



**ASX: SMP**  
**NZX: SPY**

#### **SHARE INFORMATION**

**Issued Shares: 171,752,278**

#### **BOARD OF DIRECTORS**

**Non-Exec Chairman:** Greg Barclay  
**Managing Director:** Bradley Gerdis  
**Non-Executive:** Matthew Turnbull  
**Executive Director:** Marty Pomeroy

#### **WEBSITES**

[www.smartpay.co.nz](http://www.smartpay.co.nz)  
[www.smartpay.com.au](http://www.smartpay.com.au)

#### **REGISTERED OFFICES**

**New Zealand:**  
205-209 Wairau Road  
Wairau Valley  
Auckland 0627  
New Zealand

Phone: +64 (0)9 442 2700  
Fax: +64 (0)9 442 2722

[info@smartpay.co.nz](mailto:info@smartpay.co.nz)

**Australia:**  
Level 2  
117 York Street Sydney  
NSW 2000  
Australia

Phone: +61 (0)2 7903 6302  
Fax: +61 (0)2 9869 4223  
[info@smartpay.com.au](mailto:info@smartpay.com.au)

## **AGM PRESENTATION AND CHAIRMAN'S SCRIPT**

25 September 2018

The Board of Smartpay Holdings Limited (NZX: SPY, ASX : SMP), is pleased to attach the Chairman's Script and Chief Executive's presentation for the Smartpay Annual Meeting of Shareholders commencing at 10.30am AEST (12.30pm NZT).

The meeting is being held as a hybrid meeting and virtual attendance is accessed using the Lumi AGM app. The Notice of Meeting and details for shareholders logging onto the meeting virtually can be found on the Smartpay website : <http://www.smartpayinvestor.com/meetings-presentations/>. Guests wishing to view the meeting can use the Lumi AGM app or via browser [web.lumiagm.com/303-987-562](http://web.lumiagm.com/303-987-562) and logon as a guest.

#### **ENDS**

Any enquiries should be directed to Greg Barclay + 64 21 306 594

## Corporate Directory

### Registered and Principal offices

New Zealand:

205 - 209 Wairau Road  
Wairau Valley, Auckland 0627

Email: [info@smartpay.co.nz](mailto:info@smartpay.co.nz)

Phone: +64 (0)9 442 2700

Fax: +64 (0)9 442 2722

Website:

[www.smartpay.co.nz](http://www.smartpay.co.nz)

Australia:

Level 2, 117 York Street  
Sydney, NSW 2000

Email: [info@smartpay.com.au](mailto:info@smartpay.com.au)

Phone: +61 (0)2 7903 6302

Fax: +61 (0)2 9869 4223

Website:

[www.smartpay.com.au](http://www.smartpay.com.au)

### Shareholder Enquiries

Enquiries concerning shareholdings should be addressed to:

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Computershare Investor Services Limited  
Private Bag 92119, Auckland 1142

Phone: + 64 (0)9 488 8700

Fax: + 64 (0)9 488 8787

Australia:

Computershare Investor Services Pty Limited  
GPO Box 3329  
Melbourne, VIC 3001

Free phone: 1 800 501 366

Fax: +61 (0)3 9473 2500

# **SMARTPAY HOLDINGS LIMITED**

## **ANNUAL MEETING TUESDAY 25 SEPTEMBER 2018**

### **Chair's Introduction**

#### **Welcome**

Good morning and welcome to Smartpay's Annual Meeting for 2018. I'm pleased to be speaking on behalf of the Board, for my third Annual Meeting as Chair of the Board.

I'd like to welcome those shareholders who are attending the Meeting in person here in Sydney, and also those shareholders joining us remotely.

This has been another year of progress for Smartpay which saw the ongoing execution of our growth strategies as we continue to consolidate and expand in New Zealand and Australia.

To begin, I'll introduce those up on stage.

Joining me we have Bradley Gerdis, our Managing Director who will be presenting to you today. Sitting with him is independent director Matt Turnbull, and Executive Director, and Chief Operating Officer, Marty Pomeroy.

Before we start with the formal business of the Meeting, I have a couple of quick housekeeping points. For those people joining us in person, I'd be grateful if you could please make sure your phone is on silent and that you only use Lumi AGM for voting. In the event of an emergency, please follow the emergency exit signs and instructions of the venue staff.

We'll begin today with a presentation from Bradley Gerdis which will be followed by the formal business of the meeting.

There will be opportunities for shareholders to ask questions following Bradley's presentation and on each resolution before it is considered. A number of senior managers of the group are also present as are our auditors who are available to answer questions as appropriate.

If you are joining us using the Lumi AGM app on your phone, tablet or desktop PC, you can ask questions by clicking on the question icon in the navigation bar at the bottom of the screen.

You will receive confirmation that your message has been received. Please note that due to time constraints we may not be able to address all questions today. Questions sent via the Lumi AGM app will also be moderated to avoid repetition, and if questions are particularly lengthy we may need to summarise them, for reasons of brevity. In the event that we are unable to address your question in the time available today, your question will be answered by email or post after the meeting.

For further instructions please refer to the Virtual Meeting Guide contained in the Notice of Meeting that has been sent to shareholders and is also available on the info screen in the Lumi AGM app. If we are unable to get through all questions today, we will respond individually after the meeting.

The Company Secretary has confirmed to me that the Notice of Meeting has been sent to all shareholders

and other persons entitled to receive it. I can also confirm that the quorum requirements for the Meeting have been met and that the meeting is therefore properly constituted.

The Board has received no apologies, can I ask whether there are any apologies to record?

With that said, as Chair of the Meeting, I declare Smartpay's 2018 Annual Meeting formally open.

The matters requiring consideration today are outlined in detail in the Notice of Meeting that has been provided to shareholders and I will take this as read.

The minutes of the Last Annual Meeting, held on 26 September 2017 have been signed as a true record of the meeting and are available for inspection.

Smartpay's financial statements for the 2018 financial year, together with the Auditor's report, are set out in the Company's Annual Report, which is available on our website and from the registration desk.

Bradley will cover the performance of the Company in his presentation, after which there will be an opportunity for any questions and we will then move on to the formal part of the meeting and the resolutions.

Before I hand over to Bradley I would like to address issues around board composition and, with particular reference to Resolution 5, the proposed increase in the Directors remuneration pool.

