

12 July 2024

smartpay

Shareholder Annual Meeting Presentation

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

The meeting is being held as a hybrid meeting and virtual 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

Approved for release by the Board.

For further information contact:

Gregor Barclay, Chair, +64 21 306 594 or
Rowena Bowman, Company Secretary, +64 27 364 1133

ASX: SMP
NZX: SPY

SHARE INFORMATION

Issued Shares: 242,113,395

BOARD OF DIRECTORS

Independent Chair:

Gregor Barclay

Managing Director:

Martyn Pomeroy

Independent:

Matthew Turnbull

Independent:

Geoffrey Carrick

Non-Executive:

Carlos Gil

www.smartpayinvestor.com

REGISTERED AND PRINCIPAL OFFICES

NEW ZEALAND:

205 – 209 Wairau Road
Wairau Valley, Auckland 0627

Email: info@smartpay.co.nz

www.smartpay.co.nz

AUSTRALIA:

Level 9, 151 Castlereagh Street,
Sydney, NSW 2000

Email: info@smartpay.com.au

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SHAREHOLDER ENQUIRIES

Enquiries concerning shareholdings should be addressed to:

NEW ZEALAND:

Computershare Investor Services Limited
Private Bag 92119,
Auckland 1142

Phone: +64 (0)2 7503 6119

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

Market Announcement

Chairman's 2024 AGM Address

Good morning and welcome everyone to Smartpay's Annual Meeting for 2024. I am Greg Barclay, Independent Director, and Chair of Smartpay.

Welcome to those shareholders who are attending the meeting in person and those shareholders joining us remotely via the Computershare Online Meetings Platform.

As today's meeting is a hybrid meeting, all details of how to participate remotely were distributed with the Notice of Meeting and are available under the Documents tab in the top right-hand corner of Computershare's Online Meeting Platform.

I would like to introduce the members of the Board and executive team joining us today. We have Board members Matt Turnbull, Geoff Carrick, Carlos Gil and Marty Pomeroy. We also have Cherise Barrie our Chief Financial Officer together with a couple of other executives, Aidan Murphy and Peter Thomas.

Our Auditors, PricewaterhouseCoopers (PwC) are available remotely, and our registrar, Computershare are here with us in person.

There will be opportunities for shareholders to ask questions following Marty's presentation and on each resolution before it is considered.

With that said, as Chair of the Meeting, I declare Smartpay's 2024 Annual Meeting formally open. The Board has received no apologies.

Now moving to today's agenda.

Meeting Agenda

We will begin by reviewing the performance of Smartpay over the last financial year. Following the conclusion of the presentation we will welcome any questions that you may have.

The meeting will then proceed to the formal business where we have three resolutions to consider which were set out in the Notice of Meeting, which has been sent to all shareholders and I will take as read.

Before proceeding there are a few points that I would like to make regarding Smartpay Board/governance matters.

First, the matter of the Directors remuneration pool. As you know, and as has been further elaborated on in the recent release to market, the company is recommending an increase to the directors remuneration pool, to the sum of \$750,000. The reasons for this are largely two-fold. First, the board recognizes that to attract and to retain competent people we need to be able to meet the market. The increase in the pool intends to do this by increasing fees to a level commensurate with market. It also provides some future proofing as the board has identified the need to add to the board at least one more director and I will elaborate on this as follows.

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Specific skills and competencies. We maintain and regularly update a board Skills and Competencies matrix. It will be of no surprise to you, and many of you have raised this with us, as a company operating in the trans-Tasman payments industry, that we have a need for a person with skills and experiences relating to this industry. We have been close on a couple of occasions, but our search continues for a person to fulfil this role on our board. Obviously, the addition of one more director will also mean that the pool needs to be large enough to cover the addition of one, or possibly even two more directors and so the cap of \$750,000 is intended to cover that eventuality. As I have undertaken to some of you, and to make the commitment clear, we have no intention of using the pool to further increase the remuneration of the directors beyond what we have recommended today. Should we see the need to do so in the future, we will seek the approval of you as shareholders to enable us to do so.

I would like to touch on the proposal to re-elect me as a director. I serve at the behest of you as shareholders and of course, I am also currently Chair of the board, a role that I am privileged to have. I know that I have previously indicated that this would be my last term. However, after encouragement from both the board and from some of you as shareholders, I have agreed to put myself forward for re-election for a further term. I am also well aware that the relationship the chair has with the CEO is probably the most important one in the company – I enjoy an excellent working relationship with our CEO. With all that we have in front of us, and conscious of this working relationship, continuity was seen as important for the time-being and for these reasons, as said, I am very happy to put myself forward again for your consideration.

