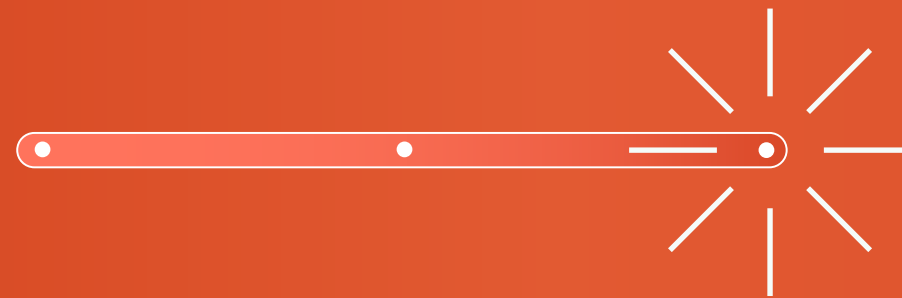


2023

2024

Results presentation

YEAR ENDED 31 MARCH 2024



Maiden Net Profit



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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

Maiden net profit; advancing growth strategy

NPAT

Maiden Profit

Maiden NPAT¹.
Underlying NPAT of
\$0.19m before deferred
tax asset recognised

\$1.23m

▲ Up \$1.79m
YoY

ARR

Annualised recurring
revenue (ARR) grew **19%**
year on year

\$8.00m

▲ Up 19%
YoY

Rule of 40

Self sufficient,
Surpassing Rule
of 40

46

★ Above industry
benchmark

Free Cashflow

Positive free cash flow²
\$0.94m year on year
improvement

\$0.29m

▲ Up \$0.94m
YoY²

- ✓ Maiden net profit
- ✓ Proof of concept for embedded payroll nearing completion
- ✓ Gen 2.0 payroll engine piloted successfully

- ✓ Self sufficient cash generation re-investing for scalable growth
- ✓ Continued to outperform “Rule of 40” benchmark

