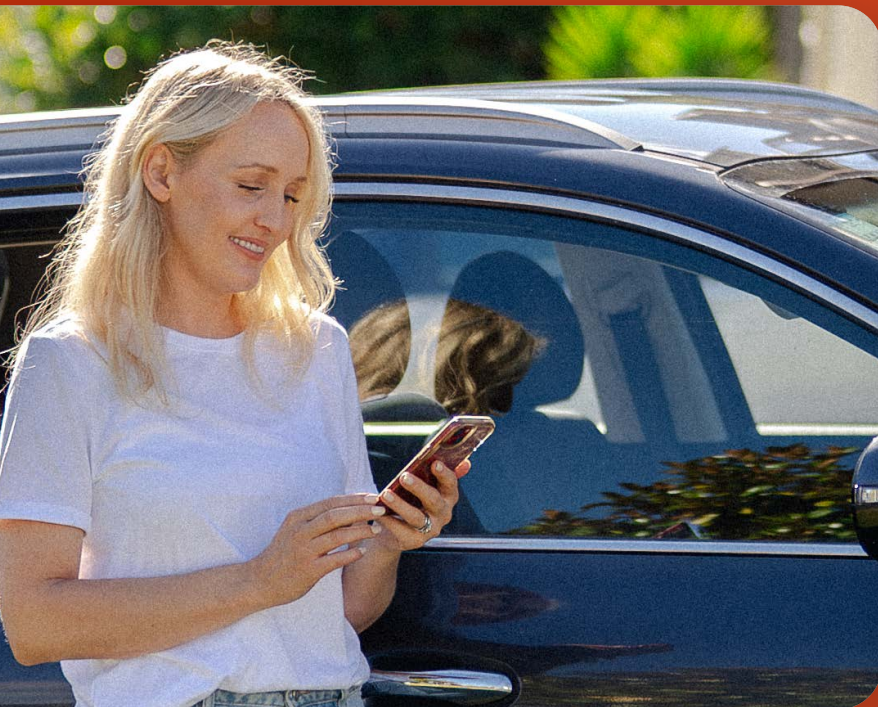


Results presentation

FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2024



Disclaimer

The information in this presentation is of a general nature and does not constitute financial product advice, investment advice or any other recommendation. Nothing in this presentation constitutes legal, financial, tax or other advice.

This presentation should be read in conjunction with, and is subject to PaySauce's Interim Report, market releases and information published on PaySauce's website - **www.paysauce.com**

This presentation may contain forward looking statements about PaySauce and the environment in which PaySauce operates, which are subject to uncertainties and elements outside of PaySauce's control - PaySauce's actual results or performance may differ materially from these statements. PaySauce gives no warranty or representation as to its future financial performance or any future matter.

This presentation may include statements relating to past performance, which should not be regarded as a reliable indicator for future performance.

This presentation may include information from third parties believed to be reliable; however, no representations or warranties are made as to the accuracy or completeness of such information.

While reasonable care has been taken in compiling this presentation, none of PaySauce nor its subsidiaries, directors, employees, agents or advisors (to the maximum extent permitted by law) gives any warranty or representation (express or implied) as to the accuracy, completeness or reliability of the information contained in it, nor takes any responsibility for it. The information in this presentation has not been and will not be independently verified or audited.

No person is under any obligation to update this presentation at any time after its release to you or provide you with further information about PaySauce.

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

Delivering growth, profitability and positive cashflow

ARR

Annualised recurring revenue (ARR) grew **17%** year on year

\$8.7m



NPAT

Maintained profitability - **\$337k** year on year improvement in net profit after tax

\$70k



CLTV

Total Customer Lifetime Value (CLTV) grew **24%** year on year

\$50.5m



Free Cashflow

Maintained positive free cash flow¹ - **\$252k** year on year improvement in free cash flow