As you know Bruce Mansfield was appointed to the board following last years AGM years here in Sydney. The board had identified the benefit a suitably experienced Australian board director could provide to Smartpay. With his experience in the Australian and global payments industry Bruce was ideally qualified to add to the boards skills and competencies. At the time of appointment he had also accepted a consulting role to assist a high profile Australian businessman establish some philanthropic pursuits. Last month an offer was made to extend this role but it required that Bruce relinquish all his other external roles. Whilst a shame for Smartpay to not be able to continue with someone of Bruce's calibre and experience his decision was perfectly understandable.

That now leaves us without an Australian based non-executive director. To address that we are now undertaking two things. Smartpays largest single shareholder is Microequities who hold almost 20% in the Company. Carlos Gil, the managing director of Microequities will join the Smartpay board next month. Carlos, undoubtedly, brings good commercial acumen and an excellent understanding of the capital markets to the board – he will be a valuable addition to Smartpay. With a view to further broadening the Board's skills matrix, we continue to consider candidates that will contribute to the success of our Company and further help us in subscribing to the principles set out in our Policy of Diversity and Inclusiveness. I made reference to this in my presentation at last year's AGM and we remain committed to pursuing diversity on our board whilst ensuring that any such appointment is done so with skill, and competency, being equally a priority.

Because this next appointment will necessarily be an independent director we need to ensure that the remuneration we offer is sufficient to attract appropriately qualified directors. The current remuneration pool was set back in 2009 at NZ \$200,000.00. Whilst it has never been exhausted in any year, and every year we remain well under the threshold of the pool, we need to increase the headroom to make what will

be at least one, and possibly two, further independent or non- executive director appointments. This is the reason why resolution 5 asks for approval to extend the directors remuneration pool to \$300,000.00. It is simply planning in advance for an inevitable strengthening of the board, particularly as Australian growth opportunity is vigorously pursued. One thing I do want to stress is that there is no intention to increase the current remuneration paid to existing directors, these have been benchmarked to industry norms and will remain where they currently stand, as indeed they have for the past few years.

I will now hand over to Bradley Gerdis

**[Bradley Presentation]**

Thank you Bradley.

I will now move to the formal business of the Meeting.

Voting

The resolutions will be decided by poll, based on votes cast in the room here today via voting papers issued at the registration desk and by shareholders online using the Lumi AGM app. If you plan to use a mobile device to vote you should have already downloaded Lumi AGM and received the Meeting ID to log into the Meeting. You can find further instructions in the Virtual Meeting Guide.

Questions on a resolution will be taken before it is voted on.

Please note that voting on the resolutions is now open. For those using the Lumi AGM app on your smart phone or PC, the voting icon will appear on the navigation bar at the bottom of your screen. Once you click on this, the resolutions will appear on your screen, along with the voting options.

Simply select either For, Against or Abstain on each of the resolutions. There is no need to press a submit button. You can also change your selection as many times as you please up until I declare the voting closed after all resolutions have been considered and voted on.

I will give you a clear prompt later in the meeting to warn of the close in voting.

As advised in our announcement on 11 September 2018, Bruce Mansfield has stepped down as director of the company and we will not therefore be voting on resolution 2 as set out in the Notice of Meeting. For those using Lumi AGM app to vote you will note that resolution 2 is not available to vote on.

The Board unanimously recommends you vote in favour of all remaining resolutions.

Once we have tallied the votes they will be posted on the market announcement platforms of the NZX and ASX following the end of this meeting.

## Proxies

The proxy votes that have been submitted for each resolution will be set out on the slides that will be shown for each resolution. To give some context to these numbers, the current number of shares on issue in Smartpay is around 171.75 million.

We have received proxy voting representing 87.4m shares, the equivalent of 50.87% of the issued share capital, the breakdown of the proxy voting for each resolution will be shown on the presentation as we get to each resolution. As indicated on the proxy form, I intend to vote all discretionary proxies where I am appointed as proxy in favour of resolutions 1, 3, 4, 5 and 6.

## Resolution 1: Auditor Remuneration

Now, turning to the first resolution, which relates to the authorisation of the Board to fix the remuneration of Smartpay's auditors. KPMG are automatically re-appointed as the company's auditor under section 207T of the Companies Act 1993. This resolution authorises the Board to fix the fees and expenses of the auditor.

Are there any questions or comments regarding this resolution?

### ***[Questions]***

I propose the resolution, could I ask someone to second it please.

### ***[seconder]***

If you haven't already done so, please now cast your vote on this item

## Resolution 2: Election of Bruce Mansfield as a Director

As noted we will not be voting on this resolution, for those voting using the Lumi App you will find that this resolution is not available.

## Resolution 3: Election of Greg Barclay as a Director

For this part of the meeting I will hand over to Matt Turnbull to Chair the meeting.

### **Matt Turnbull:**

Thank you Greg,

Greg Barclay was elected at the 2014 Annual Meeting and retires by rotation at this annual meeting. Being eligible he offers himself for re-election, the Board unanimously recommends that shareholders vote in favor of Greg's re-election.

The board has determined that, myself and Greg Barclay are independent directors in terms of the Listing Rules.

Greg's profile appears in the notice of meeting, on our website and in the report and accounts and I will now ask Greg to say a few words about himself.

***[Greg addresses Meeting]***

Thank you, Greg.

Are there any questions or comments regarding this resolution?

***[Questions]***

I propose the resolution, could I ask someone to second it please.

***[seconders]***

If you haven't already done so, please now cast your vote on this item

I will now pass the meeting back to Greg to Chair the remainder of the meeting.

Thank you Matt

**Resolution 4. Increase in number of directors**

This resolution is to approve an increased maximum number of directors from 6 to 7 in order to provide the Board with the flexibility to expand the skill sets and diversity on the Board in order to support the growth in the business.

Are there any questions or comments regarding this resolution?

***[Questions]***

I propose the resolution, could I ask someone to second it please.

***[seconders]***

If you haven't already done so, please now cast your vote on this item

**Resolution 5. Increase in Remuneration payable to Non-Executive Directors**

This resolution is to approve an increase in the aggregate remuneration payable to the Non-Executive Directors of the Company. The Company is seeking approval from shareholders to increase the aggregate

pool of remuneration available to be paid to Non-Executive Directors to \$300,000. This will enable the Company to maintain the current fee levels which are paid to the current Non-Executive Directors and to pay at similar levels for up to a further three additional directors.

Are there any questions or comments regarding this resolution?

***[Questions]***

I propose the resolution, could I ask someone to second it please.

