



★★★★★

"The platform is very easy to use, everything is very logical. It's the most intuitive cloud-based payroll system I've ever used."

**Suzanne Marryatt**  
Office Administrator Peak Plumbing & Gas Hawke's Bay



# From Good to Sauceome

**2025  
Annual  
Report**



**PaySauce experienced accelerated customer growth in 2025, a result of groundwork established in previous years. This expansion is fueled by stronger market penetration via accounting and industry partnerships.**

**To facilitate continued growth, our primary focus remains serving the core target market of employers with 1-5 employees.**

**We are dedicated to developing features specifically for this segment, both within New Zealand and internationally.**

This report provides a summary review of PaySauce's operational and financial performance for the year to 31 March 2025. It should be read in conjunction with the company's financial statements on pages 26 to 55 of this report. The information provided in this report has been compiled in accordance with relevant law, rules, and corporate governance recommendations for investor reporting. Financial information has been prepared in accordance with appropriate accounting standards and has been audited by Grant Thornton Limited. Throughout this report we have focused on what we believe matters most to our stakeholders and our business. We have endeavoured to ensure all information is accurate through internal verification and other approval processes.

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# Toward our FY25 strategy



## Supercharge growth

We're hyper-focused on evolving the user experience for employers with 1-5 staff in New Zealand, Australia and the Pacific Islands.

### How we're tracking:

- We've clearly defined our target market of customers with 1-5 employees, and we're incorporating features they'll love by making payroll simple and intuitive;
- We've increased brand awareness through new campaigns and additional investment in marketing activities, and we're optimising the sign up for new customers; and
- We've delivered the wholesale payroll proof of concept and will assess future opportunities as they arise



## 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.

### How we're tracking:

- Demonstrated customer service excellence with 99% of calls responded to within an hour, and a 94% customer satisfaction score;
- Achieved a Net Promoter Score (NPS) of 50 demonstrating strong customer advocacy;
- Customer feedback continues to shape the user experience - both now and in the future; and
- Enhancing our product with more intuitive functionality, as well as optimising our knowledge base helps our customers to find the information they need in their own time, and reduces calls to our helpdesk team



## Scalability

To ensure we can retain very high service levels at scale, we've improved our operational processes and removed internal pain points - this means we have more time to focus on the activities that will make our customers love us more.

### How we're tracking:

- We've made significant upgrades to our infrastructure, optimising for stability and security as we scale;
- We've optimised tooling to improve the customer journey to help onboard customers more efficiently. Improvements include enhanced automations and demonstrations resulting in improved lead qualification; and
- We've tested demand for our solution in Australia

# Highlights

### Total Customer Lifetime Value (CLTV)

▲ 28% YoY increase

# \$55.3m

### Customers

▲ 11% YoY increase

# 8,204

### Processing fees

▲ 18% YoY increase

# \$6.3m

### EBITDA

▲ \$0.3m YoY increase

# \$1.4m

### Free Cashflow

▲ \$206k YoY increase<sup>1</sup>

# \$502k

1. Excludes funds due to customers and IRD

# Leadership messages

## Extending an unbroken record of growth

Dear shareholders,

PaySauce has strengthened its position over the past year as New Zealand's preferred payroll provider to micro businesses. We have continued to grow our customer base, recurring revenue and shareholder value, building on the strong track record established since our NZX listing in 2018.

We also achieved a second consecutive year of positive and strongly growing operating earnings. And now – underpinned by improving business confidence, our strong positive cashflow and financial position, and the capabilities of our Gen 2.0 payroll engine – we are well positioned to accelerate the momentum in our business.

### Financial results

Operating revenue for the year to the end of March 2025 rose by 17% to \$9.0m from \$7.7m in FY24. The result was supported by steady improvements in the recruitment of new customers, up 11% on March 2024 to 8,204.

Processing fee income rose by 18% to \$6.3m from \$5.4m in FY24 lifted by the increase in customers and an increase in the average processing fee per user, which helped absorb some of the price pressures observed during the year. Interest income rose by 6% to \$2.3m due to an increase in the balance of customer funds.

However, growth in interest income was limited by an easing in wholesale rates over the financial year and particularly in the fourth quarter. Average Monthly Revenue per User (ARPU) fell 5% to \$86 from \$91 in FY24 with an increase in processing fee income diluted by the fall in interest rate income.



**Shelley Ruha**  
Independent Director,  
Chair

Investment into research and development increased by 29% to \$2.9m from \$2.2m in FY24. This continues from the investment made in FY24 as PaySauce has strengthened the structure, systems and processes of the development team to accelerate the delivery of product. More work has been capitalised toward developing new product, when compared to maintaining the existing product, with 61% of developer time capitalised this year - up 5 percentage points on FY24 of 56%.

EBTDA<sup>2</sup> rose 27% to \$1.4m from \$1.1m in FY24, helped by the strong uplift in revenue and the company reaping the benefits of increased scale. We have achieved earnings growth and accelerated investment in the company's future despite cost increases driven by broader inflationary pressures.

These investments include strengthening our sales and marketing teams and enhancing our information infrastructure to support the company's long-term growth ambitions.

Net profit before tax increased to \$461k up from \$271k in FY24 although the after-tax result fell as the prior year benefited from the recognition of a significantly larger Deferred Tax Asset.

### Balance sheet and cashflow

PaySauce remains in a strong financial position and well placed to fund the growth of the business. Operating cashflows, before the inflow of funds due to customers and the IRD rose 47% to \$2.2m from \$1.5m in FY24 supporting our investment program, while free cashflow rose 70% to \$0.5m from \$0.2m in FY24.

“ We have achieved earnings growth and accelerated investment in the company's future. ”

Meanwhile, we have \$0.3m in cash reserves (excluding funds due to customers and the IRD) and undrawn facilities of \$350k following the repayment and renegotiation of the bank facility (at more favourable terms) in June 2024.

### Outlook

The volatile international trading environment, and the impact that this uncertainty will have on interest rates both here in New Zealand and offshore, represents a headwind for the company.

Nevertheless, lower interest rates are supportive of the economy and new business formation, a key driver of customer growth. We are also encouraged by the rebound we are seeing in business confidence.

With several competing payroll systems due to reach the end of their useful life in the coming year, we believe the investment we have made in partnerships with accountants, industry and the sales team positions us to capitalise on the opportunity to bring on new customers.

Longer-term we expect the investments in technology will open new opportunities both in New Zealand and further afield. We are confident we will achieve our goal of \$10m in ARR in FY26.

We look forward to providing a further update to shareholders early in Q2 FY26 and seeing you at our annual meeting in September.

Yours sincerely

**Shelley Ruha**  
Independent Director, Chair

### Annualised recurring revenue



**Annualised Recurring Revenue (ARR)**  
\$8.5m  
**▲ 6%**

2. EBTDA (earnings before tax, depreciation and amortisation) is a non-GAAP financial measure that is defined on page 17 of this report.

# Energising customer acquisition



**Asantha Wijeyeratne**  
CEO, Co-founder

Dear Shareholders,

As I look back on the 2025 financial year three strategic achievements stand out.

Firstly, our success in diversifying our business away from the core dairy industry vertical into the trades and construction verticals. Secondly, our success in building relationships with accountants all around New Zealand, a key source of customer referrals. And finally, the progress we have made towards a unified multi-jurisdictional payroll product that leverages the full capability of our new Gen 2.0 payroll engine.

All three achievements are positioning the company to deliver a strong result in FY26 and beyond.

## Customer growth

Growth in customer numbers represents the most important driver of long-term shareholder value. Each net new customer incrementally lifts the volume of processing fees, the cash we hold on behalf of customers and consequently the interest income we generate from those funds.

In FY25 we benefited from a net increase in customer numbers of 836 to 8,204, a substantial 11% improvement on FY24 when we added just under 500 customers. Total new customers increased 17% to 1,755 from 1,502 in FY24. Growth in the first half of the year was particularly strong, with many customers choosing the end of the tax year to move to a new payroll system.

The uplift reflects our focus on leveraging and expanding our accounting partner channel and the investment we have made in sales and marketing. We now have partnerships with close to 300 accounting firms nationwide, up from 250 at the end of FY24.

This channel is important for our mid-term growth plans, acting both as a source of recommendation to small business owners and also as a source of direct customer growth from those practices managing payroll for their clients. With the trust of accounting partners, we can take up opportunities to build customers as several competing payroll systems come to the end of their service life.

In return for becoming partners, accountants get training, dedicated support on the PaySauce platform; marketing exposure through directory listings, access to expert webinars, priority onboarding for multiple clients and discounts on payroll services.

The channel is also important to service the demand we have created through our brand awareness campaigns and the efforts we have made to diversify our business from the core dairy vertical.

Key initiatives over the year have included an advertising campaign centred on owner-operated businesses in the trades and construction space. This campaign was initially launched in Auckland across digital video channels (YouTube, Google, and Meta), digital billboards, and radio, then expanded across the rest of the country. Our radio advertisements are not centred on one specific industry, and the radio spend has been focused on several key provincial regions (Waikato, Taranaki, Canterbury and Southland). We also continued to support the Wellington Lions and the Taranaki Bulls during the National Provincial Championship (Men's Rugby), which provided further brand presence in these regions.

These advertising activities were supported during the year by continued investment and engagement with industry partners such as Master Plumbers, Master Builders, and Federated Farmers, along with attendance

at various conferences and trade shows, including Fieldays, BuildNZ, and EMEX (New Zealand's largest manufacturing and engineering industry trade show). We also entered into a new partnership with the Hutt Valley Chamber of Commerce, aimed at boosting our target market exposure in our home city.

PaySauce's brand awareness has increased at a statistically significant rate (the only brand in our competitor set to show such an increase) and now sits mid-pack within our competitive peer set.

Our new website due to launch in June 2025 will deliver higher conversion rates with a significantly improved customer journey helping new users to sign up to PaySauce.

## SaaS performance metrics

While the investments in sales and marketing lifted customer acquisition costs by 15% to \$584 per customer, we achieved an impressive payback period of just under 7 months of revenue at an ARPU of \$86.

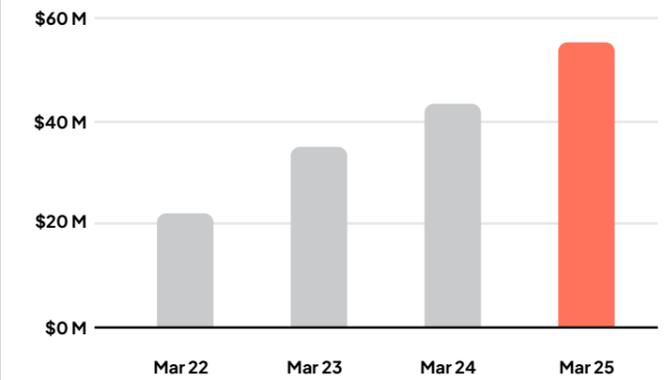
We meanwhile reduced average monthly customer churn by 16% during the period to 0.99% from 1.18% in FY24, while the cost to serve per customer also fell as we realised economies of scale in customer support following investment in new systems.

These factors — though partly offset by declining interest revenue per customer — lifted average customer lifetime value by 15%, to \$6,747 from \$5,890 in FY24. Total customer lifetime value rose 28%, reaching \$55.3m compared to \$43.4m in FY24.

## Technology development

Having completed the new Gen 2.0 payroll engine in 2024, the focus of this year's efforts has been on the development and roll out of our single advanced user interface — the platform to deliver a top of class cloud and mobile payroll experience globally. Key to our efforts here is focusing on the mobile experience for employers who want to run their payroll on the go, which we recognise as important to our target customer. We're also staying focused on providing an accessible payroll experience for those micro employers with little-to-no payroll knowledge, ensuring their onboarding and subsequent payroll processing is as easy as possible for the non-expert user. The project is led by Jessica McLean and Jacques Labuschagne respectively promoted into the roles of Chief Product Officer and Chief Technology Officer in September 2024 after co-founder and Chief Technology Officer Troy Tarrant, and Chief Operating Officer, Mathew Stokes stepped aside. I am proud and pleased with the leadership they are bringing to the development efforts and the urgency they are applying to bringing our vision for effortless payroll to life.

## Total Customer LTV



The new user experience plays a pivotal role in our strategy going forward: by aligning to the requirements of our target market, we expect to grow customers faster, and scale our business operations more effectively.

A key initiative in the coming year will be to prove the potential for the business in Australia. Our payroll engine is primed and we're hyper-focused on delivering an awesome payroll experience for microbusinesses in Australia. From our market analysis there is a significant opportunity for our technology to reduce and simplify the payroll compliance burden that Australian microbusinesses currently navigate. We're excited at this opportunity and as an entry point we intend to focus on the industry sectors and partnerships that we know and have generated sustained growth in New Zealand.

## Outlook

Our long-term success, and the driver of growing shareholder value, is linked to driving customer growth. Delivering these customers the two things they expect from us — peace of mind with easy pay runs and more time to run their business will allow us to continue to grow.

With the new partnerships we have established and technology developments in train, we are well positioned to build on these successes with our existing customers and accelerate customer recruitment both in New Zealand and offshore.

I look forward to updating you on our progress in the coming months.

With my warm regards,

**Asantha Wijeyeratne**  
CEO and Co-founder

**“ Our long-term success... is linked to driving customer growth and delivering these customers the two things they expect from us - peace of mind with easy pay runs and more time. ”**

# Delivering on our FY25 strategy



## Supercharge growth

### Highlights

**Increased the rate of net customer growth to 11% YoY (from 7% the prior year)**

**Continued focus on building relationships with both new and existing accountants seeing success with a substantial increase in both new accountants and the number of customers referred through them**

**Discovery complete and design underway for our new user experience: making payroll simple and intuitive for small business owners in broader markets**

**New campaigns and additional investment in marketing activities driving increased brand awareness**

Having grown our Product team, this revitalised group has been engaged in an intensive discovery, research, and planning phase in preparation for bringing a new user experience to PaySauce's payroll ecosystem. This programme of work is one of our most significant to date, and will entirely replace the current PaySauce user interface across both web and mobile. The new experience will be tailored to our target market of microbusinesses with 1-5 employees, and will be implemented in new markets first.

Once proven successful, we expect to migrate our existing customers onto the new product. This critical initiative will improve product functionality to unlock new growth in New Zealand and beyond by leveraging our existing presence across the APAC region..

One of PaySauce's key growth strategies remains focused on developing new and existing relationships with accountants and bookkeepers. These channels act as both a source of recommendation to small businesses managing their own payroll, and as a source of customer growth from those practices managing payroll on behalf of clients. Approximately half of new customers who sign up to PaySauce are referred by their accountant. Significant opportunity has been created in the market, both with the exit of older payroll platforms and with pricing and plan shake ups across the competitive landscape. We have successfully converted several payroll-managing practices across to PaySauce from their legacy software provider.

