PaySauce

# 2022

# Annual Shareholders Meeting

23 SEPTEMBER 2022

# Introduction

Shelley Ruha

Chair, Non-Executive Director (Independent)

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***Please refer to the Appendix for definitions of key metrics used in this presentation.***
***All currency amounts are in New Zealand Dollars unless stated otherwise.***

# Board of Directors

VOTE

**Asantha Wijeyeratne**
CEO & Co-Founder, Director
(Non-Independent)

VOTE

**Shelley Ruha**
Non-Executive Director
(Independent), Chair

**Gavin Thompson**
Non-Executive Director
(Non-Independent)

**Jacqueline Cheyne**
Non-Executive Director
(Independent), ARC Chair

**Michael O'Donnell**
Non-Executive Director
(Independent)

# Executive team

**Asantha Wijeyeratne**
CEO & Co-Founder

**Troy Tarrant**
CTO & Co-Founder

**Jaime Monaghan**
CFO

**Mat Stokes**
COO

# Agenda

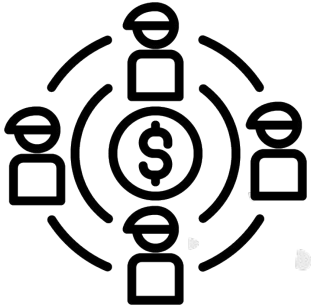
- Chair's Address
- CEO's Address
- Financials
- Resolutions
- Other Business & Shareholder Questions