***[seconder]***

If you haven't already done so, please now cast your vote on this item

#### Resolution 6. Ratification of Issue of Convertible Notes

The convertible notes were issued to provide the Company with working capital funding to accelerate growth in Australia, predominantly in the areas of increased marketing and sales spend, terminal stock and associated costs. The Company wishes to ratify the issue of certain convertible notes by the Company so that it may issue further equity securities under NZSX Listing Rule 7.3.5 in the future.

Are there any questions or comments regarding this resolution?

***[Questions]***

I propose the resolution, could I ask someone to second it please.

***[seconder]***

If you haven't already done so, please now cast your vote on this item

#### Conclusion

That concludes the resolutions to be presented to the Meeting. If you have a ballot paper, please make sure you have marked your votes and signed the form, ready for collection by a representative from our share registrar.

For those attending the Meeting remotely via Lumi AGM, we will leave the vote open for a couple of minutes, the poll will therefore formally close at (current time, plus 2 minutes) AEST.

***[Ballot papers collected]***

Voting has now closed. As mentioned earlier, the votes will be tallied and will be available on the market announcement platforms of the NZX and ASX following this Meeting.

Thank you all for attending Smartpay's Annual Meeting. I now declare the Meeting closed.

--ENDS--



# ANNUAL MEETING OF SHAREHOLDERS SMARTPAY HOLDINGS LIMITED

25 SEPTEMBER 2018



# AGENDA

**Chairman's welcome  
and introduction**

**1**

**Minutes of the Annual  
Meeting held on 26  
September 2017**

**2**

**Chief Executive's  
Review & Financial  
Statements**

**3**

**Shareholder  
Questions**

**4**

**Ordinary Resolutions**

**5**

# CHAIRMAN'S WELCOME AND INTRODUCTION



# Company Update: Building a financial services business





# DISCLAIMER STATEMENT

This presentation may contain certain statements and projections provided by or on behalf of Smartpay Group (Smartpay) with respect to anticipated future undertakings. Any forward looking statements reflect various assumptions by or on behalf of Smartpay. Accordingly, these statements are subject to significant business, economic and competitive uncertainties and contingencies associated with the business of Smartpay which may be beyond the control of Smartpay which could cause actual results or trends to differ materially, including but not limited to competition, industry downturns, inability to enforce contractual and other arrangements, legislative and regulatory changes, sovereign and political risks, ability to meet funding requirements, dependence on key personnel and other market and economic factors. Accordingly, there can be no assurance that any such statements and projections will be realised. Smartpay makes no representations as to the accuracy or completeness of any such statement of projections or that any projections will be achieved and there can be no assurance that any projections are attainable or will be realised.

Additionally, Smartpay makes no representation or warranty, express or implied, in relation to, and no responsibility or liability (whether for negligence, under statute or otherwise) is or will be accepted by Smartpay or by any of their respective officers, directors, shareholders, partners, employees, or advisers (Relevant Parties) as to or in relation to the accuracy or completeness of the information, statements, opinions or matters (express or implied) arising out of, contained in or derived from this presentation or any omission from this presentation or of any other written or oral information or opinions provided now or in the future to any interested party or its advisers. In furnishing this presentation, Smartpay undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

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This document does not constitute, and should not be construed as, either an offer to sell or a solicitation of an offer to buy or sell securities. It does not include all available information and should not be used in isolation as a basis to invest in Smartpay.

# CHIEF EXECUTIVE'S REVIEW

**Full Year Results  
and Commentary**

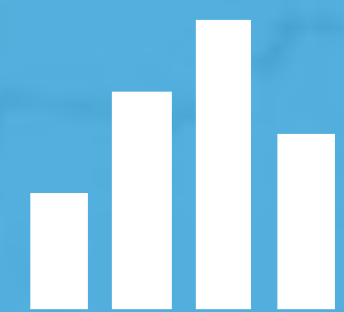
**1**

**Business Update**

**2**

**Summary and  
Outlook**

**3**



# FULL YEAR FINANCIAL RESULTS

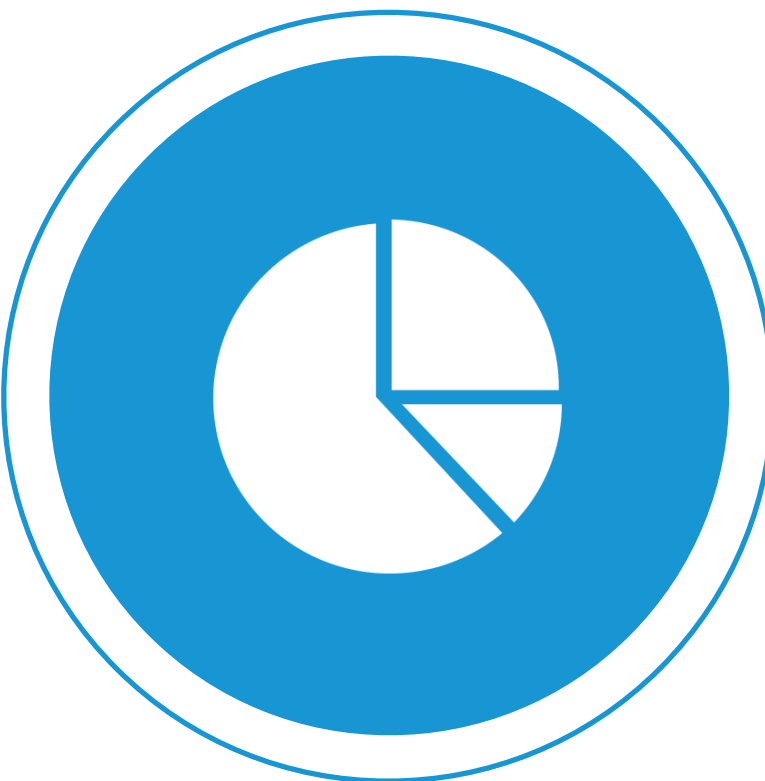
# FULL YEAR FINANCIAL RESULTS – 31 March 18

