



**Australia
is on.**

**2026
Interim
Report**



The strengths of our New Zealand operations - consistent growth in revenue and solid earnings and cash flow - have supported the company's strategy to take a payroll solution tailored to the needs of micro-businesses to the world. This strong domestic foundation has enabled continued reinvestment into the business and funded launch into Australia, a market of around 700,000 micro-businesses that remains largely underserved.

At the centre of these efforts has been the development of our Global Payroll Platform - a two-year project that has transformed our platform, creating new opportunities to scale and further strengthening our reputation for delivering the simplest, most accessible payroll solution for micro-businesses.

The design, build of the new platform and the launch of a pilot in Victoria mark a major milestone in the commercialisation of this technology, opening the door to a new market while reinforcing our core business. As we enter Australia, we will be going hard - learning from the market, refining our approach, and building a playbook for broader international expansion.

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Highlights

Annualised Recurring Revenue (ARR)
▲ 6% YoY increase

\$9.2m

EBTDA
▲ \$231k YoY increase

\$779k

Net Profit Before Tax
▲ \$154k YoY increase

\$302k

Positive Free Cashflow
▼ \$166k YoY decrease

\$33k

Cost to Serve Per Customer (CTS)
▼ 3% YoY decrease

\$20 Per customer

Processing Fees
▲ 15% YoY increase

\$7.3m

Interest
▼ 20% YoY decrease

\$1.9m

We've funded the development of the Global Payroll Platform and the pilot Australian payroll product over the last couple of years with cash generated from our strong New Zealand business. This development enables expansion into a vast and underserved segment: the Australian micro-business market.

Total Customer Lifetime Value (Total LTV)
▲ 20% YoY increase

\$60.5m

Australia

Australia presents a total addressable market of over 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.

Currently, many operators rely on inefficient, fragmented processes, using multiple applications for rostering, timesheets, payroll calculations, and payments. This manual data transfer is time-consuming and error-prone, creating a clear and urgent need for a simplified, integrated solution. Our initial focus is the Victorian dairy sector, an industry we understand deeply, before expanding to other sectors like trades and hospitality.

Our solution is a single, integrated platform providing end-to-end payroll. Powered by our flexible Global Payroll Platform, our product seamlessly handles rostering, timesheets, complex award calculations, STP tax filing (Single Touch Payroll), and integrated payments via NPP (New Payments Platform)

The power of Global Payroll Platform demonstrated with successful Australian Pilot solving the greatest compliance pain points

Fair Work Payroll Awards makes compliance mandatory for all 700,000 micro-businesses in Australia

We've taken all of the complex pieces of the payroll process, and combined them into one easy to use product. There's nothing new about the individual problems we're solving, but when solved together in the right way in a single product, that is the key to providing a solution that puts us apart from our competitors. We are uniquely positioned to fill a clear market gap, offering a specialised and affordable solution that existing complex or non-integrated providers fail to serve.

Our go-to-market strategy is disciplined and targeted. We have launched a successful pilot with Victorian dairy farmers, validating our product and approach. Key upcoming milestones include onboarding additional pilot customers by the end of Q3 and launching commercially at the Australian Dairy Conference in February, with a goal of securing our next customer cohort by the end of FY26.



Message from the Chair

Poised for an acceleration in growth



Shelley Ruha
Independent Director,
Chair

The past six months have marked a watershed period in PaySauce’s evolution.

Building on two years of focused innovation and development, we brought our Global Payroll Platform into production with the launch of our payroll pilot in Victoria, Australia. This is a significant milestone that opens the door to new markets. It also stands to strengthen our core business by offering opportunities to scale and consolidate our reputation for offering micro businesses the simplest and most accessible payroll solution.

As the financial results we disclose in this report show, this achievement is founded on the strengths of the New Zealand business and continued delivery on our core strategic objectives for growth, outstanding customer service and technical leadership to support our ambitions to scale. It is this consistency and the extent to which our product resonates with microbusinesses that has allowed us to fund the design, build, and launch of the new payroll platform.

PaySauce is now on the threshold of a new phase of growth. The pilot in Australia is but the first step. We are initially focused on the Australian dairy sector, its more than 4,000 dairy farms and its workforce of 46,000 people. Longer term we see significant potential to provide payroll to Australia’s more than 700,000 micro businesses that remain poorly served by the existing payroll providers.

It is an exciting time for the company.

Financial Performance

Recurring revenue for the six months to 30 September 2025 (1H 2026) rose 5% to \$4.5 million. A strong 15% rise in processing fee income to \$3.5 million was diluted by a reduction in interest received on funds held on behalf of customers following Reserve Bank cuts to wholesale interest rates. Interest income fell 21% to \$967k from \$1.2 million in 1H 2025, even as the funds held on behalf of customers (the ‘float’) rose 18% to \$43 million from \$36 million at the same time a year ago.

