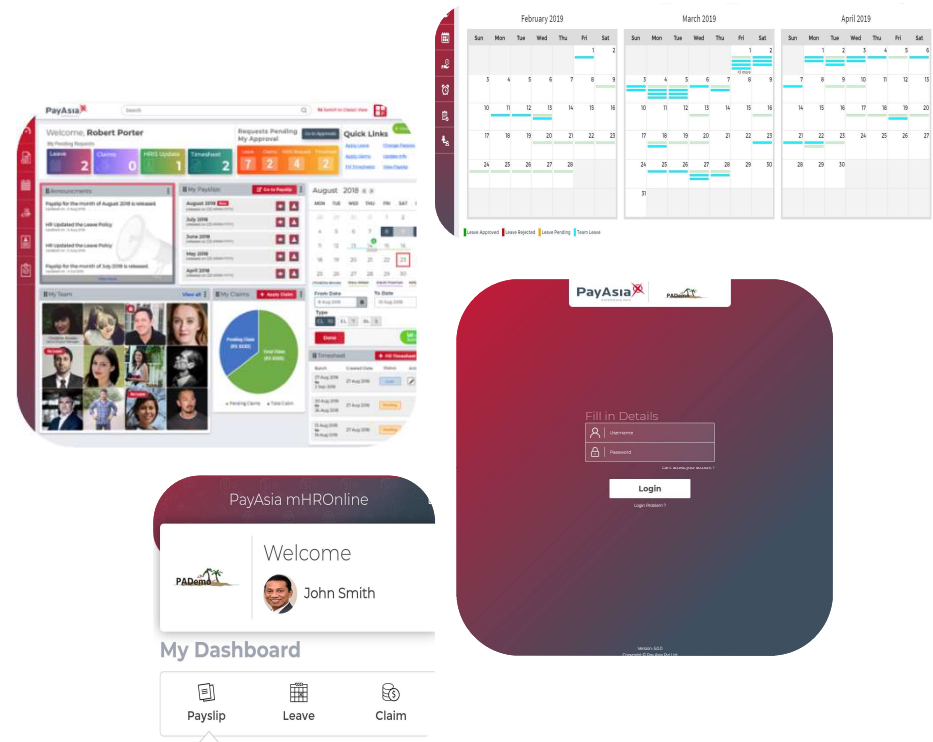


FY19 RESULTS PRESENTATION

Mark Samlal
Managing Director



CORPORATE OVERVIEW

PayGroup is the holding Company for PayAsia, a specialist multi-country BPO (Business Process Outsourcing) and Cloud (SaaS) based HCM (Human Capital Management) services and solutions provider

VISION

To provide multi-national companies with a single view of their workforce and meeting their regulatory requirements across the Asia Pacific Region via the following service offerings

SIGNIFICANT MARKET OPPORTUNITY

Asia Pacific BPO services market valued at US\$23.873B *(source:Gartner)*

CAPITAL STRUCTURE AND CASH POSITION

As of 30/5/2019

IPO issue price	\$0.50
Share Price	\$0.79
Total shares on issue	51.67m
Shares held in escrow	29.2m
Market cap	\$40.8m
Average Daily Volume ¹	20.4k
Cash Balance (31 Mar) ²	\$6.3m