1. Net profit after Tax. 2. Before funds due to customers and IRD.

We are in transition to our platform for the future

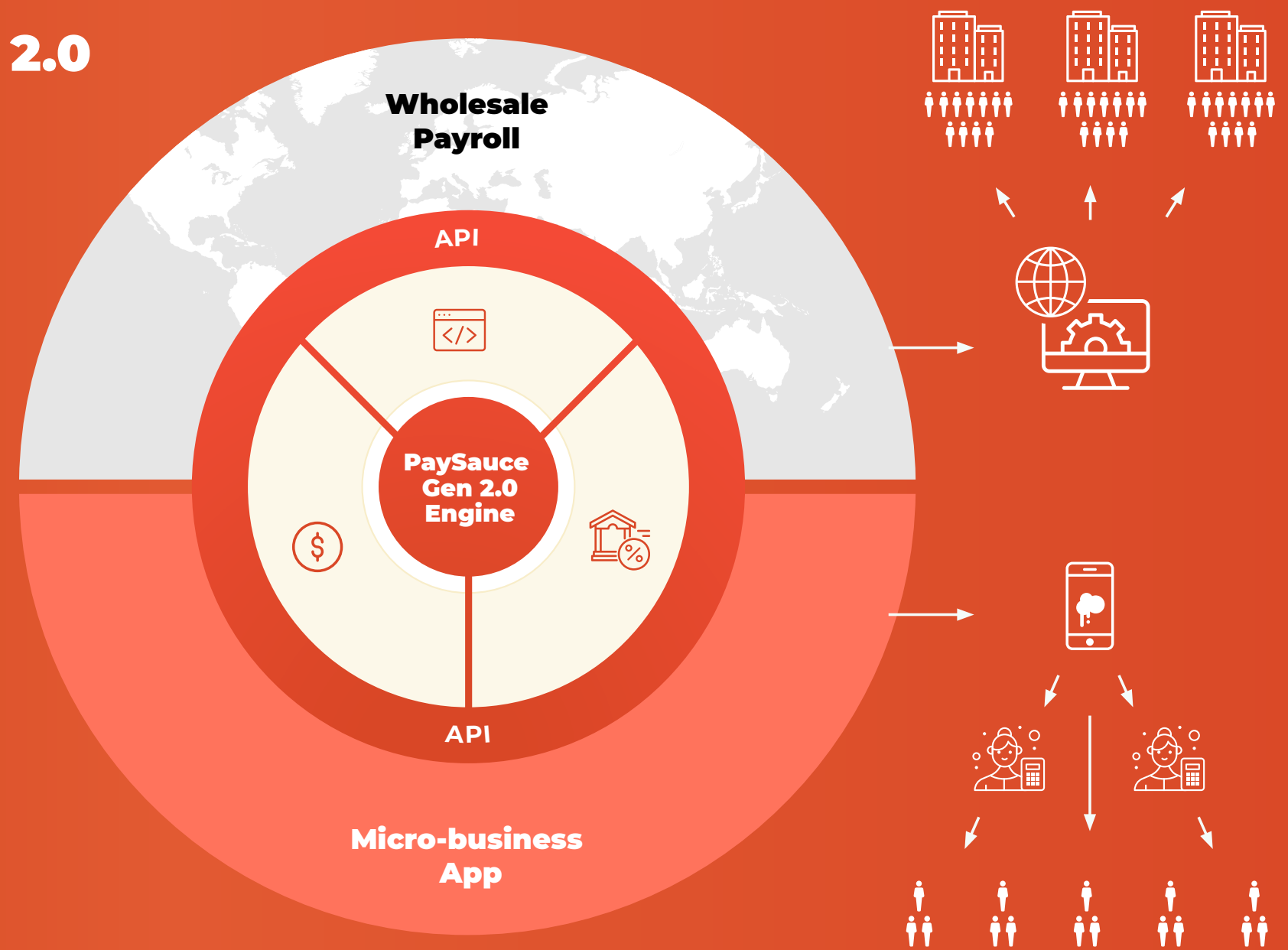
Gen 1.0

Existing code base serving over 5,900 customers in NZ

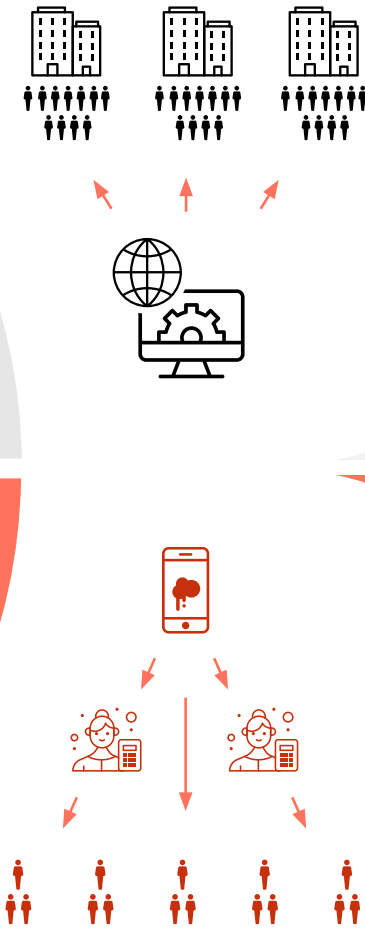
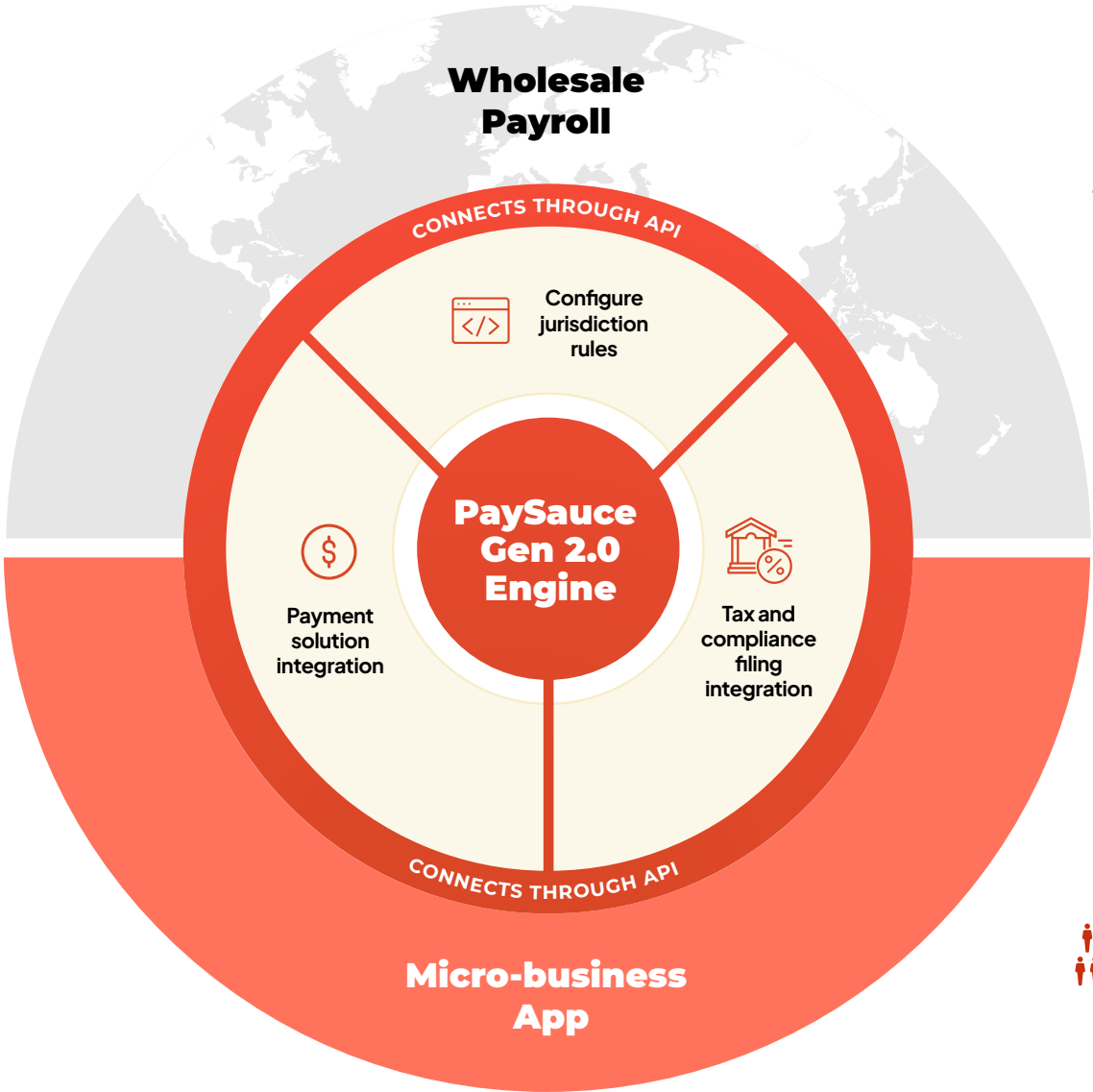
Gen 1.0 goPayroll + SmoothPay (acquisition)

Serving over 1,400 customers in NZ, AU and Pacific Islands

Gen 2.0



Gen 2.0 payroll engine affords us commercial optionality



Wholesale payroll opportunity

CUSTOMER ACQUISITION	CUSTOMER SUPPORT	REVENUE RECOGNITION	TIME TO SALE	SALES CYCLE
Rapid global scalability by embedding into existing providers with large customer base	End customer relationship and support is owned by the 3rd party provider	Fixed term, multi year contract, invoiced annual in advance	4-6 months sales and implementation	Serve new customer base following implementation

Micro-business App opportunity

CUSTOMER ACQUISITION	CUSTOMER SUPPORT	REVENUE RECOGNITION	TIME TO SALE	SALES CYCLE
Very large under-served market of micro-businesses with 1-5 employees acquired directly and through accountants	PaySauce owns the customer relationship and provides direct support	Monthly subscription on a pay as you go basis	Download the app and pay staff the same day	Support Accounting and Direct marketing channels

FY25 strategy

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.