**One of PaySauce's key growth strategies remains focused on developing new and existing relationships with accountants and bookkeepers. These channels remain vital for mid-term growth plans.**



We made increased investments in marketing activities in the first half of FY25. PaySauce launched a major campaign in April, aimed at growing our presence and awareness in new domains in addition to our traditional dairy sector base. The advertising featured a family-run building business, acknowledging the range of administrative tasks a small business faces, with PaySauce providing ease and peace of mind to the pain point of payroll. While construction and trades were the key target segments of the campaign, the tone and message were designed to be relevant to all owner-operated small businesses. Over the first six months of the campaign, PaySauce's brand awareness has increased (the largest increase when compared across our competitor set) and now sits mid-pack within our competitive peer set.

Complementing the uplift in brand awareness is the development of a new website. The objective of our website redesign is to make it as easy as possible for potential new customers to learn about, try, and sign up for PaySauce. The new site will enable new customers to easily navigate rich content that helps them make an informed decision about signing up to PaySauce, as well as make it easier for existing customers to find the information they need. We expect our new website to significantly improve lead generation by offering a more user-friendly and engaging experience that makes it easier for potential customers to find information and reach out to us. Enhanced navigation, clear calls-to-action, interactive demos and streamlined contact forms will encourage more visitors to connect with us, ultimately increasing the number of quality leads we receive.

Targeted upsell campaigns are also encouraging existing customers to transition to higher-tier plans, driving dual financial benefits. The migration to higher tiers generates increased processing fees, while simultaneously expanding interest income on the larger customer balances held. This strategy not only boosts revenue but also deepens customer engagement with our platform's advanced features, creating a win-win scenario that aligns client growth with our financial objectives.



## Loving our customers

### Highlights

**Demonstrating customer service excellence with 96% of calls responded to within 30 minutes and 99% answered within one hour, and a 96% customer satisfaction score**

**Continued commitment to empowering customers with self-service and educational material - making the complex simple for employers**

**Advocacy and active involvement to ensure representation for our customers' interests - being a voice for the small business owner to government and industry**

Over the past year, we've doubled down on initiatives designed to empower our customers, streamline their experience, and drive long-term value.

We've been working hard to prepare an AI support agent for launch to enhance our customer service capabilities. This tool will handle basic inquiries instantly, freeing our human experts to focus on complex issues. We'll be ensuring customers get answers faster without compromising quality. It is important to us that we do this with the highest commitment to quality customer service, ethical and responsible use of AI.

**“The PaySauce support team members I’ve spoken with have been absolutely outstanding in their support for immediate and correct solutions. They are making the pay run experience much more enjoyable.”**

Many thanks, Martha

**I'm based in KeriKeri Northland, I have not used a payroll system ever in my life and my farm owner referred me to PaySauce. I have had a lot of my questions and queries answered and have had a lot of support through the set up process. So thank you very much! Made it Super easy.**

Ange Cook, A & R Farms

As part of our dedication to ensuring customers can find the answers they need quickly and easily, we’ve been revamping our knowledge base with clearer step-by-step guides for common customer questions. While we’ve had a knowledge base for several years, we recognised the need to improve the content and structure to increase the number of issues customers were able to resolve themselves. This has also been important preparatory work for our AI support agent to work effectively. Empowering customers to find the answers they want in their own time increases customer satisfaction and reduces the overall amount of inbound queries. We’ve seen a significant increase in the number of customers using our knowledge base as a result.

We have worked with a number of time and attendance providers, increasing the number of providers who provide compatible timesheets for our customers to import directly into PaySauce. This allows a greater number of existing and potential customers to connect with a broader range of workforce management tools, improving the attractiveness of PaySauce as a product that they can use to run their business efficiently.

PaySauce is proud to partner with the Hutt Valley Chamber of Commerce, an organisation that effectively unites local businesses. Becoming a PaySauce customer itself, the Chamber offered a valuable platform to showcase our services. Our commitment extends to actively supporting their initiatives through speaking engagements and presentations at their events throughout the year.



## Scalability

### Highlights

**Upgrades to core PaySauce application and infrastructure optimisation to continue usability, stability and security enhancements**

**Strategic portfolio management to consolidate and unify offerings, including sunsetting some non-core applications**

**System enhancements that optimise the journey for new customers, including automations, improved lead qualification, and improvements to demo processes**

### Creating a smoother journey for customers

To streamline operations and enhance value for our customers, we’re phasing out underutilised legacy features, allowing us to reallocate resources toward high-impact innovations.

This transition translates to lower maintenance costs, higher operational efficiency, and stronger revenue potential as customers deepen engagement with our scalable, future-ready solutions.

We’re continuing to review how we do business, making changes as necessary to benefit both our customers and PaySauce operations. We’ve significantly improved the banking integration for customers with ASB, BNZ, Westpac and ANZ, allowing our customers to pay their staff 365 days a year. We’re providing support to those customers who still rely on making manual internet banking transfers to pay their staff to switch to better payment methods. PaySauce is proud to offer customers the greatest range of payment methods available for their payroll processing in the New Zealand market.

### Optimising our tech stack for speed, security and scale

The PaySauce application's core has undergone substantial upgrades. Numerous new features and enhancements have been implemented to simplify customer experiences. Multi-Factor Authentication (MFA) functionality has been strengthened to enhance security against increasing cyber threats. Building on the successful AWS migration of PaySauce, goPayroll has now also been fully migrated to the cloud. This cloud migration of our complete payroll product suite delivers enhanced stability, performance, and security.

# Leadership team

We have ambitious goals, so we've built an ambitious leadership team. They have the talents, mindsets and skills to achieve our goals, and will keep PaySauce on course as we scale up for increased sustainable growth.

## Shelley Ruha

Independent Director and Chair



Shelley joined the PaySauce board in February 2022. Shelley is a professional director with strong governance experience within FinTech, large scale technology infrastructure, payments innovation, banking, wealth management and venture capital.

Current governance roles include Chair of Allied Farmers and directorships at Heartland Bank, 9Spokes, SmartPay and Partners Life. Prior directorships include Paymark, The Icehouse, Hobson Wealth, TaxGift and JBWere Australia.

## Asantha Wijeyeratne

Executive Director, CEO and Co-Founder



Asantha has over 25 years' experience of unparalleled focus on helping small businesses navigate the difficult landscape of effective payroll. His formal background in accounting combined with his 'people first' attitude has seen him successfully build a number of businesses into market leadership positions.

Most notably, Asantha was the driving force behind the creation and growth of SmartPayroll (now Smartly) and SmartBooks which he grew to service close to 10,000 SMEs in NZ before he left in December 2013.

Asantha's obsession is the micro-business sector with a tech and customer service focus. He loves seeing someone with determination and passion turn an idea into a business that supports them, their families and the wider community. He gets a lot of enjoyment from making tech work to help business owners succeed.

In recognition of his contribution to business and the community, he was awarded a Queens Service Medal (QSM) in the New Year's honours list in 2013 and was a finalist in Ernst & Young's 2021 Entrepreneur of the Year.

## Gavin Thompson

Director (Non-Independent)



Gavin is a founder and director of Catalyst IT, New Zealand's largest open-source IT service provider, founded in NZ and expanded to Australia and Europe. His background is in software development and delivery, and he has over 30 years' experience in software systems in the manufacturing, engineering, financial, and government sectors. Gavin is also a director on the board of Catalyst Cloud, a company which grew from an infrastructure platform for the Catalyst business into a provider of cloud services for Aotearoa.

Gavin is passionate about open source and open standards software and systems which allow a collaborative and effective approach to delivering secure, resilient and innovative solutions.

## Michael "MOD" O'Donnell

Independent Non-Executive Director



Mike "MOD" O'Donnell is a professional director, writer and advisor with a background in FinTech, ecommerce and news media.

MOD is deputy chair of both New Zealand Trade and Enterprise and global online music company Serato. MOD is also a director of Radio New Zealand, www.realestate.co.nz, Sandfield Software and The New Zealand Hi-Tech Trust.

MOD writes a weekly national business column for Stuff Media on digital business.

## Mark Samlal

Independent Director



Mark Samlal has over 25 years' experience in growth leadership roles in Asia Pacific. Mark co-founded PayAsia in 2006 where he was Non-Executive Chair, until being appointed as Executive Chair and Managing Director of PayAsia in 2015. In 2017, Mark was appointed to the Board and as Managing Director of PayGroup which listed on the ASX in May 2018 and PayAsia became a 100% subsidiary. PayAsia strategically executed over five acquisitions before being acquired by Deel Inc in November 2022 and delisted.

Mark remains the Founder of PayGroup and the General Manager of Deel Inc Asia. Mark was also a Director and General Manager of PayConnect Solutions that was acquired by ADP. His previous senior roles include CEO at Vicplas International Ltd, a Singapore Stock Exchange listed company, as well as Executive Director of Omni Industries in Singapore. Throughout all experience mentioned, Mark was an invested shareholder.

## Jim Sybertsma

Independent Non-Executive Director, Audit and Risk Committee Chair



Jim has over 25 years of experience in financial leadership positions including CFO roles for DB Group, NZ Dairy Foods, Fliway Group, and Hawkesby Management. During this time, Jim has been involved in audit, compliance and corporate finance activities across a range of industries and sizes from start-up to scale-up.

Jim is currently a Director for Provident Insurance Corporation Limited and Auto Drive Holdings. He is also CFO of Hawkesby Management, a family office investment role managing multiple investments in early stage tech companies and listed equity portfolios

## Jaime Monaghan

CFO



With an extensive commercial background, Jaime brings incisive leadership to our financial and strategic planning. Jaime's expertise in bringing business and finance together was honed in her previous roles at Trade Me and Kiwibank. A Scottish Accountant, Jaime is dedicated to ensuring the best possible stewardship of shareholders' funds in the short, medium and long term. PaySauce is responsible for managing a high volume of funds on behalf of customers, with billions of dollars being transacted every year through PaySauce systems. Jaime's financial acumen and excellent management is key to overseeing this.

## Jessica McLean

CPO



Jess started her career with hands-on customer service and payroll consulting, then moved into people and culture where she led this function at Catalyst and Catalyst Cloud. She's now leading our people, product and customer functions at PaySauce, making sure we have both the talent and the product strategies to propel PaySauce forward. She's passionate about creating high-trust, growth-supporting cultures and enabling high-performing teams to do what they do best, as well as the integral function that payroll plays in a business and ensuring we help people get that right.

## Jacques Labuschagne

CTO



Jacques is a seasoned expert in delivering technology solutions for a range of customers, including both bespoke solutions as well as building successful suites of core product and service offerings. With a career that started in software development and moved into team and project management, Jacques most recently spent several years as the CEO of a technology services business in the UK, then as the COO of the NZ based business in the same group before joining the PaySauce team in 2023. Using a blend of technical expertise, strategic thinking and disciplined planning and execution, he excels at managing technology teams to deliver successful solutions.

# PaySauce SaaS Performance

The business results and SaaS metrics reported in the following sections provide an overview of the performance of the business in a format that we believe is useful for readers to assess the performance of PaySauce as a SaaS business and should be read alongside the consolidated financial statements and the related notes in this report.

Non-Generally Accepted Accounting Principles (Non-GAAP) measures have been included and should not be viewed in isolation, nor considered as substitutes for measures reported in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).



## Business Results

	MAR 2025	MAR 2024
	\$000s	\$000s
Processing Fees	6,322	5,370
Interest Income	2,329	2,200
<b>Recurring Revenue</b>	<b>8,651</b>	<b>7,570</b>
Cost to Serve	(1,938)	(1,747)
<b>Gross Margin</b>	<b>6,713</b>	<b>5,823</b>
<b>Gross Margin %</b>	<b>78%</b>	<b>77%</b>
Other Interest Income	9	15
Other Revenue	336	131
<b>Total Other Revenue</b>	<b>345</b>	<b>146</b>
Customer Acquisition	(1,025)	(766)
Research & Development	(1,168)	(934)
General & Administration	(3,461)	(3,108)
Interest Expense	(52)	(97)
<b>Earnings Before Tax, Depreciation and Amortisation</b>	<b>1,352</b>	<b>1,064</b>
<b>Earnings Before Tax, Depreciation and Amortisation Margin %</b>	<b>16%</b>	<b>14%</b>
Depreciation & Amortisation	(817)	(646)
Asset Impairment	(75)	(228)
<b>Net Profit before Tax</b>	<b>460</b>	<b>190</b>
Income Tax	221	1,042
<b>Net Profit after Tax</b>	<b>681</b>	<b>1,232</b>



Earnings Before Tax, Depreciation and Amortisation (EBTDA) 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.

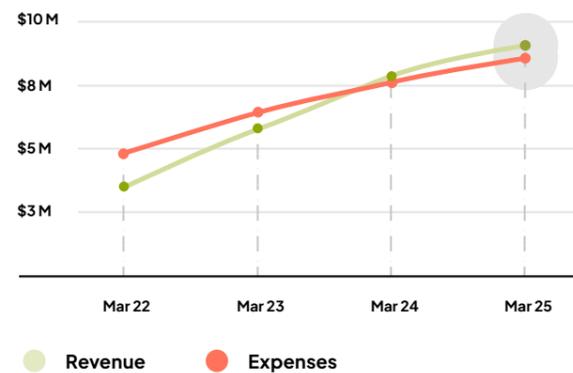
EBTDA Margin % is EBTDA as a percentage of recurring revenue and is calculated by dividing EBTDA by recurring revenue.

## Earnings

PaySauce delivered its second consecutive net profit as it continued to grow revenue and re-invest for long term growth in a sustainable and deliberate manner.

EBTDA increased 29% year on year to \$1.35m for March 2025. This was driven primarily by the increase in recurring revenue of \$1.08m (14%) which more than offset the \$0.99m increase (15%) in expenditure. The net profit after tax for the year was \$0.68m, down from \$1.23m in 2024 - due to the previous year recognition of a deferred tax asset of \$1.02m. Excluding deferred tax adjustments - net profit before tax was up \$0.27m (142%) to \$0.46m from \$0.19m in 2024.