Annualised Recurring Revenue (ARR) at the end of the period was \$9.2 million, up 6% on the \$8.7 million achieved at the end of 1H 2025. The result was lifted by a 9% increase in total customers to 8,506 from 7,821 in 1H 2025 as our strong base of loyal customers and partners drove new referrals. Average Monthly Revenue Per User (ARPU) fell 3% with the \$7 monthly reduction in interest income not fully recovered from the \$5 increase in processing fees.

As Asantha sets out in his letter, these metrics coupled with reduced churn and reduced costs to serve per customer have lifted the value of our customer base by 20% to \$60.5 million over the same period a year ago – a clear demonstration of the value we are continuing to create for shareholders.

Earnings Before Tax Depreciation and Amortisation (EBTDA)¹ rose 42% to \$779k from \$548k as we benefitted from revenue and efficiency gains and tight management of costs. Notably, gross margins were stable at a robust 78%, while general and administration costs fell 21% to \$1.6 million from \$1.9 million in 1H 2026. Capitalised research and development costs increased from \$0.79 million to \$0.96 million as we focused our development effort into building our Australian product. Net profit before tax more than doubled to \$302k from \$148k in the same period a year ago.

Cash flow and funding

The New Zealand business continues to generate positive free cash flow, funding both the two year development of the Global Payroll Platform and its commercialisation via the Australian pilot. Operating cash flow before movements in funds due to customers and the IRD was flat year on year at \$1.1 million for 1H25, with free cash flow of \$33k, down \$166k from \$199k in 1H25. We ended the period with cash reserves (excluding funds held on behalf of customers) of \$272k and undrawn banking facilities of \$350k, providing the company with flexibility to support its next phase of growth.

“ Longer term we see significant potential to provide payroll to Australia’s more than 700,000 micro businesses that remain poorly served by the existing payroll providers. ”

Governance

In August 2025, independent director Mike O'Donnell resigned to take up a senior role in Los Angeles. Mike served on the Board for five years and made a significant contribution to PaySauce’s growth journey. The Board maintains an appropriate balance of independence and expertise and will consider the timing of any new appointment as our Australian operations expand.

Outlook

PaySauce is well positioned to extend its record for growth. While lower wholesale interest rates continue to mask the strong underlying performance of the business, the economic stimulus supports new business formation, increased employment and over time growth in total customers.

Meanwhile, with the current monetary easing cycle beginning to bottom out, we expect interest income to begin to level out and grow in line with the growth of our New Zealand business.

In any event processing-fee revenue remains the primary driver of shareholder value and this will be supported by an expanding customer base especially in the new financial year (FY27) when we expect momentum in our Australian business will begin to build.

Despite the increasing likelihood of further OCR cuts pushing achievement of our target of \$10 million ARR into the first quarter of FY27, we remain confident in our strategy and disciplined in execution as we enter this next phase, supported by a long-awaited expected turnaround in New Zealand business confidence.

We thank our shareholders, customers and partners for their continued support, and our team for their commitment to making PaySauce a trusted payroll partner to micro-businesses.

Shelley Ruha
Independent Director, Chair



¹ EBTDA is a non-GAAP measure of financial performance. It is defined and reconciled to net profit before tax on page 15 of this report.

Message from the CEO
Strong execution and a committed team



Asantha
Wijeyeratne
CEO, Co-founder

The first half of FY26 has been a period of considerable achievement for PaySauce. Together, we have delivered on the key pillars of our strategy - loving our customers, driving growth, and building for scale.

We have maintained strong momentum in our core New Zealand business, delivering robust customer growth and a significant uplift in total customer lifetime value. We also reached a major technical milestone, deploying our Global Payroll Platform through our Australian pilot, the culmination of 2 years of intense development effort.

These achievements have required close collaboration across business development, technology, and customer support, as well as the cooperation and enthusiasm of our Australian pilot’s customers.

I am immensely proud of what the team has accomplished. It reflects the strength of our execution, the commitment of our people, and the trust of our customers who continue to grow with us.

Australian Pilot

The launch of our Australian pilot in Victoria marked a major milestone for PaySauce. In September, our first Australian customer successfully completed their initial pay runs using the Global Payroll Platform - a powerful demonstration of the platform’s capability and the simplicity of our integrated payroll solution.

The pilot has now expanded to more customers and without exception, participants are reporting meaningful time savings - reducing their payroll process from hours to minutes - and enjoying the peace of mind that comes from a system offering assurance on compliance with Australian employment conditions while seamlessly managing payments.

The purpose of the pilot is to validate our product in a live operating environment, refine the user experience, and confirm that our solution fully addresses the compliance and workflow challenges faced by Australia’s micro-businesses. It is also designed to test the scalability of our technology stack and build early momentum in this important new market. Success will be measured not only by transaction volume, but also by customer satisfaction, accuracy, and time saved.

