



2017 Interim Results Presentation

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Important notice



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New Zealand Company Number: 3481675 | NZSX:PPH
ARBN: 613 314 104 | ASX:PPH

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All information in this presentation is current at the date of this presentation, unless stated otherwise.

Agenda



1. Results overview
2. Financial results
3. Outlook
4. Q&A



Results overview

Performance highlights

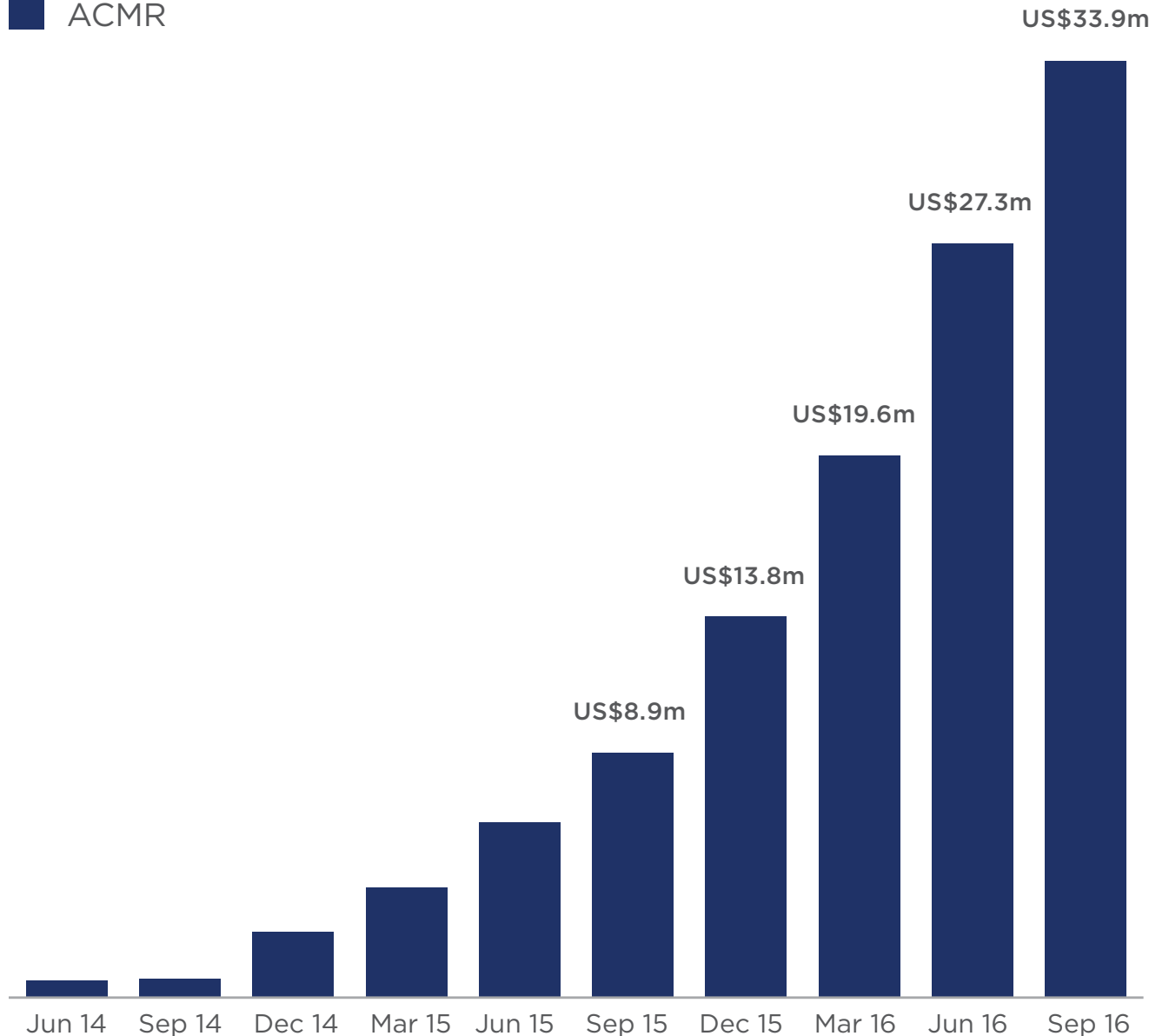


	Six months ended 30 Sep 2016	Six months ended 30 Sep 2015	% Change
<i>Operating revenue</i>	US\$12.0m	US\$2.9m	▲ 308%
<i>Net loss</i>	US\$11.3m	US\$4.2m	▲ 169%
<i>Increase in Annualised Committed Monthly Revenue (ACMR)</i>	US\$14.3m	US\$4.9m	▲ 193%