\$199k



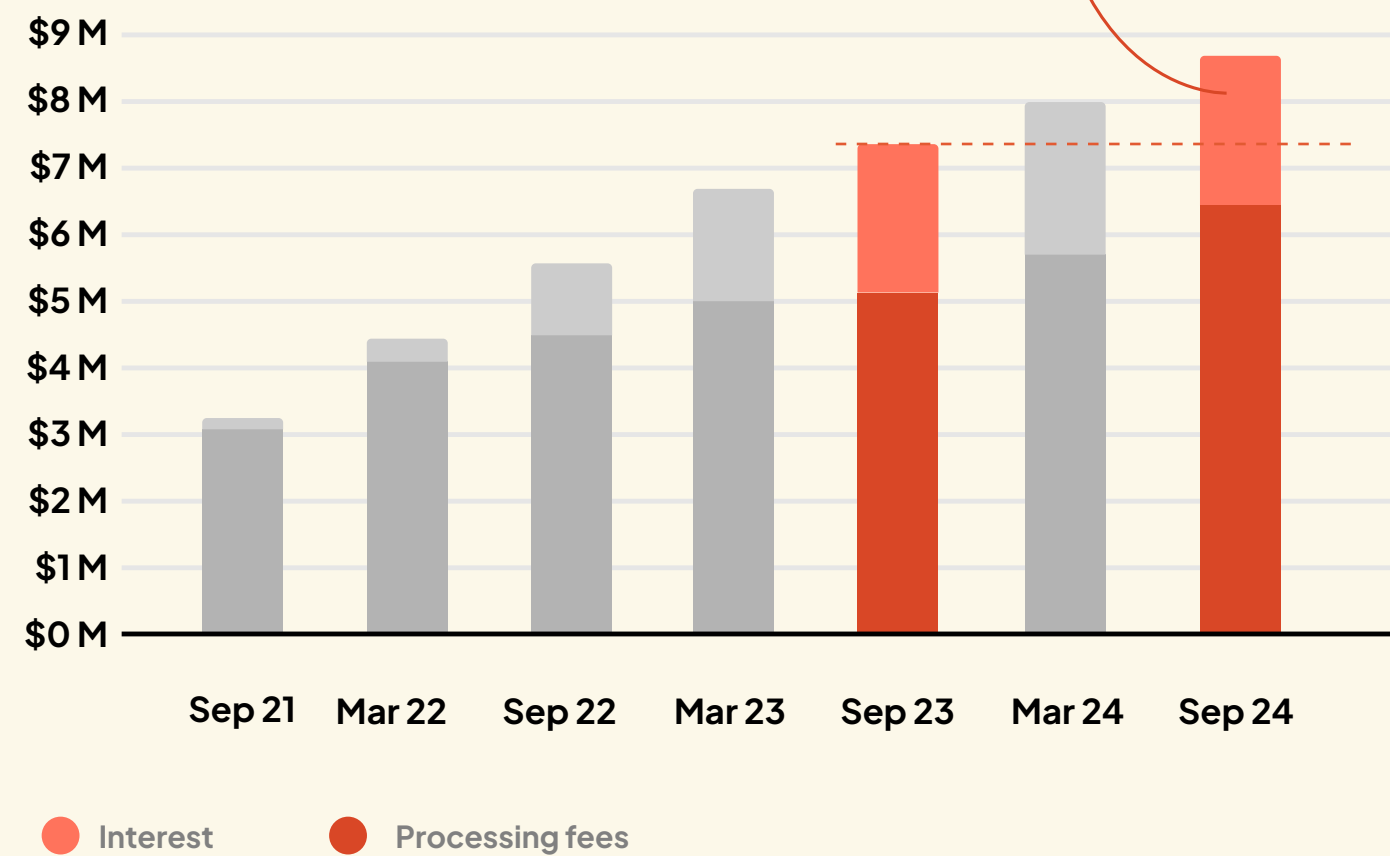
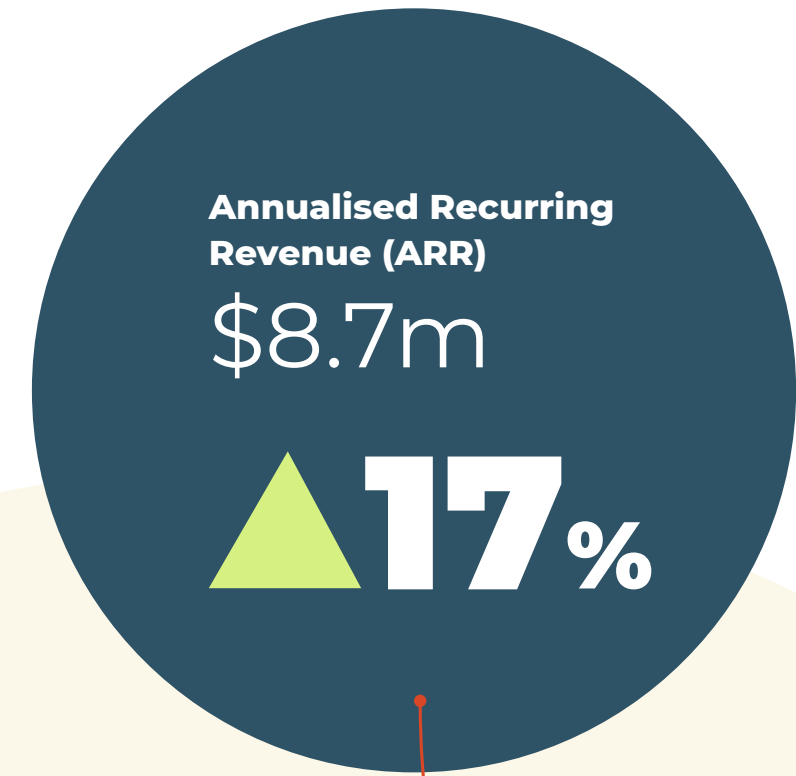
- ✓ Maintained profitability and positive free cashflow
- ✓ Accelerated customer growth, new customers up 12% year on year