## REVENUE



↓ FY18: \$20.4M  
VS  
FY17: \$20.9m

## EBITDA\*



↓ FY18: \$9.6M  
VS  
FY17: \$9.6m

## NET PROFIT AFTER TAX



↑ FY18: \$2.5M  
VS  
FY17: \$2.2m

## DILUTED EARNINGS PER SHARE (EPS)



↑ FY18: 1.5 cents  
VS  
FY17: 1.3 cents

## NET DEBT



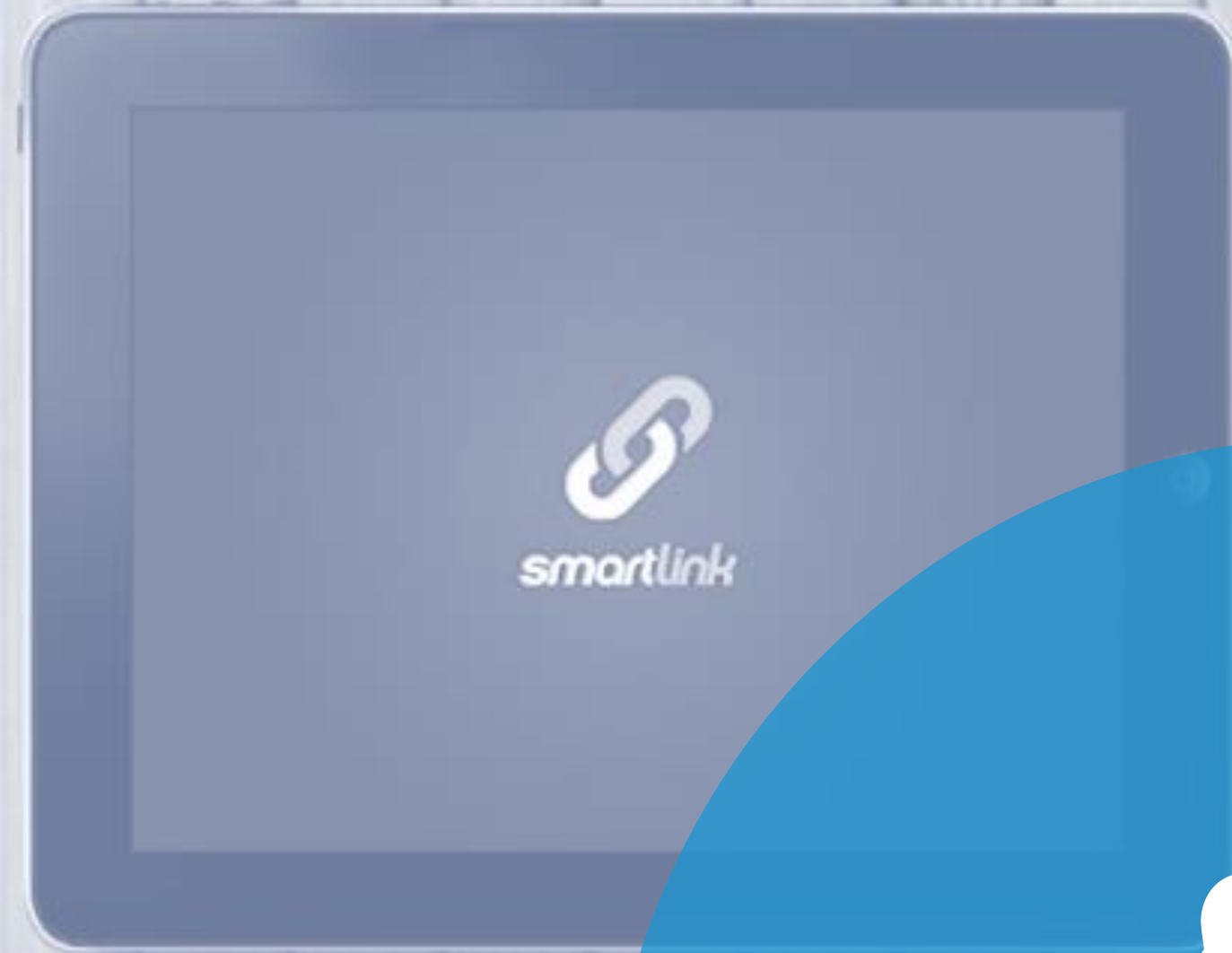
↓ Full Year: \$23M  
VS  
Interim: \$24.9m

\*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.



# RESULTS COMMENTARY

- Slightly lower Revenue reflects:
  - Lower revenue from external software development due to focus on development for internal projects (Acquiring; SmartConnect; Alipay etc)
  - Slightly lower revenue in our NZ business, mainly corporate customers (a relatively small segment of our NZ customer base)
- Increase in Operating Cashflow applied to:
  - Higher investment in technical development for new products (Acquiring; SmartConnect; Alipay etc)
  - Terminal capex, including remaining payments for NZ fleet upgrade from last period and new terminal growth
  - Net Debt reduction to \$23m from \$24.9 at the half year



# OUR STRATEGY - SIMPLIFIED

## 1. Australian Acquiring



0 – 12 months

## 2. Monetise NZ Network



12 – 24 months

## 3. Add Adjacent Product



24 months +



# MAJOR ACHIEVEMENTS IN LAST 12 MONTHS

## 1. Launched Australian acquiring:

- Transformed our Australian business to transactional financial services
- Yielding higher volumes at higher margin

## 2. Innovation

- “China Pays” – launched Alipay and WeChat acceptance
- Building out the Smartconnect platform with increasing number of integrated partners

