

ENERGY MAD LIMITED

NZX Listing Profile

21 November 2018

Prepared in connection with the proposed acquisition of PaySauce Limited by Energy Mad Limited.

Prepared pursuant to Listing Rule 7.1.1.

1. INTRODUCTION

Proposed Acquisition

Energy Mad Limited ("**Company**") is currently listed on the NZX Main Board. The Company has been actively seeking a high-quality acquisition opportunity to present to its shareholders ("**EML Shareholders**").

The acquisition which EML Shareholders are being asked to vote on under Resolutions 4 and 5 of the Notice of Meeting that accompanies this Profile is the acquisition by the Company of 100% of the ordinary shares in PaySauce Limited ("**PaySauce**") from the existing shareholders of PaySauce ("**PaySauce Shareholders**") ("**Acquisition**").

Prior to the Acquisition, the existing assets of the Company, Energy Mad NZ Limited ("**EML Subco**"), Intellectual Property Energy Mad Limited and Energy Mad Build Limited (each a direct wholly-owned subsidiary of the Company) will be sold to Ecobulb Limited as described in the Notice of Meeting ("**Ecobulb Asset Sale**"). The Company will then make an in-specie distribution of all of the shares in EML Subco to the shareholders of the Company as at 5:00pm on 7 December 2018 ("**Record Date**") on a pro rata basis for zero consideration ("**EML Subco Distribution**").

The Company, which, by the time of the Acquisition, will be a "shell" company with no other assets or operations, will then acquire all of the shares in PaySauce from PaySauce Shareholders for consideration of \$10 million, which will ultimately be satisfied by the Company issuing 5,667,706,766 Shares to PaySauce Shareholders ("**New Shares**"), at a price of approximately 0.18 cents¹ per New Share. The Company will then change its name to "PaySauce Limited".

Following completion of the Acquisition, the Company expects to have 5,843,543,401 Shares on issue, of which 5,667,706,766 Shares (representing approximately 97% of the total Shares) will be held by the PaySauce Shareholders, and 175,836,635 Shares (representing approximately 3% of the total Shares) will be held by EML Shareholders.

If the Acquisition proceeds, you will retain your Shares in the Company, which will effectively be an interest in PaySauce. You will also receive New EML Shares, which will give you a percentage shareholding in EML Subco equivalent to your percentage shareholding in the Company on the Record Date.

The Transactions constitute a reverse acquisition or a 'backdoor listing', which occurs where a private company (PaySauce) is acquired by a listed company (the Company), and the listed company issues its shares to the private company's shareholders, resulting in the listing of the business of the private company.

The Acquisition is conditional upon the approval of EML Shareholders at a special meeting to be held on 6 December 2018. The purpose of this Profile is to assist EML Shareholders to make a decision whether to approve the Acquisition.

¹ The per share price has been rounded to two decimal places and determined by dividing the agreed value of \$310,243 by the current number of shares in the Company (175,836,635).

Key Dates

Key dates in relation to the Acquisition are as follows:

Company Shareholder Meeting	10:00am on 6 December 2018
Record Date for EML Subco Distribution	5:00pm on 7 December 2018
Last day for EML Shareholders to exercise Minority Buy-out Rights	20 December 2018
Completion of the Ecobulb Asset Sale	21 December 2018
The EML Subco Distribution takes effect as per Record Date entitlements	21 December 2018
Completion of the Acquisition and the issue of New Shares	21 December 2018
New Shares issued pursuant to the Acquisition expected to commence trading on NZX Main Board	21 December 2018

About PaySauce

If the Acquisition proceeds, the Company will own PaySauce.

PaySauce is a multiple award-winning² cloud-based FinTech business, delivering Software as a Service ("**SaaS**") payroll solutions to small and medium sized enterprises ("**SMEs**"). PaySauce has a particular focus on agricultural SMEs. PaySauce enables SME owners to pay staff 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.

PaySauce was founded in 2015 by Asantha Wijeyeratne, a New Zealand FinTech entrepreneur with a record of success in building SME service businesses³, and Troy Tarrant, a software architect and developer with a background in creating payroll and human resource solutions.

Their vision is to take the Kiwi-grown PaySauce software platform to businesses around the globe, helping SME owners spend less time paying staff and more time doing what they love.

PaySauce is further described in Section 2: "*PaySauce and what it does*" and Section 4: "*PaySauce's financial information*".

Key risks affecting PaySauce

If the Acquisition proceeds, you will retain your shares in the Company, which will effectively become an interest in PaySauce. PaySauce considers that the most significant risk factors that could affect the value of PaySauce are:

- Loss of key personnel – certain PaySauce employees contribute materially to service delivery and business performance, including Troy Tarrant, its Chief Technology Officer.

² PaySauce was the winner of the Financial Innovation category at the 2017 Innovation Awards (under the brand name Simply Payroll), and was the second place winner in the Launch Category at Fieldays 2018 Innovation Awards.

³ Prior to founding PaySauce, Asantha also founded SmartPayRoll in 2004.

Loss of a key employee may adversely impact PaySauce's ability to meet product development deadlines.

- Security risks – PaySauce is reliant on Information Technology systems to manage a large amount of client funds and extensive personal data, which introduces risks presented by malicious third parties. PaySauce adopts best practice measures, such as engaging Cloudflare internet security services and outsourced penetration testing, to mitigate ongoing third party security risks. Any security risks that cannot be mitigated by PaySauce may have a material adverse effect on PaySauce's reputation and future sales.
- Interpretation of payroll legislation – PaySauce performs certain employment obligations on behalf of clients, including calculation and filing of PAYE in accordance with payroll legislation. Any error in these calculations or failure to complete a material obligation could adversely impact PaySauce's reputation and financial performance.
- Change in payroll legislation – the Holidays Act 2003 is currently under review by a taskforce established by the New Zealand Government. If the ongoing review results in a successful simplification of the Holidays Act 2003, payroll obligations may become easier to calculate. Under these circumstances, delivery of payroll services may be simplified, and PaySauce's services may be less attractive to customers. Simplification of payroll legislation may also lower barriers to entry in the payroll market and increase competition, as it becomes easier for competitors to develop payroll software products. Increased competition may have an adverse impact on revenue growth and customer acquisition.
- Early stage company – as a "start up" business, PaySauce has employed, and is likely to continue to employ, a growth strategy where spending exceeds revenues, a situation commonly referred to as "cash burn". If, for any reason, PaySauce experienced a decreased rate of customer acquisition and revenue growth, PaySauce may need to find additional funding to finance operations.

This summary does not cover all of the risks of the Acquisition. You should also read Section 5: *"Risks to PaySauce's business and plans"* and refer to other places in this Profile that describe risk factors.

About this Profile

Given the Acquisition will result in a change in the essential nature of the Company, from a company which imports and distributes energy efficient LED and compact fluorescent light bulbs, to a company which provides cloud-based SaaS payroll solutions, the Company is required to prepare this profile document ("**Profile**") containing all the information prescribed in the Listing Rules.

This Profile contains important information about PaySauce's business, the industry in which it operates, financial performance and risks associated with PaySauce's business. Further information about PaySauce and the Acquisition is available in the Notice of Meeting that accompanies this Profile, and on PaySauce's website (www.paysauce.com).

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Letter from the chairperson of PaySauce's Board

21 November 2018

Dear Shareholder

My name is Andrew Barnes and, subject to shareholder approval and completion of the proposed acquisition of the payroll software and SaaS business of PaySauce Limited, I will become the chair of Energy Mad Limited (to be renamed PaySauce Limited).

I am pleased to present you with this profile document and further information on PaySauce.

PaySauce is a multiple award-winning⁴ cloud-based FinTech business, delivering SaaS payroll solutions to SMEs throughout New Zealand. PaySauce has a particular focus on agricultural SMEs.

The company was founded in 2015 by Asantha Wijeyeratne, a New Zealand FinTech entrepreneur with a record of success in building SME service businesses, and Troy Tarrant, a software architect and developer with a background in creating payroll and human resource solutions (further information on PaySauce can be found in Section 2: "*PaySauce and what it does*" and Section 4: "*PaySauce's financial information*").

The Proposed Directors believe that a range of genuine organic growth opportunities are available to PaySauce, including international expansion. The Proposed Directors are excited by the potential of these opportunities to take PaySauce's Kiwi-grown FinTech software platform to businesses around the globe, helping SME owners spend less time paying staff and more time doing what they love.

The transaction will involve EML acquiring the payroll software and SaaS business of PaySauce, together with the shares in PaySauce (which will be renamed following the acquisition). In consideration for this acquisition, EML will issue shares in EML to the current shareholders in PaySauce. Following completion of the acquisition, the current shareholders of PaySauce will hold approximately 97% of the shares in EML.

Following the acquisition, EML intends to change its name to PaySauce Limited.

All the existing directors will retire and will be replaced by a new board of directors with in-depth industry and governance experience. The proven and experienced PaySauce senior management team will continue in their current positions. Further biographical details can be found on pages 17 to 19 of this document.

The proposed transaction is conditional upon the approval of EML shareholders at a special meeting to be held at 10:00am on 6 December 2018.

This document contains detailed information about PaySauce and the payroll software and SaaS industry in which it operates (including information about risks affecting PaySauce). I encourage you to read it carefully and seek professional advice should you need to.

The Proposed Directors believe that the PaySauce business provides EML shareholders with an attractive FinTech investment opportunity. Following the acquisition, your directors will focus on realising growth opportunities and adding further value for shareholders.

⁴ PaySauce was the winner of the Financial Innovation category at the 2017 Innovation Awards (under the brand name Simply Payroll), and was the second place winner in the Launch Category at Fieldays 2018 Innovation Awards.

We recommend this proposal to you and look forward to your support.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'Andrew Barnes', with a stylized flourish extending to the right.

