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2023 Half Year Results

28 November 2022

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Non-GAAP measures

This presentation contains references to Non-GAAP measures including EBITDA and adjusted NPAT.

Because Smartpay complies with accounting standards, investors know that comparisons can be made with confidence between reported profits and those of other companies. These non-GAAP figures are provided as a supplementary measure for readers to assess Smartpay's performance alongside NZ GAAP reported measures.

Welcome to Smartpay's investor update

1. **First half 2023 Performance Highlights**
2. **Financial Highlights**
3. **Strategic Update**
4. **Appendices**

Presented by:

- Marty Pomeroy – Chief Executive Officer and Managing Director
- Cherise Barrie – Chief Financial Officer
- Aidan Murphy – Chief Business Officer

*“Looking after our team, who are looking after our customers,
which is resulting in a stronger company for our shareholders”*





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**First half 2023
Performance Highlights**

We are **delivering** on our Strategic Plan



Large increase in revenue half on half

Revenue 1H23 \$35,401k vs 1H22 \$21,036k

↑ 68%



Invested in the business and grew EBITDA*

EBITDA 1H23 \$8,101k vs 1H22 \$3,744k

↑ 116%



Positive Net Profit Before Tax

NPBT 1H23 \$2,696k vs 1H22 \$366k

↑ 637%



Generated positive operating cashflows and reduced debt

Operating cashflows 1H23 \$10,130k vs 1H22 \$4,396k

↑ 130%

*EBITDA – Earnings before interest, tax, depreciation, amortisation, impairment, financial instrument adjustments, foreign exchange movements and share performance rights. EBITDA is a useful non-GAAP measure as it shows the contribution to earnings prior to finance costs and non-cash items.

“The collective and collaborative approach our people have shown in delivering against our execution plans has been exceptional”

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The **momentum** gained in FY22 has continued into the first half of FY23



29.5% growth in Australian transactional terminal base

1H23 12,546 vs FY22 9,684



Acquiring revenue increased 44.6%

1H23 \$26.9m vs 2H22 \$18.6m



Monthly acquiring revenues increased

Sept 22 \$5.5m per month vs March 22 \$3.7m per month



Total terminal network across Australia and New Zealand increased

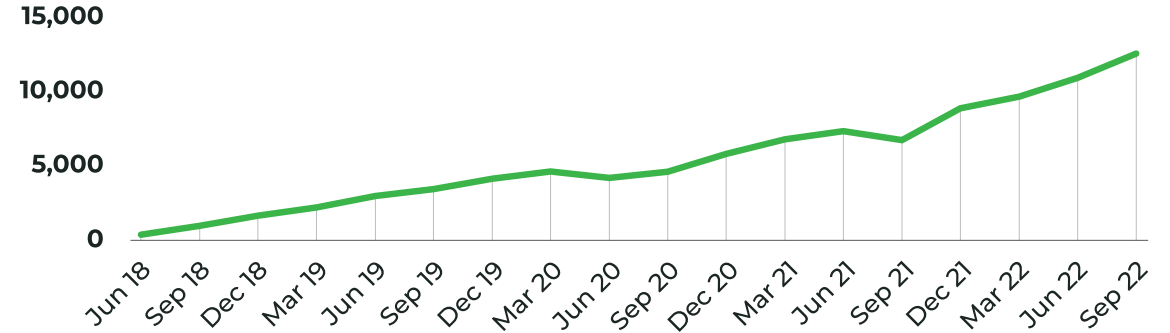
1H23 43,000+ vs FY22 40,000+

“We are not in the business of promising dreams...we are in the business of delivering reality”