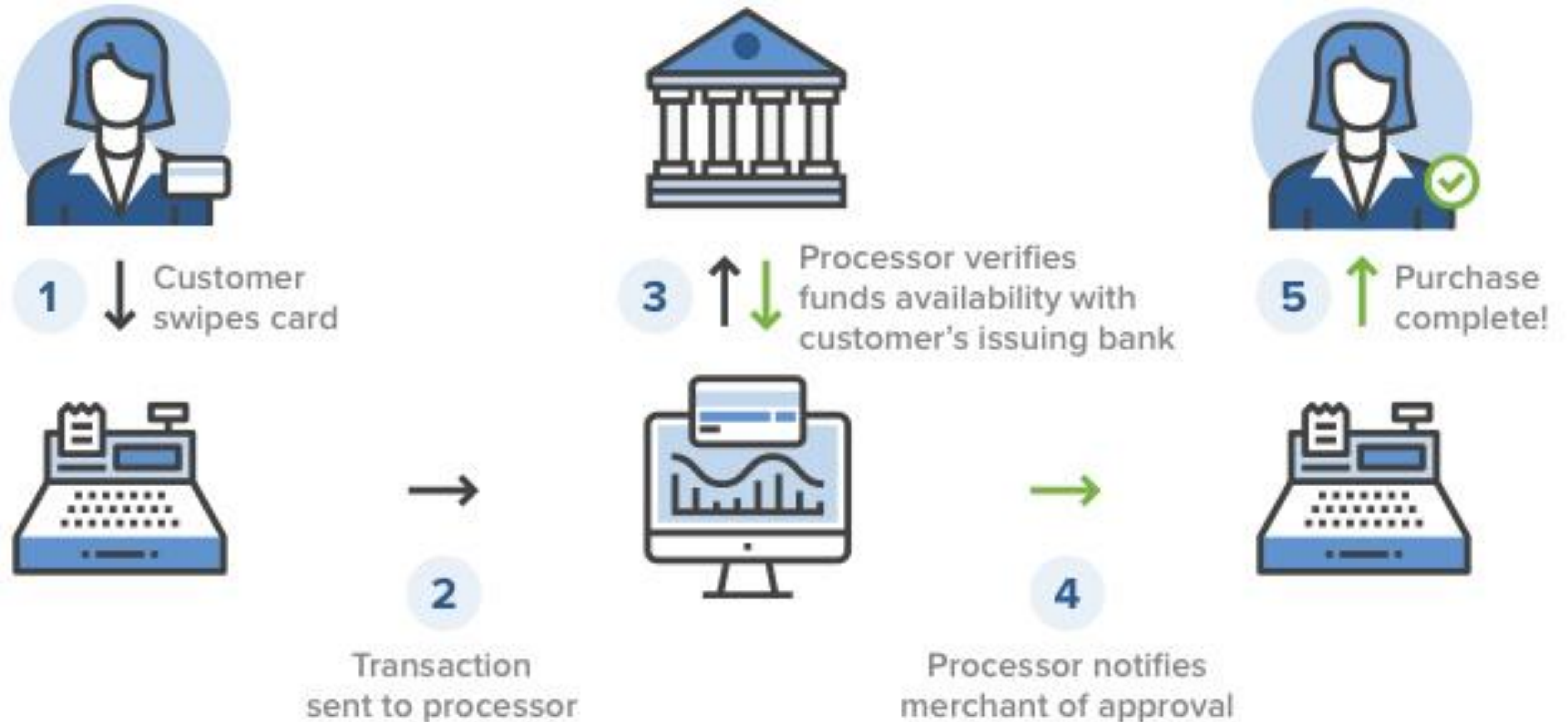
## 3. Capital Raise

- \$7.5m to accelerate growth

# Australian Acquiring Update

# HOW ACQUIRING WORKS...

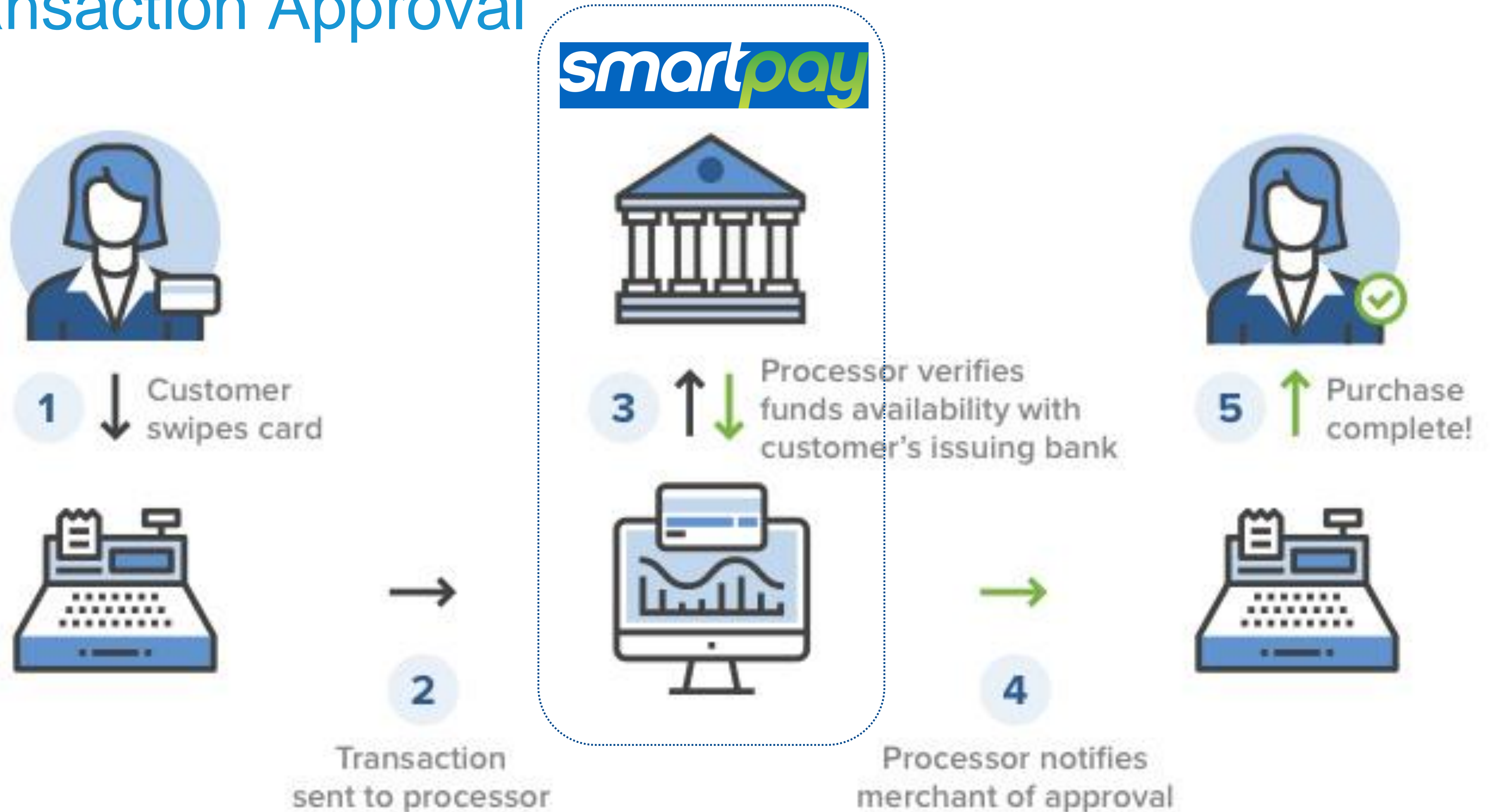
## 1. Transaction Approval





# HOW ACQUIRING WORKS...

## 1. Transaction Approval



# HOW ACQUIRING WORKS...

## 2. Settlement



**Acquirer receives funds from Customer's  
bank account and deposits funds into  
Merchant's bank account  
(usually overnight)**