- ✓ Increased the value of our existing customer base
- ✓ Upgrades to software infrastructure - enhancing speed, security, stability

1. before funds due to customers and IRD

Building for scalable growth

- ARR grew 17% to \$8.7m year on year
- Processing fee component of ARR was up 23% year on year at \$6.3m
- Growth in processing fee revenue was due to a 9% increase in customer count and a 13% increase in ARPU
- Interest revenue component of ARR was up 5% year on year at \$2.3m due to lower interest rates



Delivering customer growth

Loving our customers

- 94% Customer Satisfaction Score
- 99% response rate to calls within an hour, and 92% within 30 minutes
- 3% year on year decrease in churn

Supercharge growth

- Increased brand awareness with additional investment into Sales and Marketing campaigns
- Continued focus on building relationships with both new and existing accountants
- This led to:
 - 12% year on year increase in new customers (1,035 for the 6 months to September)
 - 9% year on year increase in customer number to 7,821

Scalability

- System enhancements to optimise the journey for new customers through automation
- Upgrades to infrastructure - enhancing speed, security, stability via AWS



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.



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.

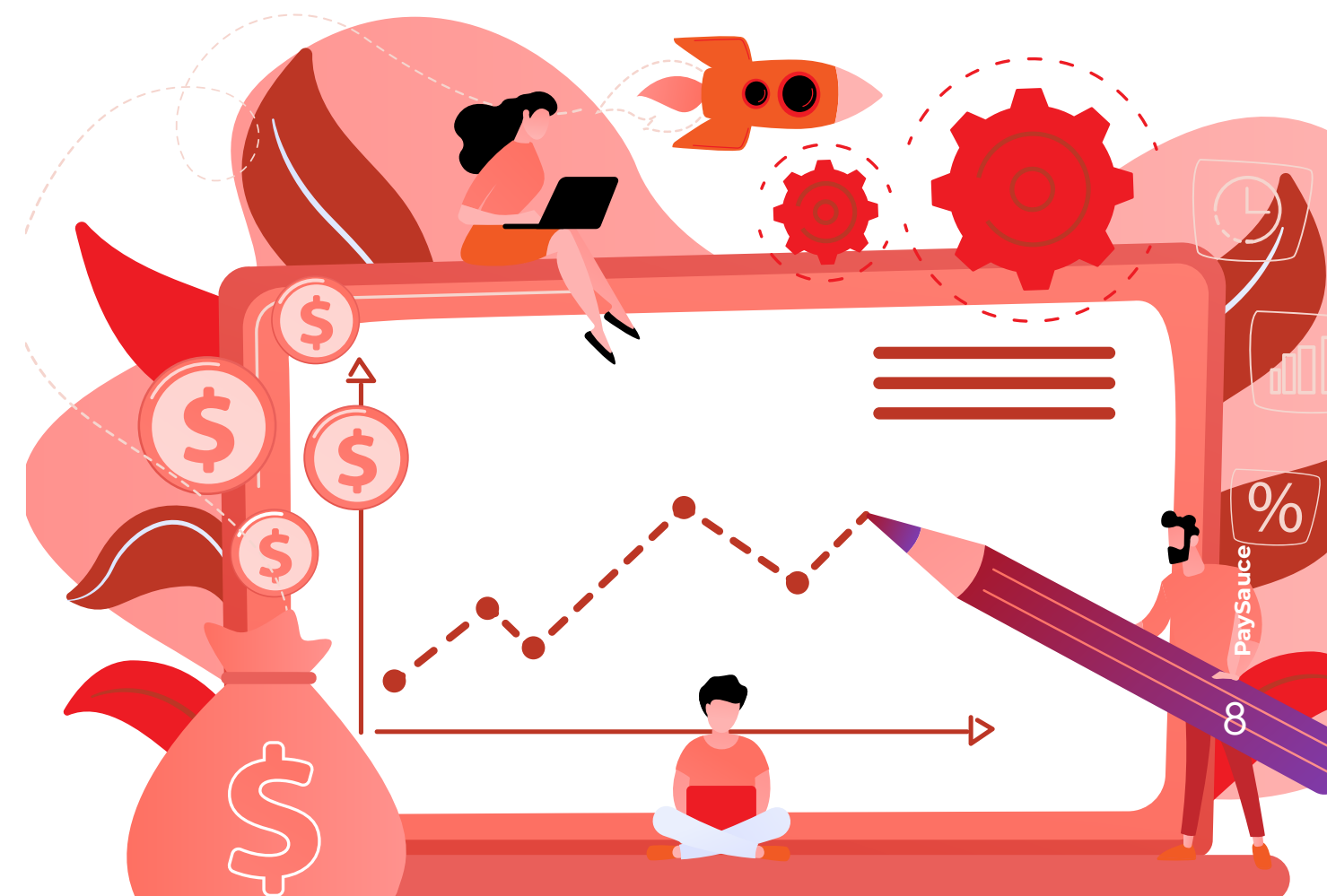


Scalability

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.

Financial Results

Jaime Monaghan, CFO



Financial results

- Continued profitability from the full year result
- Generated positive free cash flow* of \$0.2m - enabling repayment of the \$0.65m term loan during the period
- PaySauce grew total recurring revenue 20% year on year - largely from an increase in processing fees (up \$499k year on year)
- Gross margin grew 24% year on year from higher revenue and greater efficiency

