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Smartpay Holdings Limited

2024 INTERIM RESULTS

27 November 2023

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Non-GAAP measures

This presentation contains references to Non-GAAP measures including EBITDA and adjusted NPAT.

Because Smartpay complies with accounting standards, investors know that comparisons can be made with confidence between reported profits and those of other companies. These non-GAAP figures are provided as a supplementary measure for readers to assess Smartpay's performance alongside NZ GAAP reported measures.

Some reported measures have been amended from those previously reported due to the implementation of the IFRS Interpretations Committee (IFRIC) agenda decision which resulted in a change in accounting policy in the year ended 31 March 2023.

Welcome to **Smartpay's** Investor Update

PRESENTED BY:

Marty Pomeroy

Chief Executive Officer and Managing Director

Cherise Barrie

Chief Financial Officer

- 1** 2024 – The Year So Far
- 2** Interim Financial Results
- 3** Sustainability at Smartpay
- 4** 2024 – Progress Against Strategy
- 5** Appendices

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Smartpay Holdings Limited

2024 THE YEAR SO FAR

“Vision without
execution is
hallucination”

- **Thomas Edison**

A Trans-Tasman Payments Business

Smartpay's Strategic Goal is to be recognised as the most reliable, capable, agile and innovative omni-channel payments provider in Australia and New Zealand



Terminals in Market

48,000+

1H23 43,000+



Smartpay People

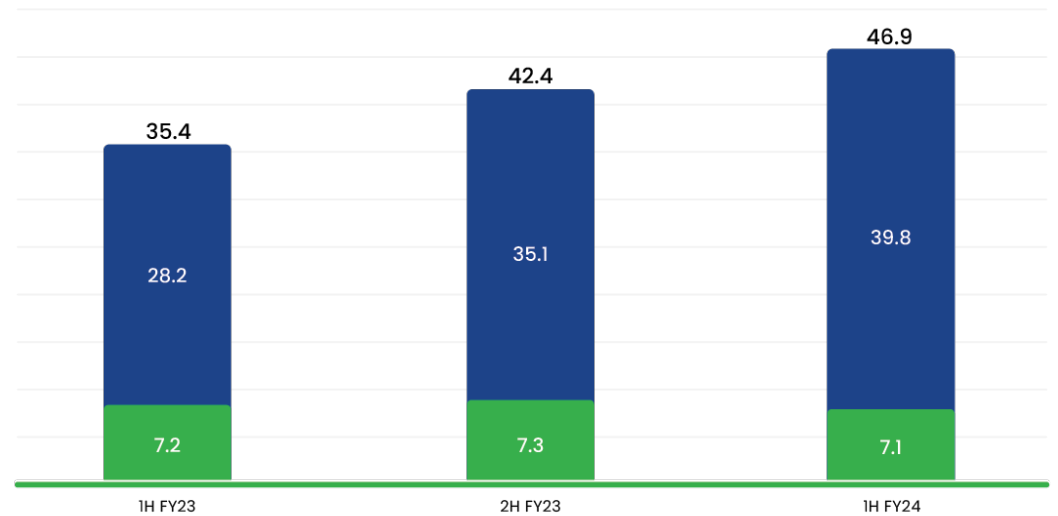
179

FY23 160

\$m

Consolidated Revenue by Country

● New Zealand ● Australia



FY24. Ongoing Growth in Australia and Accelerating the New Zealand Opportunity

(unaudited)

Continuing Revenue Growth
Up 33% on PCP

\$46.9m

1H23 \$35.4m

Operating Cash to Fund Growth and Accelerate Investment
Down 11% on PCP

\$9.0m

1H23 \$10.1m*

Delivers to EBITDA
Up 31% on PCP

Normalised

\$10.6m** (Statutory \$9.6m)

1H23 \$8.1m*

Generating Free Cash Flows
Down 72% on PCP

\$1.0m

1H23 \$3.5m

Drops to the Bottom Profit Before Tax
Up 68% on PCP

Normalised

\$4.8m** (Statutory \$3.8m)

1H23 \$2.8m*

Net Cash
Up 64% on PCP

\$2.2m

1H23 Net Cash \$1.3m

*Restated
**Normalised for cyber incident

Building a Sustainable Business Based on Sound Business Fundamentals

(unaudited)

