

# 2025 Annual Meeting Addresses

**Lower Hutt, New Zealand - 26 September 2025**

## **Chair's Address**

2025 was another strong year for PaySauce. We delivered a second consecutive year of net profit after tax, grew our recurring revenue, delivered an increase in positive free cash flow, and grew the value of our existing customer base. This is a result of continued focus on executing the strategies that will drive the long-term sustainability of our business.

## **FY25 Highlights**

Processing fee revenue increased +18% year-on-year, reaching \$6.3 million for the year ended 31 March 2025. This growth is primarily attributed to two key factors: an expanded customer base, achieved through leveraging and expanding our partner channels and investment in sales and marketing; and an increase in our average processing fees per user.

This strong top-line revenue growth, coupled with our diligent management of shareholder funds, translated directly into enhanced profitability and cash flow. We are pleased to report a +27% year-on-year increase in Earnings Before Tax, Depreciation, and Amortization (EBTDA), to \$1.4 million, and a +\$0.2m increase in free cash flow to \$0.5 million. This increase in free cash flow will allow us to accelerate our revenue growth, and strengthens our overall financial position.

Our operational efficiencies and customer-centric approach have also bolstered our long-term value. The expanded customer base, combined with an increase in our gross margin to 78%, highlights our effective service delivery and cost management as we benefit from scalable investments made to customer support. We also achieved a significant decrease in the rate of churn by 16% year-on-year, indicating stronger retention, high customer satisfaction and an improving economic backdrop. These combined factors led to +28% year-on-year increase in our total customer lifetime value, which now stands at an impressive \$55 million. The total customer lifetime value metric is an approximation of the value of our existing customers, looking at the value we expect to generate over their lifetime using PaySauce products.

We are particularly pleased that these results have generated sufficient returns for us to fully self-fund the product development for the Australian pilot ourselves. This puts us in great stead for the launch next year.

## **Governance and Leadership**

Turning to governance, a notable change to leadership since we last met, has been the resignation of Michael O'Donnell (MOD) in August. MOD had been a director of PaySauce for the last five years, and tabled his resignation to allow him to take up a role

as Regional Trade Director for NZ Trade & Enterprise based in Los Angeles. We thank MOD for his valuable contributions to the Board. As you'll hear from Asantha shortly, PaySauce has begun its expansion into Australia. MOD's departure opens an opportunity, as outlined in Resolution C, for the appointment of a new Director to support our Australian expansion. In the meantime, I'm confident that we have the appropriate balance of independence, skills, knowledge, experience and perspectives among the remaining Directors until the time is right to add a second Australian director to the Board.

## **Outlook**

The board and management remain confident about the company's prospects. We continue to weather the impact that a decreasing interest rate environment has on the interest revenue generated on funds held on behalf of our customers, combined with the tough economic environment for businesses in New Zealand. We expect to see a turnaround in business confidence with market commentators forecasting a further 50 to 75 basis points of cuts to the OCR this year. Whilst the immediate impact is adverse to the interest we earn on the customer float, the medium term impact is expected to drive accelerated customer growth, through new business formation.

Our next target of \$10m in ARR is in sight as we leverage the investments made into our product to start delivering accelerated growth. Loving our customers, supercharging growth and building for scale have been the driving forces that have led to the roll-out of our new Gen 2.0 payroll engine. We're starting with Australia and being hyper focussed on targeting an underserved segment of the market employing 1-5 employees. Through leveraging cutting edge technology, we've developed the Australian payroll rule set and completed the front end for the product. We'll support the scalable growth of that new product through considered use of A.I. as we gear up for our commercial launch into Australia early next year - but I'll let Asantha go into more detail on that.

On behalf of the board, I want to thank the PaySauce team for their dedication over the past year. To our shareholders, thank you for your trust and continued support.

---

## **CEO's Address**

We continue to see steady progress and strong engagement with our existing customer base, further solidifying our position in the market. We finished the first quarter of FY26 to June with positive growth across all of our key quarterly metrics.

## **Quarterly Update - June 2025**

As published in our market update - our quarterly processing fee revenue grew +17% year on year to \$1.7m, off the back of an increase in customer numbers of +10% year on year to 8,382. The growth in processing fee revenue is outpacing the decline in interest revenue resulting from the decreasing interest rate environment, evidenced by the +6%

year on year growth in both ARR and quarterly recurring revenue (\$8.7m and \$2.2m respectively).

Our growth has largely been supported by growing strength in the dairy and adjacent sectors, which has been a rare positive in the current economic environment as recovery of business confidence is yet to be seen in other sectors of New Zealand.

We look forward to sharing the second quarter result to 30 September soon.

### **Australia Update**

Now to the most exciting topic, the pilot of our new Australian payroll product, utilising the Gen 2.0 engine, and the entry into the Australian micro-business market. This represents a pivotal moment in PaySauce's growth strategy, opening up a vast and underserved market.

To truly illustrate the problem we're solving, I'd like you to Meet Belinda and Stuart Griffin, Dairy Farmers from Victoria. They represent our ideal customer in this initial Australian market, and their story will help you understand the real-world impact of our solution.

They are typical dairy farmers in Victoria, Australia, encompassing many roles and responsibilities that extend far beyond simply farming. They are hands-on dairy farmers, trusting employers to their staff, astute business people managing complex operations, self-starters who drive their own success, and industry leaders. They also play vital personal roles as parents, crucial decision-makers for their business, careful purse-holders managing finances, and proactive risk managers. Critically, while they rely on their Accountant for 'the hard stuff' when it comes to compliance and complex financial matters, they are also inclined to give something a go themselves first, demonstrating their need for an intuitive and empowering solution.

