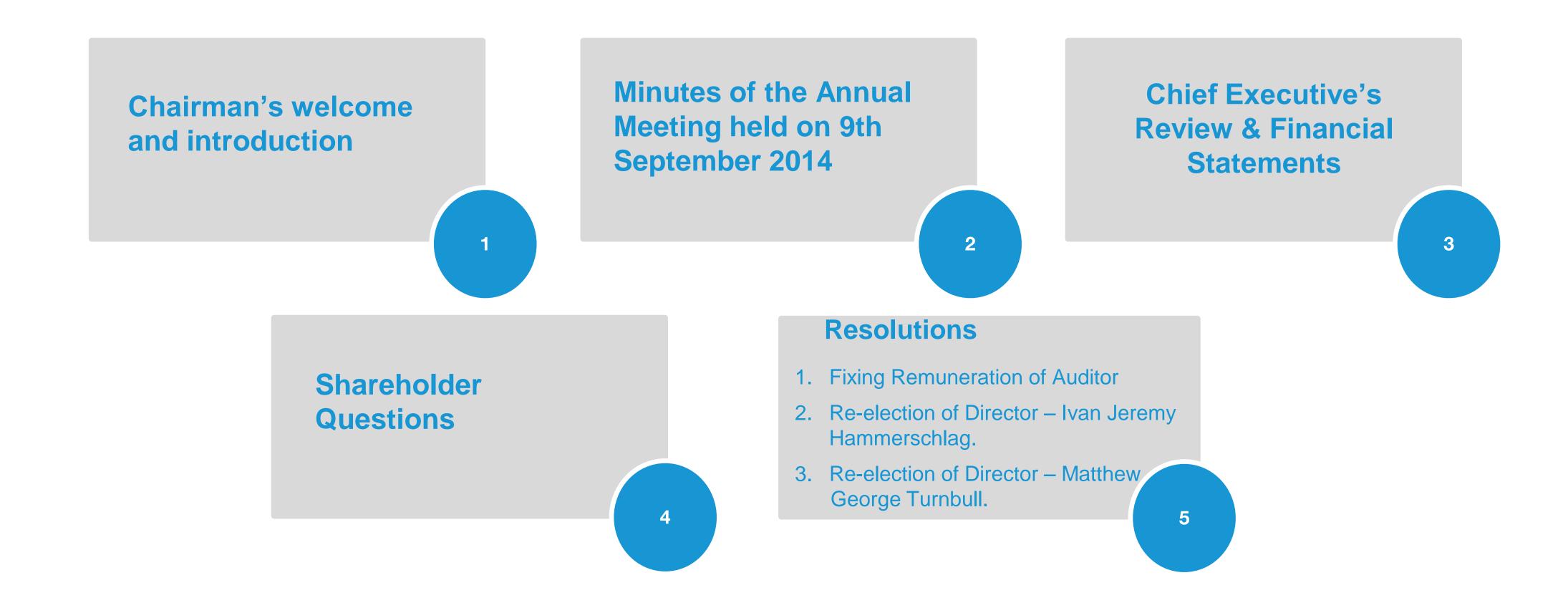
ANNUAL MEETING OF SHAREHOLDERS SMARTPAY HOLDINGS LIMITED

8 SEPTEMBER 2015



AGENDA



CHAIRMAN'S WELCOME AND INTRODUCTION

- Quorum
- Notice
- Apologies
- Proxy Votes: 75 proxy forms received representing 82,177,505 shares equivalent to 47.85% of the issued share capital of the company
- Introductions
- Minutes of previous annual meeting



COMPANY UPDATE

Presented by: Bradley Gerdis
September 8th 2015



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CHIEF EXECUTIVE'S REVIEW





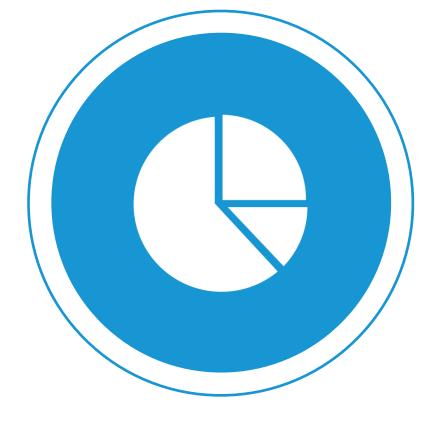
FULL YEAR FINANCIAL RESULTS

REVENUE



\$22.2m, 3% lower than the prior year \$22.9m

EBITDA*



\$9.2m, 3% lower than the prior year \$9.4m (prior year normalised for reported non-recurring items)

NET PROFIT AFTER TAX



Net Profit after Tax \$1.6m, 10% lower than the prior year \$1.7m

DILUTED EARNINGS PER SHARE



Diluted Earnings Per Share (EPS) of 0.91 cents, 10% lower than the prior year 1.01 cents

RESULTS COMMENTARY

 $\begin{array}{c|c} 1 & \rightarrow & 2 & \rightarrow & 3 & \rightarrow & 4 \end{array}$

The primary contributor to the lower revenue and profit was the cessation of our largest Australian taxi contract revenue at the end of December 2014.

