



3 April 2017
Market Announcements Office
ASX Limited

MYOB completes the acquisition of leading payment services provider, Paycorp

- The acquisition of Paycorp opens up a significant market opportunity for MYOB and its clients, in the rapidly growing payment services sector.
- MYOB will be the first to market with an integrated payment and accounting solution for its client base in Australia and New Zealand, which will enable clients to improve cashflow and administration processes through the automation of payment services in their businesses.
- The integrated offering will strengthen margins and create new revenue opportunities for MYOB, positioning it higher up the value chain in the payments services cycle.
- With the value of fees from payments processed through accounting software platforms estimated to be over A\$700 million, the opportunity for MYOB is significant and extends further across other payment areas such as payroll, e-commerce and retail payments.

MYOB Group Limited (MYOB; ASX: MYO) is pleased to announce the completion of the acquisition of Paycorp Payment Solutions Pty Limited ("Paycorp") on 1 April 2017.

As previously announced on 23rd February 2017, MYOB entered into a sale and purchase agreement to acquire 100% of Paycorp, for a total consideration of A\$48 million. The acquisition has been funded by MYOB's existing cash reserves and is EPS accretive from completion date.

MYOB CEO Tim Reed said:

"We are delighted to announce the completion of the Paycorp acquisition, which we believe opens up a significant growth opportunity for us in the rapidly expanding payment services industry. The acquisition reinforces our vision and strategy of providing innovative solutions to our clients, and follows the successful launch and traction of MYOB's PayDirect Mobile and PayDirect Online solutions currently in the market.

We are particularly excited by the opportunity to offer a solution that enables our clients to reduce administration time and costs and critically improve cash flow through the automation of payment services for their businesses."

Growth Opportunity in the Payment Services Industry

MYOB believes a large market exists within small and medium businesses to use core payments services to drive efficiencies in their business and to improve their cashflow requirements. Paycorp currently provides a secure payments service to over 6,500 clients across multiple industries, allowing customers to receive and process secure payment transactions (such as credit card, direct debit and BPAY).

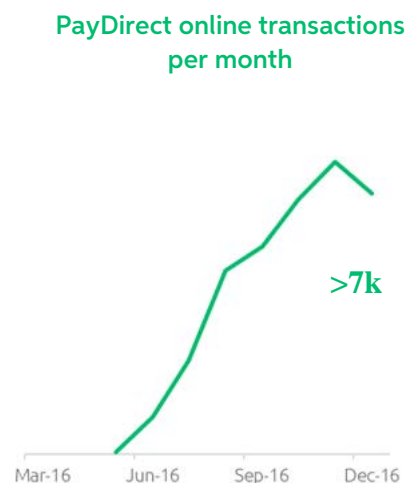
By adding an integrated and seamless payment acceptance process into MYOB's accounting software flows, MYOB will be the first to market a solution which enables businesses to automate payment services which, in turn, creates efficiencies in cash flow and reduces administration time and costs for clients.

MYOB's integrated payment services and accounting solutions offering will strengthen margins and create new revenue streams by allowing MYOB to have direct commercial, contractual and operational relationships with the acquirers and payment processors.

The acquisition follows the successful introduction of MYOB's PayDirect Mobile in December 2015 and PayDirect Online in May 2016, which have both been well received by clients, resulting in strong growth of more than 10,000 transactions in PayDirect mobile and more than 7,000 transactions in PayDirect online by the end of 2016.



Up 64% since Dec'15



Launched May'16

With an existing client base of around 1.2 million small to medium sized businesses, the growth opportunity for MYOB in the payment services sector is considerable and has the potential to expand MYOB's Total Addressable Market.

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About Paycorp

Established in 2001, Paycorp has operations across Sydney, New Zealand and Sri Lanka.

Paycorp is a high growth technology business that provides payment services that allows clients to receive and process secure payment transactions. With over 15 years of global experience, Paycorp acts as a local online Payment Solutions Provider (PSP), providing cutting-edge payment solutions to help organisations become PCI compliant, consolidate payment collection methods and improve efficiencies in managing receivables.

Paycorp services over 6,500 clients across multiple industries including banks, insurance, telecommunications, utilities, government and many more. Services include:

- Secure online payment solutions, such as credit card, direct debit BPAY and alike
- Integrated POS terminal solutions
- Accounts receivable automation
- Secure credit card data storage
- Tokenisation solutions

All products are PCI-DSS (Payment Card Industry Data Security Standard) level 1 compliant.

About MYOB

MYOB Group Ltd (ASX: MYO) is a leading provider of online business management solutions. It makes business life easier for approximately 1.2 million businesses across Australia and New Zealand by simplifying accounting, payroll, tax, practice management, CRM, job costing, inventory and more. MYOB provides ongoing support via many client service channels including a network of over 40,000 accountants, bookkeepers and other consultants. It is committed to ongoing innovation, particularly through its Connected Practice Strategy and through the development of the MYOB Platform. For more information, visit <http://investors.myob.com.au/investors> or follow @MYOB on Twitter.