

PaySauce bucks the trend

Lower Hutt, New Zealand - 23 May 2023

Employment solutions fintech PaySauce (NXZ:PYS) has bucked the trend of SaaS companies to rely on continued capital injections for growth with success demonstrated by them smashing through the rule of 40. Full analysis is shown in the FY2023 Annual Report released today.

PaySauce CEO Asantha Wijeyeratne said he's proud of the continued improvement in the business. Continued strong revenue growth combined with the careful and deliberate management of resources has resulted in a strong year for PaySauce ensuring sustainable growth in an increasingly turbulent tech sector and economy,

"The rule of 40 takes into account both revenue and profitability. It's become somewhat of a benchmark to investors and SaaS companies alike, so to deliver a score of 67 on that metric is very humbling. It's the result of our unrelenting focus on reinvesting for long-term growth in the business while managing costs and I'm incredibly proud of this financial result.

In a climate where investor sentiment has changed, our priority to grow sustainably, rather than grow at all costs has proven to be a winning strategy."

HIGHLIGHTS

- Improved profitability by \$800k¹ to a loss of \$80k
- Increased revenue 66% YoY, while expense growth curbed at 33% YoY
- Recurring revenue growth of 68% YoY to \$5.7M
- Rule of 40 score of 67
- Total customer LTV of \$53.7M
- LTV : CAC ratio of 16 : 1
- \$2.8M of earned wages accessed through the BNZ PayNow feature

Wijeyeratne reflects on the year, and what's to come:

"We've outperformed on the high standard we set for ourselves. We're self-sufficient from a cash perspective and we remain committed to reinvesting for growth going forward. That reinvestment has already started for the FY24 year with some exceptional talent added to the PayForce."

¹ Earnings before Tax, Depreciation and Amortisation



FINANCIAL HIGHLIGHTS

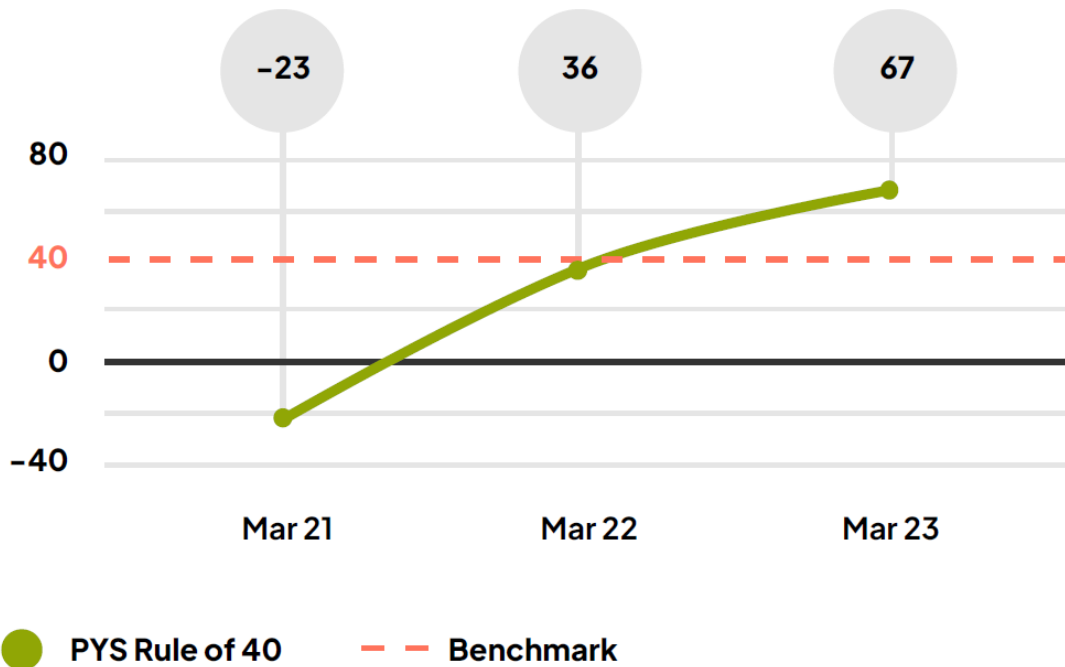
Financial Performance	Mar 2023	Mar 2022	Change	Change %
Recurring revenue - total (000s)	\$5,715	\$3,399	\$2,316 ↑	68% ↑
Net loss for the period (000s)	(\$558)	(\$1,282)	\$724 ↓	(57%) ↓

Recurring revenue grew 68% YoY to \$5.7m for the year ended 31 March 2023 as a result of:

- Increased customer numbers;
- Additional revenue from existing customers; and
- Increased interest earned on funds held on behalf of customers.

Recurring Revenue Metrics	Mar 2023	Mar 2022	Change	Change %
ARPU at end of period (monthly)	\$81	\$61	\$20 ↑	32% ↑
Annualised Recurring Revenue (ARR) (000s)	\$6,701	\$4,466	\$2,235 ↑	50% ↑
Revenue per FTE (000s)	\$138	\$110	\$28 ↑	26% ↑

THE RULE OF 40



OUTLOOK

Wijeyeratne on the year to come:

“The focus for this coming year is twofold. Domestically, we’ll build on selling our product to micro-businesses in adjacent markets. At the same time, we’re focusing on adapting our core product to suit the Australian micro-businesses. This is already well underway and we’re excited about refining that to suit their specific needs. We’re enjoying learning more about that market.”

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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