

Australian Equities Day

Mark Samlal
Managing Director



WHAT DOES PAYGROUP DO? ONE VIEW OF YOUR WORKFORCE, PAYMENTS AND ARTIFICIAL INTELLIGENCE

**Have you ever
worked as an
employee or as
a contractor?
Was your pay
always right?**

**Have you read
about
underpayments
and payroll
frauds?**

**Do you
remember
completing
paperwork for
pay-related
claims and
calling HR?**



WORLD CLASS SAAS AND SERVICES TO CORPORATES AND WORFORCE COMPANIES

Financial Services

Logos for Westpac, VTB Capital, TEMENOS, ARALOGOS, ARAB BANK GROUP, BANKTECH, and J. SAFRA SARASIN.

Professional Services

Logos for appen, SYSPRO, Veritas, Cisive, Michael Page, Brunel, peoplebank, and LION & LION.

Industrial

Logos for amcor, HVTc, AGRI LABOUR australia, GEBO CERMEC, Celanese, infineon, DANONE, WATLOW, EMAS, AVANTIS, and ANGLO-EASTERN.

Healthcare / Pharmaceutical

Logos for Baxter, Shire, cxagroup, Santen, Welch Allyn, eppendorf, sartorius, HEXAGON, Roche, EXTRA MILE PEOPLE, and YOUNG LIVING.

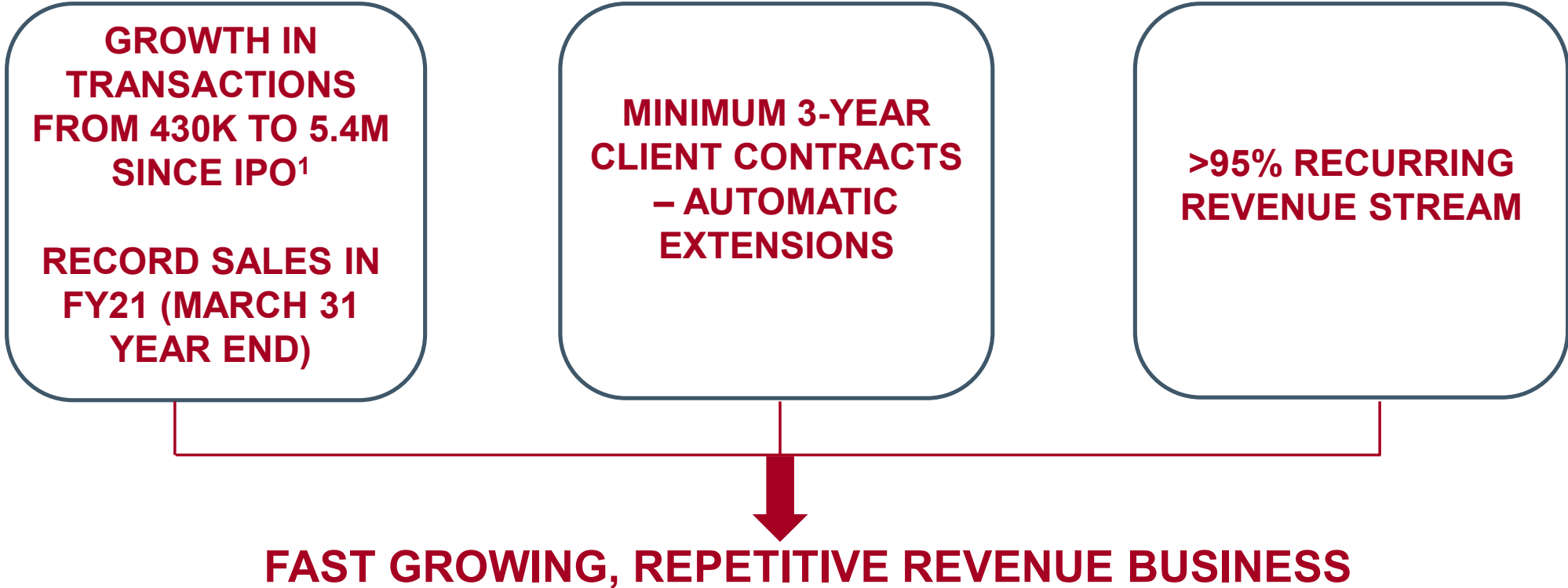
Construction / Manufacturing

Logos for bettabuilt, Master Builders Association, NICE, Kulicke & Soffa, OMRON, grass valley, KSH, SMITHGROUP, markem-imaje, EXCELITAS TECHNOLOGIES, and SANDVIK.

