


PaySauce.



One engine. Two markets.

2026 Annual Report

 Our first Australian customers, Stuart and Belinda Griffin, Griffintine Dairy, Westbury, Gippsland, Victoria, Australia

PaySauce has crossed the ditch

Australia presents a total addressable market of almost 700,000 micro-businesses. These businesses face a significant and growing compliance burden, particularly concerning the Fair Work Act, complex award interpretations, and superannuation rules.

Following the successful pilot, the product is now in use in Australia, with dairy farmers and other small businesses now using our Global Payroll Platform to:

- Calculate their staff's wages, tax and superannuation deductions in accordance with the pastoral award;
- Complete filing with the Australian Tax Office (ATO);
- Transfer the money to their staff's bank accounts in near real-time with PayTo; and
- Do all of that from their mobile phone.

In January 2026, we completed a \$5m capital raise, which was 25% over-subscribed. Some of that capital has been deployed into completing the build of our Global Payroll Platform and some will support the sales and marketing effort to bring it to market in Australia. That has opened the door to a micro-business employer market roughly seven times the size of New Zealand. As signalled in our Interim Report, we've executed on a disciplined and targeted go-to-market strategy. We launched at the Australian Dairy Conference in February, and the initial feedback from our foundation customers in Australia is exceptional!

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This report provides a summary review of PaySauce's operational and financial performance for the year to 31 March 2026. It should be read in conjunction with the company's financial statements on pages 29 to 47 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.

Highlights

Customers + 5% yoy
8,600

Capital raised
\$5.0m

Placement + SPP

Recurring Revenue + 4% yoy
\$9.0m

Processing fees + 13% yoy - 22% yoy Interest

Category	Amount
Processing fees	\$7.2m
Interest	\$1.8m

Earned direct from customers

Processing fee growth of 13% reflects underlying business strength. Despite higher customer funds held, interest income declined due to lower wholesale interest rates

EBTDA -\$0.1m yoy
\$1.2m

Net profit \$0.3m after tax

Total Customer Lifetime Value + 3%

\$57.2m

\$87
ARPU/mo

\$6,656
per customer

8.2 yrs
avg lifetime

7:1
LTV:CAC

Shelley Ruha

Independent Director, Chair

Ready for the Australian opportunity

FY26 was a defining year for PaySauce. After two years of focused investment, we deployed our Global Payroll Platform into Australia, with our first customers running live, compliant payrolls through the system. Early customer feedback has been exemplary, and the platform is now ready for commercial rollout in the new financial year. We believe this is a world leading payroll product and this significant milestone has been made possible by the strength of our New Zealand business, the commitment of our people, and the continued support of our shareholders, customers and partners.

The New Zealand business continued to perform strongly, generating the cash that has funded both the Global Payroll Platform and the Australian launch. Processing fee revenue grew 13% to \$7.2 million, and the business remained stable, profitable and cash-generative throughout the year, despite what was at times a challenging year for the economy.



Processing fee revenue grew strongly, our customer base expanded further, and we continued to find disciplined ways to improve internal efficiency and strengthen the PaySauce customer proposition. We are also preparing for a staged transition of New Zealand customers to the Global Payroll Platform over time, so more customers can benefit from the improved experience as it is rolled out.

We are deliberately focused on strategic moves that build shareholder value over the medium term. However, we are also determined to retain financial discipline as we go after this substantial opportunity. This discipline has been shown again this financial year, with us achieving all of our strategic priorities, whilst still remaining profitable and cash-generative. We have a robust financial platform, established technical capability and proven product market fit which positions the company well for the next phase of growth.

Financial results

Annualised recurring revenue at the end of the period was approximately \$9.0 million, up 6% on FY25.

Operating revenue for the year was approximately \$9.2 million, compared with \$9.0 million in FY25. This reflected solid growth in the core New Zealand business, with processing fee revenue increasing 13% to around \$7.2 million from \$6.3 million in FY25. That growth more than offset the expected reduction in interest income on funds held on behalf of customers, which declined to around \$1.8 million from \$2.3 million in FY25 as wholesale interest rates eased through the year.

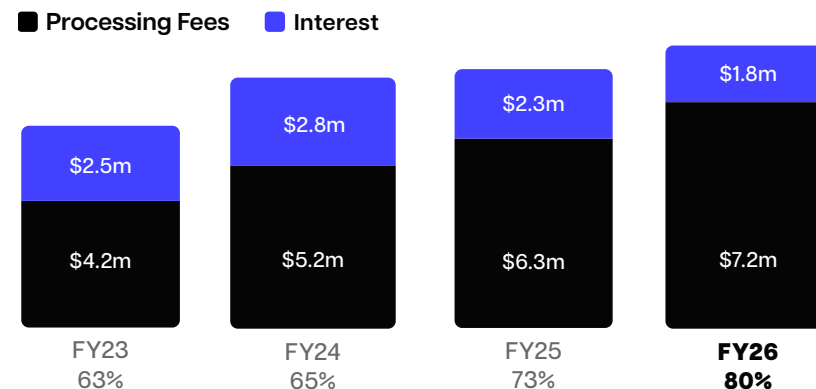
Total customer numbers at year end grew to approximately 8,600, up 5% on FY25. This growth was lower than the rate achieved in the previous year and reflected a strategic decision to cease offering our lowest-value product to direct customers, delivering sustainable economics per customer. The growth also reflects a deliberate redirection of management focus and resources toward Australia, where we see a market roughly seven times larger than New Zealand. And this redirection of focus has resulted in quick succession the pilot activity, launch preparation and the initial commercial rollout.

Processing fee revenue, the key driver of value creation in the business, continued to grow at a healthy 13% to \$7.2 million from \$6.3 million in FY25. This shift in revenue mix is important. It means more of the company’s performance is being driven by its core payroll product and customer activity, and less by interest income that is subject to interest rates which are outside management’s control.

EBTDA was \$1.2 million despite meaningful step-ups in product investment, sales readiness and the foundations for offshore expansion. Despite similar factors, net profit before tax was \$0.2 million, compared to the \$0.5 million achieved in FY25.

Revenue from processing fees + 13% YOY

80% of recurring revenue up from 63% in FY23



Balance sheet and cashflow

Our successful oversubscribed capital raise was an important moment for the company. Shareholders, both existing and new, backed our strategy of accelerating into Australia from a position of operating strength. We are grateful for that support and conscious of the responsibility it carries and we welcome the increased liquidity for what has been a particularly tightly held company.

We ended the year with net cash, excluding those held on behalf of customers, of \$4.5 million.

Together with the strong operating cash flow (\$2.0 million in FY26 vs \$2.2 million in FY25) this capital provides the resources to drive growth with investment in sales, marketing, customer support and product development, and gives us the flexibility to manage broader economic volatility.

This marks an important shift for the company. Over the past two years, our New Zealand business has funded the development of the Global Payroll Platform and the Australian pilot from internally generated cash. The capital raising completed during the year now allows us to accelerate that rollout from a stronger balance sheet, while reducing reliance on bank

funding as we scale in Australia. With a stronger balance sheet, we are now better placed to move from proving the Australian opportunity to delivering on its promise.

Outlook

In the new financial year, the focus is on disciplined execution; building momentum, learning quickly, and investing carefully as we scale.

PaySauce is targeting a large and underserved micro-business market facing genuine payroll complexity, and during FY26 the company demonstrated that our platform can solve those problems in a live operating environment. The task now is to convert our strategic progress into the recruitment of new customers.

New Zealand remains the foundation of our group, driven by a loyal customer base, strong product-market fit, and a reputation for delivering accessible payroll solutions to micro-businesses. As we pivot back to customer acquisition and growth, our strategy includes unifying our New Zealand users onto our Global Payroll Platform. During this transition,

we anticipate that some legacy customers may no longer align with our target profile. To achieve our long-term strategic goals, we will responsibly support these customers in transitioning to alternative providers.

At the same time, we remain realistic about the environment. Lower wholesale interest rates are likely to continue weighing on interest income. Meanwhile, Australian revenue will build through the year rather than arrive all at once and some of our initial marketing and setup spend will be lower efficiency as we learn the new market. But the building blocks are in place: a stable, cash-generative New Zealand business and a strengthened balance sheet to fund disciplined growth.

Management and the Board's focus will remain on disciplined execution, careful allocation of capital, and maintaining the balance between growth and profitability.

Australia is the first step in what we believe is a broader international opportunity and we expect to continue to re-invest near term profits to drive the long-term success of the business. We are

confident in the company's strategy and encouraged by the progress made over the past year.

FY26 was a transition year. FY27 is the year in which we begin to test the scale of the opportunity we have worked so hard to create.

We thank our shareholders for their continued support, our customers and partners for the trust they place in PaySauce, and our team for their commitment and hard work.