To make this happen, we will:

- Delight our users with features and functionality they need and want
- Provide customers with the knowledge and guidance they need to be successful
- Improve product and service experiences with in-app support and guidance



Supercharge growth

We'll deliver growth through two distinct paths: continuing our work directly with the SME market as well as opening a whole new opportunity with wholesale.

To get to \$10m ARR, we will:

- Improve brand awareness and opportunities with targeted sales and marketing strategies
- Deliver new interface for both web and mobile
- Identify new wholesale opportunities, including new jurisdictions



Scalability

To ensure we can retain very high service levels at scale, we're focusing on the improvements to how we operate. Removing pain points for ourselves and our customers means we have more time to focus on the growth activities.

To operate more efficiently and safely, we will:

- Create a smoother journey for new and existing customers
- Implement AI and other new technologies to build scalable processes
- Optimise our tech stack for speed, security and scale



Powering our go-forward strategy

Product

People

Partnerships

Financial Results

Jaime Monaghan, CFO

Financial results

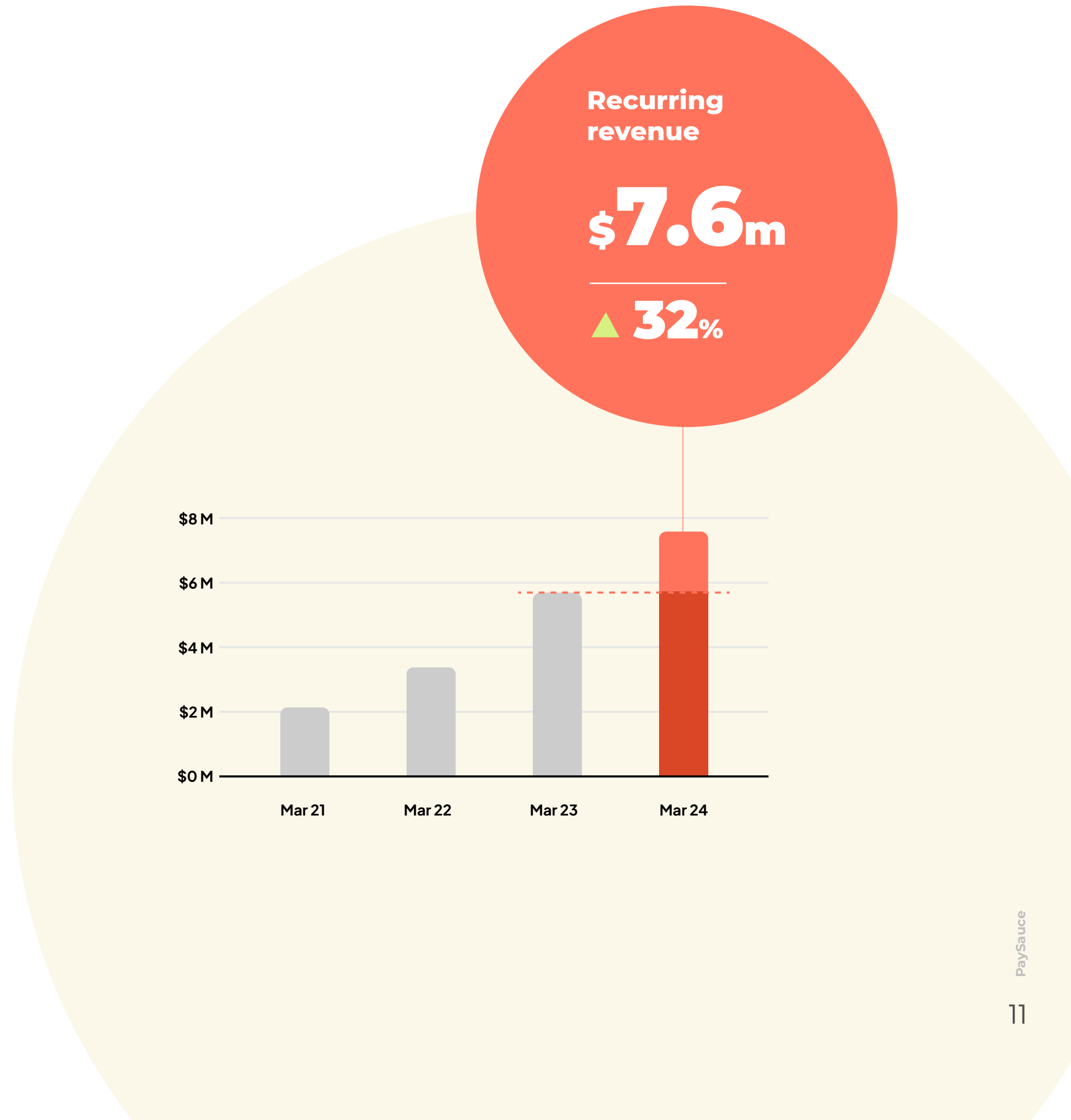
- Maiden positive NPAT result of \$1,232k.
- Positive net operating cashflow* of \$1,475k.
- PaySauce grew total recurring revenue 32% year on year due to increased interest income, additional customers and increased ARPU.
- Gross margin grew 40% year on year from higher revenue and greater efficiency.

