

MARKET RELEASE (ASX: RDY)

ReadyTech enhances Workforce Solutions product-market fit through acquisition of PhoenixHRIS

Key highlights:

- PhoenixHRIS is a provider of an advanced cloud-based application tracking system
- Acquisition enhances ReadyTech Workforce Solutions all-in-one capability in the stand-up economy
- Upfront consideration of \$2.1m with total consideration of \$3.3m inclusive of earn out

17 March 2022 – ReadyTech Holdings Limited (ASX:RDY), a leading SaaS business providing next generation cloud-based software to customers within the education, employment, government and justice sectors, today announces the acquisition of PhoenixHRIS.

Through its cloud-based talent management system, PhoenixHRIS is a specialist in online recruitment management. PhoenixHRIS is offered both as an end-to-end suite and by module, with key modules including job requisition, recruitment, video screening, candidate testing and verification and onboarding.

Commenting on the acquisition, ReadyTech Co-Founder and CEO, Marc Washbourne, stated: "We are excited to announce the acquisition of PhoenixHRIS and we welcome the new team into our high performing ReadyTech culture. With its modern user interface, the cloud native and modular PhoenixHRIS platform aligns closely with ReadyTech's people-centric approach.

"The acquisition bolsters our Workforce Solutions all-in-one capability and product-market fit in the stand-up economy, which we expect will create strong cross sell/upsell opportunities in our existing customer base, as well increasing the attractiveness of the ReadyTech all-in-one platform to new customers as we tightly couple this additional functionality into the suite."

ReadyTech's Chief Executive, Workforce Solutions, Daniel Wyner added: "In Workforce Solutions, ReadyTech's strengths lie in payroll and the post onboarding workforce management modules including rostering, time and attendance, and award interpretation. Through this acquisition, PhoenixHRIS further enhances our capability in talent acquisition and onboarding, enabling us to better serve the growing market need for remote recruitment in the 'stand up economy'. It will be a strong product fit with ReadyTech, where PhoenixHRIS's quality offering is evidenced by average customer tenure of circa 7 years."

Founders of PhoenixHRIS, Steve Conway and Mel Crainic said: "We are very pleased to join a group with the scale and proven growth strategy of ReadyTech. With its best practice SaaS playbook and large existing set of customers, we see significant opportunity for increased adoption of our technology solutions under ReadyTech ownership."

The purchase price, involves an upfront consideration of \$2.1M and deferred consideration of up to \$1.2m consistent with a revenue multiple of 2.7x. The consideration will be funded from ReadyTech's existing cash.



The acquisition completed on 17 March 2022 is expected to deliver revenue of \$240,000 in FY22, with an EBITDA margin of 40% (before projected transaction and integration costs of approximately \$350,000).

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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.