# *Chair's Address*

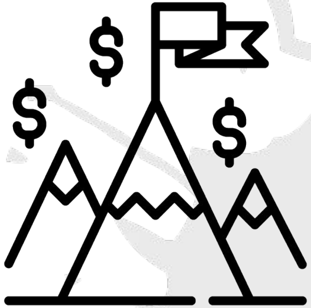
Shelley Ruha

# Strategic priorities

Reinvest For Long Term Growth



Obsess Over Customers



Win-Win-Win Partnerships

Awesome People

# CEO’s Address

Asantha Wijeyeratne

# Highlights for the year

## Cash Positive
Positive cashflow and EBITDA in Q4 of FY22

## Growth
83% YoY Annualised Recurring Revenue (ARR)

## Acquisition
1300 SmoothPay customers embedded

## PayNow
$3m earned wages accessed

# Financials

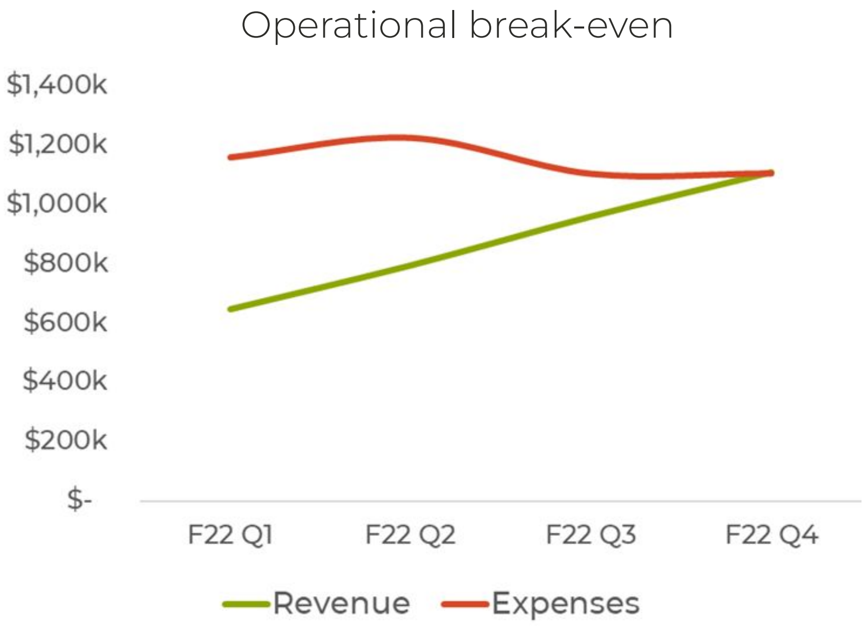
Jaime Monaghan

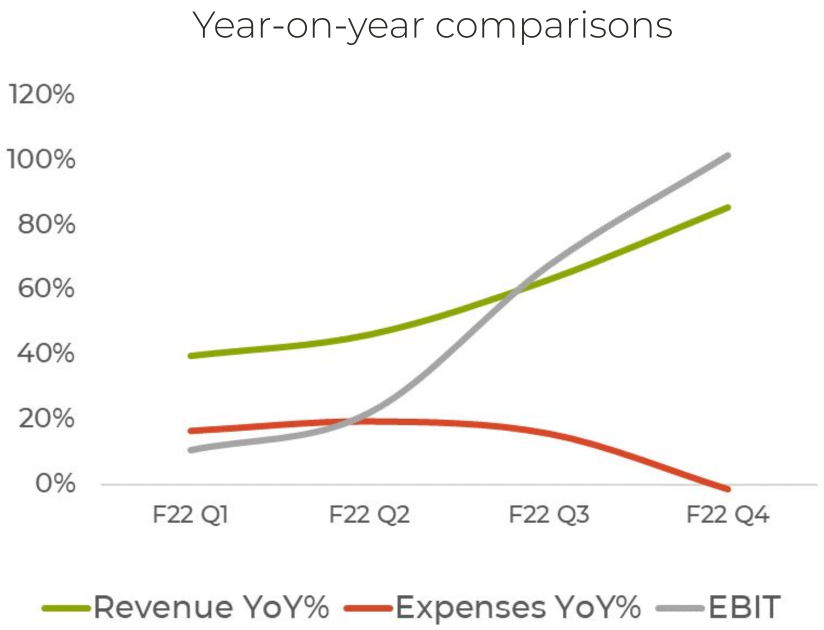
# FY22 result summary

| | FY22 ($000s) | FY21 ($000s) | % change |
|---|---|---|---|
| Total recurring revenue | 3,399 | 2,096 | **62% ↑** |
| Gross margin | 2,342 | 1,495 | **65% ↑** |
| Gross margin % | 69% | 68% | **1pp ↑** |
| Loss before tax, depr & amort | (881) | (1,427) | **(38%) ↓** |
| Net loss (GAAP) | (1,282) | (1,688) | **(24%) ↓** |
| Cash receipts from customers | 3,062 | 2,121 | **44% ↑** |
| Net operating cashflow* | (666) | (1,118) | **(40%) ↓** |

*before increase in funds due to customers and the IRD, collected in performing our role as a PAYE intermediary.