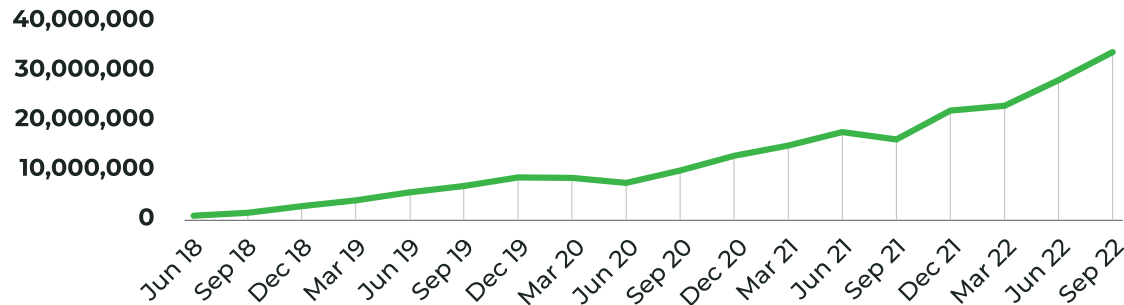
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Ongoing customer acquisition in Australian acquiring is delivering **acceleration** in volume and revenue growth

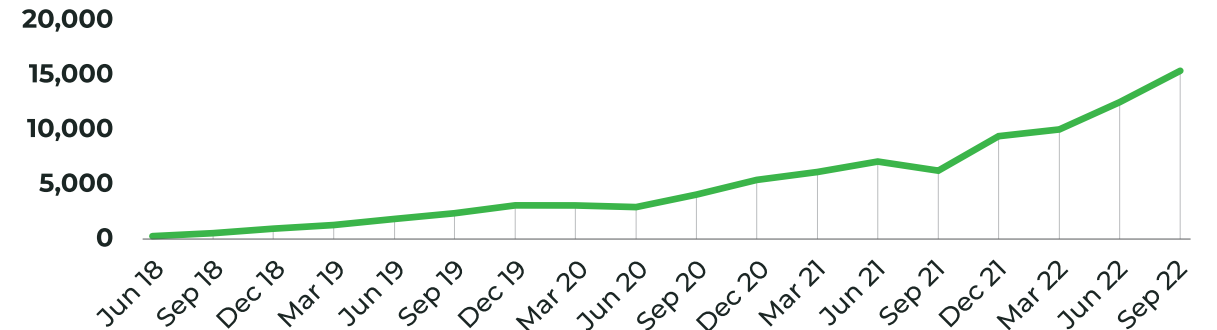
Australian Acquiring Transacting Terminals



Number of Acquiring Transactions Processed



Australian Acquiring Transactional Revenue \$'000



Growth in transacting terminals is driving revenue growth and creating capacity for acceleration

