

MARKET RELEASE (ASX: RDY)

ReadyTech acquires Open Windows to extend Local Government capability

Key highlights:

- Open Windows is a specialist in cloud-based contract management and procurement software, extends its reach in the government sector.
- Compelling strategic acquisition that enhances ReadyTech's Local and State Government product-market fit, whilst also providing the opportunity to cross-sell Open Windows into ReadyTech's existing government customer base.
- Upfront consideration of \$4.8 million, with total consideration of up to \$14.3 million (inclusive of earn outs).

17 December 2021 – ReadyTech Holdings Limited (ASX:RDY), a leading SaaS business focused on providing next generation cloud-based software to customers within the education, employment, government and justice sectors, is pleased to announce the acquisition of Open Windows Software Pty Ltd (ACN 605 191 375).

Open Windows provides the Modular Procurement Suite to over 80 public and private sector customers, with the highest proportion of customers in Local and State Government. The platform consists of a functional set of source-to-contract management modules, covering the procurement and contract management lifecycle including tenders, compliance, contracts, supplier relationship management and sourcing.

ReadyTech Co-Founder and CEO, Marc Washbourne, stated: "We are very pleased to welcome the talented Open Windows team to ReadyTech. Open Windows has a strong reputation for its modular SaaS based approach, unique workflow process design, modern user interface, and ability to handle the complex requirements of multi-party contract management and procurement supply chains."

"Open Windows further fortifies ReadyTech's product-market fit and is suitable to cross-sell to a broad range of our customer base. In particular, Open Windows' focus on Local Government makes it a highly strategic and compelling fit for our Government & Justice segment."

ReadyTech's Chief Executive, Government & Justice, Phillip Simone added: "ReadyTech's Government & Justice segment has previously partnered with Open Windows on a number of successful customer implementations. We are excited to embed the contract management capability more deeply into our product suite and look forward to extending the offering to our broader Government customer base."

Founders of Open Windows, Shane and Adam McInnes said: "We are excited by the prospect of joining the Government & Justice team within ReadyTech. We welcome the opportunity for our staff and customers to benefit from the vision, scale and backing of such a dynamic and fast-growing Australian SaaS company."



The purchase price, including upfront consideration of \$4.8 million, and up to \$9.5 million in deferred consideration, reflects a multiple of 2.9x annual recurring revenue. Upfront consideration will be split between 84% cash (funded out of existing cash reserves) and 16% ReadyTech scrip. Deferred consideration will be structured into milestone earnouts over 4.5 years, with the combination of cash and scrip at the option of the two founders.

The acquisition, completed on 16 December 2021, is expected to deliver recurring revenue of \$1.5 million in FY22, with an EBITDA margin of 16% (before projected transaction and integration costs of approximately \$0.6m).

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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, 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.