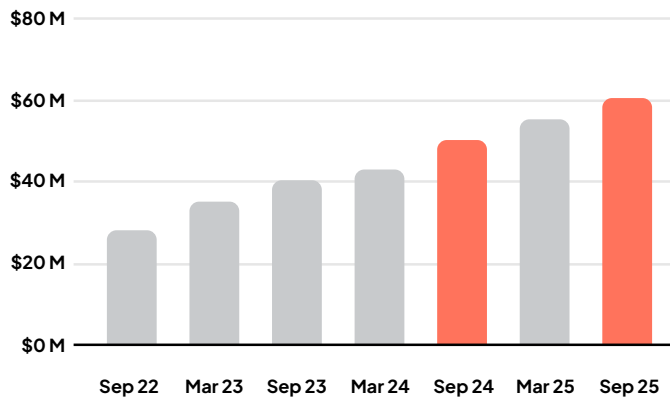
I would like to extend my sincere thanks to our pilot customers for their cooperation and enthusiasm. Their feedback is helping us shape a product that stands to deliver genuine value to micro-business owners across Australia - and, in time, to other international markets.

New Zealand Business

Our success in Australia has been underpinned by our New Zealand business as our key SaaS metrics for the half-year demonstrate.

“ Our Pilot in September was successful. Employees were paid via our software that successfully calculated their wage, validated it against the pastoral award, completed their Superannuation payment and filing, completed their ATO payment and filing and shifted funds into their account. ”

Total Customer LTV



Net customers are up 9% to 8,506. Our customer acquisition cost (CAC) was stable at \$577, and the monthly recurring revenue per customer is down 3% to \$90, reflecting lower interest income.

The monthly cost to serve each customer is down slightly at \$20 from \$21 in 1H 25. Our investment in an expanded self-service help centre has empowered customers to resolve common issues independently, reducing support ticket volume while improving response times. We've restructured our support teams into dedicated proactive and reactive functions. Improvements to new customer training sessions have equipped our customers with deeper product knowledge, reducing their dependency on ongoing support interventions. Internally, new support tooling is streamlining our team's workflows and improving response efficiency. We are preparing to launch AI-powered support capabilities in early 2026, which will further enhance our ability to provide instant, accurate assistance at scale while allowing our team to focus on complex, high-value customer interactions. These improvements position us to serve our growing customer base more effectively while maintaining operational efficiency.

This excellent customer service contributed to the 12% reduction in average monthly churn to 0.98% from 1.1% in 1H 25. This reduced churn has lifted customer lifetime value by 10% to \$7,109 per customer. Combined with the growth in customers, the value of our customer base is up by 20% to \$60.5 million on 1H 25 and up 9.4% on the \$55.3 million in March 2025.

These outcomes reflect our focused marketing activity, together with the activity in the accounting-partner channel. We've seen increasing growth from the direct-to-customer sales function and will be continuing to increase activity in this space to drive growth through new small businesses across New Zealand. We will deepen our relationship with some key accounting partners, and continue to market to micro-businesses directly, demonstrating our deep understanding of the real challenges they face.

This refined approach to the market will also underpin our expansion into Australia as we look to provide a mobile first option for small businesses.

Technology

Our technology efforts during the half were dominated by the deployment of our new payroll platform into Australia. Standing up a workable solution in such a complex regulatory environment was no small task.

Australia's intricate system of awards and agreements presented both technical and operational challenges, requiring deep domain knowledge to be configured within the platform.

I am delighted with what our team has achieved. The fact that we now have Australian customers running live, compliant payrolls through PaySauce is a significant accomplishment. It underscores the depth of our technical capability and the commitment of our people to delivering solutions that make payroll and compliance effortless for small employers.

Looking beyond our near-term \$10m ARR target, we are excited about what lies ahead for PaySauce. The Australian pilot and the upcoming commercial launch are key milestones in our long-term growth strategy and will, over time, become important drivers of shareholder value. While customer growth in Australia will remain modest for the rest of this financial year, we are targeting the business to make a meaningful contribution in the next. In New Zealand, our focus remains on maintaining strong execution and disciplined investment to support continued customer growth. The combination of a proven business model, a scalable technology platform, and an engaged team gives us great confidence in the company's future.

I thank the PaySauce team for their efforts and I look forward to providing a further update in the new year as we continue to deliver on our strategy and build on this momentum.

With my warm regards,

Asantha Wijeyeratne
CEO, Co-founder

Customer Lifetime Journey



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).