		1H FY24	1H FY23*
EBITDA to revenue	↓	22.5%**	22.8%
Operating cost to revenue	↓	35.5%**	39.9%
PBT to revenue	↑	10.1%**	8.0%
Gearing ratio	↓	20.7%	28.5%
Headcount	↑	179	151
Revenue per head	↑	\$262k	\$234k
Marketing investment	=	\$3.3m	\$3.3m

		30 SEPT 23	31 MAR 23
Trans-Tasman terminal fleet	↑	48,000+	46,000+
Transacting terminals	↑	17,700+	15,700+
Share of Australian addressable market	↑	7.1%	6.3%
Monthly acquiring revenue	↑	\$7.1m	\$6.2m

		1H FY24	2H FY23
Total transaction value	↑	\$3.0b	\$2.7b

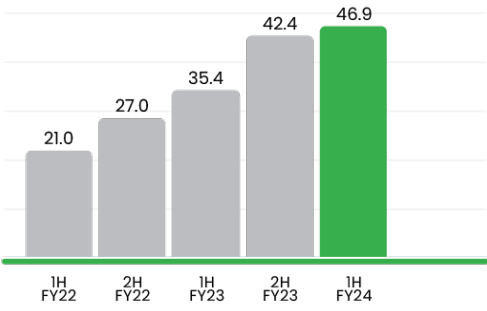
*Restated

**Normalised for cyber incident

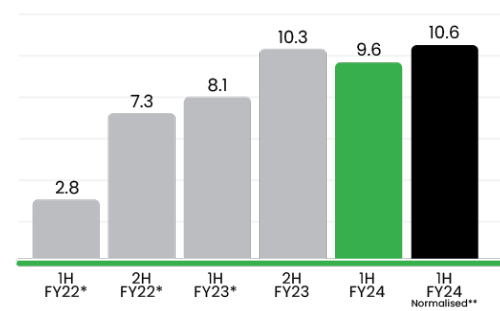
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FY24. Maintaining Our Strong Operating Leverage Whilst Growing and Investing

