

**ANNUAL MEETING OF  
SHAREHOLDERS  
OF SMARTPAY HOLDINGS LIMITED  
9 SEPTEMBER 2014**

# Agenda

- ❑ Chairman's welcome and introduction
- ❑ Minutes of the Annual Meeting held on 24 September 2013
- ❑ Managing Director's Review & Financial Statements
- ❑ Shareholder Questions
- ❑ Resolutions
  - Fixing Remuneration of Auditor
  - Re-election of Director – Gregor John Barclay
  - Re-election of Director – Martyn Richard Pomeroy

# Chairman's welcome and introduction

- ☐ Quorum
- ☐ Notice
- ☐ Apologies
- ☐ Proxy Votes :           75 proxy forms received representing  
66,944,981 shares equivalent to 38.98%  
of the issued share capital of the company
- ☐ Introductions
- ☐ Minutes of previous annual meeting

# Agenda



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Summary and Outlook

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# Full Year Financial Highlights



- Record full year profit
- Revenue of \$22.9m, up 37% on the previous period of \$16.7m
- EBITDA\* of \$9.7m, up 76% on the previous period of \$5.5m
- Net Profit After Tax of \$1.7m, up on previous period Net Loss After Tax of \$5.0m
- Diluted EPS of 1.0 cents, up on prior year loss of 3.8 cents
- Net Debt down to \$21.7m from \$24.3m in the prior period

\*EBITDA = Earnings Before Interest, Tax, Depreciation, Amortisation (including share option amortisation), impairments and foreign exchange adjustments

- Normalised EBITDA\* = of \$9.4m after adjusting for non-recurring items
- Increase in Net Profit After Tax to \$1.7m after a negative \$1.0m of unrealised forex adjustments due to weaker A\$ vs NZ\$
- Results include full year contribution from Viaduct acquisition completed in January 2013 (2 months included in prior period)
- On a pro-forma basis excluding Viaduct acquisition, revenue increased 6% and EBITDA\* increased 36% (30% normalised)

\*EBITDA = Earnings Before Interest, Tax, Depreciation, Amortisation (including share option amortisation), impairments and foreign exchange adjustments

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## New Zealand

- Past 12 months focused on:
  1. Consolidation post restructure and integration of Viaduct acquisition
  2. New product development
- We have achieved significant advances in technology / products including development of market leading mobile payments technology.
- We are seeing new growth opportunities through increasing engagement with banks, distribution partners and merchants seeking our new products and technology capability.

## Australia

- Australian sales business commenced during the financial year
- Initial focus on identifying and testing sales channels
- Market size: 800,000 terminals = 5x larger than NZ with very few non-bank competitors
- Structural shift underway from banks to independent providers
- Unique product offering through value add apps
- Terminal numbers are growing month-on-month: approx 1,000 over last 9 months

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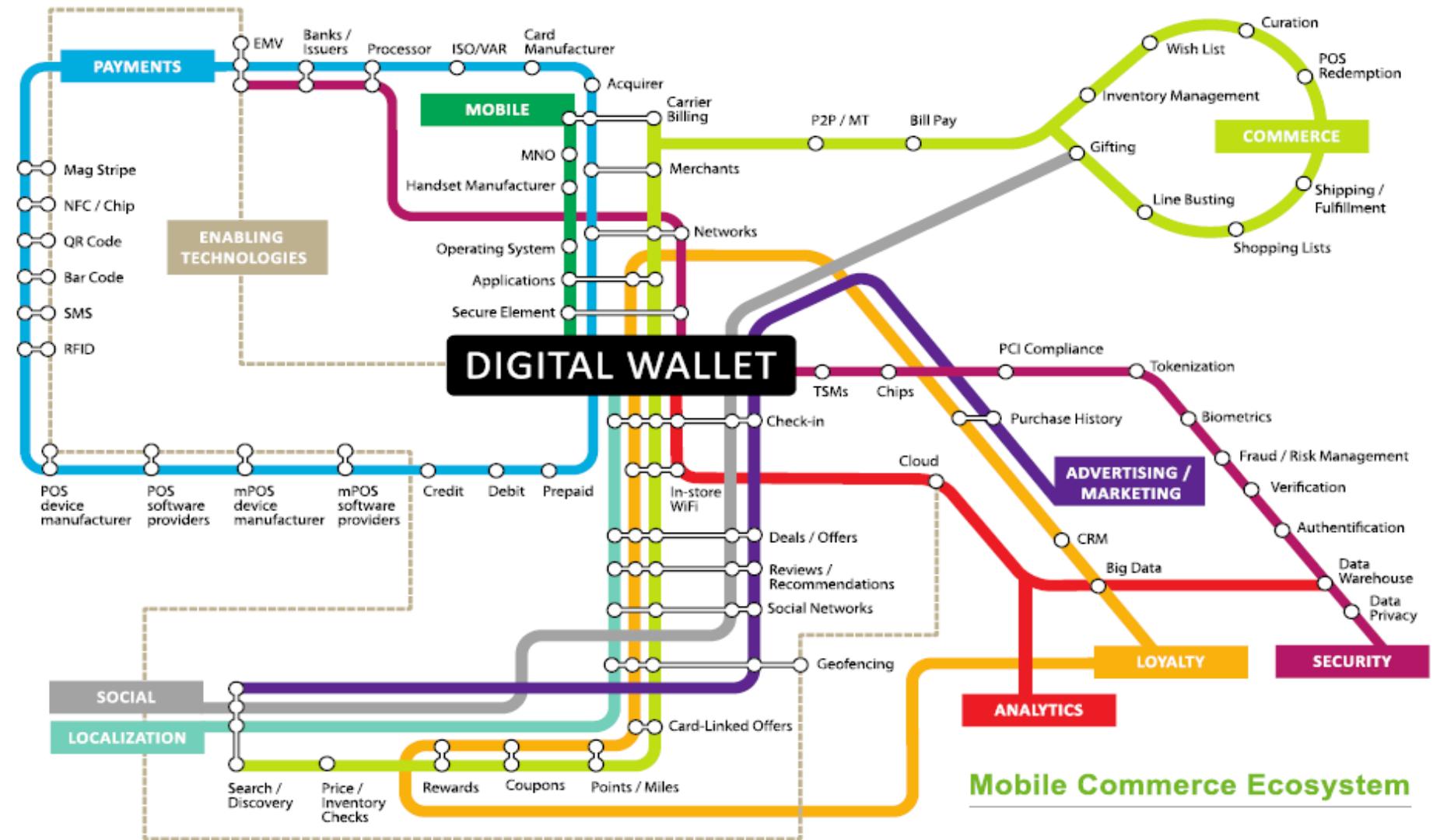
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Summary and Outlook