Yours sincerely,



Shelley Ruha
Independent Director, Chair



Asantha Wijeyeratne

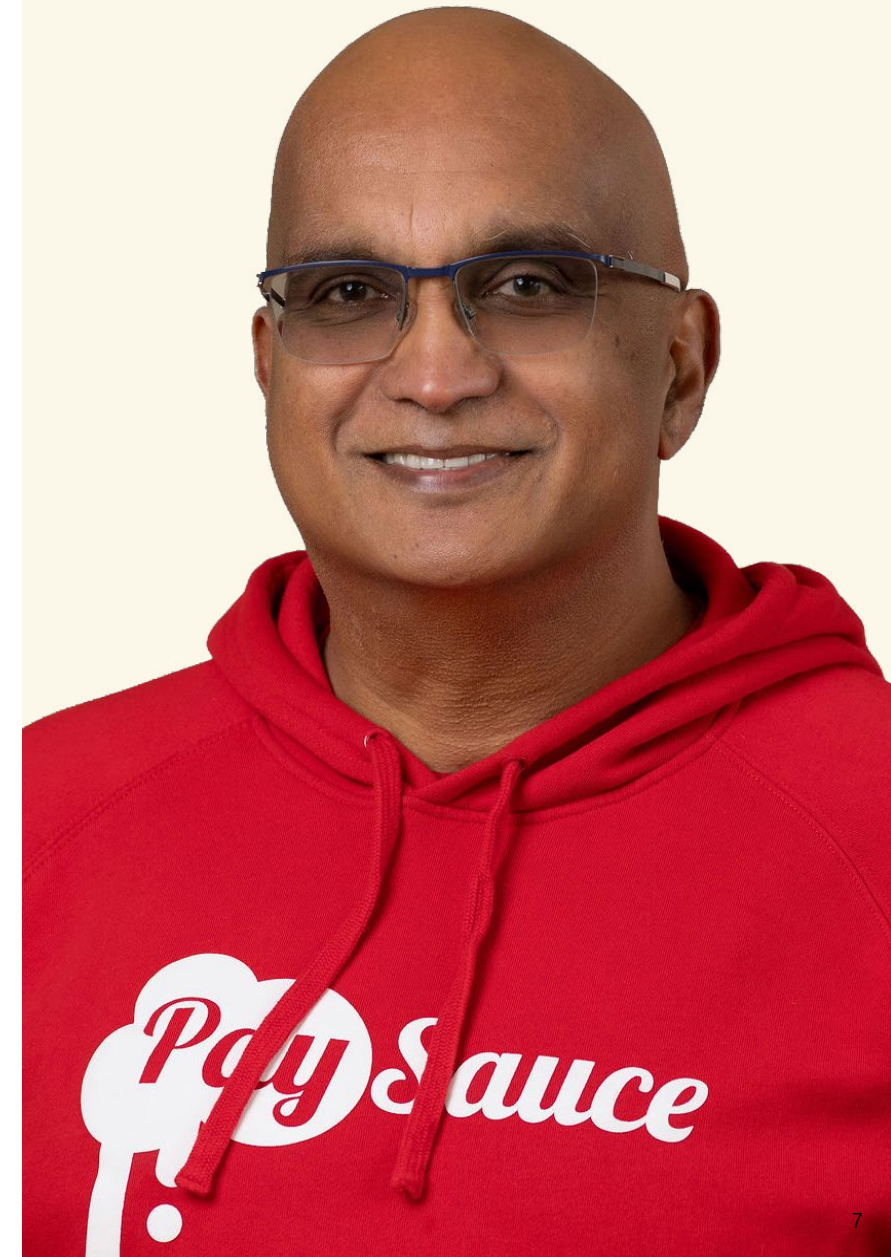
CEO, Co-Founder

We understand this problem. Now we're solving it at scale

At the start of this financial year our priorities were clear: continue to grow and strengthen the New Zealand business, complete the key milestones required to bring our next generation Global Payroll Platform into live use in Australia, and prepare the company for its next stage of growth.

I am proud of the progress we have made across each of those fronts.

We built, tested and launched the platform in Australia, and we are now focused on turning that readiness into customer acquisition. Australia's 694,000 micro businesses now have access to a payroll platform that is unmatched in the market, delivering an intuitive easy-to-use mobile interface that also offers the peace of mind that comes with compliance. Importantly, the product has already proven it can handle real Australian payroll complexity in live conditions.



Despite our largest growth investment to date, we have remained profitable, and we have now built the technology stack and the sales and marketing infrastructure to pursue this opportunity. These outcomes have required a huge effort from across the business. I want to thank our team for the discipline, focus and energy they have brought to the year, and our customers, for the trust they continue to place in us.

Australia is live

I am extremely pleased with the calibre of capability we have added around our most important opportunity. Chris Ridd, former Xero Managing Director Australia, and Mel Shortland-Power, former Xero Head of Bookkeeping and Global Head of Partner Community, have joined me to lead our Australian growth efforts. Together, they bring valuable Trans-Tasman scaling experience. More broadly, we have invested in the people, systems and local capability needed to support a disciplined launch into a much larger market. Meanwhile, I have relocated to Melbourne to embed the PaySauce culture into our new team from the outset.

The pilot of our Australian payroll product, launched in September 2025, validated the platform in a live environment. Early customer feedback informed rapid improvements, including critical integration needs as we matured both the product and our go-to-market approach.

In February we began onboarding our first commercial customers confident that our product could handle real payroll complexity and deliver peace of mind compliance. We have now shifted our focus to early scaling of the opportunity.

Payroll in Australia is demanding for micro-business owners. They are expected to manage awards, penalty rates, tax, superannuation, time sheets, payments and compliance reporting across multiple systems. That is difficult, time-consuming and error-prone. In many cases, the owner is handling these obligations themselves, without payroll expertise and without the support of integrated software built for their needs.

Our product solves those problems. PaySauce brings payroll, compliance and payments into a single, integrated experience designed to reduce administrative effort and improve accuracy for small employers.

Our initial focus on the dairy sector has been deliberate. It is a sector we understand well, one that contains genuine payroll complexity, and one that allows us to prove the value of the platform in a highly practical setting. With the flexibility the Global Payroll Platform offers, we've also configured the Retail and Hospitality awards and have successfully onboarded customers in these sectors too. Over time, we expect the platform to support broader industry use cases as we extend award coverage and continue refining the product.

We also expect regulatory changes to act as a catalyst for growth. New rules coming into effect on 1 July 2026 require Australian businesses to make superannuation payments at the same time as they run their pays. This represents the immediate opportunity as it will require businesses to reassess existing legacy solutions that do not deliver that functionality.





We remain excited about the size of the opportunity, but we are equally aware of the work required. Our focus is on delivering for customers, easy onboarding, and a disciplined and focused expansion on core customer segments.

New Zealand delivers steady growth

Our New Zealand business has turned in another year of steady delivery, providing the foundation that has funded our move into Australia. Customer numbers increased to approximately 8,600 by year end, and processing fee revenue grew 13% to around \$7.2 million, despite the challenging economic environment. That is a pleasing outcome, particularly given the level of management and operational focus that was required to prepare for and execute the Australian launch.

As Shelley mentioned, the rate of growth slowed as we made a conscious decision to split some of our customer acquisition resources between maintaining momentum in New Zealand and preparing for entry into Australia. As expected, that trade-off affected near-term growth.

At the same time, we have discontinued the entry-level Simple Plan during the year, recognising that most micro-businesses want the integrated payments and full functionality available in our Standard and Premium plans. We are pleased with the customer response to this transition.

Processing fee revenue continued to grow, our customer base continued to expand, and the business remained profitable. The quality of the revenue mix also continued to improve, with more of the business being driven by processing activity and less by interest income on the float.

Interest income declined during the year as wholesale rates eased. That placed downward pressure on some headline metrics, including ARPU and total recurring revenue growth, even though the core product performance remained strong. This is an important distinction.

The business we are building is ultimately about customer growth, payroll activity, retention and product value. Looking ahead, we are gearing up for a staged transition of New Zealand

customers to the new platform so they can benefit from the improved experience over time, noting that some customers may choose alternative solutions if their needs fall outside our target segment.

Product, service and operating quality

We continued to strengthen the quality of the business during the year.

One of the most encouraging features of PaySauce over the past few years has been that growth has not come at the expense of operating discipline. We have continued to improve the customer experience through better onboarding, more self-service support, clearer training pathways, and internal tooling that helps our teams serve customers more efficiently.

These changes improve both the customer experience and the economics of the business. They help customers get value faster, reduce friction in the payroll process, and support our ability to scale while maintaining service quality.

We are also embedding AI into our own operations to lift internal efficiency and improve the customer experience. Payroll itself remains a mission-critical, compliance-bound activity that requires accreditation, payments licences, and accountability. None of which generic AI can deliver. We will use AI where it strengthens our service, while continuing to invest in the trust infrastructure that defines our category. An example over time will be allowing customers to use their external AI assistants to access their payroll data, with appropriate secure integration pathways and permissions.

Credit is due to the technology team for these achievements, especially when they are considered alongside the demands they faced preparing for the Australian launch.

Looking ahead

Three priorities will shape FY27. First, executing on the Australian opportunity, which means converting our platform readiness into valuable learnings and initial customer growth. Second, sustaining the New Zealand business that funds everything

we do. Third, continuing to lift the operating quality of the company so that we scale with discipline to create long-term shareholder value.

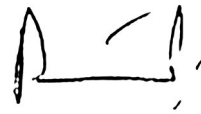
We will measure progress through clear, repeatable indicators of commercial momentum: growth in referrals and partner-led introductions (including bookkeepers and accountants); a consistent rate of onboarding and positive customer and partner feedback. From a financial perspective, our focus will remain on the long-term value drivers: sustainable and profitable customer growth, strong customer retention and revenue growth that outpaces rates of investment in future years.

We enter the new year with a proven domestic base, a live product in Australia, and a team that has shown it can execute. No doubt there will be some challenges ahead, as there always are when opening up new markets, but we do have a strong foundation from which to take this exciting next step.

FY26 has moved PaySauce from product company to growth company. The product is built,

the market is proven, the team is in place. The work ahead is to execute.

With my warm regards,



Asantha Wijeyeratne
CEO and Co-founder



Leadership team

Our Board of Directors provides the governance and strategic leadership required to set goals to achieve our global aspirations. Under Asantha as CEO, the leadership team has the talents, mindsets and skills to achieve those goals with the first execution underway in bringing our Global Payroll Platform across the Tasman.



Shelley Ruha

Independent Director and Chair

Shelley joined the PaySauce board in February 2022. Shelley is an experienced director and former senior banking executive with extensive governance experience across New Zealand and Australian listed companies. She is the Independent Chair of Allied Farmers and PaySauce, and a director of Heartland Bank and 9 Spokes. Previous directorships include Smartpay, Partners Life, Hobson Wealth, The Icehouse and Paymark.

Shelley previously spent nearly 30 years in banking, including as Chief Customer Officer for BNZ Partners, where she led large-scale business banking operations. Prior to that she led Enterprise Services, which included Technology and Product for the bank. She brings deep expertise in strategy, financial services, technology, and risk management, and currently chairs or serves on several boards and audit and risk committees.



Asantha Wijeyeratne

Executive Director, CEO and Co-Founder

Asantha has over 25 years' experience focused exclusively on helping small businesses with payroll. His background in accounting, combined with a people-first approach, has seen him build several businesses into market leadership positions. Most notably, he created and grew SmartPayroll (now Smartly) and SmartBooks to service close to 10,000 SMEs in New Zealand before leaving in December 2013.

His focus is the micro-business sector. He gets a lot out of making tech work to help business owners support themselves, their families and their communities. He was awarded a Queen's Service Medal (QSM) in 2013 and was a finalist in Ernst & Young's 2021 Entrepreneur of the Year.



Gavin Thompson

Non-Independent Director

Gavin is a founder and a director of Catalyst IT, New Zealand's largest open-source IT service provider. 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.



Mark Samlal

Independent Director

Mark has over 25 years' experience in growth leadership roles across Asia-Pacific. He co-founded PayAsia in 2006 and was appointed Executive Chairman and Managing Director in 2015. In 2017, he joined the Board of PayGroup as Managing Director, listing the business on the ASX in May 2018 and completing five acquisitions before PayGroup was acquired by Deel in November 2022.

Mark remains CEO and Founder of PayGroup. He was previously a Director and General Manager of PayConnect Solutions, which was acquired by ADP. Throughout his career, Mark has been an invested shareholder in the businesses he has led.



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, Auto Drive Holdings and First Glass. 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

Chief Financial Officer

Jaime joined PaySauce in 2020. 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

Chief Operating Officer

Jess started her career on the front line in payroll consulting and customer service, helping businesses work through the complexity of employing people. She then moved into people and culture leadership, so she knows just how challenging payroll and employment compliance can be. That combination of service delivery and hands-on experience gives her a deep empathy for what small employers are up against.

