

MARKET RELEASE (ASX:RDY)

ReadyTech Investor Presentation

18 October 2023 – Attached is a presentation that will be given at the ReadyTech Investor Day.

– 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.



ASX:RDY

ReadyTech Investor Day

Wednesday, 18 October 2023

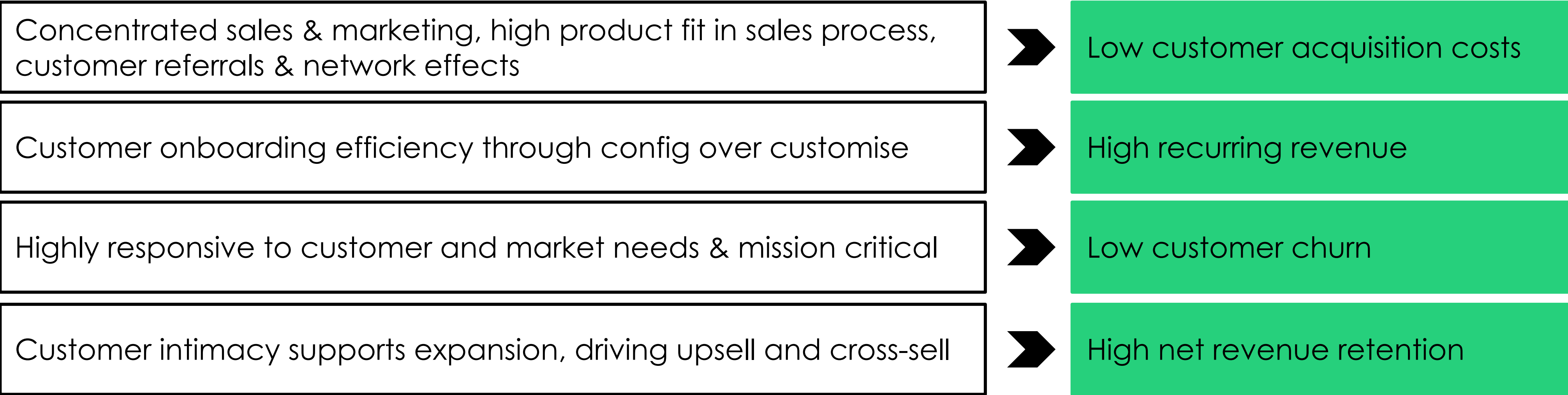


ReadyTech's vertical SaaS business model

Principles



Business model economics



Outcomes



ReadyTech's vertical SaaS business model

Selected markets for large TAMs where it is difficult for horizontal to compete against vertical solutions



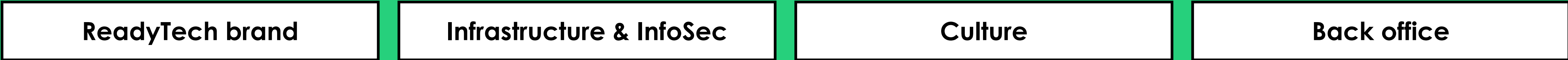
Need for deep domain expertise and customer intimacy



Underpinned by horizontal IP – best practice and shared knowledge

Optimise – focus & velocity to drive growth

Consolidate the undifferentiated on a shared platform



Scale advantage and efficiency

Targeting large, high value enterprise customers across all segments

The 'why' of the enterprise strategy



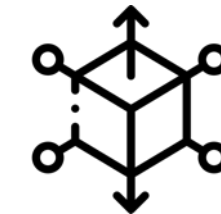
Acquire high value contracts with sizeable tech budgets, starting with break-through customers



Large addressable market and movement to cloud creates huge disruption opportunity



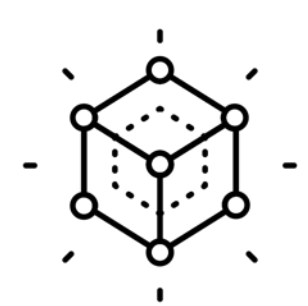
Builds strong moats



Scalable configurable platforms and vertical SaaS revenue model lead to higher margins

Why we win in enterprise markets

Our key differentiators in pursuit of new customers



Open ecosystem grants customers choice & flexibility



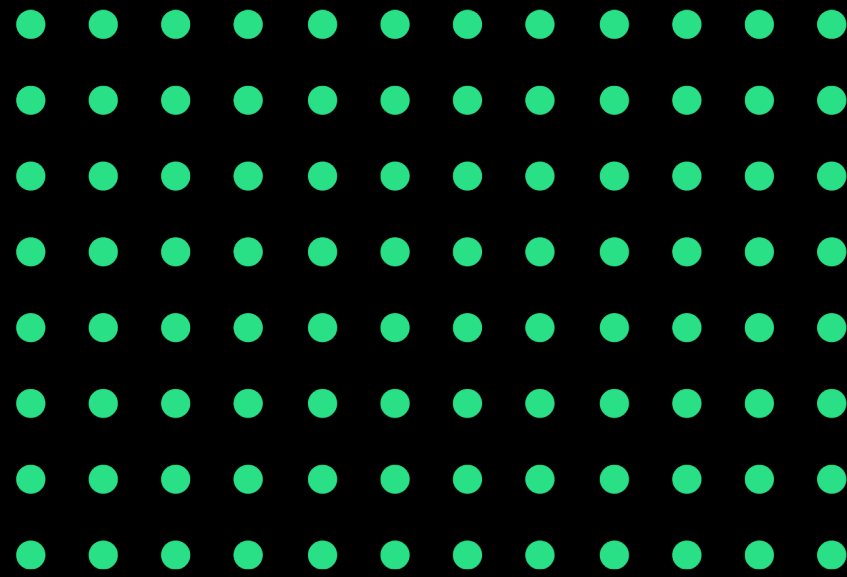
Elevating the user experience in the age of the customer



