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Strategic acquisition to accelerate WRKR's Phase 2 growth strategy beyond Superannuation into Payroll compliance

Key highlights

- WRKR has entered into a binding agreement to acquire 100% of the issued capital in PaidRight, a leading payroll compliance platform and service company for Australian enterprises.
- The combination of WRKR and PaidRight brings two deeply complementary Australian-built, innovative regtech solutions together with the aim of making compliance more accurate and simple across the entire pay cycle.
- The acquisition combines WRKR's platform, scale and reach with PaidRight's innovative payroll compliance technology and solutions and has the potential to transform compliance for millions of Australian employers and workers.
- The acquisition provides WRKR with a sophisticated, proven real-time pay compliance engine that immediately accelerates WRKR's Phase 2 growth strategy beyond Superannuation, into Payroll compliance.
- It offers an opportunity for servicing employers currently transitioning onto the WRKR platform through the company's Superannuation and Payroll channels.
- The acquisition is subject to WRKR shareholder approval which will be sought at a general meeting expected to be held in early 2026. An Independent Expert Report will accompany the notice of meeting to be sent to shareholders in due course. If approved by WRKR shareholders, PaidRight shareholders will be issued 90,909,091 shares in WRKR equating to approximately 4.8% of WRKR's current issued capital. Based on the 20-day VWAP of WRKR shares as of 18 December 2025 (being the valuation date used for the purposes of the Independent Expert's Report referred to below) of \$0.125, this notionally values PaidRight at approximately A\$11.4 million.
- Integration plans for the acquisition are underway, however WRKR's priority is transitioning employers and members onto the WRKR platform through its superannuation initiatives. It is intended PaidRight will run as a standalone entity (with any initial savings and synergies implemented) until the commercial launch of an integrated WRKR–PaidRight solution is available, targeting Q3CY26.

WRKR Limited (ASX: WRK) ("**WRKR**" or the "**Company**") today announces it has entered into a binding share purchase deed ("**Share Purchase Deed**") to acquire 100% of the issued capital of PaidRight Holdings Pty Ltd ("**PaidRight**"), a leading payroll compliance platform and service company ("**Transaction**").

The acquisition has the potential to transform compliance for millions of Australian employers and workers, with the mission of making compliance accurate and effortless across the entire pay cycle.

PaidRight is highly complementary to WRKR's compliance platform, enabling direct employer monetisation through integrated payroll compliance moment checking and compliance tools. It provides WRKR with a sophisticated technology layer, via a proven real-time pay compliance engine, that immediately accelerates WRKR's Phase 2 growth strategy beyond Superannuation into Payroll compliance.

WRKR and PaidRight share common DNA in many respects. As one of the original co-founders of PaidRight (via PwC Ventures), WRKR CEO Trent Lund has deep familiarity with both businesses and a proven track record of scaling modern compliance solutions. The teams have a long history of collaboration (both from within PwC Ventures and post-exit) and the common DNA extends to the businesses' target markets, the digital service provider ecosystem, and a shared mission of making compliance moments simpler and more accurate.

Together, WRKR and PaidRight can support employers to meet their obligations and contribute to Australians being paid correctly and on time.

PaidRight Background

PaidRight's technology solves one of the most important and complex compliance challenges in Australia: managing the complexity of wage laws to support correct employee payments.

Born out of CSIRO's Data61 'RegTech' team and PwC Ventures, and honed over nearly ten years of R&D, PaidRight provides a sophisticated pay model engine for interpreting complex legislation, and reviewing real-time pay accuracy. The technology uses advanced Australian-developed, logic-based AI to interpret complex and nuanced legislation and Awards.

The Australian pay awards are more complex than most payroll systems can handle and require interpretation of the awards which can go beyond a simple calculation. For example; there are estimated to be just under 72,000 interpretations in the General Retail Industry Award. For many organisations using salary arrangements, both the award and the enterprise agreement need to be run and compared to ensure staff are paid accurately and they pass the Better Off Overall Test (**BOOT**), meaning every employee under an enterprise agreement must be paid better than if paid under the award.

PaidRight's technology has been deployed by some of Australia's largest employers, contributed to accurate pay outcomes for more than 500,000 Australians across thousands of job types, and processed \$15 billion in wages over five years. This strong technological edge, including nearly a decade of proven IP development, can be integrated by WRKR to deliver accurate, defensible, real-time compliance.

PaidRight offers their solution in three forms:

- a) a health check (data gaps and early issue identification);
- b) a remediation projects, with minimal services to do a historical review of pay; and
- c) a newer product, Pay Precision where the remediation of pay is done within the current pay cycle before final pay approved.

PaidRight is also in the process of unbundling their platform to allow modular compliance checks for mid-to- large employers targeting specific payroll issues.

