

Results presentation

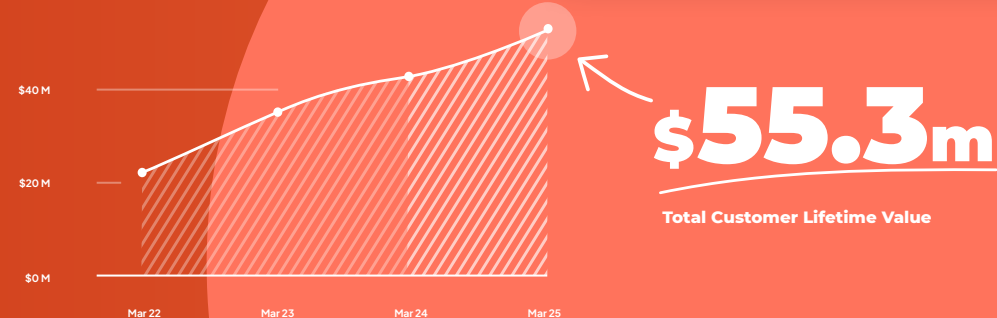
FOR THE YEAR ENDED 31 MARCH 2025

★★★★★

"The platform is very easy to use, everything is very logical. It's the most intuitive cloud-based payroll system I've ever used."

Suzanne Marryatt

Office Administrator Peak Plumbing & Gas Hawke's Bay



From Good to Sauceome



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Agenda

1. Intro & Strategy



**Asantha
Wijeyeratne**

CEO, Co-founder

2. Financial Results



**Jaime
Monaghan**

Chief Financial Officer

3. Q & A

Intro & Strategy

Asantha Wijeyeratne, CEO

Highlights

Delivering growth, profitability and positive cashflow

Processing fees

Processing fee revenue grew **18%** year on year

\$6.3m



EBTDA

Maintained positive EBTDA - **\$0.3m** year on year improvement in EBTDA

\$1.4m



CLTV

Total Customer Lifetime Value (CLTV) grew **28%** year on year

\$55.3m



Free Cashflow

Maintained positive free cash flow¹ - **\$206k** year on year improvement in free cash flow

\$518k



- ✓ Maintained profitability and substantially increased free cashflow
- ✓ Accelerated customer growth, new customers up 17% year on year

- ✓ Increased the value of our existing customer base

1. before funds due to customers and IRD

Delivering on our strategy

Loving our customers

- 94% Customer Satisfaction Score
- 99% response rate to calls within an hour, and 96% within 30 minutes
- Customer churn below 1% per month

Supercharge growth

- Increased brand awareness with additional investment into Sales and Marketing campaigns
- Continued focus on building relationships with both new and existing accountants
- New website build near completion – will optimise the sign up process and accelerate customer growth.

Scalability

- System enhancements to optimise the journey for new customers through automation.
- Upgrades to infrastructure – enhancing speed, security, stability via AWS
- Tested demand for our solution in Australia



Supercharge growth

We're hyper-focused on evolving the user experience for employers with 1–5 staff in New Zealand, Australia and the Pacific Islands.



Loving our customers

Our relationship with our customers is mutually beneficial: they get peace of mind and time through a great product, and we get a dedicated fanbase as our best source of growth.

