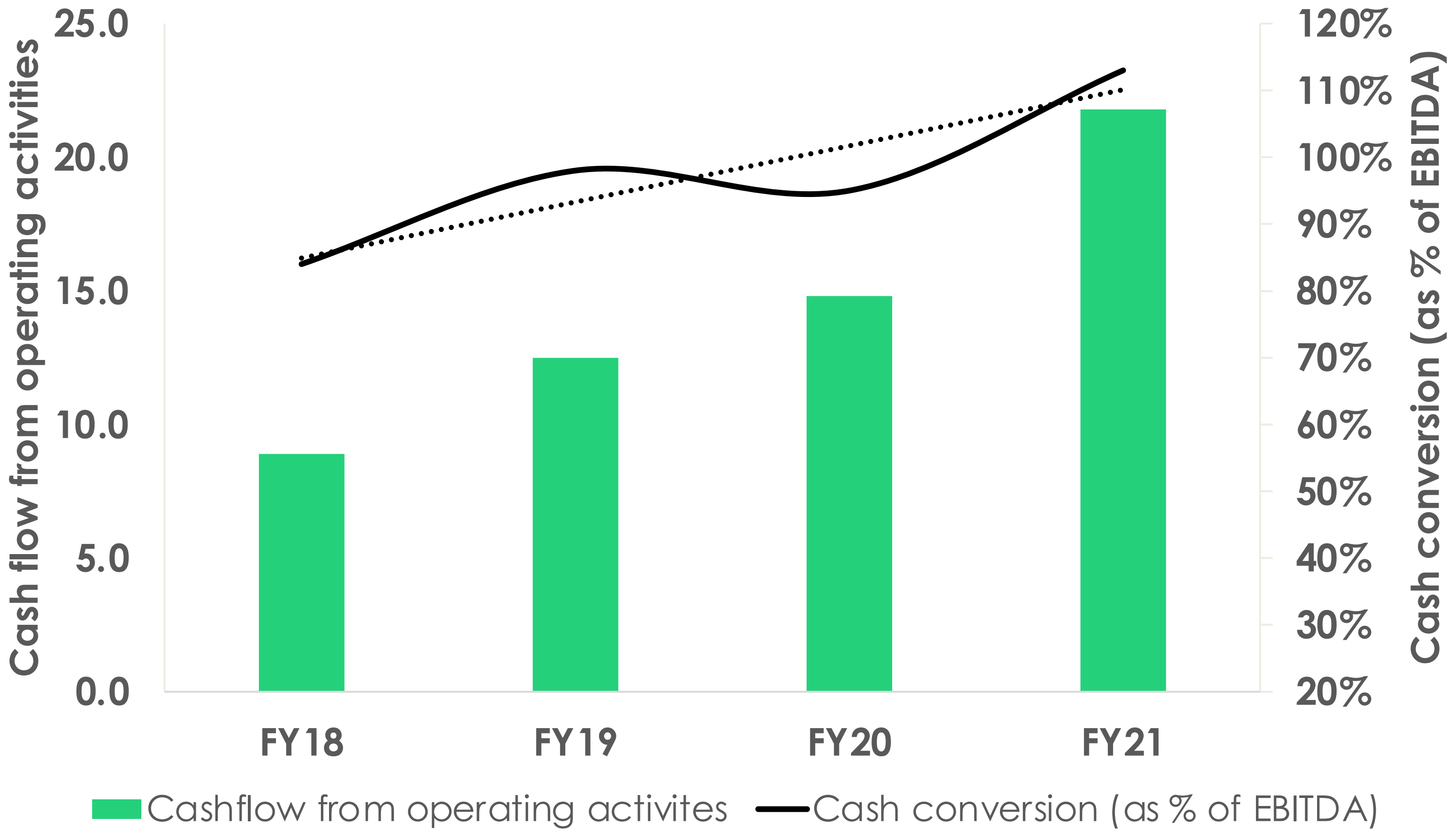
- Planned growth in operating expenses reflects:
  - Sales and marketing costs increase to 11.0% of revenue (FY20: 9.6% of revenue).
  - Continued growth in R&D, with R&D costs of $15.4m from $12.3m in FY20, representing 30.7% of revenue.
  - LTIP impact $0.4m (FY20: nil).

- Underlying EBITDA of $18.9m representing margin of 37.8% which is in line with FY21 guidance of 37%-39%. Open Office EBITDA contribution was $1.7m.