	MAR 24 (\$000s)	MAR 23 (\$000s)	Change
Net profit / (loss) after tax (NPAT)	\$1.23m	(\$0.56m)	\$1.79m ▲
Earnings / (Loss) before tax, impairment, depreciation & amortisation (EBTDA)	\$1.06m	(\$0.08m)	\$1.14m ▲
Free cash flow*	\$0.30m	(\$0.64m)	\$0.94m ▲
Cash and cash equivalents*	\$0.60m	\$0.50m	\$0.10m ▲
Total recurring revenue	\$7.57m	\$5.72m	32% ▲
Gross margin	\$5.82m	\$4.15m	40% ▲
Gross margin percentage	77%	73%	4pp ▲

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

Revenue growth

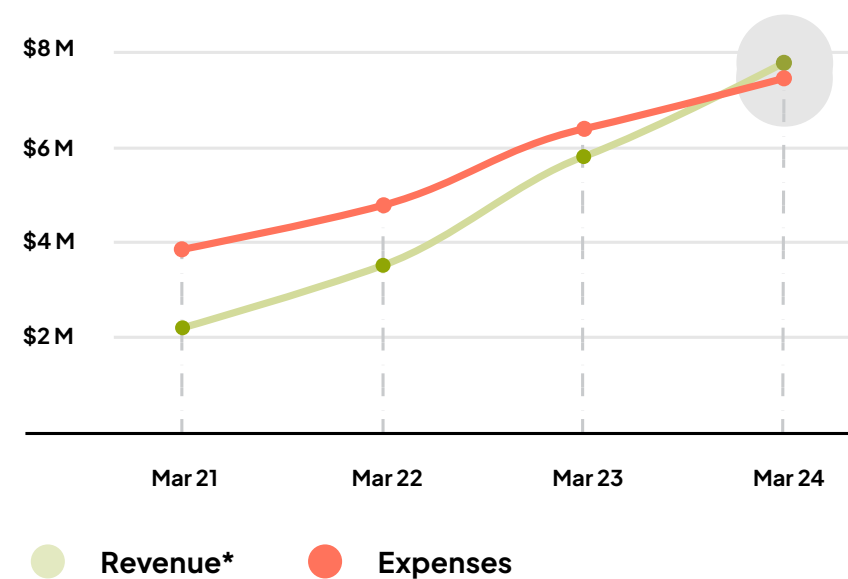
- Recurring Revenue grew 32% to \$7.6m for the year ended 31 March 2024.
- Interest income up 96% year on year.
- Processing fees growth lower at 17% year on year as PaySauce continues entry into new verticals, starting with plumbers, gasfitters and builders.
- Growth in processing fees came from 7% increase in customer count, and a 6% increase in ARPU.