There are considerable overlaps with WRKR and PaidRight in market messaging, partners, and systems that integrate with end customers. Both companies focus on Award-based roles as a priority. The companies do not solve the same problem, and therefore we believe that the products and addressable market are complementary leading to a distinctive business solution.

Potential Synergies (medium term)

Proactive, simple and accurate pay compliance for Australian businesses and employees

WRKR brings scale, market access and momentum through its platform and strong position in superannuation compliance. PaidRight brings a proven, innovative technology for proactive pay compliance. Together WRKR and PaidRight can provide a robust and forward-looking solution for the proactive, real-time wage accuracy that is essential for modern employer obligations.

- Capital Structure and Financing
 - WRKR's capital raise in August 2025 highlighted a partial use of funds for a build or buy Phase 2 growth strategy. The board has allocated, subject to detailed integration planning, \$1.5-2.0m of these funds raised to PaidRight as a wholly owned subsidiary of WRKR for:
 - Product Development (50%) – Enhance platform with additional AI; finalise modular/unbundled and integration into WRKR platform
 - Growth (30%) – Merge and expand WRKR and PaidRight Sales teams and marketing strategy
 - Working Capital (10%) – Support operations
 - Costs of Transaction (10%)
 - PaidRight generated circa \$3.4m unaudited operating revenues in FY25 plus circa \$2.2m received in R&D incentives.
- Go-to-market Strategy and Execution
 - Combined sales team and lead generation
 - Common ecosystem of System Integrators (SIs) & Digital Software Providers (DSPs)
 - Build in payroll compliance moments on the WRKR platform
- Organisation Design
 - Combine executive strength
 - Rationalise support processes and systems
 - People & Culture
- Technology
 - Leverage staff and technology strengths to establish WRKR Pay development pod
 - Transform our compliance offering by allowing proactive, continuous compliance monitoring, mitigating significant wage compliance risk for our enterprise clients and providing a compelling value-add to the Superannuation Compliance Segment (SCS) user base.

Acquisition details

As Trent Lund is a director of WRKR and also a director and shareholder of PaidRight, the Board formed an independent board committee comprising all directors other than Trent Lund to consider all matters associated with the Transaction.

The Transaction will be implemented via the Share Purchase Deed as a 100% scrip for scrip offer.

As part of the Transaction, 90,909,091 WRKR shares will be issued to the existing shareholders of PaidRight, subject to the conditions precedent being satisfied or waived in accordance with the terms of the Share Purchase Deed, including shareholder approval for the purpose of ASX Listing Rules 7.1, 10.1 and 10.11. The conditions precedent are set out in full in Schedule 1.

No funds will be raised from the issue of WRKR shares under the Transaction. An Appendix 3B in relation to the proposed share issue will be released following this announcement.

Shareholder approval under ASX Listing Rules

Trent Lund indirectly holds approximately 18.2% of shares in PaidRight, which falls within the definition of a 'substantial asset' for the purpose of ASX Listing Rule 10.1. Accordingly, the acquisition by WRKR of his shares in PaidRight requires shareholder approval under ASX Listing Rule 10.1. The issue of scrip consideration to acquire those shares also requires shareholder approval under ASX Listing Rule 10.11.

Trent Lund currently holds, directly or indirectly, approximately 13.7% of WRKR's issued share capital, which is expected to increase to 13.8% if the Transaction completes.

Indicative timetable and next steps

To implement the Transaction WRKR will prepare a notice of meeting seeking shareholder approval for the Transaction. WRKR has also engaged BDO Corporate Finance Ltd to prepare a report to opine on whether the Transaction is fair and reasonable to non-associated shareholders ("**Independent Expert's Report**"). A copy of the Independent Expert's Report will accompany the notice of meeting, which is expected to be dispatched to shareholders on 29 December 2025. Shareholders should carefully read the notice of meeting and Independent Expert's Report before deciding how to vote at the meeting.

An indicative timetable is set out below.

29 December 2025	Expected date for dispatch of notice of meeting and Independent Expert's Report to shareholders
29 January 2026	WRKR general meeting where shareholders will vote on the Transaction
Within 5 business days following satisfaction of all conditions precedent under the Share Purchase Deed	Completion and allotment of WRKR shares issued under the Transaction

The above timetable is indicative only and is subject to change. WRKR is in compliance with its continuous disclosure obligations under ASX Listing Rule 3.1 and the Board of WRKR will continue to provide shareholders with updates regarding the Transaction in accordance with the ASX Listing Rules.

A summary of the material terms of the Share Purchase Deed is appended to this ASX Announcement at **Schedule 1**.

Authorised for release by the Board of Directors.

For further information, please contact:

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The information provided in this announcement is accurate as of the publication date and may be subject to change.