Customer Acquisition

	Sep 2025	Sep 2024	YOY Change
CAC per addition	577	575	Flat
New customers	936	1,035	(10%)
Customer acquisition costs (\$000s)	540	596	(9%)
Percentage of Recurring Revenue	12%	14%	(2 pp)

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

Recurring Revenue

	Sep 2025	Sep 2024	YOY Change
ARR at end of period (\$000s)	9,155	8,657	6%
Processing Fees	7,287	6,334	15%
Interest	1,868	2,323	(20%)
Recurring revenue for the period – Total (\$000s)	4,467	4,255	5%
Processing Fees	3,500	3,035	15%
Interest	967	1,220	(21%)
ARPU (monthly) at end of period (\$)	90	92	(3%)
Processing Fees	72	67	6%
Interest	18	25	(26%)
FTEs	45	47	(4%)
Revenue per FTE (\$000s)	99	97	2%
Processing Fees	78	64	20%
Interest	21	26	(17%)
Other	-	7	(97%)

How and why do we monitor recurring revenue? PaySauce monitors the recurring revenue received from customers as a growth metric. As a SaaS company, the revenue repeats via subscriptions and interest earned on customer funds. **Annualised Recurring Revenue (ARR)** takes the most recent month's recurring revenue and multiplies it by twelve. From the perspective of a single customer, PaySauce looks at **Average Revenue per User (ARPU)**, which 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.

Cost to Serve

	Sep 2025	Sep 2024	YOY Change
Recurring revenue (\$000s)	4,467	4,255	5%
Less cost to serve (\$000s)	(995)	(947)	5%
Gross margin (\$000s)	3,472	3,308	5%
Gross margin %	78%	78%	-
CTS per customer (monthly) at end of period (\$)	20	21	(3%)

? **How and why do we monitor cost to serve?** PaySauce monitors the cost of servicing customers as an efficiency metric. This includes software hosting costs as well as customer support costs. The **cost to serve per customer (CTS)** divides the total cost to serve by the total number of customers for the period. PaySauce measures this metric on a monthly basis - the lower the CTS, the more efficient PaySauce is at servicing customers, and the higher the gross margin.



Customer Lifetime Value

	Sep 2025	Sep 2024	YOY Change
Customers at end of period	8,506	7,821	9%
Average monthly churn rate (%)	0.98	1.11	(12%)
Churned customers	634	582	9%
LTV per customer at end of period (\$)	7,109	6,451	10%
Total LTV at end of period (\$m)	60.5	50.5	20%
LTV:CAC ratio at end of period	12 : 1	11 : 1	9%

? **How and why do we monitor customer lifetime?** PaySauce monitors how long we expect customers to remain by looking at the proportion of customers who stop processing pays through PaySauce. Customers who don't process pays are considered churned customers, and the proportion of those, relative to the remaining customers, is the churn rate. 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.

Note - Total LTV is particularly sensitive to churn and assumes these levels will remain consistent over an extended future period. Using the average churn levels for the last three years (1.08%), Total LTV would be \$5.5m (9%) lower.



PaySauce SaaS performance

	SEP 2025	SEP 2024	
	\$000s	\$000s	
Processing Fees	3,500	3,035	Processing fee revenue grew +\$465k (+15%) YoY
Interest Income	967	1,220	
Recurring Revenue	4,467	4,255	
Cost to Serve	(995)	(947)	Maintained flat gross margin despite OCR cuts
Gross Margin	3,472	3,308	
Gross Margin %	78%	78%	
Other Interest Income	3	7	
Other Revenue	6	303	
Total Other Revenue	9	310	
Customer Acquisition	(540)	(596)	
Research & Development	(581)	(454)	
General & Administration	(1,570)	(1,991)	
Interest Expense	(11)	(29)	
Earnings Before Tax, Depreciation and Amortisation	779	548	EBTDA grew +\$231k (+42%) YoY
Earnings Before Tax, Depreciation and Amortisation Margin %	17%	13%	
Depreciation & Amortisation	(456)	(379)	
Asset Impairment	(21)	(21)	
Net Profit before Tax	302	148	Net profit before tax grew +\$154k (+104%) YoY
Income Tax	(75)	(78)	
Net Profit after Tax	227	70	

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 New Zealand PaySauce customers. As interest earned on these funds grows directly in relation to the number of customers, this is considered an additional recurring revenue stream.

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

Average Revenue per User (ARPU) is the total recurring revenue for the last month of the period, divided by the total customers processing payroll that month. PaySauce measures and reports this metric on a monthly basis.

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

Cost to serve per customer (CTS) is the total recurring revenue for the last month of the period, divided by the total customers processing payroll that month. PaySauce measures and reports this metric on a monthly basis.

Gross margin represents our recurring revenue less the cost to serve our customers, and is also often expressed as a percentage, where the gross margin is divided by the recurring revenue.

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

Customer acquisition cost per customer (CAC) divides the total customer acquisition costs by the new customers for the period.

Earnings Before Tax, Depreciation and Amortisation (EBTDA) is calculated by adding back depreciation, amortisation, asset impairment and income tax expense to the amounts reported in the NZ IFRS-based financial statements. PaySauce believes that this measure provides useful insights to measure the performance of PaySauce as a SaaS business.