Andrew Barnes
Chairman Designate

2. PAYSAUCE AND WHAT IT DOES

Overview

PaySauce is a multiple-award-winning⁵, cloud-based FinTech business, delivering SaaS payroll solutions for New Zealand SMEs. PaySauce's technology is accessible on the internet and on iOS and Android mobile devices. The PaySauce platform provides mobile timesheets, digital employment contracts, payroll calculations, banking integration, PAYE filing, labour costing, and automated general ledger entries. PaySauce has grown rapidly to service over 1,000 paying employers as at the date of this Profile.

Significant market opportunity

In all OECD countries, SMEs constitute over 90% of all businesses by number. New Zealand is home to over 499,000 SMEs employing 614,000 staff. These SMEs generate 42% of new jobs annually and an estimated 28% of national GDP.

Unlike many other FinTech systems, payroll software is becoming all but a necessity for SMEs. Paying staff and Inland Revenue accurately and on time are business-critical functions. However, SME owners identify payroll compliance as a key employment-related challenge, with New Zealand ranked 13th in the world for payroll complexity. The New Zealand Ministry of Business Innovation and Employment ("**MBIE**") estimates that chronic underpayment of leave entitlements has affected 700,000 employees with a total cost of over \$2 billion. The SME compliance burden is growing, including as a result of an international shift towards payday filing of tax obligations, which will increase the frequency of PAYE filing obligations.

SME owners often cannot afford to hire an internal expert to understand and implement complicated payroll software to stay compliant. Outsourcing payroll processing to an accountant or book-keeper can be expensive and inefficient, and requires the preparation and delivery of accurate timesheets and payroll updates to the service provider.

Competitive landscape

The SME payroll services market in New Zealand is mature, but fragmented. Despite the availability of a variety of software and service offerings, 40% of New Zealand SMEs are still calculating payroll and filing PAYE manually. The directors of PaySauce ("**Directors**") believe the lack of penetration by SME payroll providers can be explained by limitations in existing service delivery models.

From desktop to SaaS

The international payroll market is dominated by desktop providers. Desktop software is limited in a number of ways. Subscribers often pay substantial annual licence fees up front. The software must be installed on a single device, which users must have access to on pay day. If that device fails, employers may lose critical payroll information. Desktop payroll users often pay for every software upgrade, including those required by legislative changes. Infrequent updates restrict the pace of product development. Because data is not held online, support teams for desktop payroll software cannot view and manipulate client data without relying on third-party software.

⁵ PaySauce was the winner of the Financial Innovation category at the 2017 Innovation Awards (under the brand name Simply Payroll), and was the second place winner in the Launch Category at Fieldays 2018 Innovation Awards.

By contrast, PaySauce is SaaS, accessible from any device with access to the internet. This model allows customers to pay staff from wherever they are, giving SME owners greater flexibility to spend time out of the office on payday. Additionally, as a true SaaS provider, PaySauce charges a subscription fee, giving PaySauce customers the choice of whether to continue using the service. Payroll service providers typically display a “sticky” relationship with customers, meaning clients infrequently change providers. Typically, less than 0.5% of customers switch from PaySauce to another payroll software service provider each month.

Because PaySauce is delivered online, updates and improvements can be developed and released more rapidly. SaaS support teams can see customer data in real time and offer improved support. The Proposed Directors are confident the SaaS model will rapidly replace desktop software in the payroll services market.

Online competitors

While successful New Zealand-grown FinTech businesses and SaaS platforms like Xero and Vend are well established in categories such as accounting and point of sale software, no SaaS payroll provider has achieved mainstream adoption in New Zealand. New Zealand’s most popular SaaS payroll provider has less than 15% market share.

A small number of competitors in New Zealand and abroad offer online payroll software with limited mobile functionality. The feature sets and delivery models available have remained broadly consistent for the past decade, similar to the accounting software market prior to Xero’s entry in 2007. In only a three-year lifespan, PaySauce has surpassed existing products in the SME market with key features such as complete smart-device functionality and digital employment contract delivery.

Desktop and limited online solutions ignore the modern realities of software and internet use. Internationally, SME owners are spending less time on their computers and more time on their phones, with smartphone ownership having increased sharply over the past decade. The Proposed Directors believe the future of SME computing is FinTech; online, and mobile. For this reason, PaySauce was also designed to process complete pay runs from iOS and Android mobile applications. While many payroll providers offer mobile applications with limited features, the Proposed Directors are not aware of any other payroll provider in the world that lets business owners prepare and complete a full pay run on iOS and Android applications, including banking and tax filing obligations.

Technical advantages

The Directors believe the lack of continued innovation in the payroll market can be partly attributed to certain technical restrictions faced by aging products built in dated environments.

PaySauce has been created in a “Cloud 2.0” environment. Instead of renting server space at fixed levels, which incurs fixed costs and needs to be upgraded as a business expands, PaySauce accesses on-demand computing power, which increases and decreases to match customer demand placed on the system. This keeps fixed costs low while allowing scalable computing power as the business grows.

In 2016, Xero completed a major data migration to Amazon Web Services to take advantage of Cloud 2.0 architecture. Leading industry figures expect all successful business software vendors to migrate to Cloud 2.0 in coming years. This transition enables software providers to deliver services globally without incurring significant infrastructure costs.

Further advantages of Cloud 2.0 include the ability to develop, test, and release product updates rapidly, as well as increased service availability for customers, and improved security. PaySauce Co-founder and Chief Technology Officer, Troy Tarrant, has capitalised on these advantages to deliver what the Proposed Directors believe to be market-leading payroll technology in less than four years with a small development team. PaySauce is well placed to continue to innovate rapidly and deliver improved business efficiency to SME owners around the world with smart, mobile payroll technology.

PaySauce Products and Services

Mobile timesheets

SME owners in New Zealand rely predominately on paper forms for collecting information from staff on hours worked and jobs completed. This information is critical to calculating accurate payroll, and is often used for costing labour to internal departments or client accounts and generating invoices. Collating and processing this information is often time consuming and prone to human error. PaySauce offers a digital, mobile-based timesheet solution that allows mobile workforces to enter activity on-the-go for review and approval by managers and business owners. Digital timesheet solutions offer real-time visibility, greater administrative efficiency, and improved accuracy.

Payroll calculations

Many employers struggle to accurately calculate payroll.⁶ This issue is exacerbated for SME owners, who often do not have the time or expertise to dedicate to a complete understanding of how to calculate wages, PAYE, KiwiSaver, holiday pay, and other statutory requirements. These challenges are pressing in New Zealand due to the complexity of payroll legislation. By outsourcing these responsibilities to a product or service that enables timely, accurate payroll calculations, SME owners ensure compliance and free up time to dedicate to other important matters. PaySauce's web and mobile applications provide complete and accurate payroll calculations.

Integrated banking

Having accurately calculated their payroll, employers need to make payments to staff. Traditional desktop payroll software generates a banking file which must be uploaded by the user to an internet banking portal to complete payments. PaySauce integrates directly with customer bank accounts via direct debit to eliminate an additional step in the payroll process.

PAYE payment and filing

Along with paying PAYE to Inland Revenue, New Zealand employers are obliged to file the "Employer Monthly Schedule" and "Employer Deductions" forms each calendar month. For many employers, the technical nature of these documents presents a significant challenge. Employers not using payroll software must prepare and file these documents manually. Thousands of New Zealand employers fail to make PAYE payments and the associated filings on time, generating significant financial penalties imposed by Inland Revenue. PaySauce (through its wholly-owned subsidiary, Right Remuneration Limited, a registered "PAYE intermediary") prepares and files these documents automatically, along with making payment to Inland Revenue on behalf of its customers.

⁶ Data released by MBIE indicates widespread non-compliance with payroll legislation, in particular the Holidays Act 2003 (for more information, refer to the following: www.mbie.govt.nz/info-services/employment-skills/payroll-compliance-with-the-holidays-act).

Labour costing

Many New Zealand employers need to track additional information alongside hours worked, including tasks, locations, and client or job codes. Where manual timesheets are used, this data must be tallied and manually entered into payroll solutions and accounting software. By using an integrated timesheeting solution such as PaySauce, employers are able to save administrative time and improve accuracy by removing the need for additional human intervention. PaySauce customers can also report on this data in a flexible manner for other purposes, including establishing profitability on certain tasks or jobs, generating invoice data like hours worked at a particular site, or allocating labour cost to particular offices or locations.

Automated general ledger entries

Accurate accounting processes are critical to SME success. Employers using manual or desktop payroll solutions must then transmit this data to accounting records with manual data entry or file uploads with limited capability. PaySauce integrates directly with market-leading accounting software such as Xero and CashManager Rural for automated general ledger entries. Labour can be costed to primary expense categories, such as wages, PAYE, KiwiSaver, and Employee Superannuation Contribution Tax, as well as more in-depth tracking codes broken down by business unit, office location, job number, or other categories. This integration saves PaySauce customers additional administrative time and improves accuracy.

