# PaySauce Interim Results Announcement

**Wellington, New Zealand - 28 November 2019**

PaySauce has started the 2020 financial year with a strong six month result, showing continued growth in customer numbers and revenue. As well as financial growth, staff numbers have also grown. This is to help build out the team and strengthen senior leadership to enable PaySauce to execute future growth and strategic plans.

Chief Executive Asantha Wijeyeratne reflects on the period:

*"With our first anniversary as a listed company coming up, it's amazing to see how far we've come both from a financial growth perspective, but also internally as a company, making several fantastic new hires and continuing to build on our people centric culture.*

*We've been hard at work on our product, improving and adding new features to the existing payroll engine, such as bulk employee importing, more third party integrations, and improvements to our onboard process - making it easier than ever for customers to sign-up for payroll.*

*Outside of the payroll product, we've also developed the Federated Farmers Contract Builder, and are in the final stages of development for the MBIE Contract Builder. Our new Payroll Giving feature is due to be released shortly too - which will allow employees to easily setup and donate directly from their pay to a registered charity, claiming their tax credit on the fly."*

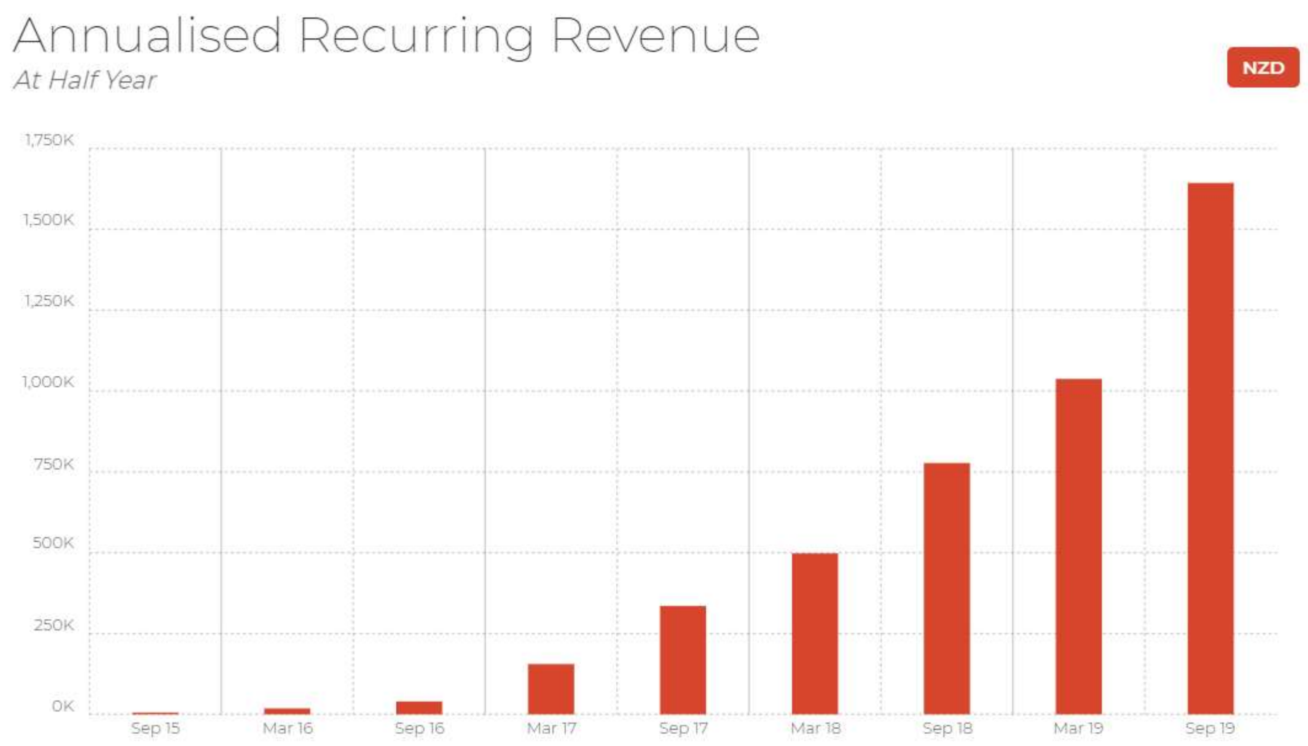
## SUMMARY OF FINANCIAL PERFORMANCE & METRICS

PaySauce Limited (NZX:PYS) ('the Company') is pleased to present its financial results for the six month interim period ended 30 September 2019[1]. PaySauce Limited is the parent company of PaySauce Operations Limited, and Right Remuneration Limited (together forming 'PaySauce' or 'the Group').