# HOW ACQUIRING WORKS...

## 2. Settlement



**Acquirer receives funds from Customer's bank account and deposits funds into Merchant's bank account (usually overnight)**

# HOW ACQUIRING WORKS...

## 3. Fee Flow



The Merchant pays a  
“Merchant Service Fee”  
(MSF / acquiring fee)  
to Smartpay

A

Smartpay pays  
interchange / issuing  
fees, scheme fees and  
processing costs

B

$$A - B = \text{Smartpay's margin}$$

# RECAP: EXPECTED BENEFITS FROM ACQUIRING

1. Expand revenue streams from primary reliance on hardware rental to include additional margin from financial transaction revenue.
2. Greater pricing flexibility expected to increase sales opportunities.
3. New product opportunities only available through involvement in transaction flow and settlement.

# REVENUE MODEL



## Transitioning from fixed rental to transactional

### Legacy:

- Predominantly fixed rental
- Ave RPU = AU\$43 / month
- Terminal payback period:  
6 – 8 months



### New:

- Predominantly “clip of ticket”
- Target RPU AU\$100 + / month  
(variable by customer size)
- Terminal payback period: 3 – 4  
months (variable)

Every 1,000 terminals adds:

~\$0.5m + incremental revenue / EBITDA

~\$1m + incremental revenue / EBITDA

# AUSTRALIAN ACQUIRING: STATUS UPDATE

- Launched November 17 – commercial “pilot”
- Staged rollout from early 2018
- Some learnings along the way requiring “tweaking” of product eg: market expectation around settlement timeframes
- Currently offering 2 simple product propositions...



# Know exactly what you're paying

With our Simple Blended Rate, you pay the same rate for each transaction, no matter what card your customer pays with.





# No fees. Ka-ching!

Keep more of your earnings  
No terminal rental or transaction fees  
Do business Eftpos fee free

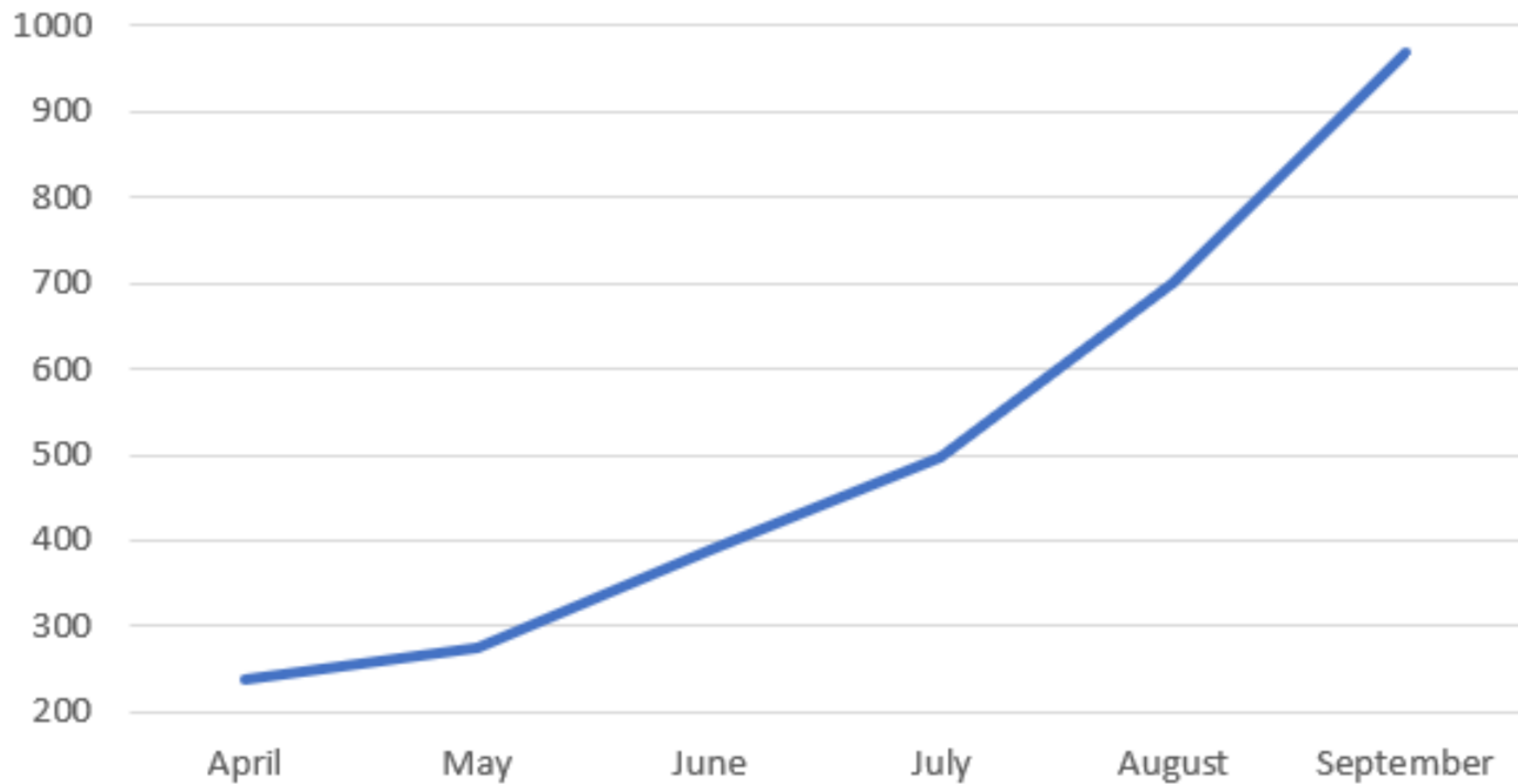


# AUSTRALIAN ACQUIRING: STATUS UPDATE

- Overall, well received by market and as expected showing growth in volume and margin
- Currently ~1,000 terminals under our own acquiring
- Substantial margin increase, currently average of ~\$97 / terminal / month from ~\$43 / terminal / month pre acquiring



