



Investor presentation

October 2021

PayGroup at a glance

A leading payroll technology and services provider across APAC



Fully compliant payroll solution processing >7.5m payslip transactions¹



Processing over \$10+ billion in payslips



Trusted by >2,500 customers across a growing number of market segments



Local regulatory and compliance expertise in APAC with global reach through partners



High margin monetisation activities enabled by strong loyalty economics

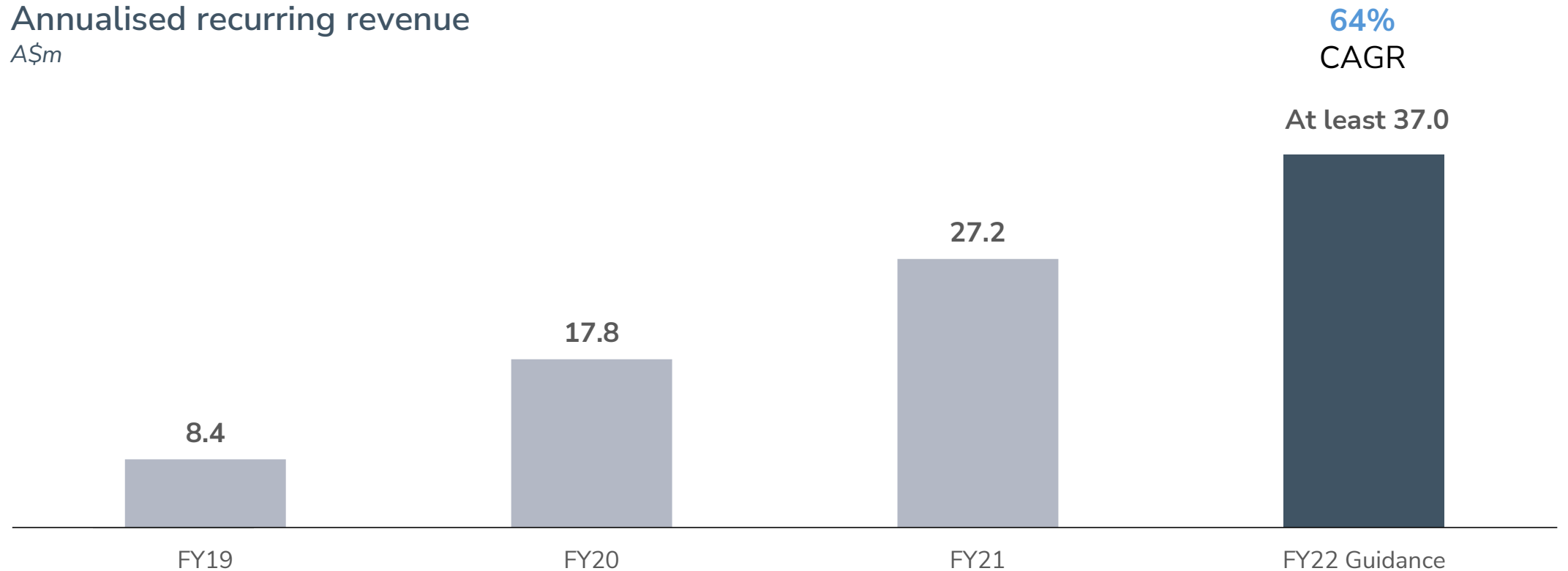
1. Annualised

A high growth technology-led business

Continued strong performance underpinned by organic growth and strategic acquisitions

Annualised recurring revenue

A\$m



World class technology trusted by leading companies

>2,500 valuable enterprise customers, underpinning continued growth



Strategic overview

Established core business with exciting monetisation opportunities

Core business – APAC Payroll Software and Services

- ✓ Mission critical and compliant solutions
- ✓ Unique and differentiated offering
- ✓ Diverse and growing enterprise client base
- ✓ Profitable core business, with focus on margin

(See slides 6-10)

~90%
of total revenue

Monetisation opportunities – captive audience providing new revenue streams



Enterprises - reduce complexity and improve employee productivity







Payees - offering payees greater financial flexibility and opportunity

(See slides 11-14)

~10%
of total revenue

APAC payroll software and services

Core offerings capture the full payroll opportunity set

PayGroup-managed Payroll	VS.	Employer-managed Payroll
✓	 PayGroup software	✓
✓	 PayGroup payroll services	-
✓	3 year contracts & automated renewals	✓
~70%	 Revenue split	~30%
~30%	 # payslip split	~70%
<ul style="list-style-type: none"> Attracts large multi-nationals providing significant opportunity to further monetise enterprises Contracted long term, high value revenues 	Commentary	<ul style="list-style-type: none"> Scalable offering, attracting large numbers of payees for monetisation Contracted long term, high value revenues – underpinned with high gross margins

Loyalty business with long-term customers

Strong loyalty economics drive significant long-term value creation

Customers stay...

Long lifetime value and low churn

Average lifetime

9 years

Customer retention¹

98%

...spend more...