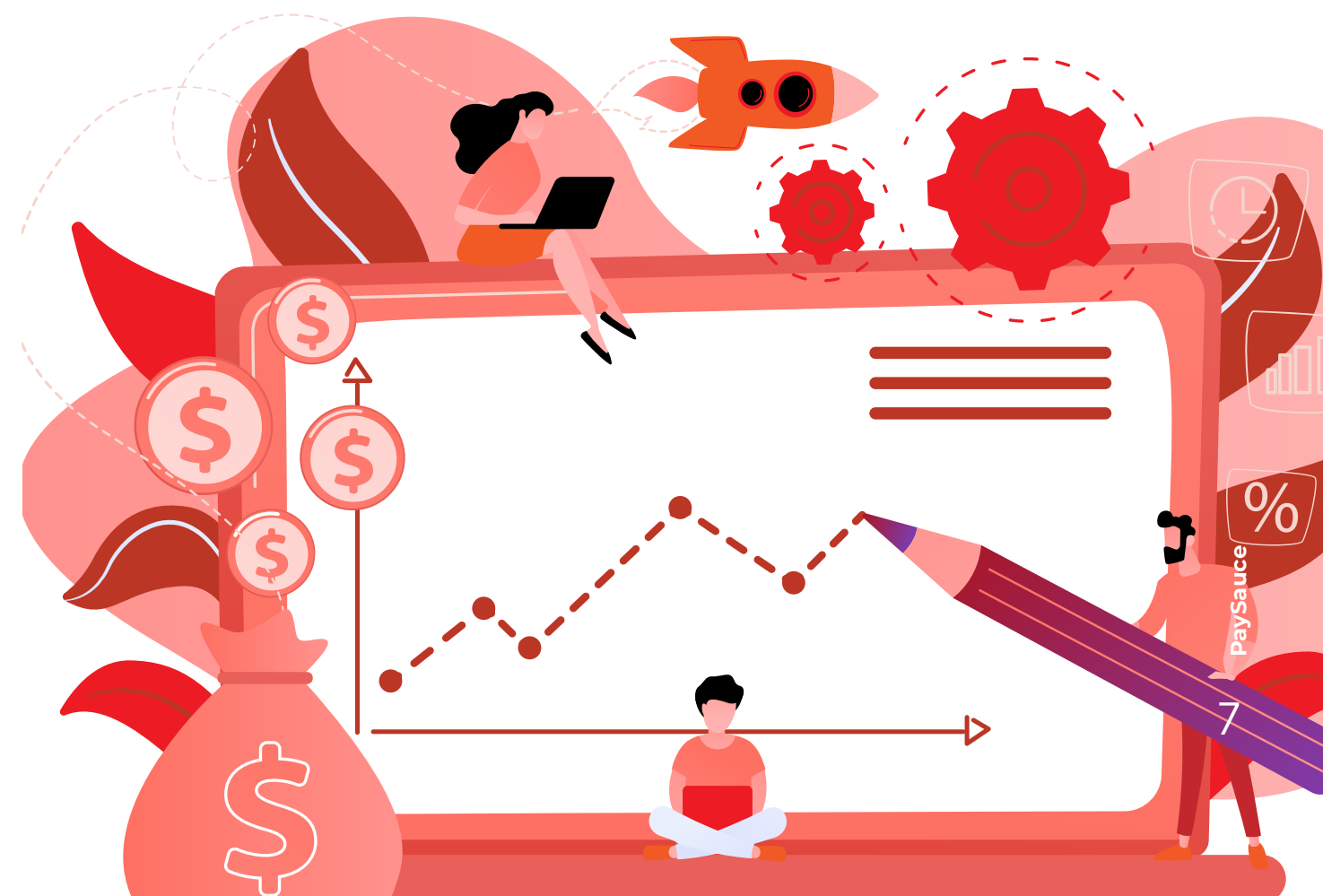


Scalability

To ensure we can retain very high service levels at scale, we've improved our operational processes and removed internal pain points – this means we have more time to focus on the activities that will make our customers love us more.

Financial Results

Jaime Monaghan, CFO



Financial results

- Continued profitability from the previous year’s result and grew net profit before deferred tax adjustments.
- Generated positive free cash flow³ of \$0.5m – enabling repayment of the \$0.65m term loan during the period.
- PaySauce grew total recurring revenue 14% year on year – largely from an increase in processing fees (up \$0.95m year on year).
- Gross margin grew 15% year on year from higher revenue and greater efficiency.