Customer culture and our reputation as a true partner

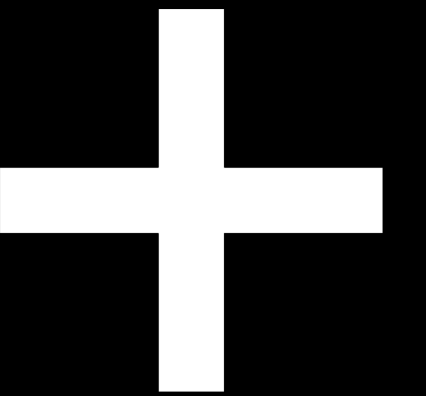


Innovation & AI – being first as the challenger brand



The journey to enterprise

James Diamond – Chief Executive, EWP
James Hourn – Head of Enterprise, EWP



The enterprise vertical SaaS approach

Beyond underserviced markets that are ripe for a vertical SaaS play, our journey to enterprise focuses on three key market themes

Mission critical compliance

- Highly regulated markets create moats
- Enterprise products command high-value contracts
- Compliance constrains customised development

Transition to ecosystem

- Flexibility and rapid adaptability important for risk management
- System of record owning the pipes that allow data to move through the value chain
- Insight into where value accumulates

Break-through customer(s)

- Refine and mature our products
- Opportunity to demonstrate success
- Credibility of our partnership approach
- Shift to value-based pricing in markets with large SOMs

Enterprise strategy to pursue large serviceable markets of \$970m* underpins long-term growth

ReadyTech enterprise breakthrough is growing pipeline across all verticals, augmented by customer upgrade growth opportunities