# The move from “Bricks”...



# To "Clicks"...



# The Challenge for Banks



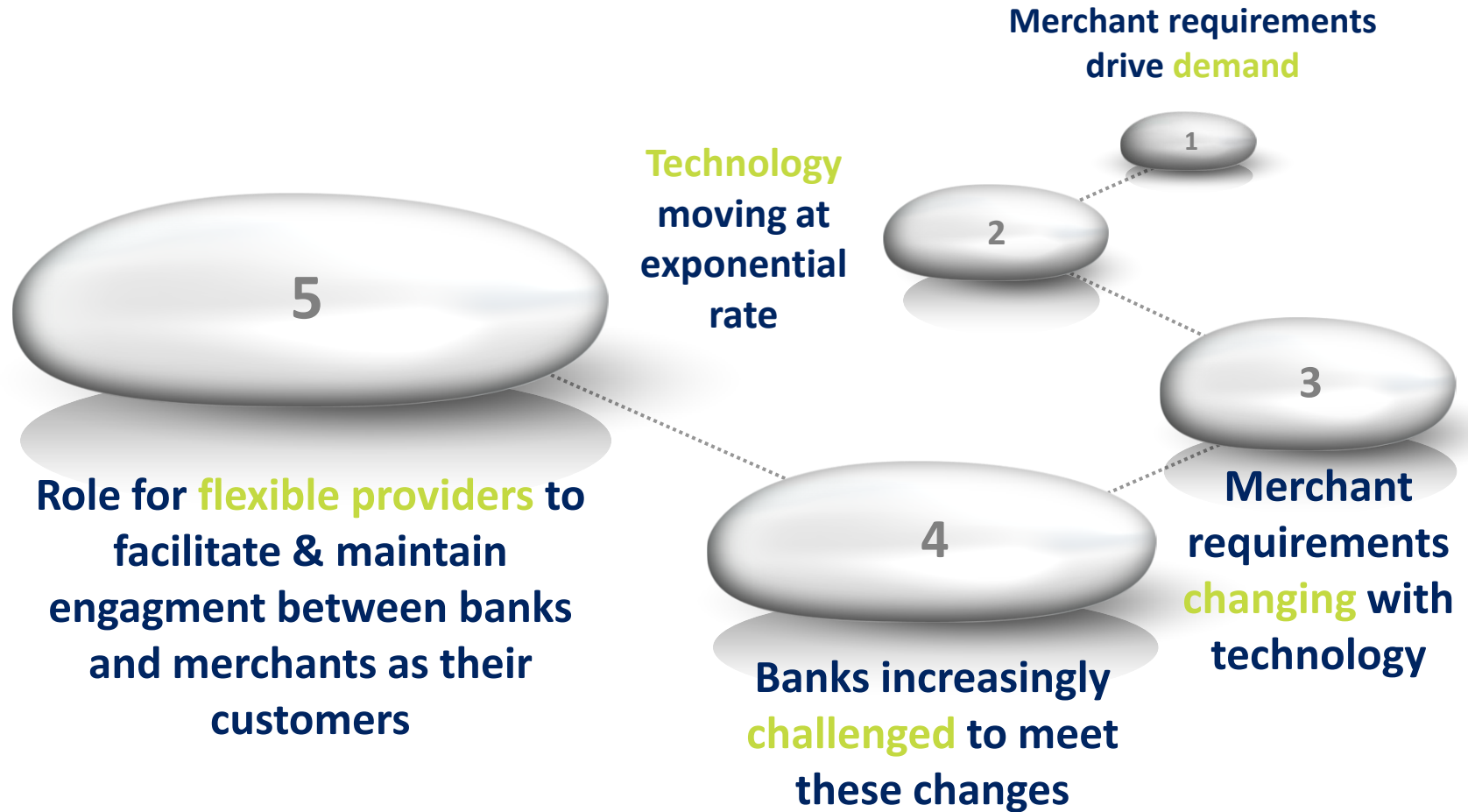
- Legacy technologies with limited investment over past years
- Ageing knowledge and skills base
- Limited innovation – too big and too slow
- Limited merchant facing technical capability
- Uncertainty over what's coming and potential impact on legacy business models
- Increasing threat of disintermediation