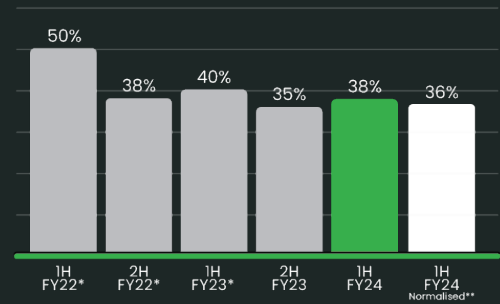
\$'m
Revenue



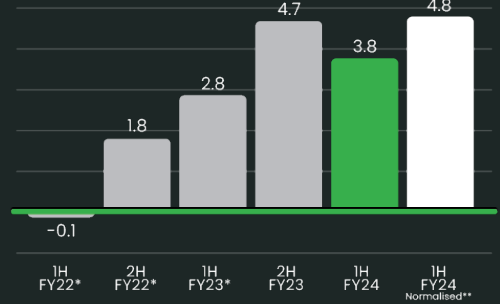
\$'m
EBITDA



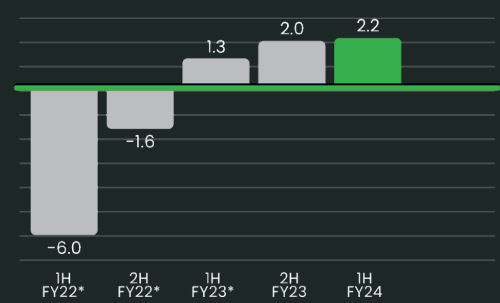
%
OPEX* to Revenue**



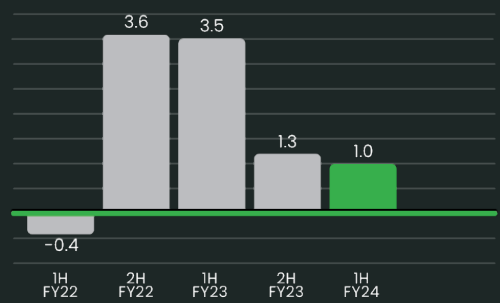
\$'m
Profit Before Tax



\$'m
Net Debt to Net Cash



\$'m
Generating Free Cash Flows



*Restated
**Normalised for cyber incident
***OPEX excludes cost of goods sold

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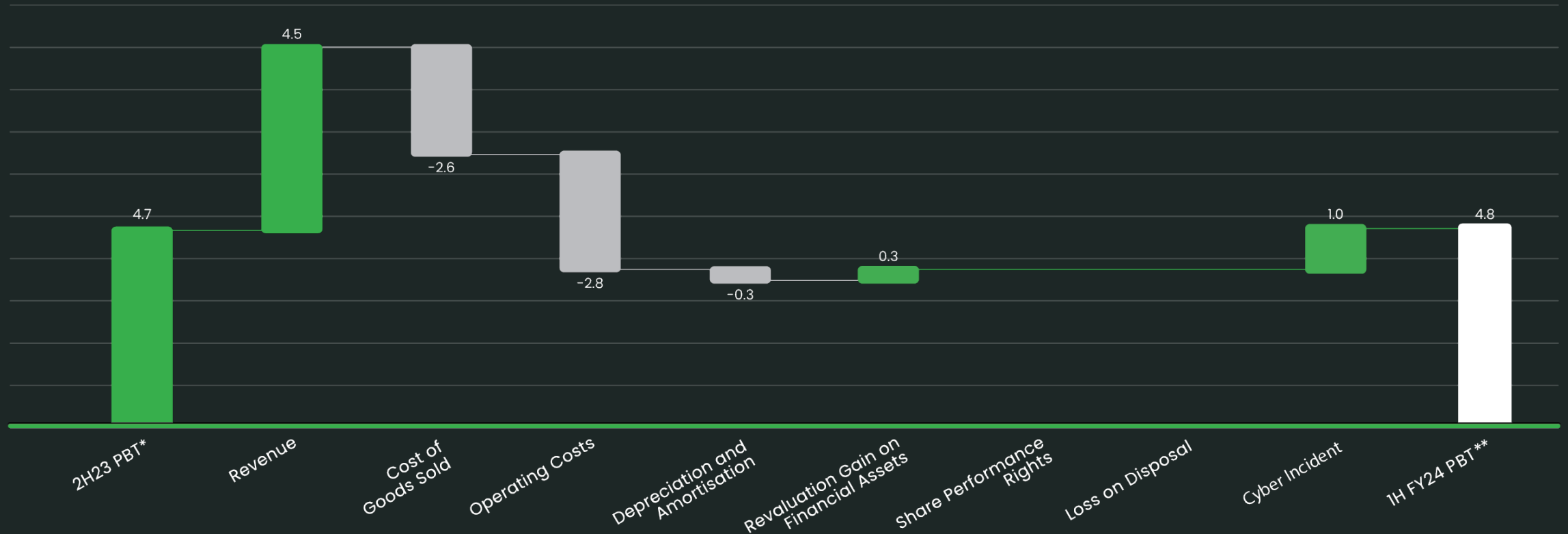
INTERIM FINANCIAL RESULTS