Strong cashflow and balance sheet support further growth

NET DEBT AS AT 30 JUNE		
$ MILLIONS	**30 Jun 21**	**30 Jun 20**
Total debt	**31.5**	**25.0**
Cash and cash equivalents	**12.0**	**10.2**
Adjusted net debt	**19.5**	**14.8**
Net debt/EBITDA	**0.86x**	**1.0x**

CASHFLOW CONVERSION		
$ MILLIONS	**FY21**	**FY20**
EBITDA	18.9	15.6
EBITDA (excluding LTIP)	19.3	15.6
Changes in working capital	2.5	(0.8)
Cash flow from operating activities	**21.8**	**14.8**
% conversion (as of % EBITDA)	**113%**	**95%**



- Operating cash of $21.8m, which is a 113% conversion as a % of EBITDA, supported by continued growth in customers pre-paying annual subscription fees.
- Conservatively geared with net debt of $19.5m and leverage ratio of 0.86x.
- Available cash-for-use of $18m, including $12m cash and equivalents, and $6m debt facility headroom, given $37.5m facility drawn to $31.5m currently.

Education &
Work Pathways

Education market remains significant opportunity

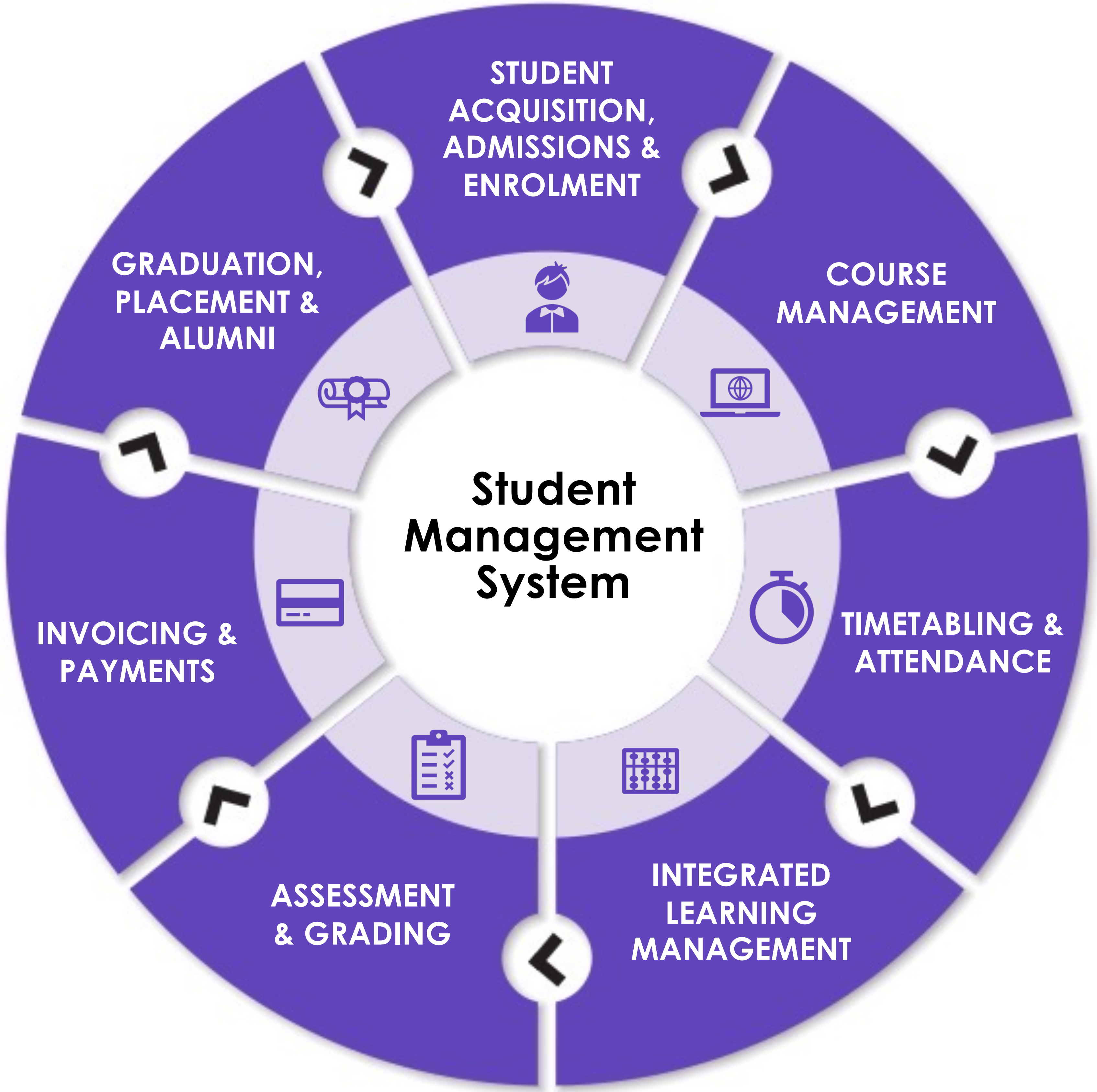
Great progress made penetrating the large addressable market of tertiary education, training and back-to-work