# The Merchant's Position



- Legacy Point of Sale systems – expensive and inflexible
- Tidal wave of new payments options – hard to know where to go
- Need to stay current with emerging payment methods
- Traditional providers – banks – challenged to facilitate next level of innovation

# The Opportunity



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# Business Update – Recent Progress

## New Products - Mobility Solutions

Interoperability



**Developer Programme**  
integration available through  
Smartlink – Smartpay’s Secure API

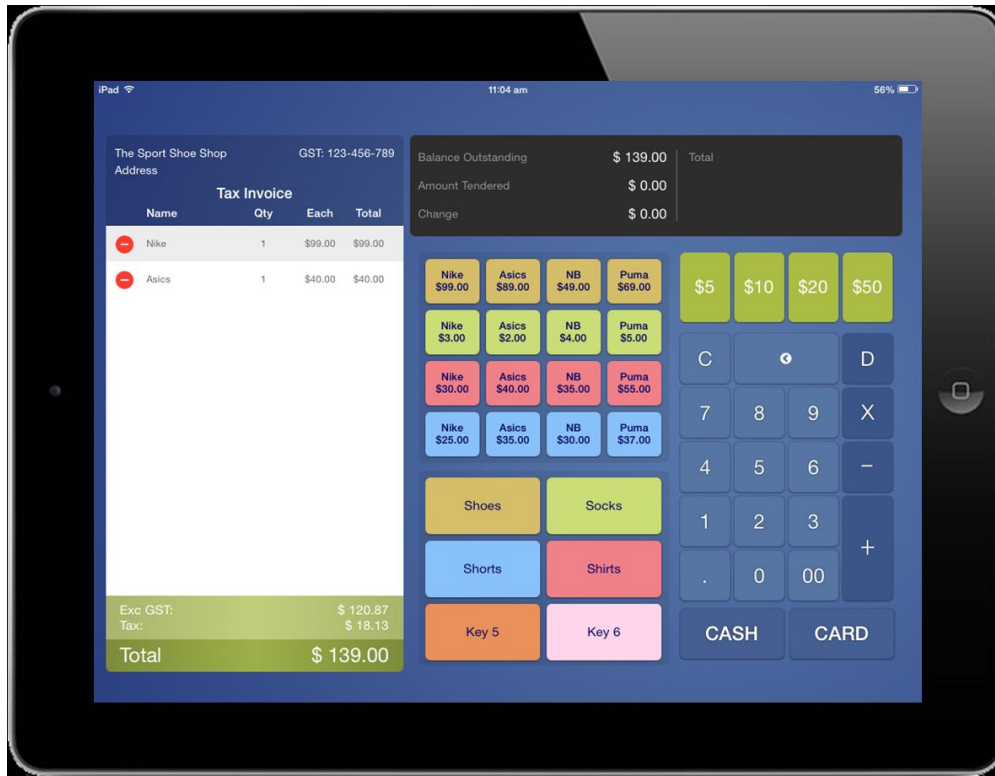


# Business Update – Recent Progress

## New Products - Mobility Solutions



# Till2Go



# Business Update – Recent Progress



Developer Programme – Live:

[www.smartpaydev.com](http://www.smartpaydev.com)

The image shows a screenshot of the Smartpay website. The top navigation bar includes links for Home, About, Privacy Policy, and Contact Us. The main banner features a Smartpay D200 terminal on the left, with dimensions 55mm and 120mm indicated. The terminal screen displays icons for Menu, Trade, Pay, Payment, and a QR code. To the right of the terminal, the text reads 'Secure EFTPOS – Payment Solutions Made Easy!' with a 'Learn More' button. Below the banner, the 'Platforms' section is divided into three columns: iOS, Android, and Windows. Each column includes an icon, a description of the SDK, and a 'Download our SDK' button.