for the Six Months to
30 September 2023



Growing on a Profitable Basis

\$'m

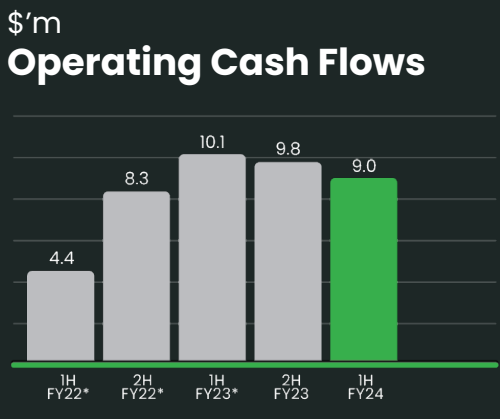
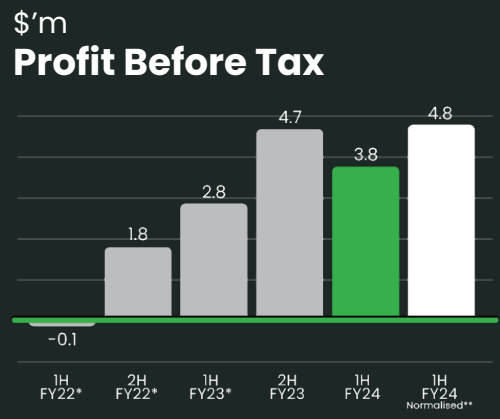
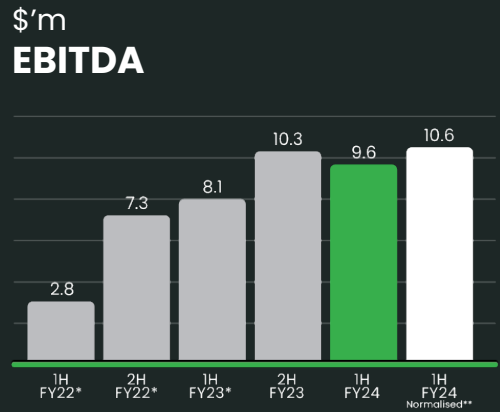
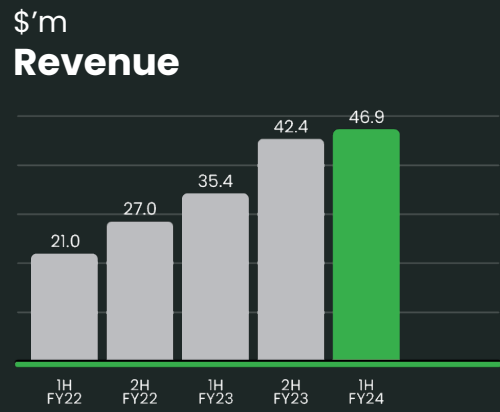


*Restated

** Normalised for cyber incident

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Financial Performance Measures Show Growth, Measured Investment and Changing Profile of Smartpay



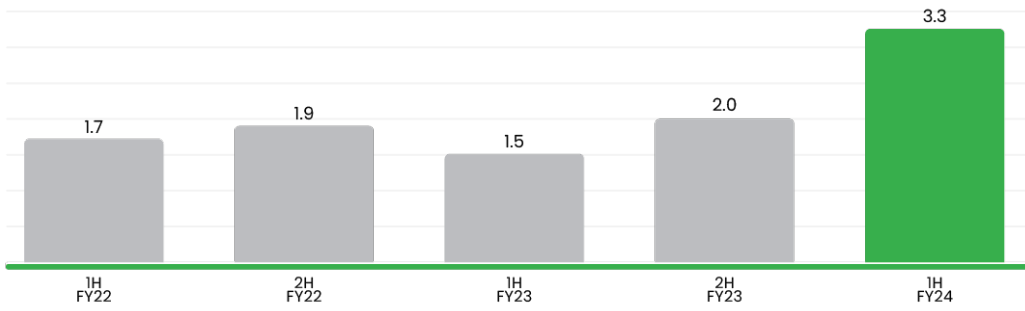
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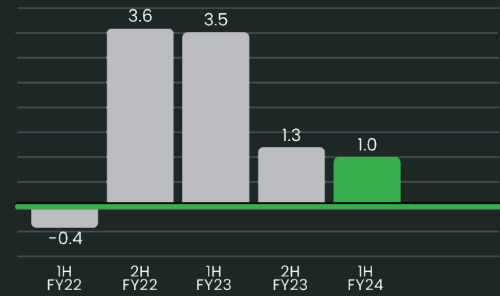
Operating Cash is Funding Growth, Investment in Unlocking Phase 2 of the Strategy and Repaying Debt

(unaudited)

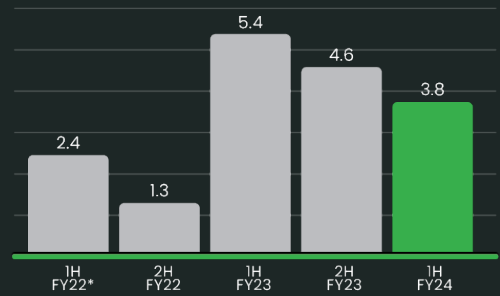
\$'m
Accelerating Investment in the Android Development