Other

Logos for Discovery NETWORKS, VICTORIA State Government, VITA COCO, L'ORÉAL MALAYSIA, CLARINS, VOLVO VOLVO GROUP, SITE SERVICES HOLDINGS, ROHM HAAS, NIIT technologies, west, Electrolux, and EXCLUSIVE NETWORKS.

INVESTABLE THEMATICS OF PAYGROUP



1 IPO 29 May 2018

ADDRESSABLE MARKET – CORPORATE WORKFORCE

The APAC HCM market grew 11.85% in 2019 and modest growth is expected in 2020 despite recessionary conditions

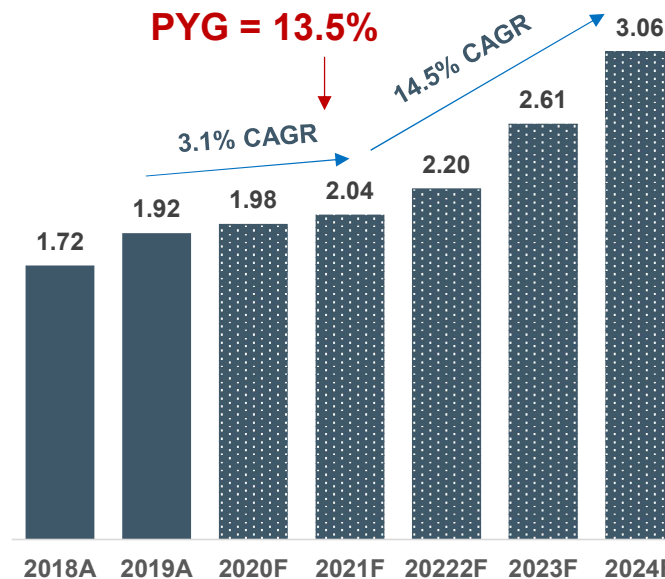
APAC BPO Market Size



APAC HCM Software Market Size



APAC HCM Software Market



- The APAC HCM market grew 11.85% in 2019
- APAC HCM Software is forecast to grow at 3.1% CAGR (19A'-21F') and 14.5% CAGR (21F'-24F')
- Growth is driven by payroll and legislative complexity and increased adoption of cloud-based software
- ***HCM Software Market forecasts based on an April 2020 update to account for the most likely impacts of COVID-19 on the Enterprise Application Software Market.***

Graphs/Charts created by PayGroup based on Gartner Research, Source(*) : Gartner Forecast: Enterprise Application Software, Worldwide, 2018-2024, April 2020 Update, Neha Gupta et al., 1 May 2020 APAC/Asia Pacific= Mature Asia/Pacific, Emerging Asia/Pacific, Greater China and Japan(Region). Vendor Revenue basis.

Source (*) Gartner, Market Share: IT Services, Worldwide 2019, Dean Blackmore et al., 13 April 2020 APAC = Mature Asia/Pacific, Emerging Asia/Pacific, Greater China and Japan(Region). Vendor Revenue basis.

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MAIDEN STATUTORY NPAT RESULT AND 5.3M IN THE BANK AT H1 FY21

	FY19	FY20	H1 FY21 Update April – Sept 20	Commentary
New Sales – TCV ²	4.9m	5.5m	>5.4m	Leading Indicator & strong tailwinds
Annual Payslips/ Transactions ¹	630k	4.7m	>5.2m	Organic Growth and Acquisitions
Acquisitions	PayAsia India	Astute One	TalentOz & Payroll HQ ³	Listening to our customers – increasing our share of client wallet and scale
Clients	450	875	995	Continued growth with high retention – >95%
Internal Employees	120	183	229	As a result of acquisitions
Operating Cash Position	(4.8m)	(0.1m)	+2.1m	Operating cash flow positive – 4 th quarter in a row and expected to continue
Global Partner Program	2	4	8	Delivering continued organic growth

Notes:

- 1 Payslips and treasury transactions processed in last month of period (September 2020)
- 2 Measured in Total Contract Value (TCV) terms
- 3 Payroll HQ acquisition will be effected mid-December post EGM

PAYGROUP – OUR BUSINESS

Performs the most critical of outsourced business services for corporate customers



Leading provider of Human Capital Management (HCM) and payroll software and services – included in Gartner Guides, 3rd year running



Scalable SaaS platform offering full-service “hire-to-retain” suite (27 modules)