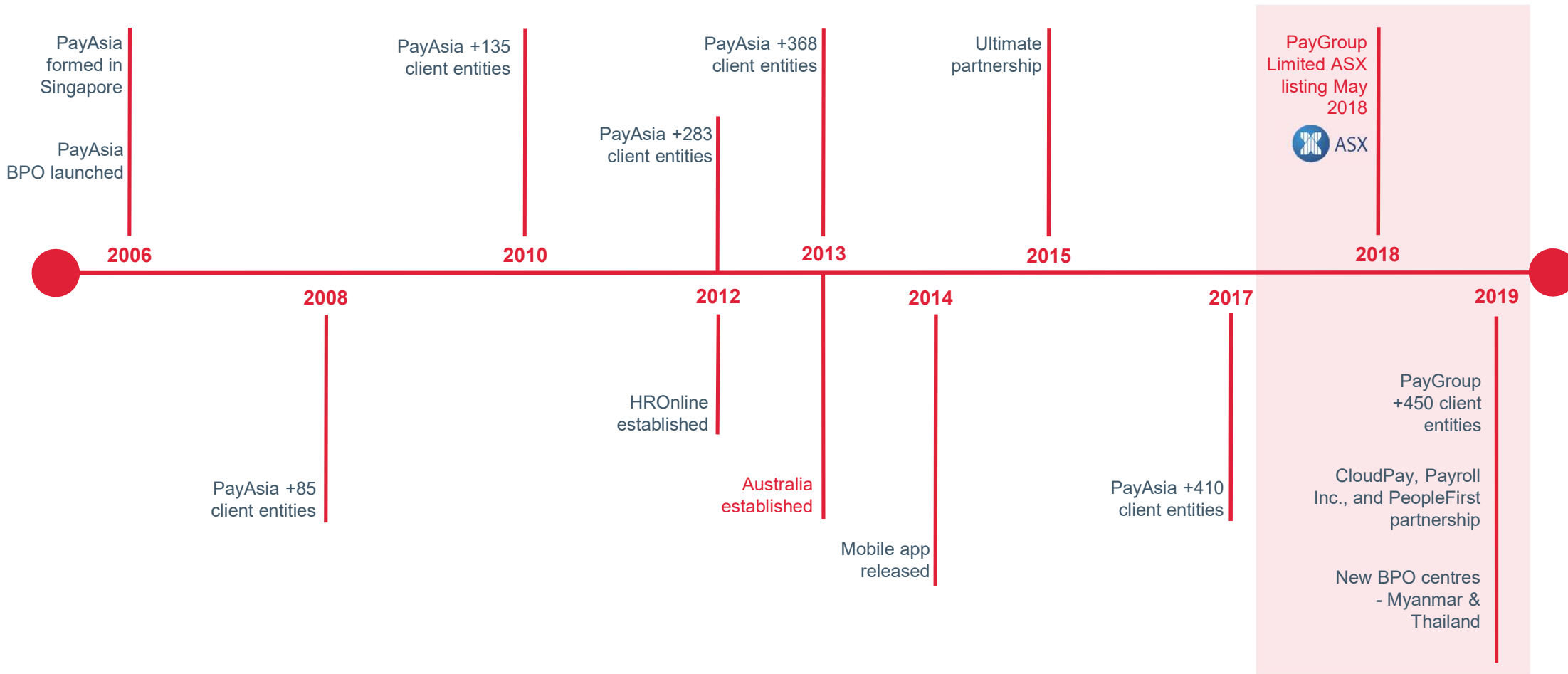


Notes

¹ Based on last 6 months

² Includes \$4.9 m of client funds held on their behalf

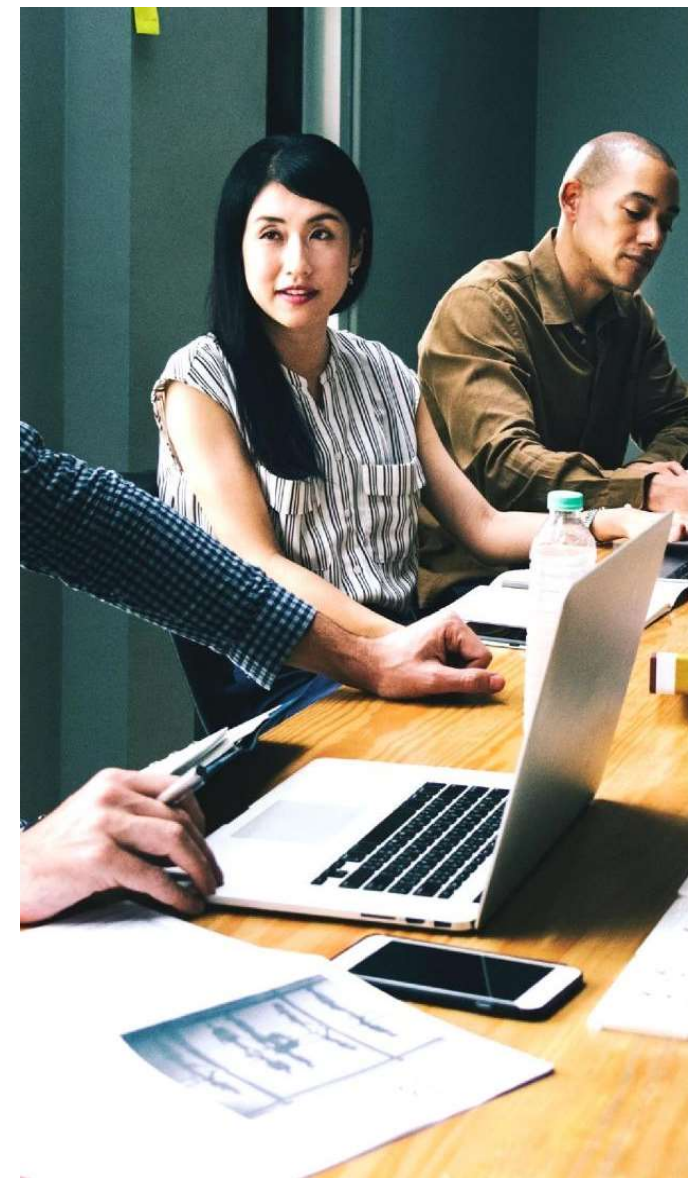
TRANSFORMATIVE YEAR FOR PAYGROUP



- Statutory FY19 results reflect 10 month contribution since PYG listing date of 29/5/18

PAYGROUP DELIVERED EXCELLENT REVENUE GROWTH AND TECHNOLOGY IMPROVEMENTS IN FY19

- ✓ Record growth of 96% (pcp) in new contracts wins signed in FY19 (total contract value).....entering FY20 with solid base of recurring revenue
- ✓ Growth in client employees for SaaS (+23% yoy) and BPO payroll (+10.2% yoy) following upsell and new contract wins
- ✓ Global Partners Program delivering new clients & geographies, expanding pipeline
