



PaySauce releases FY2022 Annual Report

Lower Hutt, New Zealand - 30 May 2022

Employment solutions fintech PaySauce (NXZ:PYS) is proud to release its FY2022 Annual Report.

PaySauce CEO Asantha Wijeyeratne said the FY2022 report is a landmark moment, presenting PaySauce's breakthrough news of their cash flow positive position for the final quarter of the year.

"It's a great achievement, but no surprise to me. We do what we say we're going to do. We told the market in 2020 that we'd be cash flow positive and that promise became our north star. We said we'd build out the team, establish a customer base in a new market and mature the platform. Likewise we have delivered on that."

HIGHLIGHTS

- Cashflow positive for the quarter ended 31 March 2022.
- ARR of \$4.5M as at 31 March 2022 (83% YoY increase).
- Acquired and fully integrated the SmoothPay business.
- Over 6,000 customers as at 31 March 2022 (79% YoY increase).
- \$2M of earned wages accessed through the BNZ PayNow feature in FY2022.
- Total customer LTV of \$30M as at 31 March 2022 (96% YoY increase).
- LTV : CAC ratio of 14 : 1 as at 31 March 2022 (67% YoY increase).

Wijeyeratne reflects on the year:

"Making our first acquisition this year was a testament to our commitment to growth and our certainty that, as a scale-up organisation with skilled leaders, we would fully leverage the opportunity. Adding and retaining 1,300 customers across Asia-Pacific is evidence of our successful execution.

As a team, we've grown our capability and we've invested in systems to support each division and enable efficient growth. In-market, we've established ourselves as a leading-edge fintech with continued development of innovative features and diversified our customer base into additional sectors."



FINANCIAL HIGHLIGHTS

Financial Performance	Mar 2022	Mar 2021	Change	Change %
Recurring revenue - processing fees (000s)	\$3,196	\$1,928	\$1,268 ↑	66% ↑
Recurring revenue - total (000s)	\$3,399	\$2,096	\$1,303 ↑	62% ↑
Net loss for the period (000s)	(\$1,282)	(\$1,688)	(\$406) ↓	(24%) ↓

Total recurring revenue growth accelerated this year with three key drivers:

- increased organic customer growth;
- increased average processing fees per customer; and
- customers acquired as part of the SmoothPay acquisition.

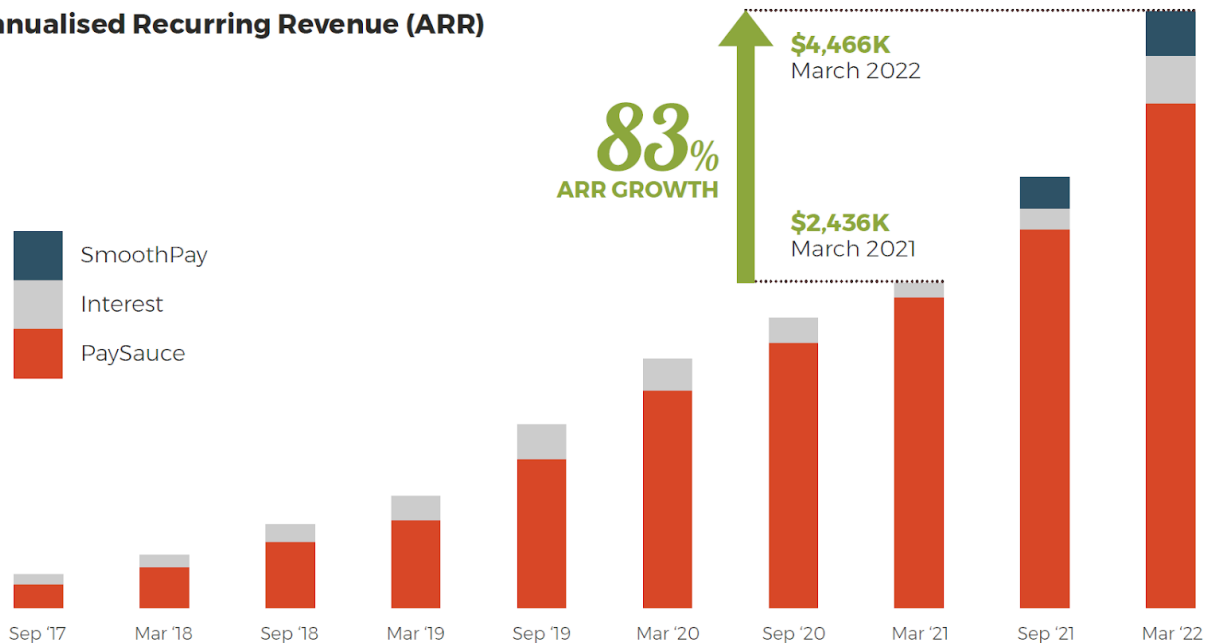
Interest income increased marginally year on year as the interest rate environment remained low until the second half of the year when interest rates returned to pre-COVID levels. When applied to the increased balance of funds held on behalf of customers, each 1% increase in interest rates delivers \$248K in additional interest income.

Recurring Revenue Metrics	Mar 2022	Mar 2021	Change	Change %
ARPU at end of period (monthly)	\$61	\$60	\$1 ↑	2% ↑
ARR (000s)	\$4,466	\$2,436	\$2,030 ↑	83% ↑
Revenue per FTE (000s)	\$110	\$69	\$41 ↑	60% ↑
Customer numbers	6,052	3,377	2,675 ↑	79% ↑

Pricing changes implemented during the year ensured that the overall ARPU remained consistent, despite the acquisition of 1,300 new SmoothPay customers on substantially lower ARPU.

Despite the acquisition and pricing changes throughout the year, customer churn decreased from 0.88% to 0.84% (monthly average) year on year.

Annualised Recurring Revenue (ARR)



Gross margin also improved from 68% to 69% for the year as we've continued to build for scale with new internal systems. Headcount did not change year on year, with 32 FTEs, resulting in an increase in our Revenue per FTE of 60% YoY to \$110K per FTE.

OUTLOOK

Wijeyeratne on the year to come:

"On the path to achieving our vision of being the first choice people platform for SMEs in Oceania, the steps we're taking this coming year are precise and careful.

We're reinvesting profits back into the business to deliver on our strategic objectives - investing in infrastructure, systems, process and product best practice to realise even more efficiencies in the way we do things. We will carry on obsessing over customers, and extend that obsession to their employees too. Deeper and well designed relationships with our channels will ensure win-win-win partnerships, and we'll continue to build connections with the wider product ecosystem. Honouring diversity in our crew will remain a priority as we build the team in all departments."

APPENDICES

- Appendix 1 - NZX Template for Results Announcement to the Market
- Appendix 2 - Annual Report
- Appendix 3 - Investor Presentation



NON-GAAP FINANCIAL INFORMATION

Non-GAAP (Generally Accepted Accounting Principles) financial information does not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities. Non-GAAP information has not been audited, and is not prepared in accordance with NZ IFRS.

The measures reported by PaySauce are used by management to monitor the performance of the company and are useful to investors to assess performance.

Non-GAAP measures are defined and explained in the Annual Report.

ENDS

PaySauce is a SaaS fintech platform providing solutions for people at work in 14 jurisdictions across the Asia-Pacific region. We give employers the technology to digitally onboard, pay and manage employees from any device. Our platform includes rosters, mobile timesheets, payroll calculations, banking integration, automated payments, PAYE filing, labour costing, automated general ledger entries and digital employment contracts.

www.paysauce.com

CONTACT

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