Full payroll outsourcing, processing over 5.2m paylips/treasury transactions (annualised)



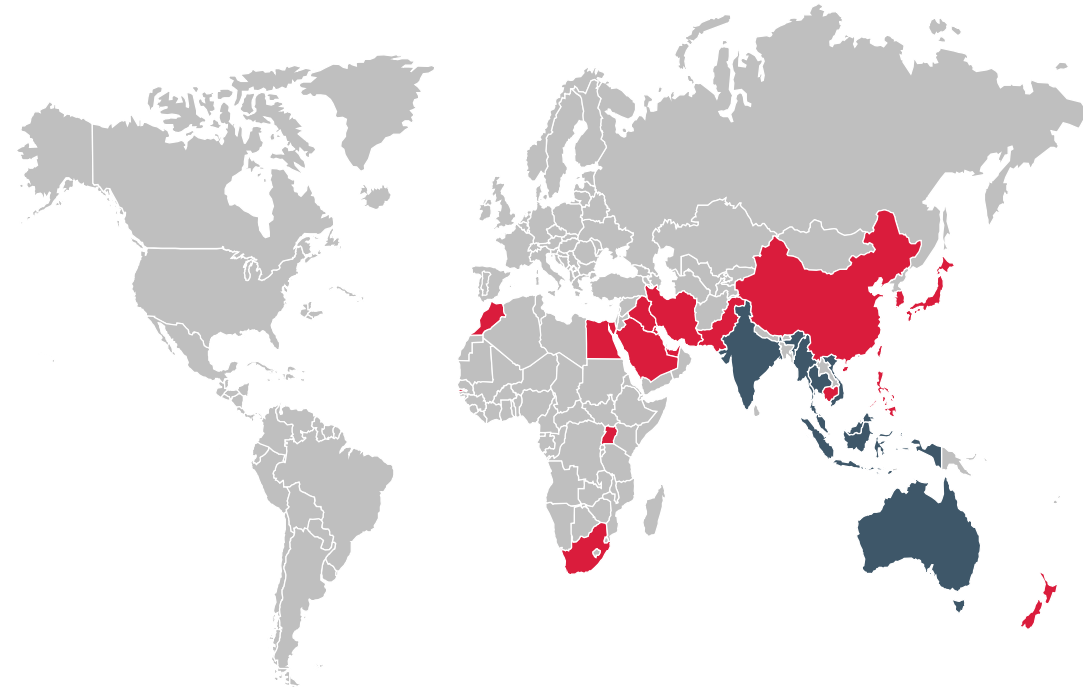
Cash generative and profitable (in H1 FY21) supported by strong base of repetitive, 3-year contracted revenues, with >95% client retention



Geographical reach – Local expertise in **41** countries serviced by offices in 11 countries



Highly experienced Board + Management team - Newly Appointed Director, Mr Shane Gild