Increasing customer share of wallet

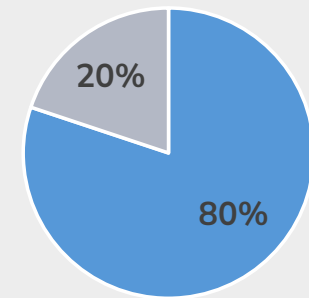
Recent up-sells



...and drive referrals

Accelerating growth through referrals

New sales revenue by source²



■ Direct Sales ■ GPP referrals

Differentiated ability to provide payroll solutions

Established and hard to replicate offering in APAC



Country expertise

PayGroup country specific software and process to support payroll lodgement



Deep knowledge

Understanding of local compliance and regulatory environments



Physical presence

Payroll staff located in key countries across the APAC region



Full-service solution

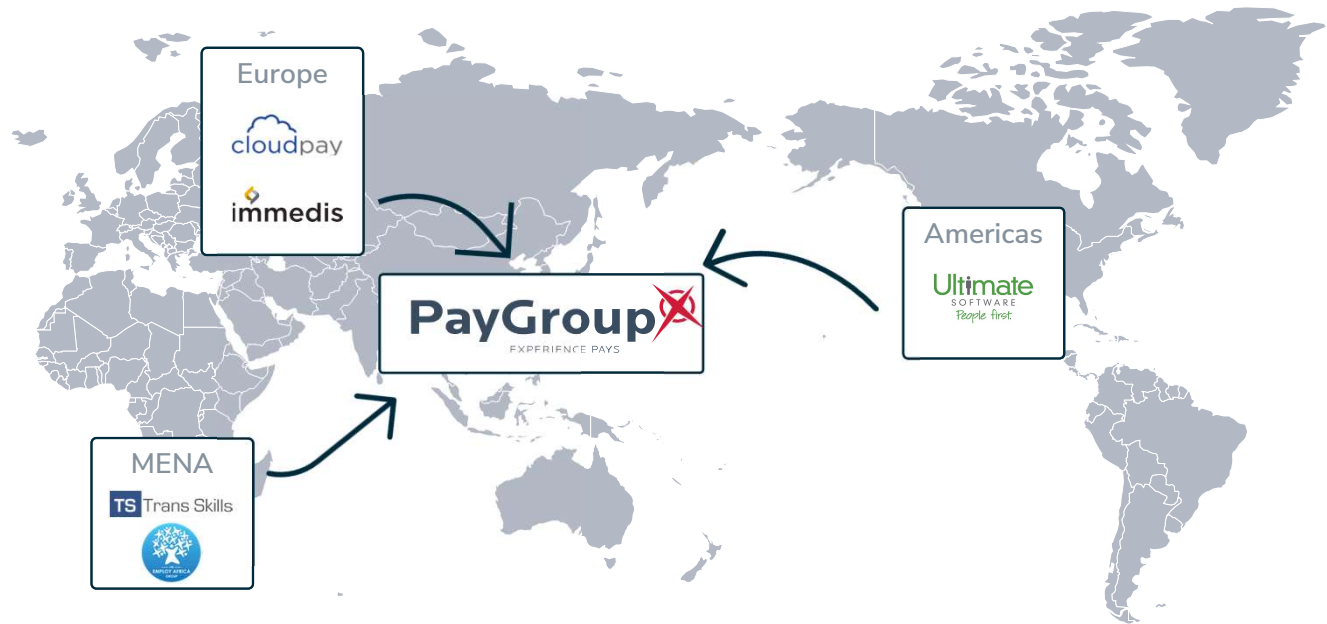
Underpinned by technology offering, including last mile payroll

Global payroll providers choose PayGroup

Growing pipeline of new core payroll customers from large global partners

Global Partner Program (GPP)

- ✓ **Partners provide new customers from all over the world**, for large multi-nationals needing APAC expertise
- ✓ **Evidence of differentiated position** with global payroll companies choosing PayGroup as partner of choice
- ✓ **Lower customer acquisition costs** and high margin channel **complementing direct sales** activities



(Select partners shown)

Supportive industry tailwinds

Growing, under-served market as clients face increasing scrutiny

Increasing regulation



Ongoing regulatory reform means companies must stay across highly changeable employment laws, across multiple jurisdictions

Reputation risk



High profile underpayment scandals leading to significant reputational risk

Under-served market



Multi-national companies want to **partner with a single payroll provider**, rather than provider in each individual country

APAC exposure



Asia accounted for over half the world's foreign direct investment in 2020¹

Monetisation of large captive audience

Core payroll business is building a large captive audience of enterprises and their payees

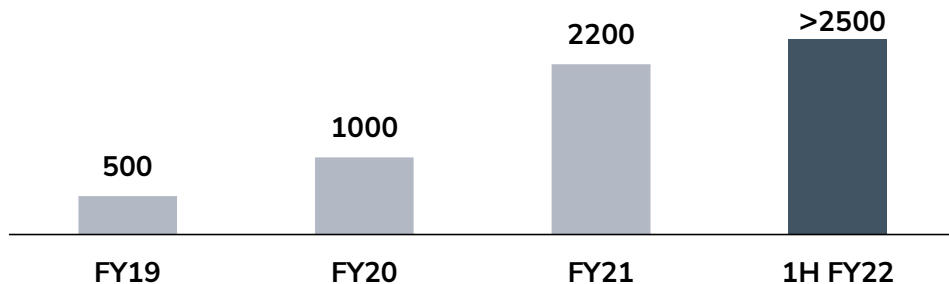
Enterprises

- **Providing enterprise customers with services to reduce payroll complexity and improve employee productivity**
- **Payments:** Enabling customers to pay staff in regions where they do not have a presence
- **Strategic HR:** Providing customers with a full-suite of HR related modules to better manage staff and optimise productivity