Finally, as I have indicated on previous occasions and in the Annual Report, I want to reiterate that I am delighted with the calibre and performance of the senior management team which is very capably lead by Marty as CEO. We are conscious that we need to retain and incentivize this team and to be competitive in levels of remuneration. I believe that we are, but to ensure this is the case, we have created long term incentive schemes (LTIS) for selected staff. The first three-year LTIS has been successful with vesting now complete. We are in the final stages of completing a renewed LTIS for the coming year and although we sit under the thresholds which the ASX and NZX would require us to obtain independent experts reports and to hold an SGM, we will update you on the current LTIS once final attendances and structures have been completed. We expect this to be done within the next few weeks.

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ENDS

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SMARTPAY HOLDINGS LIMITED

2024 ANNUAL MEETING OF SHAREHOLDERS

12 JULY 2024



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This presentation has been prepared by Smartpay Holdings Limited (**NZX: SPY/ASX: SMP**) (the **Company** or **Smartpay**) for the purpose of briefings in relation to its financial statements.

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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.

Non-GAAP measures

This presentation contains references to Non-GAAP measures including EBITDA, normalized EBITDA, normalized profit before taxation, and free cashflow.

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 Smartpays performance alongside NZ GAAP reported measures.

Some reported measures have been amended from those previously reported due to the implementation of the IFRS Interpretations Committee (IFRIC) agenda decision which resulted in a change of accounting policy in the year ended 31 March 2023.

Welcome to Smartpay's Annual Meeting of Shareholders

PRESENTED BY:

Greg Barclay

Chair

Marty Pomeroy

Chief Executive Officer and Managing Director

- 1 Chair's address to shareholders
- 2 Chief Executive Officer's address to shareholders
- 3 Shareholders questions and discussions
- 4 Ordinary resolutions

SMARTPAY HOLDINGS LIMITED

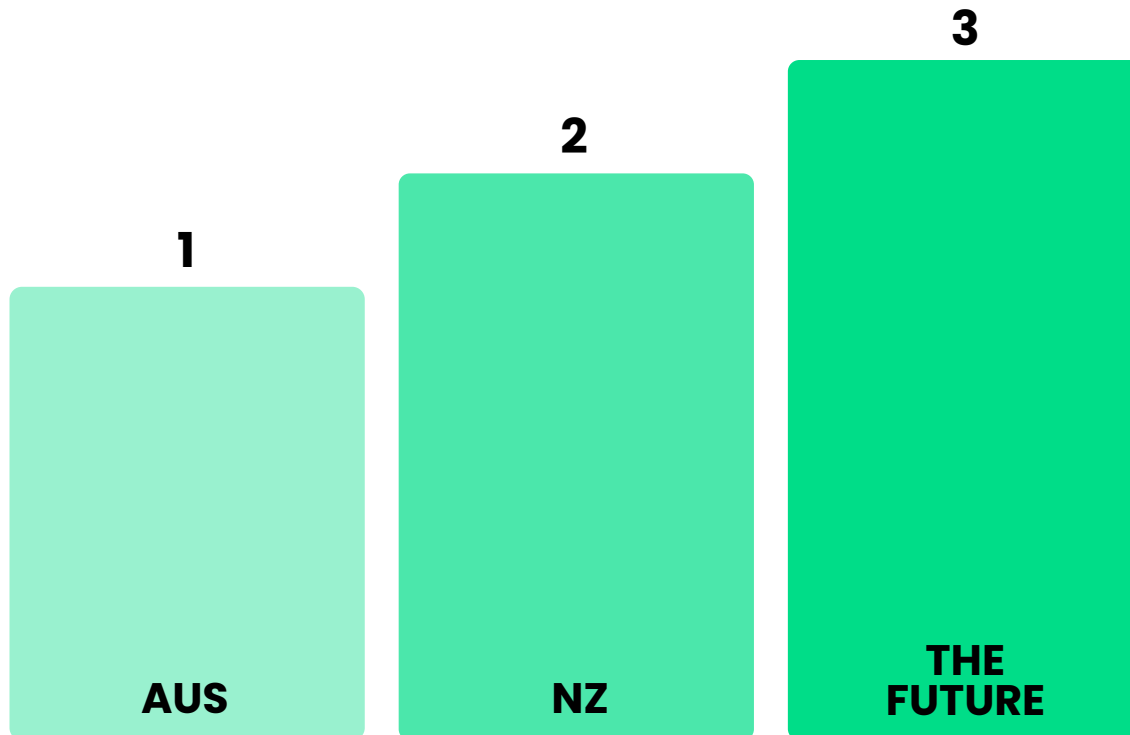
CHAIR'S ADDRESS TO SHAREHOLDERS

SMARTPAY HOLDINGS LIMITED

CHIEF EXECUTIVE OFFICER'S ADDRESS TO SHAREHOLDERS

PHASE 1, 2 + 3

The Network Effect. A Truly Trans-Tasman Payments Provider



PHASE 1

Australia

Continued to grow market share

- Expanding verticals

Leveraging one-team one-organisation

- Mature the Australian business to have a focus on customer growth and customer retention