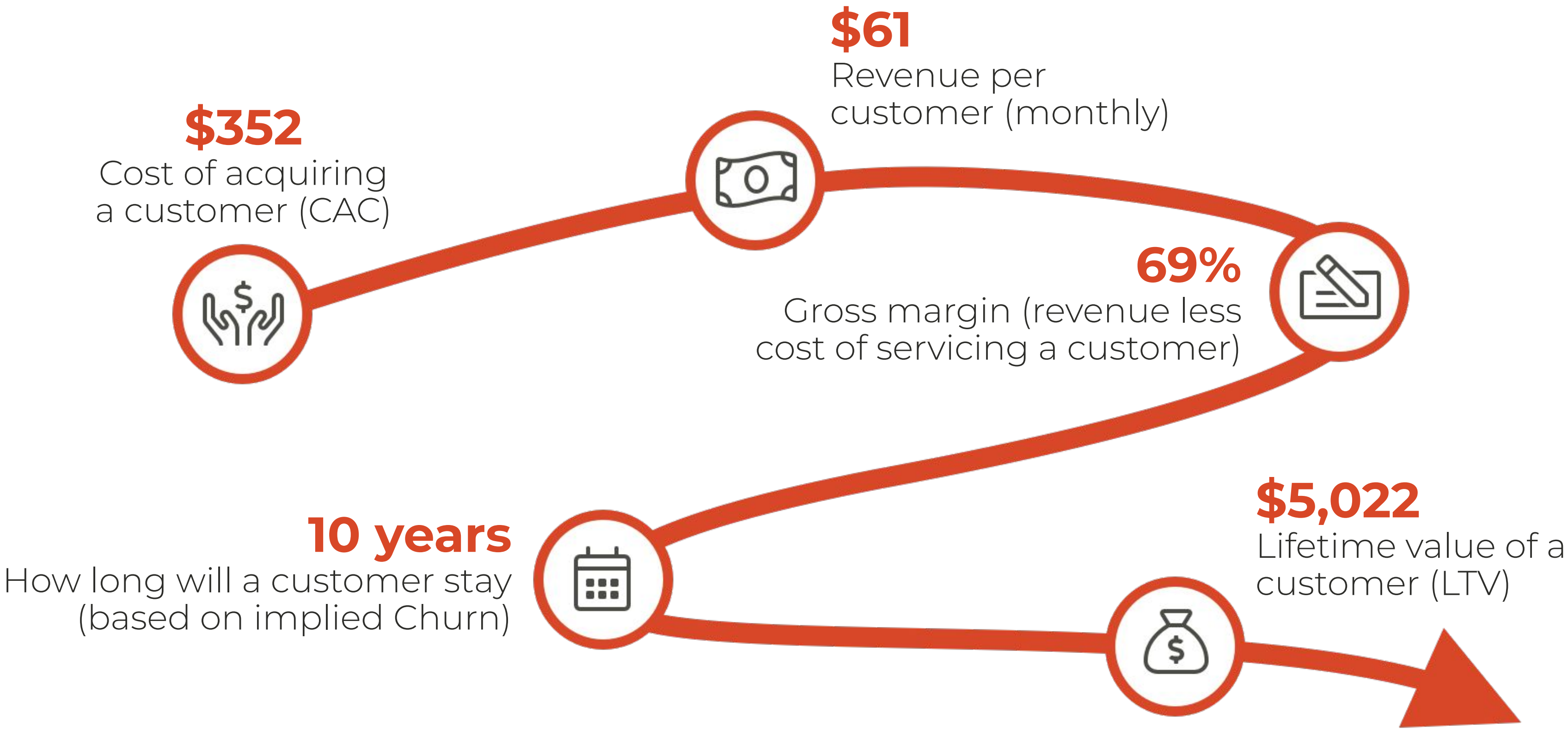
# Progress to break-even




*FY22 Employee Share Scheme cost ($200k) excluded

# SaaS customer journey



# SaaS customer lifetime value

Total Customer LTV
FY21

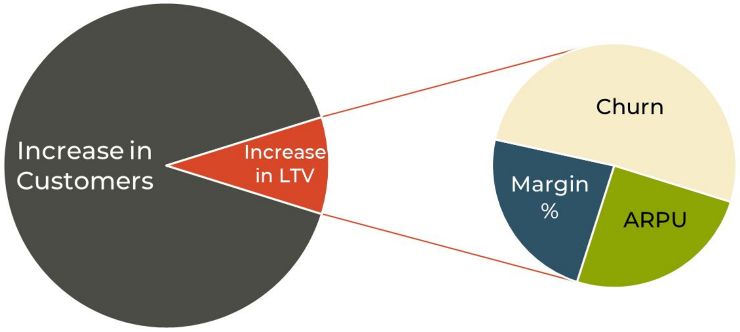
**$15.5M**

**↑ $14.9M**
**96% YoY**

Total Customer LTV
FY22

**$30.4M**

**Driven by**




**YoY improvements**

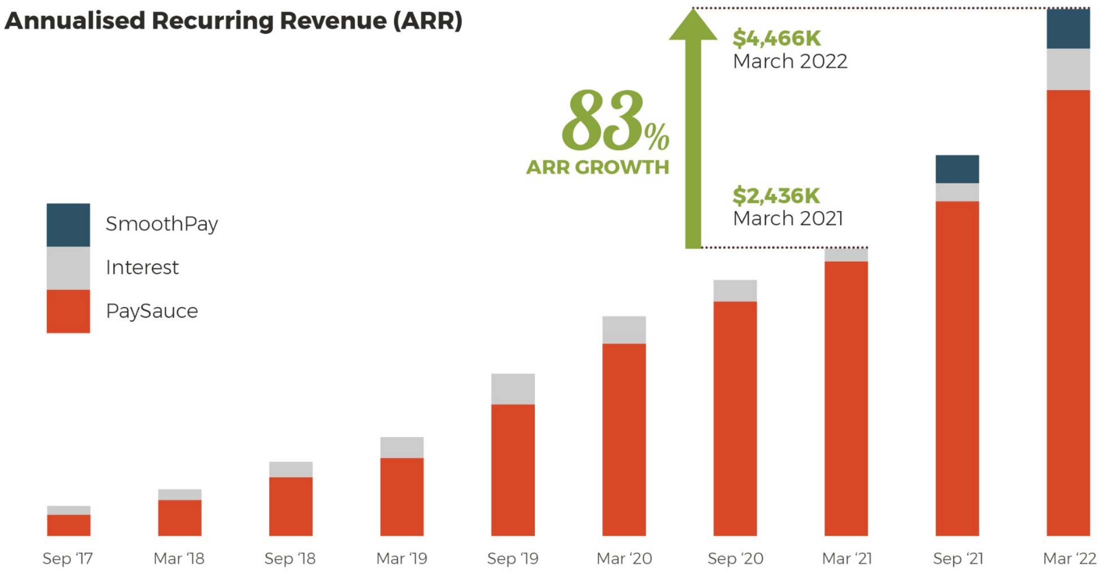
Customers ↑ 79%

Churn ↓ .04 pp

Margin % ↑ 1 pp

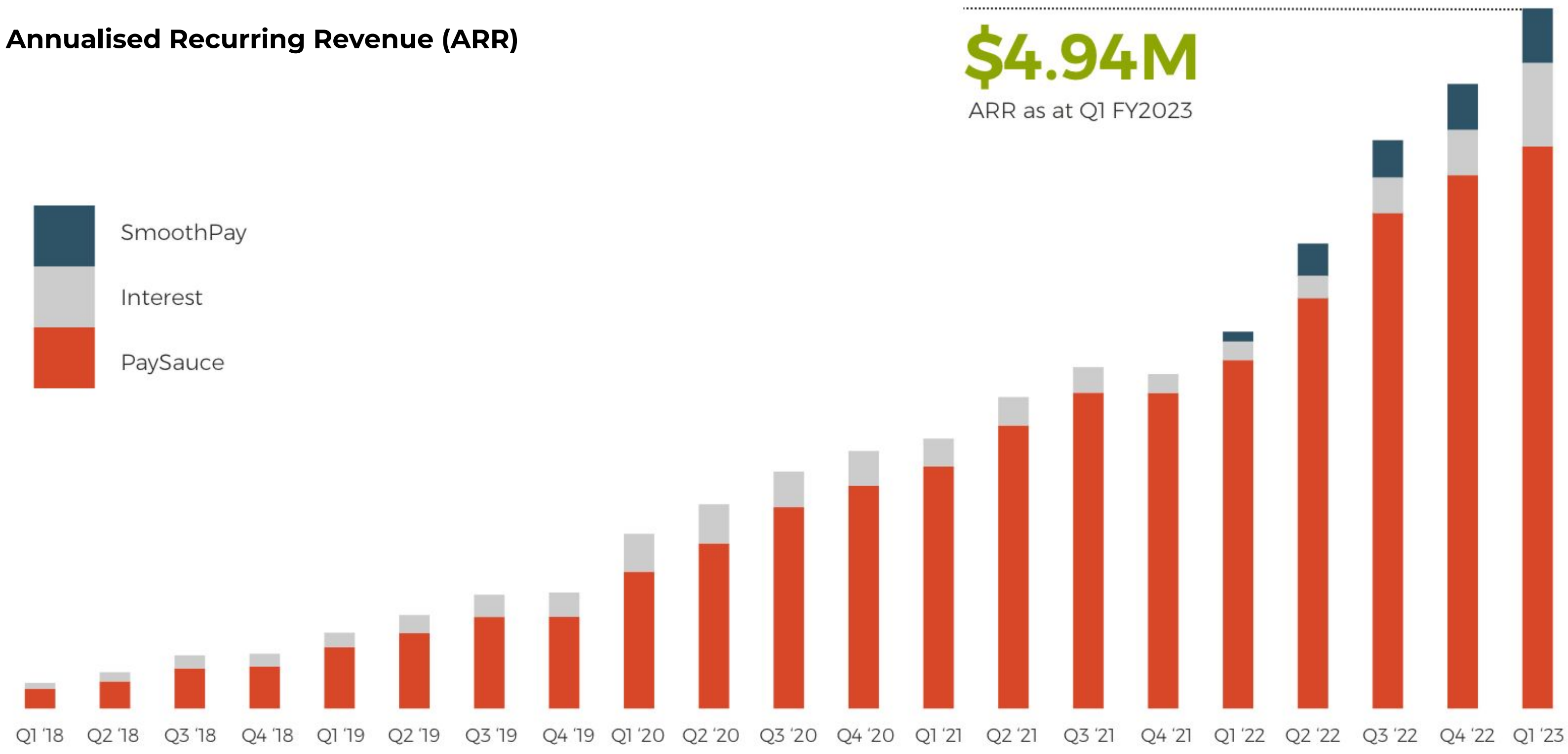
ARPU ↑ 2%

# Accelerating ARR growth rates




- PaySauce processing fees have grown at an accelerated pace in the last four quarters
- Interest rates have returned to pre-COVID levels and will have an increasing impact on overall ARR
- Price increases applied to the acquired SmoothPay business will take full effect when all annual subscriptions have renewed

# Annualised Recurring Revenue to June 2022



# Resolutions

# Resolution A

That Shelley Ruha be elected as a Director of PaySauce.