	ENTERPRISE (TAFE/UNIVERSITY)	PRIVATE COLLEGES (VET)	PRIVATE HIGHER ED	BACK-TO-WORK	STATE GOVT
MARKET SIZE*	67	4,150	133	167	8
RDY CUSTOMERS [1]	12[†]	1,200+	10	78	1
	Significant opportunity as TAFE/universities seek next-gen technology.	Market-leader for VET providers, enjoying benefits of scale and upsell.	Progressing well with breakthrough higher education wins.	Market leader to providers in major government funded back-to-work programs.	Well-positioned to win further contracts given experience with ACT Govt.
Example customers:	TAFE WA South Metropolitan	AUSTRALIAN INSTITUTE OF PERSONAL TRAINERS	iSn psychology institute for social neuroscience	MAX SOLUTIONS Employment . Support . Community	ACT Government

1. Management estimates as at FY21. † 3 JR Plus customer, 9 Ready Skills customers.
Source of market data: Frost & Sullivan Report citing Universities Australia, National Centre for Vocational Education Research (NCVER), English Australia, Tertiary Education Quality and Standards Agency (TEQSA).

The next generation student management system

Our product differentiators and why we are winning customers in a sector ready for change



WHY WE ARE WINNING CUSTOMERS

OPEN ECOSYSTEM
Interoperability with best in class

STUDENT RETENTION
Unique behavioural capability drives student success

CLOUD & SAAS
Regular release/agility, modern UX

HIGH CONFIGURABILITY
Rapid deployment and scalability

LOCAL EXPERTISE
Assurance on compliance and local fit

SUPERIOR STUDENT EXPERIENCE
Digital experience driving student engagement

Driving growth in customer base

Enterprise
Student Management System

Type of customer
Enterprise training organisation.

Driver of new/change of system
A review of CBA's Enterprise Student Management System for retail banking staff, resulting in a competitive RFP process.

WHY WE WIN

- ReadyTech is an established vendor to deliver on highly specific workflows and in-depth governance requirements.
- Depth and rigour in all facets of onboarding to delivery and beyond.
- Capability to deliver on risk, governance, compliance, cyber and technology requirements.

Private Training Provider
Learning Management System

Type of customer
Private training organisation offering nationally-recognised accredited qualifications.

Driver of new/change of system
A review of Learning Management Systems (LMS) in the market to support the delivery of an end-to-end student learning experience.

WHY WE WIN

- ReadyTech's established reputation and 20+ years proven experience in VET sector.
- Breadth of integration capabilities to deliver a seamless end-to-end student learning experience.
- Best-of-breed solution purpose-built to meet Australian VET compliance standards.

Employment Services
UK – Behavioural Science

Type of customer
UK not-for-profit employment services provider.

Driver of new/change of system
Tender process for an assessment platform that could support scaling Fedcap Employment's service model now and into the future.

WHY WE WIN

- Resonated with the academic validity of the solution and approach.
- Ability to support ascertaining the readiness of participants, standardise experience and improve measurement.
- Depth and calibre of ReadyTech's experience in the broader employment services market.