- ✓ Geographic expansion continues - additional revenue opportunities and in-house processing capacity to reduce operating cost
- ✓ Investment in technology to drive future business growth & cost efficiencies
- ✓ Strong start to Q1 FY20 with record new client implementations (3,053 employees) & new contract wins (\$1.1M TCV) in first 6-weeks of FY20
- ✓ On-track to be operating cash flow positive in H2 FY20



FY19 RESULTS SNAPSHOT

Revenue (pro-forma)

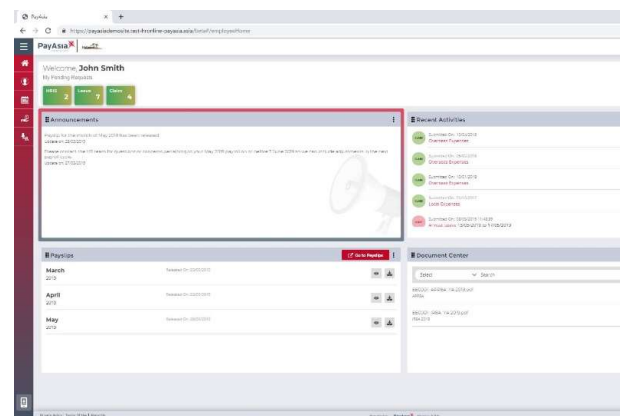
\$8.4m

+ 15.1% vs PCP

EBITDA (pro-forma)

\$2.7m

(6.9)% vs PCP



Investment in technology

\$0.65m

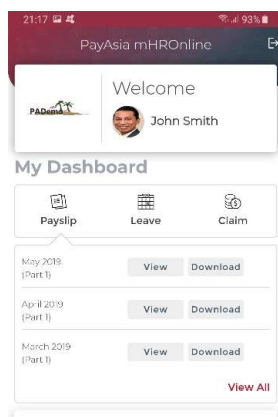
in FY19

Client employees to be implemented in FY20 (as a result of FY19 sales)