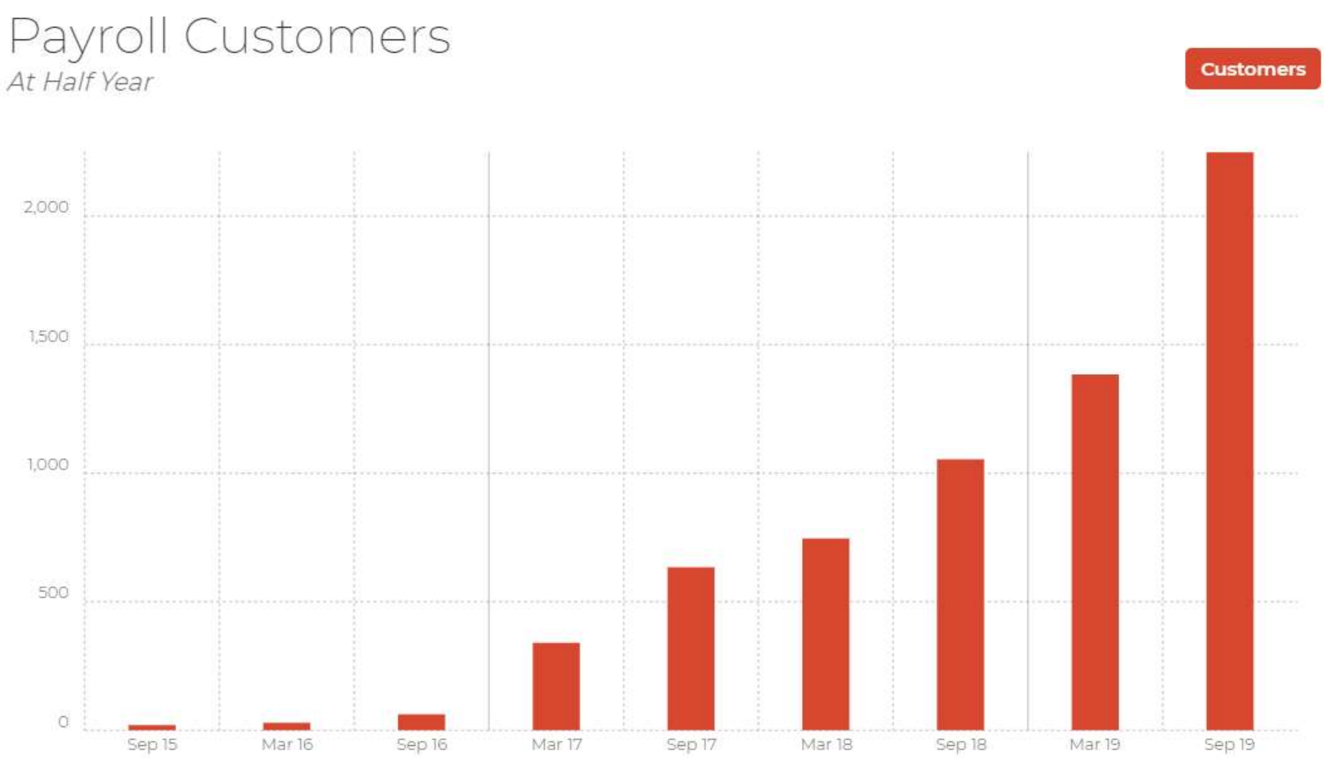
[1] The interim condensed consolidated financial statements for the period ended 30 September 2019, from which these financial results are extracted, have not been audited.

| Financial Performance | Sept 2019 | Sept 2018 | Change | Change % |
|---|---|---|---|---|
| Total revenue | $899,790 | $433,188 | $466,602 | 108% |
| Total expenses | ($1,761,818) | ($2,947,839) | ($1,186,021) | (40%) |
| Net loss for the period | ($862,028) | ($2,514,651) | ($1,652,623) | (66%) |

| Metrics | Sept 2019 | Mar 2019 | Change | Change % |
|---|---|---|---|---|
| Staff (FTEs) | 26 | 16 | 10 | 63% |
| Customer numbers | 2,248 | 1,384 | 864 | 62% |
| ARR[2] | $1,602,872 | $1,038,317 | $564,555 | 54% |




