

# Shareholder Annual Meeting Presentation

**29 September 2021**

The Board of Smartpay Holdings Limited (NZX:SPY, ASX: SMP) is pleased to attach the Chairman's address and CEO's presentation for for the Smartpay Annual Meeting of Shareholders commencing at 3pm.

The meeting is being held as a virtual meeting and attendance is accessed using the Computershare Online Meeting Portal. The Notice of Meeting and details for logging onto the meeting virtually can be found on the Smartpay website:

[smartpayinvestor.com/meetings-presentations/](http://smartpayinvestor.com/meetings-presentations/)

Approved for release by the Board.

**ASX: SMP  
NZX: SPY**

**SHARE INFORMATION**

Issued Shares: 238,284,963

**WEBSITES**

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

**BOARD OF DIRECTORS**

Non- Exec Chairman:

**Greg Barclay**

Managing Director:

**Martyn Pomeroy**

Non-Executive:

**Matthew Turnbull**

Non-Executive:

**Carlos Gil**

Non-Executive:

**William Pulver**

**REGISTERED OFFICES**

**New Zealand:**

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Wairau Valley  
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**Australia:**

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NSW 2000

Phone: +61 (0)2 7903 6302

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

**ENDS**

**For further information contact:** Marty Pomeroy, Managing Director, +64 27 3012427 / 64 (9) 442 2714

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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

# Chairman's Address to the Annual Meeting of Shareholders

**29 September 2021**

Good afternoon and welcome to Smartpay's Annual Meeting for 2021.

I'd like to welcome those shareholders who are attending today's Meeting which is being held online via the Computershare Online Meetings Platform. This allows Shareholders, Proxies and Guests to attend the meeting virtually. All attendees can watch a live webcast of the meeting. In addition, shareholders and proxies have the ability to ask questions and submit votes.

To begin, I'll introduce those on the panel today. Joining me we have Marty Pomeroy, our Managing Director who will be presenting to you today. With him are independent directors Matt Turnbull and William Pulver and Non Executive Director Carlos Gil.

We'll begin today with a presentation from Marty Pomeroy which will be followed by the formal business of the meeting. Marty will cover the performance of the Company in his presentation, after which we will consider any questions and we will then move on to the formal part of the meeting and the resolutions.

Before I hand to Marty for him to address you, I would like to make a few comments. First, and picking up from what I said last year, I made the observation that it had been a particularly difficult year with huge challenges for all businesses in NZ and Australia. It would have been hard to imagine that a full year on we would find ourselves in a similar position with both countries going through extended and incredibly disruptive lockdowns,

but unfortunately that has been the dramatic and ongoing impact of the Covid pandemic. We can only hope that the roll out of vaccination programmes in both countries will help prevent this becoming an ongoing feature into the next year and that 2022 might see some resumption of "normal business" – whatever that may look like.

Notwithstanding the Covid effect, the business has proved to be remarkably resilient and as per last year the NZ business has performed solidly and Australia continues to grow, albeit hampered to an extent and for periods in both Sydney and Melbourne. Marty will provide more in-depth analysis around this.

However, we have been pleased with what we have achieved over the past twelve months and remain cautiously optimistic for the immediate future. I want to acknowledge, and thank, Marty and his team for their ongoing efforts to maintain the company's focus on continuing to deliver positive outcomes despite the very difficult environment in which they have had to operate. It demonstrates again the commitment that we have made to attracting and retaining the best people that we can, we have a great team and they have done the company proud in the way that they have responded to the challenges that they have faced over the course of the year.

Likewise, I want to thank my fellow board members for the role that they have played in helping to support and direct the business through this difficult and challenging period. It has not been easy but they have been prepared to make the tough calls, they have been incredibly supportive of management and have remained positive

*...continued next page*

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**Greg Barclay**  
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# Chairman's Address to the Annual Meeting of Shareholders

**29 September 2021**

and upbeat throughout. The board has been stable now for the past few years and has worked well as a unit. Of course, we are constantly reviewing and updating our board skills and competency matrix and with the growth and opportunity in the Australian market we think the time is right to now look to make a further appointment to the board, probably with another Australian based director and work is already underway in this regard.

This provides an opportunity to consider what skills can best help us to meet our strategic objectives as well as addressing some other immediate concerns such as board diversity, which is an area where we haven't moved as quickly as we would have liked to. We now have the chance to address this as we progress our search. In terms of priority we believe that appointing someone with experience in the broader payments sector would add considerably to the current mix of skills on the board. With that in mind we are actively looking to add someone with good governance experience and with a strong payments industry background, who probably would be Australian based, as the next director appointment to the Smartpay board.