At PaySauce, she leads our growth, customer experience, and operations teams, driven by a passion for making payroll more accessible for businesses that don't have the luxury of experts in their team.

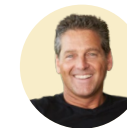


Jacques Labuschagne

Chief Technology Officer

Jacques has spent his career delivering technology solutions, from bespoke builds through to core product and service platforms. He started in software development, moved into team and project management, and most recently spent several years as the CEO of a technology services business in the UK, then as COO of the NZ-based business in the same group before joining the PaySauce team in 2023.

He brings strong technical judgement alongside disciplined planning and execution, and is focused on building the technology team and platform that will support PaySauce's growth across both markets.



Chris Ridd

Executive Director, PaySauce Pty Ltd

Chris is a hands-on technology executive with over 30 years in the industry, grounded in sales, marketing and product management. He has spent the last 15 years as CEO of software companies including Xero, myprosperity and EventsAir, and held non-executive director roles with BoardPro, MedAdvisor and Compass Education.

He has built a strong profile in the Australian tech industry through both high-growth leadership and advisory work with founders across SaaS, fintech, health and education. His experience covers operational leadership, governance, capital raising and M&A. In addition to leading PaySauce's expansion in Australia, he holds board positions with VicRoads, Vocus and InvestorHub.

New Zealand

This year was one of sharpened focus across both sides of our customer relationship: how we find and bring in the right customers, and how we serve them so well that they stay, grow, and recommend us.

The strategic context shapes everything that follows. Our product investment this year was directed at the new platform and our Australian market entry, rather than at the existing platforms which serve customers in New Zealand and the Pacific. The new platform comes to the New Zealand market later in 2026, and the migration and modernisation programme that follows, will be the largest change PaySauce has taken on. Our New Zealand business was focused on performing within that constraint: growing the business, retaining customers, and deepening relationships without leaning on product improvements, while building the foundations the platform transition will need.

The two sides of the customer relationship feed each other. Word of mouth and referrals are a significant driver of new customer acquisition, and that pipeline is fed by how customers experience PaySauce day to day. With product investment focused elsewhere, the quality of the customer relationship is what carries the business forward.

This year also marked our tenth anniversary: a decade of building, learning, and serving small employers, and growing from a start-up idea to a listed company serving thousands of employers across New Zealand, Australia, and the Pacific.



Customer growth

We were deliberate about where we invested and where we did not. We pushed hard in the white space available to us: first-time employers, small employers in agriculture, business owners who value service and expertise over feature volume. We made changes to our pricing and channel mix that prioritised revenue quality as well as customer count. The result is a New Zealand business with better unit economics, cleaner data, stronger systems, and a clearer view of where the next growth comes from.

The customer as the hero

Underneath every initiative this year is one decision: to be hyper-focused on our ideal customer, the small employer doing payroll themselves. Our product was built for them, our content speaks to them, our brand reflects them, and our growth programme is designed to find more of them. That clarity shapes our end to end journey.

“Saves soooooo much time and hassle. Worth EVERY cent!”

Brand awareness in the regions and channels where small employers actually pay attention, content that helps them understand payroll and employment, improved search visibility, active engagement at the moment of interest, and sign-up onto the right plan with the right expectations. Then the experience after signup is what creates a loyal customer, and that loyal customer becomes a source of growth.

From customer count to revenue quality

Customer count matters, but the value, retention, and economics of those customers determine the underlying health of the business. A customer on our lowest-priced plan generates significantly less revenue than a customer on our core plans, and usually costs more to serve. This year we made a deliberate move to focus on revenue quality alongside customer count.

One strategic objective was to drive customers toward our Standard and Premium plans. The revenue benefits go well beyond plan fees: customers on these plans use our payments processing and PAYE intermediary services, which generate processing fee revenue

and interest income on the funds we hold on their behalf.

The clearest expression of the shift was the decision to stop selling Simple, our lowest plan tier, directly to employers. New direct sign-ups now go to Standard or Premium. Simple remains available through the partner channel only.

The thinking is straightforward. We do not need to compete on lowest price. An employer feeling the real pain of payroll is more than willing to pay for a product that actually solves those problems, and we see better outcomes when customers take up the full suite: the pay run completes properly, employees are paid on time, Inland Revenue obligations are met, and customers stay longer because the product is doing the job they actually wanted from it.

We also implemented a modest price increase across the customer base in April 2025, and brought charity customers onto a consistent discount structure by March 2026.

Customer survey

91%

feel confident using PaySauce day to day



Brand, content and a modern website

We continued to invest in regional brand presence, recognising that small business owners and rural employers are often reached by channels other than digital. We attended National, Southern and Northern Districts Fieldays, extended our radio plan into provincial areas, and started TVNZ+ advertising in September 2025, alongside our continuing rugby sponsorships in Wellington and Taranaki.

Our content strategy is positioning for first-time and small employers searching for help with the things that come before they may even need payroll software: employment obligations, general good practice, the everyday questions that come with being a boss. By the time those people are ready to choose payroll software, we want PaySauce to be a name they already trust.

In July 2025 we replaced the PaySauce website. The previous site was a bespoke build that only our development team could change. The new site is built in Webflow, and our customer

acquisition team can update it directly, publishing content, testing landing pages and responding to market changes in hours rather than weeks, without drawing on development capacity.

The SEO and SEM programme has run since the launch, and we end the year with materially improved website hygiene and a programme that compounds into the next year.

We also started the shift from a passive website experience to an actively engaged one. Chat flows and interactive product demos now let us engage visitors at the moment of interest, with 24/7 coverage and warm handoffs to the growth team for high-intent prospects.

Partnerships and migration opportunities

We made a deliberate shift in our partner approach this year, away from a large number of low-volume practices and toward deeper relationships with a smaller number of influential partners. We are more aligned to partners who refer customers to us than to those who run payroll on their clients' behalf.

The retirement of legacy payroll products in the New Zealand market is creating a once-in-a-decade opportunity, with tens of thousands of customers across the market needing a new home. We built a proactive, project-managed migration programme for accounting practices and bookkeeping bureaus moving large client books.

Market timing softened during the year as several legacy providers extended their support timelines, so we adjusted accordingly, focusing active engagement on partners ready to move now while maintaining infrastructure to capture migrations as broader timing shifts.

“Absolutely makes payroll super easy! the team is fantastic to deal with, and super easy website and app”

Product demos viewed

3,378

Demo viewing time

120hrs

Web pages published

162

Blog views

6,686

in 9 months since the launch of the redeveloped PaySauce website

Customer experience

This year was the most significant transformation of our customer experience operations. We changed the team operating model, modernised legacy processes and systems, deepened our investment in proactive support, and launched market-leading capability that none of our direct New Zealand competitors currently offer.

Customer experience at PaySauce is not a cost-to-serve function alone. It is one of our key value propositions. Customers who feel supported tell other employers.

A new operating model

We split our customer experience function into three specialised teams.

Support handles day-to-day reactive work and is measured on service levels and sentiment: response times, resolution times, SLA performance, and customer satisfaction at point of contact.

Onboarding is a dedicated team focused on getting new customers from sign-up to first successful pay run. We rebuilt the onboarding experience for direct sign-ups this year, with improved processes and technology that streamline data transformation and import. A first pay run that goes well is one of the strongest predictors of long-term retention and one of the most common moments customers choose to recommend us.

Customer success is the most strategically important addition. Where support waits for customers to come to us, customer success works proactively to make sure customers are getting value from PaySauce, on the right plan, and using the features that benefit them. It is measured on retention,

plan fit, feature adoption, advocacy, and the strength of relationships that drive referrals. In effect, an extension of the customer growth function.

Proactive support & better sentiment data

We have done more proactive, outbound customer contact this year than at any previous point in PaySauce's history. Every conversation we have proactively is a conversation a customer does not have to start themselves when something has already gone wrong. Over time this reduces inbound volume, lowers cost to serve, and meaningfully lifts customer confidence.

Our NPS result currently sits at 44, down from previous years. We changed our surveying mechanism this year: NPS is now delivered in-product, runs continuously, and is combined with other sentiment signals. The change has tripled the number of responses we receive, bringing our methodology into line with how NPS is intended to be measured. The bigger win is operational, we have an always-

“It’s so easy to use and the staff are amazing when I need help. Even when I ask silly questions.”



on view of customer sentiment that lets us act on issues as they emerge rather than waiting for the next survey cycle.

Intercom and Penny

We integrated Intercom across our products this year. In-product support means customers can get help without leaving PaySauce, and our team works in a single platform that brings together conversations, customer context, product usage, and self-service content. What makes Intercom genuinely transformative is everything alongside the support inbox: tooltips, product tours, banners, in-product checklists, multi-step campaigns. All of this is targeted to the right customer segments at the right moment, all built and released by our team without developer input.

Work that previously required a development ticket and a release window now happens in minutes.

The benefit beyond improved experience is scalability. As we grow, and as we move through the platform migration ahead, the ability to handle more conversations, and guide more

customers with the same team is essential. Intercom is the foundation that makes that possible without losing the personal care we're known for.

In December 2025 we launched Penny, our AI customer support agent. Penny is configured conservatively by design, where the system detects error, frustration, or anything that suggests a human is the better answer, it escalates to our team. Even with that conservative posture, Penny is currently resolving nearly 80% of queries that start in our chat, providing genuine 24/7 coverage.

Accountant users have been fast adopters. As we move into platform migration work, Penny becomes critical infrastructure: it absorbs volume during a period when human capacity will be under the most pressure, and supports both legacy and new product queries side by side.

Support as an acquisition driver

For many businesses, customer support is treated solely as a cost line. For PaySauce, it is a deliberate strategic choice and a core part of how we win in a market where small employers compare providers on more than just price. Inbound and outbound phone, email, live chat with a real person, an AI agent, and a comprehensive help centre, all backed by in-product guidance. We outperform most of our direct New Zealand competitors on the channels available, and meaningfully so on the ones that matter most in the moment of need.

That investment is what prepares us for a more complex year ahead. The platform migration programme will be the largest piece of operational change PaySauce has taken on. The structural choices we have made this year – specialised teams, a modern platform, a proactive posture, an AI agent, in-product guidance – are exactly the foundation that work needs.

Penny AI agent

80%

of chat queries resolved on the spot

Coverage
24/7

Launched
Dec 2025

“What I love most is your helpline! This has been our first year contract milking and every time I call the person I talk to is incredibly helpful and patient. Once you know your way around, using PaySauce for payroll is very user friendly and easy to navigate.”

