

Completion of agreement to acquire Workforce Management Business in India

- **Expansion into workforce management segment supported by acquisition of Indian based payroll processing and workforce management business.**
- **Acquisition driven by client demand across APAC region for workforce management solutions.**
- **Acquisition expected to contribute \$0.93 million in service revenue and \$0.45 million NPAT in FY19 on pro forma basis.**
- **Opportunity to innovate acquired business utilising PayGroup's cloud-based SaaS technology.**

Singapore, 1 March 2019: Multi-Country BPO (Business Process Outsourcing) Payroll and cloud-based Software as a Service (SaaS) Human Resource Outsourcing Solutions provider PayGroup Limited ("PayGroup", "the Group"; ASX: PYG), is pleased to announce the completion of the acquisition of Pay Asia Management Private Limited ("PayInd") via its 100% owned subsidiary Singapore PayAsia Pte Ltd as part of a strategic initiative by the Board to expand into providing workforce management solutions.

The agreement to purchase PayInd was previously referred to by PayGroup in its ASX release (Appendix 4D - Half Year Financial Results) on 12 December 2018. Completion will be effective from 1 March 2019, with PayInd anticipated to generate \$0.93 million in services revenue and \$0.45 million NPAT on a proforma basis for the FY19 period.

As reported PayInd was divested prior to the PayGroup listing on the ASX in May 2018, with the acknowledgement at the time that PayGroup had agreed to acquire the underlying payroll business and BPO centre. The acquisition is on same terms, conditions and consideration of SGD0.62 million as the original divestment. PayInd was established in 2008 and provides workforce management solutions to 46 clients covering +4,500 contractors in over 300 cities across India. The payroll business segment today services 47 clients and provides payroll services to the Group's client base.

Completion of the acquisition of PayInd is a strategic initiative to meet the growing demand from multi-national clients seeking bundled payroll and workforce management offerings. Following completion, the Group will provide both payroll and workforce management solutions to over 300 cities across India.

The opportunity exists to further drive efficiencies for PayInd and the service offering to clients and their contracted employees through deployment of the Group's proprietary cloud-based SaaS solution, HROnline which manages aspects of employees' life cycle, mobile-enabled workflows for critical processes such as employee and manager self-service, leave management and expense management.

India is a strategically important market, representing one of the fastest growing markets globally and the acquisition of PayInd is expected to enhance PayGroup's competitive position.

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About PayGroup Limited: Headquartered in Melbourne, Australia, PayGroup Limited (ASX: PYG) was recently incorporated as the holding company for PayAsia (collectively PayGroup or Group). The Group is a provider of BPO solutions and Cloud (Software-as-a-Service or SaaS) based Human Capital Management (HCM) software, operating in the Asia Pacific region for multinational companies. Clients are typically medium to large multinational companies with employees in multiple countries in the Asia Pacific region. The Group operates as a trusted partner to perform the outsourced payroll process for the client employees including banking, treasury, lodgement of statutory submissions including taxation, superannuation, pension, provident funds, and other social benefits. Beyond its BPO Payroll Services, the Group's SaaS HCM software product suite supports clients in managing aspects of their employees' life cycle, plus regional and mobile-enabled workflows for critical processes (such as employee and manager self-service, leave management and expense management). For more information please refer to the Group's website at paygrouplimited.com.