	As at 30 Sep 2016	As at 30 Sep 2015	% Change
<i>ACMR</i>	US\$33.9m	US\$8.9m	▲ 282%
<i>Average Revenue Per Merchant (ARPM)</i>	US\$534 per month	US\$361 per month	▲ 48%
<i>Total Merchants</i>	5,286	2,102	▲ 152%
<i>Months to Recover Customer Acquisition Cost (CAC)</i>	<12 months	<12 months	✓
<i>Annual Revenue Retention Rate</i>	>95%	>95%	✓
<i>Staff Headcount</i>	280	143	▲ 96%
<i>Cash and Available Funding Lines</i>	US\$7.0m*	US\$5.4m	▲ 30%

Pushpay's ACMR growth



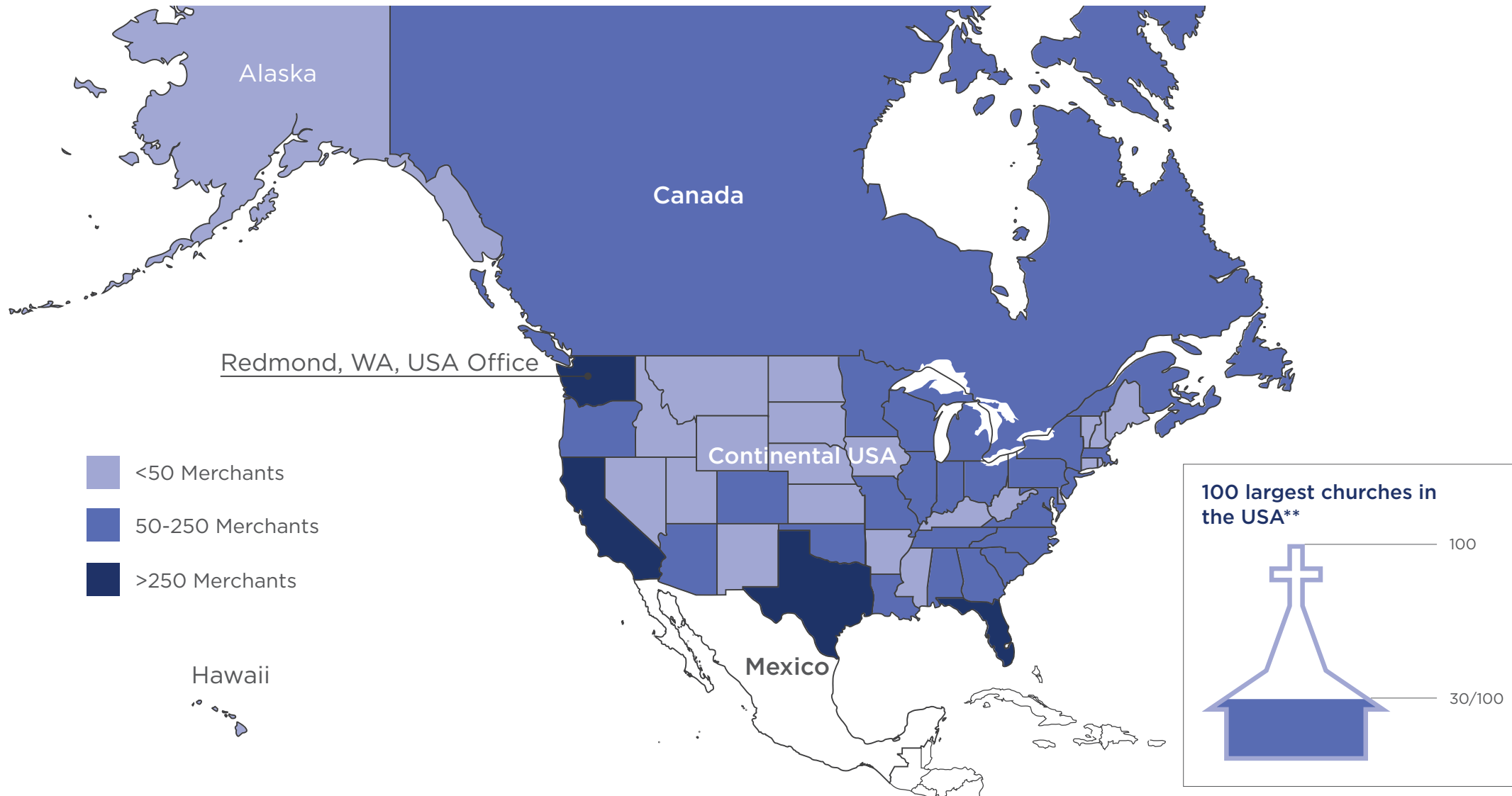
■ ACMR



Annualised Committed Monthly Revenue (ACMR)

ACMR is Average Revenue Per Merchant (ARPM) multiplied by Pushpay's Merchants and annualised. ACMR is a key metric to track how a SaaS business is acquiring revenue.