Where this leaves us

We finish the year with a New Zealand business that is structurally different to the one we started with. The customers we now bring in are higher value, better matched to the product, and more likely to stay. The experience we build for them turns into advocacy, and that advocacy into the next round of acquisition.

This is what it looks like to perform within the constraints of a mature current product while the future product is being built. We pushed hard where we are most competitive and stepped back from where we were not. We invested in revenue quality, not just customer count. We built the systems, structures, and disciplines that the next phase of growth will need.



Australia

Australia represents the most significant growth opportunity in PaySauce's history. With a small employer market around seven times the size of New Zealand, a shared language and business culture, and a regulatory change creating real urgency for employers to act, the conditions for market entry are well established. With the product already proven, FY27 is the year we start to scale our market entry.

On 20 April 2026, we formally launched our Australian operations. That followed a six-month soft launch period that began in September 2025, during which we validated the product in a live operating environment, gathered direct customer feedback, and refined both the platform and our go-to-market approach. By 1 May 2026 we had 40 customers signed up. Our focus through this initial phase is on foundation customers: the right customers, well served, who give us the depth of feedback and the proof points to scale from.

Customers

40

signed up by 1 May 2026

 Chris and Asantha on the road to the Women in Dairy Ladies Lunch 2025



The market opportunity

Why dairy first

We chose the dairy sector deliberately. We know it well already and it was not about market size. It was about proving the product works where payroll is genuinely hard.

Australian dairy farms operate under the Pastoral Award, one of the most complex Fair Work instruments in the country. Overtime rules for waged staff are complex and employers on annualised salaries are still required to reconcile against the full award every twelve months. Most micro-business owners in this sector are working it out themselves, without a payroll team and without software that handles the rules for them.

We have spent years working with New Zealand farmers and understand the rhythms, the seasonal pressures, and what it takes to build a product they actually trust. The detail may be different, but the problems for the dairy farmer are the same: complex pay rules, small teams, time-poor owners, and an expectation that the software should just get it right.

We have already moved onto new awards, leveraging the flexibility of the Global Payroll Platform. The platform is a rules engine, not a product with legislation baked in: each new award is a configuration rather than a rebuild. The General Retail Industry Award and the Hospitality Industry Awards have already been launched, with more to follow.

Solve the same problem in a new market

The Australian payroll market for small employers is different to New Zealand.

In New Zealand, employers expect a single payroll solution that calculates pay, files with Inland Revenue, integrates with their accounting software and transfers the funds to pay their staff. That single-platform approach is standard here. It is not standard in Australia.

Most Australian micro-employers still patch together multiple disconnected tools: one for timesheets, a spreadsheet for calculations, accounting software for records, and online banking for manual payments. The idea

of a single system that takes you from timesheet to compliant, paid pay run in one flow is still new. There is no product on the Australian market built for micro-businesses that does award interpretation, payment processing, superannuation filing, and reporting as a single integrated experience.

This gap is the opportunity. We have already solved the same problem in New Zealand, and we are now bringing that experience into a market where the need is larger and the alternatives are worse.

Award compliance built in

Fair Work Awards are the regulatory framework that sits underneath. They set minimum pay rates, penalty structures, overtime rules, and allowance entitlements by industry and classification. Every Australian employer must comply with their applicable award, and the consequences for getting it wrong are real.

Most payroll software available to small employers either ignores award interpretation or handles it poorly. PaySauce interprets the

award rules automatically and applies them to each pay run. The employer runs their pay; the compliance is built in.

Payday Super

Starting 1 July 2026, Australian employers will be required to pay superannuation at the same time as each pay run, rather than quarterly as they do today. This is a major shift in how payroll works for every employer in the country.


The change is comparable to the introduction of payday filing in New Zealand. When Inland Revenue moved to per-pay-run filing, it created a clear, time-bound reason for employers to move to modern payroll software, and PaySauce captured a meaningful wave of new customers as a result.

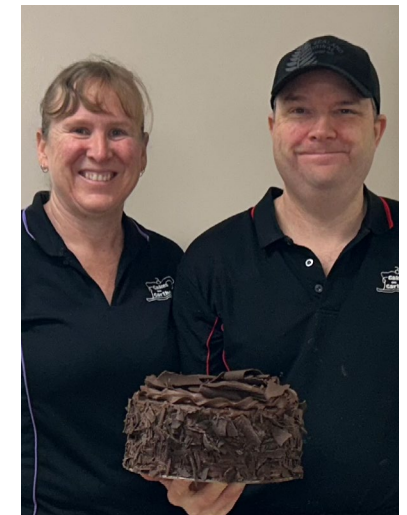
Payday Super is that same moment for Australia. Quarterly super has allowed employers to batch the work and manage it outside of payroll. Paying super on every payday means the payroll system has to handle it, automatically, as part of the pay run. Employers using manual processes, disconnected systems, or providers that do not support Payday Super

Australian micro-businesses

694,000

~7x the NZ market

 Linda and Ben Jaworski, Cakes on Carthew, Townsville, Australia



will have to move. The compliance requirement is creating a natural window of demand that favours products built to handle it from day one. PaySauce is one of only a few.

Building on ten years of learning

PaySauce has spent a decade building and refining a payroll product for micro-businesses in New Zealand and across 14 jurisdictions in the Asia-Pacific region. The patterns we have learned over that time are directly transferable to Australia.

We know what first-time employers struggle with. We know where people get stuck in a pay run. We know that the quality of onboarding determines whether a customer stays or leaves within the first month. We know that support matters more than features when the employer is mid-pay run at ten o'clock at night. And we know that solving a real compliance problem for an underserved sector is the fastest way to build a customer base that trusts the product and tells others.

How we will scale growth

Our go-to-market approach has three channels:

The **partner channel** is the primary growth engine. Bookkeepers and accountants are the most trusted advisors to Australian small business owners. And they are most often the people who recommend and set up payroll software. We are building a network of partners who refer their clients to PaySauce, following the model that worked for Xero when it scaled in Australia.

The **direct channel** reaches small employers through search, content, and digital advertising. An employer searching for help with award compliance or looking for a payroll provider ahead of the Payday Super deadline, should find PaySauce.

The **strategic channel** targets franchise groups and industry associations. There are approximately 85,000 franchise outlets in Australia with fewer than 20 employees. These businesses have high compliance requirements and frequent ownership turnover. These agreements take longer to

negotiate but a single agreement with a head office can bring dozens or hundreds of end-users onto the platform.

Our team

We have strong and experienced leaders in our business. Chris Ridd, former Managing Director of Xero Australia, leads the growth effort alongside Mel Shortland-Power, former Head of Bookkeeping and Global Head of Partner Community at Xero. Both bring deep networks and direct experience of what it takes to scale a SaaS payroll business in the Australian market. Around them, we have attracted people who were part of building the Xero ecosystem 10 to 15 years ago.

We are deliberately disciplined about how we scale the team. The Australian team is built primarily on contractors at this stage, with a clear plan to move to permanent roles as we prove traction. This is a foundation build, not a sprint, and the cost base is sized to match.



Managing risk

Three risks sit at the top of our register for the Australian operation.

Partner channel concentration is the first. Roughly 60 percent of our growth plan relies on recruiting and activating partners. We track active partner counts weekly and maintain a pipeline to support continued recruitment through the year.

Strategic channel timing is the second. Franchise and industry body agreements take time to negotiate, and delays are common. We maintain pipeline coverage of four times our target to absorb slippage without falling behind.

Early-adopter bias is the third. The customers who sign up first are not necessarily representative of the broader market. To guard against over-optimism, the board has agreed not to revise targets upward before the scheduled mid-year re-forecast on 15 October 2026.

What comes next

FY27 is a foundation year. Revenue from the Australian operation is forecast to build through the year, compounding from Q3 (October to December 2026) as partners become productive and the Payday Super deadline drives employer decisions. The largest volume of new customer activity is expected in Q4 (January to March 2027).

The work ahead is straightforward to describe and hard to do: recruit and activate partners, convert the interest we are seeing into paying customers, continue extending award coverage, and prove that the unit economics of the Australian business support long-term investment. We have the product, the team, and the market conditions. The task now is execution.



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).

	March 2026	March 2025
	\$000s	\$000s
Processing Fees	7,162	6,322
Interest Income	1,813	2,329
Recurring Revenue	8,975	8,651
Cost to Serve	(1,968)	(1,938)
Gross Margin	7,007	6,713
Gross Margin %	78%	78%
Other Interest Income	31	9
Other Revenue	242	336
Total Other Revenue	273	345
Customer Acquisition	(1,342)	(1,025)
Research & Development	(1,204)	(1,168)
General & Administration	(3,498)	(3,461)
Interest Expense	(18)	(52)
Earnings Before Tax, Depreciation and Amortisation	1,218	1,352
Earnings Before Tax, Depreciation and Amortisation Margin %	14%	16%
Depreciation & Amortisation	(1,026)	(817)
Asset Impairment	(21)	(75)
Net Profit before Tax	171	460
Income Tax Benefit	119	221
Net Profit after Tax	290	681

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.

Recurring Revenue

i 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.

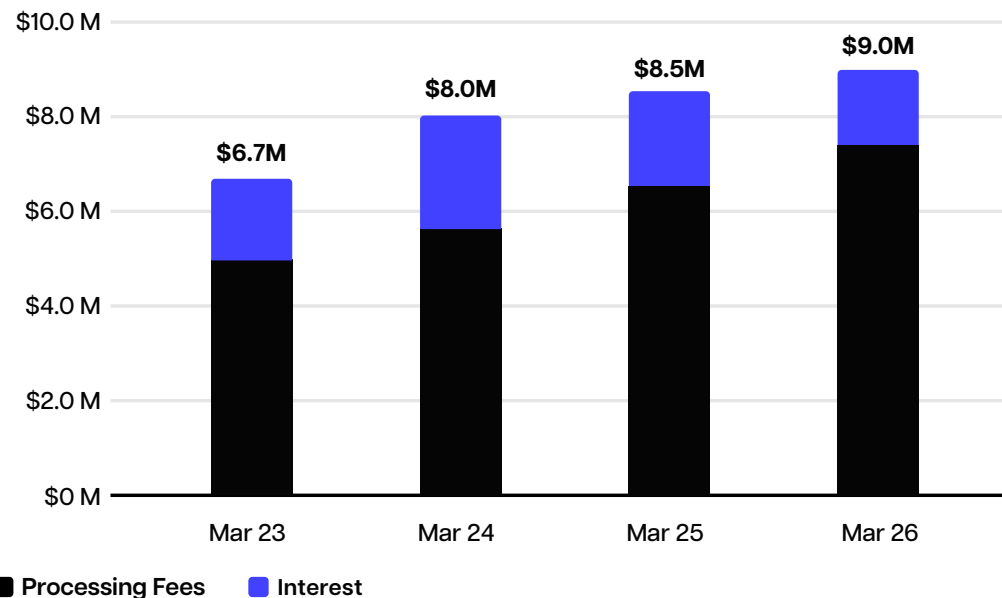
Recurring revenue grew 4% year on year to \$9.0m. This was primarily driven by the increase in processing fee revenue as interest revenue declined 22% in FY26.