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

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

Monthly average churn rate is the 12 month average of the net reduction of customers in a calendar month. This is expressed as the percentage of the total customers at the start of that month. The estimated customer lifetime (in months) is derived using the inverse of monthly average churn rate (being 1 divided by the monthly average churn rate).

Customer lifetime value (LTV) is a measure of the gross margin each customer brings in over the time they use PaySauce. LTV is calculated by multiplying the gross margin per customer by the estimated customer lifetime.

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

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

OCR stands for Official Cash Rate, and is the benchmark interest rate set by the Reserve Bank of New Zealand (RBNZ) to influence the country's interest rates. The OCR impacts the interest revenue that PaySauce generates on the funds held on behalf of customers, an increase in the OCR will increase in the interest revenue generated, whilst a decrease in the OCR will decrease the interest revenue generated.

Consolidated Financial Statements

For the six months ended 30 September 2025

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Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2025

		6 months to 30 Sep 2025	6 months to 30 Sep 2024	Year to 31 Mar 2025
		Unaudited	Unaudited	Audited
	Notes	\$000s	\$000s	\$000s
Operating revenue	3	4,476	4,565	8,995
Expenses				
Employee expenses	4	(2,394)	(2,679)	(5,076)
Other expenses	5	(1,292)	(1,309)	(2,516)
Depreciation and amortisation	6,7	(456)	(379)	(817)
Asset impairment	7	(21)	(21)	(74)
Finance costs	8	(11)	(29)	(52)
Total expenses		(4,174)	(4,417)	(8,535)
Net profit before income tax		302	148	460
Tax benefit / (expense)		(75)	(78)	221
Net profit for the period		227	70	681
Other comprehensive income		-	-	-
Total comprehensive profit for the period		227	70	681
Earnings per share		Cents	Cents	Cents
Basic earnings per share	9	0.16	0.05	0.48
Diluted earnings per share	9	0.16	0.05	0.48

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

Interim Condensed Consolidated Statement of Financial Position

As at 30 September 2025

	Notes	Sep 2025 Unaudited \$000s	Sep 2024 Unaudited \$000s	Mar 2025 Audited \$000s
Assets				
Current assets				
Cash and cash equivalents	14	272	62	309
Cash and cash equivalents - customer funds	14	18,684	11,824	12,034
Term deposits - customer funds	14	16,850	24,500	24,200
Trade receivables		179	134	181
Other assets		333	304	343
Total current assets		36,318	36,824	37,067
Non-current assets				
Deferred tax assets		1,126	902	1,200
Term deposits - customer funds	14	7,450	-	1,700
Property, plant and equipment	6	256	290	352
Intangible assets	7	4,040	2,986	3,359
Total non-current assets		12,872	4,178	6,611
Total assets		49,190	41,002	43,678
Liabilities				
Current liabilities				
Trade and other payables		617	356	522
Funds due to customers and IRD	14	42,984	36,324	37,935
Employee benefits		438	411	364
Other liabilities		449	427	435
Lease liabilities		136	72	140
Total current liabilities		44,624	37,590	39,396

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

Interim Condensed Consolidated Statement of Financial Position

As at 30 September 2025

	Notes	Sep 2025 Unaudited \$000s	Sep 2024 Unaudited \$000s	Mar 2025 Audited \$000s
Non-current liabilities				
Lease liabilities		48	69	111
Total non-current liabilities		48	69	111
Total liabilities		44,672	37,659	39,507
Net assets		4,518	3,343	4,171
Equity				
Share capital	10	14,337	13,876	14,159
Reserves	13	100	224	158
Accumulated losses		(9,919)	(10,757)	(10,146)
Equity attributable to the owners of the Company		4,518	3,343	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 Interim Condensed Consolidated Financial Statements on 7 November 2025:



Shelley Ruha
Chair

7 November 2025



Jim Sybertsma
Chair of Audit & Risk Committee

7 November 2025

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2025

Unaudited	Notes	Share-based	Share	Accumulated	Total
		payment reserve	Capital	losses	
		\$000s	\$000s	\$000s	\$000s
Balance as at 1 April 2025		158	14,159	(10,146)	4,171
Comprehensive profit					
Net profit for the period		-	-	227	227
Other comprehensive income		-	-	-	-
Total comprehensive profit		-	-	227	227
Transactions with owners					
Share-based payments, net of tax		120	-	-	120
Share-based payments paid up	10	(178)	178	-	-
Total transactions with owners		(58)	178	-	120
Balance as at 30 September 2025		100	14,337	(9,919)	4,518

Unaudited	Notes	Share-based	Share	Accumulated	Total
		payment reserve	Capital	losses	
		\$000s	\$000s	\$000s	\$000s
Balance as at 1 April 2024		212	13,659	(10,827)	3,044
Comprehensive profit					
Net profit for the period		-	-	70	70
Other comprehensive income		-	-	-	-
Total comprehensive profit		-	-	70	70
Transactions with owners					
Share-based payments, net of tax		45	-	-	45
Share-based payments paid up	10	(33)	33	-	-
Issue of ordinary shares	10	-	184	-	184
Total transactions with owners		12	217	-	229
Balance as at 30 September 2024		224	13,876	(10,757)	3,343

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2025

Audited	Notes	Attributable to equity holders of the Company			
		Share-based	Share	Accumulated	Total
		payment reserve	Capital	losses	
		\$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		446	-	-	446
Share-based payments paid up	10	(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.