	FY 25	FY 24	Change
Processing Fees	\$6.32m	\$5.37m	18% ▲
Interest Income	\$2.33m	\$2.20m	6% ▲
Total recurring revenue	\$8.65m	\$7.57m	14% ▲
Gross margin	\$6.71m	\$5.82m	15% ▲
Gross margin percentage	78%	77%	1pp ▲
Earnings / (Loss) before tax, depreciation & amortisation (EBTDA)	\$1.35m	\$1.06m	\$0.29m ▲
Net profit before tax (NPBT)	\$0.46m	\$0.19m	\$0.27m ▲
Net profit after tax (NPAT) ²	\$0.68m	\$1.23m	\$0.55m ▼
Free cash flow³	\$0.50m	\$0.30m	\$0.20m ▲

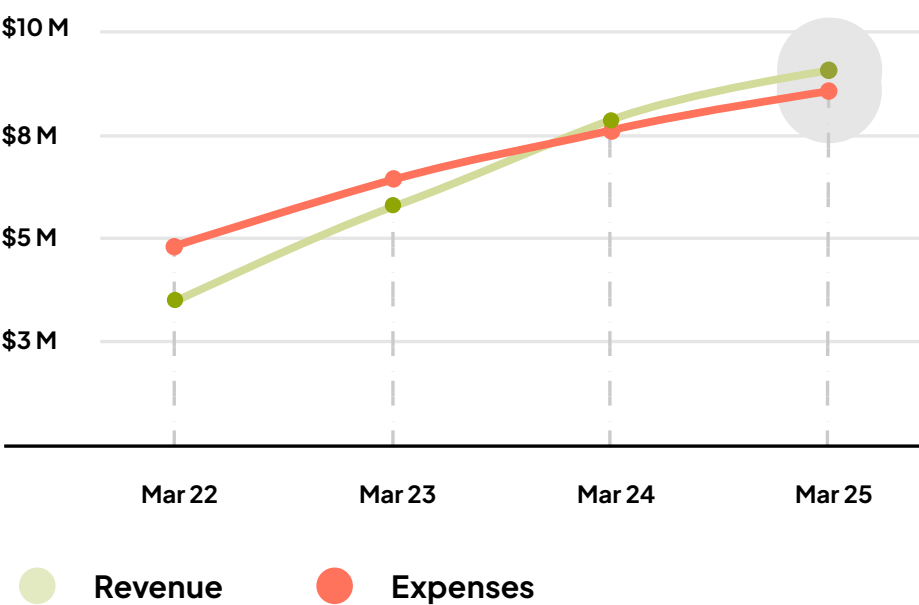
2 Includes \$0.32m recognised as a Deferred Tax Asset for prior losses carried forward (FY24: \$1.02m)

3 excludes funds due to customers and the IRD, collected in performing our role as a PAYE intermediary

Results summary

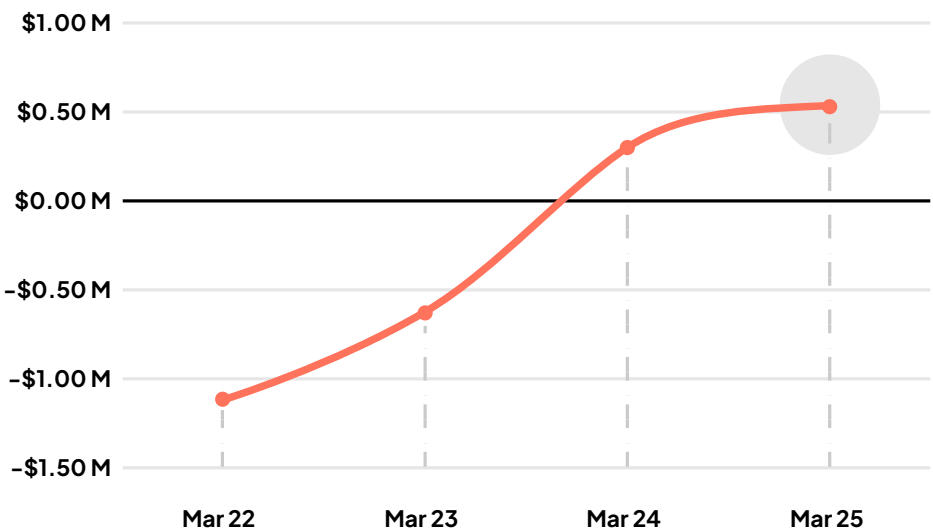
- Revenue continued to outperform expenditure for the year ended 31 March 2025 – delivering a net profit before tax of \$0.46m – an improvement of \$0.27m on the previous year.
- Free cashflow (excluding movement of funds held on behalf of customers) increased by \$0.2m year on year to \$0.5m for the year to March 2025.
- This enabled PaySauce to repay the \$650k BNZ Term Loan during the period – refinancing with more favourable terms via a bank overdraft facility of \$350k. This facility was not drawn as at 31 March 2025, but remains available if needed.