### Profitability<sup>3</sup>

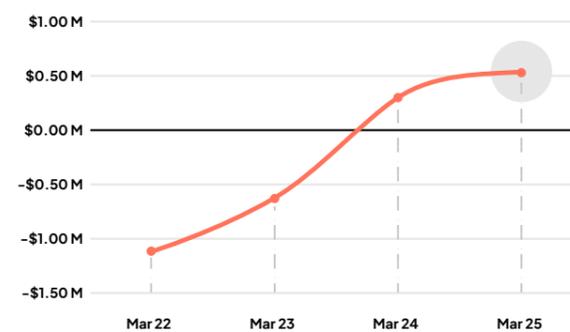


Free cash flow is a non-GAAP financial measure that has been included to demonstrate net cash generated by, and invested into the business. PaySauce defines free cash flow as cash flows generated from operating activities less cash flows used for investing activities (excluding funds held on behalf of customers).

Free cash flow increased \$0.20m year on year to \$0.50m for March 2025. This was driven by an increase in net cash from operating activities (excluding funds held on behalf of customers) of \$0.69m, up 47% year on year to \$2.2m.

### Free cash flow

(excluding funds held on behalf of customers)



## Recurring Revenue



How and why do we monitor recurring revenue? PaySauce monitors the revenue received from customers as a growth metric. Looking at it from a customer journey angle, this is the Average Revenue per User (ARPU) and is derived by dividing the total recurring revenue by the number of customers in a period. PaySauce measures this metric on a monthly basis - the higher the ARPU, the more value received from each customer.

### Definitions

**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.

**Annualised recurring revenue (ARR)** multiplies the recurring revenue generated in the last month of the period by 12 to annualise the current recurring revenue.

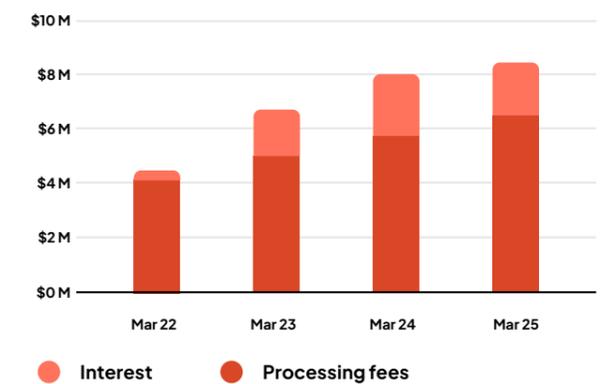
Recurring revenue grew 14% year on year to \$8.65m. This was primarily driven by the increase in processing fee revenue as interest revenue growth slowed in 2025.

Processing fee revenue increased to \$6.32m, up 18%, or \$0.95m year on year. The increase in volume of customers accounted for around 33% of this increase, while the increase in average revenue per customer from processing fees accounted for the remainder.

Interest revenue increased to \$2.3m, up 6% or \$0.13m year on year. This was due to the increase in interest revenue from the balance of funds held on behalf of customers more than offsetting the impact of decreasing interest rates over the course of the year

Annualised recurring revenue (ARR) grew 6% year on year to \$8.5m as at 31 March 2025.

### Annualised recurring revenue



	MAR 2025	MAR 2024	YOY Change
ARR at end of period (\$000s)	8,462	8,005	6%
Recurring revenue for the period - Total (\$000s)	8,651	7,570	14%
ARPU (monthly) at end of period (\$)	86	91	(5%)
FTEs	48	46	4%
Revenue per FTE (\$000s)	187	168	12%

## Cost to Serve



### How and why do we monitor cost to serve?

PaySauce monitors the cost of servicing customers as an efficiency metric. The **cost to serve per customer (CTS)** divides the total cost to serve by the total number of customers for the period. The lower the CTS, the more efficient PaySauce is at servicing customers.

### Definitions

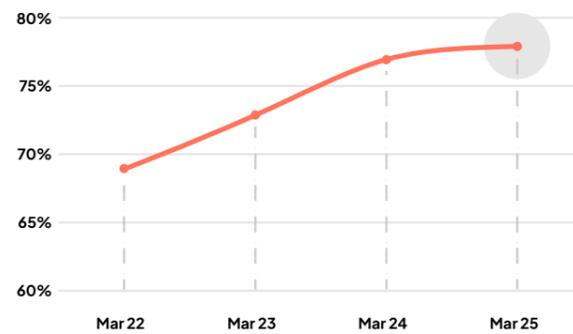
Cost to serve consists of customer support costs and expenses such as cloud hosting, maintenance of our software products, and bank fees charged per customer transaction.

Gross margin 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.

Cost to serve increased to \$1.9m (up 11% on last year). PaySauce continued to increase the efficiency of the customer support team with investment into systems and processes, which enabled the same headcount of support staff to support a greater number of customers. Continued improvement of the PaySauce product also helped make the customer journey more seamless, helping to reduce the volume of support calls.

The increase in cost to serve was largely inflationary with increases to salaries, and increases in data hosting fees and bank charges in line with customer growth. The increase in cost to serve was outpaced by a 14% increase in recurring revenue as customer numbers grew 11% year on year. This led to a 15% increase PaySauce's gross margin to \$6.7m, or 78% in percentage terms (up 1 percentage point on last year).

Gross margin %



	MAR 2025	MAR 2024	YOY Change
Recurring revenue (\$000s)	8,651	7,570	14%
Less cost to serve (\$000s)	(1,938)	(1,747)	11%
<b>Gross margin (\$000s)</b>	<b>6,713</b>	<b>5,823</b>	<b>15%</b>
<b>Gross margin %</b>	<b>78%</b>	<b>77%</b>	<b>1pp</b>
CTS per customer (monthly) at end of period (\$)	19	21	(8%)

## Customer Acquisition



### How and why do we monitor customer acquisition?

PaySauce monitors the cost of acquiring new customers as an efficiency metric. The **customer acquisition cost (CAC)** divides the total cost of acquisition across the new customers for the period. Customer acquisition is more efficient the lower the CAC per new customer metric.

### Definitions

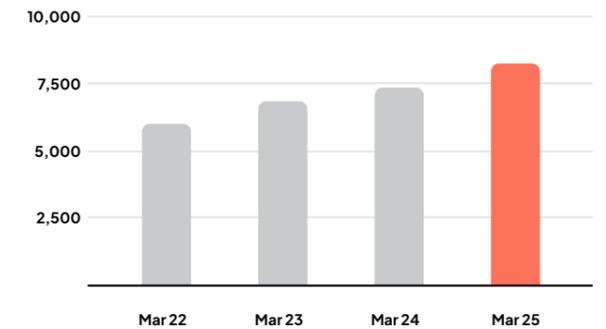
Customer acquisition costs relate to acquiring and onboarding new customers. These consist of sales and marketing people costs and expenses such as digital marketing, events and sponsorship. These costs are expensed as incurred as they do not relate to any specific customer or contract for services.

Off the back of a slower 2024, economic conditions improved in 2025 with reducing inflation and interest rates, leading to an increase in business confidence. PaySauce added more than 1,700 new customers during the year (an increase of 11%) taking the total to just over 8,200.

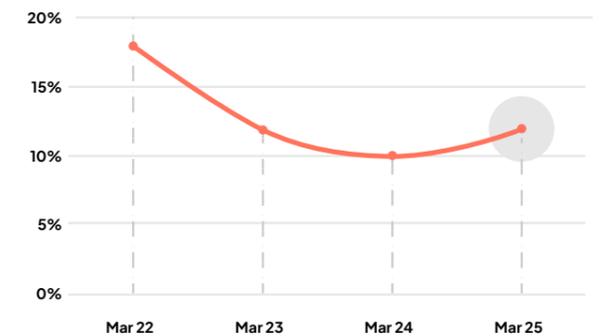
The increase in customer acquisition costs outpaced customer growth however, leading to an increase in CAC per addition of 15% year on year to 584 per customer in 2025.

Increased investment included new headcount in both the sales and marketing teams, as well as investment into systems and processes to improve the effectiveness and efficiency of lead management. PaySauce also increased investment into digital marketing to both drive sales, and increase brand awareness.

Customers



Customer acquisition as a % of revenue



	MAR 2025	MAR 2024	YOY Change
CAC per addition	584	510	15%
New customers	1,755	1,502	17%
Customer acquisition costs (\$000s)	1,025	766	34%
<b>Percentage of Recurring Revenue</b>	<b>12%</b>	<b>10%</b>	<b>2 pp</b>

## Research and Development



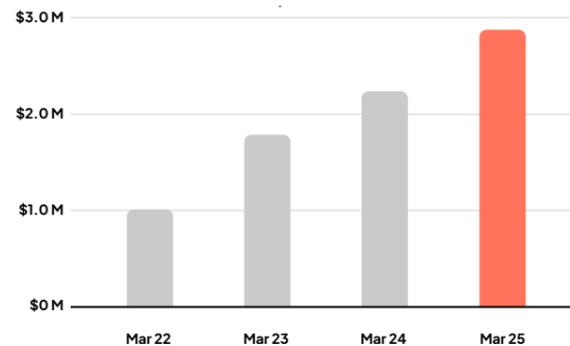
Research and development costs relate to building new products and features as well as enhancing the current products and infrastructure. These costs predominantly consist of the software development team salaries, and are either expensed or capitalised in line with NZ IFRS requirements. Costs are expensed if they are primarily related to researching new products or maintaining existing products, and capitalised if they are related to developing new and improving existing products. Development costs are discussed in aggregate below - to demonstrate the total spend on R&D for the business in the period before capitalisation under NZ IFRS requirements.

PaySauce increased investment into research and development by 29% year on year - up to \$2.9m for 2025.

This increase was primarily people cost, with new key roles established in the product space to help increase the quality, speed and efficiency in which the team can develop the PaySauce product. This is evidenced by an increase in capitalisation rate to 61% up 5 percentage points year on year, which is a measure of how much time is spent developing and improving products compared to the time spent maintaining them.

With improvements made to the structure of the team, the development process, and the infrastructure and security over 2024 and 2025 - the development team is poised to deliver an even better PaySauce product to its new and existing customer base, which will help drive customer acquisition and customer satisfaction.

### R&D investment



	MAR 2025	MAR 2024	YOY Change
Research & development expensed (\$000s)	1,168	934	25%
Research & development impairment (\$000s)	74	228	(67%)
Research & development capitalised (\$000s)	1,629	1,066	53%
<b>Total research and development costs (\$000s)</b>	<b>2,871</b>	<b>2,228</b>	<b>29%</b>
<b>Percentage of Recurring Revenue</b>	<b>33%</b>	<b>29%</b>	<b>4pp</b>
Capitalisation rate (salaries)	61%	56%	5pp

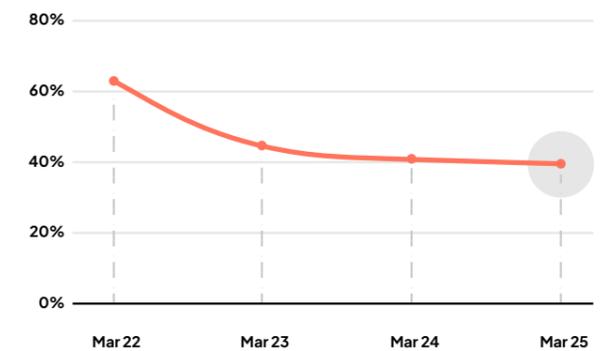
## General and Administration



General and administration costs are the overhead related costs of running the business which include management remuneration, director fees, office running costs, finance and administration, legal and consulting expenses and other overheads

General and administration costs increased 11% year on year to \$3.5m, though decreased as a percentage of recurring revenue to 40%, down 1 percentage point on last year. The increase was largely inflationary across people costs and overheads.

### G&A cost as a % of revenue



	MAR 2025	MAR 2024	YOY Change
Total general and administration costs (\$000s)	3,461	3,108	11%
<b>Percentage of Recurring Revenue</b>	<b>40%</b>	<b>41%</b>	<b>(1 pp)</b>

## Customer Lifetime Value



### How and why do we monitor customer lifetime?

PaySauce monitors the retention of customers. This is measured using the churn metric which calculates the percentage of customers that stop using PaySauce products each month. The lower the churn rate, the higher the derived lifetime of each customer and the more value generated from them. The customer lifetime value is assessed relative to the customer acquisition cost (CAC) to determine the return on investment of acquiring new customers.

### Definitions

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 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.

PaySauce saw average monthly churn decrease to 0.99%, a 16% decrease year on year as the economy stabilised over the year and business confidence grew. PaySauce also saw an improved gross margin of 78%, up 1 percentage point year on year. The improvement in these metrics led to an increase in customer LTV to \$6,747 per customer, up 15% year on year.

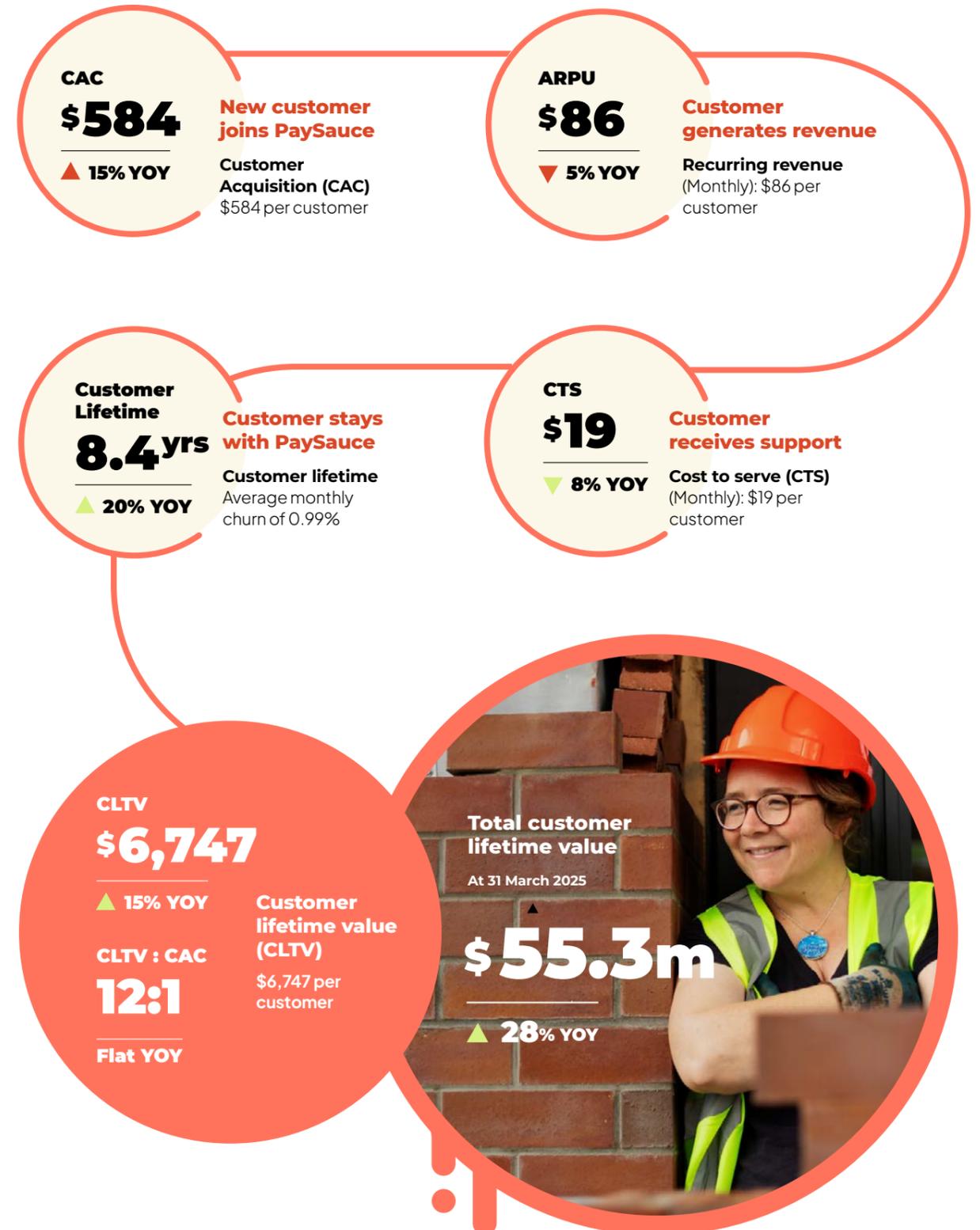
This increase in customer LTV combined with the increase in the number of PaySauce customers increased total customer LTV by 28% year on year, growing to \$55.3m as at 31 March 2025.