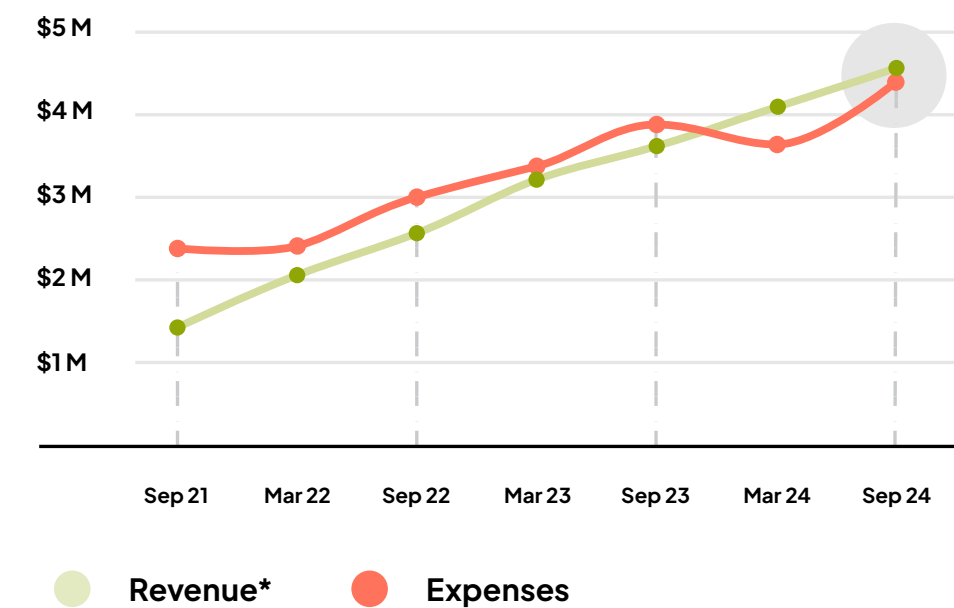
	SEP 24	SEP 23	Change
Annualised recurring revenue (ARR)	\$8.7m	\$7.4m	17% ▲
Total recurring revenue	\$4.26m	\$3.55m	20% ▲
Gross margin	\$3.31m	\$2.68m	24% ▲
Gross margin percentage	78%	75%	3pp ▲
Net profit / (loss) after tax (NPAT)	\$0.07m	(\$0.27m)	\$0.34m ▲
Earnings / (Loss) before tax, depreciation & amortisation (EBTDA)	\$0.55m	\$0.26m	\$0.29m ▲
Free cash flow*	\$0.20m	(\$0.05m)	\$0.25m ▲

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

Results summary

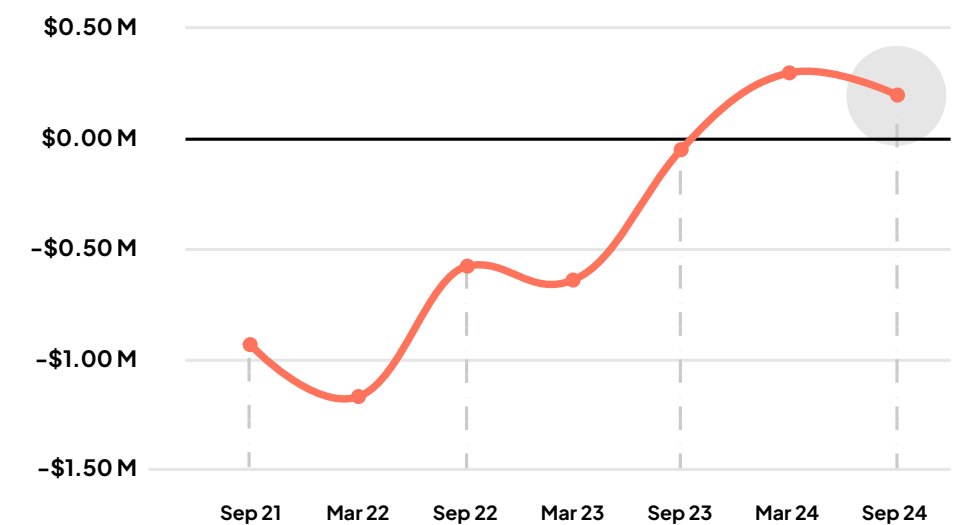
- Revenue continued to outperform expenditure for the 6 months to September 2024, increasing revenue 27% year on year whilst limiting expenditure growth to 20%.
- PaySauce delivered a net profit before tax of \$0.15m, and improvement of \$0.43m on the comparative 6 month period.
- Free cashflow (excluding movement of funds held on behalf of customers) increased by \$0.25m year on year to \$0.19m for September 2024.
- This enabled PaySauce to repay the \$650k BNZ Term Loan during the period - refinancing with more favourable terms via an overdraft facility of \$350k. This facility was not drawn as at 30 September 2024, but remains available if needed.