Profitability⁴



Free cash flow

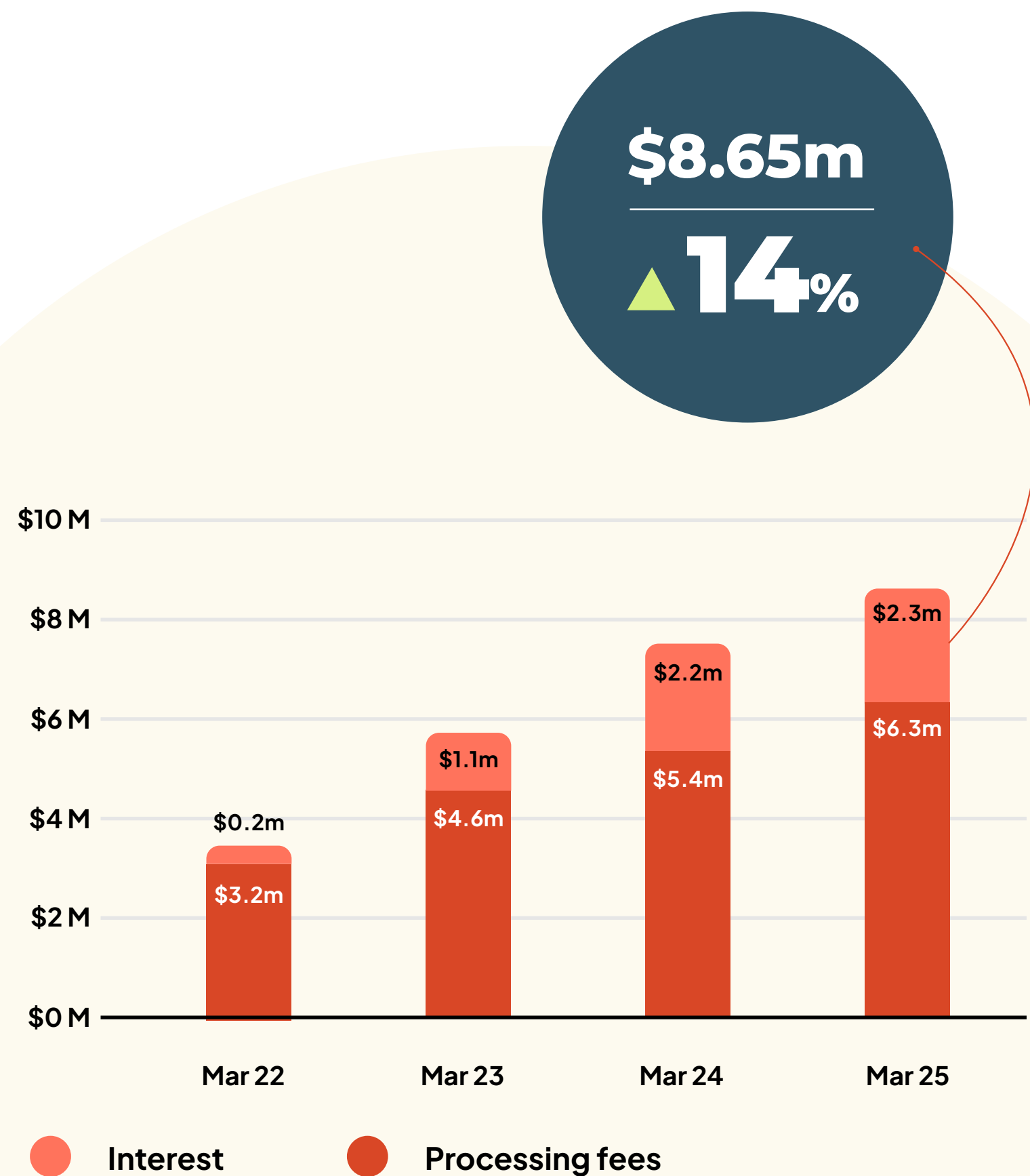
(excluding funds held on behalf of customers)



4 excludes deferred tax income arising from the recognition of deferred tax from losses carried forward.