## Aus Acquiring Terminal Numbers YTD

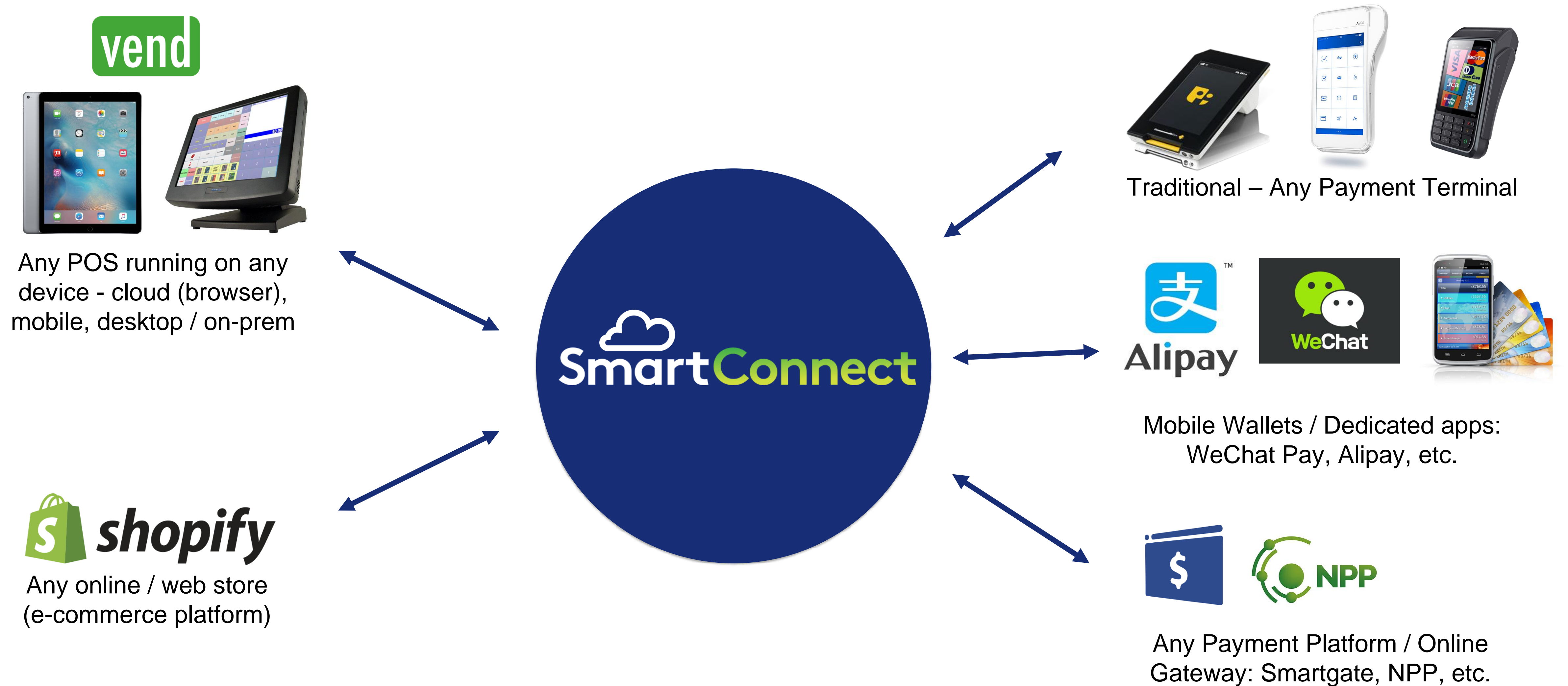


# Innovation Update

# INNOVATION UPDATE

- We have continued to innovate around our SmartConnect Platform
- We launched Alipay and WeChat which we deliver as QR codes to our terminals from SmartConnect
  - Currently rolling out across NZ with Aus to follow shortly
  - Seeing benefits in:
    - terminal volumes, both retention and growth
    - additional margin
- Steadily adding POS connections to SmartConnect to increase addressable market, currently at 26, +13 in dev and growing weekly

# One Platform for any Payment Solution\*



\* Diagram depicts possible use cases – actual products may be different





Smartpay director Marty Pomeroy at Comvita's Auckland Viaduct store, where Chinese customers can use Alipay and WeChat Pay.

As a payments provider, Smartpay saw the advantages Alipay and WeChat Pay could bring New Zealand businesses. In April this year, Smartpay became the first payments provider to offer Alipay and WeChat Pay on the same terminal businesses use for card payments.

"I'm probably going to sound over-excited, but in the 20 years I've been in payments I've never seen anything like WeChat Pay and Alipay in terms of an immersive experience," says Smartpay Director and Chief Operating Officer Marty Pomeroy.

"Here in New Zealand we're used to Visa and Mastercard, Airpoints™ and other loyalty programmes, but what Alipay and WeChat Pay offer is an incredible advancement. It can connect us with our fastest-growing tourism sector in the way they want to be engaged. These apps offer everything an individual needs – maps, recommendations, bookings – in a familiar environment, with payment as the obvious extension."

Chinese consumers are the world's biggest and most engaged users of social media. However, Google, Facebook, Instagram and Twitter are blocked in China, so WeChat is China's most popular social network – accounting for 34% of China's data traffic. (In comparison, Facebook accounts for just 14% in North America\*) Chinese tourists plan almost their entire trip before they leave home, and most travel research happens through reviews and recommendations from friends and family on Chinese social media.

Alipay's Discover platform helps businesses connect with a staggering number of outbound Chinese tourists before, during and after their travels. Easily accessed from the Alipay app's home page, Discover is where users can find nearby places to shop and eat, and things to do. Many tourists will only visit businesses listed in Discover.

Smartpay helps their customers become more visible to Chinese consumers.

Aside from free translation of customer marketing content for Discover, Smartpay helps businesses run promotions and drive foot traffic. Ngai Tahu Tourism is wisely embracing these opportunities. Welcoming one million visitors a year across iconic attractions such as Rotorua's Agrodome and the Franz Josef Glacier Hot Pools, they now accept Alipay and WeChat Pay through Smartpay.

#### A GROWING MARKET

When a Chinese tourist arrives in New Zealand, they expect to jump in a cab, check in to their hotel, go shopping for designer clothing, ride the Shotover Jet and enjoy a meal – and pay for it all with Alipay or WeChat Pay. Through Smartpay, this expectation is now fast becoming a reality.

George Lawson, Alipay ANZ Country Manager, said the growth of Alipay in New Zealand over the past 12 months has been tremendous.