BPO Payroll 4,112

SaaS 3,765

Total 7,877



Client employees under management

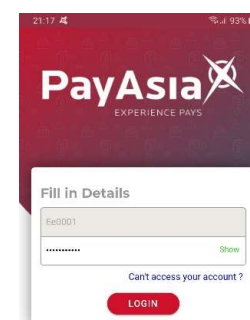
48,279

+13% vs PCP

Payslips processed in March 2019

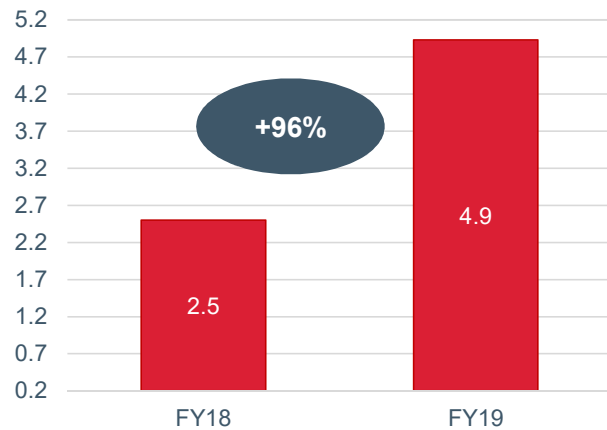
37,053

+ 10.2% vs PCP

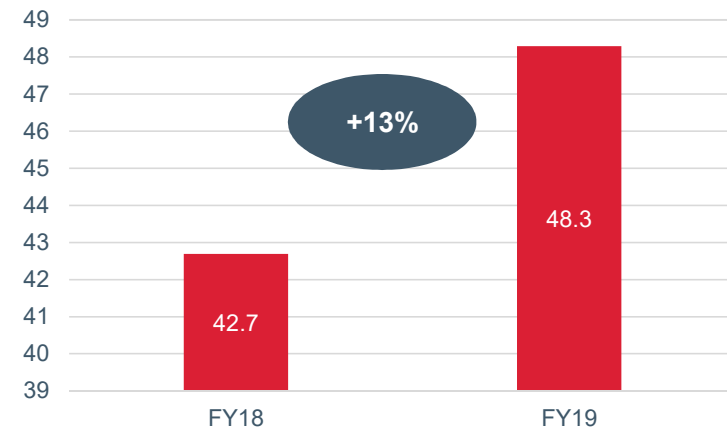


STRONG PERFORMANCE ACROSS KEY OPERATING METRICS

New contracts signed (TCV) (\$m)



Employees under management (000's) ¹
(as at 31 Mar)



- Client churn low at <5% for FY19; no client losses recorded in Q4 FY19
- Average contract term of 39 months (with automated renewal structure)
- Contract signing to monthly recurring revenue is 3-4 months

- Full year impact of FY19 sales to be seen in FY20
- Growth in operating expense in FY19 links to quality delivery in FY20

Notes

¹ Includes both BPO and SaaS clients

FY19 FINANCIAL SUMMARY

Delivered growth in pro-forma revenue, with pro-forma earnings impacted by investment for future growth

Pro forma FY19 revenue adjustments

- India revenue included for full 12-month period
- Inclusion of PayAsia revenue for April & May 2018
- Normalised revenue adjustments
- Implementation income normalisation
- Grant income normalisation

Pro forma FY19 operating expense adjustments

- India expenses included for full 12-month period
- Inclusion of PayAsia April & May 2018 expenses
- Sales Enablement investment
- Non-recurring one-off costs including IPO and advisory costs
- Addback extraordinary one-off costs