\$335m+

Education & Work Pathways



\$485m+

Government & Justice

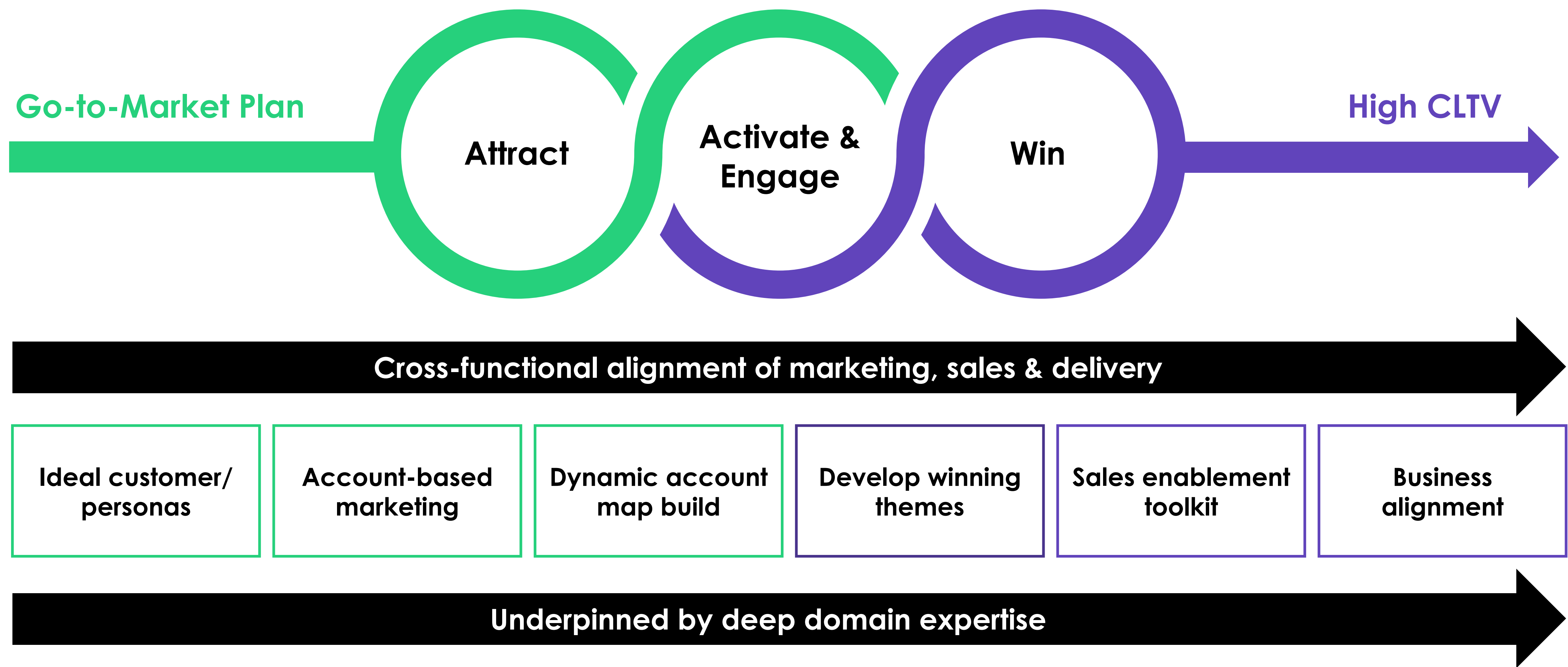


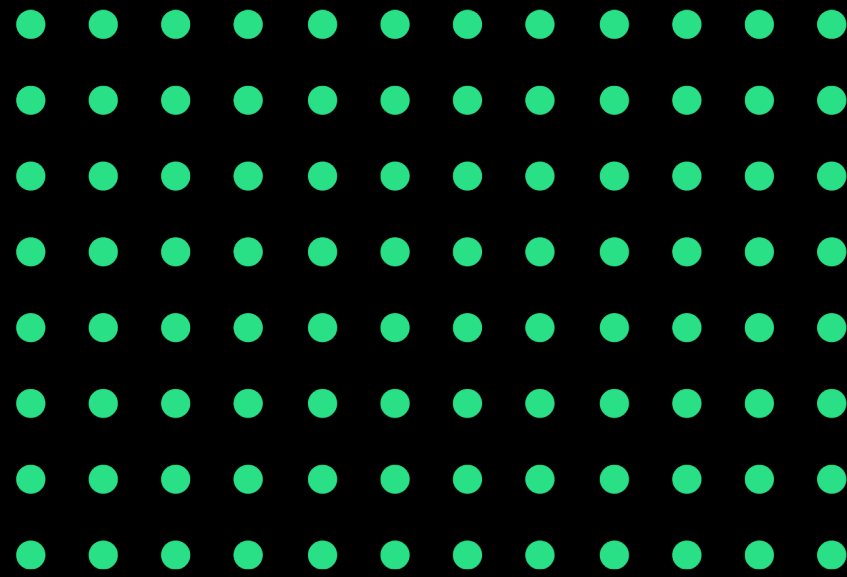
\$150m+

Workforce Solutions

**Management estimates by internal market/customer analysis*

Enterprise go-to-market approach unlocking success

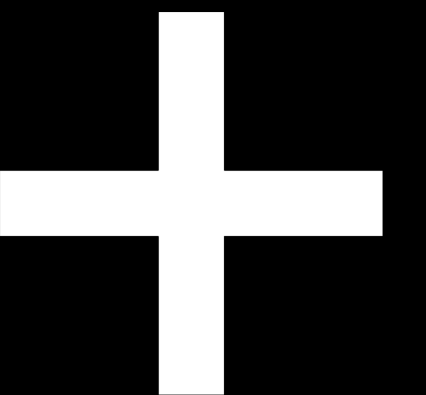




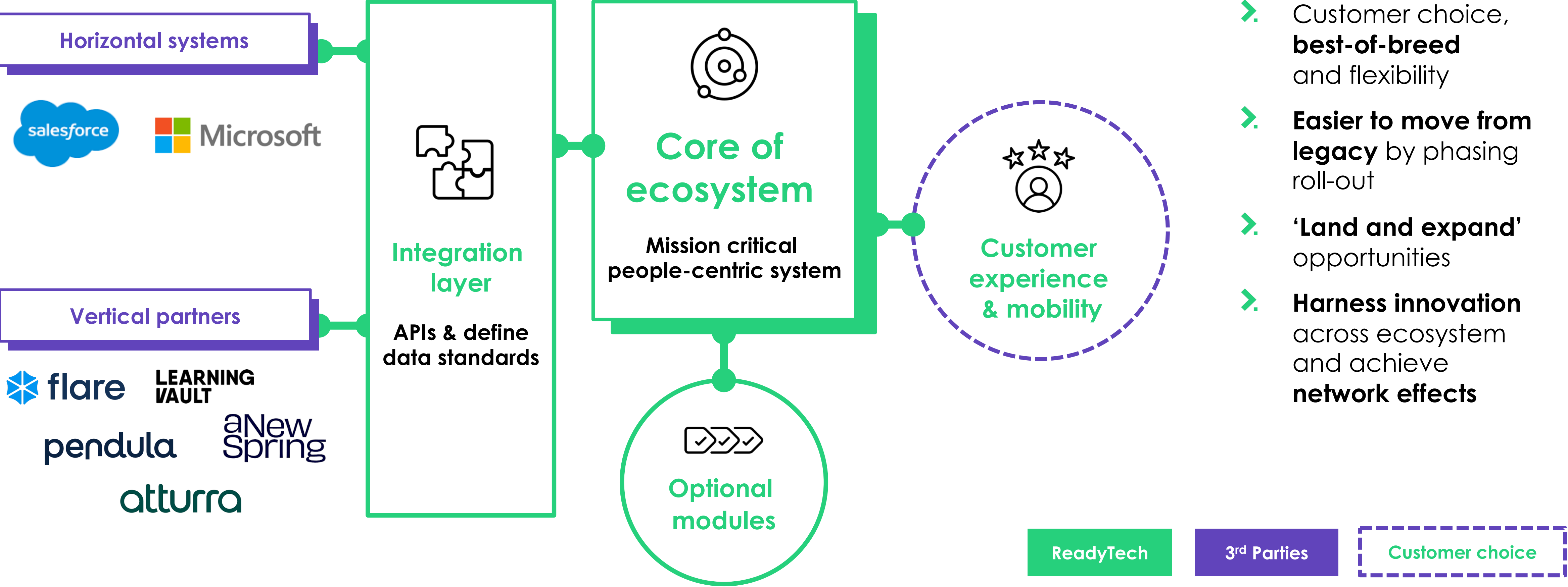
Open ecosystem

Daniel Wyner – Chief Executive, G&J

Craig McLaughlin – Head of Strategy & Solution Design, G&J



ReadyTech's open ecosystem is a major point of competitive difference versus platform monoliths



- > Customer choice, **best-of-breed** and flexibility
- > **Easier to move from legacy** by phasing roll-out
- > **'Land and expand'** opportunities
- > **Harness innovation** across ecosystem and achieve **network effects**

Customer-centric councils

Major digital transformation and platform upgrade required to meet community expectations for improved customer experience



50% More than 50% of the community believe their local government isn't customer-centric