PHASE 2 – ALIGNING THE TWO

New Zealand

Unlocking New Zealand Acquiring –Calendar Year 2024

- Android terminal tested and Certified
- New Zealand only development is underway
- Developing product offering
- Cuscal – **Agreement Executed and Notified**
- Preparing the business for launch

PHASE 3

The Network Effect

Delivering additional solutions and value to our Australasian customers

Continued strengthening and maturing of Smartpay

SMARTPAY HOLDINGS LIMITED

2024
**THE YEAR
THAT WAS**

**“Vision without execution
is hallucination”**

Thomas Edison

FY24. Robust Performance Through Challenging Conditions



Terminals in Market

48,000+

+4% YoY



Merchants

35,000+

Continuing
Revenue Growth

\$96.5m

Up 24% YoY FY23 \$77.8m

Operating Cash to
Fund Growth

\$19.4m

Down 3% YoY FY23 \$19.9m*

Delivers to
EBITDA

\$22.3m**

(statutory \$21.3m)

Up 21% YoY FY23 \$18.4m

Free Cash to
Repay Debt

\$1.7m

Down 65% YoY FY23 \$4.8m

Drops to the Bottom
Profit Before Tax

\$9.8m**

(statutory \$8.8m)

Up 29% YoY FY23 \$7.6m

Net Cash

\$2.2m

FY23 Net Cash \$2.0m

The Business Drivers

(at 31 March 2024)

Australia

Terminal rental plus transactional revenue

~ \$400 per month



18,400+

Transacting Terminals



13,000

Merchants

New Zealand

Terminal Rental

~ \$40 per month



30,000+

Terminals in Market



22,000+

Merchants

No of Transactions Processed

174m+ per annum

Total Transaction Value

\$6.2bn per annum

Terminals in Market

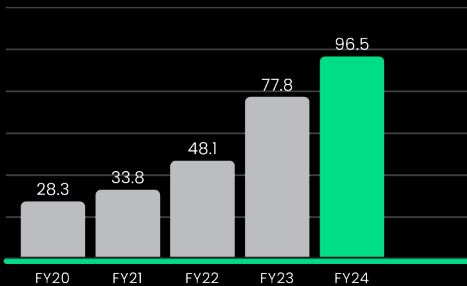
48,000+

Smartpay People

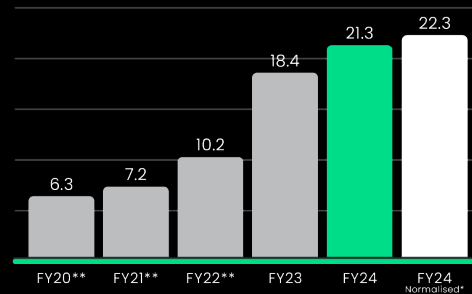
179

	FY24	FY23
EBITDA to revenue	23.1%**	23.7%
Operating cost to revenue	34.9%**	37.1%
Revenue per head	\$539k	\$486k
	FY24	FY23
Total transaction value	\$6.2b	\$5.0b