Processing fee revenue increased to \$7.2m, up 13%, or \$0.84m year on year. The increase in volume of customers accounted for 60% of the increase, while the increase in average revenue per customer from processing fees accounted for the remainder.

Interest revenue decreased to \$1.8m, down 22% or \$0.52m year on year, with the declining interest rate environment experienced during the year more than offsetting the impact of increasing balance of funds held on behalf of customers over the course of the year.

Annualised recurring revenue

NZD (\$M)



■ Processing Fees ■ Interest

Annualised recurring revenue (ARR) grew 6% year on year to \$9m as at 31 March 2026.

	March 2026	March 2025	YOY Change
ARR at end of period (\$000s)	8,957	8,462	6%
Recurring revenue for the period - Total (\$000s)	8,975	8,651	4%
ARPU (monthly) at end of period (\$)	87	86	1%
FTEs	48	48	flat
Revenue per FTE (\$000s)	193	187	3%

Cost to Serve

i 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 of serving our customers by the total number of customers for the period. The lower the CTS, the more efficient PaySauce is at servicing customers.

Definitions

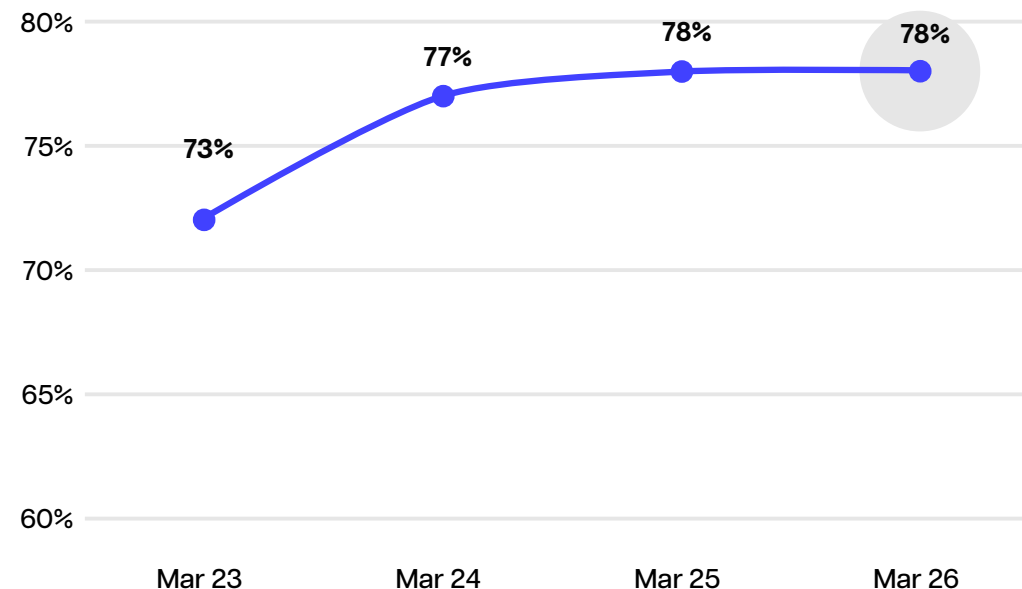
Cost to serve consists of customer support costs and expenses such as cloud hosting, maintenance of our software products, and bank fees charged per customer transaction.

Gross margin is the difference between the recurring revenue earned from our customers and the amount it costs PaySauce to service those customers (cost to serve). Gross margin is often expressed as a percentage of recurring revenue.

Cost to serve increased to \$2.0m (up 2% on last year). PaySauce continued to increase the efficiency of the customer function with investment into systems and processes, including the adoption of Intercom, and the launch of its new AI agent, Penny - which now resolves nearly 80% of chat based queries. This has enabled the same headcount of support staff to support a greater number of customers. Furthermore, a rebuilt onboarding flow and improved in-product guidance have streamlined the customer journey, reducing manual effort and reactive support volumes.

The increase in cost to serve was largely inflationary as a result 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 4% increase in recurring revenue as customer numbers grew 5% year on year. This led to a 4% increase of PaySauce’s gross margin to \$7.0m or 78% in percentage terms. The gross margin percentage remained in line with the prior year despite the 22% year on year decline in interest income.

Gross margin %



Gross margin held steady at 78% in FY26, with processing fee growth offsetting declining interest income.

	March 2026	March 2025	YOY Change
Recurring revenue (\$000s)	8,975	8,651	4%
Less cost to serve (\$000s)	(1,968)	(1,938)	2%
Gross margin (\$000s)	7,007	6,713	4%
Gross margin %	78%	78%	flat
CTS per customer (monthly) at end of period (\$)	19	19	flat

Customer Acquisition

i How and why do we monitor customer acquisition?

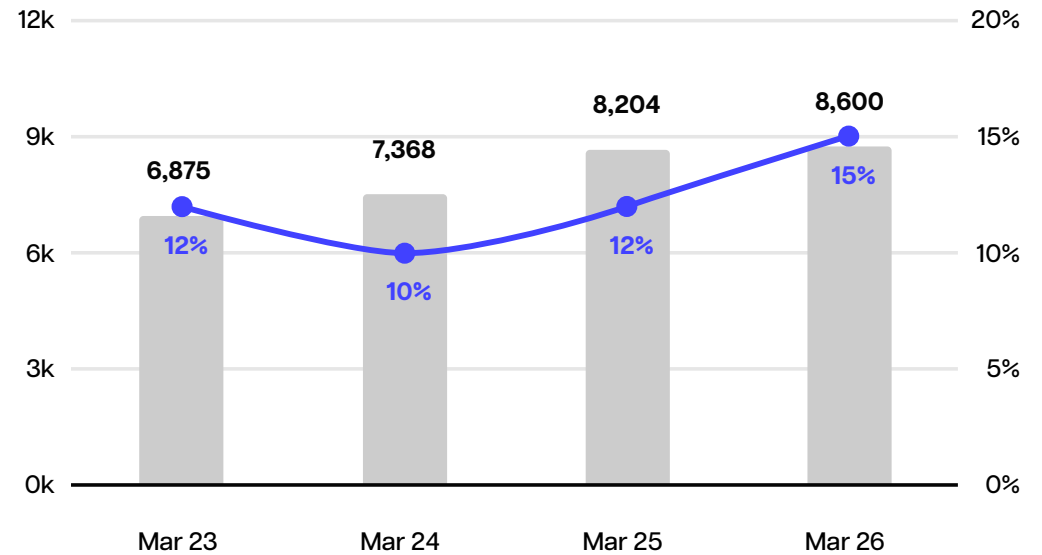
PaySauce monitors the cost of acquiring new customers as a growth efficiency metric. The customer acquisition cost (CAC) divides the total cost of attracting and onboarding new customers by the number of new customers onboarded in the period. In an established business or market, a lower CAC demonstrates a more efficient customer acquisition process.

Definitions

Customer acquisition costs relate to attracting 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

PaySauce added more than 1,400 new customers, growing the customer base to 8,600 as at 31 March 2026. Whilst still growing our customer base overall, the number of new customers onboarded in the year was down 19% year on year as the team prepared for launch in Australia. The increase in customer acquisition costs outpaced customer growth, primarily due to the increased spend relating to the market entry into Australia - the return on which will be seen in FY27. This led to an increase in CAC per addition of 62% year on year to 944 per customer in FY26.

Customer growth and acquisition cost



Customer base grew 5% to 8,600, while acquisition costs rose to 15% of recurring revenue, reflecting investment in the Australian market entry.

	March 2026	March 2025	YOY Change
CAC per addition	944	584	62%
New customers	1,422	1,755	(19%)
Customer acquisition costs (\$000s)	1,342	1,025	31%
Percentage of Recurring Revenue	15%	12%	3pp

Research and Development



Research and development (R&D) 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 according to NZ IFRS requirements. R&D costs are expensed if they are primarily related to researching new products or maintaining existing products. R&D costs are capitalised if they relate to developing new features or products for our customers. 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.

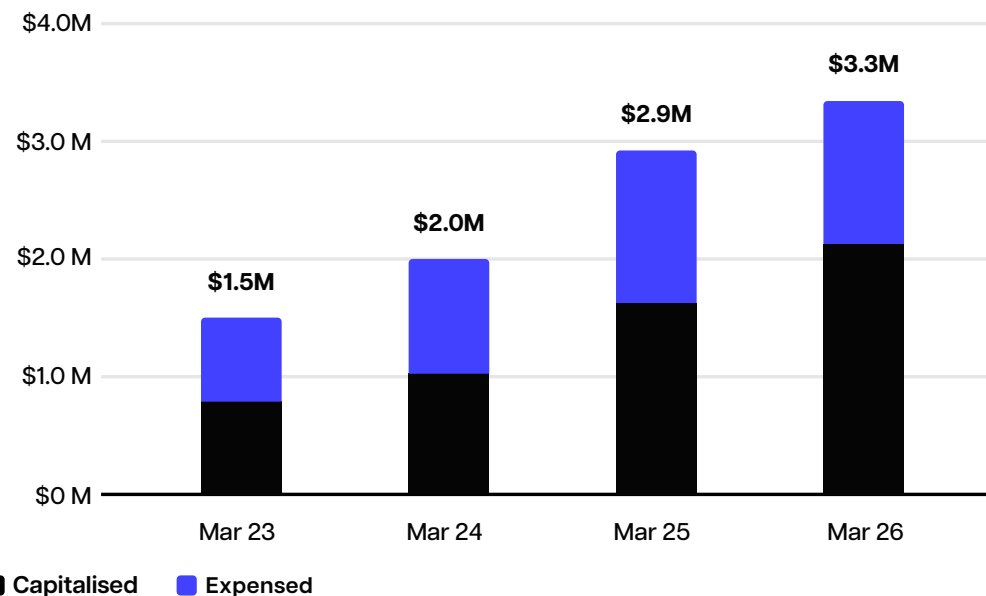
PaySauce increased investment into research and development by 16% year on year - up to \$3.3m for FY26.

This increase was primarily people cost, with new roles across the board in design, product and testing to support the development and release of the Australian payroll product.

The improvements made to the structure of the team, infrastructure and security over the past two years continue to deliver results. Not just in the speed of delivery of new products, but also limiting the increase in maintenance required on the existing products, with expensed research & development limited to an increase of 3% year on year. This, combined with the new team members being focused almost entirely on the development of the Australian payroll product, has led to an increase in the capitalisation rate of 5 percentage points year on year to 66% (a measure of how much time is spent developing and improving products compared to the time spent maintaining them).