This release contains forward-looking statements and information that are necessarily subject to risks, uncertainties and assumptions. Many factors could cause actual results, performance or achievements of WRKR Ltd to be materially different from those expressed or implied in this release including, amongst others, changes in general economic and business conditions, regulatory environment, results of advertising and sales activities competition, and the availability of resources. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this release. Except as required by law, WRKR Ltd assumes no obligation to update or correct the information in this release. To the maximum extent permitted by law, WRKR Ltd and its subsidiaries and officers do not make any representation or warranty as to the likelihood of fulfilment of any forward-looking statements and disclaim responsibility and liability for any forward-looking statements or other information in this release. This release should be read in conjunction with WRKR Ltd's ASX announcements and releases.

Schedule 1 – Summary of Material Terms of Share Purchase Deed

Section	Summary
Parties	The shareholders of PaidRight Holdings Pty Ltd ACN 641 220 638 (Sellers); WRKR Ltd ACN 611 202 414; and The directors of PaidRight, Trent Lund and Duncan Stone (Warrantors).
Sale and Purchase	Subject to satisfaction of the Conditions, the Sellers have agreed to sell to WRKR, and WRKR has agreed to buy from the Sellers, 100% of the shares in PaidRight (Sale Shares).
Completion	The completion date under the Share Purchase Deed is five (5) business days following satisfaction or waiver of the Conditions.
Consideration	90,909,091 Shares to be issued to the Sellers, in their respective proportion.
Conditions	Completion under the Share Purchase Deed is subject to satisfaction or waiver of the following conditions precedent: • (Shareholder resolutions) Shareholders passing resolutions at a general meeting for the purpose of ASX Listing Rules 7.1, 10.1 and 10.11 by the requisite majorities; • (Independent Expert's Report) the Company obtaining the Independent Expert's Report for the purpose of the ASX Listing Rule 10.1 and the Independent Expert opining that the Transaction is 'fair and reasonable' or 'not fair but reasonable' to non-associated Shareholders of the Company; • (Minimum cash balance) PaidRight (and its subsidiaries) holding cash of an amount not less than \$900,000 on the date of the general meeting; • (Escrow) provision of an escrow deed duly executed by Trent Lund's related Seller entities; • (Exercise by Option Seller) the Option Seller providing a duly executed exercise notice and deed of accession to the PaidRight shareholders' deed and paying the applicable exercise Price in respect of all its PaidRight options to PaidRight; • (Material adverse change) no material adverse change having occurred; and

	• (Completion of Adviser Sale Deed) the adviser sale deed (relating to the transfer of PaidRight shares to an adviser of PaidRight) (Adviser Sale Deed) is executed by all parties to it and is not terminated, and completion occurring under the Adviser Sale Deed in accordance with its terms, including the adviser seller providing a deed of accession to the PaidRight shareholders' deed and the PaidRight shares being transferred to the adviser seller.
Escrow	Shares issued to Trent Lund's Seller entities will be escrowed for 12 months from the date of issue.
Restraints	Each of Trent Lund, Duncan Stone and their associated Seller entities have agreed not to engage in business that is the same, substantially similar to, or competes with the business of PaidRight in Australia for a period of three years from completion. Customary cascading restraint periods and territories have been included.
Warranties and general indemnities	Customary representations and warranties are given by: • the Sellers, in relation to title to the Sale Shares and capacity to enter into the Share Purchase Deed (Title and Capacity Warranties); and • the Warrantors, including but not limited to: ○ compliance with law, employees, superannuation, intellectual property, information technology, cybersecurity and privacy, financial position and other customary warranties (Business Warranties); and ○ customary tax warranties (Tax Warranties). The Sellers have given an indemnity for a breach of the Title and Capacity warranties. The liability of the Sellers is several and limited to their respective proportion of the Sale Shares and capped in aggregate at the deemed purchase price, being approximately A\$11.4 million. The Warrantors have given an indemnity for a breach of the Business Warranties and Tax Warranties. The Warrantors have also given an indemnity for tax amounts relating to the period prior to Completion on customary terms (Tax Indemnity). The liability of the Warrantors is several. Any claims with respect to a breach of the Business Warranties are capped at 30% of the price of the Sale Shares received by the Warrantors' relevant Seller entities. Any claims relating to a breach of Tax Warranties or the Tax Indemnity are capped at 50% of the price of the Sale Shares received by the Warrantors' relevant Seller entities.

	Other customary limitations have been included in the Share Purchase Deed with respect to warranty and indemnity claims.
Specific indemnity	The Warrantors have also indemnified WRKR against any liability which may be made, brought against, suffered or incurred by WRKR (or after completion, PaidRight and its subsidiary) which arises directly or indirectly out of or in connection with: • the cancellation of the PaidRight options; • the non-compliance by a PaidRight group company from modern awards in relation to employees; • any non-compliance by a PaidRight group company of its tax obligations as required by law up to completion; and • any research and development tax offsets claimed by the PaidRight group for any period (or part period) up to completion. Specific indemnities are capped at the price of the Sale Shares received by the Warrantors' relevant Seller entities.