This was an anticipated outcome which led us to launch our own Australian taxi payments business.

The result in the current period was a 9 month revenue and profit contribution from this Australian taxi contract compared to a full 12 month contribution in the prior period.

The current year starts from a lower base without this income. Our replacement taxi business is growing well and is expected to ultimately replace and exceed the revenue from the lost contract.





Achievements during the year: **New Zealand**

Mobile Integrated Payments

- A number of new distribution deals for our new mobile integrated payments terminals (including our mPOS solution for ASB Bank).
- 3,000 deployed over last 12 months

EPAY

- The conclusion of the EPAY deal announced in July last year.
- Increased our terminal base by 3,500 terminals and added transactional revenue

Mobile Taxi App

- The launch of an integrated mobile taxi booking and payment app to our New Zealand taxi partners
 - 10,000 downloads since launch

Achievements during the year: Australia

1

Structural Changes

Structural changes were made to the Australian business to align with our updated strategy:

- -Appointed an experienced General Manager
- -Restructured our sales teams

2

Mobile Payments

We completed our new mobile and integrated terminal development for Australia and the bank certification process is currently underway. This is expected to accelerate terminal growth in Australia once launched.

3

New Acquirers

We are well progressed with the process to add new acquirers in Australia to expand our access and improve our commercial arrangements.

4

Taxi Business

We launched our own taxi business including the development and bank certification of a new Australian taxi payments system. This is growing well and we expect to replace and ultimately exceed the revenue from our previous large taxi contract (ended Dec 14).

Progress since the beginning of the year:

Our deployed terminals represent ~6% of the total Australian taxi market and growing.

	Deployed*		Qualified* Pipeline
No. Terminals	1,300	1,000	1,200

Notes:

- Approximate number of terminals required to replace revenue from previous contract: 3,000
- Of the 1,300 deployed terminals, 1,000 are active and revenue earning, the remaining 300 are expect to become active and revenue earning shortly.
- The qualified pipeline continues to grow.