R&D investment

NZD (\$M)



Total R&D investment increased 16% to \$3.3m, with the capitalisation rate rising to 66% as the team focused on developing the Australian payroll product.

	March 2026	March 2025	YOY Change
Research & development expensed (\$000s)	1,204	1,168	3%
Research & development impairment (\$000s)	21	74	(71%)
Research & development capitalised (\$000s)	2,119	1,629	30%
Total research and development costs (\$000s)	3,344	2,871	16%
Percentage of Recurring Revenue	37%	33%	4pp
Capitalisation rate (salaries)	66%	61%	5pp

Customer Lifetime Value

i How and why do we monitor customer lifetime value?

The longer a customer remains with PaySauce, the more value they generate. PaySauce monitors how long a customer is expected to remain a customer, by looking at customer retention. Customers who stop using PaySauce in any given month are deemed to have churned. Churn is measured as the percentage of customers that stop using PaySauce products each month as a proportion of the customers at the start of that 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. It is expressed as the percentage of the total customers at the start of that month. The net reduction allows for returning customers who may have paused processing temporarily, for example, due to seasonal fluctuations. 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 (CLTV) is a measure of the gross margin each customer brings in over the time they use PaySauce. CLTV is calculated by multiplying the gross margin per customer by the estimated customer lifetime.

Total customer lifetime value (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 CLTV 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 CLTV by the CAC per additions.

PaySauce saw total customer LTV grow 3% year on year, totalling \$57.2m as at 31 March 2026. This was driven entirely by the increase in customer numbers (up 5% year on year), which offset the slight decrease in LTV per customer (down 1% year on year).

The decrease in LTV was driven by the increase in the average monthly churn rate to 1.02% from 0.99% last year (an increase of 3% year on year), despite a stable gross margin and an increase in ARPU of 1% year on year.

	March 2026	March 2025	YOY Change
Customers at end of period	8,600	8,204	5%
Average monthly churn rate for the period (%)	1.02	0.99	3%
Churned customers	1,026	919	12%
LTV per customer at end of period (\$)	6,656	6,747	(1%)
Total customer LTV at end of period (\$m)	\$57.2m	\$55.3m	3%
LTV:CAC ratio at end of period	7:1	12 : 1	(39%)

Customer Lifetime Journey

Total customer lifetime value **+ 3% YOY**

\$57.2m

Customers **+ 5% YOY**

8,600

Value per customer

\$6,656

LTV : CAC ratio

7 : 1

Each customer generates **\$87** per month in revenue.

After **\$19** per month in servicing costs, that leaves a gross margin of **\$68** per customer per month.

Over an average customer lifetime of **8.2 years**, each customer is worth **\$6,656**.

ARPU / month

\$87

+ 1% YOY

CTS / month

\$19

flat YOY

Lifetime

8.2 yrs

-3% YOY

CLTV

\$6,656

-1% YOY

CAC

\$944

+62% YOY

Financial Statements

For the year ended 31 March 2026

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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 2026.

In the opinion of the directors of PaySauce Limited, the consolidated financial statements and notes on pages 33 to 47:

- comply with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") and present fairly the consolidated financial position of the Group as at 31 March 2026 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



26 May 2026

Jim Sybertsma
Audit & Risk Committee Chair



26 May 2026

Independent Auditor's Report

To the Shareholders of PaySauce Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of PaySauce Limited on pages 33 to 47 which comprise the consolidated statement of financial position as at 31 March 2026, 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 2026 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 Company/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.

Why the audit matter is significant

Intangible assets – Capitalisation of internally developed software, amortisation and impairment testing of intangible assets not yet ready for use

Intangible assets carrying value of \$4,615,000 at 31 March 2026 (\$3,359,000 at 31 March 2025) is comprised of computer software, development in progress and customer relationships.

The Group is a Software as a Service ("SaaS") provider and incurs significant expenditure in developing and maintaining its software assets.

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.

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 as incurred.

In addition to the above, the software asset includes development in progress of \$758,000 at 31 March 2026 (\$1,487,000 at 31 March 2025).

NZ IAS 36 Impairment of Assets requires intangible assets that are not yet available for use to be tested annually for impairment.

Capitalisation of internally generated intangible assets, the determination of their estimated lives, and impairment testing of intangible assets under development involves significant estimate and judgement and therefore is also a key audit matter.

How our audit addressed the key audit matter

We evaluated the appropriateness of intangible asset capitalisation and assessed impairment testing of intangible assets.

In respect to capitalised intangible assets, our procedures, amongst others, included the following:

- We obtained an understanding of the controls and processes implemented by management to ensure that capitalisation assessments are appropriate and that costs are appropriately determined;
- We obtained managements paper analysing asset additions during the period, and the basis of determination of costs for capitalised assets;
- We selected a sample of projects capitalised during the year and ensured the capitalisation criteria within NZ IAS 38 – *Intangible Assets* were appropriately satisfied. We also reviewed supporting documentation for amounts capitalised.

In respect to the amortisation of intangible assets, our procedures, amongst others, included the following:

- We obtained an understanding of the controls and processes implemented by management to ensure that useful life assessments are appropriate;
- We obtained managements paper supporting the basis for their assessments of useful lives applied to capitalised assets;
- We assessed the basis of managements useful lives for reasonableness and ensured amortisation periods applied to intangible assets were consistent with those assessments.

In respect to impairment assessments, our procedures, amongst others, included the following:

- We performed procedures to evaluate 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; We obtained management's impairment assessments and tested the completeness and mathematical accuracy of the value in use calculations;
- We obtained management's impairment assessments and tested the completeness and mathematical accuracy of the value in use calculations;
- We considered and challenged key assumptions within the impairment assessments and assessed the models' compliance with NZ IAS 36;
- We compared the forecast cash flows used for FY26 to the Board approved business plan; and
- We reviewed management's assessment of redundant or superseded development activities and assessed this against our knowledge of the Group's operations.

Other procedures of note included the following:

- We reviewed disclosures in the consolidated financial statements for reasonableness and appropriateness.

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 Annual 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 IFRS Accounting 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
Wellington
26 May 2026

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2026

	Notes	2026 \$000s	2025 \$000s
Operating revenue	4	9,247	8,995
Expenses			
Employee expenses	5	(5,133)	(5,076)
Other expenses	6	(2,878)	(2,516)
Depreciation and amortisation	7,8	(1,026)	(817)
Asset impairment	8	(21)	(74)
Finance costs	9	(18)	(52)
Total expenses		(9,076)	(8,535)
Net profit before income tax		171	460
Income Tax benefit	10	119	221
Net profit for the period		290	681
Other comprehensive income		–	–
Total comprehensive profit for the period		290	681
Earnings per share		Cents	Cents
Basic earnings per share	11	0.19	0.48
Diluted earnings per share	11	0.19	0.48

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

Consolidated Statement of Financial Position

As at 31 March 2026

	Notes	2026 \$000s	2025 \$000s
Assets			
Current assets			
Cash and cash equivalents	21	4,521	309
Cash and cash equivalents - customer funds	21	18,205	12,034
Term deposits - customer funds	21	17,000	24,200
Trade receivables		190	181
Other assets		291	343
Total current assets		40,207	37,067
Non-current assets			
Deferred tax assets	10	1,319	1,200
Term deposits - customer funds	21	9,950	1,700
Property, plant and equipment	7	243	352
Intangible assets	8	4,615	3,359
Total non-current assets		16,127	6,611
Total assets		56,334	43,678

Consolidated Statement of Financial Position (continued)

As at 31 March 2026

	Notes	2026 \$000s	2025 \$000s
Liabilities			
Current liabilities			
Trade and other payables		594	522
Funds due to customers and IRD	21	45,155	37,935
Employee benefits		535	364
Other liabilities		484	435
Lease liabilities		75	140
Total current liabilities		46,843	39,396
Non-current liabilities			
Lease liabilities		37	111
Total non-current liabilities		37	111
Total liabilities		46,880	39,507
Net assets		9,454	4,171
Equity			
Share capital	12	19,122	14,159
Reserves	18	188	158
Accumulated losses		(9,856)	(10,146)
Equity attributable to the owners of the Company		9,454	4,171

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 26 May 2026:

Shelley Ruha
Chair



26 May 2026

Jim Sybertsma
Audit & Risk Committee Chair



26 May 2026

Consolidated Statement of Movements in Equity

For the year ended 31 March 2026

	Share-based payment reserve		Share Capital	Accumulated losses	Total
	Notes	\$000s	\$000s	\$000s	\$000s
Balance as at 1 April 2025		158	14,159	(10,146)	4,171
Comprehensive profit					
Net profit for the period		–	–	290	290
Other comprehensive income		–	–	–	–
Total comprehensive profit		–	–	290	290
Transactions with owners					
Share-based payments, net of tax	18	430	–	–	430
Share-based payments paid up	12	(400)	400	–	–
Issue of ordinary shares		–	4,563	–	4,563
Total transactions with owners		30	4,963	–	4,993
Balance as at 31 March 2026		188	19,122	(9,856)	9,454

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

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

Consolidated Statement of Cash Flows

For the year ended 31 March 2026

	Notes	2026 \$000s	2025 \$000s
Cash flows from operating activities			
Receipts from customers		6,854	6,136
Interest received		1,903	2,514
Payments to suppliers and employees		(6,780)	(6,436)
Taxes (paid) / refunded		16	(16)
Interest paid on operating leases		(18)	(32)
Net cash from operating activities before increase in funds due to customers and IRD	21	1,975	2,166
Increase in funds due to customers and IRD	21	7,221	4,326
Net cash from operating activities	17	9,196	6,492
Cash flows used in investing activities			
Funds on term deposit		(1,050)	(1,200)
Investment in intangible assets		(2,120)	(1,629)
Purchases of property, plant and equipment		(90)	(35)
Net cash used in investing activities		(3,260)	(2,864)
Cash used from / (used in) financing activities			
Loan repayments		–	(650)
Net proceeds from issue of shares		4,564	–
Repayments of principal portion of lease liability		(117)	(127)
Interest paid on borrowings		–	(20)
Net cash from / (used in) financing activities		4,447	(797)
Net increase in cash and cash equivalents		10,383	2,831
Cash and cash equivalents at beginning of the period		12,343	9,512
Cash and cash equivalents at end of the period		22,726	12,343

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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 delivering digital payroll solutions across 14 jurisdictions in Asia-Pacific. The technology enables small employers to digitally onboard, pay and manage employees from any device. The platform includes rosters, mobile timesheets, payroll calculations, banking integration, automated payments, PAYE filing, labour costing, and automated general ledger entries. The PayNow feature enables customers’ employees to access the pay they’ve earned before payday, providing a free alternative to payday lenders.

