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PayGroup FY21 Sales Update

Record $8.2m in new contract sales for FY21 – a 200% increase PCP, and 149% more than all of FY20

- **Total Contract Value (TCV) of $8.2m signed in the nine months to 31 December 2020 (Q1-Q3 FY21; 200% increase PCP - $4.1m FY20)**
- **$2.8m of TCV signed in Q3 FY21 (a 115% increase on PCP – $1.3m in Q3 FY20)**
- **Continued record sales growth for SwaS, SaaS and Treasury Services**
- **Strong momentum exiting FY21 and entering FY22 – over 115 new client entities signed during the nine months to 31 December 2020, and further development supported by strongest sales pipeline**

Melbourne, 6 January 2021: Human Capital Management SaaS and Software with a Service ("SwaS") provider PayGroup Limited ("PayGroup", "the Group"; ASX: PYG), is pleased to provide a sales update for FY21 - up to and including Q3 FY21 (April – December 2020).

In what has been another period of sustained growth for PayGroup – the Group continues to improve upon previous Total Contract Value (TCV) and organic sales growth across all business divisions and geographic locations.

Group sales update – Q1- Q3FY21

Demonstrating the Group's recent sales and growth momentum, PayGroup is pleased to report that it has signed a total TCV of $8.2m for the FY21 period to date, representing a 200% increase on PCP (Q1-Q3 FY20) and a 149% increase on total FY20 sales.

Of the $8.2m TCV signed throughout the period, 34% or $2.8m of TCV was signed in Q3 FY21 alone (a 115% increase on PCP – $1.3m in Q3 FY20). This significant sales achievement represents an overall success across all business divisions of the Group and will continue to support future revenue growth across FY21 and FY22.

The Group is proud to announce that all contracts signed carry the hallmarks of PayGroup's recent contracts: it defines a sustained repetitive revenue over a secured three-year minimum term. This growth contributes to the maintenance of PayGroup's overall 95% client retention rate.

Additionally, the recent new sales have added over 115 new client entities to the Group's ever-growing list of clients. As noted in PayGroup's December 2020 update, 37 of the new clients signed over the period come through PYG's Australian subsidiary AstuteOne – a clear indication of potential growth as Australia continues on a Post-COVID trajectory.

Organic Growth – Direct Sales and Global Partner Program (GPP)

The contribution from direct sales team continues to deliver an increasing number of contracts. New clients signed across the period include:

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PayGroup's Global Partner Program (GPP) has also delivered a significant number of new contracts, maintaining a great potential for further growth in coming periods.

Acquisition Update

With the acquisition of TalentOz and Payroll HQ, the Group has further cemented its Human Capital Management (HCM) platform and payroll capabilities across the Australian, Malaysian, and New Zealand geographic regions – throughout a period of disruption.

Both acquisitions have delivered sales growth to the Group, and as they continue to be integrated into the Company have the ability to capitalise on the sustained growth in their respective regions – and provide the market with a further justification of these acquisitions.

PayGroup will look to further pursue growth opportunities for these acquisitions as we look to exit strongly from FY21 and enter FY22 with great momentum.

Outlook

Mr. Mark Samlal, PayGroup's Managing Director said of the Group sales performance, *"We continue to break the Group's sales records quarter on quarter. It is most pleasing that the contribution comes from all parts of the PayGroup network and business divisions – including our Global Partner Program and recent strategic acquisitions, both which continue to deliver strong results."*

"PayGroup is committed to expanding our global sales channels to sustain the momentum generated in FY21, and our strong sales is a direct indication of our top line growth ambitions – with recent contract signings impacting not just FY21, but our forward planning for FY22 and beyond."

"As the Group moves into Q4, we are well positioned to finish FY21 strongly, and we look forward to updating the market further in the coming period."

-ENDS-

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This announcement was authorised by the Board of Directors of PayGroup Ltd.

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About PayGroup

Headquartered in Melbourne, Australia, PayGroup, the holding company for PayAsia, TalentOz, Astute One and Payroll HQ, is a specialist provider of payroll and human capital management solutions.

PayAsia is addressing the needs of multinational companies of any size by delivering Software-with-a-Service (SwaS) HCM and Payroll solutions by leveraging a Cloud ("SaaS") based Human Capital Management platform TalentOz. Clients are typically Multi-National Companies within multiple countries across Asia Pacific and the Middle East.

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 acquisition of Astute One Ltd.

PayGroup has now 247 employees located in 11 countries are servicing over 1,100 client entities representing more than 5.4 million payslips per annum.

More information on PayGroup can be found at www.paygrouplimited.com.