

PayGroup successfully completes \$3.0M placement

- **Successful capital raise of \$3.0m via a placement at \$0.70 per share, a 2.1% discount to 5-day VWAP**
- **Placement was supported by new and existing institutional investors**
- **Funds raised will be used to accelerate business growth, further develop IT infrastructure, integrate the acquisition of Astute and provide general working capital**
- **Capital raised will fund PayGroup to profitability in FY2020 and beyond**

Australia, 20 November 2019: Human Resources SaaS and software with a service (SaaS) provider PayGroup limited ("PayGroup", "the Group", ASX:PYG), is pleased to announce it has successfully undertaken an institutional placement that will, on settlement, raise \$3.0 million (before costs) through the issue of 4,285,714 new ordinary shares ("Placement").

Proceeds from the Placement will be used to accelerate business growth, including the Global Partner Program, further develop the Group's IT infrastructure and to fund the transaction and integration costs associated with the recently completed Astute One Limited ("Astute") acquisition. A portion of the funds raised will also be used for general working capital purposes and with the integration of Astute, fund PayGroup to profitability in FY2020 and beyond

The Placement was priced at \$0.70 per share, representing a 1.4% discount to the last price on 15 November 2019, and a 2.1% discount to the 5-day VWAP.

The Placement was well supported by existing and new institutional and sophisticated investors, and the new shares will be issued under the Company's 15% placement capacity pursuant to ASX Listing Rule 7.1. Settlement of the Placement is expected to occur on 26 November 2019, and the new shares will rank pari passu with existing PayGroup shares on issue.

Lucerne Australia Pty Ltd and Lodge Corporate Pty Ltd acted as Joint Lead Managers on the Placement.

Mark Samlal, PayGroup's Managing Director said "We are pleased by the strong investor support shown in the capital raising for PayGroup. The funds raised will be utilised to invest in our strategic acquisition of Astute and the Group's future growth strategies, securing our pathway to profitability. We are delighted to welcome new high-quality funds and investors onto our register."

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About PayGroup Limited

Headquartered in Melbourne, Australia, PayGroup Limited (ASX: PYG) is a provider of Software-with-a-Service (SaaS) payroll solutions and APP enabled Cloud (Software-as-a-Service or SaaS) Human Capital Management



(HCM) platform for multinational companies. Clients are typically medium to large employers in multiple countries across Asia Pacific.

The Group is also a leader in workforce management solutions for complex businesses especially for Workforce Management Companies in Australia and New Zealand with its recent acquisition of Astute One Ltd.

We have 780 client entities, 183 employees and deliver over 4.7 million payslips per annum

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