PaySauce's product is compelling to SMEs

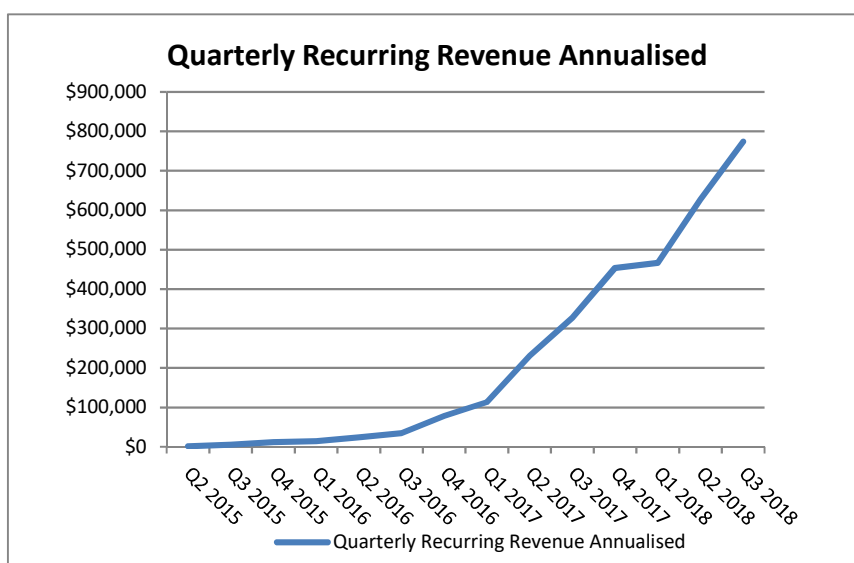
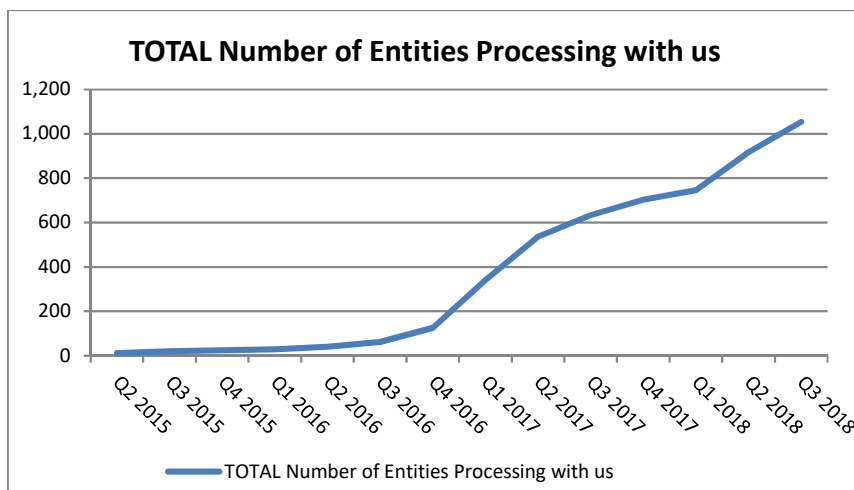
PaySauce's payroll platform is different to most SME payroll systems available in the following ways:

- **true mobility** – the Directors believe that PaySauce is the first payroll solution in the world to allow SME owners to process and complete an entire pay run, including banking and tax filing obligations, from any location using only a smart device;
- **beyond payroll** – inclusion of digital timesheets and employment contracts within the platform reduces paper-based administrative tasks and opportunities for human error;
- **full service** – PaySauce (through its wholly-owned subsidiary, Right Remuneration Limited) is registered with Inland Revenue as a PAYE intermediary, making payments to staff and Inland Revenue as appropriate, and completing all PAYE filing obligations on behalf of customers;
- **cloud SaaS** – customers are no longer reliant on a single device with installed software, allowing greater flexibility and security of records;
- **cost effective** – pay-as-you-go model eliminates substantial, industry-standard, up-front licence fees and gives customers greater choice;
- **confidence** – sweeping audits by the Labour Inspectorate, MBIE's employment compliance investigative arm, have indicated broad non-compliance with payroll obligations. These failures have significant potential consequences for employers. The PaySauce platform and support services give customers confidence in accurate compliance.

PaySauce has already generated momentum

Since its establishment in 2015, PaySauce has:

- raised capital of \$2 million from the founders, Directors, and close associates of the Directors (and PaySauce proposes to raise a further \$1.145 million of capital as part of the PaySauce Funding Initiatives, as described at page 31 of this Profile);
- developed an SME software platform delivering payroll solutions in a small fraction of the time it has taken competitors to establish their software services;
- recruited strong governance and management teams with the skills to grow PaySauce internationally;
- established critical relationships with international software providers, chartered accountancy firms, retail banks, industry partners, and other businesses which the Proposed Directors believe will help accelerate market penetration and international expansion;
- onboarded over 1,000 paying customers as at the date of this Profile (as shown in the graph below); and
- generated strong customer satisfaction, indicated by a Net Promoter Score (being an index which measures the willingness of customers to recommend a company's products or services to others) of 60 in June 2018, comparing favourably to the international average score of 41 for SaaS, business-to-business products.



The quarters referenced above are to the quarters of a calendar year commencing 1 January and ending 31 December. The figures used in the above graph have not been determined in accordance with GAAP. Full GAAP-complaint financial statements for FY16, FY17 and FY18 for the PaySauce Group are available on PaySauce's website www.paysauce.com. Please also read the note under Section 4: "PaySauce's Financial Information" explaining the information used to calculate the financial measures in the above graph.

2017 saw rapid growth in both customer numbers and annualised recurring revenue as PaySauce established itself as the dominant payroll provider to the dairy sector in New Zealand. The PaySauce customer base grew by 473% during the course of 2017, with the majority of these customers operating dairy farms.

Payday Filing

Inland Revenue is making changes to the way New Zealand employers report on PAYE collected. The Proposed Directors believe this will drive additional SME owners to consider moving to a complete SaaS payroll solution.

Business owners paying over \$50,000 in PAYE and Employer Superannuation Contribution Tax per year are required by Inland Revenue to move to 'payday filing' on or before 1 April 2019. From that date onwards, affected SME owners will be required to file PAYE within two business days of payday. For SME owners filing their own PAYE reports, this means an increase in administrative burden and an increased risk of late filing and associated penalties, making them more likely to select a service like PaySauce.

Typically, SME owners choose a payroll software provider and use their services for a lengthy period. The change to payday filing represents a substantial growth opportunity for payroll software providers who will meet the new requirements, including PaySauce.

PaySauce automatically completes all PAYE filing obligations on behalf of its customers. Therefore, existing PaySauce clients will not be affected by the change to payday filing.

Focus on primary industry

PaySauce services customers from a broad range of industries, including retail, hospitality, construction, manufacturing, and professional services. However, the Directors have elected to focus primarily on developing the product for use in primary industry SMEs. As at July 2018, nearly 60% of PaySauce's customers are primary industry business owners, with the majority of these in the dairy sector.

New Zealand is home to nearly 70,000 primary industry SMEs. Owners of farms, orchards, and fishing vessels rarely get into business because they enjoy office work. They are mobile employers, running their businesses on-the-go. PaySauce, with its uniquely strong mobile functionality, is particularly well suited to looking after the needs of this large group of business owners.

Additionally, primary industry businesses are often subject to a high level of scrutiny from the Labour Inspectorate for compliance with employment law. Inspectors regularly visit farms and orchards in person to check on compliance, including examining payroll. This close monitoring has created a strong industry awareness of the importance of accurate compliance. The Directors believe that primary industry SME owners understand the value of a FinTech system like PaySauce that ensures accurate payroll.

PaySauce has made a number of product customisations to cater to primary industry employers. One example is the "minimum wage top-up". In many industries, salaried employees receive a consistent pay each week, month, or fortnight, and are not required to track how many hours they work. In agriculture, salaried staff are required to keep timesheets to ensure that during busy periods, staff are paid at least minimum wage per fortnight. This requires a "top-up" calculation during busy periods, for example, during calving in the dairy industry. Dairy farm owners using a general SME payroll solution need to calculate these top-ups using a spreadsheet or some other system in addition to their payroll software, creating extra work and further risk of non-compliance. PaySauce automatically calculates these top-ups and applies them to employee pays to minimise compliance during the busiest time of year for dairy farmers.

Horticultural employers face similar issues with their "piece rate" staff, who are paid per unit of work (for example, bins of fruit picked). Employers must demonstrate that staff have been "topped up" to minimum wage level. This obligation creates additional compliance work during busy periods featuring huge staff variations. The majority of SME horticultural employers address these issues with manual paper systems, which create a significant administrative burden. PaySauce's custom product "Season" allows for easy data collection in the orchard by supervisors and automated import to PaySauce for compliant payroll calculations.

Both locally and abroad, primary industry SMEs are experiencing increasing pressures on their businesses in areas such as water usage, weather events, labour availability, biosecurity, and increasing regulatory burdens. The Directors are proud to support primary industry, assisting business owners to stay efficient and focused on high-value tasks. PaySauce will continue to provide services to SMEs from a broad range of industries, while focusing new developments on the primary sector. Often, customisations made for agricultural customers suit customers from other sectors.