2nd Community rate council responsiveness as the second-highest priority area

41% 41% of Australians think councils should invest in modernisation

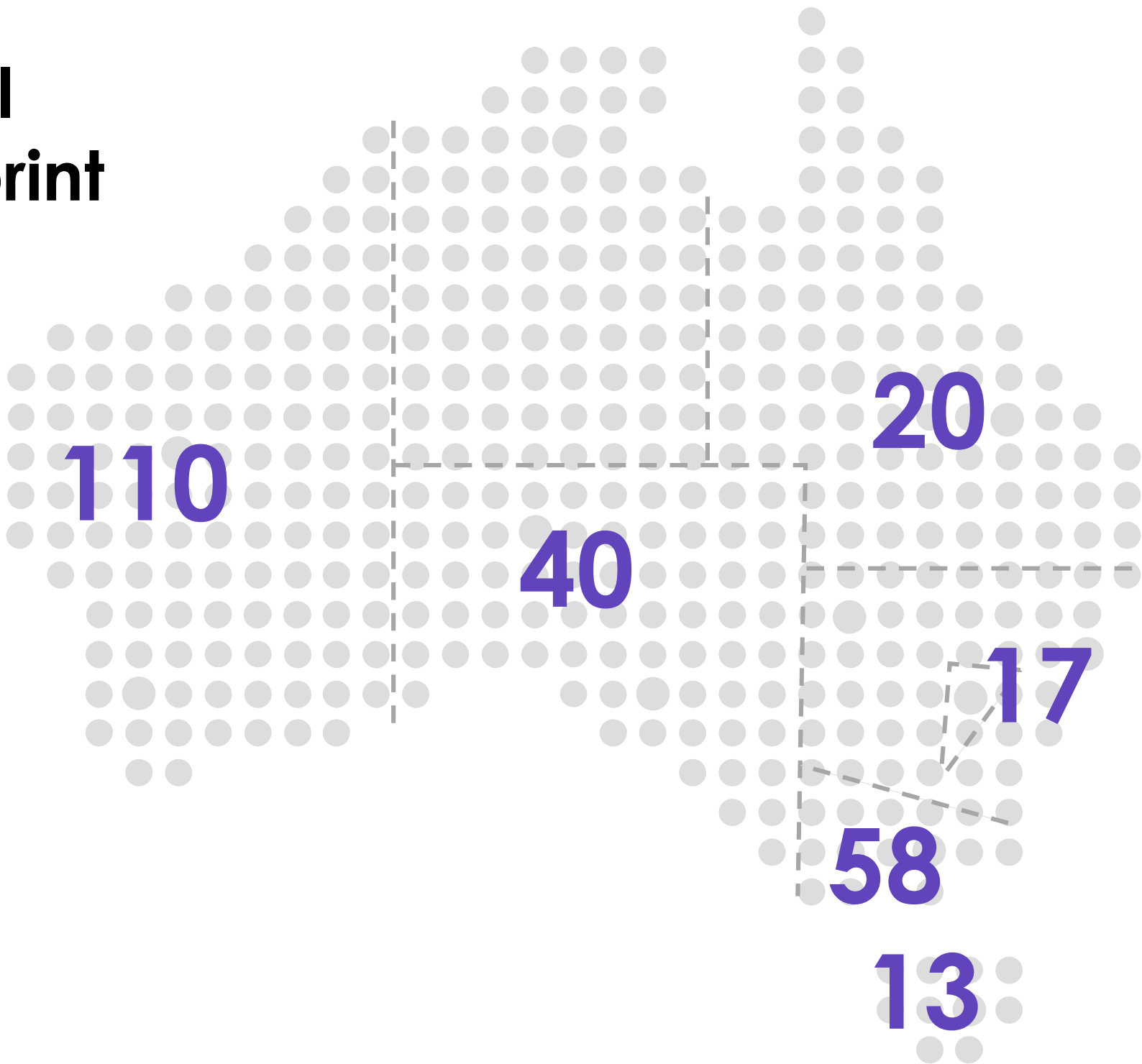
75% 75% of local government purchased their monolithic platforms 10+ years ago

The open ecosystem advantage

Open and connected ethos is resonating with customers, providing choice, flexibility and ability to phase transition to cloud

ReadyTech's local government footprint

Of these local government customers, upgrade opportunity exists for 170+ to transition to cloud subscriptions



ReadyTech offers		Alternative
Greater choice	▼	Lack of choice
Flexible, agile and responsive	▼	Inflexible and hard to change
Best-of-breed	▼	Compromise on functionality
Easier to move from legacy	▼	Vendor lock-in & captive

Case study: recent break-through enterprise customer win



City of Salisbury selected open ecosystem for a range of compelling reasons



Drivers of system change

- Need to automate and optimise
- Shift to a customer-centric approach
- Transition away from monolithic applications