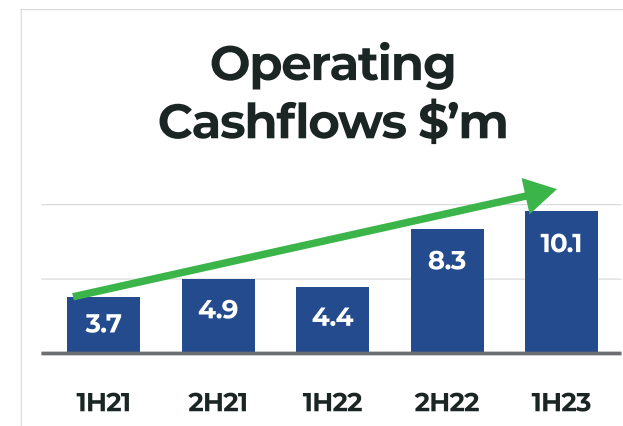
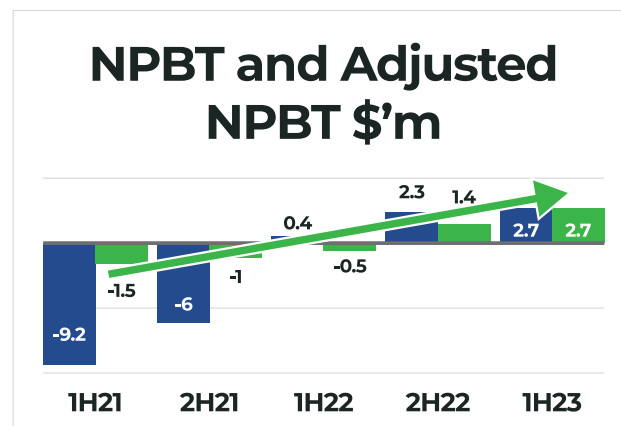
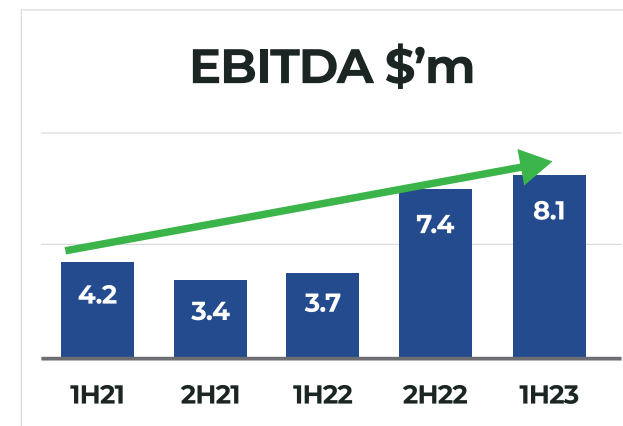
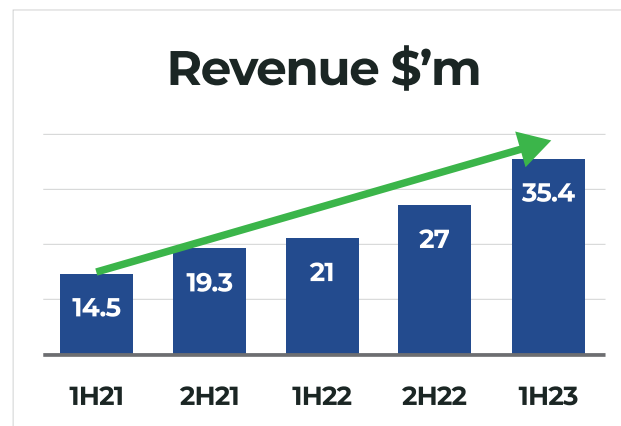