Looking ahead: Opportunities for growth

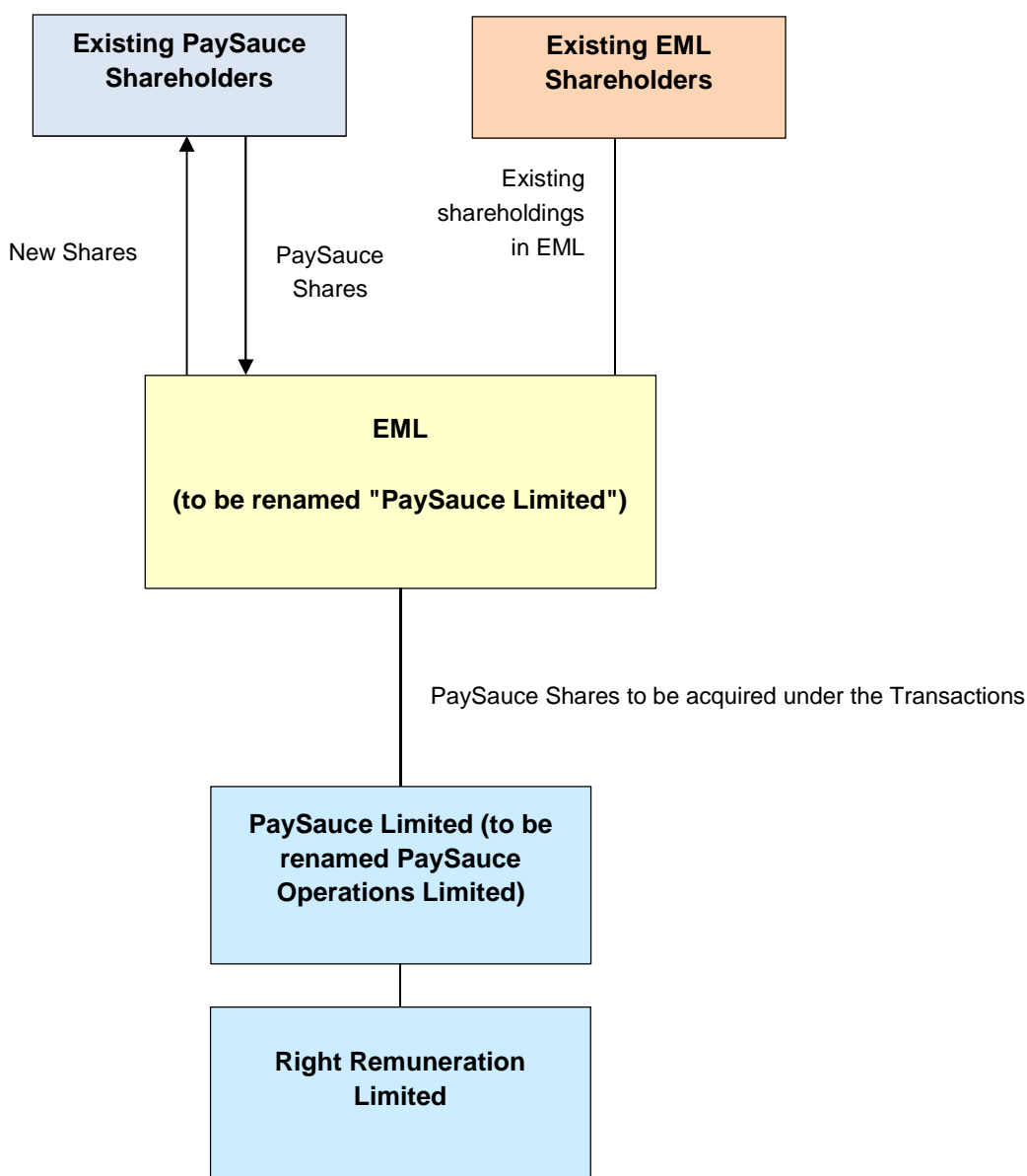
The Proposed Directors are confident that PaySauce is well placed to follow the international success of New Zealand-grown FinTech SaaS businesses such as Xero and Vend. Internationally, SME owners share many characteristics of Kiwi employers, while international payroll software markets are less mature than in New Zealand. PaySauce has developed various payroll modules allowing for calculations to be processed in a number of tax jurisdictions. Once a strong foundation has been laid in New Zealand, PaySauce intends to establish subsidiaries and recruit staff in-market to develop its business in international locations. The Proposed Directors intend to focus on markets with similar primary industry SME characteristics to those found in New Zealand.

Additionally, PaySauce plans to move beyond simple payroll provision with a range of new features. The first of these initiatives is a digital contract tool being built in partnership with Federated Farmers, which will allow agricultural employers to purchase industry-specific agreements, populate these with relevant details, and distribute them for digital review and signature by employees or contract partners. Farm owners in New Zealand are often both employers and landlords, providing accommodation to staff. Often, new staff move from different regions and countries for their new roles. Because of the complex relationship with staff and the need for a signed employment contract to be in place prior to the commencement of an employment relationship, paper contracts are less than ideal. The Directors expect this digital contracts tool to be released to market prior to completion of the transaction.

The development of the digital contracts tool is the first step in PaySauce's transition from a timesheets and payroll provider to true people management software, where employers can cost-effectively manage a range of administrative tasks related to their employees, replacing paper-based systems and driving efficiency.

Organisational Structure

The current PaySauce Group comprises PaySauce Limited and its wholly-owned subsidiary, Right Remuneration Limited. As a registered PAYE intermediary with Inland Revenue, Right Remuneration Limited is responsible for managing customer PAYE payment and filing obligations. PaySauce Limited is responsible for all other group operations. Following completion of the Acquisition, PaySauce Limited will become a wholly owned subsidiary of the Company. The Company will then change its name to "PaySauce Limited", and PaySauce Limited will change its name to PaySauce Operations Limited.



Proposed Directors

With effect from completion of the Acquisition, the current directors of the Company will resign and the following persons will be appointed as directors, leaving the Company with a small, focused board with a diversity of experience and skills. Asantha Wijeyeratne, Andrew Barnes and Gavin Thompson are the current directors of PaySauce, and each will be appointed as non-independent directors of the Company following completion of the Acquisition. Mandy Simpson and Nick Lewis will be also appointed as independent non-executive directors of the Company following completion of the Acquisition.

Asantha Wijeyeratne QSM – Director (Non-Independent)

Asantha moved to New Zealand in his twenties and built a number of successful businesses prior to founding New Zealand's largest SME payroll provider, SmartPayRoll, with software licenced from Datacom. He sold that business due to technical limitations which prevented SmartPayRoll from responding rapidly to customer needs. He founded PaySauce to bring a fresh approach to payroll software and revolutionise the way SME owners pay staff and manage employment obligations.

Asantha's vision and success in the payroll industry are critical to PaySauce's early access to capital, recruitment of critical team members, and customer-first philosophy.

Andrew Barnes – Director (Non-Independent) / Chairman

Andrew has a track record of market-changing innovations and the digitisation of various industries. Andrew is the founder of Perpetual Guardian and Managing Director of Complectus.

Andrew was previously a director and founder of Just Wills Holdings Limited, a UK-based will writing and estate planning business. Prior to this, he was CEO of Bestinvest, a US\$5.7 billion, UK-based investment management and advisory company; leading the sale to private capital in 2007, and was managing director of Australian Wealth Management Limited, a major Australian wealth management and trustee business which he led to IPO in 2005. Andrew was also Chairman of realestate.com.au Limited (now REA Group) which he led to IPO in 1999, and an Executive Director of Macquarie Bank.

Andrew holds an MA from Selwyn College, Cambridge and an ACIB (UK), and has attended the Program for Management Development at Harvard Business School.

Gavin Thompson – Director (Non-Independent)

Gavin is the founder and a director of Catalyst IT, New Zealand's largest open-source IT service provider. He has over 25 years' experience in developing software systems in the manufacturing, engineering, financial, and government sectors. This experience is critical in advising on technical matters as PaySauce grows.

Mandy Simpson – Independent Non-Executive Director

Mandy Simpson is a director, consultant and keynote speaker with a focus on the business and human impacts of technology. Over the past decade, Mandy has held a number of senior executive roles in New Zealand including Chief Financial Officer at Fronde and Chief Operating Officer at NZX.

Mandy is a blockchain and cryptocurrencies faculty member at Singularity University, a US think tank exploring the opportunities and implications of exponential technologies, and a director at Punakaiki Fund, a company investing in high growth New Zealand companies.

Originally from the UK, Mandy has a law degree from Cambridge University. She is a Fellow of the Institute of Chartered Accountants in England and Wales, a member of the New Zealand Institute of Directors and a member of New Zealand Global Women.

Nick Lewis – *Independent Non-Executive Director*

Nick currently chairs the board of Mojo Coffee, and is on the boards of renewable electricity generator Pioneer Energy and CarboNZero-certified energy retailer Ecotricity.

A graduate of Lehigh University in Pennsylvania, US with a mechanical engineering degree, Nick initially worked in the commercial nuclear power industry before founding a successful data management firm. On the sale of his business, he became an investment banker at JP Morgan and CIBC World Markets in New York where he worked on mergers & acquisitions, divestitures, initial public offerings, bond, bank, and derivatives deals. Nick next took-up the role of CEO of a smart meter and data management technology company in Wellington, then was the founding CEO of the climate change website, Celsias.com, before co-founding the financial advisory and institutional stock broking firm, Woodward Partners.

Nick is an angel investor in early-stage tech companies, and was the first chair of the crowdfunding website PledgeMe.

Proposed Senior Managers

With effect from the completion of the Acquisition, the Company's senior management team is proposed to comprise the following:

Asantha Wijeyeratne – *Chief Executive Officer / Co-Founder*

See previous.

Troy Tarrant – *Chief Technology Officer / Co-founder*

Troy has over 20 years' experience in IT development, product design, and architecture. Ten of those years focused solely on HR and payroll applications, including projects ranging from small business to government. His technical innovations and lean development philosophy are fundamental to PaySauce's rapid development, scalability, and security.

Krishnakumar Guda – *Chief Financial Officer*

Krishna has a wealth of experience in technology businesses around the globe, including as Director of Mergers & Acquisitions, Business Unit Global Services, at Ericsson. Krishna's background in best-practice technology operations around the globe will be critical to PaySauce's international growth.

Warren Choisy – *Head of Development*

Warren has spent over 10 years as a software developer and solutions architect. His experience includes projects ranging from small mobile applications, to full enterprise platforms and systems integration, across diverse domains including payroll, distribution, and HR.

Vicky Taylor – *Head of Customer Experience*

Vicky has over 20 years' experience in customer service, including managing large support teams at online payroll providers. Vicky's experience with customers from a broad range of industries has direct impact on PaySauce's product development, while her commitment to customer satisfaction helps us deliver elite support services.

Rachel Marsland – Operations

Rachel has managed payroll operations for over 15 years, overseeing PaySauce's relationships with retail banks, chartered accountancy practices, and Inland Revenue. Rachel ensures completion of business-critical functions including PAYE intermediary responsibilities.

Logan Tyson – Head of Growth and Partnerships

Logan joined the PaySauce team with a background in corporate law and sales. He is responsible for customer acquisition through partnership channels including industry bodies, retail banks, software providers, and chartered accountancy practices.