Office Locations and Coverage

Service Coverage

OUR CLIENTS USE OUR SAAS, SERVICES AND PAYMENTS SOLUTIONS

Four key pillars



Organic growth



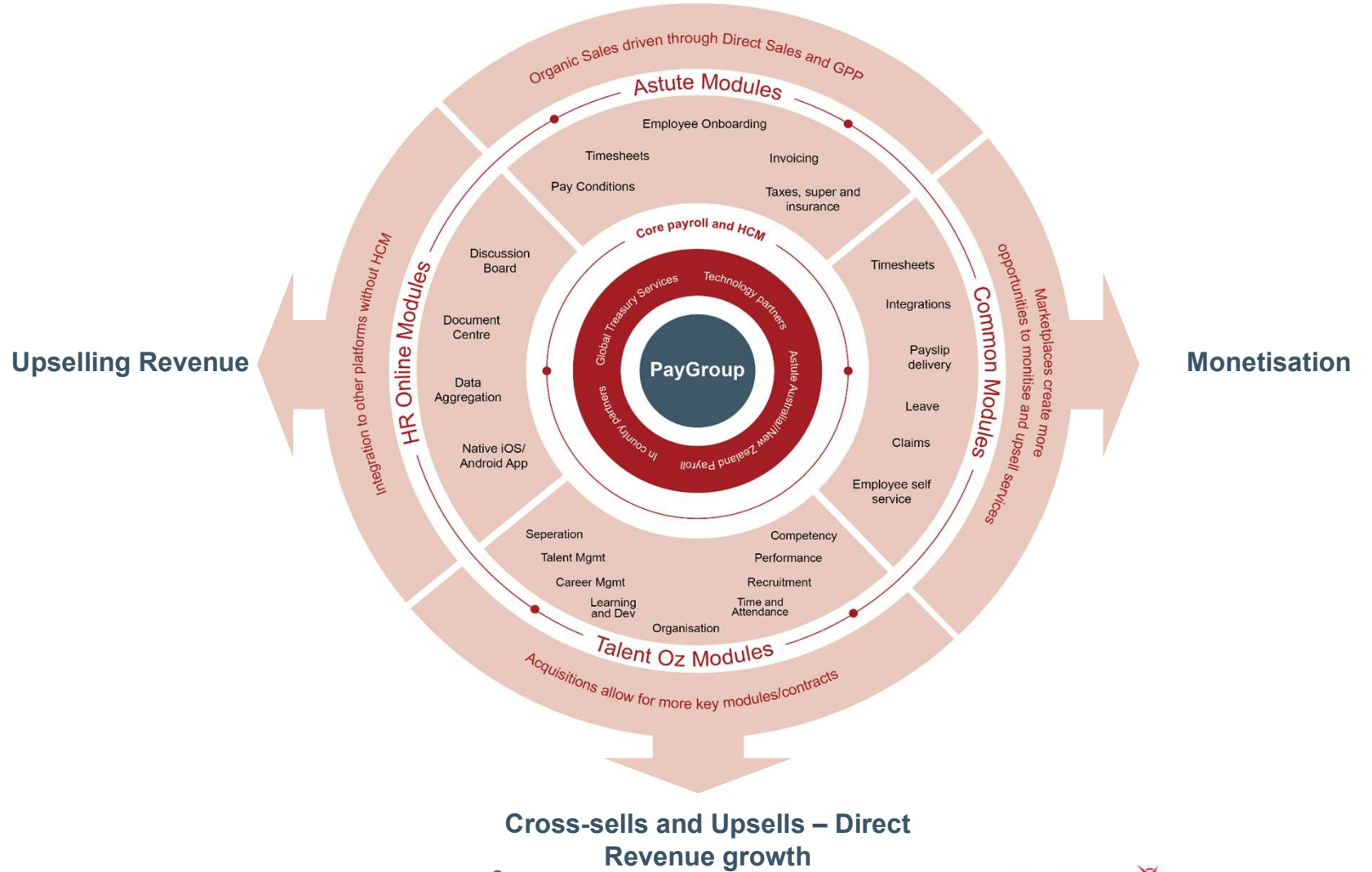
Acquisition pipeline



Global Channel Partner Program



Efficient Service delivery model enhancing Margins





STRATEGY & OUTLOOK



FY21 OUTLOOK

✓ Continued growth in new contract sales

- H1 FY21 new contracts sold (in TCV) already significantly above H1 FY20
- Strong sales pipeline, looking to deliver new clients and cross-sells
- GPP to continue to deliver payslips and transactions – 7% of group revenue

✓ Acquired growth strategy

- Integrating Payroll HQ high growth revenue into the Group – and leveraging existing infrastructure to increase EBITDA margins
- Growth study underway with PwC to identify acquisition targets which fit into the Group's criteria – creating key upsell opportunities

✓ Forecast earnings growth in FY21 (vs pcp)

- Contribution from acquisitions
- Strategic focus on margins, new markets and cross-sell of full suite of service offerings
- On-track to meet cost efficiency target of \$1.5M (annualised)

Global Partner Program





APPENDICES



BOARD OF DIRECTORS

Ian Bassar

Non-Executive Chairman (independent)

Ian is an independent Non-Executive Director and Chairman. Ian has over 30 years' experience in starting, running and building service companies around the world including Australia, Hong Kong, China, Singapore, USA, UK and Europe. He was Chief Executive Officer and Managing Director of Chandler Macleod Group Limited until August 2012. Prior to joining Chandler Macleod, he spent five years establishing and developing the Mettle Group as a strategic leadership and culture consultancy.

Prior to Mettle Group, Ian was Group Managing Director of Harvey Nash running operations in the UK, Europe and Asia. He was on the global management team of Michael Page International building operations in Australia, Asia and North America.



Franck Neron-Bancel

Executive Director & Chief Strategy Officer

Franck joined PayAsia in May 2017 as an Executive Director and was appointed to the Board of PayGroup in July 2017 as the Chief Strategy Officer. Franck has over 22 years' industry experience in global HCM and payroll services with global leader Automatic Data Processing, Inc. (NASDAQ: ADP, Market Cap: US\$60.2 billion). Franck's tenure at ADP culminated in the role of Senior Vice President Strategic Account Management (2013-2017), with reporting to the ADP Global Enterprise Solutions President.