Revenue and earnings both growing strongly

$ MILLIONS			
	FY21	FY20	YoY % growth
Revenue	24.9	21.3	16.9%
EBITDA	11.6	8.8	32.0%
EBITDA margin %	47%	41%	

Highlights

- Revenue growth of 16.9% to $24.9m, driven by substantial new business, cross-sell and significant upgrades from existing customers.
- Average revenue per new customer of $38.8k (FY20: $27.2k), up 42%.
- Continued growth expected through high value qualified leads in tertiary education and Work Pathways sectors.
- Strengthening recurring revenue base through successful customer engagement which resulted in revenue retention of 96%. Minimal impact of COVID-19 with less than 3% of international students across ReadyTech systems.
- BKI TAFE project progressing well with subscriptions being triggered and expanded scope to reflect additional requirements.
- CLTV to CAC ratio of 8.1x (FY20: 7.4x) with a CLTV of $106k (FY20: CLTV of $77k).

Workforce Solutions

Workforce Solutions focused on addressable market of $2.4bn

Mid-to-enterprise market focused SaaS solving complex payroll and workforce management in stand-up economy

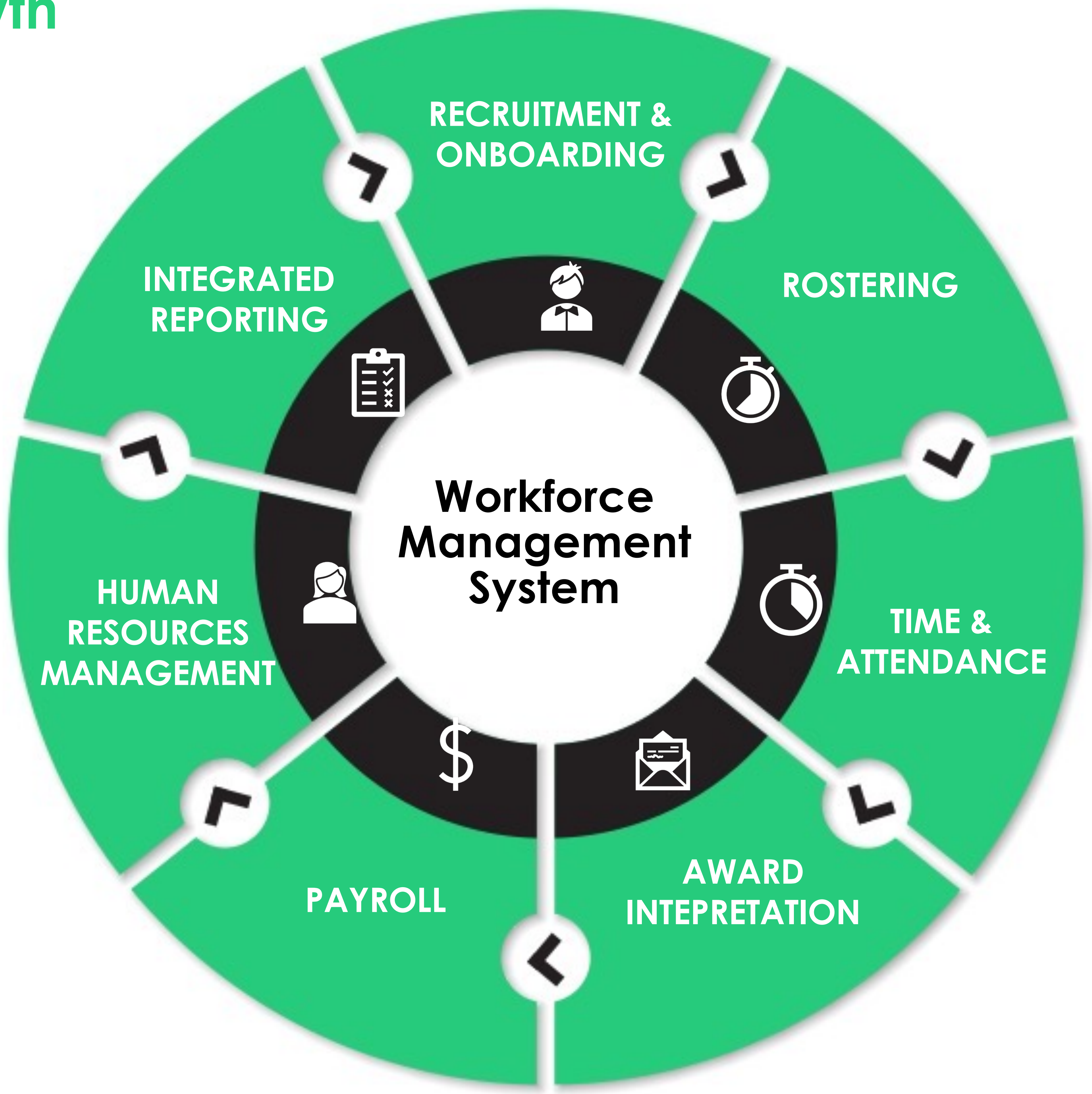
Addressable market in ANZ represents **7 million employees** and **$2.4 billion** spend on software and payroll outsourcing.