Ben Colgate – Head of Design

Ben has worked with some of New Zealand's top SaaS companies and is responsible for PaySauce's user experience and interface. Ben's input is critical in differentiating PaySauce from its competition.

Substantial shareholders and relevant interests held by directors and senior managers, etc

Current substantial shareholders of the Company

As at 21 November 2018 the following shareholders have a relevant interest in 5% or more of the shares in the Company.

Substantial product holders prior to the Acquisition			
Product holders with relevant interests in 5% or more of a class of relevant securities	Legal ownership or other nature of the interest	Number of relevant securities held	% of relevant securities held (rounded to 2 decimal places)
New Zealand Central Securities Depository Limited	Registered holder. Shares held on behalf of Smartshares Limited.	133,549,530	75.95%
Smartshares Limited	Ability to control the exercise of the right to vote attached to shares (due to provisions of the SuperLife Invest Trust Deed which is available on the Disclose Register).	133,549,530	75.95%
Christopher Anthony Mardon, Mardon Family Holdings Limited	Christopher Anthony Mardon is the registered holder and beneficial owner of two separate parcels of Shares totalling 139,050 in his personal capacity. Mardon Family Holdings Limited is the registered holder and beneficial owner of a further 13,481,000 Shares. Christopher Anthony Mardon is the sole director of Mardon Family Holdings and is joint holder of 100% of the shares together with Vernon Thomas Mardon.	13,620,050	7.75%
Vernon Thomas Mardon and Kathleen Frances Mardon, Mardon Family Holdings Limited	Vernon Thomas Mardon and Kathleen Frances Mardon are the joint registered holders of two separate parcels of Shares, totalling 136,000. Mardon Family Holdings Limited is the registered holder and beneficial owner of a further 13,481,000 Shares. Vernon Thomas Mardon is joint holder of 100% of the shares in Mardon Family Holdings Limited, together with Christopher Anthony Mardon.	13,617,000	7.74%

Substantial shareholders immediately after completion of the Acquisition

The following persons are likely to have a relevant interest in 5% or more of the shares in the Company (which will change its name to PaySauce Limited) immediately following completion of the Acquisition.

The date used to determine the particulars set out in the table below is 21 November 2018. The assumptions on which the particulars in the table below are calculated are as follows:

- a) the number of shares on issue immediately prior to the issue of New Shares is 175,836,635;
- b) following the issue of New Shares, the total number of shares on issue shall be 5,843,543,401; and
- c) no Minority Buy-out Rights are exercised.

Likely substantial product holders after the Acquisition			
Product holders with relevant interests in 5% or more of a class of relevant securities	Legal ownership or other nature of the interest	Number of relevant securities likely to be held	% of relevant securities likely to be held (rounded to 2 decimal places)
Gibson Sheat Trustees Limited and Troy Tarrant (trustees of Gondolin Trust)	Registered holders as trustees of the Gondolin Trust.	836,481,557	14.31%
Asantha Wijeyeratne, Wijeyeratne & Co Limited and Cloud Investments Limited.	Asantha Wijeyeratne is the sole director and 50% shareholder of Wijeyeratne & Co Limited, which will be the registered holder and beneficial owner of 1,446,856,073 Shares. He is also the sole director and sole shareholder of Cloud Investments Limited, which will be the registered holder and beneficial owner of 641,651,402 Shares.	2,088,507,476	35.74%
Minonsari Wijeyeratne	50% shareholder of Wijeyeratne & Co Limited, which will be the registered holder and beneficial owner of 1,446,856,073 Shares.	1,446,856,073	24.76%
Coulthard Barnes (PaySauce) Limited.	Coulthard Barnes (PaySauce) Limited will be the registered holder and beneficial owner of 1,169,332,884 Shares.	1,169,332,884	20.01%

Current shareholdings held by Proposed Directors and Proposed Senior Managers

As at the date of this Profile, none of the Proposed Directors or Proposed Senior Managers have a relevant interest in any shares in the Company.

Shareholdings held by Proposed Directors and Proposed Senior Managers immediately following completion of the Acquisition

The following Proposed Directors and Proposed Senior Managers will likely have the following relevant interest in the Company immediately following completion of the Acquisition.

The date used to determine the particulars set out in the table below is 21 November 2018. The assumptions set out at page 21 of the Profile also relate to the particulars in the table below.

Interest Holder	Legal ownership or other nature of the interest	Immediately after the Acquisition	
		Number of relevant securities likely to be held	% of relevant securities likely to be held (rounded to 2 decimal places)
Asantha Wijeyeratne (Director and Chief Executive Officer)	<p>Asantha Wijeyeratne is the sole director and 50% shareholder of Wijeyeratne & Co Limited, which will be the registered holder and beneficial owner of 1,446,856,073 Shares.</p> <p>He is also the sole director and sole shareholder of Cloud Investments Limited, which will be the registered holder and beneficial owner of 641,651,402 Shares.</p>	2,088,507,476	35.74%
Andrew Barnes (Director)	Andrew Barnes will be the sole director and sole shareholder of Coulthard Barnes (PaySauce) Limited, which will be the registered holder and beneficial owner of 1,169,332,884 Shares.	1,169,332,884	20.01%
Gavin Thompson (Director)	Registered holder and beneficial owner.	88,104,652	1.51%
Nick Lewis (Independent non-executive Director)	Registered holder as the trustee of the Lewis Family Trust	37,091,673	0.63%
Troy Tarrant (Chief Technology Officer)	Registered holder as trustee of the Gondolin Trust.	836,481,557	14.31%
Krishnakumar Guda (Chief Financial Officer)	Registered holder and beneficial owner.	78,724,554	1.35%
Vicky Taylor (Head of Customer Experience)	Registered holder and beneficial owner.	55,637,509	0.95%
Rachel Marsland (Operations)	Registered holder as trustee of the CR and RP Marsland Investment Trust.	26,367,016	0.45%
Ben Colgate (Head of Design)	Registered holder and beneficial owner.	37,091,673	0.63%
Logan Tyson (Head of Growth and Partnerships)	Registered holder and beneficial owner.	46,364,591	0.79%

Each of the following persons have agreed they will not dispose of their shareholdings in the Company following completion of the Acquisition, without the prior written approval of the Special Division of the New Zealand Markets Disciplinary Tribunal, until audited financial statements for the Company for the financial year ended 31 March 2019 are available to the public:

- Coulthard Barnes (PaySauce) Limited;
- Gibson Sheat Trustees Limited (as trustee of the Gondolin Trust) and Troy Tarrant (as trustee and sole beneficiary of the Gondolin Trust); and
- Cloud Investments Limited and Wijeyeratne & Co Limited,
(together, the "**Escrowed Persons**").

The New Shares to be issued under the Acquisition to persons other than the Escrowed Persons (including those to be issued to Proposed Directors and Proposed Senior Managers) are not subject to any lock-up or escrow arrangements. Therefore, those persons are free to sell or otherwise dispose of the New Shares at any time they may wish.

Interests of directors, senior managers, etc

Director remuneration and benefits

Historically, EML agreed to pay fees to directors of \$50,000 per annum, and fees to the chair of \$75,000 per annum. However, EML suspended payment of all directors' fees in July 2016 (and, no directors' fees have been paid in the most recently completed accounting period). Directors' fees continued to accrue as unsecured obligations from July 2016 until 31 March 2018 (when directors' fees stopped accruing altogether). The following amounts remain payable to past and present directors of the Company as at 30 September 2018:

- Brent Wheeler – \$50,312.50 for services provided between June 2016 and December 2016;
- David Jarman – \$47,916.70 for directors' fees between June 2016 and March 2017;
- Andrew Meehan – AUD\$35,560.42 for directors' fees between July 2016 and March 2017; and
- Andrew Plympton – AUD\$49,000 for directors' fees between July 2016 and August 2017.

Following completion of the Acquisition, the outstanding directors' fees will be paid by PaySauce as and when amounts become available, after meeting all other outstanding debts of the Company.

David Jarman has also been paid a fee of \$500 per month from October 2017 and Brent Wheeler and Aidan Johnstone have been paid on a contracted hourly rate for work undertaken in connection with the restructuring of EML.

No directors of PaySauce have been paid directors' fees or other remuneration to date. Asantha Wijeyeratne is paid a salary of \$90,000 per annum for his role as Chief Executive.

Once the Proposed Directors become directors of the Company they will receive director remuneration as set out below for services provided in the Proposed Director's capacity as director:

Director or proposed director	Total remuneration and value of other benefits received
Asantha Wijeyeratne	Nil (except for salary for role as Chief Executive).
Andrew Barnes	Nil.
Gavin Thompson	Nil.
Mandy Simpson	Expected to receive director remuneration of \$30,000 per annum.
Nick Lewis	Expected to receive director remuneration of \$30,000 per annum.

Employee remuneration over \$100,000 per annum

There was one employee of PaySauce, not being a director of PaySauce who, during the period from April 2015 to the date of this Profile, received remuneration and other benefits in their capacity as employee, that in value was or exceeded \$100,000 per annum. This employee's remuneration was between \$120,000 - \$129,999. On 12 November 2018, PaySauce hired an additional employee who is expected to receive remuneration and other benefits over \$100,000 per annum in their capacity as employee (this employee's remuneration is likely to be between \$120,000 - \$129,999).

As other employee remuneration has not been determined for FY2020, PaySauce is not able to determine whether any other employees will receive remuneration and other benefits in their capacity as employee that in value is or exceeds \$100,000 per annum. However, the Proposed Directors expect that remuneration to be paid to employees in the next financial year will not differ significantly from the employment remuneration paid by other companies in the same industry and of the same level of maturity.