Customer LTV is particularly sensitive to churn and assumes these levels will remain consistent over an extended future period. Using the average churn levels for the last three years (1.11%), total customer LTV would be \$5.9m (11%) lower.

	MAR 2025	MAR 2024	YOY Change
Customers at end of period	8,204	7,368	11%
Average monthly churn rate for the period (%)	0.99	1.18	(16%)
Churned customers	919	1,009	(9%)
LTV per customer at end of period (\$)	6,747	5,890	15%
Total customer LTV at end of period (\$m)	55.3	43.3	28%
LTV:CAC ratio at end of period	12 : 1	12 : 1	-

## Customer Lifetime Journey



# Consolidated Financial Statements

For the year ended 31 March 2025

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## Directors' Report

The Board of Directors have pleasure in presenting the annual report of PaySauce Limited, incorporating the consolidated financial statements and the independent auditor's report, for the year ended 31 March 2025.

In the opinion of the directors of PaySauce Limited, the consolidated financial statements and notes on pages 32 to 55:

- comply with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") and present fairly the consolidated financial position of the Group as at 31 March 2025 and the results of their operations and cash flows for the year ended on that date; and
- have been prepared using appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates.

The directors consider that they have taken adequate steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide reasonable assurance as to the integrity and reliability of the consolidated financial statements.

For and on behalf of the Board of Directors:

Shelley Ruha  
Chair

20 May 2025

Jim Sybertsma  
Chair of Audit & Risk Committee

20 May 2025

# Independent Auditor's Report

To the Shareholders of PaySauce Limited

## Report on the Audit of the Consolidated Financial Statements



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 152 Fanshawe Street  
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### Opinion

We have audited the consolidated financial statements of PaySauce Limited and its controlled subsidiaries (the "Group") on pages 32 to 55 which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of comprehensive income, consolidated statement of movements in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PaySauce Limited as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) issued by the New Zealand Accounting Standards Board and IFRS Accounting Standards issued by the International Accounting Standards Board.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Group.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Why the audit matter is significant	How our audit addressed the key audit matter
<p><b>Intangible assets – Impairment and Capitalisation of internally developed software including impairment of intangible assets not yet ready for use</b></p> <p>Intangible assets carrying value of \$3,359,000 at 31 March 2025 (\$2,399,000 at 31 March 2024) is comprised of computer software, development in progress and customer relationships.</p> <p>The Group is a Software as a Service ("SaaS") provider and incurs significant expenditure in developing and maintaining its software assets.</p> <p>NZ IAS 38 Intangible Assets outlines the criteria for capitalisation of costs associated with developing the software including assessing whether the software will generate future economic benefits.</p> <p>As disclosed in Note 8, capitalised software costs are recognised at cost and subsequently amortised over their estimated useful lives. Costs that do not meet the criteria for capitalisation are expensed to profit or loss as incurred.</p> <p>In addition to the above, the software asset includes development in progress of \$1,487,000 at 31 March 2025 (\$972,000 at 31 March 2024). NZ IAS 36 Impairment of Assets requires intangible assets that are not yet available for use to be tested annually for impairment.</p> <p>Capitalisation of internally generated intangible assets and impairment testing of intangible assets under development involves significant estimate and judgement and therefore is also a key audit matter.</p>	<p>We evaluated the appropriateness of intangible asset capitalisation and assessed impairment testing of intangible assets.</p> <p>In respect to capitalised intangible assets, our procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>obtained understanding of the controls and processes implemented by management to ensure that capitalisation assessments are appropriate and that costs are appropriately determined;</li> <li>obtained from management their paper analysing asset additions during the period, and the basis of determination of costs for capitalised assets;</li> <li>selected samples of projects capitalised during the year and ensured the capitalisation criteria within NZ IAS 38 – Intangible Assets have been appropriately satisfied; and</li> <li>reviewed a sample of projects for whether costs capitalised during the year were directly attributable to development projects, including review of supporting documents that were linked to relevant projects.</li> </ul> <p>In respect to impairment assessments, our procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>performed procedures to evaluate and challenge the Group's determination of CGUs. This included reviewing internal management reporting to assess the level at which the Group monitors performance, comparing CGU's to our knowledge of the Group's operations and reporting systems, and reconciling assets allocated to CGUs to accounting records;</li> <li>obtained management's impairment assessments and tested the completeness and mathematical accuracy of the value in use calculations;</li> <li>considered and challenged key assumptions to assess the models' compliance with NZ IAS 36, and the appropriateness of the post-tax discount rates, based on their experience and external evidence;</li> <li>compared the forecast cash flows used for FY25 to the Board approved business plan; and</li> <li>Reviewed managements assessment of redundant or superseded development activities and assessed this against our knowledge of the Group's operations.</li> </ul> <p>Other procedures of note included the following:</p> <ul style="list-style-type: none"> <li>Reviewed disclosures in the consolidated financial statements for reasonableness and appropriateness</li> </ul>

**Information Other than the Consolidated Financial Statements and Auditor's Report thereon**

The Directors are responsible for the other information. The other information comprises the strategic plan and highlights, leadership messages, delivering on our FY25 strategy, leadership team, performance (SaaS metrics), Directors' report, and the corporate governance disclosures, but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this information, we are required to report that fact. We have nothing to report in this regard.

**Directors' responsibilities for the Consolidated Financial Statements**

The Directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with New Zealand equivalents to International Financial Reporting Standards issued by the New Zealand Accounting Standards Board and International Financial Reporting Standards, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the External Reporting Board's website at: <https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1>

**Restriction on use of our report**

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state to the Company's shareholders, as a body those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and its shareholders, as a body, for our audit work, for this report or for the opinion we have formed.

**Grant Thornton New Zealand Audit Limited**


B Smith, Partner  
Auckland

20 May 2025

## Consolidated Statement of Comprehensive Income

For the year ended 31 March 2025

	Notes	2025 \$000s	2024 \$000s
<b>Operating revenue</b>	<b>4</b>	<b>8,995</b>	<b>7,717</b>
<b>Expenses</b>			
Employee expenses	5	(5,076)	(4,470)
Other expenses	6	(2,516)	(2,086)
Depreciation and amortisation	7,8	(817)	(646)
Asset impairment	8	(74)	(228)
Finance costs	9	(52)	(97)
<b>Total expenses</b>		<b>(8,535)</b>	<b>(7,527)</b>
<b>Net profit before income tax</b>		<b>460</b>	<b>190</b>
Tax benefit	10	221	1,042
<b>Net profit for the period</b>		<b>681</b>	<b>1,232</b>
Other comprehensive income		-	-
<b>Total comprehensive profit for the period</b>		<b>681</b>	<b>1,232</b>
<b>Earnings per share</b>		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	11	0.48	0.88
Diluted earnings per share	11	0.48	0.88

The above statement should be read in conjunction with the accompanying notes.

## Consolidated Statement of Financial Position

As at 31 March 2025

	Notes	2025 \$000s	2024 \$000s
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	21	309	603
Cash and cash equivalents - customer funds	21	12,034	8,909
Term deposits - customer funds	21	24,200	24,700
Trade receivables		181	173
Other assets		343	500
<b>Total current assets</b>		<b>37,067</b>	<b>34,885</b>
<b>Non-current assets</b>			
Deferred tax assets	10	1,200	979
Term deposits - customer funds	21	1,700	-
Property, plant and equipment	7	352	371
Intangible assets	8	3,359	2,399
<b>Total non-current assets</b>		<b>6,611</b>	<b>3,749</b>
<b>Total assets</b>		<b>43,678</b>	<b>38,634</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		522	398
Funds due to customers and IRD	21	37,935	33,609
Employee benefits		364	332
Other liabilities		435	390
Lease liabilities		140	134
Interest bearing liabilities		-	650
<b>Total current liabilities</b>		<b>39,396</b>	<b>35,513</b>

The above statement should be read in conjunction with the accompanying notes.

## Consolidated Statement of Financial Position

As at 31 March 2025

	Notes	2025 \$000s	2024 \$000s
<b>Non-current liabilities</b>			
Lease liabilities		111	77
<b>Total non-current liabilities</b>		<b>111</b>	<b>77</b>
<b>Total liabilities</b>		<b>39,507</b>	<b>35,590</b>
<b>Net assets</b>		<b>4,171</b>	<b>3,044</b>
<b>Equity</b>			
Share capital	12	14,159	13,659
Reserves	18	158	212
Accumulated losses		(10,146)	(10,827)
<b>Equity attributable to the owners of the Company</b>		<b>4,171</b>	<b>3,044</b>

The above statement should be read in conjunction with the accompanying notes.

For and on behalf of the Board of Directors, who authorised the issue of these Consolidated Financial Statements on 20 May 2025:

Shelley Ruha  
Chair


20 May 2025

Jim Sybertsma  
Chair of Audit & Risk Committee


20 May 2025

## Consolidated Statement of Movements in Equity

For the year ended 31 March 2025

	Notes	Share-based payment reserve \$000s	Share Capital \$000s	Accumulated losses \$000s	Total \$000s
<b>Balance as at 1 April 2024</b>		<b>212</b>	<b>13,659</b>	<b>(10,827)</b>	<b>3,044</b>
<b>Comprehensive profit</b>					
Net profit for the period		-	-	681	681
Other comprehensive income		-	-	-	-
<b>Total comprehensive profit</b>		<b>-</b>	<b>-</b>	<b>681</b>	<b>681</b>
<b>Transactions with owners</b>					
Share-based payments, net of tax	18	446	-	-	446
Share-based payments paid up	12	(500)	500	-	-
<b>Total transactions with owners</b>		<b>(54)</b>	<b>500</b>	<b>-</b>	<b>446</b>
<b>Balance as at 31 March 2025</b>		<b>158</b>	<b>14,159</b>	<b>(10,146)</b>	<b>4,171</b>

	Notes	Share-based payment reserve \$000s	Share Capital \$000s	Accumulated losses \$000s	Total \$000s
<b>Balance as at 1 April 2023</b>		<b>242</b>	<b>13,212</b>	<b>(12,059)</b>	<b>1,395</b>
<b>Comprehensive profit</b>					
Net profit for the period		-	-	1,232	1,232
Other comprehensive income		-	-	-	-
<b>Total comprehensive profit</b>		<b>-</b>	<b>-</b>	<b>1,232</b>	<b>1,232</b>
<b>Transactions with owners</b>					
Share-based payments, net of tax	18	211	-	-	211
Share-based payments paid up	12	(241)	241	-	-
Issue of ordinary shares	12	-	206	-	206
<b>Total transactions with owners</b>		<b>(30)</b>	<b>447</b>	<b>-</b>	<b>417</b>
<b>Balance as at 31 March 2024</b>		<b>212</b>	<b>13,659</b>	<b>(10,827)</b>	<b>3,044</b>

The above statement should be read in conjunction with the accompanying notes.

## Consolidated Statement of Cash Flows

For the year ended 31 March 2025

	Notes	2025 \$000s	2024 \$000s
<b>Cash flows from operating activities</b>			
Receipts from customers		6,136	5,082
Interest received		2,514	2,205
Payments to suppliers and employees		(6,436)	(5,803)
Taxes (paid) / refunded		(16)	13
Interest paid on operating leases		(32)	(22)
<b>Net cash from operating activities before increase in funds due to customers and IRD</b>	<b>21</b>	<b>2,166</b>	<b>1,475</b>
Increase in funds due to customers and IRD	<b>21</b>	4,326	1,240
<b>Net cash from operating activities</b>	<b>17</b>	<b>6,492</b>	<b>2,715</b>
<b>Cash flows used in investing activities</b>			
Funds on term deposit		(1,200)	(500)
Investment in intangible assets		(1,629)	(1,066)
Purchases of property, plant and equipment		(35)	(113)
<b>Net cash used in investing activities</b>		<b>(2,864)</b>	<b>(1,679)</b>
<b>Cash used in financing activities</b>			
Loan repayments		(650)	-
Repayments of principal portion of lease liability		(127)	(122)
Interest paid on borrowings		(20)	(75)
<b>Net cash used in financing activities</b>		<b>(797)</b>	<b>(197)</b>
<b>Net increase in cash and cash equivalents</b>		<b>2,831</b>	<b>839</b>
Cash and cash equivalents at beginning of the period		9,512	8,673
<b>Cash and cash equivalents at end of the period</b>		<b>12,343</b>	<b>9,512</b>

The above statement should be read in conjunction with the accompanying notes.

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

### 1. General information

PaySauce Limited (the "Company" or "PaySauce"), is a for-profit limited liability company, domiciled and incorporated in New Zealand and registered under the Companies Act 1993. The company is an FMC Reporting Entity for the purpose of the Financial Markets Conduct Act 2013. PaySauce is listed on the New Zealand Stock Exchange ("NZX") that trades under the ticker PYS.

PaySauce is a SaaS fintech platform providing solutions for people at work in 14 jurisdictions across the Asia-Pacific region. 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, automated general ledger entries and digital employment contracts. The PayNow feature enables customers' employees to access the pay they've earned before payday, providing a free alternative to payday lenders.