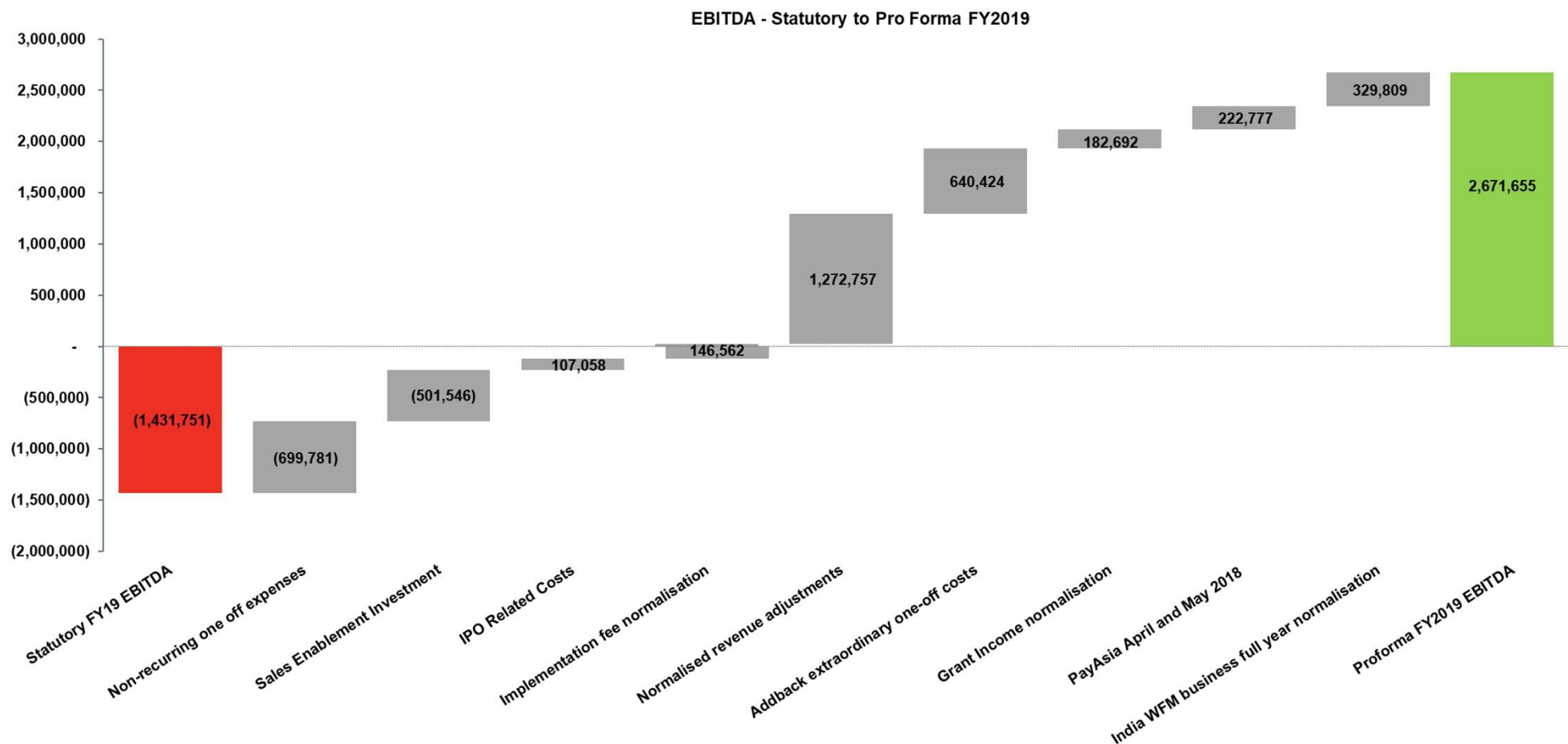
Cash as at 31 March 2019 = \$6.3M (includes \$4.9M of client monies held on their behalf for payroll purposes)

	FY18	FY19		
Full year ending 31 Mar (A\$m)	Pro Forma Actual	Pro Forma Actual	Growth (%) FY19 vs FY18	Statutory Actual ^{1,2}
Revenue	7.3	8.4	15.1%	4.8
Operating Expenses	(4.4)	(5.7)	29.5%	(6.2)
EBITDA	2.9	2.7	(6.9)%	(1.4)
EBIT	2.6	2.4	(8.3)%	(1.7)
NPAT	2.6	2.3	(11.5)%	(1.8)

Notes:

- 1 Statutory FY19 results reflect 10 month contribution since PYG listing date of 29/5/18
- 2 Reflects amendments to AASB15 which results in implementation fee revenue being recognized over the term of the contract rather than at the time of initial contract signing

EBITDA BRIDGE - STATUTORY TO PRO FORMA



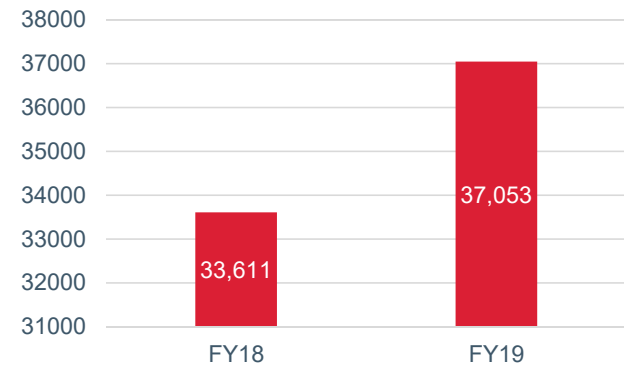
BPO – STRONG SALES IN FY19 WITH FURTHER BENEFIT TO BE REALISED IN FY20

Core BPO payroll business delivered 10.2% growth in client employees under management in FY19