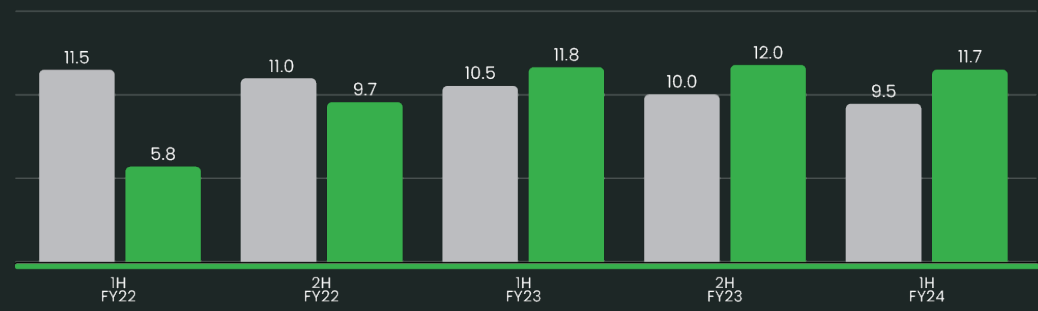
\$'m
Free Cash Flows



\$'m
Efficient CAPEX Spend on Terminals



\$'m
Bank Debt to Cash



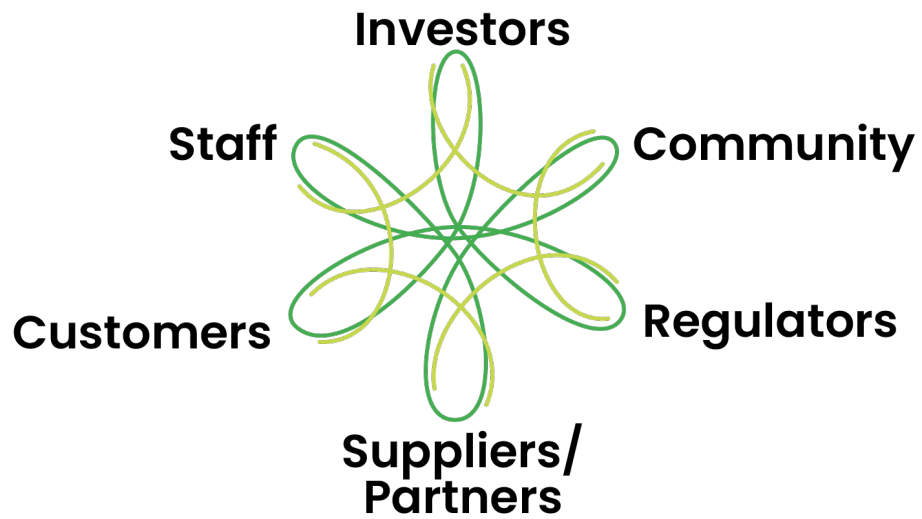
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SUSTAINABILITY AT SMARTPAY

Sustainability Progressing ESG at Smartpay



Environment

- **Climate Impact:**
 - Continuing to develop the first year of green house gas reporting
 - Participated in the development of the Integrated Climate Change Scenarios for New Zealand's Retail Sector which were subsequently made available to the wider retail market
 - Transition of legacy on premises servers to IaaS environment
 - New developments in SaaS environment

Socially

- **Employment:**
 - Smartpay team increased by 19 people
- **Living wage employer:**
 - 2023 living wage increased from 1 July 23
- **Accredited Work Visa employer:**
 - 2 people joined the Smartpay team
- **Community impact and charitable giving:**
 - Matching staff fundraising for STEPTember and Pink Ribbon Appeal

Governance

- **Board Governance and transparent reporting:**
 - Refresh of Risk Framework and Risk Appetite
 - Implemented staff training on risk and compliance
 - Development of a Tax Governance Framework
 - Defining ESG for Smartpay to inform metrics and initiatives
 - Board training and skills matrix review
 - Consideration of additional director
- **Balance sheet strength and measured investment:**
 - Reduced debt, whilst funding accelerated investment in Android development opportunity from operating cashflows
 - Payment of Income Tax in New Zealand



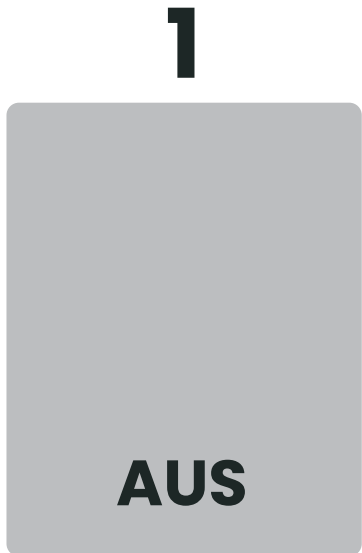
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2024 PROGRESS AGAINST STRATEGY