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Financial Highlights

Growth in profitability and cashflows from operations half on half

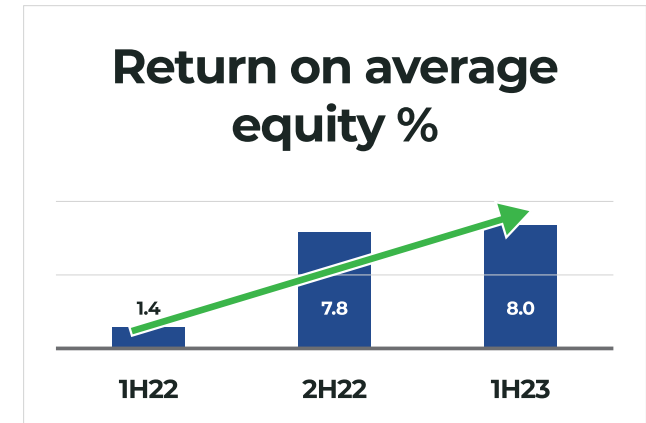
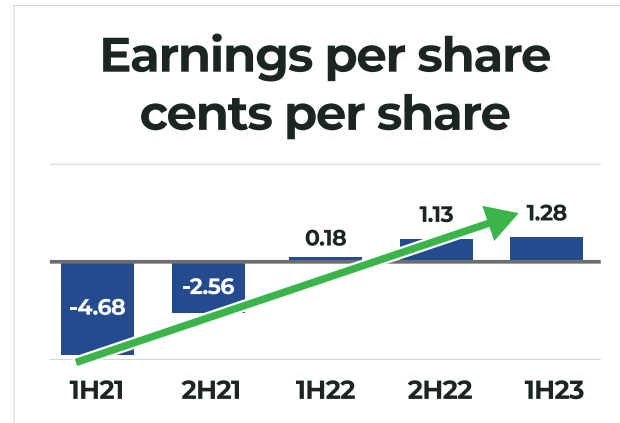
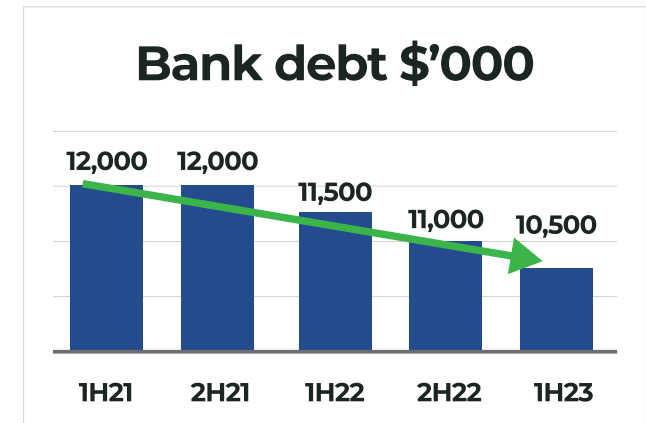
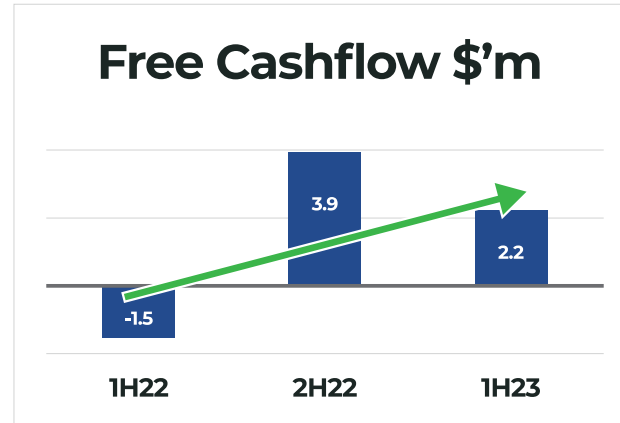


*Adjusted NPBT is NPBT adjusted for the fair value of the convertible notes

“We will continue the measured approach we have taken to date of investing in resources where we see benefit and therefore return”



Generating **free cashflow**, EPS is improving, and debt is reducing



"Thanks to our shareholders for your commitment and support"



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Strategic update

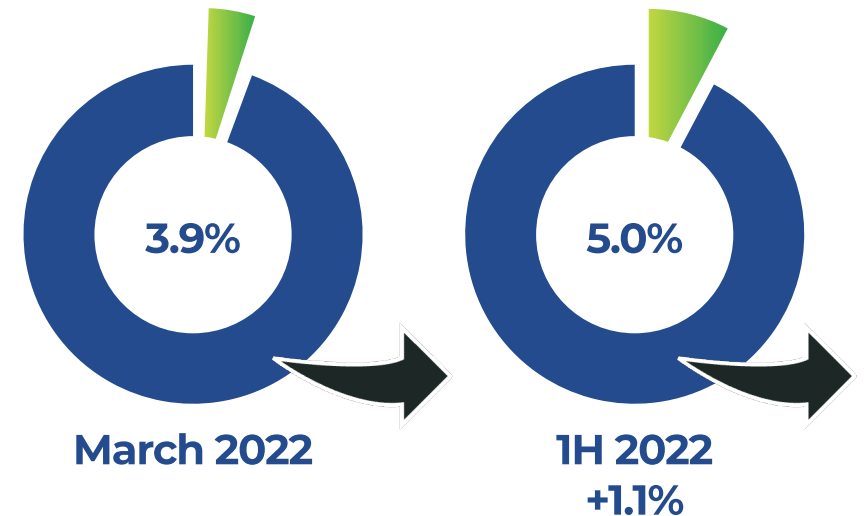
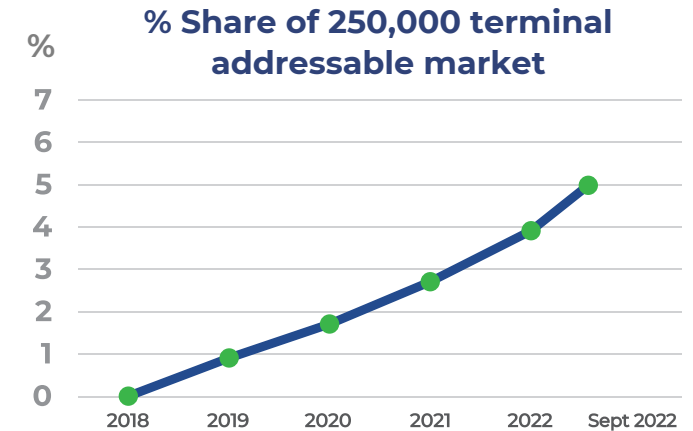
Strategically **executing** in Australia whilst consolidating our New Zealand asset