Payees

- **Providing payees high value, complementary services**
- **Leverage growing enterprise customers** to increase captive payee audience
- **Offer both country specific or worldwide** payee monetisation avenues
- **Superannuation choice:** Allowing customer's employees the option of choosing a superannuation fund while onboarding to new employer
- **Near-term launch:** On-demand pay and novated lease

Number of enterprise customers



Enterprise monetisation: Payments

Reducing payroll complexity for customers while furthering our trusted relationship



Cross-border and domestic payment solutions ensuring employee and statutory bodies are paid on time, reducing complexity for MNCs



Payments is **complementary to core payroll services** and solutions, representing a natural adjacency with high margins



Deepens PayGroup's customer relationships, which underpins other potential monetisation opportunities

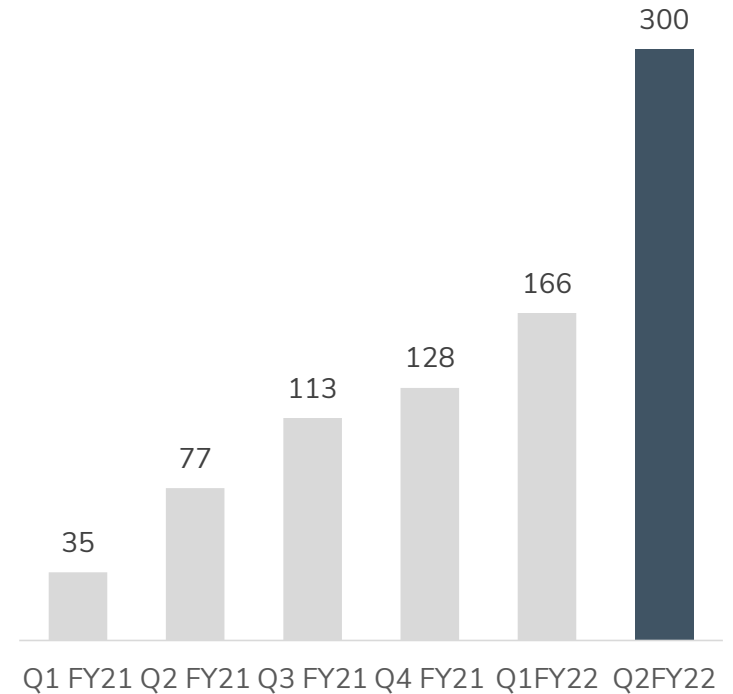


High margin offering, annualising at +\$1m revenue p.a.

Payments Revenue

A\$K

+54%
QoQ Growth




Note: PayGroup's financial year ends March


Enterprise monetisation: Strategic HR software

Established suite of modules delivering further monetisation opportunities

 PayGroup is uniquely positioned to identify and understand clients' increasing HR requirements

 PayGroup's fulsome HR technology solution is highly complementary to core payroll solution

 Currently focused on targeting the **significant and growing APAC markets**, with further potential in other key markets

 Enhanced HR offering ensures PayGroup's continues to innovate solutions and **becomes deeply embedded in enterprise clients**

Extensive range of HR modules



Payee monetisation: Superannuation choice

High margin and high value opportunity, with large captive growth potential



Enables payees to select a super fund while onboarding through PayGroup platform



Represents a **incremental monetisation event** paid by chosen superfund anytime an payee selects a new fund



PayGroup continues to optimise solution to **drive increased penetration** of offering









+95% margin, as solution is embedded into existing PayGroup software workflow

Significant growth opportunity



PayGroup is at a major inflection point

Well positioned to accelerate growth, and drive margin accretion

Opportunity	Outlook	Revenue drivers	Margin
 Payroll Software and Services		<ul style="list-style-type: none">Continued organic growth in APACCustomer account expansionsNew customers from GPP	<ul style="list-style-type: none">Automation of core payroll services and smart shoringGrowing scale across APAC driving growing operating leverage
 Enterprise Monetisation		<ul style="list-style-type: none">Increased adoption of payment solutionsGreater up-selling of HR software solutions	<ul style="list-style-type: none">High margin and scalable solutions with low implementation costs
 Payee Monetisation		<ul style="list-style-type: none">Increase adoption across user baseImplement new products to increase payslip monetisation	<ul style="list-style-type: none">High margin 'plug and play' solution embedded into existing software

Investment highlights

PayGroup is an appealing long-term investment proposition

1

Profitable and growing core payroll business

2

Unique and highly differentiated offering

3

Contracted long term revenues with growing enterprise customer base

4

Attractive monetisation opportunities that have only just commenced

5

Founder-led company with strong equity alignment



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