



# 1H 2026 RESULTS PRESENTATION



SIX MONTHS ENDED SEPTEMBER 2025

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*Please refer to the Glossary for definitions of key terms used in this presentation.  
All currency amounts are in New Zealand Dollars unless stated otherwise.*

# AGENDA

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## 1. Interim Highlights



**Asantha Wijeyeratne**  
CEO & Co-Founder

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## 2. Financial Results



**Jaime Monaghan**  
Chief Financial Officer

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## 3. Q&A



# INTERIM HIGHLIGHTS



**Asantha Wijeyeratne**  
CEO & Co-Founder



# FY26 INTERIM HIGHLIGHTS

Strong execution and continued growth

ARR

**\$9.2m**



Up +6% YoY

Total LTV

**\$60.5m**



Up +20% YoY

EBTDA

**\$779k**



Up +\$231k YoY

Net Profit before Tax

**\$302k**



Up +\$154k YoY

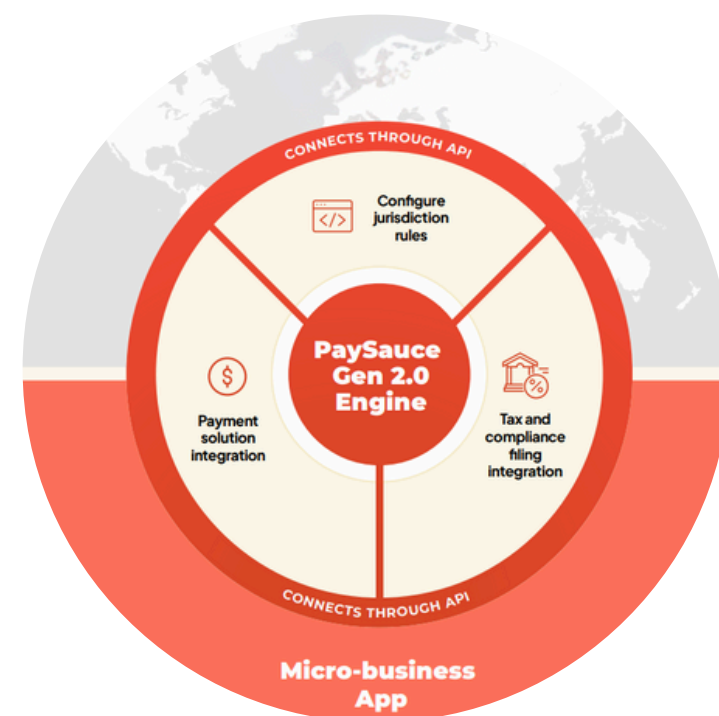
- ✓ Increased the value of our existing customer base
- ✓ Maintained profitability and positive free cash flow
- ✓ Funded Global Payroll Platform & Australian product from growth in New Zealand



# GLOBAL PAYROLL PLATFORM

Product foundation set for global aspirations

**Funded entirely from free cash flow - our Global Payroll Platform will power the future of PaySauce**



Our Global Payroll Platform is highly configurable for multi-jurisdictional payroll - its layered design gives us the ability to plug-in new payroll rules without impacting other parts of the code base.

**Australia is the first target jurisdiction with 700,000<sup>1</sup> underserved micro-businesses**



Clear gap in the market with fragmented solutions from competitors - our competitive advantage comes through simplifying the complexity - starting with the well understood Dairy sector to test and inform.







# FINANCIAL RESULTS



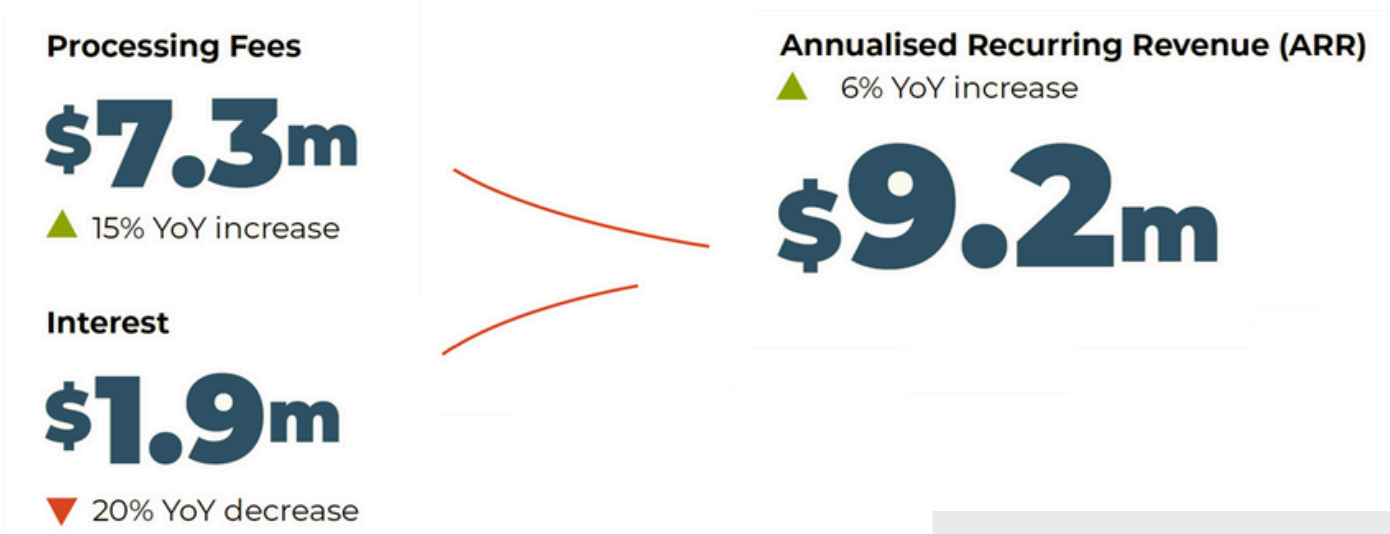
**Jaime Monaghan**  
Chief Financial Officer