Targeting initial industry verticals with all-in-one offering

- LOGISTICS
- HOSPITALITY
- AGED & DISABILITY CARE
- MANUFACTURING
- AGRICULTURE
- RETAIL

All-in-one workforce management system

Our all-in-one cloud offering is differentiated, meeting customer needs and driving growth



WHY WE ARE WINNING CUSTOMERS

TRUST
Highly trusted brand for mission-critical payroll function

ONE VENDOR RELATIONSHIP
Replacing separate legacy systems with one vendor

CONNECTED DATA
Real-time and efficient data management

UNIFIED INTERFACE
One employee experience reducing friction

EXPANDED COMPLIANCE
Support for Australia & NZ in one platform

HIGH VALUE CUSTOMERS
Average revenue per all-in-one customer is on average 3 times higher than payroll only

Strong pipeline conversion to secure new customers

De Bortoli

Type of customer
Beverage manufacturer with 380 employees.

Driver of new/change of system
Integration of time & attendance, HR and payroll systems. Need for leave management capability and to ensure industrial relations compliance (annualised salaries) is maintained.

WHY WE WIN

- An integrated and comprehensive solution from a trusted supplier.
- Comfortability in ReadyTech's industrial relations compliance.
- All-in-one solution to eliminate time wasted on manual double handling of data due to poor integration of multiple systems in place.

Tasco Petroleum

Type of customer
Logistics business with 240 employees.

Driver of new/change of system
Need for an integrated payroll, rostering, human capital management and time & attendance system which eliminates manual roster processing, ensures accuracy of payroll and award interpretation.

WHY WE WIN

- Single vendor with recruitment, HR and WHS functionalities.
- Compliant award interpretation.
- Improved employee engagement via employee self-service mobile app (Android/ iPhone).
- Automation of paper-based process through online forms.
- Ability to control security permissions/access to source of truth.

Bostock

Type of customer
Agriculture (growers) with 370 employees.

Driver of new/change of system
The need to replace an ageing payroll and time attendance system in the business with real-time, date effective processing.

WHY WE WIN

- Single vendor, real-time visibility of work-force attendance.
- Compliance with complex rostering – introduced modernised processes for advanced rostering with a mobility platform and gain productivity by removing doubling handling of data.

Sustainable revenue and EBITDA growth

$ MILLIONS	FY21	FY20	YoY % growth
Revenue	20.3	17.9	13.3%
EBITDA	8.5	8.3	2.4%
EBITDA margin %	42%	46%	

Highlights

- Revenue growth of 13.3% to $20.3m, driven by new customer wins from all-in-one platform, and significant upgrades from existing customers.
- Average revenue per new customer of $39.4k (FY20: $32.9k), up 19.7%.
- New customer wins in targeted industry verticals of hospitality, retail, aged care, agriculture and logistics.
- Revenue retention maintained at 94%.
- Continued investment in R&D as well as sales and marketing to 9.3% of revenue.
- CLTV to CAC ratio of 7.8x (FY20: 7.4x) with a CLTV of $66k (FY20: CLTV of $70k).

Government
& Justice

Digital transformation creating addressable market

Market tailwinds across Government & Justice driving growth

Global digitisation of government services and migration to cloud and SaaS.

Estimate that over 75% of the 530+ councils have purchased a core solution 10+ years ago.

Next generation public sector employees driving customer and digital agenda.

Digitisation accelerated by COVID-19 to become imperative.

Local Government

- 530+ local councils in Australia*

6 Mega

119 Large

212 Medium

199 Small

Our key targets

State Government

Point solutions supporting specific legislative needs across:

Health

Transport

Environment

Water Authorities

Justice

Citizen-centric justice case management solutions with large and global addressable market of ~$211m* across:

Courts

Tribunals

Commissions

Prosecutors

*Based on Management Estimates

Ready to digitize Government & Justice

Digital transformation for improved customer service and growing community expectations

WHY WE ARE WINNING CUSTOMERS

CITIZEN-CENTRIC
360-view of customer and connected self-service

MODULAR ARCHITECTURE
Solves discreet challenges and enables land and expand to full ERP

CLOUD-BASED SAAS
Modern UX, remote access & mobile apps all highly attractive to citizens as well as digital savvy council staff

HIGH CONFIGURABILITY
Repeatable customer onboarding reduces time to go-live

TRACK RECORD
Exemplary success rate for customer implementations

DRIVING GOWTH
Estimate that over 75% of the 500+ councils have purchased a core solution 10+ years ago

Recent customer wins

Goondiwindi Regional Council

Type of customer
Local government (council)

Driver of new/change of system
Deliver fully integrated solution across all key corporate applications, which embodies the principle of data entry once only into the software solution.