Profitability



Free cash flow

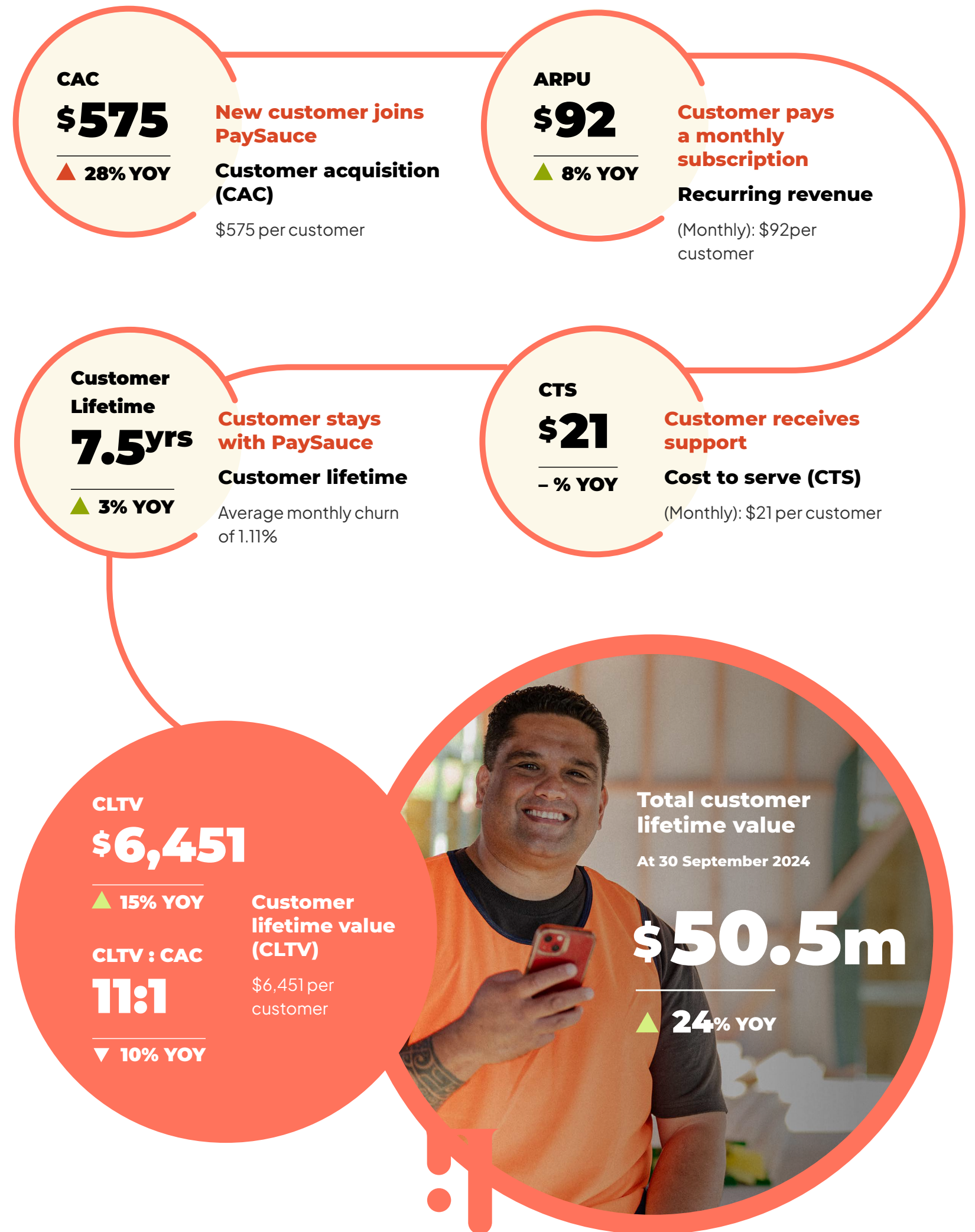
(excluding funds held on behalf of customers)