# FINANCIAL RESULTS

Maintained revenue and bottom line growth despite adverse conditions

- ARR grew +6% against the prior year as a +15% increase in ARR from processing fee revenue offset a -20% decline in ARR from interest revenue.
- Gross margin percentage remained flat year on year with increased efficiency in serving customers offsetting decreased interest revenue.
- EBTDA grew +\$231k and NPBT grew +\$154k year on year as revenue growth outpaced increased expenditure.
- Maintained positive free cash flow whilst funding product development. Closing cash position of \$272k, plus a \$350k undrawn facility with BNZ.



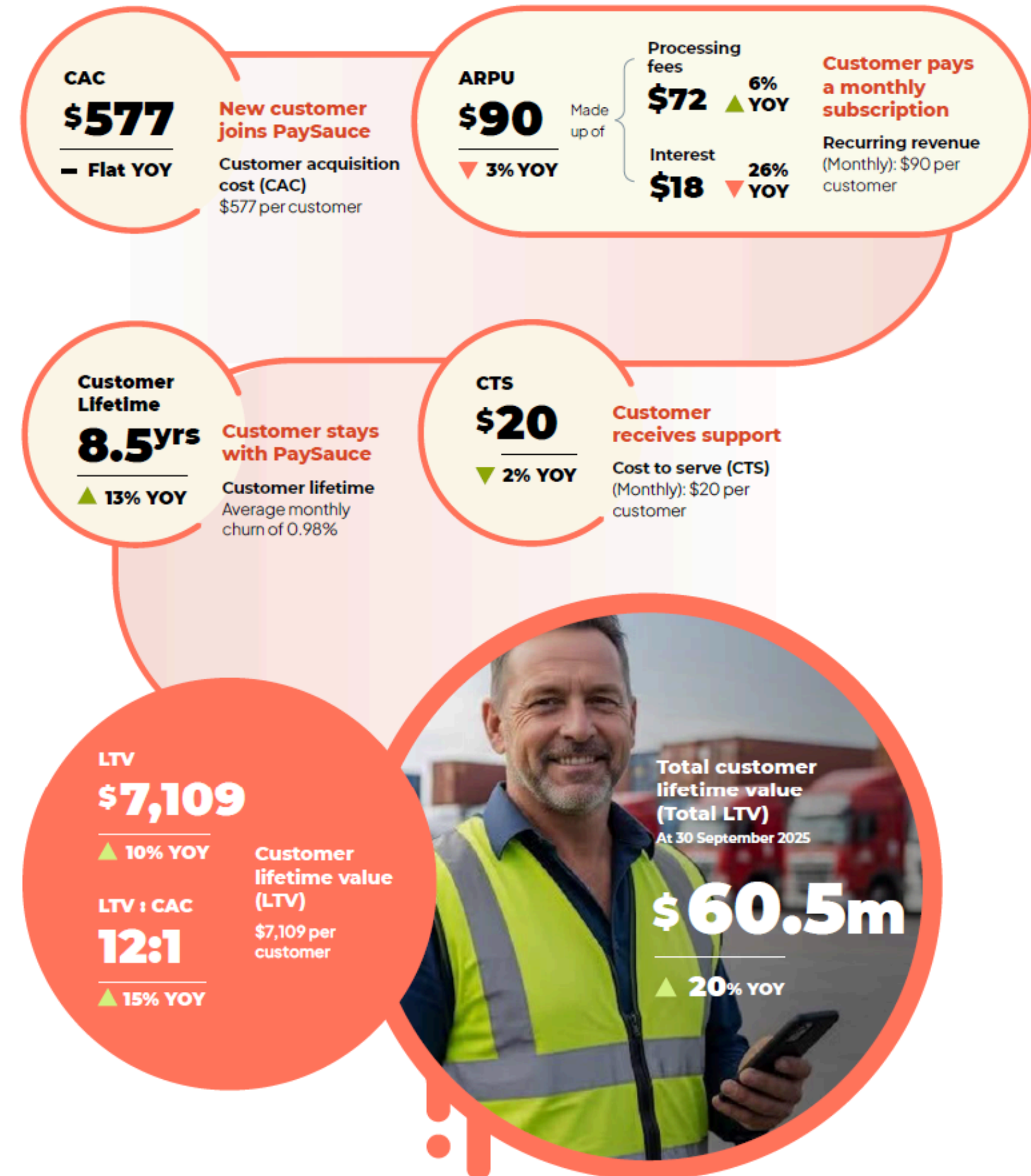
|                                                          | 1H 26  | 1H 25   | Change    |
|----------------------------------------------------------|--------|---------|-----------|
| Total recurring revenue                                  | \$4.5m | \$4.3m  | +5% ▲     |
| Gross margin                                             | \$3.5m | \$3.3m  | +5% ▲     |
| Gross margin percentage                                  | 77.7%  | 77.7%   | flat —    |
| Net profit before tax (NPBT)                             | \$302k | \$148k  | +\$154k ▲ |
| Earnings before tax, depreciation & amortisation (EBTDA) | \$779k | \$548k  | +\$231k ▲ |
| Free cash flow                                           | +\$33k | +\$199k | -\$166k ▼ |