Material interests in PaySauce (or any of its subsidiaries)

PaySauce is party to a service agreement with Catalyst.Net Limited ("**Catalyst**"), a subsidiary of Catalyst I T Limited, under which Catalyst provides cloud hosting and related infrastructure and support services to PaySauce. Asantha Wijeyeratne (Proposed Director and co-founder of PaySauce) and Gavin Thompson (Proposed Director) are joint holders of a 20.34% shareholding in Catalyst I T Limited. Gavin Thompson is also a director of Catalyst I T Limited. Neither Asantha Wijeyeratne nor Gavin Thompson are employees of Catalyst or Catalyst I T Limited.

Catalyst IT provides essential hosting and IT services to PaySauce, including enabling the Cloud 2.0 architecture described in detail under the "*Technical Advantages*" heading above.

3. KEY FEATURES OF THE SHARES

Shares

The key features of the Shares will not differ from those that apply to ordinary shares in the Company or a company generally. Following completion of the Acquisition, there will be no agreements or arrangements providing for a right, entitlement or option for any person to take Shares, convertible securities or other securities in the Company and the PaySauce Group.

New Shares

All New Shares issued under the Acquisition will be fully paid ordinary shares in the Company which rank equally with each other and all other ordinary shares in the Company on issue.

The principal terms of the New Shares to be issued under the Acquisition are identical to those of the ordinary shares in the Company on issue as at the date of this Profile.

Dividend Policy

PaySauce has not declared or paid any dividends since its incorporation in January 2015. The Proposed Directors have no plans for the Company (to be renamed PaySauce Limited following the Acquisition) to pay dividends. Profits, if any, will be reinvested to promote growth of the PaySauce business. If this strategy is successful, shareholders may benefit from an increase in the share price.

Dividends are not guaranteed and will be at the discretion of the directors of the Company from time to time. Dividends will be declared only after the Company meets appropriate solvency requirements.

4. PAYSAUCE'S FINANCIAL INFORMATION

This section contains the following information about the PaySauce Group's historical financial performance only:

- A table of selected financial information.
- A table of selected financial information, adjusted for the ASB Sponsorship Payment (defined below).
- Explanatory notes and further information on the selected financial information.

These tables provide key financial information about the PaySauce Group. Full GAAP-compliant financial statements for FY16, FY17 and FY18 for the PaySauce Group are available on PaySauce's website www.paysauce.com. If you do not understand this financial information, you can seek advice from a financial adviser or an accountant.

Note: All of the information used to calculate the financial measures in this section are derived from PaySauce Group's financial statements that have not been audited by a qualified auditor. The PaySauce Group is not required under any regulation or law in New Zealand to have its financial statements audited by a qualified auditor. The Directors note that it is not unusual for companies in PaySauce's financial position to present unaudited financial statements.

Selected financial information (\$)

Financial information	FY2016	FY2017	FY2018
Revenues	9,853	130,383	511,680
EBITDA	(292,339)	(450,776)	(711,803)
Net profit after tax	(300,620)	(549,899)	(856,793)
Dividends on all equity securities of PaySauce	-	-	-
Total assets	636,038	332,157	490,195
Cash and cash equivalents	97,177	28,753	204,279
Total liabilities	444,606	360,647	205,478
Total debt	-	-	37,267
Net cash flows from operating activities	(204,592)	(205,395)	(954,424)

Selected financial information (adjusted for the ASB Sponsorship Payment) (\$)

Financial information	FY2016	FY2017	FY2018
Adjusted revenues	9,853	67,883*	361,680*
Adjusted EBITDA	(292,339)	(513,276)*	(861,803)*
Adjusted net profit after tax	(300,620)	(612,399)*	(1,006,793)*
Dividends on all equity securities of PaySauce	-	-	-
Adjusted total assets	291,038*	332,157	490,195
Cash and cash equivalents	97,177	28,753	204,279

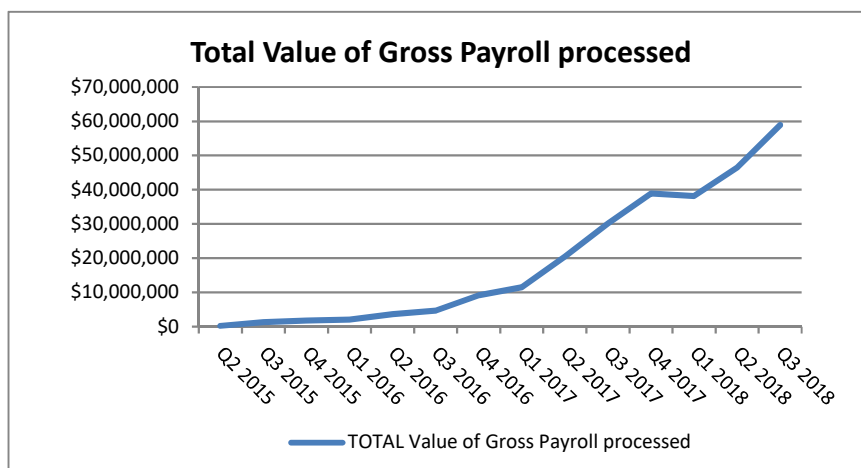
Adjusted total liabilities	144,606*	123,147*	117,978*
Total debt	-	-	37,267
Adjusted net cash flows from operating activities	(204,592)	(505,395)*	(954,424)

*The financial measures in the table above denoted with an asterisk are not determined in accordance with GAAP (for the reasons set out in the explanatory notes below). Full GAAP-compliant financial statements for FY16, FY17 and FY18 for the PaySauce Group, and a reconciliation of the adjusted financial measures in the table above with the GAAP-compliant financial statements, are available on PaySauce's website www.paysauce.com. Please also read the note at the beginning of Section 4: "PaySauce's Financial Information" explaining the information used to calculate the financial measures in this table.

Explanatory notes

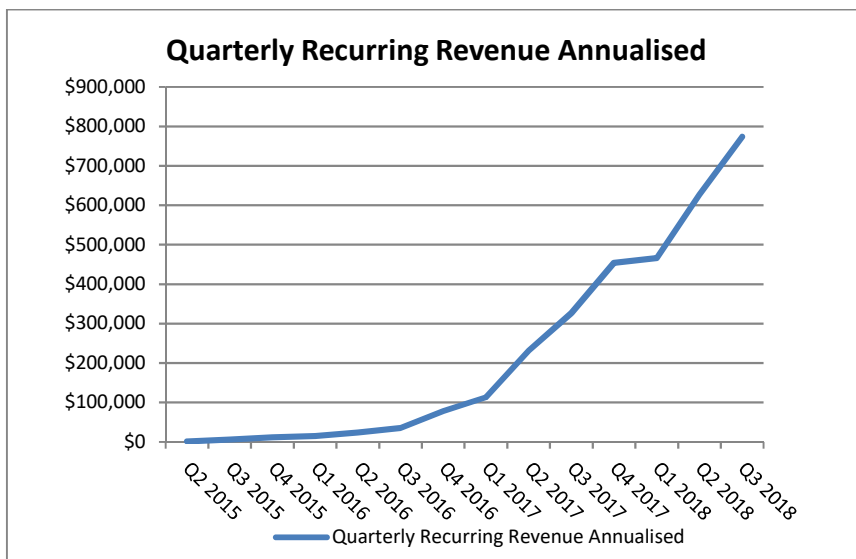
The adjusted financial measures in the adjusted selected financial information table above exclude a one-off, non-recurring sponsorship payment from ASB Bank of \$300,000 ("**ASB Sponsorship Payment**"). The Proposed Directors have presented the adjusted information in the table above as they consider that these adjustments better show the true growth of revenue from PaySauce Group's business activities between FY16 to FY18. Disregarding the ASB Sponsorship Payment, PaySauce's revenue growth was steady from FY16 through to FY18. Full GAAP-compliant financial statements for FY16, FY17 and FY18 for the PaySauce Group, and a reconciliation of the adjusted financial measures in the table above with the GAAP-compliant financial statements, are available on PaySauce's website www.paysauce.com.

FY17 and FY18 saw expansion of the PaySauce support, development, design, and marketing teams, with resulting increases in salary expenses. Along with increased promotional expenditure, focusing on primary sector events and tradeshows, the increased salary expenditure has resulted in growing net operating losses.



The quarters referenced above are to the quarters of a calendar year commencing 1 January and ending 31 December. The figures used in the above graph have not been determined in accordance with GAAP. Full GAAP-compliant financial statements for FY16, FY17 and FY18 for the PaySauce Group are available on PaySauce's website www.paysauce.com. Please also read the note at the beginning of Section 4: "PaySauce's Financial Information" explaining the information used to calculate the financial measures in the above graph.

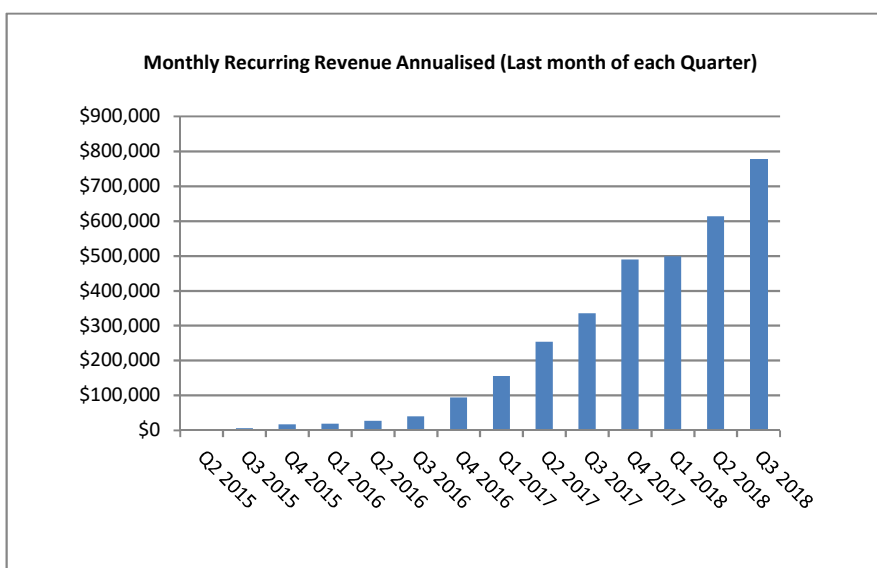
The graph above reflects the total value of quarterly client payrolls administered by PaySauce, including wages, PAYE, KiwiSaver, and other statutory deductions. In July 2018, PaySauce administered \$18.4 million of client payroll funds.