The consolidated financial statements for the Company and its subsidiaries (the "Group") for the year ended 31 March 2025 were authorised in accordance with a resolution of the directors for issue on 20 May 2025 and are audited.

### 2. Summary of material accounting policies

#### a. Basis of preparation

These consolidated financial statements have been prepared:

- in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP")
- in accordance with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and other applicable Financial Reporting Standards, as appropriate for profit oriented entities
- in accordance with International Financial Reporting Standards ("IFRS")
- in accordance with the requirements of the Financial Markets Conduct Act 2013;
- on the basis of historical cost;
- in New Zealand dollars (NZD), which is the functional currency of the Group, with all values rounded to the nearest one thousand dollars (\$1,000) unless otherwise stated;
- on the assumption that the Group is a going concern.

#### b. Accounting standards that are issued but not yet effective

##### NZ IFRS 18 Presentation and Disclosure in Financial Statements

In May 2024, the New Zealand External Reporting Board (XRB) issued NZ IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual reporting periods beginning on or after 1 January 2027). This standard replaces NZ IAS 1 Presentation of Financial Statements and primarily introduces a defined structure for the statement of comprehensive income and disclosure of management-defined performance measures (a subset of non-GAAP measures) in a single note together with reconciliation requirements. It also includes enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. The Company is yet to adopt this standard and is in the process of assessing its impacts particularly with respect to the structure of the Company's statement of profit or loss, and the additional disclosures required for management performance measures. However, there will be no impact on the Company's net profit.

**c. Basis of consolidation**

The Group financial statements incorporate the financial statements of the Company and its subsidiaries as at 31 March 2025. All subsidiaries are wholly owned and controlled by the Company as at 31 March 2025 and have a reporting date of 31 March 2025 (note 20).

All transactions and balances between the Group are eliminated on consolidation. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

**d. Foreign currency translation***Functional and presentation currency*

Items included in the consolidated financial statements of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (New Zealand). The consolidated financial statements are presented in New Zealand dollars (\$), which is the Group's functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured.

**e. Goods and Services Tax (GST)**

All revenue and expense transactions are recorded exclusive of GST. Assets and liabilities are similarly stated exclusive of GST, with the exception of receivables and payables, which are stated inclusive of GST.

**f. Leases**

Lease liabilities are initially measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate. Subsequently, the carrying value of the liability is adjusted to reflect interest and lease payments made.

PaySauce re-measured the right-of-use asset and corresponding lease liability for the property lease at 85 The Esplanade, Petone during the period.

**3. Use of critical accounting estimates and judgements**

The preparation of the consolidated financial statements requires PaySauce to make a number of judgements, estimates and assumptions. Estimates and underlying assumptions are reviewed on an on-going basis.

Information about critical estimates and judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are included below and in the following notes:

- Intangible Assets (Note 8)
- Tax Expense (Note 10)

**4. Operating revenue**

	<b>2025</b>	<b>2024</b>
	<b>\$000s</b>	<b>\$000s</b>
Revenue from contracts with customers		
• Processing fees	6,322	5,370
• Other services revenue	71	64
Revenue from other sources		
• Interest income	2,343	2,220
• Other revenue	259	63
<b>Total operating revenue</b>	<b>8,995</b>	<b>7,717</b>

There are no significant estimates or judgements surrounding recognition of revenue.

**Revenue from contracts with customers****Processing fees**

Revenue from processing fees includes both fixed and incremental components based on the number of employees and pays processed for the customer. Revenue is recognised at the point in time the service is provided, which is when the customer's payroll has been paid to customers' employees.

**Other services revenue**

Revenue from sales of digital contracts are recognised when the customer has used the service. Revenue is recognised at the point in time the service is provided, which is when the customer uses the contract builder application.

**Revenue from other sources****Interest income**

Interest income is earned on all funds held on behalf of customers, including net wages payable to customers' employees and PAYE and other deductions payable to the IRD (see note 21). The interest earned on these customers' funds is determined to be operating revenue by the Group. Interest income is accrued using the effective interest rate method.

**Other revenue**

Other revenue is recognised upon completion of services at a point in time.

**5. Employee expenses**

	2025	2024
	\$000s	\$000s
Employee benefits/entitlements	4,315	3,712
Employee benefits/entitlements - share-based payments	663	582
Fringe benefit tax	26	22
Other employee expenses	72	154
<b>Total employee expenses</b>	<b>5,076</b>	<b>4,470</b>

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Employee expenses above contain research and development expenditure of \$0.976 million for the year ended 31 March 2025 (2024: \$0.764 million).

**6. Other expenses**

	2025	2024
	\$000s	\$000s
Advertising, PR and marketing	311	256
Audit fees	82	79
Communications and subscriptions	331	302
Customer and transactional	691	550
Other overheads	678	538
Infrastructure and security	343	250
Travel	80	111
<b>Total other expenses</b>	<b>2,516</b>	<b>2,086</b>

Other expenses above contain research and development expenditure of \$0.192 million for the year ended 31 March 2025 (2024: \$0.170 million).

**7. Property, plant and equipment**

	Right-of-use Asset (Property)	Office Equipment	Leasehold Improvements	Computer Equipment	Total
	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Year ended 31 March 2025</b>					
<b>Opening net book value</b>	<b>203</b>	<b>86</b>	<b>2</b>	<b>80</b>	<b>371</b>
Additions	167	7	-	33	207
Disposals	-	(2)	-	(2)	(4)
Depreciation	(141)	(21)	(2)	(58)	(222)
<b>Closing net book value</b>	<b>229</b>	<b>70</b>	<b>-</b>	<b>53</b>	<b>352</b>
<b>As at 31 March 2025</b>					
Cost	493	144	4	236	877
Accumulated depreciation	(264)	(74)	(4)	(183)	(525)
<b>Net book value</b>	<b>229</b>	<b>70</b>	<b>-</b>	<b>53</b>	<b>352</b>

	Right-of-use Asset (Property)	Office Equipment	Leasehold Improvements	Computer Equipment	Total
	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Year ended 31 March 2024</b>					
<b>Opening net book value</b>	<b>228</b>	<b>60</b>	<b>4</b>	<b>66</b>	<b>358</b>
Additions	104	45	-	67	216
Disposals	-	(1)	-	(3)	(4)
Depreciation	(129)	(18)	(2)	(50)	(199)
<b>Closing net book value</b>	<b>203</b>	<b>86</b>	<b>2</b>	<b>80</b>	<b>371</b>
<b>As at 31 March 2024</b>					
Cost	342	153	4	242	741
Accumulated depreciation	(139)	(67)	(2)	(162)	(370)
<b>Net book value</b>	<b>203</b>	<b>86</b>	<b>2</b>	<b>80</b>	<b>371</b>

Items of computer, office equipment, leasehold improvements are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss within the Statement of Comprehensive Income.

Depreciation is recognised in profit or loss on a straight line basis over the estimated useful lives of each item of equipment. Depreciation methods, useful lives and residual values are reviewed at each reporting period and adjusted if appropriate. The depreciation rates for the current and comparative years of significant items of property, plant and equipment are as follows:

Right-of-use asset	20 - 50%
Office equipment	8.5 - 67%
Leasehold improvements	50%
Computer equipment	40%

The carrying values of property, plant and equipment are reviewed annually for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

## 8. Intangible assets

	Development in progress	Computer Software	Customer Relationships	Total
	\$000s	\$000s	\$000s	\$000s
<b>Year ended 31 March 2025</b>				
<b>Opening net book value</b>	<b>972</b>	<b>1274</b>	<b>153</b>	<b>2,399</b>
Additions	85	-	-	85
Development costs recognised as an asset	1,544	-	-	1,544
Development in progress recognised as Software	(1,061)	1,061	-	-
Asset impairment	(53)	(21)	-	(74)
Amortisation	-	(524)	(71)	(595)
<b>Closing net book value</b>	<b>1,487</b>	<b>1,790</b>	<b>82</b>	<b>3,359</b>
<b>As at 31 March 2025</b>				
Cost	1,487	3,539	354	5,380
Accumulated amortisation	-	(1,749)	(272)	(2,021)
<b>Net book value</b>	<b>1,487</b>	<b>1,790</b>	<b>82</b>	<b>3,359</b>

	Development in progress	Computer Software	Customer Relationships	Total
	\$000s	\$000s	\$000s	\$000s
<b>Year ended 31 March 2024</b>				
<b>Opening net book value</b>	<b>799</b>	<b>986</b>	<b>224</b>	<b>2,009</b>
Additions	52	26	-	78
Development costs recognised as an asset	988	-	-	988
Development in progress recognised as Software	(639)	639	-	-
Asset impairment	(228)	-	-	(228)
Amortisation	-	(377)	(71)	(448)
<b>Closing net book value</b>	<b>972</b>	<b>1,274</b>	<b>153</b>	<b>2,399</b>

### As at 31 March 2024

Cost	972	2,628	354	3,954
Accumulated amortisation	-	(1,354)	(201)	(1,555)
<b>Net book value</b>	<b>972</b>	<b>1,274</b>	<b>153</b>	<b>2,399</b>

### Finite life intangible assets

Acquired computer software licences and costs associated with developing computer software are capitalised on the basis of the costs incurred to acquire and bring the specific software into use. All intangible assets of PaySauce are finite life intangible assets.

Development expenditure initially recognised as an expense is not recognised as an asset in subsequent periods. Costs associated with maintaining computer software programs are recognised as an expense as incurred. Where development activities result in the replacement of previously capitalised functionality, the associated development costs are classified as maintenance activity and accordingly expensed, unless the previously capitalised functionality has been fully amortised.

Developed and acquired software is measured at cost less accumulated amortisation and impairment losses, if any. Amortisation is recognised in the Statement of Comprehensive Income on a straight-line basis over no more than 5 years. The remaining useful life of each asset is reviewed at least annually and the period of amortisation amended accordingly.

## Key estimates and judgements

### Capitalisation of intangible assets

Management considers the time and associated salary cost of development staff to fall under the classification of development expenditure for assessment purposes in accordance with the principles outlined below. No indirect people costs, nor weighting of overheads is applied in these calculations. Development expenditure is capitalised if, and only if the Group can demonstrate all of the following:

- its ability to measure reliably the expenditure attributable to the asset under development;
- the product or process is technically and commercially feasible;
- its future economic benefits are probable;
- its ability to use or sell the developed asset; and
- the availability of adequate technical, financial and other resources to complete the asset under development.

**Accounting for finite life intangible assets**

At each reporting date, the useful lives and residual values of finite life intangible assets are reviewed for indicators of impairment. As at 31 March 2025, the assets were assessed for indicators of impairment, taking into account the condition of the assets, expected period of use of the assets by the Group, and expected disposal proceeds from any future sale of the assets.

Indicators of impairment were identified for one of the assets that was no longer expected to be utilised. Upon assessment of the recoverable amount of the asset, it was determined that an impairment of \$0.021 million be recognised (2024: \$Nil).

Development in progress has been tested for impairment by reviewing the nature of the events that originally gave rise to the recognition of the asset, the estimation of future generation of cash flows and any anticipated changes to the business or product circumstances.

Indicators of impairment were identified for development in progress assets during the year, with some assets in this category no longer expected to be completed. Upon assessment of the recoverable amount of the development in progress assets, it was determined that an impairment of \$0.053 million be recognised (2024: \$0.228 million).

**9. Finance Costs**

	2025	2024
	\$000s	\$000s
Interest paid	20	75
Finance cost - Interest on lease	32	22
<b>Total finance costs</b>	<b>52</b>	<b>97</b>

**10. Tax expense & deferred tax**

	2025	2024
	\$000s	\$000s
<b>(a) Income tax</b>		
Net profit before tax for the period	460	190
<b>At the New Zealand statutory income tax rate of 28%</b>	<b>129</b>	<b>53</b>
Non-deductible expenditure (permanent differences)	(53)	42
Prior period adjustments (temporary differences)	(25)	18
Recognition/(utilisation) of tax losses	(50)	(113)
<b>Deferred tax adjustments</b>		
• Reversal of temporary differences	(102)	20
• Recognition of tax losses carried forward as deferred tax asset	322	1,022
<b>Income tax benefit</b>	<b>221</b>	<b>1,042</b>

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

	2025	2024
	\$000s	\$000s
<b>(b) Deferred tax assets &amp; liabilities</b>		
<b>Opening deferred tax assets</b>	<b>1,022</b>	<b>-</b>
Recognised in profit or loss		
• Lease liabilities	71	-
• Provisions and accruals	96	-
• Unused tax losses	323	1,022
<b>Closing deferred tax assets</b>	<b>1,512</b>	<b>1,022</b>
<b>Opening deferred tax liabilities</b>	<b>43</b>	<b>62</b>
Recognised in profit or loss		
• Intangible assets	(20)	(20)
• Right of use asset	64	-
• Share-based payments	65	-
• Software assets	160	-
<b>Closing deferred tax liabilities</b>	<b>312</b>	<b>43</b>
<b>Net deferred tax asset / (liability)</b>	<b>1,200</b>	<b>979</b>

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The Group has recognised deferred tax assets in accordance with the key estimates and judgements below.

**Key estimates and judgements**

The Group holds tax losses of \$8.346 million as at 31 March 2025 (2024: \$8.523 million) available to carry forward, subject to shareholder and business continuity being maintained. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available to use against the asset. These are reviewed at each reporting period and adjusted if appropriate. Management has adjusted the deferred tax asset as at 31 March 2025 to \$1.344 million, representing tax losses of \$4.802 million converted at the company tax rate of 28%. Tax losses carried forward but not yet recognised as deferred tax assets therefore total \$3.543 million as at 31 March 2025.

**11. Earnings per share**

	2025	2024
<b>Basic earnings per share</b>		
Net profit used in calculating earnings per share (\$000s)	681	1,232
Weighted average number of ordinary shares for basic earnings per share	141,956,883	139,739,655
<b>Basic earnings per share (cents)</b>	<b>0.48</b>	<b>0.88</b>

There are no financial instruments on issue that will dilute the basic earnings per share amounts for the year ended 31 March 2025.

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of fully paid up ordinary shares on issue during the period.