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2025

		6 months to 30 Sep 2025	6 months to 30 Sep 2024	Year to 31 Mar 2025
	Notes	Unaudited \$000s	Unaudited \$000s	Audited \$000s
Cash flows from operating activities				
Receipts from customers		3,241	3,144	6,136
Interest received		1,031	1,442	2,514
Payments to suppliers and employees		(3,179)	(3,472)	(6,436)
Taxes (paid) / refunded		16	-	(16)
Interest paid on operating leases		(11)	(9)	(32)
Net cash from operating activities before increase in funds due to customers and IRD	14	1,098	1,105	2,166
Increase in funds due to customers and IRD	14	5,049	2,715	4,326
Net cash from / (used in) operating activities	12	6,147	3,820	6,492
Cash flows from / (used in) investing activities				
Funds on term deposit		1,600	200	(1,200)
Investment in intangible assets		(1,060)	(874)	(1,629)
Purchases of property, plant and equipment		(5)	(31)	(35)
Net cash from / (used in) investing activities		535	(705)	(2,864)
Cash flows used in financing activities				
Loan repayments		-	(650)	(650)
Repayments of principal portion of lease liability		(69)	(71)	(127)
Interest paid on borrowings		-	(20)	(20)
Net cash used in financing activities		(69)	(741)	(797)
Net increase decrease in cash and cash equivalents		6,613	2,374	2,831
Cash and cash equivalents at beginning of the period		12,343	9,512	9,512
Cash and cash equivalents at end of the period		18,956	11,886	12,343

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

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

1. General information

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

PaySauce is a SaaS fintech platform 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 interim condensed consolidated financial statements for the Company and its subsidiaries (the "Group") for the six months ended 30 September 2025 were authorised in accordance with a resolution of the directors for issue on 7 November 2025 and are unaudited.

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");
- comply with the requirements of the New Zealand Equivalent to International Accounting Standard 34: Interim Financial Reporting ("NZ IAS 34");
- 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; and they
- should be read in conjunction with the audited consolidated financial statements for the Group as at and for the year ended 31 March 2025

There are no seasonality or cyclical influences on the results of the Group.

The unaudited interim condensed consolidated financial statements have been prepared using the same significant accounting policies and methods of computation as, and should be read in conjunction with, the financial statements and related notes included in the audited consolidated financial statements for the Group for the year ended 31 March 2025.

3. Operating revenue

	6 months to 30 Sep 2025	6 months to 30 Sep 2024	Year to 31 Mar 2025
	Unaudited	Unaudited	Audited
	\$000s	\$000s	\$000s
Revenue from contracts with customers			
• Processing fees	3,500	3,035	6,322
• Other services revenue	-	42	71
Revenue from other sources			
• Interest income	973	1,230	2,343
• Other revenue	3	258	259
Total operating revenue	4,476	4,565	8,995

4. Employee expenses

	6 months to 30 Sep 2025	6 months to 30 Sep 2024	Year to 31 Mar 2025
	Unaudited	Unaudited	Audited
	\$000s	\$000s	\$000s
Employee benefits/entitlements	2,063	2,300	4,315
Employee benefits/entitlements - share based payments	273	330	663
Fringe benefit tax	21	12	26
Other employee expenses	37	37	72
Total employee expenses	2,394	2,679	5,076

Employee expenses above contain research and development expenditure of \$0.560 million for the six months ended 30 September 2025 (2024: \$0.380 million).

5. Other expenses

	6 months to 30 Sep 2025	6 months to 30 Sep 2024	Year to 31 Mar 2025
	Unaudited	Unaudited	Audited
	\$000s	\$000s	\$000s
Advertising, PR and marketing	174	214	311
Audit fees	43	42	82
Communications and subscriptions	168	159	331
Customer and transactional	333	316	691
Other overheads	361	396	678
Infrastructure and security	160	144	343
Travel	53	38	80
Total other expenses	1,292	1,309	2,516

Other expenses above contain research and development expenditure of \$0.080 million for the six months ended 30 September 2025 (2024: \$0.070 million).