WHY WE WIN

- Attraction to true SaaS cloud solution.
- Completely different approach to all other vendors, aligned to council strategy of putting the customer at the centre of their service delivery.
- Capability of meeting council's immediate requirements and also flexible enough to satisfy future demand requirements, future-proofing council investment.

Glen Innes Severn Council*

Type of customer
Local government (council)

Driver of new/change of system
Council was seeking to implement a comprehensive and fully integrated solution based on current open systems technology and standards.

WHY WE WIN

- Delivering greater levels of customer satisfaction and organisational efficiencies through the transformation of its current business processes through our fully integrated solution.
- Customer-centric enterprise solution to enable council's digital transformation.
- Partner with a vendor with a demonstrable and successful track record in similar projects, having access to a substantial range of experienced resources, with current capability and capacity.

Legal Services Commission SA*

Type of customer
Justice case management

Driver of new/change of system
The incumbent solution reached end-of-life and with a digital transformation strategy in place, LSC SA was in need of a partner to modernise their grant and legal practice management.

WHY WE WIN

- The only solution in the market to successfully combine grants and practice management functionality in a single solution.
- Rich history in delivering successful outcomes to justice sector at state and federal levels.
- The agility and ability to address and implement their stringent requirements demonstrated customer-centricity throughout the entire pre-sales and proof-of-concept phases of the engagement.

*Customers won during ReadyTech's ownership

Strong Government & Justice contribution

$ MILLIONS	
	ReadyTech ownership
Revenue	4.8
EBITDA	1.7
EBITDA margin %	35%

Highlights

- P&L contribution reflects the short period of ownership post acquisition.
- On a 12-month proforma basis, Open Office generated FY21 revenue of $18.3m, driven by new customer wins and successful upsell to existing customer base.
- Open Office revenue contribution from local government sector of 64% and justice case management sector of 36%.
- Revenue retention was 99% for FY21, reflecting high customer loyalty and mission critical nature of the product.
- Proforma average revenue per customer $145k (FY20: $111k), up 31%, driven by module upgrades to existing customers and winning customers from local and state government, as well as the justice sector.
- First earn-out achieved in FY21, ahead of expectations.