Results summary

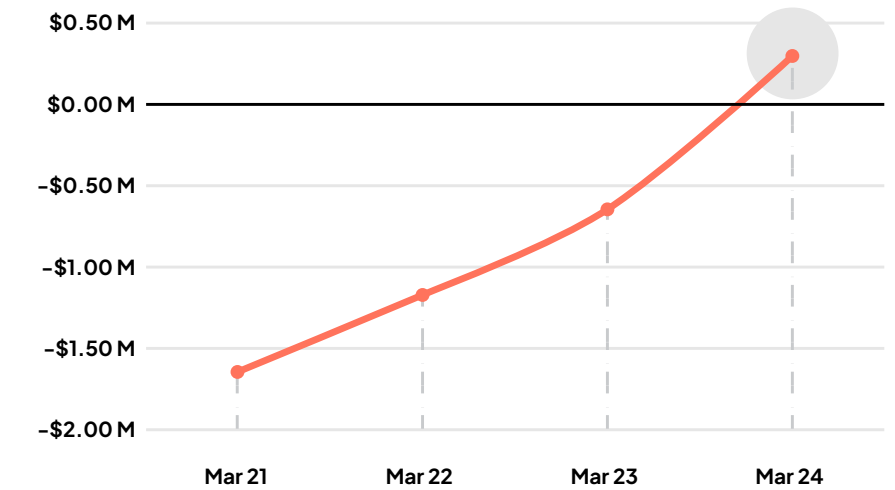
- PaySauce inverted the gap between Revenue and Expenditure in FY24, increasing revenue 33% year on year whilst curbing expenditure growth to 18%.
- After adjusting for the impact of deferred tax on revenue* - PaySauce delivered an improvement of \$0.7m in the bottom line with an underlying net profit of \$0.2m for the year.
- Free cashflow (excluding movement of funds held on behalf of customers) increased by \$0.9m year on year for March 2024.

Profitability



Free cash flow

(excluding funds held on behalf of customers)

