FINANCIAL RESULTS FOR THE HALF YEAR TO THE END OF SEPTEMBER 2025

PaySauce is poised for an acceleration in growth

Lower Hutt, New Zealand – 10 November 2025

Software-as-a-Service fintech PaySauce (NZX: PYS) today announces consistent growth in revenue and solid earnings and cash flow continue to support the company's strategy to take a payroll solution tailored to the needs of micro-businesses to the world.

This strong domestic foundation has enabled continued reinvestment into the business and the launch at the end of September of a pilot in Australia, a market of around 700,000 micro-businesses that remains largely underserved.

The launch marks a major milestone for the company opening the door to a new market while reinforcing our core business. As we enter Australia, we will be going hard — learning from the market, refining our approach, and building a playbook for broader international expansion.

PaySauce notes that the increased likelihood of further OCR cuts will push the achievement of the target of $10 million ARR into the first quarter of FY27.

1H 2026 FINANCIAL HIGHLIGHTS:

- **Recurring revenue** rises 5% to 4.5 million, supported by a strong 15% rise in processing fee income to $3.5 million; period end ARR of $9.2 million
- **Interest income** falls to $967k (down 21% on 1H 2025) following Reserve Bank cuts to wholesale interest rates and despite an 18% increase in funds held for customers to $43 million
- **Total customer lifetime value** rises 20% to $60.5 million following a reduction in customer churn and reduced costs to serve
- **EBTDA**[1] rose 42% to $779k lifted by revenue growth and efficiency gains
- **Net profit before tax** more than doubles to $302k

Chair Shelley Ruha said: "The past six months have marked a watershed period in PaySauce's evolution. Building on two years of focused innovation and development, we brought our Global Payroll Platform into production with the launch of our payroll pilot in Victoria, Australia.

[1] EBTDA is a non-GAAP measure of financial performance. It is defined and reconciled to net profit before tax on page 15 of the company's report released to the NZX today.

“PaySauce is now on the threshold of a new phase of growth. The pilot in Australia is but the first step. We are initially focused on the Australian dairy sector, its more than 4,000 dairy farms and its workforce of 46,000 people.

“Longer term we see significant potential to provide payroll to Australia’s more than 700,000 micro businesses that remain poorly served by the existing payroll providers. It is an exciting time for the company.”

CEO and Co-founder Asantha Wijeyeratne said: “We have maintained strong momentum in our core New Zealand business, delivering robust customer growth and a significant uplift in total customer lifetime value.

“We also reached a major technical milestone, deploying our Global Payroll Platform through our Australian pilot. These achievements have required close collaboration across business development, technology, and customer support, as well as the cooperation and enthusiasm of our Australian pilot’s customers.

“I am immensely proud of what the team has accomplished. It reflects the strength of our execution, the commitment of our people, and the trust of our customers who continue to grow with us.”

FINANCIAL PERFORMANCE

Recurring revenue for the six months to 30 September 2025 (1H 2026) rose 5% to $4.5 million. A strong 15% rise in processing fee income to $3.5 million was diluted by a 21% decline in interest income to $967k from $1.2 million in 1H 2025. The reduction in interest income follows the Reserve Bank’s reduction in the Official Cash Rate (OCR) and the market’s perception of further future cuts, incorporated into wholesale interest rates. The float of funds held on behalf of customers rose 18% to $43 million from $36 million at the same time a year ago.

Annualised Recurring Revenue (ARR) at the end of the period was $9.2 million, up 6% on the $8.5 million achieved at the end of 1H 2025. The result was lifted by a 9% increase in total customers to 8,506 from 7,821 in 1H 2025 as our strong base of loyal customers and partners drives new referrals. Average Monthly Revenue Per User (ARPU) fell 3% - a fall that again reflects the reduction in interest income.

These metrics coupled with reduced churn and reduced costs to serve per customer have lifted the value of our customer base by 20% to $60.5 million over the same period a year ago - a clear demonstration of the value we are continuing to create for shareholders.

Earnings Before Tax Depreciation and Amortisation (EBTDA) rose 42% to $779k from $548k as we benefitted from revenue and efficiency gains and tight management costs. Notably, gross margins were stable at a robust 78%, while general and administration costs fell 21% to $1.6 million from $1.9 million in 1H 2026.

Capitalised research and development costs increased from $0.79 million to $0.96 million as we focused our development effort into building our Australian product. Net profit before tax more than doubled to $302k from $148k in the same period a year ago.

CASHFLOW AND FUNDING

The New Zealand business continues to generate positive free cash flow, funding both the two-year development of the Global Payroll Platform and its commercialisation via the Australian pilot.

Operating cashflow before movements in funds due to customers and the IRD was flat year on year at $1.1 million for 1H 2026, with free cash flow of $33k, down $166k from $199k in 1H 2025. We ended the period with cash reserves (excluding funds held on behalf of customers) of $272k and undrawn banking facilities of $350k, providing the company with flexibility to support its next phase of growth.

OUTLOOK

PaySauce is well positioned to extend its record for growth. While lower wholesale interest rates continue to mask the strong underlying performance of the business in the short term, they support new business formation, increased employment and over time growth in total customers.

Meanwhile, with the current monetary easing cycle beginning to bottom out, we expect interest income to begin to level out and grow in line with the growth of our New Zealand business.

In any event processing-fee revenue remains the primary driver of shareholder value and this will be supported by an expanding customer base especially in the new financial year (FY27) when we expect momentum in our Australian business will begin to build.

Ruha said: "Despite the increasing likelihood of further OCR cuts pushing achievement of our target of $10 million ARR into the first quarter of FY27, we remain confident in our strategy and disciplined in execution as we enter this next phase, supported by a long-awaited expected turnaround in New Zealand business confidence.."

PaySauce is holding an investor and media briefing today at 10.00am. To participate please email investor@paysauce.com to receive the conference call link.

Released for and on behalf of PaySauce by PaySauce CFO Jaime Monaghan

ENDS

ABOUT PAYSAUCE

PaySauce is a SaaS fintech platform delivering digital payroll solutions across 14 jurisdictions in Asia-Pacific. The technology enables small employers to digitally onboard, pay and manage employees from any device. The platform includes rosters, mobile timesheets, payroll calculations, banking integration, automated payments, PAYE filing, labour costing, and automated general ledger entries. The PayNow feature enables customers' employees to access the pay they've earned before payday, providing a free alternative to payday lenders. www.paysauce.com

CONTACT

Jaime Monaghan
CFO PaySauce
+64 22 5246366
Please direct any investment queries to investor@paysauce.com

---