The quarters referenced above are to the quarters of a calendar year commencing 1 January and ending 31 December. The figures used in the above graph have not been determined in accordance with GAAP. Full GAAP-compliant financial statements for FY16, FY17 and FY18 for the PaySauce Group are available on PaySauce's website www.paysauce.com. Please also read the note at the beginning of Section 4: "PaySauce's Financial Information" explaining the information used to calculate the financial measures in the above graph.

2017 saw rapid growth in both customer numbers and annual recurring revenue as PaySauce established itself as the dominant payroll provider to the dairy sector in New Zealand. The PaySauce customer base grew by 473% during the course of 2017, with the majority of these customers operating dairy farms.

In the dairy sector, each new season officially starts at June 1. Stock and employees often relocate farms at this time, in preparation for the busiest period of the year on the farm. Over the past two years, PaySauce has seen rapid client acquisition for the period leading up to, and during the beginning of, the new season. This acquisition reflects farm owners organising systems to manage their new staff prior to the busy season.



The quarters referenced above are to the quarters of a calendar year commencing 1 January and ending 31 December. The figures used in the above graph have not been determined in accordance with GAAP. Full GAAP-compliant financial statements for FY16, FY17 and FY18 for the PaySauce Group are available on PaySauce's website www.paysauce.com. Please also read the note at the beginning of Section 4: "*PaySauce's Financial Information*" explaining the information used to calculate the financial measures in the above graph.

The "sticky" nature of payroll service relationships and low levels of customer churn deliver predictable monthly revenue for PaySauce. Strong growth in customer numbers explains the rapid monthly revenue growth in the graph above. 2016 saw slow growth as the business established a reputation as a reliable processor and began working within the primary sector. Once this reputation was established, 2017 saw rapid growth which has continued into 2018.

No prospective financial information

There is no prospective financial information in this Profile. The Proposed Directors have, following careful consideration and after due enquiry, concluded that the provision of prospective financial statements for the period to 31 March 2019, and the subsequent accounting period to 31 March 2020, may be misleading for potential investors with regard to particulars that are material to the Acquisition. The Proposed Directors believe that it is not practicable to formulate reasonable assumptions on which to base prospective financial statements.

The Proposed Director's reasons for this opinion are as follows:

- The Company's growth to date has been extremely rapid. Although the Proposed Directors believe that there is no reason that growth may not continue at similar rates, or possibly even accelerate, it would be imprudent to forecast growth continuing at historic rates. Equally, given there is no evidence of PaySauce's growth slowing, it may be misleading to produce a forecast which assumed growth at anything less than historic levels;
- There are a number of significant growth opportunities available to PaySauce, both domestically and abroad. These include new markets, new products, and new clients within existing markets. Several of these opportunities have the potential to materially positively affect the growth, profitability, and prospects for PaySauce. However, the effect of these opportunities on PaySauce's accounts is not yet certain enough to be accurately forecast.

Given the inability to reliably determine reasonable assumptions for the periods that would be covered by prospective financial information, the Proposed Directors are of the view that any prospective financial statements may be misleading for potential investors in a material manner because actual operating revenue or expenditure for that period could be materially different from that forecast.

Funding of the transaction costs associated with the Transactions and EML Group creditors

The Company has negotiated with PaySauce for PaySauce to fund the Company's costs associated with the Transactions. Subject to completion of the Acquisition, PaySauce has also agreed to fund the payment of certain outstanding debts owed to creditors of the Company and its subsidiaries ("**Estimated EML Debt**") following completion. Further details on these matters are set out at pages 18 to 19 of the Notice of Meeting.

PaySauce's funding requirements in the future

Given PaySauce's current trading trajectory, the Proposed Directors believe PaySauce is on a path to profitability. PaySauce's cost base is currently fixed, and annual recurring revenue has been growing by more than 10 per cent on a monthly basis.

Immediately prior to completion of the Acquisition, PaySauce also proposes to:

- undertake a capital raising whereby \$1.145 million will be raised from the issue of 550,481 ordinary shares in PaySauce to certain PaySauce Shareholders and new investors ("**PaySauce Capital Raising**"); and
- enter into a loan facility with Coulthard Barnes (PaySauce) Limited ("**CBPL**"), an entity related to Andrew Barnes, whereby CBPL agrees to make available up to \$500,000 to PaySauce on an interest free basis, which is repayable on demand by CBPL ("**Loan Facility**"),

(together, the "**PaySauce Funding Initiatives**").

On the basis of its current trading trajectory, and as a result of the PaySauce Funding Initiatives, the Proposed Directors are comfortable that the Company (through PaySauce) will have sufficient funds following completion of the Acquisition to fund the transaction costs associated with the Transactions (including the obligations to fund the payment of outstanding creditors of the Company and its subsidiaries following completion), as well as PaySauce's ongoing funding needs without undertaking any further capital raising before the end of financial year 31 March 2019.

Following completion of the Acquisition, the Company will not undertake a capital raise which would require the production of a product disclosure statement under the Financial Markets Conduct Act 2013, or which relies on clause 19 of Schedule 1 of that Act, until audited financial statements for the Company (for the financial year ended 31 March 2019) are available.

5. RISKS TO PAYSAUCE'S BUSINESS AND PLANS

This section sets out a description of the circumstances that the Proposed Directors are aware of that exist or are likely to arise that significantly increase the risk to PaySauce's financial position, financial performance or stated plans. This section outlines the Proposed Directors' assessment of the likelihood, nature and potential magnitude of the impact of the circumstances. These risks are based on the knowledge and assessment of the Proposed Directors as at the date of this Profile, and it is possible that other risks may emerge over time.

The current directors of the Company have not independently verified the information contained in this section. The current directors of the Company have, however, reviewed the process undertaken by PaySauce in preparing the information contained in this section and consider that the process undertaken was appropriate for a document in the nature of this Profile.

<i>Loss of Key Personnel</i>	
What is it?	PaySauce operates in a specialised industry, and as a result relies on key personnel with specialised knowledge. If PaySauce was not able to retain one or more of those key personnel, this could adversely affect PaySauce's operations and profitability.
Why is it significant?	<p>PaySauce operates in a number of complex and technical fields, which require specialised skills and institutional knowledge to provide customers with a high level of service. As a result, PaySauce's ability to execute its growth strategy is dependent on retaining an experienced management team, as well as employees in key positions who are sufficiently skilled in their area of operation.</p> <p>If the Company is not able to retain key personnel, and is unable to recruit and/or train a suitable replacement in a timely manner, it may be more difficult for the Company to successfully service its existing customers and to attract new customers. Significant time and cost may also be expended to replace specialist skills and knowledge. This could impact growth in the Company's customer base, revenues and market share.</p> <p>In particular, Chief Technology Officer Troy Tarrant's contribution to the PaySauce software platform is significant. Loss of Troy's input would necessitate hiring a replacement to fill his position. Loss of any other senior manager may have a substantial adverse impact on existing commercial relationships and business operations.</p>
Assessment of the likelihood, nature and potential magnitude	<p>PaySauce is implementing a number of measures to develop the skills of its employees on an ongoing basis, and to spread responsibilities across expanding software development, support, and business development teams. The Directors also believe that PaySauce offers competitive remuneration, an attractive working environment and proposition for its employees, and is seen as an attractive employer and a leader in its market.</p> <p>As a co-founder, Troy will continue to be a significant shareholder following the Acquisition. Troy has stated his commitment to remaining in his role as Chief Technology Officer for the foreseeable future, including through PaySauce's possible expansion into international</p>

	markets.
Security Risks	
What is it?	PaySauce's business involves the holding of a large amount of client funds and extensive personal data, and relies heavily on the use of Information Technology ("IT") systems to manage these. A successful cyber security attack could result in the loss of client funds or unauthorised access to client data, which could have a material adverse effect on PaySauce's business and particularly on its reputation to properly hold the assets of others.
Why is it significant?	<p>PaySauce holds extensive client data and is responsible for the holding and payment of client funds to Inland Revenue. PaySauce is reliant on its systems, processes and the knowledge and skills of its employees to ensure that client data and funds are appropriately protected from becoming corrupted, unavailable or made available inappropriately to other parties.</p> <p>A successful cyber attack on PaySauce's IT systems, or unauthorised access to client data or funds, could cause damage to PaySauce's reputation which is founded on its ability to reliably hold others' data and property and which could lead to a loss of business and revenues. This could also lead to litigation against PaySauce if it was found to have breached its contractual or fiduciary duties in respect of cyber security.</p>
Assessment of the likelihood, nature and potential magnitude	PaySauce implements best-practice cyber security systems and processes. The technology environment has been independently reviewed and tested. Independent review is intended to be repeated annually. PaySauce is also insured against a range of cyber risks. However, it is possible that the financial exposure arising from one or more cyber security breaches may exceed the level of insurance cover.
Interpretation of Payroll Legislation	
What is it?	The rules which determine how payroll is calculated are contained in pieces of legislation, including the Holidays Act 2003, the Minimum Wage Act 1983 and the Income Tax Act 2007. This legislation requires interpretation. At times, providers of payroll services disagree as to the calculation of certain payroll components. Any incorrect interpretation of a piece of payroll legislation by PaySauce staff or systems could result in an incorrect payroll calculation on behalf of one or more customers.
Why is it significant?	Any errors in payroll calculation could result in incorrect payments being made to customer staff or Inland Revenue. PaySauce would likely be required to assist any affected customers in addressing the errors. This may involve additional payments to, or recovery of funds from, staff or Inland Revenue. Such errors could result in the loss of customers, or in one or more customers bringing a claim against PaySauce.