Revenue growth

- Recurring Revenue grew 14% to \$8.65m for the year ended 31 March 2025.
- Processing fees increased 18% year on year as customer growth returned to double digits.
- Interest income increased 6% year on year.
- Growth in processing fees came from an 11% increase in customer count, and a 6% increase in ARPU from processing fees.



Customer Acquisition

	MAR 2025	MAR 2024	YOY Change
CAC per addition	584	510	15%
New customers	1,755	1,502	17%
Customer acquisition costs (\$000s)	1,025	766	34%
Percentage of Recurring Revenue	12%	10%	2 pp

Cost to Serve

	MAR 2025	MAR 2024	YOY Change
Recurring revenue (\$000s)	8,651	7,570	14%
Less cost to serve (\$000s)	(1,938)	(1,747)	11%
Gross margin (\$000s)	6,713	5,823	15%
Gross margin %	78%	77%	1pp
CTS per customer (monthly) at end of period (\$)	19	21	(8%)

Recurring Revenue

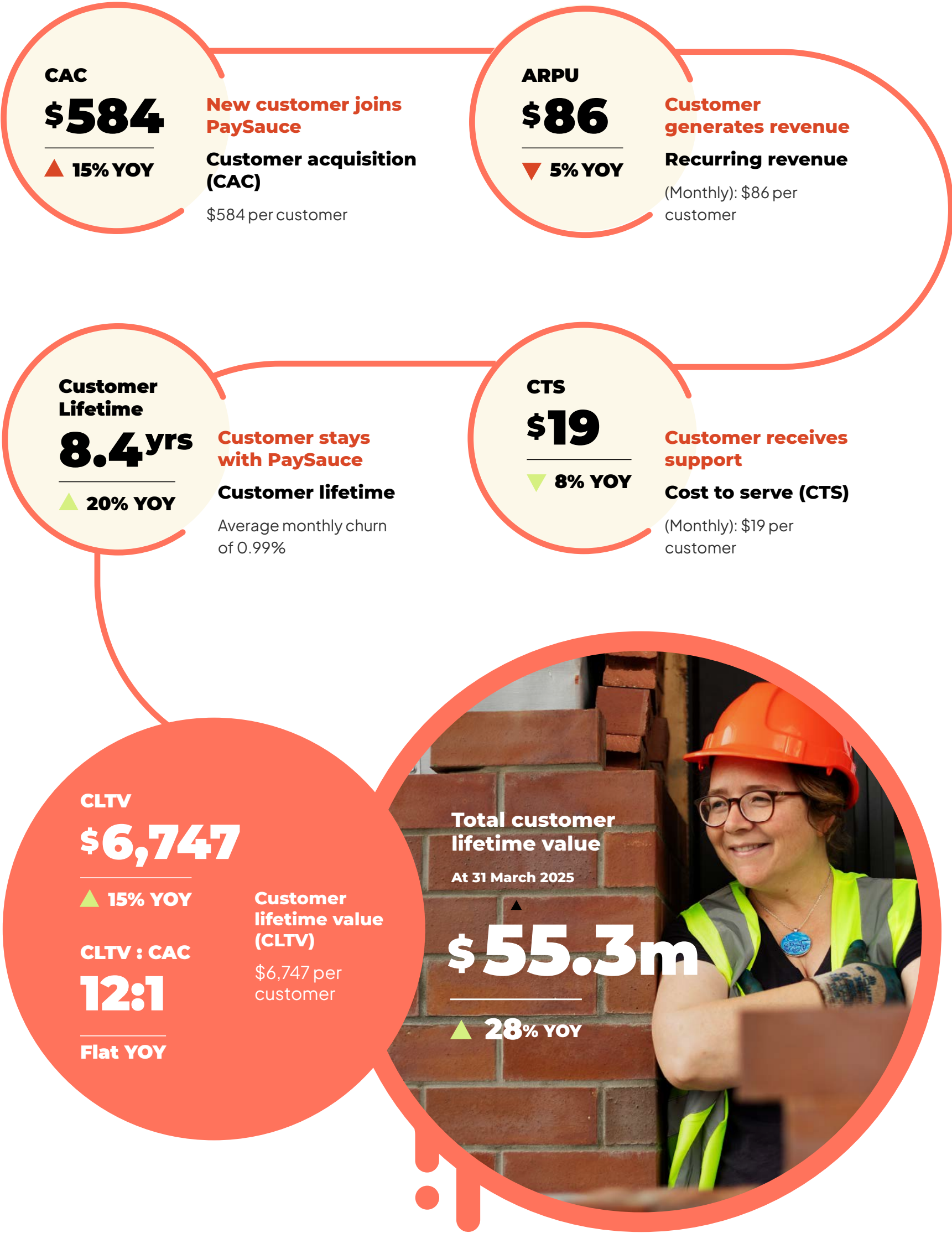
	MAR 2025	MAR 2024	YOY Change
ARR at end of period (\$000s)	8,462	8,005	6%
Recurring revenue for the period - Total (\$000s)	8,651	7,570	14%
ARPU (monthly) at end of period (\$)	86	91	(5%)
FTEs	48	46	4%
Revenue per FTE (\$000s)	187	168	12%