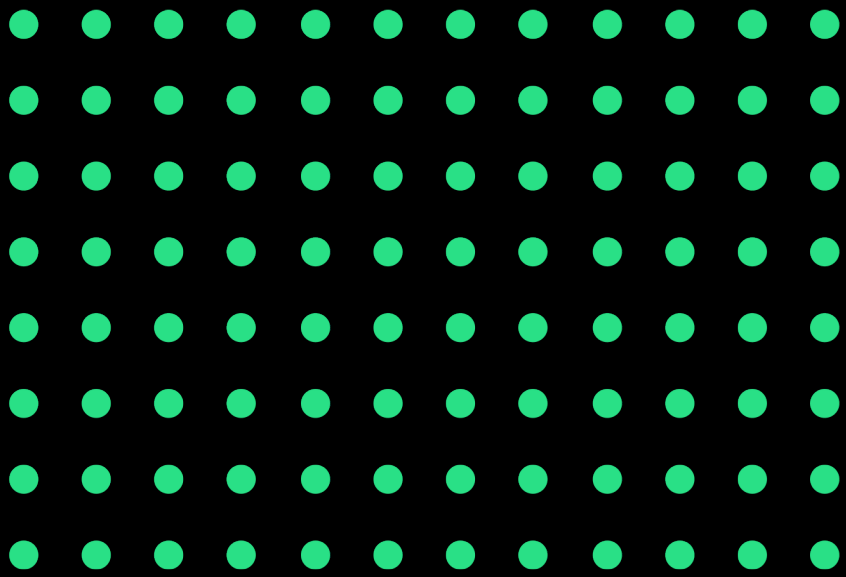
Why we won

- True partnership approach focused on local government
- Delivery and integration of Salesforce platform
- ReadyTech ecosystem delivering exceptional community experience



Benefits realised

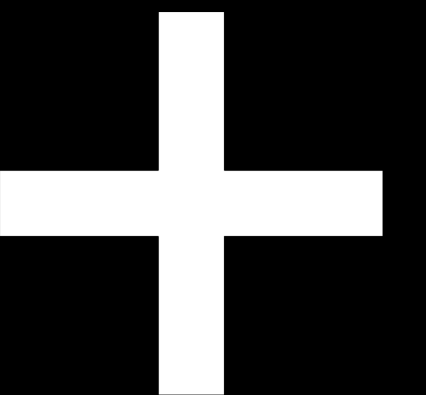
- Reducing manual tasks and errors
- Single-view customer platform for community insights
- Integration enhances collaboration and workflow control



Perfect product fit

Lauren Ma – Chief Executive, WFS

Sharon Schwarzkopf – Head of Product, WFS



Laser focused on vertical strategy to deliver perfect product fit

Workforce Solutions targets mid-to-enterprise solving complex payroll and workforce management in stand-up economy



Key target is
stand-up economy



Key market drivers of the stand-up economy

- Increasing focus on payroll compliance and paying people right
- Remote and mobile workforces
- Need to upgrade legacy technology to cloud
- Need to drive automation and cost efficiencies

Applying the ReadyTech vertical SaaS playbook to Workforce Solutions

Playbook in action

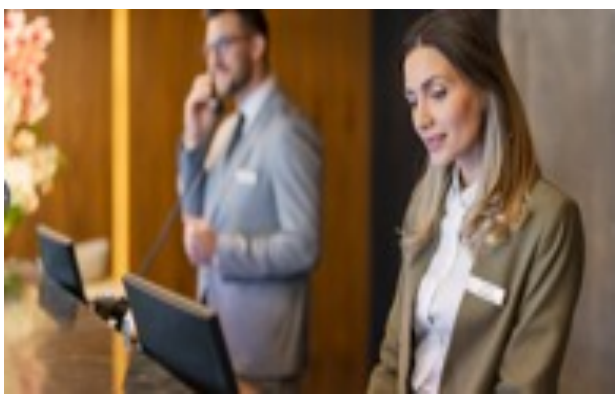
Deep understanding of stand-up economy market drivers

Rich customer insights & domain expertise

Efficiencies in GTM, delivery optimisation and high retention



Logistics



Hotels & Accommodation



Aged & Disability Care



Manufacturing



Agriculture



Retail & FMCG

Perfect product fit

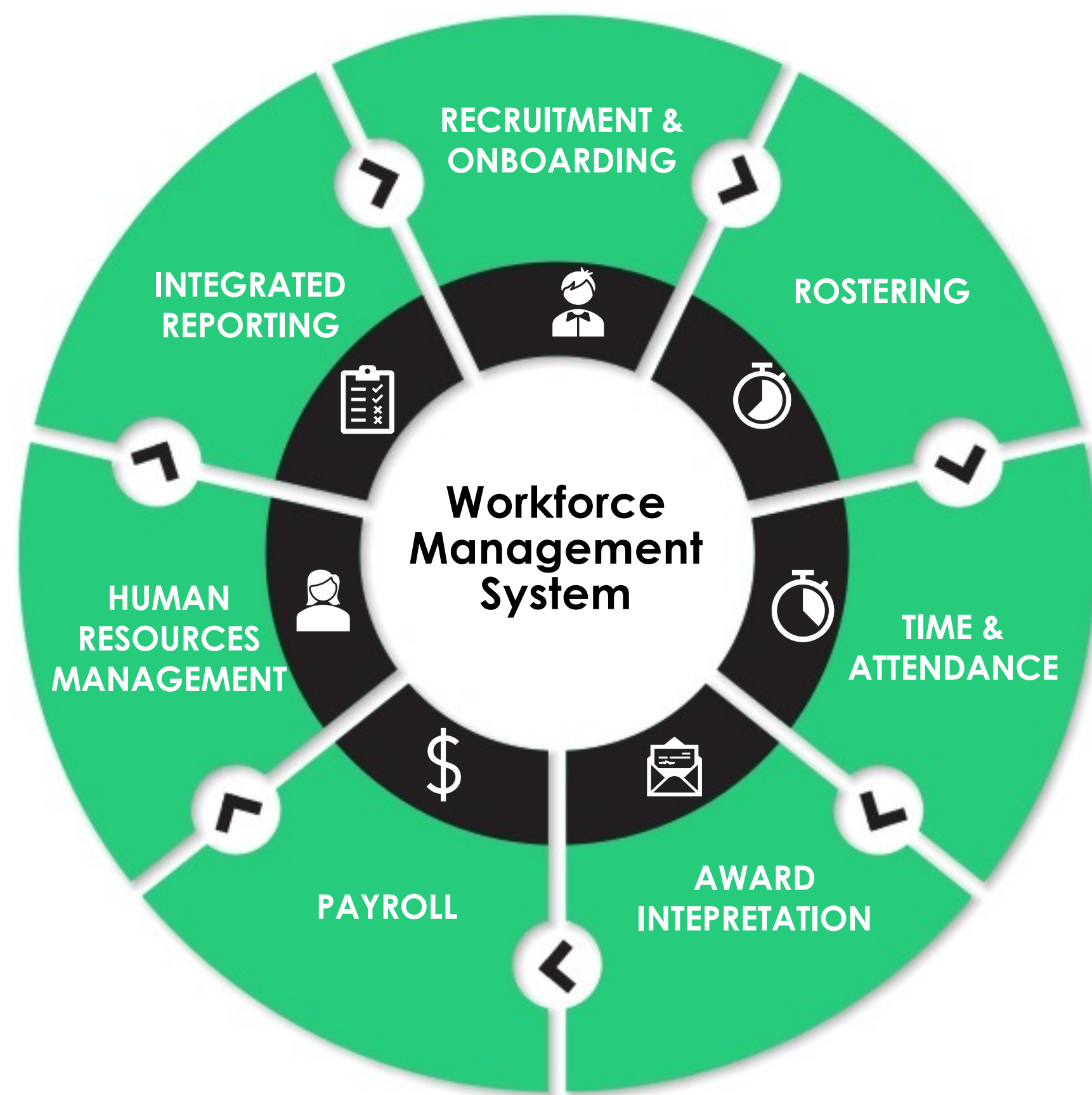
Vertical SaaS architecture and product strategy