**12. Share capital**

Date	Details	Weighted Average price (cents per share)	Number of Shares	\$000s
<b>1 April 2024</b>	<b>Opening Balance</b>		<b>140,982,146</b>	<b>13,659</b>
	Issue of shares relating to employee share schemes	0.2270	2,003,161	460
	Other share-based payments	0.2180	183,519	40
<b>31 March 2025</b>	<b>Closing Balance</b>		<b>143,168,826</b>	<b>14,159</b>

Date	Details	Weighted Average price (cents per share)	Number of Shares	\$000s
<b>1 April 2023</b>	<b>Opening Balance</b>		<b>139,207,935</b>	<b>13,212</b>
	Issue of shares relating to employee share schemes	0.2553	1,630,846	412
	Other share-based payments	0.2436	143,365	35
<b>31 March 2024</b>	<b>Closing Balance</b>		<b>140,982,146</b>	<b>13,659</b>

The disclosure for the movements in the share capital has been simplified due to the size and nature of the categories presented. The disclosure for the year ended 31 March 2024 has also changed from what was presented in the group financial statements to align the comparative period disclosure with the newly simplified categories. The change in disclosure does not impact the reporting results of operations, for the categories presented on the face of the financial statements.

Fully paid up, ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

**Dividends**

No dividends were declared or paid during the reporting period (2024: None).

**Capital Risk Management**

The Group considers its capital to comprise its fully paid up, ordinary share capital and accumulated retained earnings.

When managing capital, management's objective is to achieve optimal long term capital returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the Group.

**13. Key management personnel and related parties****Key management personnel compensation**

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly and include the Directors, the Chief Executive Officer and the Executive Leadership Team.

The table below summarises remuneration paid to key management personnel.

	2025 \$000s	2024 \$000s
Directors' fees	230	191
Short term employee benefits	1,434	1,128
Share-based payments	387	303
<b>Total key management personnel compensation</b>	<b>2,051</b>	<b>1,622</b>

**Director fees pool**

The maximum aggregate amount of remuneration payable in respect of all Directors' fees, based on the current number of Directors is \$230k per annum. Each non-executive director receives fees of \$40k per annum, with a further \$25k and \$5k per annum added for the Chair of the Board and the Chair of the Audit & Risk Committee respectively. Directors are not included in the company share schemes and they are not entitled to earn additional payments. There is no requirement for Directors to own shares, though they may elect to receive PaySauce Ordinary Shares in lieu of Directors fees.

**Other remuneration disclosures**

Outside of director fees, executive salaries and the employee share scheme - there are no contractual agreements in relation to other types of remuneration.

**Related party transactions and balances**

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. A number of those entities subscribe to services provided by the Group. None of the related party transactions are significant to either party. Outside of these transactions, and the Directors' fees and short term employee benefits noted above, all other related party transactions are outlined below:

	2025	2024
	\$000s	\$000s
<b>Related party transactions during the period</b>		
<b>Cloud hosting services supplied by entities controlled by related parties</b>		
Catalyst.Net Limited	20	-
Catalyst Cloud Limited	3	101
<b>Related party balances payable at period end</b>		
Directors' Fees	35	36
Cloud Hosting Services	-	4

**14. Financial instruments**

The Group's financial assets mainly comprise of Cash and Cash Equivalents and Term Deposits. Cash and Cash Equivalents is comprised of cash on hand. Term Deposits are measured at amortised cost. Cash and Cash Equivalents and Term Deposits includes funds collected from customers as a PAYE intermediary (note 21).

**Classification and measurement of financial liabilities**

The Group's financial liabilities include trade and other payables, funds due to customers and IRD, other liabilities (including an overdraft facility used to operate our BNZ PayNow feature).

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs. Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

**Categories of Financial Assets & Liabilities**

The carrying amounts presented in the statement of financial position relate to the following categories of assets and liabilities.

	2025	2024
	\$000s	\$000s
<b>Financial assets</b>		
<i>Financial assets at amortised cost</i>		
Cash and cash equivalents	309	603
Cash and cash equivalents - customer funds	12,034	8,909
Term deposits	25,900	24,700
Trade and other receivables	181	173
<b>Total financial assets</b>	<b>38,424</b>	<b>34,385</b>
<b>Financial liabilities</b>		
<i>Financial liabilities at amortised cost</i>		
Funds due to customers and IRD	37,935	33,609
Trade and other payables	427	321
Other liabilities	434	390
Interest bearing liabilities	-	650
<b>Total financial liabilities</b>	<b>38,796</b>	<b>34,970</b>

The Group is exposed to a variety of financial risks. The financial risks arise from the business activities of the Group. The specific financial risks that the Group is exposed to are discussed below.

**a. Credit risk**

As a SaaS business with minimal credit exposure, credit risk is relatively low relating to revenue received from customers and any associated trade receivables. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

**(i) Credit risk concentration profile**

The Group manages credit risk by placing its cash and short term investments with high quality financial institutions. The majority of the Cash and Cash Equivalents are held with ASB Bank, BNZ and Kiwibank, which hold the following credit ratings:

Credit Ratings	Standard & Poors Rating	Fitch Rating	Moody's Rating
ASB Bank	AA-	A+	Aa3
BNZ	AA-	A+	A1
Kiwibank	Not rated	AA	A1

**(ii) Exposure to credit risk**

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

**b. Liquidity risk**

Liquidity risk arises mainly from business activities. The Group manages liquidity risk by ensuring cash flow is planned ahead of time, and funding is planned and organised when required, to ensure the Group will be able to meet its financial obligations. The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payment computed using contractual rates or, if floating, based on the rate at the end of the reporting period):

	Carrying amount	Total	0-6 months	7-12 months	1-2 years	2-5 years
Year ended 31 March 2025	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Funds due to customers and IRD	37,935	37,935	37,935	-	-	-
Trade and other payables	427	427	427	-	-	-
Other liabilities	434	434	434	-	-	-
Lease liabilities	252	252	68	72	100	12
<b>Total</b>	<b>39,048</b>	<b>39,048</b>	<b>38,864</b>	<b>72</b>	<b>100</b>	<b>12</b>

	Carrying amount	Total	0-6 months	7-12 months	1-2 years	2-5 years
Year ended 31 March 2024	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Funds due to customers and IRD	33,609	33,609	33,609	-	-	-
Trade and other payables	321	321	321	-	-	-
Other liabilities	390	390	390	-	-	-
Lease liabilities	212	212	70	63	42	37
Interest bearing liabilities	650	662	662	-	-	-
<b>Total</b>	<b>35,182</b>	<b>35,194</b>	<b>35,052</b>	<b>63</b>	<b>42</b>	<b>37</b>

**c. Interest rate risk**

PaySauce's interest rate risk arises from the interest that it earns from its cash and cash equivalents. These funds are subject to variable interest rates that expose PaySauce to cash flow interest risk rate. PaySauce does not currently use any derivative products to manage interest rate risk.

As at balance date, \$1.7 million of funds held in term deposits were subject to interest periods of greater than 12 months.

An analysis of the sensitivity of the Group's earnings due to movements in interest rates is shown below:

	2025	2024
	\$000s	\$000s
<b>Effect on net profit before tax</b>		
<b>Cash and cash equivalents and term deposits</b>		
Each 100 basis point increase in interest rate	362	335
Each 100 basis point decrease in interest rate	(362)	(335)

The above information is calculated by applying the effective movement to the average balance of cash and cash equivalents and term deposits. Cash and cash equivalents and Term Deposits totalled \$38.15 million as at 31 March 2025 (2024: \$34.21 million).

**15. Interest bearing liabilities**

The Group repaid the BNZ loan of \$0.65m in full on 20 June 2024 in line with the revenue based funding agreement.

The group entered into a new agreement on 14 June 2024 for an overdraft facility of \$0.35m.

The Group is required to maintain an interest coverage ratio of 3 or more, and is tested at the end of each financial quarter. The funding is also provided on the basis that no dividend be paid out during the term of the facility.

The overdraft is secured over all present and acquired property of the Group.

As at 31 March 2025 the overdraft facility carried an interest rate of 8.88%, which includes a 2.5% fixed component.

	2025	2024
	\$000s	\$000s
BNZ Term Loan	-	650
<b>Total interest bearing liabilities</b>	<b>-</b>	<b>650</b>

**16. Fair values of financial assets and liabilities**

The carrying values of short term financial assets and liabilities approximate their fair values. Short term financial assets include cash, trade and other receivables and related party receivables.

**17. Reconciliation of net profit after tax to net cash flows from operations**

	2025 \$000s	2024 \$000s
Net profit after taxation	681	1,232
<b>Add back non-cash &amp; non-operating items:</b>		
Depreciation & amortisation	817	646
Asset impairments & loss on disposal of fixed assets	74	232
Share-based payment expense	445	418
Other non-cash & non-operating items	20	(948)
<b>Total non-cash &amp; non-operating items:</b>	<b>2,037</b>	<b>1,580</b>
<b>Movement in working capital:</b>		
(Increase)/decrease in Trade and other receivables	(8)	(49)
(Increase)/decrease in Other assets	(63)	182
Increase in Funds due to customers and IRD	4,326	1,240
Increase/(decrease) in Trade and other payables	124	(229)
Increase/(decrease) in Employee benefits	32	(54)
Increase in Other liabilities	44	45
<b>Total movements in working capital</b>	<b>4,455</b>	<b>1,135</b>
<b>Net cash inflow from operating activities</b>	<b>6,492</b>	<b>2,715</b>

**18. Employee Share Scheme**

The Group entered into an employee share scheme (ESS) for the year ended 31 March 2025. The structure of the FY25 scheme is the same as the FY24 scheme outlined in the financial statements for the year ended 31 March 2024, as follows: An ESS agreement is entered into between each eligible employee and the Company stipulating the value of fully paid up ordinary shares granted. Shares are issued quarterly, at the end of each quarter, and the number of shares granted is determined by the volume weighted average share price on each issue date.

New employees may enter the scheme on a quarterly basis as they become eligible, with the benefit pro-rated accordingly. Equally, employees who leave or become ineligible for the scheme forfeit their right to be issued shares as part of the ESS agreement.

This equity settled remuneration attracts income tax on the employees. The income tax and other deductibles are deducted and the net amount of ordinary shares are issued to employees.

Employee share scheme expenses for the year ended 31 March 2025 are as follows:

	Total \$000s
<b>For the year ended 31 March 2025</b>	
FY25 ESS	582
Legacy ESS & other share-based payments	121
<b>Total share-based payment expense</b>	<b>703</b>

	Total \$000s
<b>For the year ended 31 March 2024</b>	
FY24 ESS	442
Legacy ESS & other share-based payments	140
<b>Total share-based payment expense</b>	<b>582</b>

The disclosure for share-based payment expenses has been simplified due to the size and nature of the categories presented. The disclosure for the year ended 31 March 2024 has also changed from what was presented in the group financial statements to align the comparative period disclosure with the newly simplified categories. Legacy ESS refers to the FY22 and FY23 schemes. The change in disclosure does not impact the reporting results of operations, for the categories presented on the face of the financial statements.

**Share-based payment reserve**

The share-based payment reserve is used to record the accumulated value of shares that have been expensed to the profit and loss, but not yet issued. Movements in the share-based payment reserve for the year ended 31 March 2025 are as follows:

Date	Details	\$000s
<b>1 April 2024</b>	<b>Opening Balance</b>	<b>212</b>
	FY25 ESS - expensed	375
	FY24 & FY25 ESS - shares issued	(318)
	Legacy ESS & other share-based payments - expensed	70
	Legacy ESS & other share-based payments - shares issued	(181)
<b>31 March 2025</b>	<b>Closing Balance</b>	<b>158</b>

Date	Details	\$000s
<b>1 April 2023</b>	<b>Opening Balance</b>	<b>242</b>
	FY24 ESS - expensed	286
	FY24 ESS - shares issued	(173)
	Legacy ESS & other share-based payments - expensed	101
	Legacy ESS & other share-based payments - shares issued	(244)
<b>31 March 2024</b>	<b>Closing Balance</b>	<b>212</b>

The disclosure for the movements in the share-based payment reserve has been simplified due to the size and nature of the categories presented. The disclosure for the year ended 31 March 2024 has also changed from what was presented in the group financial statements to align the comparative period disclosure with the newly simplified categories. Legacy ESS refers to the FY22 and FY23 schemes. The change in disclosure does not impact the reporting results of operations, for the categories presented on the face of the financial statements.

#### Share-based payment liabilities

Liabilities associated with share-based payments are accrued based on the estimated value of the future income tax and other deductibles for the individuals that will be paid by PaySauce on behalf of each employee when shares are issued. The accrued liability at balance date was as follows:

	2025	2024
	\$000s	\$000s
Share-based payment liabilities		
Current	82	91
<b>Total share-based payment liabilities</b>	<b>82</b>	<b>91</b>

The employee liabilities in the consolidated statement of financial position also include other employee entitlements such as accrued leave.

#### 19. Segment reporting

The Group is organised into one reportable operating segment only, being SaaS based employment and payment solutions for people at work in 14 jurisdictions across the Asia-Pacific region, primarily within New Zealand. Providing employers the technology to digitally onboard, pay and manage employees from any device. The PaySauce platform includes rosters, mobile timesheets, payroll calculations, banking integration, automated payments, PAYE filing, labour costing, automated general ledger entries and digital employment contracts. The chief operating decision maker has been identified as the Board of Directors, as it makes all key strategic resource allocation decisions (such as those concerning acquisition, divestment and significant capital expenditure).

Overseas revenue earned is not material and no separate geographical segment has been reported.

#### 20. Investments in subsidiary

The Company had the following subsidiaries at 31 March 2025:

Entity Name	Date of incorporation	Nature of business	Equity held (%)	Value held (\$)	Country of incorporation	Balance date
PaySauce Operations Limited	07/01/2015	SaaS Employment Solutions	100	309,278	New Zealand	31 March
Right Remuneration Limited	22/01/2015	PAYE Intermediary	100	-	New Zealand	31 March
Payroll.Kiwi Limited	01/08/2017	Employee Share Scheme Bare Trustee	100	-	New Zealand	31 March
PaySauce Pty Limited	08/02/2023	SaaS Employment Solutions	100	-	Australia	31 March

Only PaySauce Operations Limited, Right Remuneration Limited and PaySauce Pty Limited are consolidated in these consolidated financial statements, as Payroll.Kiwi Limited is a non-trading company.

#### 21. Funds due to customers and IRD

As a PAYE intermediary, PaySauce collects funds from clients which are payable to both clients' employees (as the employees' net wages and salaries) and the IRD (as the applicable PAYE, student loan and other IRD liabilities). These funds are included in PaySauce's cash and term deposit balances and in accordance with section RP6 of the Income Tax Act 2007, PaySauce can earn interest on these funds, but the funds must only be used as follows:

- Payment of net salary or wages to employees of PaySauce's clients.
- Payment of IRD obligations resulting from pays run on PaySauce software to the IRD, including PAYE deductions, student loan deductions, superannuation contributions and any other amount of tax withheld from a payment of salary or wages to IRD.