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

Customer metrics

- More customers acquired, cost to acquire increased
- Higher average revenue per customer driven by processing fee growth
- Cost to serve each customer remained flat
- Customer retention increased slightly, increasing the implied customer lifetime
- Total customer lifetime value increased to **\$50.5m** (up 24%), resulting from an increase in customers to 7,821 and customer lifetime value to \$6,451 per customer



*PaySauce has changed the methodology in how it recognises customer activity since the previous comparative period. Refer to the interim report for full details on the impacts on comparative customer metrics.

Customer Acquisition

	Sep 2024	Sep 2023	YOY Change
CAC per addition	575	451	28%
New customers	1,035	927	12%
Customer acquisition costs (\$000s)	596	418	43%
<i>Percentage of Recurring Revenue</i>	14%	12%	(2 pp)

Recurring Revenue

	Sep 2024	Sep 2023	YOY Change
ARR at end of period (\$000s)	8,657	7,378	17%
Recurring revenue for the period - Total (\$000s)	4,255	3,551	20%
ARPU (monthly) at end of period (\$)	92	85	8%
FTEs	47	43	9%
Revenue per FTE (\$000s)	97	84	16%
Rule of 40	33	48	(15 pts)

Cost to Serve

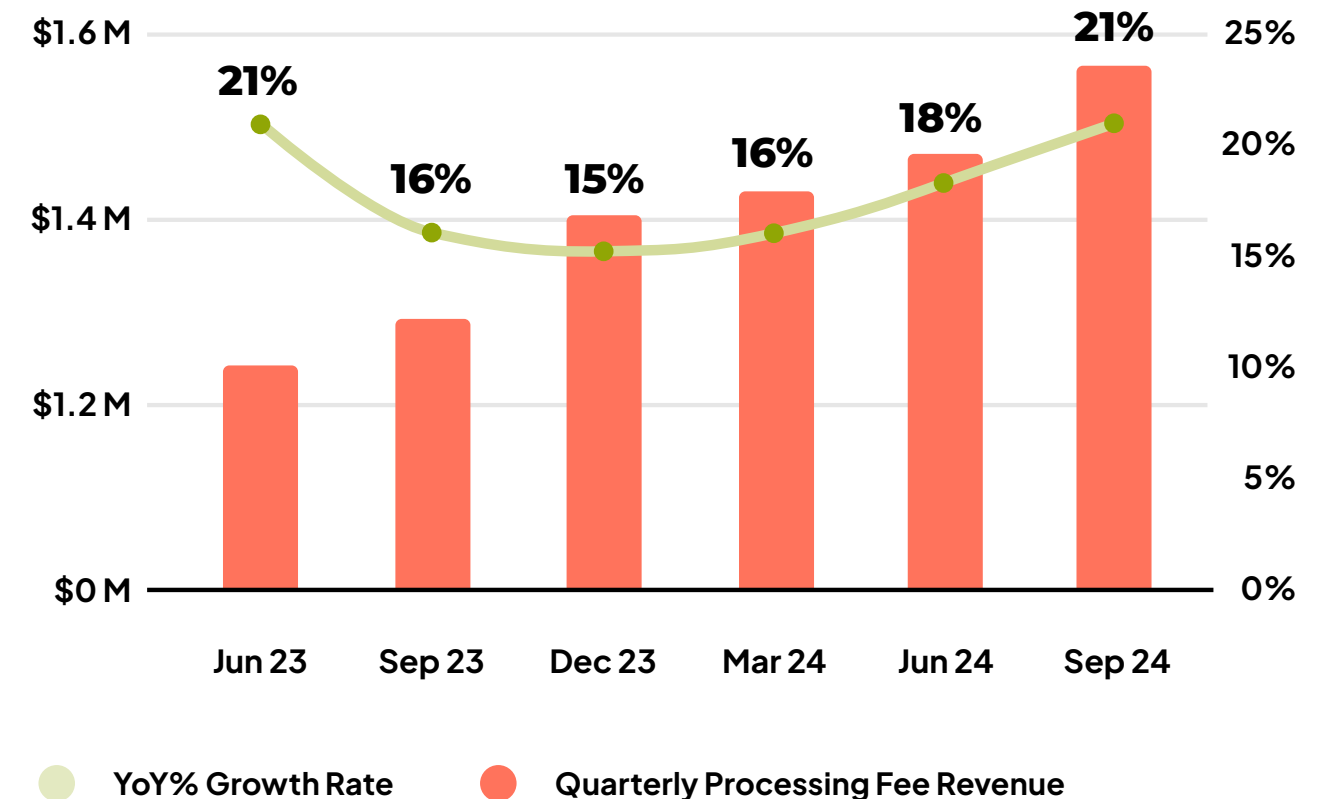
	Sep 2024	Sep 2023	YOY Change
Recurring revenue (\$000s)	4,255	3,551	20%
Less cost to serve (\$000s)	(947)	(873)	8%
Gross margin (\$000s)	3,308	2,678	24%
<i>Gross margin %</i>	78%	75%	3pp
CTS per customer (monthly) at end of period (\$)	21	21	-