Assessment of the likelihood, nature and potential magnitude	PaySauce formulates its interpretation of payroll legislation with the help of leading industry figures. Additionally, PaySauce's interpretations have been externally audited for compliance. Compliance is reviewed on an ongoing basis as legislation is updated.
<i>Change in payroll legislation</i>	
What is it?	The Holidays Act 2003 is currently under review by a taskforce established by the New Zealand Government. This Act determines a major part of how payroll obligations are calculated. PaySauce helps customers calculate these obligations. Any change in the Holidays Act 2003, or other relevant legislation, would likely require PaySauce to update the payroll product.
Why is it significant?	<p>If the ongoing review results in a successful simplification of the Holidays Act 2003, payroll obligations may become easier to calculate. Under these circumstances, delivery of payroll services may be simplified, and PaySauce's services may be less attractive to customers. Any such change may impact revenue growth and customer acquisition.</p> <p>Simplification of payroll legislation may also lower barriers to entry in the payroll market and increase competition, as it becomes easier for competitors to develop payroll software products. Increased competition may have an adverse impact on revenue growth and customer acquisition.</p>
Assessment of the likelihood, nature and potential magnitude	<p>Changes to payroll legislation, including the Holidays Act 2003, will occur at some point in the future. The Proposed Directors are confident in PaySauce's ability to deliver value and attract customers under changes to the legislative environment.</p> <p>Additionally, as PaySauce's offerings move beyond payroll and PaySauce increases service lines available to customers, the potential impact of any simplification of legislation will be reduced.</p>
<i>PaySauce is an early stage company</i>	
What is it?	PaySauce is an early stage technology business, and is a high risk investment. It has engaged in limited trading as at the date of this Profile. As a "start up" business, PaySauce has employed, and is likely to continue to employ, a growth strategy where spending exceeds revenues, a situation commonly referred to as "cash burn". Operations to date have been financed by capital raised from investors alongside a growing revenue base.
Why is it significant?	PaySauce's ongoing viability relies on continued growth in revenues driven by customer acquisition. If, for any reason, PaySauce experienced a decreased rate of customer acquisition and revenue growth, PaySauce may need to find additional funding to finance operations until revenues exceed expenses.
Assessment of the likelihood, nature and potential magnitude	On the basis of its current trading trajectory, and the PaySauce Funding Initiatives, the Proposed Directors are comfortable that the Company (through PaySauce) will have sufficient capital following completion of the Acquisition to fund the transaction costs associated with the Transactions (including the obligations to fund the payment of outstanding creditors of the Company and its subsidiaries following completion), as well as PaySauce's ongoing funding needs without undertaking any further capital raising before the end of financial year

	31 March 2019.
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6. TAXATION

Tax can have significant consequences for investments. If you have queries relating to the tax consequences of holding shares in the Company, you should obtain professional advice on those consequences.

7. WHERE YOU CAN FIND MORE INFORMATION

Further information relating to PaySauce is available on PaySauce's website at www.paysauce.com, as well as on the public register at the Companies Office at the Ministry of Business, Information and Employment. This information can be accessed on the Companies Office website at www.business.govt.nz/companies under company number 5551925.

The Company is required to make half yearly and annual announcements to NZX and such other announcements as required by the NZX Listing Rules from time to time. You will be able to obtain this information free of charge by searching under the Company's ticker code "**PYS**" on NZX's website www.nzx.com.

The following information relating to PaySauce is available on request free of charge to PaySauce:

- The Proposed Constitution;
- Full GAAP-compliant financial statements for FY16, FY17 and FY18 for the PaySauce Group.

If you would like to make a request for this information, contact PaySauce by email to investor@paysauce.com or by post or telephone using the contact details in Section 8: "*Contact Information*" below.

8. CONTACT INFORMATION

Energy Mad Limited	Grant Thornton New Zealand Ltd L3, 134 Oxford Terrace Christchurch 8011 New Zealand Phone: 0800 432 677
PaySauce Limited	PO Box 30433 Lower Hutt 5040 Wellington New Zealand Phone: +64 (4) 555 0754
Securities Registrar	Link Market Services Limited PO Box 91976 Auckland 1142 New Zealand Phone: +64 (9) 375 5998
Energy Mad Limited's Legal Advisers	Bell Gully Level 21 ANZ Centre 171 Featherston Street PO Box 1291 Wellington 6140 New Zealand DX SX11164 Phone: +64 (4) 915 6800
PaySauce Limited's Legal Advisers	Russell McVeagh 48 Shortland Street PO Box 8 Auckland 1140 New Zealand DX CX10085 Phone: +64 (9) 367 8000
Energy Mad Limited's Current Auditors	PricewaterhouseCoopers 60 Cashel Street Christchurch 8013 New Zealand Phone: +64 3 374 3000
Auditors Post-Transaction	Grant Thornton L4, Grant Thornton House 152 Fanshawe Street PO Box 1961 Auckland 1140 New Zealand Phone: +64 9 308 2570

9. GLOSSARY

"Acquisition"	The acquisition by the Company of 100% of the ordinary shares in PaySauce from PaySauce Shareholders under the Acquisition Agreement.
"Acquisition Agreement"	The agreement entered into between the Company, the PaySauce Shareholders and others dated 9 August 2018 under which the Company has agreed to undertake the Acquisition.
"Android"	The mobile operating system developed by Google primarily for touchscreen devices, cell phones, and tablets.
"ASB Sponsorship Payment"	The one-off, non-recurring sponsorship payment from ASB Bank of \$300,000, which ASB agreed to provide to PaySauce in FY16.
"Board"	The board of directors of the Company.
"Company" or "EML"	Energy Mad Limited (to be renamed PaySauce Limited following the Acquisition).
"Companies Act"	Companies Act 1993.
"Director"	Means the directors of PaySauce as at the date of this Profile.
"EML Shareholder Meeting"	The special meeting of the Company's shareholders to be held to consider, amongst other matters, the approval of the Acquisition.
"Ecobulb Asset Sale"	The sale of all of the existing assets of the Company and its subsidiaries to Ecobulb Limited as described in the Notice of Meeting.
"EML Shareholders"	The shareholders of the Company as at the date of the Special Meeting of Shareholders.
"EML Subco"	Energy Mad NZ Limited.
"EML Subco Distribution"	The Company making an in-specie distribution of all of the shares in EML Subco to the shareholders of the Company as at the Record Date on a pro rata basis for zero consideration.
"Escrowed Persons"	Coulthard Barnes (PaySauce) Limited, Gibson Sheat Trustees Limited (as trustee of the Gondolin Trust), Troy Tarrant (as trustee and sole beneficiary of the Gondolin Trust), Wijeyeratne & Co Limited and Cloud Investments Limited.
"Estimated EML Debt"	Certain outstanding debt of the Company and its subsidiaries to be funded by PaySauce following completion of the Acquisition.
"FMCA"	Financial Markets Conduct Act 2013.
"FY [Year]"	A financial year ended 31 March.
"GAAP"	Generally Accepted Accounting Principles.
"iOS"	The mobile operating system created and developed by Apple Inc. exclusively for its hardware.
"Listing Rules"	The listing rules of the NZX Main Board, in force from time to time.
"Loan Facility"	The loan facility to be entered into prior to completion of the Acquisition between PaySauce and Coulthard Barnes (PaySauce) Limited ("CBPL"), an entity related to Andrew Barnes, whereby CBPL agrees to make available up to

	\$500,000 to PaySauce on an interest free basis.
"Minority Buy-out Rights"	An EML Shareholder's right to require the Company to purchase that shareholder's shares in accordance with section 110 of the Companies Act, as discussed in Appendix One of the Notice of Meeting.
"New Shares"	The 5,667,706,766 ordinary shares in the Company to be issued to PaySauce Shareholders in satisfaction of the \$10 million consideration under the Acquisition.
"Notice of Meeting"	The notice of the EML Shareholder Meeting.
"NZX"	NZX Limited.
"NZX Main Board"	The main board equity security market operated by NZX.
"PaySauce"	PaySauce Limited, a company incorporated in New Zealand with company number 5551925.
"PaySauce Capital Raising"	The capital raising undertaken by PaySauce prior to completion of the Acquisition, whereby \$1.145 million will be raised from the issue of 550,481 ordinary shares in PaySauce to certain PaySauce Shareholders and new investors.
"PaySauce Funding Initiatives"	The PaySauce Capital Raising and the Loan Facility.
"PaySauce Group"	PaySauce and Right Remuneration Limited, a company incorporated in New Zealand with company number 5572047.
"PaySauce Shareholders"	Shareholders of PaySauce.
"Profile"	This profile document, prepared in accordance with the Listing Rules.
"Proposed Constitution"	The proposed new constitution for EML to be put to EML Shareholders for approval at the EML Shareholder Meeting.
"Proposed Directors"	Those persons proposed to be directors of the Company with effect from completion of the Acquisition as set out in Section 2: " <i>PaySauce and what it does</i> ".
"Proposed Senior Managers"	Those persons proposed to be senior managers of the Company with effect from completion of the Acquisition as set out in Section 2: " <i>PaySauce and what it does</i> ".
"Record Date"	5:00pm on 7 December 2018.
"SaaS"	Software as a Service.
"Transactions"	Means the EML Subco Distribution, the Ecobulb Asset Sale, the Acquisition and the issue of New Shares.