Under the financial reporting standards movements in these funds do not meet the definition of either investing or financing activities and so must be classified as operating cash flows. However, as stated above the use of these funds is restricted and they cannot be used to cover other PaySauce expenses, the company has therefore presented operating cash flows in the Cash Flow Statement as both before and after this movement in funds. The value of restricted funds at reporting date is represented by funds due to customers and IRD as disclosed in the Statement of Financial Position.

#### 22. Contingencies

As at 31 March 2025 the Group had no contingent liabilities or assets (2024: \$nil)

#### 23. Events occurring after the reporting period

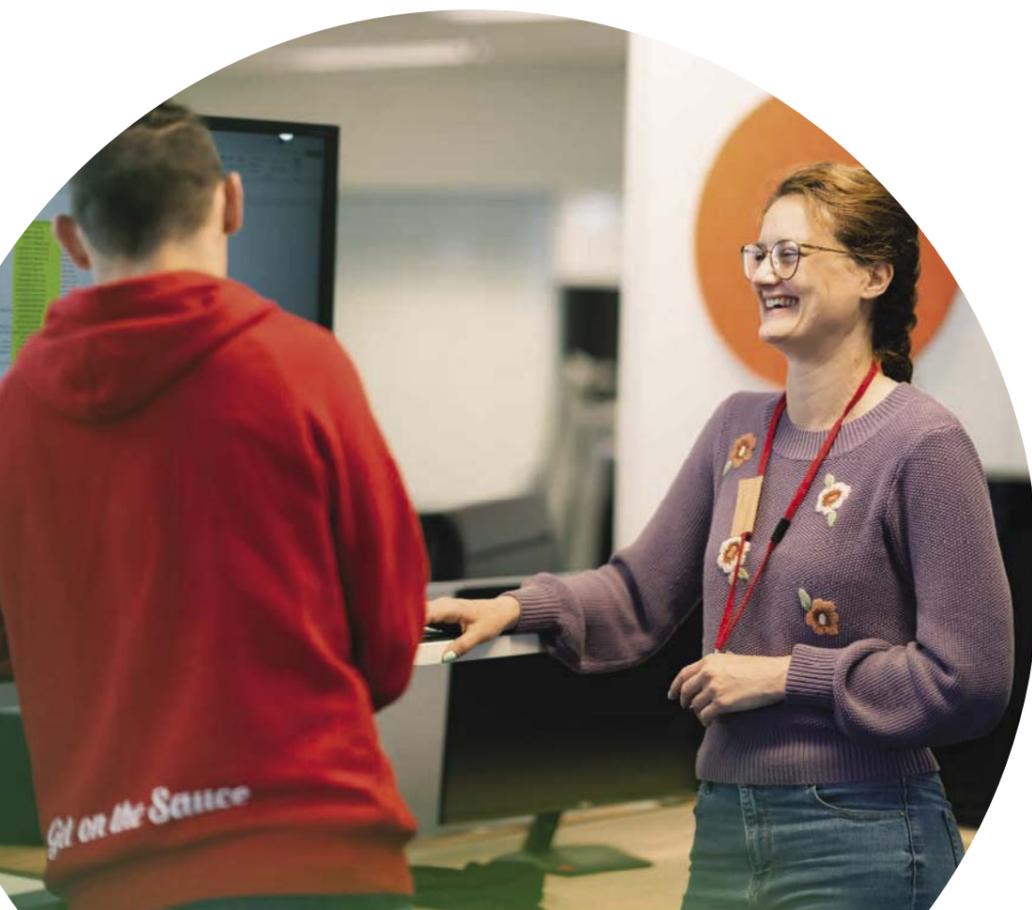
No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

# Corporate Governance

Strong corporate governance protects the Company and as a result our shareholders, customers, staff, and stakeholders. Our approach to the recommendations outlined in the NZX Corporate Governance Code (the Code) are set out below.

This section is structured around the principles detailed in the Code, and explains how PaySauce is applying the Code's recommendations. PaySauce documents referred to in this section are also available online at <https://www.paysauce.com/investor/>

The Board considers that, as at 20 May 2025, the Company complied with the recommendations set by the NZX Corporate Governance Code dated 31 January 2025, unless stated in the sections outlined below, or in PaySauce's Corporate Governance Code.



## Principle 1 – Code of ethical behaviour

“Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation.”

### Code of ethics

Our code of ethics exists to help our directors, senior management, and employees with not just doing well, but doing good.

This sets the standard of conduct for all our people. It's intended to support decision-making that aligns with PaySauce's values, business goals, and legal and policy obligations. The board approves the code of ethics, which covers:

- conflicts of interest
- accepting gifts or benefits
- protecting company assets
- complying with laws and policies
- maintaining confidentiality
- valuing personnel
- transparency

All new directors and employees receive a copy of the code of ethics.

### Securities trading policy

PaySauce respects the integrity of New Zealand's financial markets and insider trading laws. Our securities trading policy outlines how those laws apply, and the rules we've put in place to help ensure our people follow the law.

Directors, certain employees, and related parties need approval from PaySauce to trade in the company's shares. Trading is limited to defined “trading windows”.

The directors' shareholdings and trading of shares during the year by the directors is published under Directors' disclosures. A director or senior manager must advise the NZX promptly if they trade in the company's shares.

## Principle 2 – Board composition and performance

“To ensure an effective board, there should be a balance of independence, skills, knowledge, experience”

### The board of directors

The directors are responsible for the corporate governance practices of the company. The board's practices are detailed in the Company's corporate governance code, which lays out protocols for board operations.

This code complies with the relevant recommendations in the NZX Corporate Governance Code, and is reviewed annually.

The board's primary role is to represent and promote the interests of shareholders, ultimately adding long-term value to the company's shares.

The board carries out its responsibilities according to the following mandate.

- the Board shall have a minimum number of three directors and a maximum of 10;
- the Board shall have at least two directors ordinarily resident in New Zealand;
- the Board shall maintain at least two Independent Directors (as defined in the NZX Main Board Listing Rules). Where there are eight or more directors, the board will maintain three or one-third (rounded down to the nearest whole number) of the total number of directors, whichever is the greater;
- a majority of the directors should not be executives of the Company;
- a director should not have any significant conflict of interest that is potentially detrimental to the Company, other than and to the extent dealt with in the Corporate Governance Code of the Company;
- the Board seeks diversity in the skills, attributes and experience of its members across a broad range of criteria, to represent the diversity of shareholders, business types and regions in which the Company operates; and
- the Board elects a Chair, and can replace them at any time.
- Management must provide the board with accurate information within the timeframe required for the board to effectively discharge its duties.
- The effectiveness and performance of the board and its individual members should be re-evaluated annually.

As at 31 March 2025 the Board comprised of six Directors:

- Asantha Wijeyeratne – Executive Director and CEO
- Gavin Thompson – Non-Executive Director
- Michael O'Donnell – Independent Director
- Shelley Ruha – Independent Director (Chair of Board)
- Mark Samlal – Independent Director
- Jim Sybertsma – Independent Director (Chair of Audit & Risk Committee)

Independence of directors is determined by assessing the directors against the following factors:

- Not currently, or historically (within 3 years) employed in an executive role with PaySauce;
- Not currently holding a senior role in a provider of material professional services to PaySauce;
- No current material business relationship (i.e. as a supplier or customer) to PaySauce;
- Not currently a substantial product holder of PaySauce or a senior manager of a product holder of PaySauce;
- No current material contractual relationship with PaySauce, other than as a director;
- No close family ties with anyone who would fall into the above categories;
- Has not been a director of PaySauce for a length of time that may compromise independence.

More information on the directors, including their relevant interests, and shareholdings, is provided in the Directors' disclosures section of this report and is on the company's website.

Day-to-day management of PaySauce is delegated to the Chief Executive and the Executive team.

### The board's responsibilities

The primary responsibilities of the board are to:

- provide overall governance and strategic leadership;
- oversee management's implementation of the Company's strategic objectives and performance;
- oversee the development, adoption and communication of a clear strategy for the Company;
- oversee accounting and reporting systems and ensure the quality and independence of the Company's external audit process;
- adopt and regularly review the risk management framework;
- appoint a Chair of the Board and the CEO;
- review and approve the Company's operating budgets and major capital expenditure;
- adopt and review the Company's remuneration policy and other corporate governance documents;
- ensure compliance with the Company's constitution, continuous disclosure obligations, and the relevant laws, listing rules and regulations and auditing and accounting principles;
- implement and periodically review the Company's Code of Ethics, foster high standards of ethical conduct and personal behaviour and hold accountable those who engage in unethical behaviours;
- periodically assess its own effectiveness in carrying out these functions and the other responsibilities of the Board.

On appointment to the board by the shareholders, new directors sign a written agreement that covers the terms of their appointment.

Every year, the board and sub-committees critically evaluate their own performance and processes. This will identify any training opportunities for individual directors to maintain relevant and up-to-date skills for their role.

### Independent professional advice

With the prior approval of the Chair, each director may seek independent legal and professional advice, at the company's expense, about any aspect of PaySauce's operations to assist in fulfilling their duties as a director.

### Diversity

The PaySauce board and management are determined that all staff and all eligible candidates for vacant positions should have equal opportunity to demonstrate their skills and experience. This forms the basis of our diversity policy.

PaySauce embraces uniqueness in our people and welcomes diversity. We believe that difference builds resilience and innovation. We encourage our employees to be curious and open-minded, embracing wide-ranging perspectives and working to meet the needs of individuals.

Our approach to diversity is to continually develop a work environment that supports equality, exchange and inclusion. We believe in accommodating, rather than minimising, the different needs of our people.

The Board has considered the need for measurable objectives for diversity and determined that it is not yet appropriate to set measurable objectives due to market conditions and the stage of the company's development. That decision will be reconsidered annually. When appropriate the Board, or a committee appointed by the Board, will set measurable objectives for achieving diversity (which, at a minimum, will address gender diversity). The Board will annually review those objectives and the Company's progress in achieving them. Despite being a small team, there is diversity across age, gender identity, race, first language, religion and mobility.

We held the following gender diversity as at 31 March 2025:

	As at 31 March 2025		
	Directors	Executive Team	Employees
Male	5	2	20
Female	1	2	25
<b>Total</b>	<b>6</b>	<b>4</b>	<b>45</b>

	As at 31 March 2024		
	Directors	Executive Team	Employees
Male	5	4	18
Female	1	2	23
<b>Total</b>	<b>6</b>	<b>6</b>	<b>41</b>

### Principle 3 – Board committees

“The board should use committees where this will enhance its effectiveness in key areas, while still retaining board responsibility.”

#### Audit and Risk Committee

The Audit and Risk Committee (“ARC”) assists the board in financial reporting, and risk and financial/secretarial compliance.

The ARC makes recommendations to the board on appointing external auditors to ensure their independence. The ARC also monitors 5-yearly rotation of the lead audit partner.

The ARC facilitates communication between the board and external auditors. The committee’s responsibilities include:

- reviewing the appointment of the external auditor, the annual audit plan, and addressing auditor recommendations
- reviewing publicly released dividend proposals and financial information
- ensuring that appropriate financial systems and internal controls are in place.

The ARC must include at least three directors, and consist of only non-executive directors and have a majority of independent directors. At least one member must be a director with an accounting or financial background.

The Chair of the Board cannot also be the Chair of the ARC. The current members are Jim Sybertsma (Chair), Michael O’Donnell, and Gavin Thompson, of which Jim, and Michael are independent directors.

The committee usually invites the Executive Team, and at least twice a year invites the external auditors to attend ARC meetings.

### Principle 4 – Reporting and disclosure

“The board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures.”

#### Reporting and disclosure

The board is committed to providing accurate, thorough, and timely information to existing shareholders and to the market. This means all investors can make informed decisions about PaySauce.

As an NZX listed company, PaySauce must comply with disclosure requirements under the NZX Main Board Listing Rules. PaySauce recognises the importance of these requirements in providing equal access for all investors, or potential investors, to price-sensitive information.

The disclosure and communications policy outlines PaySauce’s obligations to meet disclosure requirements. It also covers related issues, including external communications.

PaySauce has not provided detailed reporting on environmental, economic and social sustainability risks. Whilst PaySauce is not yet captured by the mandatory climate risk disclosure reporting regime, management does not consider the business has material exposure to climate risk given the nature of our business and the increasing diversification of our customer base.

PaySauce publishes key governance and other relevant documents in the investor centre of our website: <https://www.paysauce.com/investor/>

Announcements made to the NZX and reports are also posted on the company’s website.

### Principle 5 – Remuneration

“The remuneration of directors and executives should be transparent, fair and reasonable.”

The board is responsible for setting individual directors’ fees, and monitoring the remuneration of the Chief Executive and Executive Team.

PaySauce has in place a remuneration policy, outlining the key principles that influence remuneration practices. This can be found in the Company’s Corporate Governance Code, located on the Company’s website (at the date of this report, located in section 15 of the Company’s Corporate Governance Code at <https://www.paysauce.com/investor/>).

Further details and disclosures are outlined in the disclosures section of this document.

### Principle 6 – Risk management

“Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The board should regularly verify that the Company has appropriate processes that identify and manage potential and material risks.”

The board is responsible for overseeing internal controls to manage key risks, and has overall responsibility for managing risk.

The company maintains a risk register to identify and manage risk. The Executive Team is responsible for maintaining this register, and reporting to the board on a regular basis.

Through the ARC, the board considers the recommendations of external auditors. The board sees that those recommendations are investigated and appropriate action is taken, where necessary.

## Principle 7 – Auditors

“The board should ensure the quality and independence of the external audit process.”

The Audit and Risk Committee (“ARC”) makes recommendations to the board to appoint an external auditor. The committee also monitors the independence and effectiveness of the external auditor, and reviews and approves any non-audit services they perform.

The committee meets with the external auditor at least twice a year to approve the terms of engagement, audit partner rotation (at least every 5 years) and audit fee, and to review and provide feedback on the annual audit plan.

The committee routinely meets with PaySauce’s external auditor, Grant Thornton, without management present. Grant Thornton also attends PaySauce’s ASM.

The company continually monitors its internal control environment.

## Principle 8 – Shareholder rights and relations

“The board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer.”

### Information for shareholders

The company seeks to help investors understand its activities, by communicating effectively and providing clear and balanced information. In addition to interim and annual reporting, the company also chooses to release quarterly trading updates to the market.

The company website ([www.paysauce.com](http://www.paysauce.com)) provides an overview of the business and information about its activities. This includes details of the company’s services, latest news, investor information, key corporate governance information, and copies of significant NZX announcements. The website also provides profiles of the directors and the Executive Team.

