

ASX RELEASE

ReadyTech operational and COVID-19 update

SYDNEY, 31st July 2020 – ReadyTech Holdings Limited (ASX:RDY), a leading provider of SaaS technology in workforce solutions (employment) and education, provides the following operational update regarding its business operations and the impact of COVID-19 on trading conditions generally since 1 April 2020.

Key highlights

- **Successfully navigating through COVID-19**
 - The safety and health of our team has been paramount, with a smooth transition to a “work from home” environment allowing projects and sales pipelines to be managed remotely
 - A good pipeline of activity meant the business did not access JobKeeper and ReadyTech has not stood down a single employee due to COVID-19.
- **ReadyTech has invested for growth, hiring additional resources**
 - Appointed James Diamond into the newly-created role of Chief Executive Education, to lead sales and marketing as well as the team responsible for ReadyTech’s education technology solutions.
- **R&D investment maintained to support ReadyTech’s growth opportunities**
 - Rolled out initiatives to support our clients’ management of JobKeeper requirements and enable student remote servicing and online learning and assessment.
- **Continuing strong pipeline and new business**
 - High recurring revenue profile and long-term customer tenure
 - Low exposure to international students, accounting for only 3% of students serviced
 - Growing momentum in the Back to Work sector, supporting increasing JobSeeker caseloads.

Commenting on ReadyTech’s operational update, CEO Marc Washbourne said: “Our software platforms have been well positioned to support enterprises, government bodies and educational institutions in effectively managing their people assets through the current COVID-impacted environment.

“Importantly, and most pleasingly, our software platform for the Back to Work sector has proven to be an effective tool in supporting the growing number of jobseekers transitioning back into the workforce. We are further encouraged by the ability of our software to assist businesses to facilitate the provision of training and services as part of the Federal Government’s new \$2 billion JobTrainer program, helping school leavers, apprentices and jobseekers access short and long courses to develop new skills in growth sectors.

“As a technology company with scalable software, we are very focused on technological innovation, R&D, and securing talented people to drive growth. Rather than reduce the size of our team and pull back on R&D investment, we have invested for growth, increasing our sales and marketing capabilities, our technology R&D spend in the development of new services, and the hire of additional resources to underpin our next wave of growth.”

Successfully navigating through COVID-19

The safety and health of our team members has been paramount, with a smooth transition to a “work from home” environment and projects and sales pipelines effectively managed remotely.

Client onboarding for the previously announced Bendigo and Kangan Institute TAFE \$7million software project is well underway, with the entire project managed remotely and no adverse impact due to COVID-19. Subscriptions have also commenced via the breakthrough client win with University of Queensland.

ReadyTech has invested for growth, hiring additional resources

ReadyTech’s growth has allowed it to invest in additional staff, with no employee on reduced hours or stood down due to COVID-19. As a result of this continued growth, ReadyTech did not access JobKeeper support. The increased investment in people resources will underpin ReadyTech’s next wave of growth.

With high quality talent available in the market, ReadyTech is using this period to add strategic hires to further strengthen its team. A prime example is the recent appointment of James Diamond into the newly created role of Chief Executive Education to lead sales and marketing as well as the high performing teams responsible for ReadyTech’s education SaaS solutions.

R&D investment maintained to support ReadyTech’s growth opportunities

The business has maintained strong levels of investment in R&D and staff (as outlined above), important ingredients that will continue to drive strong organic growth. Over the past four months, ReadyTech has seen strong adoption of modules for remote servicing, supporting organic growth via existing customers, including:

- Enabling student remote servicing
- Adopting online learning and timesheets to support clients’ remote staff
- Designing features to support clients’ JobKeeper requirements.

Continuing strong pipeline and new business

ReadyTech’s cloud-based software for managing people has proven to be resilient through the current extraordinary operating environment, with high recurring revenues of approximately 90% and low churn. In addition, ReadyTech has low exposure to the international student segment, accounting for only 3% of total students serviced by our Student Management System platforms.

ReadyTech’s workforce solutions platforms are at the heart of employer systems. The significant changes to compliance requirements in 2020 that are affecting awards, annualised salaries, single touch payroll and now the complexity of managing JobKeeper payments are all standard capabilities of the software platform.

ReadyTech has also experienced growing momentum in the Back to Work sector, where clients are supporting jobseekers with self-service support and job search to get back into the workforce. The rapid increase in JobSeeker caseloads and the increased support ReadyTech is providing to this segment of the market is especially pleasing.

ReadyTech intends to release its results for the 12 months ended 30 June 2020 (FY 2020) on Wednesday, 26 August 2020.

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This announcement has been authorised for release to ASX by the Board of Directors.

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About ReadyTech

ReadyTech is a leading provider of SaaS technology that helps providers of education and employment manage the increasingly complex human journey through study, work and career transitions. ReadyTech provides people management software to over 4,000 educators, employers and facilitators of work transitions. Bringing together the best in student management, apprenticeship management, payroll and HR admin, employment services and behavioural science technology, ReadyTech supports the development and success of tomorrow's workforce.