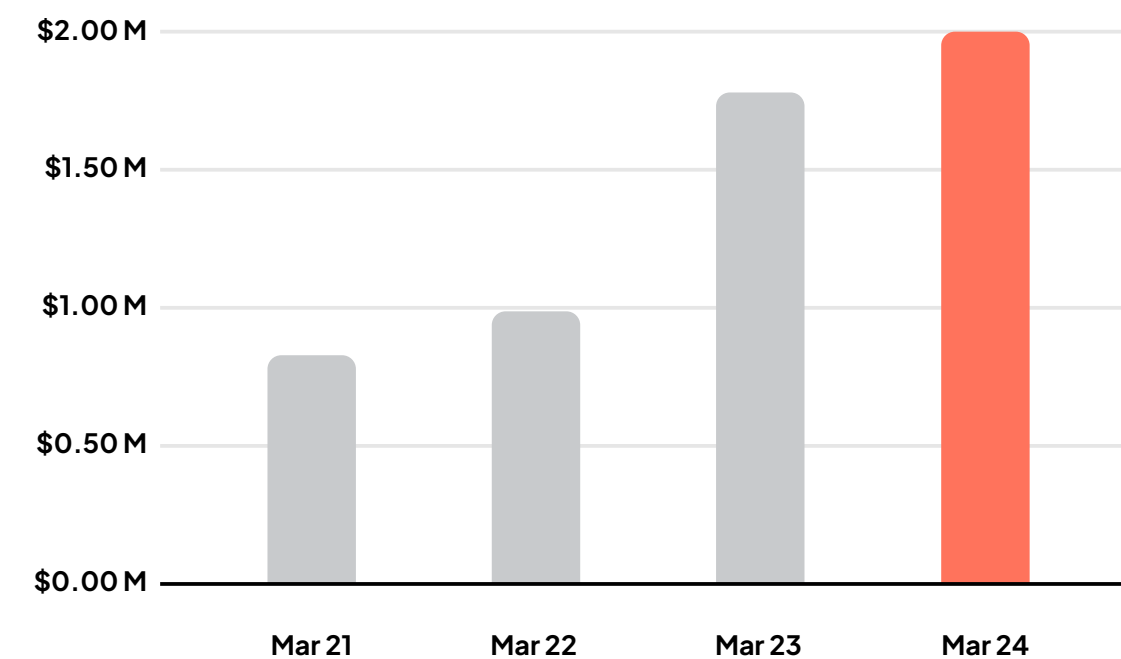


*Revenue excludes deferred tax income arising from the recognition of deferred tax from losses carried forward.