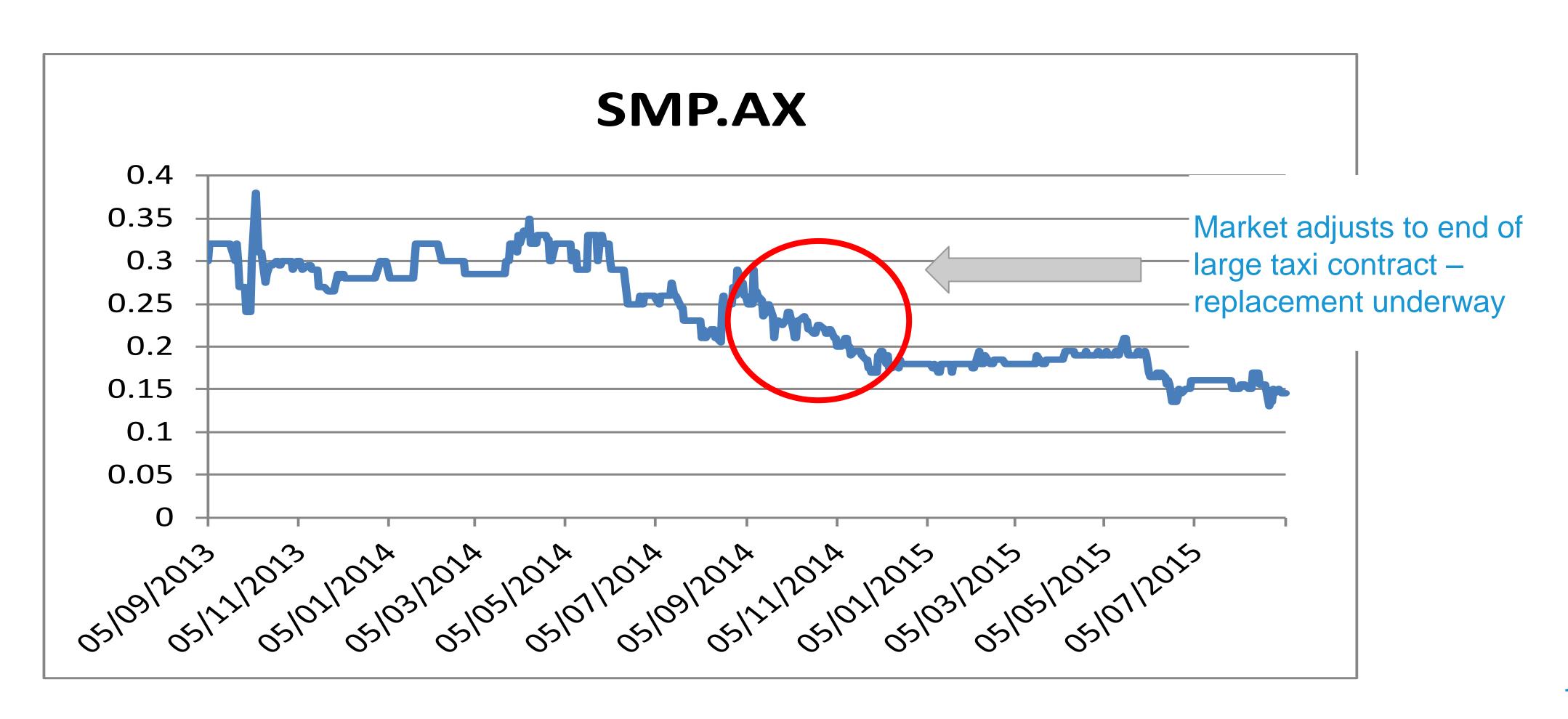
TRADING UPDATE

It has been a challenging 12 months:

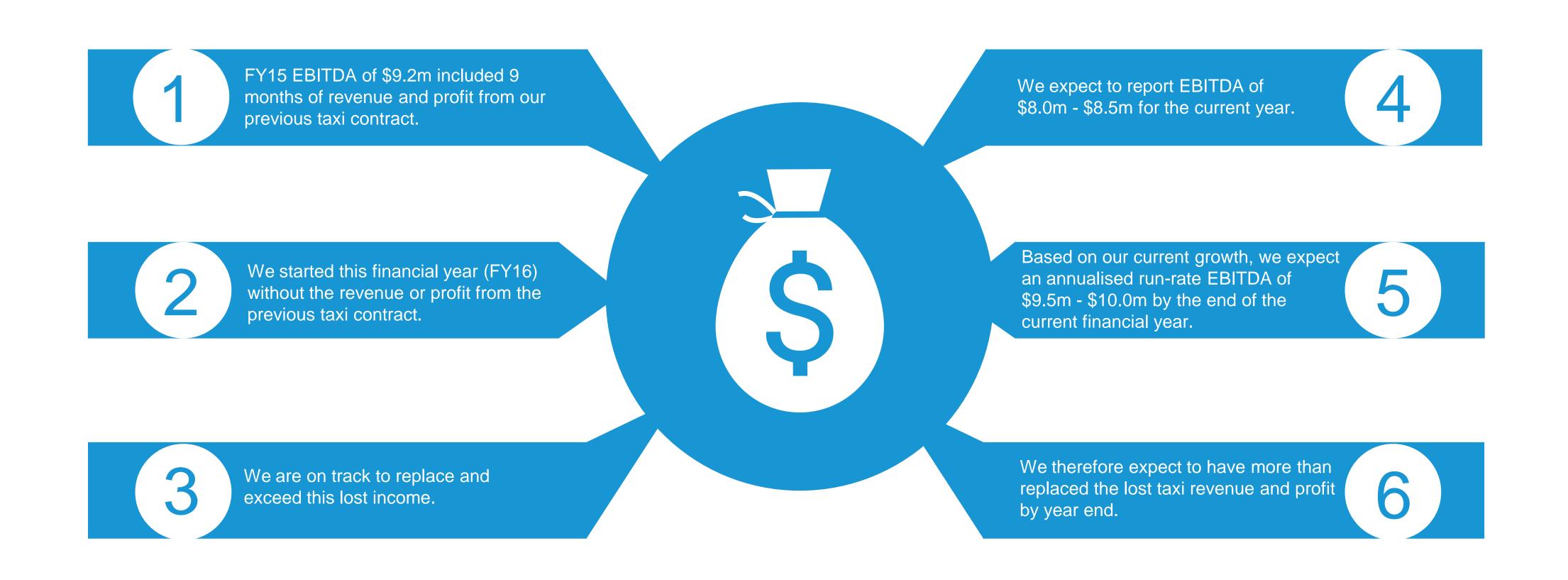
- Our largest taxi contract ended.
- Our entry into the Australian Market has been slower than expected.
- We have experienced delays in our bank certifications of our new products into Australia.
- The outcome of the above was a lower FY15 profit and we start this year (FY16) with a lower revenue and profit base.