**smartpay** Home About Privacy Policy Contact Us

Secure EFTPOS – Payment Solutions Made Easy!

[Learn More](#)

**Platforms**

**iOS**  
Download embed library SDK to develop a full payment functionality offer with your iPhone or iPad app.  
[Download our SDK](#)

**Android**  
Our Android SDK allows you to embed the payment library directly inside of your POS app for seamless payment integration.  
[Download our SDK](#)

**Windows**  
Our Windows SDK will support PC or tablet based POS solutions connecting to fixed line or mobile terminal payments.  
[Download our SDK](#)

# Business Update – Recent Progress



Developer Programme – Live:

[www.smartpaydev.com](http://www.smartpaydev.com)

Home About Privacy Policy Contact Us

## Simple to Install

1 Download



You've developed a POS app and you want to accept secure card payments. Choose the right SDK for your platform and download.

2 Install



Create the payment interface. Use our SDK to integrate with Smartpay EFTPOS and follow the testing guidelines.

3 Publish



Send your app to our Smartpay QA for payment acceptance testing before releasing your new POS solution to the market.

## Integrations & Technology



Vend provides online & iPad POS software and inventory management solutions for general retail environments.



Advance Retail's comprehensive POS systems are developed for a variety of general retail situations as well as Telco, Pharmacy and Kiosk.



Micros POS are integrated, end-to-end modular solutions for medium to large scale hospitality and retail.



- iOS or Android library
- Wireless interface for mobile solutions
- PAX D Series Wi-Fi or Bluetooth EFTPOS terminals



- .NET library with RS232 or USB connection
- PC enabled printing
- Integrated PAX SP30 EFTPOS PINpad



- Interface to fixed or wireless terminals
- Choose from PAX S80 and D Series range

# Business Update – Recent Progress

## Smartpay Provides mPOS Payments Solution to ASB

7 August 2014

ASB mPOS allows NZ businesses to accept payments on the spot



# Business Update – Recent Progress



## Smartpay Selected As Epay Preferred Terminal Partner



Music, Movies & Entertainment



Software



Calling Cards



Gift Cards



Mobile Top-Ups



Bill Payment



Prepaid Electricity



Virtual Money



Prepaid Couriers

### Music, Movies & Entertainment

iTunes



XBOX  
LIVE



PLAYSTATION  
Network

### Mobile Top-Ups



Digicel

## Australia - Smartpay Taxis

- Australian taxi market undergoing significant change:
  - Regulatory change reducing payment surcharge fees from 10% - 5% in Vic from Feb 2014, NSW set to follow
  - Technology disruption as smartphone booking “apps” disintermediate traditional dispatch networks
- Smartpay has core competency in taxi payments technology
- Current Australian taxi supply contract representing around 8% of revenue ends Dec 14
- “Smartpay Taxis” business launch imminent to capitalise on changes underway in the market including booking app and a revenue model profitable within the new regulatory surcharge environment

## Australia – Targets for Next 6 Months

1. Continue the growth in our SME business
2. Launch Taxi Business
3. Certify mobile terminals and Smartlink in Australia
4. Secure at least one additional bank / acquiring relationship
5. Launch Corporate Business

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# Summary and Outlook



- Milestone financial result
- Significant opportunity leading innovation in a changing market
- We have experience, scale, capability and competitive advantage
- High margin, scalable business with barriers to entry
- Significant and real growth opportunities:
  - Australian sales growth coming on line
  - Forefront of next generation mobile payments technology



# Questions.

# Resolutions

## Resolution 1 Fixing the Auditors Remuneration.

That the Board be authorised to fix the auditor's remuneration for the ensuing year.

| Proxy Voting  |            |
|---------------|------------|
| For           | 52,813,867 |
| Against       | 75         |
| Discretionary | 14,131,039 |
| Abstain       | 0          |

# Resolutions

Resolution 2 Re-election of Director – Gregor John Barclay.

That Gregor John Barclay be re-elected as a director of SmartPay.

| Proxy Voting  |            |
|---------------|------------|
| For           | 53,157,442 |
| Against       | 136,100    |
| Discretionary | 13,651,439 |
| Abstain       | 0          |

# Resolutions

Resolution 3 Re-election of Director – Martyn Richard Pomeroy.

That Martyn Richard Pomeroy be re-elected as a director of SmartPay.

| Proxy Voting  |            |
|---------------|------------|
| For           | 53,274,061 |
| Against       | 1,250      |
| Discretionary | 13,669,670 |
| Abstain       | 0          |

Close