Customer Lifetime Value

	MAR 2025	MAR 2024	YOY Change
Customers at end of period	8,204	7,368	11%
Average monthly churn rate for the period (%)	0.99	1.18	(16%)
Churned customers	919	1,009	(9%)
LTV per customer at end of period (\$)	6,747	5,890	15%
Total customer LTV at end of period (\$m)	55.3	43.3	28%
LTV:CAC ratio at end of period	12 : 1	12 : 1	-

Customer metrics

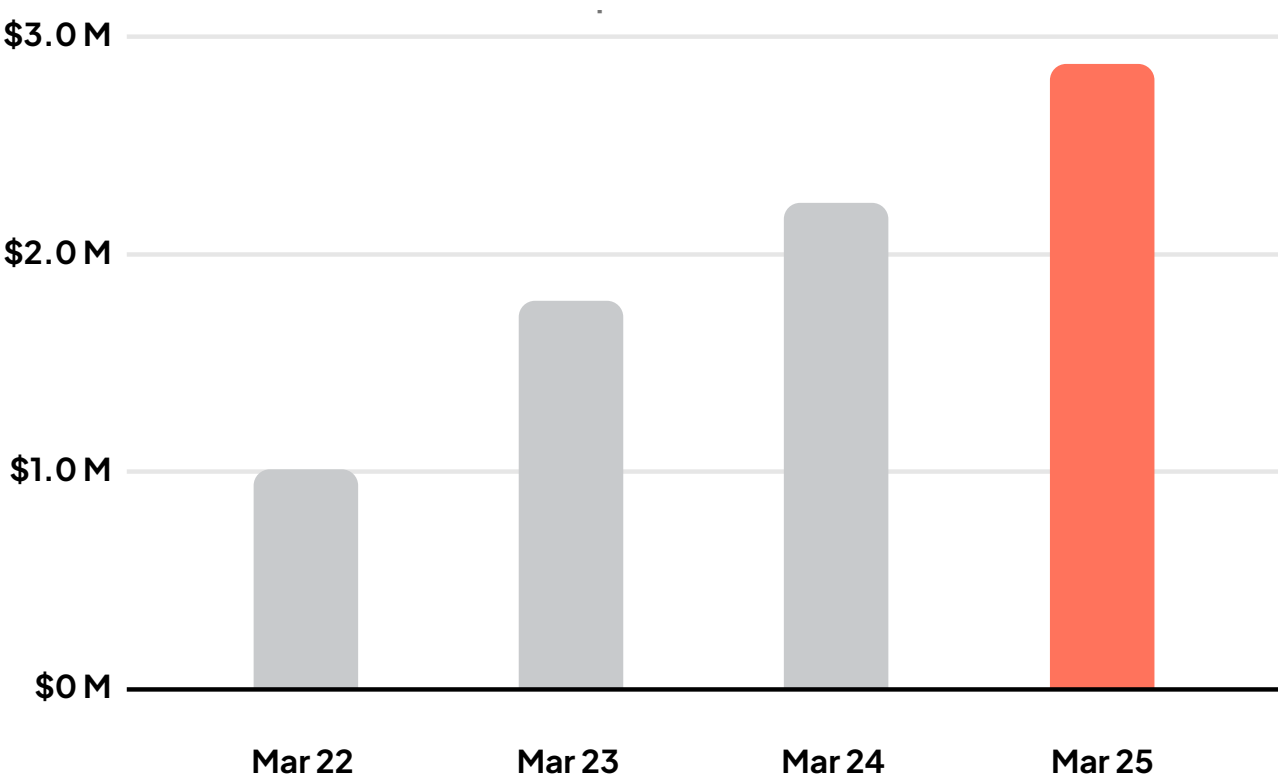
- Total customer lifetime value increased 28% to \$55.3m due to an increases in both customers (to 8,204) and lifetime value to \$6,747 per customer.
- Marketing investment targeted new customers via brand awareness campaigns, increasing the relative acquisition cost, and successfully acquiring new customers.
- Processing fees per customer increased, but reduced interest rates pulled the average revenue per customer lower. NZ Official Cash Rate (OCR) in March 2025: 3.75% (March 2024: 5.50%).
- Cost to serve each customer decreased as PaySauce increase efficiency of serving customers.
- Customer churn reduced below 1% per month, increasing the implied customer lifetime.



