

Trading Update

The Board of Smartpay is pleased to provide the following trading update following the completion of the second quarter to 30 September 2021 of the 2022 financial year.

Highlights

Australian acquiring transactional revenue continues to show strong growth: September quarter up **58%** year-on-year.

Consolidated revenue for the first half of the 2022 financial year is up **45%** to \$21m, with Australian acquiring transactional revenue up **99%** to \$12.6m.

Australian total transacting value up **58%** year-on-year.

Australia

Australian Acquiring revenues in September 2021 were \$2.15 million, up 9.75% from previously reported August 2021 levels (\$1.96 million).

Given the introduction of greater lockdown restrictions in Victoria (VIC) during the month of August we are pleased with the improvement in month-on-month revenue and this largely reflects the ongoing customer acquisition being achieved in our target market in Australia.

Lockdown restriction effects to acquiring transactional revenue in the month of September 2021 by state were; New South Wales (NSW) down 21% from normal trading levels and VIC also down 21% from normal trading levels. This reflects an improvement in NSW and the effect of the greater lockdown restrictions impacting VIC throughout September 2021.

The impact of COVID lockdowns, primarily in NSW and VIC, throughout Q2 FY22, resulted in approximately 1,400 terminals in our Australian fleet unable to transact in the month of September. The increase of 600 terminals compared to the previously reported August figure was due to an increase in the lockdown restrictions in the state of VIC during August and the introduction of trading restrictions in Australian Capital Territory (ACT) in August. Transacting terminals in the month of September were 6,737.

Despite the disruptive lockdowns in NSW and VIC, newly acquired transacting terminals in Q2 FY22 grew by approximately 1,000, demonstrating the value proposition of the Smartpay offering continues to strongly resonate in the marketplace.

Churn rates through the recent state lockdowns period remain consistent with historical pre-lockdown levels.

In the 7 days trading since 'Freedom Day' in NSW (11 October 2021) we have seen approximately 500 idle terminals return to transacting. Those 7 days also delivered a record revenue week for our Australian acquiring business despite the restrictions across VIC and ACT.

Ultimately, we anticipate the majority of the terminals unable to trade in Q2, due to lockdown restrictions, to return to trading on the easing of restrictions in the impacted states.

New Zealand

New Zealand revenues were down slightly compared to the same quarter 2021 \$3.7 million versus \$3.8 million largely due to reduced transactions from our taxi fleets through the lockdown impacted period in Q2 FY22 and rental relief provided to a number of impacted customers.

Monthly customer churn rates in New Zealand continue to remain stable despite the recent lockdowns in Auckland.

Outlook

With transacting terminals and associated revenues already showing early signs of recovery in NSW off the back of easing of restrictions, we look forward to ongoing improvement in Australian acquiring revenues as other states ease restrictions and our customers return to trading.

↑58%

Acquiring Transactional Revenue (YoY)

↑99%

Australian Acquiring Transactional Revenue First Half (YoY)

↑58%

Total Transacting Value (YoY)

**ASX: SMP
NZX: SPY**

SHARE INFORMATION
Issued Shares: 238,284,963

WEBSITES
www.smartpay.co.nz
www.smartpay.com.au
www.smartpayinvestor.com

BOARD OF DIRECTORS

Non-Exec Chairman:
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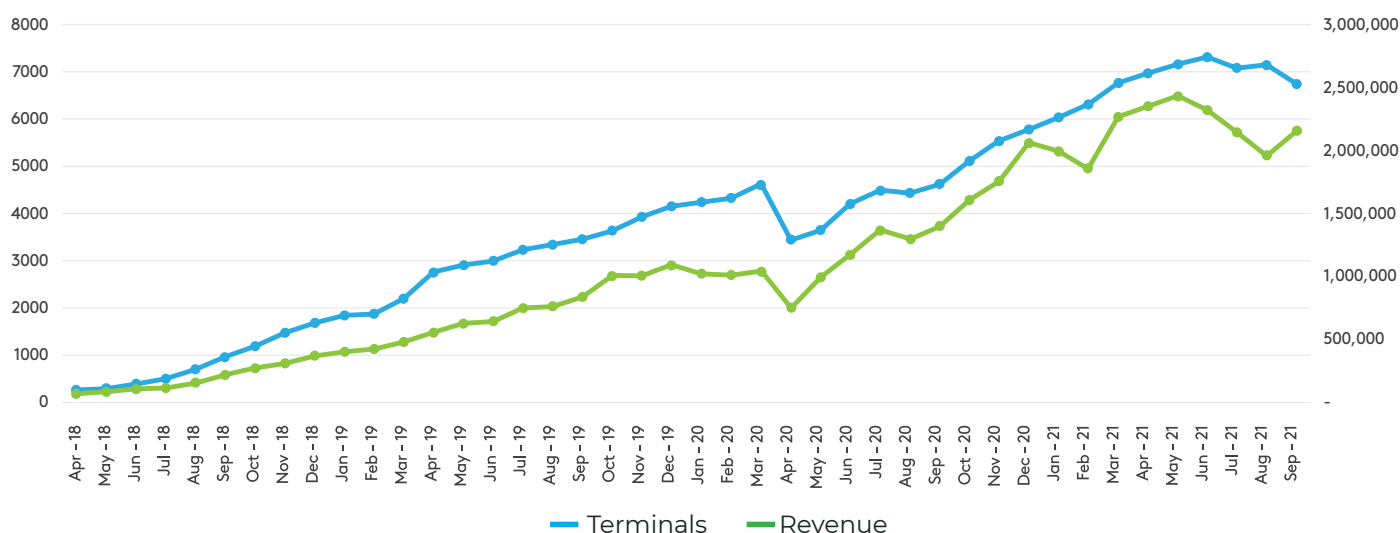
Quarterly Revenue Indicators - Unaudited

NZ\$'000	Year on Year to 30 September				Quarter on Quarter to 30 September			
	Q2 FY22	Q2 FY21	Variance \$	Variance %	Q2 FY22	Q1 FY22	Variance \$	Variance %
Total Consolidated Revenue	10,027	7,880	2,147	27%	10,027	11,008	-981	-9%
Australian Acquiring Revenue	5,871	3,727	2,144	58%	5,871	6,716	-845	-13%
Number of transactions processed	16,027,619	9,853,098	6,174,521	63%	16,027,619	17,488,632	-1,461,013	-8%
Total transaction value	507,894,948	320,692,930	187,202,018	58%	507,894,948	598,567,522	-90,672,574	-15%
Average Revenue Per Unit	895	900	-5	-1%	895	993	-98	-10%

Transacting Terminals

Australian Acquiring Revenues

Revenue (\$)



ENDS

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