In conjunction with this we are also looking at our board succession planning. You are all aware that I have now spent eleven years with the Smartpay board, including five as the Chair. Should I be re-elected to the board by the shareholders as a part of this AGM it is my intention that this will be my last term on this board. Therefore, one of the clear objectives for the coming period will also be to identify the next Chair as well as to keep our mix of skills and experiences relevant and contemporary.

## **Greg Barclay**

Chairman

29 September 2021

## **ENDS**

**For further information contact:** Greg Barclay, Chairman, +64 21 306 594.

### **Corporate Directory**

#### **Registered and Principal offices**

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# ANNUAL MEETING OF SHAREHOLDERS

SMARTPAY HOLDINGS LIMITED

29 September 2021

*smart*pay

1

Chairman's  
welcome and  
introduction

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Minutes of the  
Annual Meeting  
held on 25 Sept 2020

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Chief Executive's  
Review & Financial  
Statements

4

Shareholder  
Questions

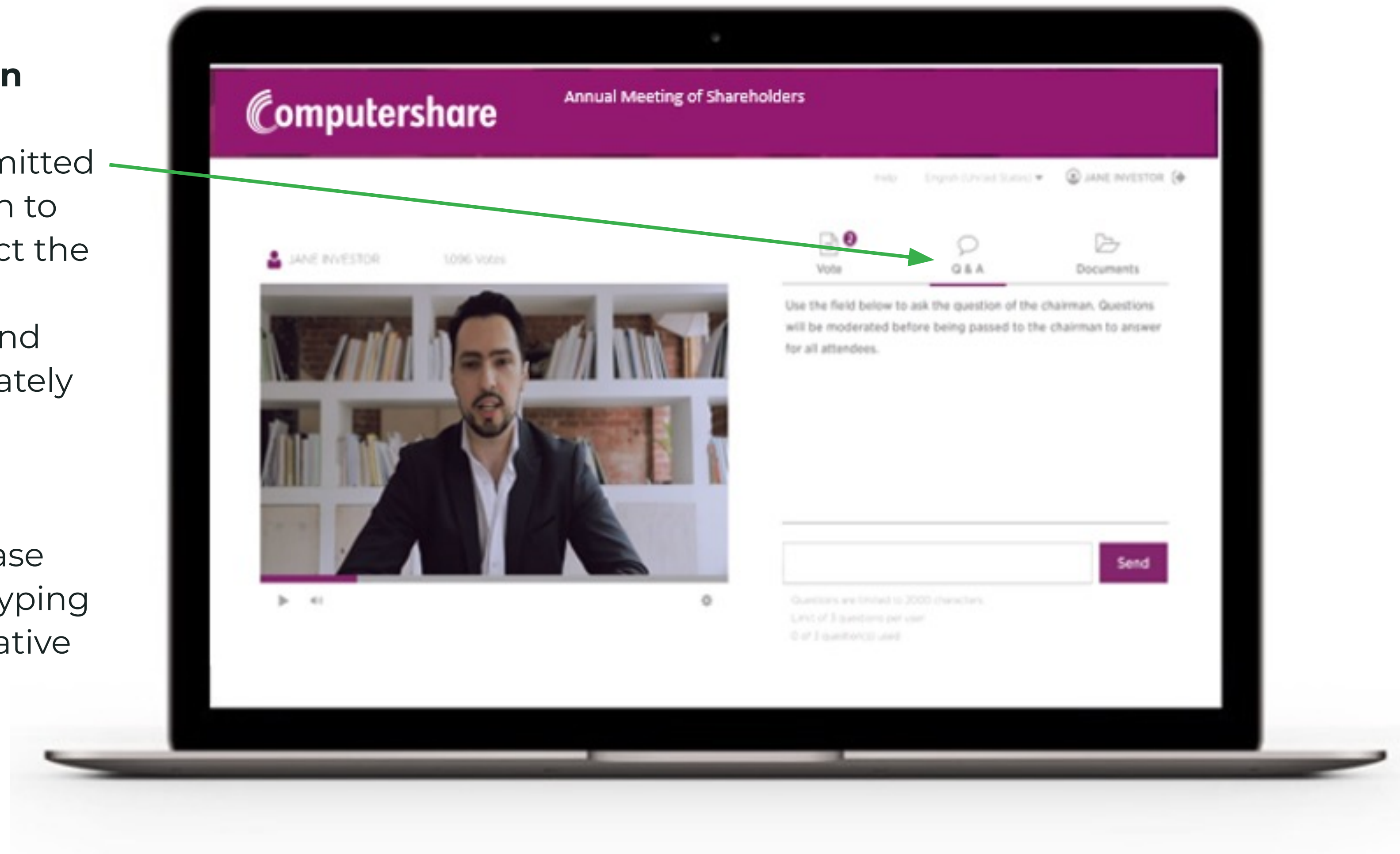
5

Ordinary  
Resolutions

## Shareholder & Proxyholder Q&A Participation

**Written Questions:** Questions may be submitted ahead of the meeting. If you have a question to submit during the live meeting, please select the Q&A tab on the right half of your screen at anytime. Type your question into the field and press submit. Your question will be immediately submitted.