Reinvest for long term growth

- PaySauce increased investment into research & development by 29% year on year to \$2.9m.
- Investment into the development team with several key hires that led to improvements both with the structure of the team, and the security of the product. Increasing the speed in which PaySauce will be able to deliver future product.
- Investment into the product team - enabling intensive discovery, research, and planning in preparation for bringing a new user experience to PaySauce’s payroll ecosystem.

R&D investment

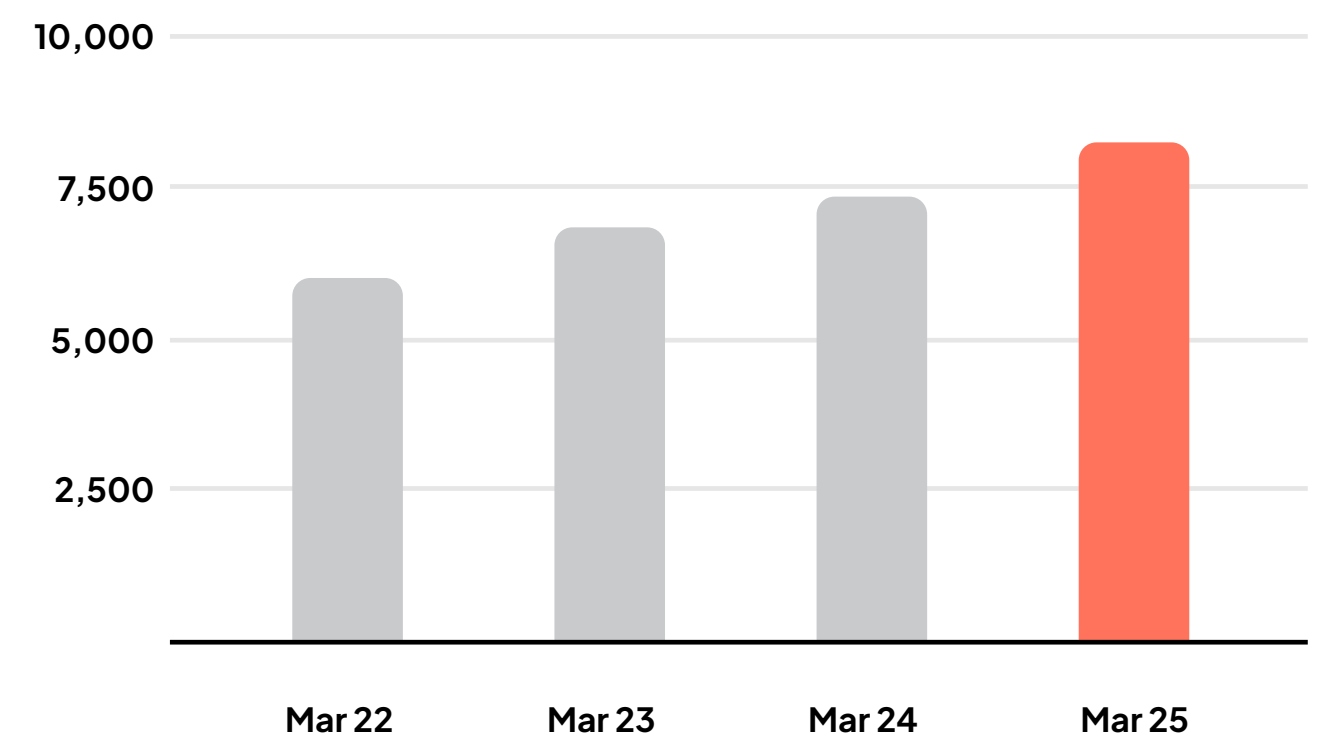


	MAR 2025	MAR 2024	YOY Change
Research & development expensed (\$000s)	1,168	934	25%
Research & development impairment (\$000s)	74	228	(67%)
Research & development capitalised (\$000s)	1,629	1,066	53%
Total research and development costs (\$000s)	2,871	2,228	29%
Percentage of Recurring Revenue	33%	29%	4pp
Capitalisation rate (salaries)	61%	56%	5pp

Accelerated customer growth

- Diversifying broader than the rural sector into the trades and construction.
- Building relationships with accountants all around New Zealand, a key source of customer referrals.
- Progress towards a payroll product that leverages the full capability of our new Gen 2.0 payroll engine.

Customers



“ Our long-term success, and the driver of growing shareholder value, is linked to driving customer growth. Delivering these customers the two things they expect from us - peace of mind with easy pay runs and more time to run their business will allow us to continue to grow.

With the new partnerships we have established and technology developments in train, we are well positioned to build on these successes with our existing customers and accelerate customer recruitment both in New Zealand and offshore. ”

Glossary

Recurring Revenue is revenue that is expected to repeat into the future. Recurring revenue for PaySauce consists of:

- **Processing Fees** – the monthly or annual subscription customers pay for PaySauce payroll products.
- **Interest Income** – interest earned from funds held on behalf of PaySauce customers. As interest earned on these funds grows directly in relation to the number of customers, this is considered an additional recurring revenue stream.

ARR multiples the recurring revenue generated in the last month of the period by 12 to annualise the current recurring revenue.

