

Section 1: Issuer information	
Name of issuer	Smartpay Holdings Limited
NZX ticker code	SPY
Class of financial product	Unlisted Convertible Notes convertible into Ordinary Shares
ISIN (If unknown, check on NZX website)	NZDMBE0001S2
Currency	Australian Dollars
Section 2: Capital change details	
Number issued/acquired/redeemed	The capitalisation of the coupon interest on the Convertible Notes during the period from 1 April 2020 to 30 September 2020 will result in an additional 818,401 Ordinary Shares being issued on conversion of all of the Convertible Notes (in addition to the number of Ordinary Shares to be issued on conversion as disclosed in the Notice Of Issue of Securities released on 17 July 2018)
Nominal value (if any)	N/A
Issue/acquisition/redemption price per security	The Convertible Notes are convertible into Ordinary Shares at AUD0.25 per Ordinary Share.
Nature of the payment (for example, cash or other consideration)	Capitalisation of interest payable on the unlisted Convertible Notes during the period from 1 April 2020 to 30 September 2020 (being the capitalisation of AUD\$204,600.34 interest in aggregate across all Convertible Notes).
Amount paid up (if not in full)	Fully paid
Percentage of total class of Financial Products issued/acquired/redeemed/ (calculated on the number of Financial Products of the Class, excluding any Treasury Stock, in existence) ¹	0
For an issue of Convertible Financial Products or Options, the principal terms of Conversion (for example the Conversion price and Conversion date and the ranking of the Financial Product in relation to other Classes of Financial Product) or the Option (for example, the exercise price and exercise date)	Convertible notes are convertible into Ordinary Shares. The conversion price is AUD\$0.25, subject to downwards adjustment in the event of subsequent share issue at less than AUD\$0.25, conversion being at the holders option. The redemption date is October 2021.

¹ The percentage is to be calculated immediately before the issue, acquisition, redemption or Conversion.

Reason for issue/acquisition/redemption and specific authority for issue/acquisition/redemption/ (the reason for change must be identified here)	Under the amended terms of the Convertible Notes, as announced on 20 April 2020, 6 month capitalisation of coupon starting from 1 April at a 6.4% p.a (20% reduction to current 8% coupon rate). The capitalisation of the 6 months of interest on the Convertible Notes was approved by board resolution dated 14 April 2020 and the capitalisation of the interest is pursuant to the Company's headroom under Listing Rule 4.5.1.
Total number of Financial Products of the Class after the issue/acquisition/redemption/Conversion (excluding Treasury Stock) and the total number of Financial Products of the Class held as Treasury Stock after the issue/acquisition/redemption.	Ordinary Shares : 209,466,562 Convertible Notes : 14
In the case of an acquisition of shares, whether those shares are to be held as treasury stock	N/A
Specific authority for the issue, acquisition, or redemption, including a reference to the rule pursuant to which the issue, acquisition, or redemption is made	The capitalisation of the 6 months of interest on the Convertible Notes was approved by board resolution dated 14 April 2020 and the capitalisation of the interest is pursuant to the Company's headroom under Listing Rule 4.5.1.
Terms or details of the issue, acquisition, or redemption (for example: restrictions, escrow arrangements)	
Date of issue/acquisition/redemption ²	The capitalised interest (and, as a result, Ordinary Shares into which the unlisted Convertible Notes convert) accrues monthly from 1 April 2020 to 30 September 2020.
Section 3: Authority for this announcement and contact person	
Name of person authorised to make this announcement	Rowena Bowman
Contact person for this announcement	Rowena Bowman
Contact phone number	09 442 7769
Contact email address	Rowena.bowman@smartpay.co.nz
Date of release through MAP	10 July 2020

² Continuous issuers using this form in reliance on Rule 3.13.2, please indicate the period during which the relevant issue/acquisition/redemptions were made (for example, 1 January 2019 to 31 January 2019).