Shareholders have the right to vote on PaySauce’s major decisions, in line with the requirements of the Companies Act 1993 and the NZX Main Board Listing Rules.

### Communicating with shareholders

PaySauce works to keep investors well informed, and regularly provides information about current operations and future plans. This is achieved through our NZX market announcements and presentations to retail investors.

PaySauce sends notice of the ASM to shareholders, and publishes it on the company website at least 28 days before the meeting each year.

## Disclosures

### Employee remuneration

The table below sets out the number of PaySauce Group employees and former employees who received remuneration and other benefits, including non-cash benefits and share-based remuneration in excess of \$100,000 per annum. Director remuneration is not included in the table below, and instead set out in a separate section below.

Remuneration range	Employees - 2025	Employees - 2024
\$100,000 - \$109,999	2	2
\$110,000 - \$119,999	4	2
\$120,000 - \$129,999	3	2
\$130,000 - \$139,999	2	1
\$140,000 - \$149,999	2	-
\$150,000 - \$159,999	1	-
\$160,000 - \$169,999	3	3
\$180,000 - \$189,999	-	1
\$190,000 - \$199,999	-	1
\$210,000 - \$219,999	1	-
\$220,000 - \$229,999	1	-
\$240,000 - \$249,999	1	-
\$250,000 - \$259,999	1	1
\$300,000 - \$309,999	-	1
\$310,000 - \$319,999	1	1
\$330,000 - \$339,999	1	-
\$350,000 - \$359,999	-	1
\$450,000 - \$459,999	1	-

### Donations

No cash donations were made by the Group during the year ended 31 March 2025 (2024: \$Nil). Donations in kind of \$230,000 were given to 127 charities and non-profit organisations during the period (2024: \$175,000, and 102).

**Board meeting attendance**

Board meetings are held in person and/or by teleconference. The Directors attended the following board meetings during the year ended 31 March 2025:

Director	Board Meetings Attended	ARC Meetings Attended
Asantha Wijeyeratne	9 of 9	-
Gavin Thompson	9 of 9	3 of 3
Michael O'Donnell	7 of 9	3 of 3
Shelley Ruha	9 of 9	-
Mark Samlal	9 of 9	-
Jim Sybertsma	9 of 9	3 of 3

Note - If a director was not a member of a particular committee at the time of the relevant meetings '-' has been recorded.

**Directors' share transactions**

Directors disclosed, pursuant to section 148 of the Companies Act 1993 and Part 5 of the Financial Markets Conduct Act 2013, the following acquisitions and disposals of relevant interest in PaySauce ordinary shares during the year ended 31 March 2025:

Director	Registered holder / associated entity	Number of shares acquired / (disposed)	Consideration	Date	
Asantha Wijeyeratne	Payroll.Kiwi Limited	41,708	\$10,828	Mar-25	Discretionary bonus paid and applied to paying up unpaid Employee Share Scheme Shares
Asantha Wijeyeratne	Cloud Investments Limited	(419,158)	\$82,262	Feb-25	On-market sale of shares
Asantha Wijeyeratne	Payroll.Kiwi Limited	37,158	\$7,733	Jan-25	Shares issued as part of the FY25 Employee Share Scheme
Mark Samlal	Mark Samlal	48,054	\$10,000	Jan-25	Issued shares in lieu of director remuneration
Asantha Wijeyeratne	Cloud Investments Limited	(46,194)	\$0	Dec-24	Off-market sale of shares - gifted for no consideration

Asantha Wijeyeratne	Payroll.Kiwi Limited	(153,806)	\$0	Dec-24	Off-market sale of shares - gifted for no consideration
Asantha Wijeyeratne	Payroll.Kiwi Limited	38,567	\$7,733	Oct-24	Shares issued as part of the FY25 Employee Share Scheme
Mark Samlal	Mark Samlal	49,875	\$10,000	Oct-24	Issued shares in lieu of director remuneration
Michael O'Donnell	Michael O'Donnell	10,308	\$2,595	Jul-24	On-market purchase of shares
Asantha Wijeyeratne	Payroll.Kiwi Limited	32,179	\$7,733	Jul-24	Shares issued as part of the FY25 Employee Share Scheme
Mark Samlal	Mark Samlal	41,615	\$10,000	Jul-24	Issued shares in lieu of director remuneration
Mark Samlal	Mark Samlal	43,975	\$10,000	Apr-24	Issued shares in lieu of director remuneration

**Directors' remuneration**

The total Directors' fees and other remuneration received by the Directors for the period ended 31 March 2024 is outlined below:

Director	31-Mar-25			31-Mar-24		
	Director fees	Other remuneration	Total	Director fees	Other remuneration	Total
Asantha Wijeyeratne	Nil	\$451,431	\$451,431	Nil	\$358,826	\$358,826
Gavin Thompson	\$40,000	Nil	\$40,000	\$40,000	Nil	\$40,000
Jacqueline Cheyne*	Nil	Nil	Nil	\$24,375	Nil	\$24,375
Michael O'Donnell	\$40,000	Nil	\$40,000	\$40,000	Nil	\$40,000
Shelley Ruha	\$65,000	Nil	\$65,000	\$65,000	Nil	\$65,000
Mark Samlal	\$40,000	Nil	\$40,000	\$10,000	Nil	\$10,000
Jim Sybertsma	\$45,000	Nil	\$45,000	\$11,250	Nil	\$11,250

\*Jacqueline Cheyne resigned as an Independent Director and Chair of the Audit & Risk Committee, effective 30 September 2023.

**Executive Director remuneration**

Asantha Wijeyeratne is the Chief Executive Officer, and held this position as at 31 March 2025. He did not receive any remuneration in his capacity as a Director, but was remunerated as Chief Executive Officer as follows:

	31-Mar-25	31-Mar-24
CEO Remuneration	Asantha Wijeyeratne	Asantha Wijeyeratne
Salary	\$336,963	\$305,576
Bonuses	\$58,688	-
Employee Share Scheme	\$55,780	\$53,250
<b>Total</b>	<b>\$451,431</b>	<b>\$358,826</b>

**Insurance of Directors and Officers**

PaySauce has a Directors' and officers' liability insurance policy in place. This provides insurance for the liabilities of the Directors and officers for acts or omissions in their capacity as Directors or employees. The insurance policies do not cover dishonest, fraudulent, malicious, or wilful acts or omissions.

**General Disclosures of Interest**

Director/Exec	Company	Nature of Interest
Asantha Wijeyeratne	Buzz Hospitality Limited	Director
	Catalyst IT Limited	Shareholder
	Cloud Investments Limited	Director & Shareholder
	Manuka Café Limited	Director
	Payroll.Kiwi Limited	Director
	PaySauce Limited	Director & Shareholder
	PaySauce Operations Limited	Director
	Right Remuneration Limited	Director
	Wijeyeratne & Co Ltd	Director & Shareholder
Gavin Thompson	Catalyst Cloud Limited	Director
	Catalyst IT Limited	Director & Shareholder
	Catalyst.Net Limited	Director
	Catalyst IT Australia Pty Ltd	Director

	Catalyst IT Europe Ltd	Director
	PaySauce Limited	Director & Shareholder
	PaySauce Operations Limited	Director
	Truenet Limited	Director
Michael O'Donnell	PaySauce Limited	Shareholder, Independent Director
	Realestate.co.nz Limited	Director
	Radio New Zealand Limited	Director
	NZ Trade + Enterprise / G2G	Deputy Chair
	Serato Audio Research Limited	Deputy Chair
	Stuff Media	National Columnist
	High Tech New Zealand	Trustee
	Sandfield Software	Director
	Tech Startup Council	Member
	Shelley Ruha	Analey Holdings Limited
IT & Business Consulting Limited		Director
Analey Investments Limited		Director and Shareholder
Heartland Bank Limited		Independent Director
Partners Group Holdings Limited		Independent Director
Partners Life Limited		Director
PaySauce Limited		Shareholder, Independent Chair
New Zealand Rural Land Management GP Limited		Director
Allied Farmers Limited		Independent Chair
Allied Farmers Rural Limited		Director
	LONZ 2008 Holdings Limited	Director
	Allied Farmers Property Holdings Limited	Director
	Rural Funding Solutionz Limited	Director
	QWF Holdings Limited	Director
	Allied Farmers (New Zealand) Limited	Director
	Clearwater Hotel 2004 Limited	Director

## CORPORATE GOVERNANCE

	LONZ 2008 Limited	Director
	UFL Lakeview Limited	Director
	Lifestyles of New Zealand Queenstown Limited	Director
	5M No.2 Limited	Director
	ALF Nominees Limited	Director
	New Farmers Livestock Finance Limited	Director
	9 Spokes International Limited	Independent Director
	9 Spokes Trustee Limited	Director
	9 Spokes Knowledge Limited	Director
	9 Spokes US Holdings Limited	Director
	9 Spokes UK Limited	Director
	9 Spokes Australia Limited	Director
	9 Spokes US Limited	Director
	Smartpay Holdings	Director
Mark Samlal	PaySauce Limited	Shareholder, Independent Director
	MS&MS Pty Ltd	Director
	Pay Asia	Managing Director
	Astute Corporation Pty Ltd	Director
	Managed Payroll Services Pty Ltd	Director
	Integrated Workforce Solutions PTY Ltd	Director
	IWS BOOKKEEPING AUSTRALIA PTY. LTD	Director
	Payroll HQ Pty Ltd	Director
	Pay Asia Australia Pty Ltd	Director
	Pay Asia Pty Ltd	Director
	PayMY Outsourcing Sdn Bhd	Director
	Pay Asia Limited	Director
	Pay Asia HR Services Limited Inc	Director
	CONG TY TNHH PAY ASIA VIETNAM	Director

## CORPORATE GOVERNANCE

	Pay Asia (Thailand) Limited	Director
	PT Payasia Konsultansi Indonesia	Director
	Payasia Company Limited	Director
	Pay Asia Management Private Limited	Director
	Payasia BPO Payroll India Private Limited	Director
	PAYGROUP NZ LIMITED	Director
	PayGroup (Shanghai) Human Resource Co., Ltd.	Director
	PayGroup Pty Ltd	Employee - Founder and CEO
	PYG NXT1 Inc	Director
Jim Sybertsma	PaySauce Limited	Shareholder, Independent Director
	Provident Insurance Corporation Limited	Director
	Autodrive Holdings Limited	Director
	RIMANUI FARMS LIMITED	Advisory Board Member
	Hawkesby Management Limited	Chief Financial Officer

Note - In some cases, shareholding indicated above may not be held directly. Furthermore, there may be subsidiaries of the above entities in which the Directors are also interested, without necessarily being a Director, Shareholder, or Officer of that entity.

**Director interests in shares**

Directors held the following relevant interests in PaySauce ordinary shares at 31 March 2025:

Director	Securities held by Director or associated entity*
Asantha Wijeyeratne	35,891,606
Gavin Thompson	2,276,978
Michael O'Donnell	97,835
Shelley Ruha	275,877
Mark Samlal	525,344
Jim Sybertsma	74,650

\*Whilst directors are not required to own shares as part of their directorships, all have chosen to own shares.

**Substantial product holders**

The substantial product holders in PaySauce ordinary shares as at 31 March 2025 were as follows:

Substantial product holder	Shares held	% of issued shares
Wijeyeratne & Co Limited	27,750,433	19.38%
Perpetual Trust Limited	21,466,667	14.99%
Gondolin Trust	16,354,826	11.42%
Cloud Investments Limited	8,062,307	5.63%
Adminis Custodial Nominees	7,830,844	5.47%

**Twenty largest equity security holders**

The 20 largest holders of PaySauce ordinary shares as at 31 March 2025 were as follows:

Rank	Shareholders/Investors	Shares held	% of issued shares
1	Wijeyeratne & Co Limited	27,750,433	19.38%
2	Perpetual Trust Limited	21,466,667	14.99%
3	Gondolin Trust	16,354,826	11.42%
4	Cloud Investments Limited	8,062,307	5.63%
5	Adminis Custodial Nominees	7,830,844	5.47%
6	New Zealand Central Securities	4,239,357	2.96%
7	New Zealand Depository Nominee	3,540,772	2.47%
8	David Russell Stewart & Adrienne Ruth Stewart	3,433,000	2.40%
9	Charlotte Anne Lockhart	3,211,183	2.24%
10	Ian Stewart Frame & Pamela Anne Frame	2,652,765	1.85%
11	Gavin Thompson	2,276,978	1.59%
12	Woodward Family	2,120,000	1.48%
13	Krishnakumar Guda	1,870,000	1.31%
14	Bhagwanji Bhula Rama	1,645,000	1.15%
15	Malcolm William Campbell	1,515,000	1.06%
16	Hugh Anthony Pradeep Fernando	1,471,102	1.03%

17	Cloud Investments Two Limited	1,457,557	1.02%
18	Geoffrey William Bennett	1,344,954	0.94%
19	Victoria Ann Taylor	1,252,021	0.87%
20	Lim Family	1,232,795	0.86%

**Spread of security holders**

The spread of holders of PaySauce ordinary shares as at 31 March 2025 are listed below:

Size of holding (shares)	Shareholders		Shares	
	Number	%	Number	%
1 - 10,000	864	72.48%	1,580,798	1.10%
10,001 - 50,000	188	15.77%	4,464,316	3.12%
50,001 - 100,000	57	4.78%	3,955,132	2.76%
100,001 - 500,000	53	4.45%	10,619,588	7.42%
500,001 - 1,000,000	9	0.76%	6,803,510	4.75%
1,000,001 and over	21	1.76%	115,745,482	80.85%
<b>Totals</b>	<b>1,192</b>	<b>100.00%</b>	<b>143,168,826</b>	<b>100.00%</b>

**NZX waivers from listing rules**

No waivers were granted to PaySauce by NZX during the year ended 31 March 2025, and there were no waivers that PaySauce relied upon during this period.

## Company Directory

### Directors:

Asantha Wijeyeratne  
Gavin Thompson  
Jim Sybertsma  
Mark Samlal  
Michael O'Donnell  
Shelley Ruha

### Registered Office:

85 The Esplanade  
Petone, 5012  
New Zealand

### Website:

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

### Auditor:

Grant Thornton New Zealand Audit Limited

### Stock Exchange:

NZX

### Share Registrar:

MUFG Corporate Markets  
Level 30, PwC Tower, 15 Customs St West,  
Auckland CBD,  
New Zealand

### NZ Company Number:

1719868

### NZBN:

9429034458099

## Investor Calendar

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<b>Annual Shareholders Meeting</b>	September 2025
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<b>FY26 Half year</b>	30 September 2025
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<b>FY26 Interim result announcement</b>	November 2025
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<b>FY26 Year end</b>	31 March 2026
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