Strategy and outlook

Well positioned to grow

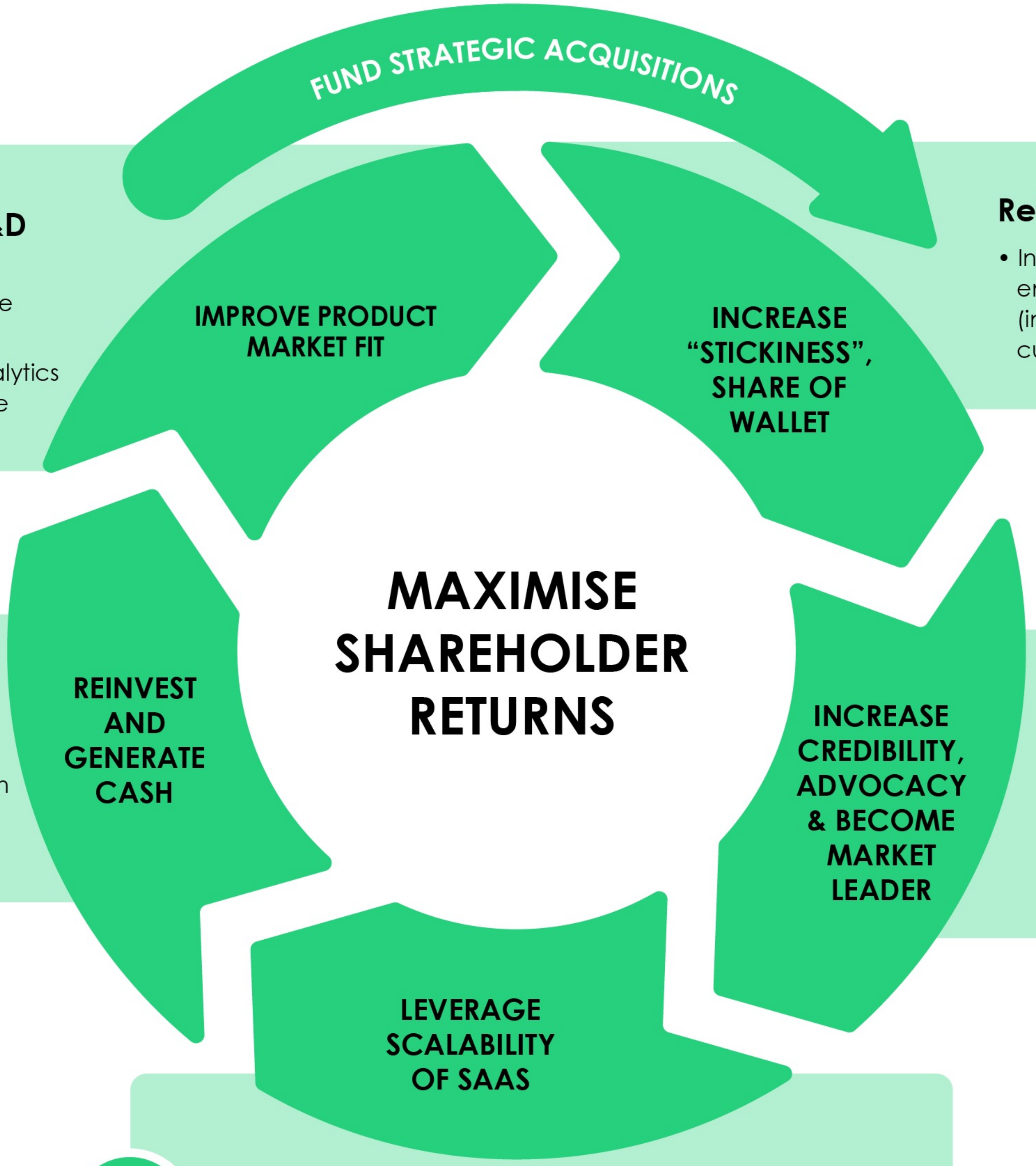
ReadyTech targets organic revenue of over $125m by FY26.

FY22 outlook

RDY expects FY22 organic revenue growth in the mid-teens, with full twelve months FY21 Open Office revenue being $18.3m. EBITDA margin is expected to be in the range of 36% to 38%.

Strategic approach underpins long term growth

The ReadyTech flywheel



1 **Invest in Product and R&D**

- New modules planned and deepen investment in enterprise market product
- Expand investment in data analytics and AI to drive innovative edge

2 **Retain Customers**

- Invest in customer success to enhance value, upsell (increase ARPC) and sustain customer retention

3 **Win New Customers**

- Investment in enterprise sales and marketing
- Increase market share in respective verticals

4 **Increase Subscription/Recurring Revenue**

- Drive benefits from shared and efficient allocation or resources

5 **Increase Profitability**

- Invest incremental margin into sales and marketing to underpin future revenue growth and leverage ReadyTech portfolio benefits

Key take-outs

ROBUST & GROWING BUSINESS PIPELINE

Sizeable new business high conviction pipeline of $19m annualised subscription and implementation fees, including a number of enterprise opportunities across all segments.

CONTINUED SUCCESSFUL M&A

Open Office acquisition performing, ahead of expectations, driven by new local government wins, upsell of modules to existing customers and successful roll-out of the UK Ministry of Justice contract.

REVENUE DRIVEN BY CONTINUOUS RE-INVESTMENT

Ongoing investment in sales and marketing with focus on enterprise capability, robust product market fit through R&D and new talent – 28 new roles invested in FY21.

PRODUCT VALIDATION INTO INTERNATIONAL MARKETS

Expansion into international markets with existing ReadyTech products of McGirr Technologies (justice case management), Esher House (behavioural science) and Job Ready (back-to-work).

5-YEAR OUTLOOK

Well positioned to achieve organic revenue of over $125m by FY26.

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About ReadyTech

ReadyTech is a leading provider of mission-critical SaaS for the education, 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 readytech.io.