6. Property, plant and equipment

Unaudited	Right-of-use Asset (Property)	Office Equipment	Leasehold Improvements	Computer Equipment	Total
6 month period ended 30 September 2025	\$000s	\$000s	\$000s	\$000s	\$000s
Opening net book value	229	70	-	53	352
Additions	-	-	-	5	5
Disposals	-	(3)	-	-	(3)
Depreciation	(65)	(11)	-	(22)	(98)
Closing net book value	164	56	-	36	256
As at 30 September 2025					
Cost	492	131	4	212	839
Accumulated depreciation	(328)	(75)	(4)	(176)	(583)
Net book value	164	56	-	36	256

Unaudited	Right-of-use Asset (Property)	Office Equipment	Leasehold Improvements	Computer Equipment	Total
6 month period ended 30 September 2024	\$000s	\$000s	\$000s	\$000s	\$000s
Opening net book value	203	86	2	80	371
Additions	-	5	-	28	33
Disposals	-	(2)	-	-	(2)
Depreciation	(70)	(10)	(1)	(31)	(112)
Closing net book value	133	79	1	77	290
As at 30 September 2024					
Cost	342	147	4	245	738
Accumulated depreciation	(209)	(68)	(3)	(168)	(448)
Net book value	133	79	1	77	290

Audited	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

7. Intangible assets

Unaudited	Development in progress	Computer Software	Customer Relationships	Total
6 month period ended 30 September 2025	\$000s	\$000s	\$000s	\$000s
Opening net book value	1,487	1,790	82	3,359
Additions	101	-	-	101
Development costs recognised as an asset	960	-	-	960
Development in progress recognised as Software	(1,733)	1,733	-	-
Asset impairment	(21)	-	-	(21)
Amortisation	-	(323)	(36)	(359)
Closing net book value	794	3,200	46	4,040
As at 30 September 2025				
Cost	794	5,272	354	6,420
Accumulated amortisation	-	(2,072)	(308)	(2,380)
Net book value	794	3,200	46	4,040

Unaudited	Development in progress	Computer Software	Customer Relationships	Total
6 month period ended 30 September 2024	\$000s	\$000s	\$000s	\$000s
Opening net book value	972	1,274	153	2,399
Additions	59	-	-	59
Development costs recognised as an asset	815	-	-	815
Development in progress recognised as Software	(471)	471	-	-
Asset impairment	-	(21)	-	(21)
Amortisation	-	(231)	(35)	(266)
Closing net book value	1,375	1,493	118	2,986
As at 30 September 2024				
Cost	1,375	3,078	354	4,807
Accumulated amortisation	-	(1,585)	(236)	(1,821)
Net book value	1,375	1,493	118	2,986

Audited	Development in progress	Computer Software	Customer Relationships	Total
Year ended 31 March 2025	\$000s	\$000s	\$000s	\$000s
Opening net book value	972	1,274	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

8. Finance Costs

	6 months to 30 Sep 2025	6 months to 30 Sep 2024	Year to 31 Mar 2025
	Unaudited	Unaudited	Audited
	\$000s	\$000s	\$000s
Interest paid	-	20	20
Finance cost - Interest on lease	11	9	32
Total finance costs	11	29	52

9. Earnings per share

	6 months to 30 Sep 2025	6 months to 30 Sep 2024	Year to 31 Mar 2025
	Unaudited	Unaudited	Audited
Basic earnings per share			
Net profit used in calculating earnings per share (\$000s)	227	70	681
Weighted average number of ordinary shares for basic earnings per share	143,007,632	140,697,531	141,956,883
Basic earning per share (cents)	0.16	0.05	0.48

There are no financial instruments on issue that will dilute the basic earnings per share amounts for the period ended 30 September 2025.

10. Share capital

Unaudited				
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	0.1801	894,996	161
	Share based payments	0.1800	111,112	20
	Cost of share issuance		-	(3)
30 September 2025	Closing Balance		144,174,934	14,337

Unaudited				
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	0.2422	823,632	200
	Share based payments	0.2337	85,590	20
	Cost of share issuance		-	(3)
30 September 2024	Closing Balance		141,891,368	13,876

Audited	Issue of shares relating to employee share schemes	0.2248	1,179,529	265
	Share based payments	0.2042	97,929	20
	Cost of share issuance		-	(2)
31 March 2025	Closing Balance		143,168,826	14,159

The disclosure for the movements in the share capital has been restated to more accurately show the weighted average price of the shares issued during the period, exclusive of the cost of issuance. The disclosure for the six months ended 30 September 2025 has also changed from what was presented in the group financial statements to align the comparative period disclosures. The change in disclosure does not impact the reporting results of operations, for the categories presented on the face of the financial statements.

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

Dividends

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

11. 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.