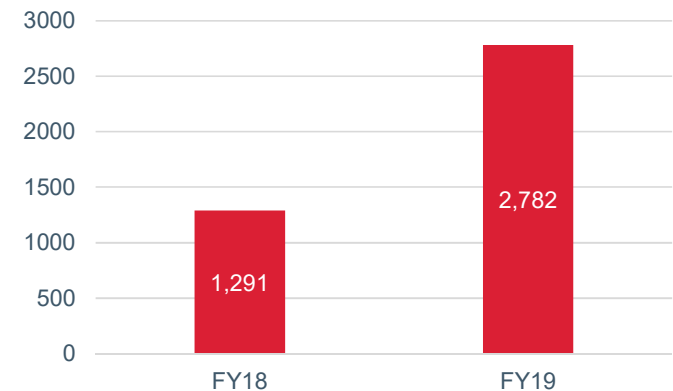
- Successful core technology transition commenced in H2 FY19 – now implemented in Philippines, Indonesia and Thailand - will significantly improve productivity and processing times
- Infrastructure now in place to significantly grow revenue
- Employees under contract at 31 Mar 2019 were 37,053 (vs 33,611 as of 31 March 2018)

4,112 client employees to be implemented in FY20 based on FY19 sales.

BPO – Client employees under contract (31 Mar)



BPO - New client employees added



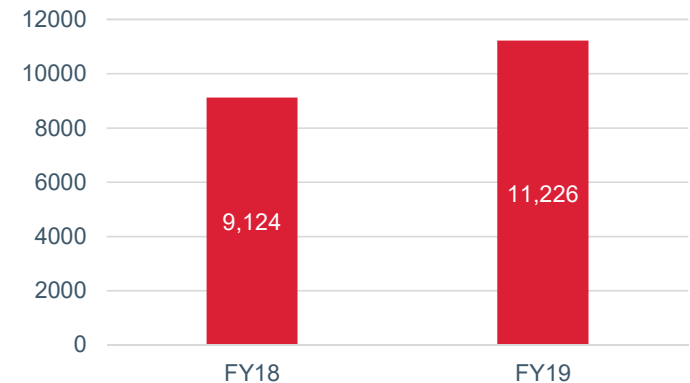
SaaS – STRONG GROWTH IN USER UPTAKE

HROnline SaaS client employees under management +23% in FY19 vs PCP

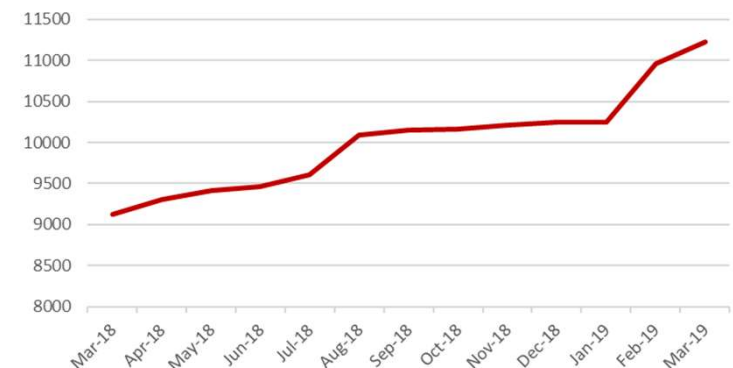
- Increasing uptake of both E-Leave and E-Claims modules
- Growth of SaaS as a result of continued up-sells and technology enhancements
 - Improvement in performance and scalability of existing HROnline features
 - First phase of HROnline feature enhancements completed and released
 - Revised user experience and interface completed during FY2019 – “go-live” Q2 FY20
- Client employees under contract at 31 March 2019 were 11,226 (vs 9,124 as of 31 March 2018)

3,765 client employees to be implemented in FY20 based on FY19 sales

SaaS Client Employees



SaaS Client Employees – Growth in FY19



KEY CLIENT JOURNEY – GROWTH STORY

PROBLEM:

In order to meet client demand, Appen was requested to employ and payroll approximately 1,000 workers in one of its offshore centres.