"Alipay has gone from a few hundred merchants to over 2000 in a very short space of time. Businesses understand that accepting Alipay as a payment method is a beacon for Chinese tourists as it is their preferred way to pay, they receive the best exchange rates and it reduces the anxiety associated with using another currency. This in turn helps boost companies' bottom lines and gives them exposure to a rapidly expanding market.

"Most recently, in partnership with Smartpay, Alipay has switched on its service for almost 2700 taxis in New Zealand. This is another example of how Alipay contributes to a seamless travel experience for Chinese visitors and over the long term our vision is to have the service available across every merchant in the country."

If your business is keen to connect with Chinese customers and access the marketing ecosystems available through these lifestyle super apps, get in touch with Smartpay and start accepting Alipay and WeChat Pay today.

\* Forrester Research.

# Neilson 2017 Survey: Outbound Chinese Tourism and Consumption Trends.

^ 2017H1 Mobile Payment Survey, Kapronasia.

+ CAICT WeChat Economic and Social Impact Report 2017.

Easy Smartpay

On their using only already fan.



Kia ora from Queenstown! Ch view from our room at the Scen



Vesta Boutique sells everything from jewellery to teacups and even honey.



Erik's Fish and Chips is highly recommended on Discover and we can see why.



Peter found a coupon on Discover for indoor skydiving experience. He's braver than I am.

We have had an amazing day in Queenstown and are looking forward to the rest of our trip. Victoria and Peter xx



## board with Alipay and WeChat Pay?

- Open your doors to more Chinese customers. Many Chinese people are new to travel, so planning in advance is key; accepting Alipay gives you a free listing on the app's Discover platform.
- Make use of Alipay and WeChat Pay's major campaigns around key events in the Chinese calendar, with special offers to encourage their users to spend with merchants who

accept these payment methods.

- Low transaction fees with New Zealand dollar-for-dollar settlement – no need to worry about currency conversion.
- Fewer cash payments reduces cash in your till, and your customers aren't restricted to what's in their wallet.
- It's simple to set up, because it follows the same familiar process as a card payment.

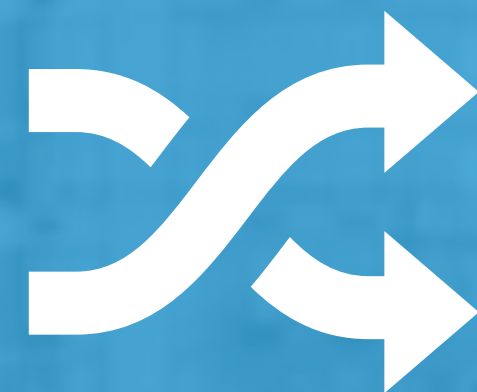
To find out more, visit [smartpay.co.nz](https://smartpay.co.nz) **smartpay**



# Capital Raise

# CAPITAL RAISE

- Raised AU\$7.5m through convertible note, strongly supported
- Funds earmarked primarily for Australian growth:
  - Marketing spend: Aus campaign to be launched Oct 18
  - Sales resources: already added ~ 10 new sales staff
  - Terminal capex
  - Internal systems to support growth



## SUMMARY AND OUTLOOK



# DELIVERING TO OUR STRATEGY

## 1. Australian Acquiring



0 – 12 months

## 2. Monetise NZ Network



12 – 24 months

## 3. Add Adjacent Product



24 months +

# SUMMARY AND OUTLOOK

We have made substantial progress over the last 12 months:

- Delivered a record full year profit
- Transformed the Australian business to transactional financial services business
- Developed and launched new cloud payments systems – Alipay and WeChat

Expectations for the current year:

- Focus on top-line revenue growth through increase in Aus terminal numbers and margin
- Lower profit reflecting increased spend on Aus growth as funds from capital raise applied (partially), benefits to be apparent in FY20 profit growth



?

QUESTIONS







# RESOLUTIONS



# RESOLUTIONS



## Resolution One

Fixing the Auditors Remuneration.

*“That the Board be authorised to fix the auditor’s remuneration for the ensuing year.”*



## Resolution Two

Removed.

Proxies

For : 86,977,270 (50.64% of all securities)

Against: 12,431 (0.01 of all securities%)

Discretionary : 382,102 (0.44%of all securities)

Abstain 2,800 (0.00% of all securities)



# RESOLUTIONS



## Resolution Three

Re-election of Director – Greg Barclay

*“That Greg Barclay be re-elected as a director of Smartpay”*

### Proxies

For : 79,541,474 (46.31% of all securities)

Against: 7,289,637 (4.24% of all securities)

Discretionary : 540,692 (0.31% of all securities)

Abstain 2,800 (0% of all securities)

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## Resolution Four

Increase the maximum number of directors on the Board to 7.

*“That, in accordance with Clause 28.1 of the Company’s Constitution, the shareholders approve the increase of the maximum number of directors on the Board to 7. ”*

### Proxies

For : 74,954,245 (43.64% of all securities)

Against: 11,973,441 (6.97 % of all securities)

Discretionary : 390,617 (0.23% of all securities)

Abstain : 56,300 (0.03% of all securities)

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# RESOLUTIONS



## Resolution Five

Increase the aggregate fees payable to Non-Executive Directors to \$300,000.

*“That the aggregate fees payable to the Company’s non-executive Directors be increased from \$200,000 to \$300,000 per annum with effect from 1 October 2018.”*

### Proxies

For : 73,764,063 (42.95% of all securities)

Against: 12,380,405 (7.21% of all securities)

Discretionary : 546,617 (0.32% of all securities)

Abstain 683,518 (0.40% of all securities)

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## Resolution Six

Ratification of the issue of Convertible Notes.

*“That the issue of AU\$7,500,000 of convertible notes convertible into ordinary shares in the Company at AU\$0.25 per share (subject to adjustment) to the following various institutional and high net worth investors in Australia be approved and ratified (for the purposes of NZX Main Board Listing Rules 7.3.5(c)):*

*(a) Anacacia Pty Limited ATF The Wattle Fund: AU\$6,000,000*

*(b) G Chan Pension Pty Limited ATF Chan Superannuation Fund: AU\$500,000*

*(c) Australian Philanthropic Services Foundation: AU\$500,000*

*(d) Craig Chapman: AU\$500,000 ”*

### Proxies

For : 50,432,632 (29.36% of all securities)

Against: 105,012 (0.06% of all securities)

Discretionary : 574,569 (0.33% of all securities)

Abstain : 36,262,390 (21.11% of all securities)

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