# CUSTOMER METRICS

Continued to expand customer value

- Acquisition costs decreased slightly, to offset fewer new customers - keeping CAC per addition flat.
- ARPU whilst bolstered by processing fee growth, decreased overall as interest revenue fell.
- Cost to serve each customer reduced as economies of scale continue to be realised.
- Customer retention increased, increasing the implied customer lifetime.
- Total customer lifetime value increased to **\$60.5m (up +20%)** as customers increased to 8,506 and customer lifetime value increased to \$7,109 per customer.



# OUTLOOK

## Poised for an acceleration in growth

- **Strong underlying performance in New Zealand:**

- Processing fee revenue remains the key driver of shareholder value, with increases from new and existing customers;
- Further declines in interest income are anticipated in line with market expectations of further drops in the Official Cash Rate (OCR) as the monetary easing cycle nears the end;
- Increased stimulus for new customers to hire staff and invest in future systems.

- **Opportunities to refine and grow in Australia:**

- Building momentum for our Australian launch in February;
- Australian tax year end is June;
- Payday super rules that apply from July 2026 already incorporated.





# QUESTIONS



# 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 New Zealand 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.
- **Annualised recurring revenue (ARR)** multiplies the recurring revenue generated in the last month of the period by 12 to annualise the current recurring revenue.
- **Average Revenue per User (ARPU)** is the total recurring revenue for the last month of the period, divided by the total customers processing payroll that month.
- **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.
- **Cost to serve per customer (CTS)** is the total recurring revenue for the last month of the period, divided by the total customers processing payroll that month.
- **Gross margin**, when discussed as a SaaS term, represents our recurring revenue less the cost to serve our customers, and is also often expressed as a percentage, where the gross margin is divided by the recurring revenue.
- **Customer acquisition costs** relate to acquiring and onboarding new customers. These consist of sales and marketing people costs and expenses such as digital marketing, events and sponsorship. These costs are expensed as incurred as they do not relate to any specific customer or contract for services.
- **Customer acquisition cost per customer (CAC)** divides the total customer acquisition costs by the new customers for the period.
- **Earnings Before Tax, Depreciation and Amortisation (EBTDA)** is calculated by adding back depreciation, amortisation, asset 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.
- **Free cash flow** is a non-GAAP financial measure that has been included to demonstrate net cash generated by, and invested into the business. PaySauce defines free cash flow as cash flows generated from operating activities less cash flows used for investing activities (excluding funds held on behalf of customers).
- **Monthly average churn rate** is the 12 month average of the net reduction of customers in a calendar month. This is expressed as the percentage of the total customers at the start of that month. The estimated customer lifetime (in months) is derived using the inverse of monthly average churn rate (being 1 divided by the monthly average churn rate).
- **Customer lifetime value (LTV)** is a measure of the gross margin each customer brings in over the time they use PaySauce. LTV is calculated by multiplying the gross margin per customer by the estimated customer lifetime.
- **Total customer lifetime value (Total LTV)** is a measure of the estimated value of the current customer base, assuming that churn, revenue 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.
- **OCR** stands for Official Cash Rate, and is the benchmark interest rate set by the Reserve Bank of New Zealand (RBNZ) to influence the country's interest rates. The OCR impacts the interest revenue that PaySauce generates on the funds held on behalf of customers, an increase in the OCR will increase in the interest revenue generated, whilst a decrease in the OCR will decrease the interest revenue generated.

*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.*

# THANK YOU!