**Help:** The Q&A tab can also be used for immediate help. If you need assistance, please submit your query in the same manner as typing a question and a Computershare representative will respond to you directly.



# Chairman's Welcome and Introduction



# **Chief Executive's Review and Financial Statements**



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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1

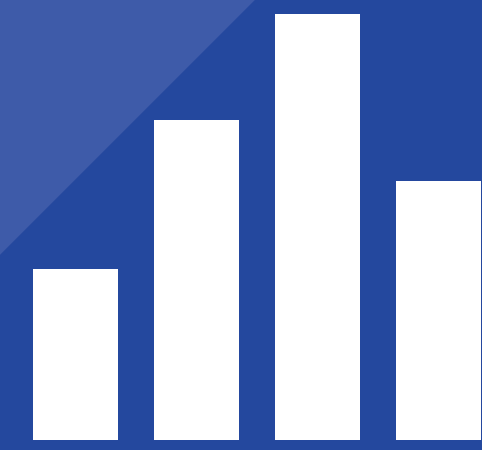
Full Year Results  
and Commentary

2

Business  
Update

3

Summary  
and Outlook



**Full year**  
**Financial Results**

# FULL YEAR FINANCIAL RESULTS

## REVENUE



↑ 19.7%

FY21: **\$33.8m**  
vs  
FY20: **\$28.3m**

## EBITDA\*



↑ 2.7%

FY21: **\$7.6m**  
vs  
FY20: **\$7.4m**

## NET PROFIT AFTER TAX



FY21: **(\$15.2)m** *(loss)*  
vs  
FY20: **(\$4.5)m** *(loss)*

## NET DEBT



**(\$4.7)m**  
*(Excluding Convertible Notes)*

\*EBITDA = Earnings Before Interest, Tax, Depreciation, 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.


**Net debt**  
*excluding convertible notes*  
**reduced to**  
**\$4.7m**

**Australian transacting terminals fleet**  
**6,754**  
at 31 March 2021

**EBITDA**  
**\$7.6m**  
A 2.7% increase on the prior year \$7.4m

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Run-rate EBITDA at March 2021 **\$9.8m**



**Revenue**  
**\$333.8m**  
A 19.7% increase on the prior year \$28.3m



**After Tax Loss of**  
**\$15.2m**  
largely driven by (\$12.7m) non-cash fair value adjustment of existing convertible notes

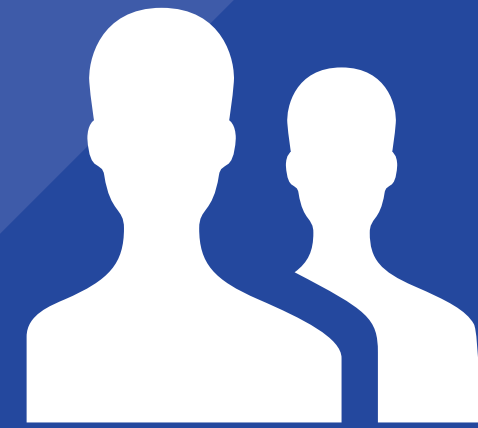
**Continued increase** in  **acquiring margin** through the year

**Australian acquiring transactional revenue**  
**\$17.1m**  
An increase on the prior year \$9.5m



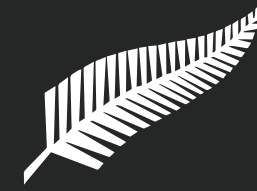
*"Thanks to SmartCharge, we expect to save \$14,000 a year. I have invested some of this into social media advertising, which is helping us grow"*





# Business Update





**Resilient through recent Nationwide COVID Lockdowns**

**Focused on expanding product offering to customers and deepening customer relationships**



**Ongoing investment in marketing, leads & brand**



**Further development of sales team (BDM and Outbound)**



**Fleet quality continues to improve**



Organic search and customer referrals on **the increase**

*"The contact at Smartpay was easy to deal with. I didn't have to jump through hoops."*