SMARTPAY SHARE PRICE

• The share price has reflected the above:



TRADING UPDATE



^{*}EBITDA = Earnings Before Interest, Tax, Depreciation, Amortisation (including share option amortisation), Impairments and Foreign Exchange Adjustments. EBITDA is a useful non-GAAP measure as it shows the contribution to earnings prior to finance costs and non cash items.



WHO WE ARE

- ☐ Smartpay is a merchant facing payments technology business
- □ We have a significant position in the New Zealand payments market with a 32% market share represented by 35,000 terminals across 18,000 merchant relationships
- ☐ We are the largest owner of terminals generating transactions on the Paymark switch
- ☐ We have a growing business in a large market in Australia with 6,500 terminals







"We enable merchants to accept payments securely and efficiently".

"We offer a range of value-add payments/retail technology services to merchants".

HOW WE DO IT



We identify merchants' payment requirements, current and emerging.

We develop solutions to meet these requirements.

We generate our revenue through:

- Fixed monthly fees for terminal rental (target: NZ\$48 / terminal / month; A\$43 / terminal / month);
- Transaction fees for processing transactions (e.g. taxi payments) and a share of our bank partner's card acquiring fees (in Australia).
- Bespoke software development fees



OUR STRATEGY

To date the strategy has been to maintain our position in the New Zealand market and use the resources and capability of our New Zealand business to support our growth into the large Australian market.

Our experience in the Australian market over the past 24 months has confirmed two things:

1. The opportunity for Smartpay is to grow in areas that the banks can't/don't want to participate and where we have a *competitive* advantage, defined by our differentiated product and capability.

Examples are:

- Integrated payments for general retail and mobile
- Advanced taxi payments technology

2. The general retail market is more sensitive to transactional pricing (bank merchant acquiring fees) than terminal pricing / functionality.

In order to fast track our Australian growth we need to vertically integrate to include the transactional element of the EFTPOS value chain.

The ability to offer a complete service will provide pricing and margin control through removing our current reliance on banks which leaves us as a price taker of this part of the service proposition.

4 CLEAR STRATEGIES

Strategy One

Organic growth in Australia through targeting specific parts of the market where the bank's can't/don't want to play and where we have a *competitive advantage*, defined by our *differentiated product and capability*. We have identified and are pursuing the following 2 areas and will add additional areas as they emerge:

- 1) Integrated payments for general retail and mobility
- 2) Advanced taxi payments technology

Strategy Two

Maintain our current NZ business and seek additional value from 2 main areas:

- Increase revenue per customer from adding additional products to our existing customer base. Recent examples are Epay, China UnionPay and AMEX
- 2) Participate in the structural changes unfolding in the NZ payments market in which we have a significant position as the largest owner of terminals connected to the Paymark switch and where our position in the merchant relationship initiates the flow of transactions.



Strategy Three

Vertically integrate to participate in the transaction flow that our terminals generate.

- 1) This is where the bulk of the value in the payments chain lies
- 2) Removes reliance on specific bank acquirers for pricing competitiveness
- 3) A number of options are currently under development

Strategy Four

Add scale and scope through Corporate Activity / M&A

- 1) We have an experienced team that understand payments technology and how to identify and assess value in payments technology businesses.
- 2) We currently have a number of corporate / M&A type opportunities under consideration to increase scale and scope.









VERTICAL INTEGRATION

1

The Australian EFTPOS/card acquiring market is worth in excess of A\$2Bn annually.

2

Historically there was a regulatory requirement in Australia to have a banking licence to acquire card transactions.

3

This regulatory requirement was removed earlier this year.

4

Advances in payments technology and structural access have significantly reduced build time/cost and operational cost/risk to participate.

5

These changes are going to open access to AU\$2Bn in acquiring revenue to nimble, innovative merchant facing payments providers.

6

We believe Smartpay is well placed to participate.

7

This will move the business away from predominant reliance on hardware rental towards higher margin financial transaction revenue and ultimately position the business as a value add financial system access provider.