ARPU (monthly) is the average revenue per user per month and is calculated by the total recurring revenue for the month, divided by the total customers processing payroll that month.

CAC per addition divides the cost of acquiring customers by the number of new customers acquired during the period.

Cost to serve consists of customer support costs and expenses such as cloud hosting, maintenance of our software products, and bank fees charged per customer transaction.

Gross margin when discussed as a SaaS term, is the recurring revenue of the business, less the cost to serve customers. This is often then expressed as a percentage, where the gross margin is divided by the recurring revenue.

Churn (monthly) is expressed as a percentage calculated as the net reduction of customers in a calendar month divided by the total customers at the start of that month.

LTV is the estimated value of a customer over its lifetime with PaySauce. This is calculated by taking the monthly ARPU multiplied by the gross margin percentage, then divided by the monthly churn percentage.

Total Customer LTV (CLTV) is a measure of the estimated value of the current customer base, assuming that churn, ARPU and cost to serve remain constant. This measure is calculated by multiplying customer LTV by the total number of customers.

LTV : CAC is a measure of the return on investment of acquiring a new PaySauce customer. This measure is calculated by dividing the customer LTV by the CAC per addition.

Free cash flow refers to cash flows generated from operating activities less cash flows used for investing activities (excluding funds held on behalf of customers).

Earnings before tax, depreciation & amortisation (EBTDA) is calculated by adding back depreciation, amortisation, impairment and income tax expense to the amounts reported in the NZ IFRS-based financial statements. PaySauce believes that this measure provides useful insights to measure the performance of PaySauce as a SaaS business.

Note – these terms and metrics are Non-Generally Accepted Accounting Principles (non-GAAP) measures and should not be viewed in isolation, not considered substitutes for measures reported in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS). Refer to the PaySauce Interim Report for further information.



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