Open & connected through API integration

Enhanced customer mobility – an open ecosystem to drive the employee experience

Complexity solved

Highly configurable, all-in-one vertical SaaS workforce management solution



Why we are winning customers in the stand-up economy

- All-in-one, single vendor relationship replacing legacy systems
- Highly trusted for mission-critical payroll & compliance
- Connected data for real-time and efficient workflows
- Expanded compliance with support for Australia and NZ in one platform
- Open ecosystem to connect industry-specific platforms and elevate the employee experience

Stand-up economy vertical strategy in action

High profile wins increase
penetration in key industry
segments



The power of the M&A playbook

The 3 M&A categories where ReadyTech's playbook is highly additive

Acquire for customers

- Access sticky customers that would be difficult or take long time to acquire one-by-one
- Grow market share
- Offer upgraded offering to grow ACV
- Consolidate development resources on one platform

Acquire for capability

- Accelerate roadmap where it's better to acquire mature capability than build
- Strengthen core platform to support new logo acquisition
- Offer upsell opportunity to existing ReadyTech customer base and vice versa

Enter adjacent or new vertical

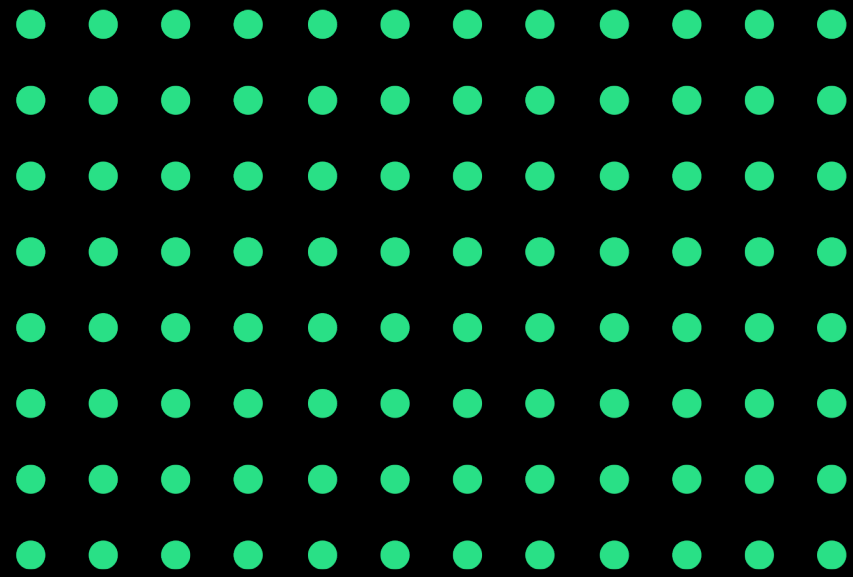
- Access attractive new vertical and apply ReadyTech vertical SaaS playbook
- Provide ReadyTech's shared platform to support focus on growth