Investing in the Australian Team



September
2022
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Investing in marketing



Staying true to the plan - addressable market, execution plans, customer verticals and customer size and gaining share



Strategic progress



- **Embedding the ERP** and gaining efficiencies across the business
- **Android in-store proposition** in development
- **Strengthened** underlying **technology platforms**
- Ongoing **Brand** investment
- **Remained open and agile** to look at new opportunities

*Be recognised as the most reliable, capable, agile and innovative
omni-channel payments provider in Australia and New Zealand*

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Increased our focus on our approach to ESG



MEMBER OF

**DIVERSITY
WORKS^{NZ}**

- **Hybrid cars** to partially replace existing vehicle fleet whilst also reducing overall fleet size
- **100% of fully depreciated terminals sent for recycling**
- **Membership of Diversity Works New Zealand** providing a platform for further assessment and development of diversity within Smartpay on an annual basis
- **Implemented company Kiwisaver and Superannuation contributions** for our 65 year+ team members
- **Company wide participation in STEPtember** supporting health and wellness with staff and company donation to Cerebral Palsy
- **Reduced debt**
- Continued focus on **good governance**

We are increasing our attention on sustainability as we continue to build a sustainable long-term business supporting our customers, staff and shareholders

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Appendices

Statement of Comprehensive Income for the six months ended 30 September 2022

Consolidated Statement of Comprehensive Income For the six months ended 30 September 2022

	Note	Group		
		30 Sept 2022 Unaudited \$'000	30 Sept 2021 Unaudited \$'000	31 Mar 2022 \$'000
Continuing operations				
Revenue	3	35,401	21,036	48,080
Other income	4	-	-	4
Operating expenditure	5	(27,300)	(17,292)	(36,988)
Earnings before interest, tax, depreciation, amortisation, impairment, financial instrument movements, foreign exchange movements, and share performance rights		8,101	3,744	11,096
Depreciation and amortisation	5	(4,348)	(3,704)	(7,972)
Foreign exchange transaction losses (realised and unrealised)		(243)	(161)	(87)
Employee share performance rights amortisation	13	(540)	(104)	(539)
Net finance (costs)	5	(162)	(267)	(538)
Change in fair value of convertible notes	5	-	909	909
Impairment	5	(112)	(51)	(164)
		(5,405)	(3,378)	(8,391)
Profit before tax		2,696	366	2,705
Tax benefit	6	344	59	399
Profit for the period from continuing operations		3,040	425	3,104
Other comprehensive income				
Foreign currency translation differences for foreign operations which may be reclassified subsequently to profit or loss (no tax effect)		492	(347)	(83)
Total comprehensive income		3,532	78	3,021
Earnings per share from continuing operations attributable to the equity holders of the company during the period				
Basic and diluted earnings per share	7	1.28 cents	0.18 cents	1.31 cents

The accompanying Condensed Statement of Accounting Policies and Notes form part of the financial statements



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Thank you

For Smartpay's 1H2022
half year results announcement,
please see [smartpayinvestor.com](https://www.smartpayinvestor.com)