

MARKET RELEASE (ASX: RDY)

Update on non-binding indicative proposal to acquire ReadyTech

30 November 2022 – ReadyTech Holdings Limited (ASX: RDY) (**ReadyTech**) (ABN 25 632 137 216) refers to:

- its announcement dated 1 November 2022 regarding the conditional, non-binding indicative proposal ReadyTech received from funds managed or advised by Pacific Equity Partners Pty Limited and its affiliates (**PEP**), a leading Australian private equity firm, to acquire ReadyTech by way of a scheme of arrangement at an offer price of \$4.50 per share (**Proposal**); and
- its announcement dated 15 November 2022 regarding the written reconfirmation ReadyTech received from PEP that they remain willing, on a conditional, non-binding indicative basis, to pursue an acquisition of ReadyTech at an offer price of \$4.50 per share (**Reconfirmation**).

As previously announced:

- the ReadyTech Independent Board Committee carefully considered the Proposal and Reconfirmation, with advice from its financial and legal advisers, and formed the view that it was in the interests of ReadyTech shareholders to:
 - engage with PEP on a non-exclusive basis; and
 - provide PEP with access to certain non-public due diligence information on a non-exclusive basis; and
- funds managed by Pemba Capital Partners Pty Ltd (**Pemba**) currently hold 32.01% of the issued share capital of ReadyTech and the Proposal contemplated that PEP would seek relief from the Australian Securities and Investments Commission (**ASIC**) to allow PEP and Pemba to work jointly together in relation to the Proposal.

ReadyTech advises that it has now received an updated proposal from PEP advising that PEP has determined to withdraw the relief application to ASIC and will no longer pursue the application or seek to work jointly with Pemba in relation to any potential transaction relating to the Company (**Updated Proposal**). For the avoidance of doubt, ReadyTech is informed that PEP and Pemba are not, nor have they ever been, associates and do not have, nor have they ever had, any agreement, understanding or arrangement in relation to the ReadyTech shares held by Pemba, the Proposal, or Updated Proposal or any transaction in relation to the Company.

The Updated Proposal confirms that, after advancing its due diligence, PEP remains willing, on a conditional, non-binding indicative basis, to pursue an acquisition of ReadyTech at an offer price of \$4.50 per ReadyTech share. The Updated Proposal also includes a potential scrip alternative for ReadyTech shareholders to elect to receive all cash, all scrip or a blend of cash and scrip consideration in a newly incorporated acquisition entity. The Independent Board Committee is in discussions with PEP with respect to the terms and conditions of the scrip alternative, including potentially both minimum and maximum (with a scaleback mechanism) rollover thresholds for ReadyTech shareholders.



The Updated Proposal remains subject to a number of conditions, including:

- completion of remaining due diligence;
- negotiation and execution of binding transaction documentation, including a scheme implementation deed containing other customary terms and conditions;
- obtaining binding commitments from debt financiers;
- final PEP investment committee approval; and
- receipt of all necessary regulatory and court and shareholder approvals.

The Independent Board Committee has carefully considered all aspects of the Updated Proposal, with advice from its financial and legal advisers, and is currently of the view that it is in the interests of ReadyTech's shareholders to continue to engage with PEP on a non-exclusive basis to allow it to develop a more certain Updated Proposal. If transaction terms can be agreed with PEP, ReadyTech would aim to promptly execute binding transaction documentation. The Independent Board Committee will consider any alternative proposals that are in the interests of ReadyTech shareholders, although no other proposals have been received to date.

The discussions with PEP are on-going and no agreement has yet been reached between the parties. ReadyTech will keep shareholders fully informed on any material developments in accordance with its continuous disclosure obligations.

Shareholders do not need to take any action in relation to the Proposal, Reconfirmation or Updated Proposal. There is no certainty that these discussions will result in a transaction.

– ENDS –

This announcement has been authorised for release by the Independent Board Committee of ReadyTech Holdings Limited.

For more information, please contact:

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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.