Day 1 value to acquired company

Scale advantage

Accelerate growth

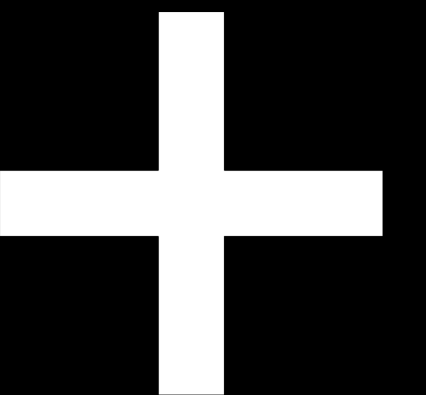
Drive synergies and margins



Culture of innovation & AI strategy

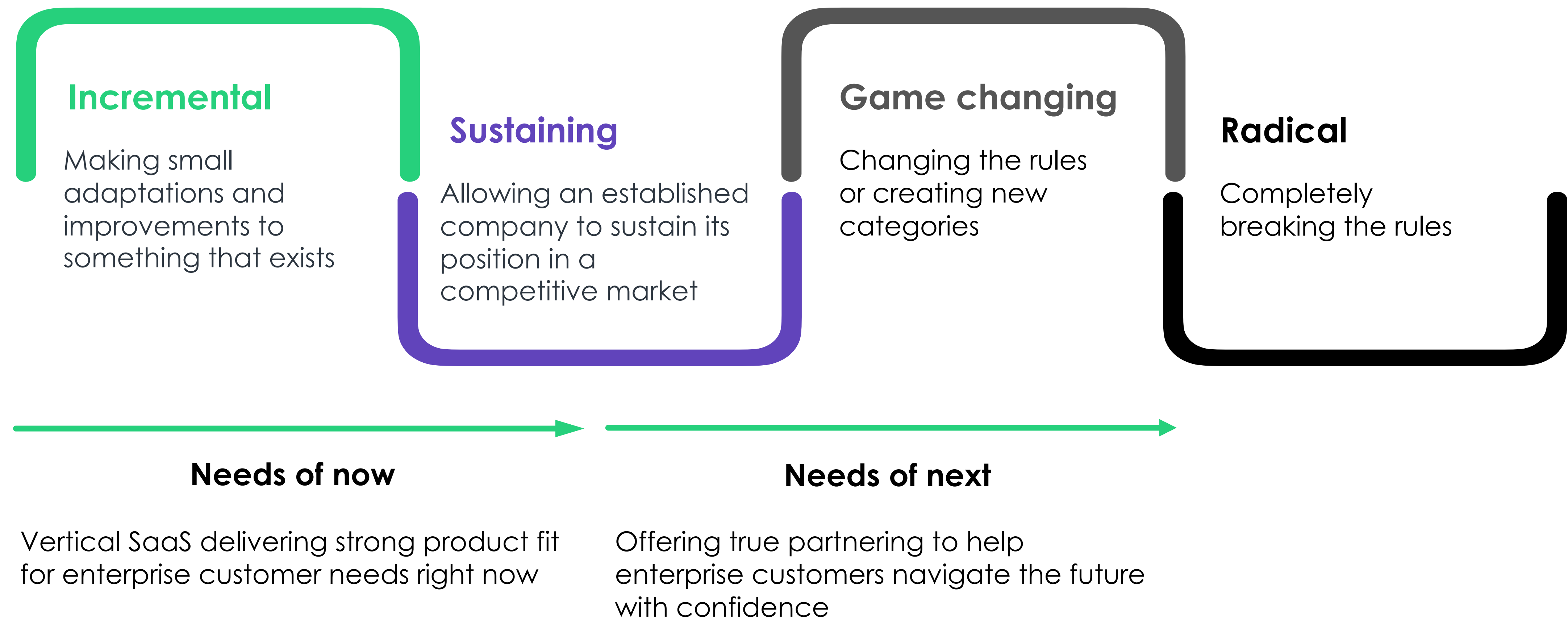
Sam Giffney – Chief Information Officer

Chris Smith – Head of Strategy & Innovation, EWP



How we innovate at ReadyTech

Innovation is change that adds value

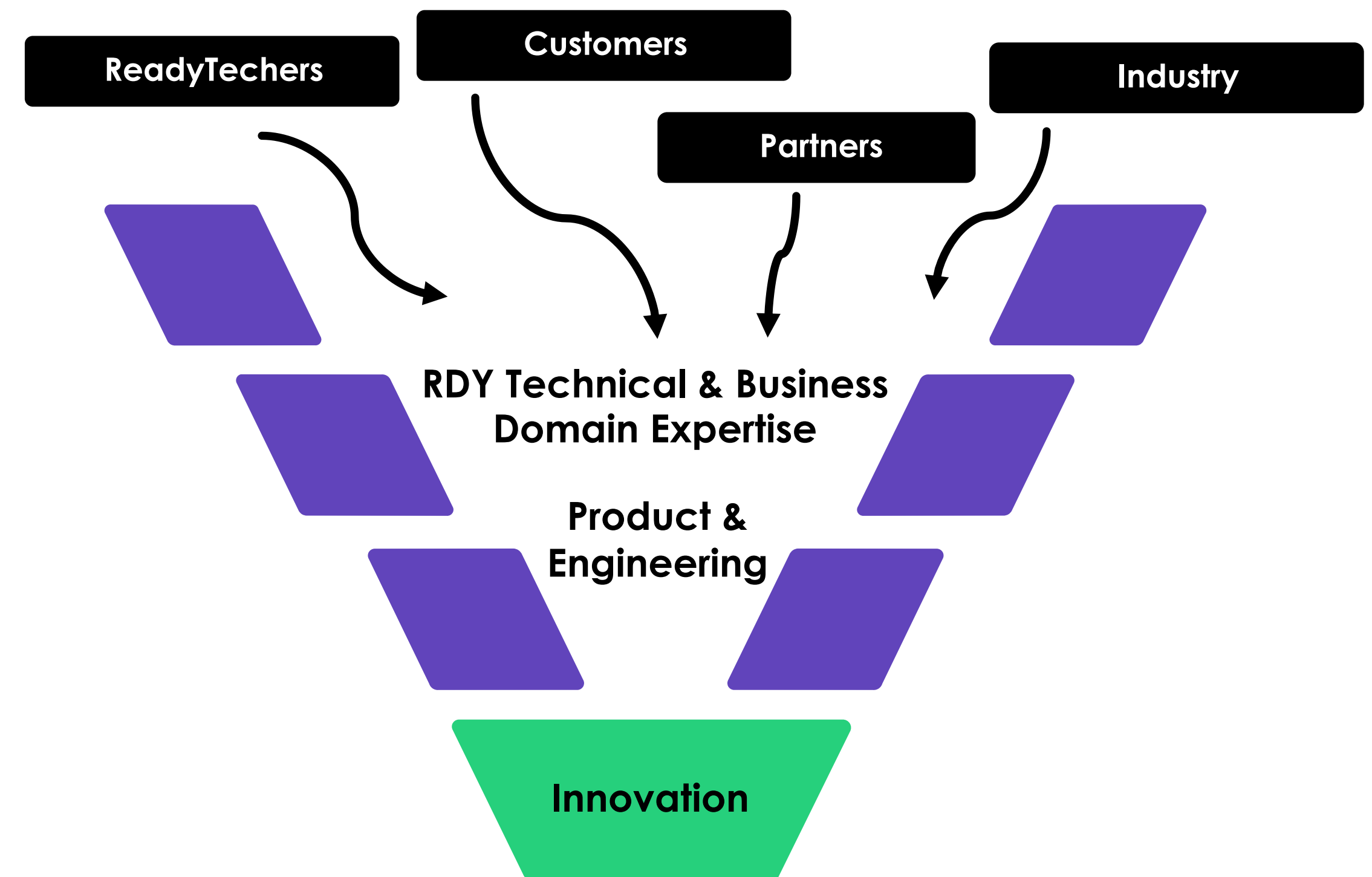


Investing in our culture

Systematic innovation

- Product-led practices
- Design thinking approach
- Customer research/ethnography
- Lightning Talks
- Lunch and Learns
- Product and Engineering offsites
- AI Week
- Innovation Day
- Product & Tech Guilds

How innovation comes to life



AI at RDY

ReadyTech has clear competitive and natural advantages

We have direct access to the **data** and much of it is unique to our products

We have deep **domain expertise** and understand the data

We own **distribution** to frontline users who are actioning the insights

We have experience building technology in spaces with significant **regulation**