## Customer

Smartpay Australia 

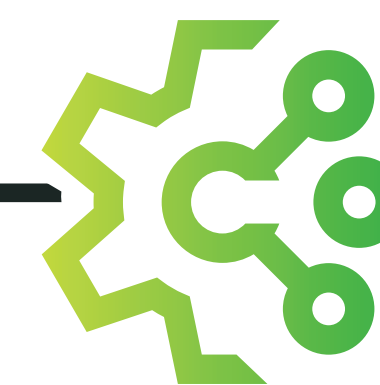
Website Directions Save

4.3 ★★★★★ 82 Google reviews

Eftpos equipment supplier in the City of Sydney, Australia



## Brand



## Technology



*“From the first conversation to receiving the terminal, it was straightforward, quick and efficient.”*



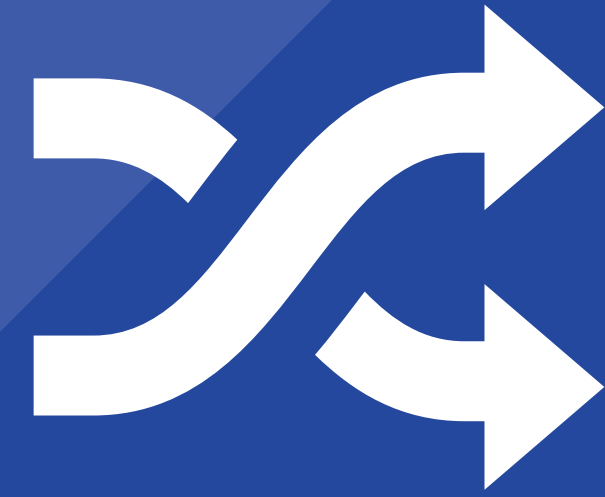




"It's a perfect EFTPOS solution for small businesses."







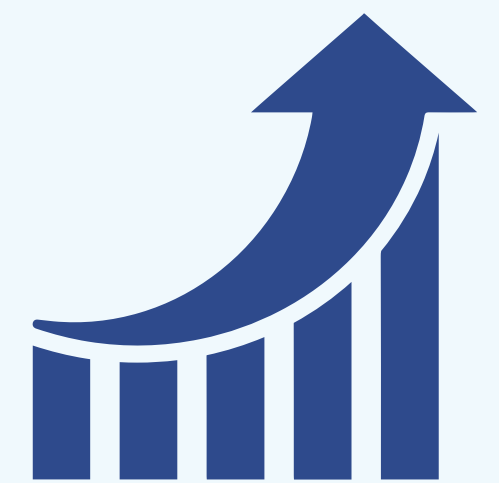
**Summary**  
**and outlook**

We continue to see positive results from our investment in both our marketing and sales functions in Australia with ongoing momentum in lead generation and new terminal sales through the second half of FY21 carrying into the first half of FY22.

These results combined with increases in our acquiring revenue and gross margin per terminal have had a positive effect on our cash generation which we will continue to invest in technology, marketing and sales resource to meet the growing demand for our products.

The quality of our NZ business continues to show through our resilience during the most recent nationwide COVID lockdowns and remains a strategic asset both in the NZ market and in providing operational leverage and scale support for our Australian business.

*FY22 has seen continued momentum in Australian customer acquisition. Whilst the current trading conditions in Australia and New Zealand have presented challenges for our customers and our team, we all look forward to the lifting of restrictions in Q3 and a recovery in trading levels.*



*"The bank fees were killing us, it was \$800 in fees a month. Smartpay were the only one that truly don't charge fees."*