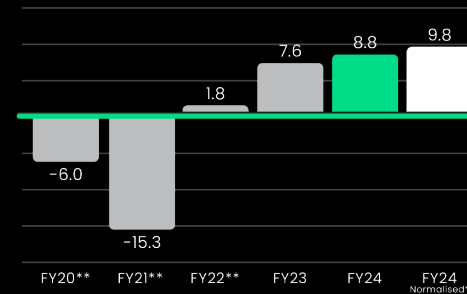
\$'m
Revenue



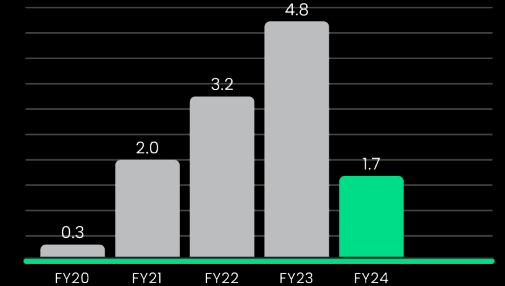
\$'m
EBITDA



\$'m
Profit Before Tax



\$'m
Generating Free Cash Flows



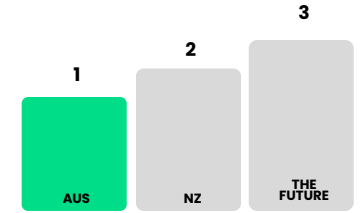
SMARTPAY HOLDINGS LIMITED

2025

**APRIL – MAY
AN UPDATE**

PHASE 1

Progress of Key Metrics



Terminals in Market
48,900+



Merchants
35,500+

Transacting Terminals
19,100+

Up 16% pcp May 23 16,430+

Monthly Transaction Value
\$549m

Up 21% pcp May 23 \$455m

Monthly Acquiring Revenue
\$7.2m

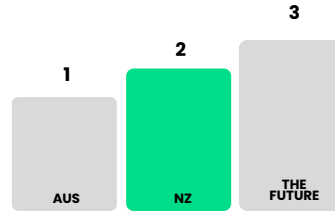
Up 24% pcp May 23 \$5.8m

SMARTPAY HOLDINGS LIMITED

2025
**LOOKING
FORWARD**

PHASE 2

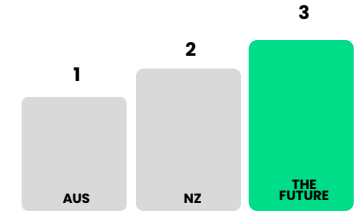
Execute Against Our Strategic Ambition. Aligning the Two



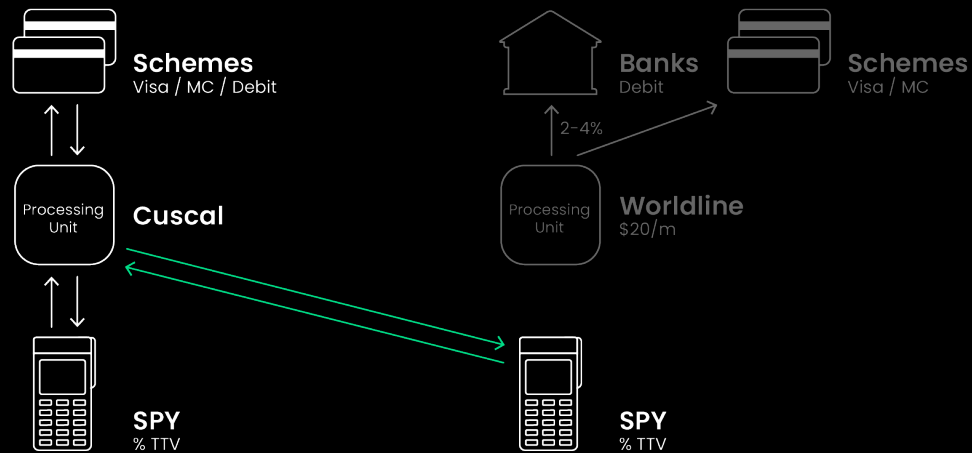
"... Smartpay represents a blend of resilience, innovation, and potential for sustained growth in the Trans-Tasman payments market..."

PHASE 3

The Network Effect



TRANS-TASMAN



Terminals in Market
48,900+



Merchants
35,500+

SMARTPAY HOLDINGS LIMITED

SHAREHOLDER DISCUSSION AND QUESTIONS

SMARTPAY HOLDINGS LIMITED

ORDINARY RESOLUTIONS

Resolution 1 + 2

Ordinary Resolutions

Resolution 1:

Fixing Remuneration of Auditor

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

Proxies:

For:	160,720,027	(66.38% of all securities)
Against:	31,583	(0.01% of all securities)
Discretionary:	210,697	(0.09% of all securities)
Abstain:	11,224	(0.00% of all securities)

Resolution 2:

Election and Re-election of Directors

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

Proxies:

For:	145,000,924	(59.89% of all securities)
Against:	15,752,280	(6.51% of all securities)
Discretionary:	210,788	(0.09% of all securities)
Abstain:	9,539	(0.00% of all securities)

Resolution 3

Ordinary Resolutions

Resolution 3: Board Remuneration

“That the aggregate fees payable to the Company’s non-executive Directors’ be increased from \$500,000 per annum to \$750,000 per annum with effect from 1 August 2024.”

Proxies:

For:	94,717,848	(39.12% of all securities)
Against:	20,726,640	(8.56% of all securities)
Discretionary:	211,597	(0.09% of all securities)
Abstain:	45,317,446	(18.72% of all securities)

SMARTPAY HOLDINGS LIMITED

**THANK
YOU**