**Shelley Ruha**
Non-Executive Director (Independent), Chair

FOR

AGAINST

ABSTAIN

# Resolution B

Having retired, that Asantha Wijeyeratne be re-elected as a Director of PaySauce.


**Asantha Wijeyeratne**
CEO & Co-Founder, Director
(Non-Independent)

FOR

AGAINST

ABSTAIN

# Resolution C

That Directors can elect to receive PaySauce Ordinary Shares in lieu of Directors fees in accordance with NZX Listing Rule 4.7.1

NZX

FOR

AGAINST

ABSTAIN

# Resolution D

That the Board is authorised to fix the fees and expenses of Grant Thornton as the auditor of PaySauce.

Grant Thornton

FOR

AGAINST

ABSTAIN

# General Business

The meeting is now open to any general questions

# Thank you!

# Appendix

## Definitions of Key SaaS Terms & Metrics

**Recurring revenue:** Recurring revenue is revenue that is expected to repeat each period into the future. For PaySauce, this is revenue directly linked to the number of payroll customers we have.

**MRR:** Monthly recurring revenue is the total recurring revenue for the last calendar month of the reporting period.

**ARR:** Annual recurring revenue is the MRR, multiplied by 12.

**ARPU (monthly):** Average revenue per user (monthly) is the total recurring revenue for the month, divided by the total customers processing payroll that month.

**Gross margin:** The 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:** Churn 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.

**CAC per addition:** Customer acquisition cost (per addition) is the total cost of acquiring customers for the period, divided by the number of new customers processing payroll that were acquired during the period. Excludes inorganic growth through the acquisition of SmoothPay during the period.

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

**Total Customer LTV:** Total customer lifetime value is the lifetime value multiplied by the total customers.

***Note*** *- the terms and metrics above 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).*

PaySauce