8

We see a similar opportunity emerging in NZ where Smartpay's terminals already represents a significant portion of the ~NZ\$1Bn EFTPOS transactional fee market through our 32% terminal market share.

CORPORATE ACTIVITY / M&A

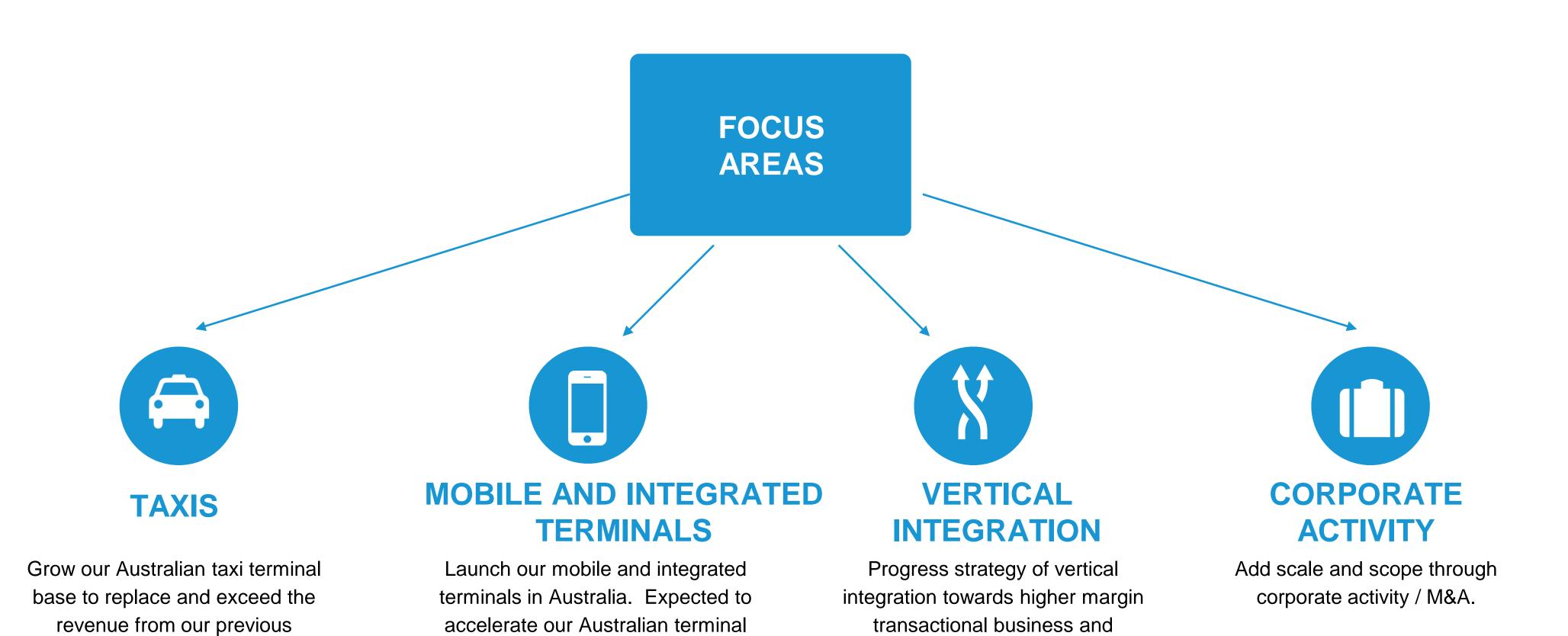


We currently have a number of corporate / M&A type opportunities under consideration



SUMMARY AND OUTLOOK

FOCUS AREAS FOR THE NEXT 12 MONTHS



removing reliance on banks for

transactional pricing.

growth in general retail.

contract.





RESOLUTIONS



Resolution One

Fixing the Auditors Remuneration.

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



Resolution Two

Re-election of Director – Ivan Jeremy Hammerschlag

"That Ivan Jeremy Hammerschlag be re-elected as a director of Smartpay."



Resolution Three

Re-election of Director – Matthew George Turnbull

"That Matthew George Turnbull be re-elected as a director of Smartpay."

Resolution 1	Proxy Voting
For	81,891,364
Against	5,600
Discretionary	280,541
Abstain	0

Resolution 2	Proxy Voting
For	80,923,357
Against	931,107
Discretionary	300,541
Abstain	22,500

Resolution 3	Proxy Voting
For	80,923,357
Against	906,107
Discretionary	325,541
Abstain	22,500