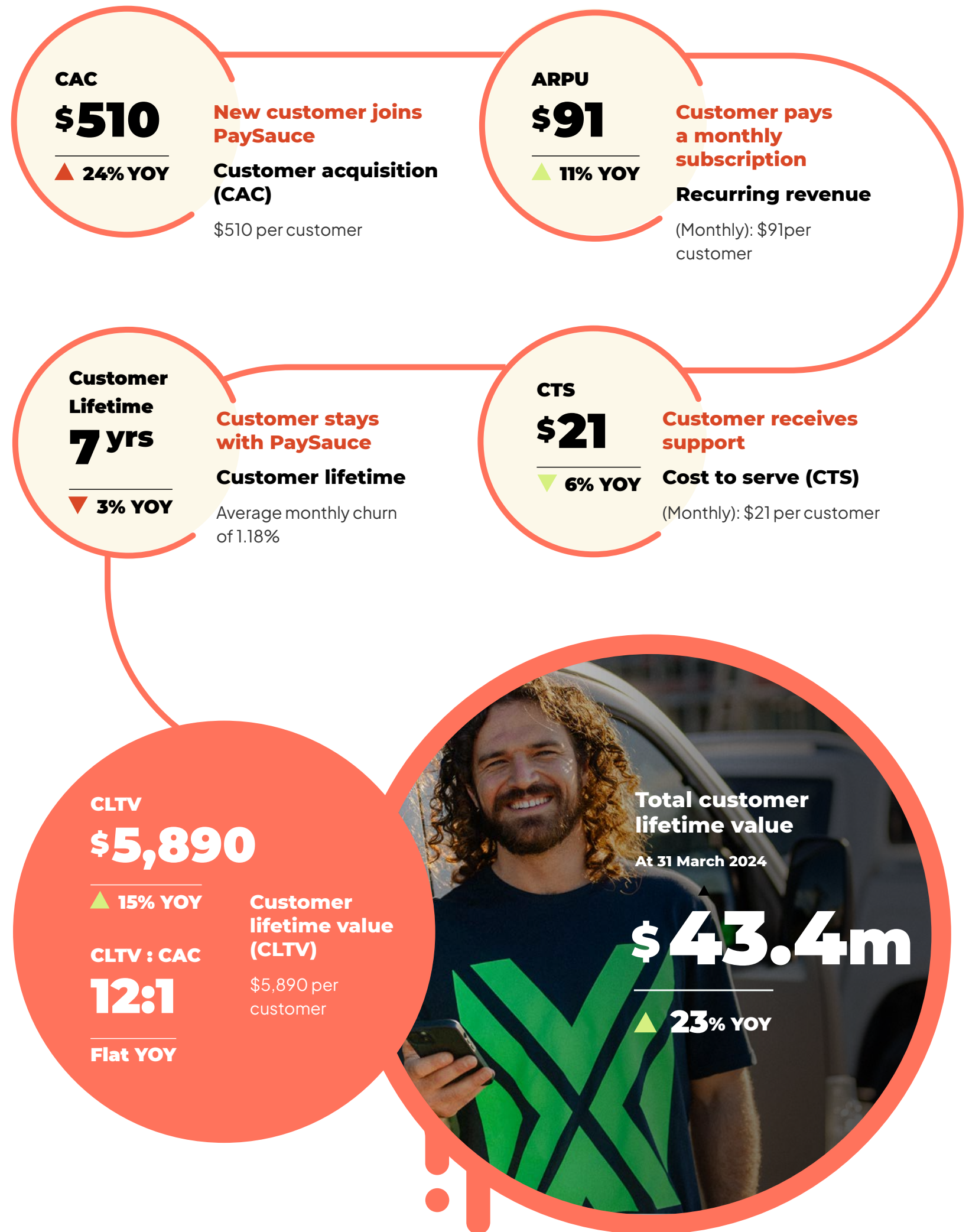
Reinvest for long term growth

- PaySauce increased investment into research & development by 12% year on year to \$2m.
- Investment included additional headcount – growing 50% year on year and included several key hires that have led to improvements both with the structure of the team, and the security of the product.
- PaySauce migrated to Amazon Web Services (AWS), enhancing scalability options and greater flexibility to optimise development release cycles.

R&D investment



Customer metrics



- Fewer customers acquired, and cost to acquire increased.
- Higher average revenue per customer due to price increases and higher interest rates.
- Cost to serve each customer increased slightly - mostly inflationary.
- Customer churn increased slightly to 1.18% per month, reducing the implied customer lifetime.
- Increase in customers to 7,368 and customer lifetime value to \$5,890 per customer resulted in a 23% increase in total customer lifetime value to \$43.4m

*PaySauce changed the methodology in how it recognises customer activity during the period. Refer to the annual report for full details on the impacts on comparative customer metrics.

Questions

“I am proud of the advances we’ve made in our technology and the future opportunities on offer as a result, particularly in relation to our wholesale payroll solution. We now have all the building blocks for an acceleration of growth.

I look forward to sharing our progress next quarter and at the Annual Shareholders Meeting in September.”



Asantha Wijeyeratne
CEO, Co-founder

25.98% shareholder

Glossary

Recurring Revenue: Recurring revenue is revenue that is expected to repeat each period into the future. For PaySauce, this is directly linked to the number of customers, their size, and the number of pays they run using the PaySauce payroll products. There are currently two sources of recurring revenue – processing fees and interest income (only interest earned on funds held on behalf of customers is included in recurring revenue).

ARR: The total recurring revenue for the last calendar month of the reporting period, 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: 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): 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.

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

LTV : CAC: This ratio reflects the return on investment for customer acquisition. It is calculated by dividing the lifetime value of a customer by the customer acquisition cost (per addition).

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

PayNow: A unique feature in the PaySauce mobile application, which lets employee's access the money they've already earned, effectively letting them choose their own payday on demand. Refer to paysauce.com/paynow for further details.

Rule of 40: The rule of 40 provides a balanced measure of two key metrics for SaaS businesses: growth and profitability. PaySauce uses the combination of recurring revenue growth, and EBTDA to assess against this measure.

EBTDA: Earnings Before Tax, Depreciation and Amortisation is calculated by adding back depreciation, amortisation 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 – 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). Refer to the PaySauce Annual Report for further information.



85 The Esplanade, Petone,
Lower Hutt 5012, New Zealand

www.paysauce.com/investor