Franck holds a Bachelor's Degree (General Management, Finance & Marketing) from KEDGE Business School and is based in New York, United States of America.



Mark Samlal

Managing Director

Mark co-founded PayAsia in 2006 where he was Non-Executive Chairman until being appointed to the role of Executive Chairman and Managing Director in July 2015. In July 2017, he was appointed to the Board of PayGroup and to the role of CEO and Managing Director. Mark has over 23 years' experience in leadership roles in Asia Pacific including being a Director and General Manager of ADP in Asia Australia (1999-2003).

His previous senior roles included Chief Executive Officer VicPlas Ltd a Singapore Stock Exchange listed company in (2008-2014) and Executive Director of Omni Industries in Singapore (2006-2008). Mark is affiliated with the major shareholder and is based in Singapore.



David Fagan

Non-Executive Director (independent)

David is a Non-Executive Director. David has over 38 years' experience in law practice including 30 years with Clayton Utz culminating in the role of Board Member and National Chief Executive Partner (2001-2010).

Current Non-Executive Director roles include ASX listed Medibank Private Limited (since 2014) including Chair of the Board Risk Management Committee, UBS Grocon Real Estate Investment Management (since March 2014), and Chair of BDO Group Holding Limited (since July 2020). David holds both a Bachelor and Master of Laws from University of Melbourne and is based in Melbourne, Australia.



Shane Gild

Non-Executive Director

Shane was appointed to the Board on the 2nd of November 2020 as an independent Non-Executive Director. With 22 years of equity capital market experiences and having recently left the Corporate Finance team at Canaccord Genuity, Shane has worked with a number of ASX emerging growth companies and institutional investors over his career. In addition to a successful 8 years at Canaccord, he worked for many years at Deutsche Bank in both Australia and London and was a senior member of the Equities executive team. In addition, Shane brings his experience with M&A strategy implementation and investor relations to the board of PayGroup. Shane Gild is an independent Director as in the Board's view he is free from any business or other relationship that could materially interfere with or reasonably be perceived to materially interfere with the independent exercise of his judgement.



H1 FY21 PERFORMANCE SNAPSHOT – GROWTH IN ALL AREAS

REVENUE

\$6.8M

vs H1 FY20:
\$3.4M

EBITDA

\$1.6M

vs H1 FY20:
\$(1.0)M

NPAT (reported)

\$0.44M

vs H1 FY20:
\$(1.4)M

OPERATING
CASH FLOW

\$2.1M

vs H1 FY20 :
\$(0.6)M

ANNUALISED PAYSLEIPS/ TREASURY¹

>5.2M

+15.6% vs H1 FY20: 4.5M

NEW CONTRACTS SIGNED²

\$5.4M

+92.9% vs H1 FY20: \$2.8M

Notes:

1 Payslips and treasury transactions processed in last month of period (September 2020)

2 Measured in Total Contract Value (TCV) terms

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Glossary of Terms

Active Client Employees:	A key performance indicator to count the number of active (working) unique employees on the Astute platform
Annualised Recurring Revenue (ARR):	Annualised Recurring Revenue represents contracted recurring revenues of term subscriptions normalised to the single calendar year
Customer Retention Rate:	Customer retention rate designates the percentage of customers the company has retained over a given time period
The Cloud:	Refers to software and databases that run over the internet. Cloud servers are located in data centers all over the world
Global Partnership Program (GPP):	PayGroup's partnership and mutual referral agreements with leading global payroll and HCM providers who do not operate in Jurisdictions within Asia Pacific
Human Capital Management (HCM):	HCM is a set of practices related to human resource management and the organisational need to provide specific competencies
Monetisation	Monetisation refers to revenue generated from Astute's partnership with Flare, providing a choice of superannuation funds to onboarding contractors
Software as a Service (SaaS):	SaaS is a method of software delivery in which software is accessed online via a subscription rather than purchased and installed on individual devices
Software with a Service (SwaS):	Managed payroll and outsourcing using software with a range of physical delivery models
Total Contract Value (TCV):	TCV measures how much value a contract is worth over the life of that contract. It includes recurring revenues as well as one-off charges like implementation fees
Treasury Services:	Transaction services derived from the handling of client funds as an extension of providing payroll services. Revenue is generated through a per transaction per client employee basis.