Product commercialisation opportunities

**Augmented users such as
AI Assistants or 'Co-Pilots'**

Augmented
users

Pricing may be a
premium on top of
the standard user
subscription

**Where AI augments
existing features**

AI
embedded
features

It attracts, retains
and drives value

**Where the AI is the
standalone feature**

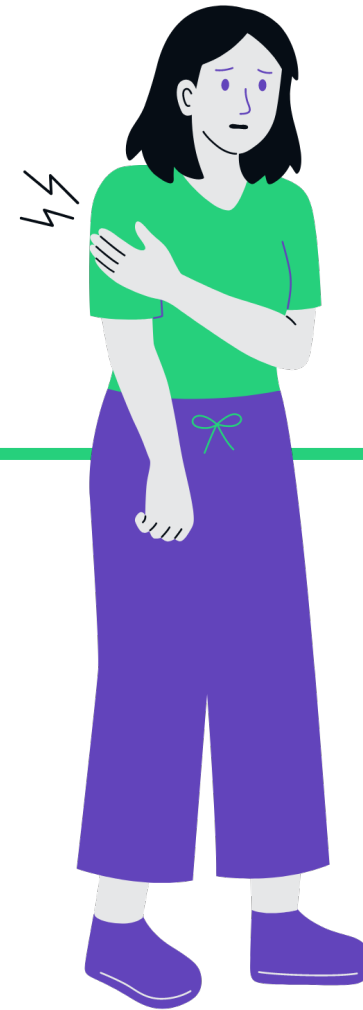
AI
specific
features

Pricing may be separate
and distinct, such as
individual or module
subscription

Augmenting humans

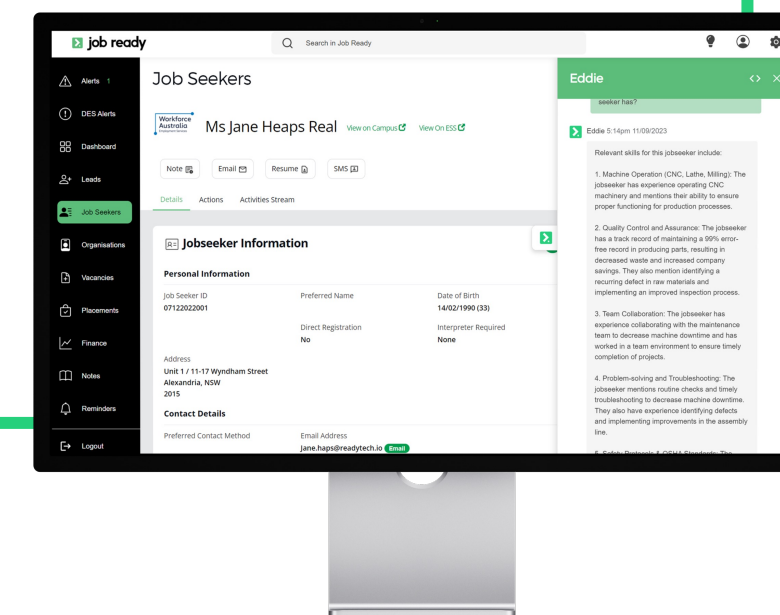
A typical user

- Admin-focused
- Time pressured
- Prioritisation challenges
- System overwhelm



Augmented user

- Outcome-focused
- Increased productivity
- Faster, more focused task management
- Simplified UX



Emerging research
validating co-pilots

“Consultants across the skills distribution benefited significantly from having AI augmentation, with those below the average performance threshold increasing by 43% and those above increasing by 17% compared to their own scores”

Harvard Business Review, 2023



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