### **The Problem to be Solved**

One of the current, and key pain points is needing multiple apps to pay their staff. This is a common and incredibly inefficient process for small business owners like Belinda and Stuart. To pay their staff, they typically have to manage rostering and timesheets in one system, then manually import that data into a separate payroll system. They must then painstakingly understand complex regulations, maintain four-weekly tallies of hours, amend rates to comply with the Fair Work Pastoral Award, complete tax and superannuation filing with the Australian Tax Office and finally, export and upload banking files for payments.

This entire process is incredibly time-consuming and prone to errors - so Belinda and Stuart are highly motivated to adopt a better way. They are not alone - approximately

2,500 dairy farmers in Victoria, Australia, and the 4,400 across Australia face exactly the same challenge.

The problem is not just isolated to dairy farmers though. It is a widespread problem with micro-businesses across all industries facing a growing compliance burden and lack of integrated solutions. With rising concerns around superannuation reconciliation and fraud, and an increasingly complex regulatory landscape, the room for error and the associated time, cost and stress of getting it wrong is significant.

The Australian regulatory landscape, particularly the Fair Work Act and the complexities of awards and agreements, creates a significant compliance challenge for small employers. Many micro-businesses still rely on manual processes or outdated software, leading to errors, penalties, and wasted time. There is a clear need for a simple, affordable, and integrated payroll solution designed specifically to meet the needs of the 700,000 micro-businesses across all of Australia - a significant addressable market which reinforces the strategic importance of our Australian expansion.

## **The Solution**

Our solution offers a single, integrated platform for micro-businesses, delivering end-to-end payroll with integrated payments and compliance. Unlike fragmented solutions that require multiple apps and manual data transfer, PaySauce provides a seamless experience. From rostering and timesheets to complex award calculations, STP filing, and integrated payments, our platform handles it all. This simplifies the payroll process, reduces the risk of errors, and frees up valuable time for business owners to focus on running their businesses. We are not just a payroll provider; we are a complete payroll partner for micro-businesses. This is essentially a new category that we are bringing to market.

## **The Technology**

Our advanced Gen 2.0 payroll engine is modern and flexible. It is built to handle the complexities of different payroll rules and awards, and regulatory environments. This opens doors to industries like trades, hospitality, and professional services in Australia, as well as rapid expansion into new jurisdictions beyond Australia. This expands our addressable market beyond dairy farming and provides a clear roadmap for future growth. The scalability of our tech stack is a key enabler of our growth strategy, and gives us a significant competitive advantage in entering new markets. By partnering with industry experts, we've leveraged cutting edge technology to deliver near real-time payments on the New Payments Platform (NPP). Having the essential Pastoral Award rules interpretation, payroll calculations, tax filing and all payments from the PaySauce app.

To validate our approach we have a video from our pilot customers Belinda and Stuart - reinforcing the value of our solution. This testimonial provides a powerful endorsement

of our product and strategy and the impact PaySauce will have on Australian micro-businesses.

## **The Opportunity**

Our competitor gap is clear: we offer a streamlined, specialised, and integrated solution specifically for the underserved Australian micro-business market. Many existing payroll solutions in Australia are either too complex and expensive for micro-businesses or lack the integrated functionality that PaySauce provides. We have identified a clear gap in the market and are uniquely positioned to fill it with our user-friendly, affordable, and comprehensive platform. We are not trying to be all things to all businesses; we are laser-focused on the needs of micro-businesses.

Demand for a solution to the growing compliance burdens of micro-businesses is high. There are over 700,000 micro businesses in Australia, many of which share similar pain points that are solved by PaySauce already. Our technology stack then enables easy configuration to solve the industry-specific challenges that they face.

The increasing regulatory complexity creates a tailwind for payroll software providers like PaySauce.

## **Progress and Timelines**

Our rollout strategy & timeline prioritises the Victorian Dairy sector due to our competitive advantage, deep understanding of the industry and the problems, and similar sales dynamics. Our focus on the Victorian Dairy sector allows us to leverage our existing expertise and build early traction before expanding to other sectors and regions. We have clear milestones - the first of which we've completed - with our first pilot Australian customer having already completed calculations, filing, and payments - a strong indicator of our progress. Our next step will be to onboard additional pilot customers by the end of Q3, then to launch the product at the Australian Dairy Conference in Melbourne, in February next year, onboarding a further cohort of customers by the end of FY26.

## **Summary**

We've seen sustained growth in our New Zealand business, and the cash generated is being reinvested into our Gen 2.0 payroll engine. This engine is key to our long-term strategy of becoming the global payroll solution for micro-businesses.

Our initial market entry into Victoria, Australia, directly addresses the payroll challenges faced by dairy farmers like Belinda and Stuart, which are typical of many in the sector. We plan to expand our testing to understand the broader payroll needs of hundreds of thousands of Australian micro-businesses, delivering on our core mission to give peace of mind and time back to these hard working business owners



By making payroll, payments, and compliance effortless, we save hours each pay, offering a scalable solution across Australia. This Australian expansion serves as a blueprint for our entry into other global jurisdictions.

I'm incredibly excited to embark on the next chapter of PaySauce's growth journey, and I want to extend my sincere thanks to the entire PaySauce team for their hard work and dedication, especially over the last few months to bring this vision to life. To my fellow directors for their guidance and support, and all of you, our valued shareholders, for your continued trust and investment in our vision - thank you.

I look forward to sharing our progress over the coming months.

## **ENDS**

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](http://www.paysauce.com)

## **CONTACT**

Asantha Wijeyeratne

CEO PaySauce

+64 21 554 600

Please direct any investment queries to [investor@paysauce.com](mailto:investor@paysauce.com)

---