	6 months to 30 Sep 2025	6 months to 30 Sep 2024	Year to 31 Mar 2025
	Unaudited	Unaudited	Audited
	\$000s	\$000s	\$000s
Directors' fees	109	95	230
Short term employee benefits	635	938	1,434
Share-based payments	76	136	387
Total key management personnel compensation	820	1,169	2,051

Director fees pool

The maximum aggregate amount of remuneration payable in respect of all Directors' fees is \$275,000 per annum. A total of \$213,500 has been allocated to the current directors, with \$61,500 remaining unallocated in the pool. Each of the four non-executive directors receives fees of \$45,000 per annum, with a further \$27,000 and \$6,500 per annum added for the Chair of the Board and the Chair of the Audit & Risk Committee respectively. The unallocated amount remaining in the pool enables an additional Director to join the board at a future date. 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:

	Sep 2025	Sep 2024	Mar 2025
	Unaudited	Unaudited	Audited
	\$000s	\$000s	\$000s
Related party transactions during the period			
Cloud hosting services supplied by entities controlled by related parties			
Catalyst.Net Limited	-	-	20
Catalyst Cloud Limited	-	2	3

	Sep 2025	Sep 2024	Mar 2025
	Unaudited	Unaudited	Audited
	\$000s	\$000s	\$000s
Related party balances payable at period end			
Directors' Fees	32	12	35
Cloud Hosting Services	-	1	-

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

	6 months to 30 Sep 2025	6 months to 30 Sep 2024	Year to 31 Mar 2025
	Unaudited	Unaudited	Audited
	\$000s	\$000s	\$000s
Net profit after taxation	227	70	681
Add back non-cash & non-operating items:			
Depreciation & amortisation	456	379	817
Asset impairments & loss on disposal of fixed assets	24	21	74
Share based payments	120	228	445
Other non-cash & non-operating items	-	98	20
Total non-cash & non-operating items	827	796	2,037
Movements in working capital:			
(Increase) / decrease in Trade and other receivables	1	39	(8)
(Increase) / decrease in Other assets	84	196	(63)
Increase in Funds due to customers and IRD	5,049	2,715	4,326
Increase / (decrease) in Trade and other payables	95	(42)	124
Increase in Employee benefits	75	78	32
Increase in Other liabilities	16	38	44
Total movements in working capital	5,320	3,024	4,455
Net cash inflow from operating activities	6,147	3,820	6,492

13. Employee Share Scheme (ESS)

The Group entered into a quarterly employee share scheme for the year ended 31 March 2026. The quarterly 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 six months ended 30 September 2025 are as follows:

Unaudited	Total
For the 6 month period to 30 September 2025	\$000s
Quarterly ESS expenses	273
Legacy ESS & other share-based payments	20
Total share-based payment expense	293
Unaudited	Total
For the 6 month period to 30 September 2024	\$000s
Quarterly ESS expenses	290
Legacy ESS & other share-based payments	41
Total share-based payment expense	331
Audited	Total
For the year ended 31 March 2025	\$000s
Quarterly ESS expenses	582
Legacy ESS & 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 unvested shares and share options that remain exercisable. Movements in the share based payment reserve for the six months ended 30 September 2025 are as follows:

Unaudited		
Date	Details	\$000s
1 April 2025	Opening Balance	158
	Quarterly ESS - expensed	103
	Quarterly ESS - shares issued	(158)
	Legacy ESS & other share-based payments - expensed	17
	Legacy ESS & other share-based payments - shares issued	(20)
30 September 2025	Closing Balance	100

Unaudited		
Date	Details	\$000s
1 April 2024	Opening Balance	212
	Quarterly ESS - expensed	185
	Quarterly ESS - shares issued	(176)
	Legacy ESS & other share-based payments - expensed	56
	Legacy ESS & other share-based payments - shares issued	(53)
30 September 2024	Closing Balance	224
Audited	Quarterly ESS - expensed	190
	Quarterly ESS - shares issued	(142)
	Legacy ESS & other share-based payments - expensed	14
	Legacy ESS & other share-based payments - shares issued	(128)
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:

	Sep 2025	Sep 2024	Mar 2025
	Unaudited	Unaudited	Audited
	\$000s	\$000s	\$000s
Share-based payment liabilities			
Current	65	91	82
Total share-based payment liabilities	65	91	82

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

14. 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.

15. Contingencies

As at 30 September 2025 the Group had no contingent liabilities or assets (2024: \$nil)

16. Events occurring after the reporting period

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

Company Directory

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Asantha Wijeyeratne
Gavin Thompson
Jim Sybertsma
Mark Samlal
Shelley Ruha

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Grant Thornton New Zealand Audit Limited

Stock Exchange:

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Share Registrar:

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NZ Company Number:

1719868

NZBN:

9429034458099

Investor Calendar

FY26 Year end	31 March 2026
FY26 Annual result announcement	May 2026
Annual Shareholders Meeting	September 2026
FY27 Half year	30 September 2026
FY27 Interim result announcement	November 2026