The consolidated financial statements for the Company and its subsidiaries (the “Group”) for the year ended 31 March 2026 were authorised in accordance with a resolution of the directors for issue on 26 May 2026 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 2026. All subsidiaries are wholly owned and controlled by the Company as at 31 March 2026 and have a reporting date of 31 March 2026 (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.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are generally recognised in profit or loss.

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 recognised a right-of-use asset and corresponding lease liability for the property lease entered into during the period at 85 The Esplanade, Petone.

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)

Going concern

The consolidated financial statements have been prepared on a going concern basis.

The Group made a net profit before tax of \$0.171 million for the year ended 31 March 2026 (2025: \$0.460 million), had equity at 31 March 2026 of \$9.454 million (2025: \$4.171 million) and net current liabilities of \$6.637 million (2025: \$2.327 million). The Group has net current liabilities due to the non-current asset classification of \$9.950 million of term deposits placed using funds held on behalf of customers and IRD (see note 21). These deposits would be accessible at short notice in the event they were required.

The Group had positive operating cash flows before increase in funds due to customers and IRD of \$1.975m (2025: \$2.166m).

The Directors consider after making due enquiry and having regard to the circumstances which they consider reasonably likely to affect the Group for the foreseeable future, which is not less than 12 months from the date these financial statements are approved for issue, that the going concern assumption is valid.

4. Operating revenue

	2026 \$000s	2025 \$000s
Revenue from contracts with customers		
Processing fees	7,162	6,322
Other services revenue	–	71
Revenue from other sources		
Interest income	1,850	2,343
Other revenue	235	259
Total operating revenue	9,247	8,995

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

	2026 \$000s	2025 \$000s
Employee benefits/entitlements	4,341	4,315
Employee benefits/entitlements - share-based payments	554	663
Fringe benefit tax	38	26
Other employee expenses	200	72
Total employee expenses	5,133	5,076

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 \$1.032 million for the year ended 31 March 2026 (2025: \$0.976 million).

6. Other expenses

	2026 \$000s	2025 \$000s
Advertising, PR and marketing	479	311
Audit fees	85	82
Communications and subscriptions	361	331
Customer and transactional	667	691
Other overheads	803	678
Infrastructure and security	348	343
Travel	135	80
Total other expenses	2,878	2,516

Other expenses above contain research and development expenditure of \$0.172 million for the year ended 31 March 2026 (2025: \$0.192 million).

7. Property, plant and equipment

	Right-of-use Asset (Property)	Office Equipment	Leasehold Improvements	Computer Equipment	Total
Year ended 31 March 2026	\$000s	\$000s	\$000s	\$000s	\$000s
Opening net book value	229	70	–	53	352
Additions	–	26	40	27	93
Disposals	(12)	(4)	–	(3)	(19)
Depreciation	(120)	(20)	(1)	(42)	(183)
Closing net book value	97	72	39	35	243
As at 31 March 2026					
Cost	166	156	44	227	593
Accumulated depreciation	(69)	(84)	(5)	(192)	(350)
Net book value	97	72	39	35	243

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

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	12.5–50%
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
Year ended 31 March 2026	\$000s	\$000s	\$000s	\$000s
Opening net book value	1,487	1,790	82	3,359
Additions	132	38	–	170
Development costs recognised as an asset	1,950	–	–	1,950
Development in progress recognised as Software	(2,790)	2,790	–	–
Asset impairment	(21)	–	–	(21)
Amortisation	–	(807)	(36)	(843)
Closing net book value	758	3,811	46	4,615
As at 31 March 2026				
Cost	758	6,367	354	7,479
Accumulated amortisation	–	(2,556)	(308)	(2,864)
Net book value	758	3,811	46	4,615

	Development in progress	Computer Software	Customer Relationships	Total
Year ended 31 March 2025	\$000s	\$000s	\$000s	\$000s
Opening net book value	972	1274	153	2,399
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)
Closing net book value	1,487	1,790	82	3,359
As at 31 March 2025				
Cost	1,487	3,539	354	5,380
Accumulated amortisation	–	(1,749)	(272)	(2,021)
Net book value	1,487	1,790	82	3,359

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 2026, 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 five of the assets. Upon assessment of the recoverable amount of the asset, it was determined that no impairment loss be recognised for intangible assets (2025: \$0.021 million).

Accounting for development work in progress

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 \$0.021 million be recognised (2025: \$0.053 million).

9. Finance Costs

	2026	2025
	\$000s	\$000s
Interest paid	–	20
Finance cost - Interest on lease	18	32
Total finance costs	18	52

10. Tax expense & deferred tax

	2026	2025
	\$000s	\$000s
a. Income tax		
Net profit before tax for the period	171	460
At the New Zealand statutory income tax rate of 28%	48	129
Non-deductible expenditure (permanent differences)	101	(53)
Prior period adjustments (temporary differences)	(125)	(25)
Utilisation of tax losses	(24)	(50)
Deferred tax adjustments		
– Reversal of temporary differences	143	(102)
– Recognition of tax losses carried forward as deferred tax asset	(24)	322
Income tax benefit	119	221

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.

	2026	2025
	\$000s	\$000s
(b) Deferred tax assets & liabilities		
Opening deferred tax assets	1,511	1,022
Recognised in profit or loss		
– Lease liabilities	(40)	71
– Provisions and accruals	33	96
– Share-based payments	77	–
– Unused tax losses	(24)	323
Closing deferred tax assets	1,557	1,512
Opening deferred tax liabilities	312	43
Recognised in profit or loss		
– Intangible assets	(20)	(20)
– Right of use asset	(37)	64
– Share-based payments	(65)	65
– Software assets	48	160
Closing deferred tax liabilities	238	312
Net deferred tax asset	1,319	1,200

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 \$8.258 million as at 31 March 2026 (2025: \$8.346 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 recognised a deferred tax asset as at 31 March 2026 of \$1.319 million, representing tax losses of \$4.715 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 2026.

11. Earnings per share

	2026	2025
Basic earnings per share		
Net profit used in calculating earnings per share (\$000s)	290	681
Weighted average number of ordinary shares for basic earnings per share	149,553,307	141,956,883
Basic earnings per share (cents)	0.19	0.48

There are no financial instruments on issue that will dilute the basic earnings per share amounts for the year ended 31 March 2026.

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
1 April 2025	Opening Balance		143,168,826	14,159
	Issue of shares relating to employee share schemes	0.2111	1,585,452	335
	Other share-based payments	0.2260	289,321	65
	Capital raise	0.2600	13,514,767	3,514
	Share purchase plan	0.2600	5,862,087	1,524
	Shareholder buyback	0.2458	(174,459)	(43)
	Cost of issuance	–	–	(432)
31 March 2026	Closing Balance		164,245,994	19,122

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

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 (2025: 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.

	2026 \$000s	2025 \$000s
Directors' fees	215	230
Short term employee benefits	1,166	1,434
Share-based payments	151	387
Total key management personnel compensation	1,532	2,051

Director fees pool

The maximum aggregate amount of remuneration payable in respect of all Directors' fees, based on the current number of Directors is \$275k per annum. Each non-executive director receives fees of \$45k per annum, with a further \$27k and \$6.5k 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:

	2026 \$000s	2025 \$000s
Related party transactions during the period		
Cloud hosting services supplied by entities controlled by related parties		
Catalyst.Net Limited	–	20
Catalyst Cloud Limited	–	3
Related party balances payable at period end	\$000s	\$000s
Directors' Fees	21	35

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.

	2026	2025
	\$000s	\$000s
Financial assets		
Financial assets at amortised cost		
Cash and cash equivalents	4,521	309
Cash and cash equivalents - customer funds	18,205	12,034
Term deposits	26,950	25,900
Trade and other receivables	190	181
Total financial assets	49,866	38,424

	2026	2025
	\$000s	\$000s
Financial liabilities		
Financial liabilities at amortised cost		
Funds due to customers and IRD	45,155	37,935
Trade and other payables	535	427
Other liabilities	484	434
Total financial liabilities	46,174	38,796

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 ANZ Bank NZ, ASB Bank, BNZ, Kiwibank and Westpac NZ, which hold the following credit ratings:

Credit Ratings	Standard & Poors Rating	Fitch Rating	Moody's Rating
ANZ Bank NZ	AA-	A+	A1
ASB Bank	AA-	A+	Aa3
BNZ	AA-	A+	A1
Kiwibank	Not rated	AA	A1
Westpac NZ	AA-	A+	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 2026	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Funds due to customers and IRD	45,155	45,155	45,155	–	–	–
Trade and other payables	535	535	535	–	–	–
Other liabilities	484	484	484	–	–	–
Lease liabilities	112	112	43	32	37	–
Total	46,286	46,286	46,217	32	37	–

	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
Total	39,048	39,048	38,864	72	100	12

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, \$9.950 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:

	2026	2025
Effect on net profit before tax	\$000s	\$000s
Cash and cash equivalents and term deposits		
Each 100 basis point increase in interest rate	440	362
Each 100 basis point decrease in interest rate	(440)	(362)

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 \$49.68 million as at 31 March 2026 (2025: \$38.24 million).

15. Interest bearing liabilities

The group entered into an agreement on 14 June 2024 for an overdraft facility of \$0.35m and cancelled the facility on 9 March 2026. A General Security Arrangement held over all present and acquired property of the group was retained.

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

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

	2026	2025
	\$000s	\$000s
Net profit after taxation	290	681
Add back non-cash & non-operating items		
Depreciation & amortisation	1,026	817
Asset impairments & loss on disposal of fixed assets	21	74
Share-based payment expense	30	445
Other non-cash & non-operating items	392	20
Total non-cash & non-operating items:	1,759	2,037
Movement in working capital		
Increase in Trade and other receivables	(9)	(8)
Increase in Other assets	(67)	(63)
Increase in Funds due to customers and IRD	7,221	4,326
Increase in Trade and other payables	72	124
Increase in Employee benefits	171	32
Increase in Other liabilities	49	44
Total movements in working capital	7,437	4,455
Net cash inflow from operating activities	9,196	6,492

18. Employee Share Scheme

The Group entered into an employee share scheme (ESS) for the year ended 31 March 2026. The structure of the FY26 scheme is the same as the FY25 scheme outlined in the financial statements for the year ended 31 March 2025, 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 2026 are as follows:

	Total
	\$000s
For the year ended 31 March 2026	
ESS expenses	553
Legacy ESS expense & other share-based payments	151
Total share-based payment expense	704

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

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 2026 are as follows:

Date	Details	\$000s
1 April 2025	Opening Balance	158
	ESS - expensed	341
	ESS - shares issued	(335)
	Legacy ESS & other share-based payments - expensed	89
	Legacy ESS & other share-based payments - shares issued	(65)
31 March 2026	Closing Balance	188

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

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:

	2026	2025
	\$000s	\$000s
Share-based payment liabilities		
Current	85	82
Total share-based payment liabilities	85	82

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.