[2] Annualised Recurring Revenue (ARR) is a non-GAAP measure which represents the recurring revenue that PaySauce expects to earn over a 12 month period from a set point in time. Recurring revenue is the revenue that PaySauce expects to recur into the future and is linked to either the number of customers or the size of their payroll. The categories of recurring revenue for PaySauce are processing fees, IRD subsidy, and the interest generated on funds held for customers. ARR is calculated by taking the referenced month's total recurring revenue, multiplied by 12.




**OUTLOOK**

Mr Wijeyeratne, on PaySauce's outlook for the year to come:

*"Development of our product and growth in the New Zealand market will continue to be our focus, however we've talked before about our interest in expanding into other markets.*

*Recently we were presented with a great opportunity to get some first hand exposure to the opportunities in Ireland and the UK, as we joined Callaghan Innovation's Ireland and UK Agritech Mission. Off the back of this, we've identified that Ireland and the UK present significant opportunities to employ our knowledge of farming employment and deliver marked improvements for the industry.*

*We look forward to sharing more with you on our future growth strategies as the year progresses".*

**APPENDICES**

- Appendix 1 - NZX Template for Results Announcement to the Market
- Appendix 2 - Interim Report

## NON-GAAP FINANCIAL INFORMATION

Non-GAAP (Generally Accepted Accounting Principles) financial information does not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities. Non-GAAP information has not been audited, and is not prepared in accordance with NZ IFRS.

The measures reported by PaySauce are used by management to monitor the performance of the company and are useful to investors to assess performance.

Non-GAAP measures are defined and explained by footnote where used in this release.

## FOR MORE INFORMATION

Please contact investor@paysauce.com, or visit our website www.paysauce.com/investor.

## ABOUT PAYSAUCE

PaySauce provides employment solutions to small and medium sized businesses. PaySauce enables business owners to pay and manage employees accurately and efficiently using web, iOS, and Android applications. The PaySauce platform includes mobile timesheets, payroll calculations, banking integration, PAYE filing, labour costing, automated general ledger entries and digital employment contracts.

# Appendix 1

This appendix is issued to accompany PaySauce Limited's Interim Condensed Consolidated Financial Statements[3] and the commentary released to the NZX today, and should be read in conjunction with these.

**Results for announcement to the market**

| | |
|---|---|
| Name of Issuer | PaySauce Limited |
| Reporting Period | 6 months to 30 September 2019 |
| Previous Reporting Period | 12 months to 31 March 2019 |
| Currency | $NZD |

| Financial Performance | Amount (000s) | Percentage change |
|---|---|---|
| Revenue from continuing operations | $900 | up 108% |
| Total revenue | $900 | up 108% |
| Net profit/(loss) from continuing operations | ($862) | Loss down 66% |
| Total net profit/(loss) after tax | ($862) | Loss down 66% |

**Interim/Final Dividend**

| | |
|---|---|
| Amount per Quoted Equity Security | No dividends are proposed to be paid. |
| Imputed amount per Quoted Equity Security | Not applicable |
| Record Date | Not applicable |
| Dividend Payment Date | Not applicable |

[3] The interim condensed consolidated financial statements for the six months ended 30 September 2019 are unaudited.

| Net Tangible Assets | Current period (30 September 2019) | Prior comparable period (31 March 2019) |
|---|---|---|
| Net tangible assets per Quoted Equity Security: | (0.0166) NZD per quoted equity security | (0.0082) NZD per quoted equity security |
| A brief explanation of any of the figures above necessary to enable the figures to be understood: | PaySauce Limited has no operational activity, and as a result this announcement is based on the consolidated operations of its wholly owned subsidiaries PaySauce Operations Limited and Right Remunerations Limited (together, 'the Group' or 'PaySauce').<br><br>Please refer to the comments above, and the interim report and financial statements. | |

**Authority for this announcement**

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|---|---|
| Name of person authorised to make this announcement | Tod Rookes |
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| Date of release through MAP | 28 November 2019 |