PHASE 1

Doing What we Said we Would



Australia

Continued to grow market share –expanding verticals

Leveraging one-team one-organisation to mature the Australian business to have a focus on customer growth and customer retention

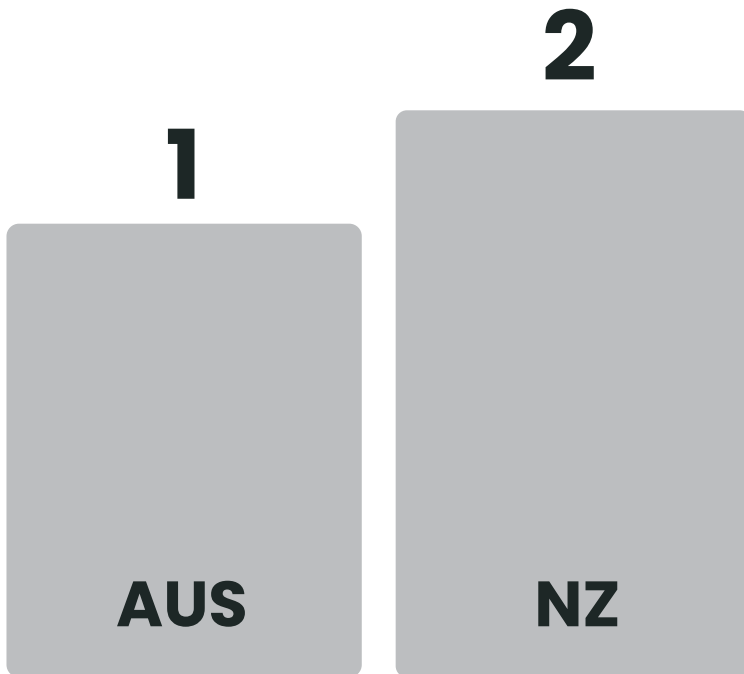


Android Terminal for Australia – ETA Calendar Year 2023

- Scheme testing and Certification completed for both markets
- User experience testing underway
- Market pilot process underway

PHASE 2

Doing What we Said we Would



New Zealand – Aligning the Two



Unlocking New Zealand Acquiring – ETA Calendar Year 2024

- Android terminal tested and Certified
- New Zealand only development is underway
- Developing product offering
- Cuscal
 - Commercials finalised
 - Draft agreements received
- Preparing for execution