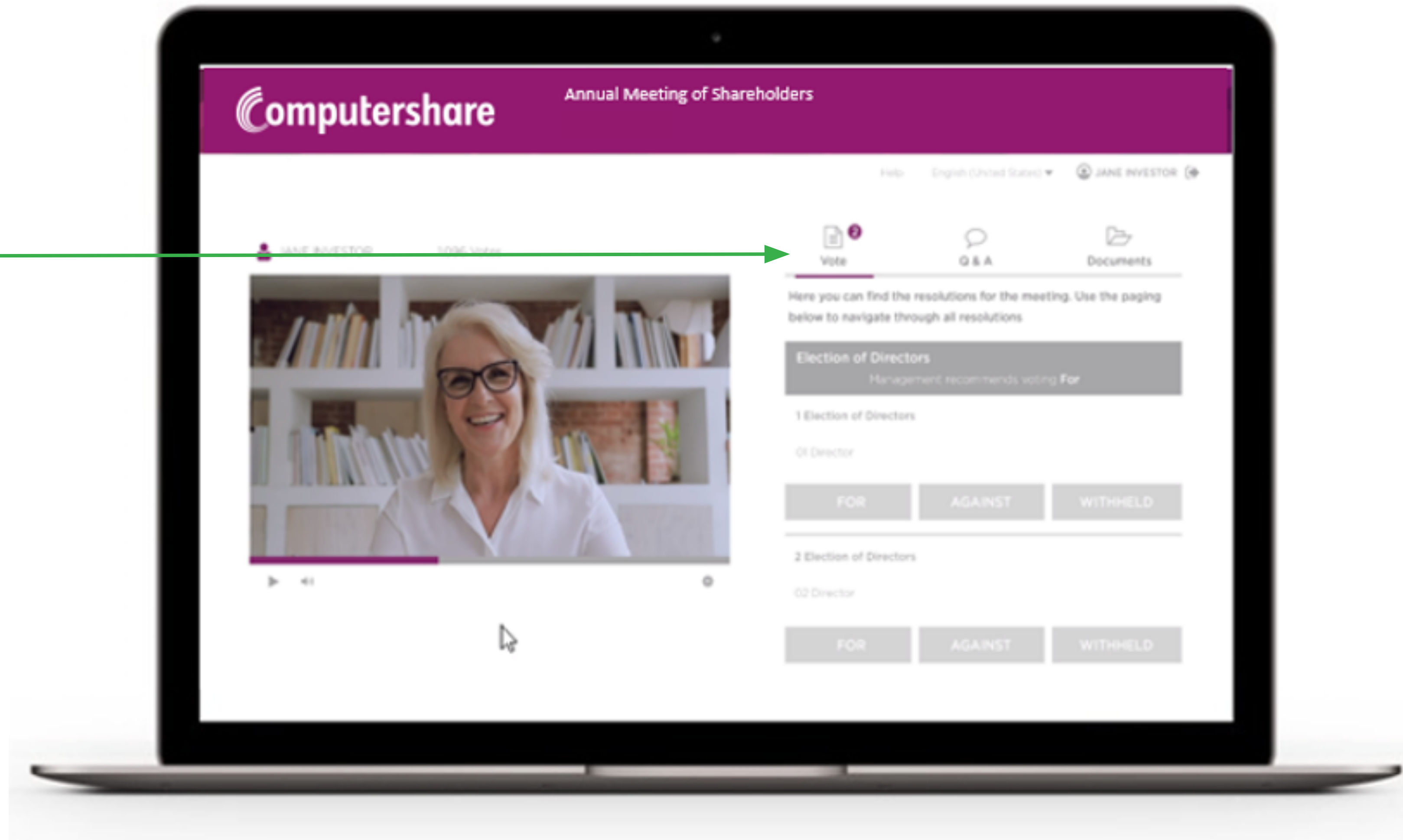
Questions

## Shareholder & Proxyholder Voting

Once the voting has been opened, the resolutions and voting options will allow voting. —————→

To vote, simply click on the Vote tab, and select your voting direction from the options shown on the screen. You can vote for all resolutions at once or by each resolution.

Your vote has been cast when the tick appears. To change your vote, select 'Change Your Vote'.





**Resolutions**

## Resolution One

Fixing Remuneration of Auditor.

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

### Proxies

**For: 86,919,683 (36.48% of all securities)**

**Against: 1,500 (0.00% of all securities)**

**Discretionary: 6,930,485 (2.91% of all securities)**

**Abstain: 42,660 (0.02% of all securities)**

## Resolution Two

Re-election of Director - Gregor John Barclay.

*“That Gregor John Barclay be re-elected as a director of Smartpay.”*

### Proxies

**For: 86,904,514 (36.47% of all securities)**

**Against: 221 (0.00% of all securities)**

**Discretionary: 6,929,769 (2.91% of all securities)**

**Abstain: 59,824 (0.03% of all securities)**

## Resolution Three

Issue of Share Performance Rights.

*“That, for the purposes of NZX Listing Rule 4.2.1, share performance rights be issued to Martyn Pomeroy, Chief Executive and Managing Director on the terms and conditions set out in this notice of meeting (being 2,239,380 share performance rights in aggregate, allocated evenly amongst the financial years ending 31 March 2022, 31 March 2023 and 31 March 2024).”*

### Proxies

**For: 86,860,946 (36.45% of all securities)**

**Against: 14,797 (0.01% of all securities)**

**Discretionary: 6,966,093 (2.92% of all securities)**

**Abstain: 52,492 (0.02% of all securities)**

**Close**