Investments in subsidiary

The Company had the following subsidiaries at 31 March 2026:

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.

20. 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.

21. Contingencies

As at 31 March 2026 the Group had no contingent liabilities or assets (2025: \$nil)

22. 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 paysauce.com/investor

The Board considers that, as at 26 May 2026, the Company complied with the recommendations set by the NZX Corporate Governance Code dated 31 March 2026, 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”.

All directors' and senior managers' shareholdings and shares traded during the year by the directors and senior managers are published under Directors' and senior managers' 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;
- 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; and
- The effectiveness and performance of the board and its individual members should be re-evaluated annually.

As at 31 March 2026 the Board comprised of five Directors:

- **Asantha Wijeyeratne** – Executive Director and CEO
- **Gavin Thompson** – Non-Independent Director
- **Shelley Ruha** – Independent Director (Chair)
- **Mark Samlal** – Independent Director
- **Jim Sybertsma** – Independent Director (Audit & Risk Committee Chair)

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, ethnicity, first language, religion and mobility.

We held the following gender diversity as at 31 March 2026:

	As at 31 March 2026		
	Directors	Executive Team	Employees
Male	4	2	25
Female	1	2	23
Total	5	4	48

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

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), Shelley Ruha, and Gavin Thompson, of which Jim, and Shelley 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: 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 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) 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 - 2026	Employees - 2025
\$100,000 - \$109,999	5	2
\$110,000 - \$119,999	2	4
\$120,000 - \$129,999	2	3
\$130,000 - \$139,999	1	2
\$140,000 - \$149,999	–	2
\$150,000 - \$159,999	2	1
\$160,000 - \$169,999	3	3
\$180,000 - \$189,999	1	–
\$190,000 - \$199,999	1	–
\$210,000 - \$219,999	1	1
\$220,000 - \$229,999	–	1
\$240,000 - \$249,999	–	1
\$250,000 - \$259,999	–	1
\$310,000 - \$319,999	–	1
\$320,000 - \$329,999	1	–
\$330,000 - \$339,999	–	1
\$450,000 - \$459,999	–	1
\$500,000 - \$509,999	1	–

Donations

No cash donations were made by the Group during the year ended 31 March 2026 (2025: \$Nil).

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 2026:

Director	Board Meetings Attended	ARC Meetings Attended
Shelley Ruha *	11 of 11	2 of 2
Asantha Wijeyeratne	10 of 11	-
Gavin Thompson	11 of 11	3 of 3
Mark Samlal	11 of 11	-
Jim Sybertsma	11 of 11	3 of 3
Michael O'Donnell **	3 of 3	1 of 1

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

* Shelley Ruha was elected a member of the Audit & Risk Committee upon Michael's departure.

** Michael O'Donnell resigned as an Independent Director and member of the Audit & Risk Committee, effective 08 August 2025.

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 2026:

Director	Registered holder / associated entity	Number of shares acquired / (disposed)	Consideration	Date	Note
Jim Sybertsma	James Sybertsma	76,923	\$20,000	Feb-26	Participation in the Share Purchase Plan (SPP) as part of the Offer announced to the market on 15 December 2025
Mark Samlal	Mark Samlal	115,385	\$30,000	Feb-26	Off Market purchase of shares
Asantha Wijeyeratne	Asantha Peter Wijeyeratne	(1,634,617)	\$425,000	Jan-26	Off Market sales of shares
Asantha Wijeyeratne	Asantha Peter Wijeyeratne	(384,615)	\$0	Jan-26	Gift of shares
Asantha Wijeyeratne	Payroll.Kiwi Limited	28,629	\$7,733	Jan-26	Shares issued as part of the Employee Share Scheme
Mark Samlal	Mark Samlal	41,651	\$11,250	Jan-26	Issued shares in lieu of director remuneration
Gavin Thompson	Gavin Thompson	192,000	\$49,920	Dec-25	Participation in Placement
Asantha Wijeyeratne	Wijeyeratne & Co Ltd	27,750,433	\$nil	Dec-25	Transfer to Asantha Peter Wijeyeratne
Asantha Wijeyeratne	Cloud Investments Ltd	8,508,501	\$nil	Dec-25	Transfer to Asantha Peter Wijeyeratne
Asantha Wijeyeratne	Payroll.Kiwi Limited	33,102	\$7,733	Oct-25	Shares issued as part of the Employee Share Scheme
Mark Samlal	Mark Samlal	42,808	\$10,000	Oct-25	Issued shares in lieu of director remuneration
Asantha Wijeyeratne	Payroll.Kiwi Limited	40,698	\$7,733	Jul-25	Shares issued as part of the Employee Share Scheme
Mark Samlal	Mark Samlal	52,632	\$10,000	Jul-25	Issued shares in lieu of director remuneration
Asantha Wijeyeratne	Payroll.Kiwi Limited	45,220	\$7,733	Apr-25	Shares issued as part of the Employee Share Scheme
Mark Samlal	Mark Samlal	58,480	\$10,000	Apr-25	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 2026 is outlined below:

Director	31-Mar-26			31-Mar-25		
	Director fees	Other remuneration	Total	Director fees	Other remuneration	Total
Asantha Wijeyeratne	Nil	\$509,069	\$509,069	Nil	\$451,431	\$451,431
Gavin Thompson	\$42,083	Nil	\$42,083	\$40,000	Nil	\$40,000
Michael O'Donnell*	\$17,543	Nil	\$17,543	\$40,000	Nil	\$40,000
Shelley Ruha	\$67,917	Nil	\$67,917	\$65,000	Nil	\$65,000
Mark Samlal	\$41,250	Nil	\$41,250	\$40,000	Nil	\$40,000
Jim Sybertsma	\$46,625	Nil	\$46,625	\$45,000	Nil	\$45,000

*Michael O'Donnell resigned as an Independent Director and member of the Audit & Risk Committee, effective 08 August 2025.

Executive Director remuneration

Asantha Wijeyeratne is the Chief Executive Officer, and held this position as at 31 March 2026. He did not receive any remuneration in his capacity as a Director, but was remunerated as Chief Executive Officer as follows:

CEO Remuneration	31-Mar-26	31-Mar-25
	Asantha Wijeyeratne	Asantha Wijeyeratne
Salary	\$342,492	\$336,963
Bonuses	\$33,804	\$58,688
Employee Share Scheme	\$50,706	\$55,780
Relocation Expenses	\$82,067	–
Total	\$509,069	\$451,431

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	Catalyst IT Limited	Shareholder
	Cloud Investments Limited	Director & Shareholder
	Payroll.Kiwi Limited	Director
	PaySauce Limited	Director & Shareholder
	PaySauce Operations Limited	Director
	Right Remuneration Limited	Director
Gavin Thompson	Wijeyeratne & Co Limited	Director & Shareholder
	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

CORPORATE GOVERNANCE

Michael O'Donnell (resigned 2025)	PaySauce Limited	Shareholder, Independent Director
	Realestate.co.nz Limited	Director
	Radio New Zealand Limited	Director
	NZ Trade + Enterprise / G2G	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	Director and Shareholder
	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	Independent Chair & Shareholder
	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
	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
Mark Samlal	PaySauce Limited	Shareholder, Independent Director
	MS&MS Pty Ltd	Family Trust
	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

CORPORATE GOVERNANCE

	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 H PAY ASIA VIETNAM	Director
	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 & CEO
	PYG NXT 1 Inc	Director & Shareholder
	DPAYMENTS (SINGAPORE) PTE. LTD	Director
	Okратin Solutions Pte. Ltd	Director
Jim Sybertsma	PaySauce Limited	Director, ARC Chair & Shareholder
	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 2026:

Director	Securities held by Director or associated entity*
Asantha Wijeyeratne	34,020,023
Gavin Thompson	2,276,978
Michael O'Donnell (resigned 2025)	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 2026 were as follows:

Substantial product holder	Shares held	% of issued shares
Asantha Peter Wijeyeratne	34,020,023	20.69%
Perpetual Trust Limited	21,466,667	13.07%
Gondolin Trust	14,431,749	8.79%
New Zealand Central Securities	8,211,208	5.00%

Twenty largest equity security holders

The 20 largest holders of PaySauce ordinary shares as at 31 March 2026 were as follows:

Rank	Shareholders/Investors	Shares held	% of issued shares
1	Asantha Peter Wijeyeratne	33,774,350	20.56%
2	Perpetual Trust Limited	21,466,667	13.07%
3	Gondolin Trust	14,431,749	8.79%
4	New Zealand Central Securities	8,211,208	5.00%
5	Masfen Securities Limited	7,692,307	4.68%
6	Adminis Custodial Nominees	7,058,752	4.30%
7	New Zealand Depository Nominee	4,551,882	2.77%
8	David Russell Stewart & Adrienne Ruth Stewart	4,472,000	2.72%
9	Charlotte Anne Lockhart	3,211,183	1.96%
10	Ian Stewart Frame & Pamela Anne Frame	2,652,765	1.62%
11	Gavin Thompson	2,468,978	1.50%
12	Robert John Woodward	2,312,307	1.41%
13	Krishnakumar Guda	2,062,307	1.26%
14	Bhagwanji Bhula Rama	1,715,000	1.04%
15	Malcolm William Campbell	1,515,000	0.92%
16	Hugh Anthony Pradeep Fernando	1,471,102	0.90%
17	Lim Family	1,458,795	0.89%
18	Cloud Investments Two Limited	1,457,557	0.89%
19	Geoffrey William Bennett	1,344,954	0.82%
20	Victoria Ann Taylor	1,269,113	0.77%

Spread of security holders

The spread of holders of PaySauce ordinary shares as at 31 March 2026 are listed below:

Size of holding (shares)	Shareholders		Shares	
	Number	%	Number	%
1 - 10,000	273	42.13%	1,344,137	0.82%
10,001 - 50,000	208	32.10%	5,292,497	3.22%
50,001 - 100,000	64	9.88%	4,730,602	2.88%
100,001 - 500,000	65	10.03%	13,714,250	8.35%
500,001 - 1,000,000	14	2.16%	10,249,070	6.24%
1,000,001 and over	24	3.70%	128,915,438	78.49%
Totals	648	100.00%	164,245,994	100.00%

NZX waivers from listing rules

No waivers were granted to PaySauce by NZX during the year ended 31 March 2026, and there were no waivers that PaySauce relied upon during this period.

Company Directory

Directors

Asantha Wijeyeratne

Gavin Thompson

Jim Sybertsma

Mark Samlal

Shelley Ruha

Registered Office

85 The Esplanade
Petone, 5012
New Zealand

Website

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

Annual Shareholders Meeting

September 2026

FY27 Half year

30 September 2026

FY27 Interim result announcement

November 2026

FY27 Year end

31 March 2027