Appen did a global search to identify a payroll provider that was cost effective and could provide a seamless and scalable payroll platform, responsive processing timeliness, a global account management and support function with quick implementation turnaround.

SOLUTION:

PayAsia proposed an implementation timeframe of 10 weeks, as PayAsia deploys its own technology and has a rapid implementation methodology honed for Asia.

PayAsia's extensive experience in rapid implementation enabled it to provide regional implementation and a payroll go-live plan that met Appen's process, time and investment expectations.

The implementation included planning and conceptualising the integration of PayAsia's SaaS Human Capital Management (HCM) "HROnline" with Appen's ERP and crowd management systems. This integration was possible due to the unique aggregation capability of the PayAsia's HROnline. Additionally, PayAsia provided a solution to Appen's need to interface payroll with a General Ledger interface using its advanced financial reporting logic across the countries serviced by PayAsia.

OUTCOME:

Within 10 weeks, PayAsia successfully implemented the platform for semi-monthly payroll processing for Appen's workers in the offshore centre.

PayAsia has also gone live with two additional country payrolls of over 100 and more than 50 staff respectively. These were added during the initial successful 10-week implementation process.

PayAsia's expertise in developing customised general ledger solutions has assisted Appen to achieve efficiencies in its financial reporting of payroll-related costs.



ABOUT THE CLIENT

- Operates in more than 130 countries
- Over 1,000,000 contractors
- \$3.37B Market Cap

Appen Limited is a publicly traded company listed on the Australian Securities Exchange (ASX) under the code APX.

Appen develop high-quality, human-annotated data sets for machine learning and artificial intelligence.

With over 20 years of industry experience, Appen work in more than 180 languages and dialects and have access to a global crowd of over 1 million skilled contractors.

GROWTH STRATEGY SCORECARD SINCE IPO

Strategy

Initiative implemented

1 **New client acquisition & expanding services to existing clients**



- ✓ Client employees increased +13% (BPO and SaaS) yoy to 48,279 as at 31 March 2019
- ✓ Additional HROnline modules and new user interface driving growth in SaaS take-up

2 **Sales enablement and global partnership program**



- ✓ Signed additional partnerships with UK and Japanese based partners in FY19
- ✓ Revenue from these new partnerships expected in H1 FY20

3 **Additional revenue sources**



- ✓ Treasury solution formally launched during Q4 FY19 – four clients “on-boarded” with increased uptake to occur in FY20

4 **Increasing global reach**



- ✓ Acquisition of Workforce Management in India in Q4 FY19
- ✓ Expansion into Thailand, Myanmar, Vietnam and Indonesia in FY19

5 **Cost efficiencies**



- ✓ Investment in new technology platforms and integrated operating infrastructure over FY19
- ✓ Technology transition to increase cost leverage

SUCCESSFUL GLOBAL CHANNEL PARTNERSHIPS

Strengthens PYG's competitive position & offering to clients in Asia – a very complex payroll and regulatory jurisdiction

Strategic marketing to multi-nationals for a global vendor payroll solution

- Significant new contract signed in March 2019 with UK-based CloudPay
 - TCV of \$0.45M for implementations of CloudPay's client in the APAC region
 - Implementations to commence in Q1 FY20
- First contract revenues for Japan via Payroll Inc. to be received in Q2 FY20
- Relationship with sales referral partner, Ultimate Software generating strong leads. One of their referred customers has recently agreed to add 3 countries to the 14 already contracted for, becoming PayAsia's single largest client by geography with 17 countries across APAC
- PeopleFirst API to be completed in H1 FY20 and marketing will start thereafter



(UK)



(Japan)