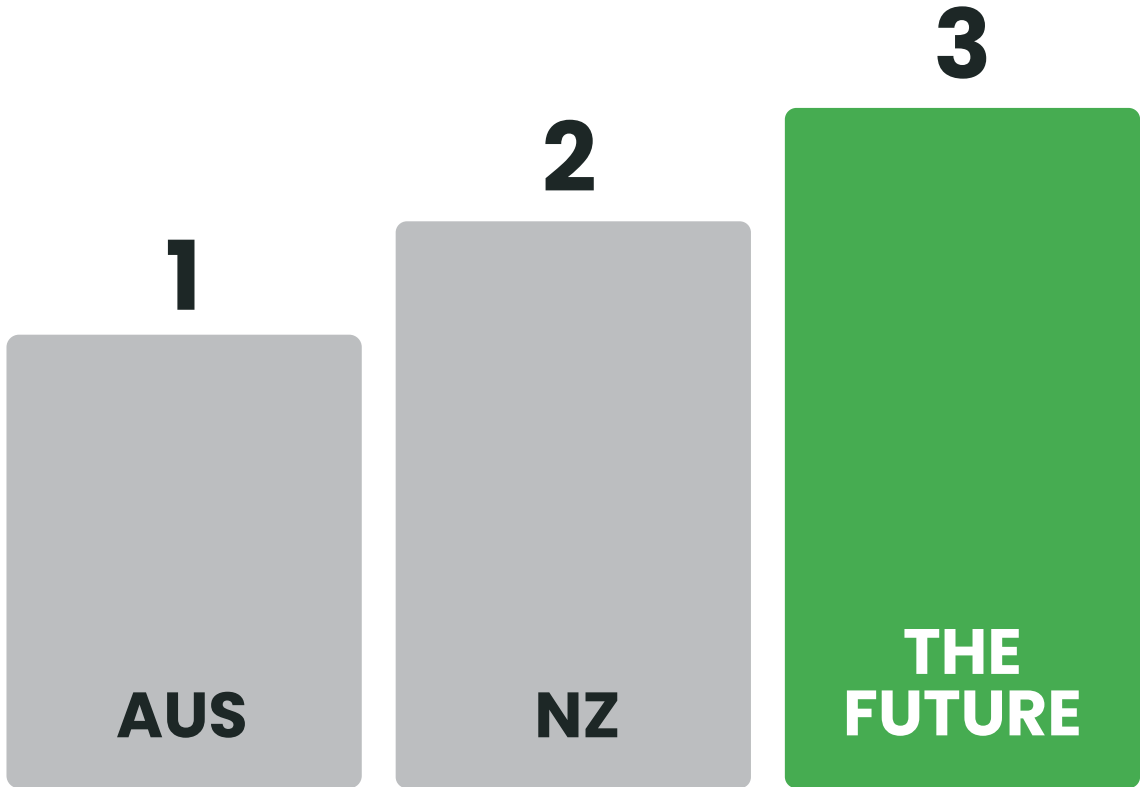


Continued strengthening and maturing of Smartpay

Measured and disciplined investment together with continuous improvement to ensure Smartpay is operating and acting in the interests of all stakeholders as the business continues to grow

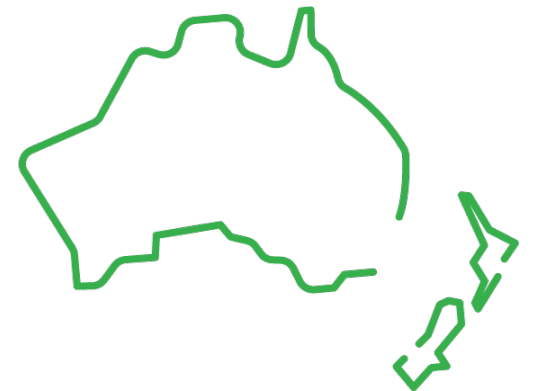
PHASE 3

Creating a Truly Trans-Tasman Payments Provider



Strategically exploring opportunities for **The Future** of Smartpay to benefit from the Network Effect and achieve our strategic ambition of being recognised as the most reliable, capable, agile and innovative omni-channel payments provider in Australia and New Zealand.

The Payments Partner of Choice and a Sustainable Business.



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APPENDICES

Statement of Comprehensive Income for the Six Months to 30 September 2023

Income Statement

For the six months ended 30 September 2023

	Note	30 Sep 2023 Unaudited \$'000	30 Sep 2022 Unaudited restated* \$'000	31 Mar 2023 \$'000
Revenue	3	46,913	35,401	77,775
Other income	4	20	-	4
Operating expenditure	5	(37,451)	(27,251)	(59,158)
Revaluation gain / (loss) on financial assets	71		(80)	(227)
Earnings before interest, tax, depreciation, amortisation expense, foreign exchange adjustments, share performance rights amortisation expense, financial instrument realised/unrealised revaluation movements, and impairment and loss on disposal of property, plant and equipment		9,553	8,070	18,394
Depreciation and amortisation expense		(4,943)	(4,175)	(8,824)
Foreign exchange adjustments		28	(243)	(86)
Share performance rights amortisation expense		(535)	(540)	(1,035)
Impairment and loss on disposal of property, plant and equipment		(82)	(112)	(238)
Finance income		380	35	378
Finance costs		(640)	(197)	(1,016)
Profit before tax		3,761	2,838	7,573
Income tax benefit / (expense)	6	(1,124)	344	885
Profit for the period		2,637	3,182	8,458
Earnings per share attributable to the shareholders of the Parent during the period				
Weighted average number of shares ('000)		238,285	238,285	238,285
Basic and diluted earnings per share (cents)		1.11	1.34	3.55

*Restated due to the implementation of the IFRS Interpretations Committee (IFRIC) agenda decision, see Note 2e.

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**THANK
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