Customer Lifetime Value

	Sep 2024	Sep 2023	YOY Change
Customers at end of period	7,821	7,202	9%
Average monthly churn rate for the period (%)	1.11	1.14	(3%)
Churned customers	582	600	(3%)
LTV per customer at end of period (\$)	6,451	5,627	15%
Total customer LTV at end of period (\$000s)	50,454	40,529	24%
LTV:CAC ratio at end of period	11 : 1	12 : 1	(10%)

Positioned to supercharge growth

- The investment made into infrastructure, sales and marketing activity over the last 18 months is now driving growth;
- We've made it easier for new customers to join us by automating the onboarding process and we've improved reporting to enable our Accountants to add more value to their clients;
- We've got a clear roadmap of features that our customers have told us they want with many already well underway.



“ We’re well-positioned to supercharge growth. We’ve made significant investment into our infrastructure, with scalability front and centre. We’ve listened to our customers and we’re evolving our product to give employers the amazing user experience they deserve. We’re hyper-focused on shaping our product around our core market, and with over 100,000 employers with 1-5 staff in NZ alone, there’s massive opportunity for us to drive long-term value for our investors. ”

Glossary

Recurring Revenue is revenue that is expected to repeat into the future. Recurring revenue for PaySauce consists of:

- **Processing Fees** - the monthly or annual subscription customers pay for PaySauce payroll products.
- **Interest Income** - interest earned from funds held on behalf of PaySauce customers. As interest earned on these funds grows directly in relation to the number of customers, this is considered an additional recurring revenue stream.

ARR multiples the recurring revenue generated in the last month of the period by 12 to annualise the current recurring revenue.

ARPU (monthly) is the average revenue per user per month and is calculated by the total recurring revenue for the month, divided by the total customers processing payroll that month.

CAC per addition divides the cost of acquiring customers by the number of new customers acquired during the period.

Cost to serve consists of customer support costs and expenses such as cloud hosting, maintenance of our software products, and bank fees charged per customer transaction.

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) 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 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 (CLTV) is a measure of the estimated value of the current customer base, assuming that churn, ARPU and cost to serve remain constant. This measure is calculated by multiplying customer LTV by the total number of customers.

LTV : CAC is a measure of the return on investment of acquiring a new PaySauce customer. This measure is calculated by dividing the customer LTV by the CAC per addition.

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

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.

Earnings Before Tax, Depreciation and Amortisation (EBITA) is calculated by adding back depreciation, amortisation, impairment 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 - these terms and metrics 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 Interim Report for further information.



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

www.paysauce.com/investor