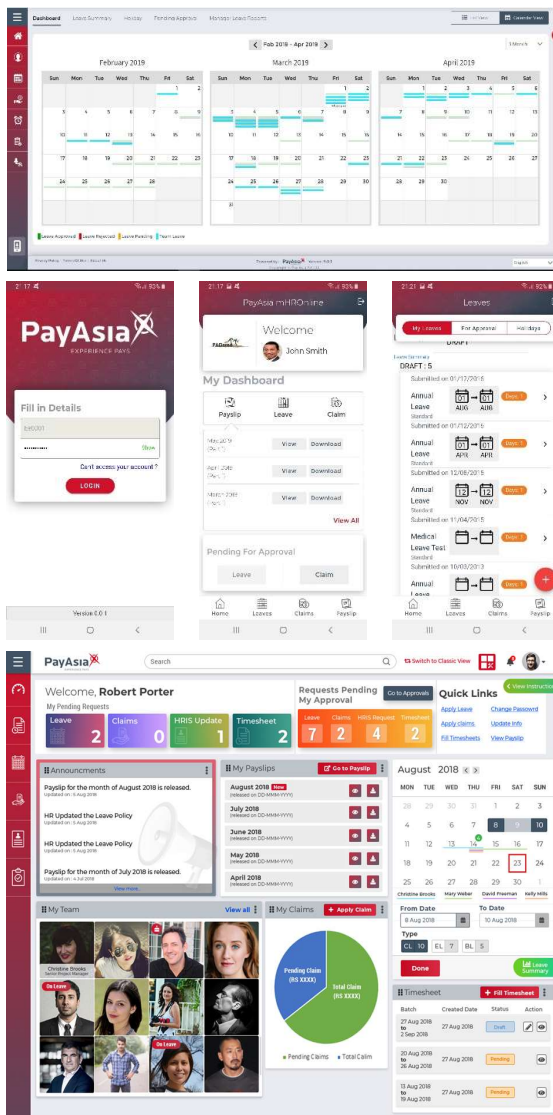


(UK)

TECHNOLOGY INVESTMENT UPDATE

Laying the foundation for revenue growth and operational efficiencies in FY20 and beyond

- PYG spent \$0.65M in FY19 as part of its technology enhancement and advancement program
- First phase of new HROnline user interface completed
 - Plans to convert existing customers to upgraded format in Q2 FY20
- New strategic payroll technology partner went “go-live” in H2 FY19
- First clients now using new technology in Thailand, Philippines and Indonesia with positive results – material improvement in productivity and processing time



SUMMARY & OUTLOOK

- ✓ **Strong topline growth**
 - New contracts signed in FY19 +96% TCV vs PCP
 - Pro-forma revenue growth +15.1% in FY19 vs PCP - strong “new wins” in H2 FY19 to flow into FY20
 - New implementation schedule projects 7,877 additional client employees in FY20 (BPO and SaaS) – based on FY19 sales
- ✓ **SaaS modules & Channel Partner program delivering results**
 - SaaS modules delivered increasing share of revenue through increased client employees (+23% in FY19 vs PCP)
 - High growth & attractive margin revenue stream. PYG continue to investigate opportunities to grow this business activity within the Group
 - New partners CloudPay & Payroll Inc. to deliver initial revenues in H1 FY20
- ✓ **Technology investment nearing completion**
 - Significant upgrade of technology following IPO
 - Cost base leverage to flow through in FY20
- ✓ **Transitioning to positive operating cash flow**
 - Record 6-weeks of client implementations in FY20 (3,053 new client employees)
 - On track to be operating cash flow positive in H2 FY20





BOARD OF DIRECTORS



Ian Basser

Non-Executive Chairman (independent)

Ian was appointed to the Board in July 2017 as 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.



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 Managing Director of the Group. Mark has over 22 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 was appointed to the Board in July 2017 as a Non-Executive Director. He will Chair the Audit and Risk Committee. 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 Hilco Oz & Hilco Merchant Australia (since 2014). David holds both a Bachelor and Master of Laws from University of Melbourne and is based in Melbourne, Australia.



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 21 years' industry experience in global HCM and payroll services with global leader Automatic Data Processing, Inc. (NASDAQ: ADP, Market Cap: US\$43.8 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.

KEY MANAGEMENT



Mark Samlal
Managing Director



Justin Owen
Chief Financial Officer



Chris Brunton
Chief Product & Technology Officer



Lawrence Pushpam
Chief Sales Officer



Len Austria
Product Director



Dawn Lim
Director of Client Operations

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