Location of Pushpay's Merchants in North America*

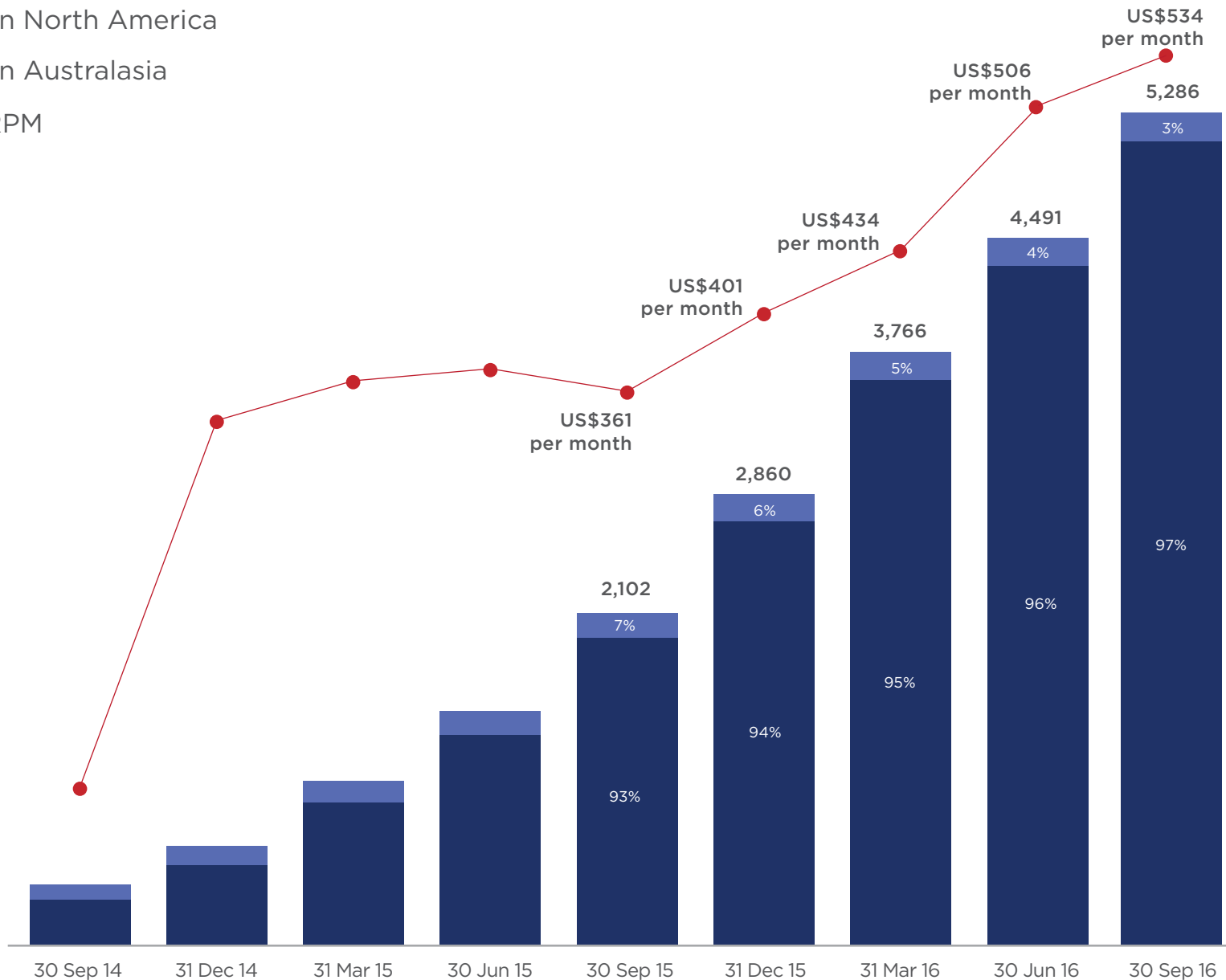


* Includes locations in North America of Merchants which have been added to the Pushpay platform as at 30 September 2016.
** Outreach Magazine (2015). The Largest Churches 2015

Pushpay's Merchant and ARPM growth



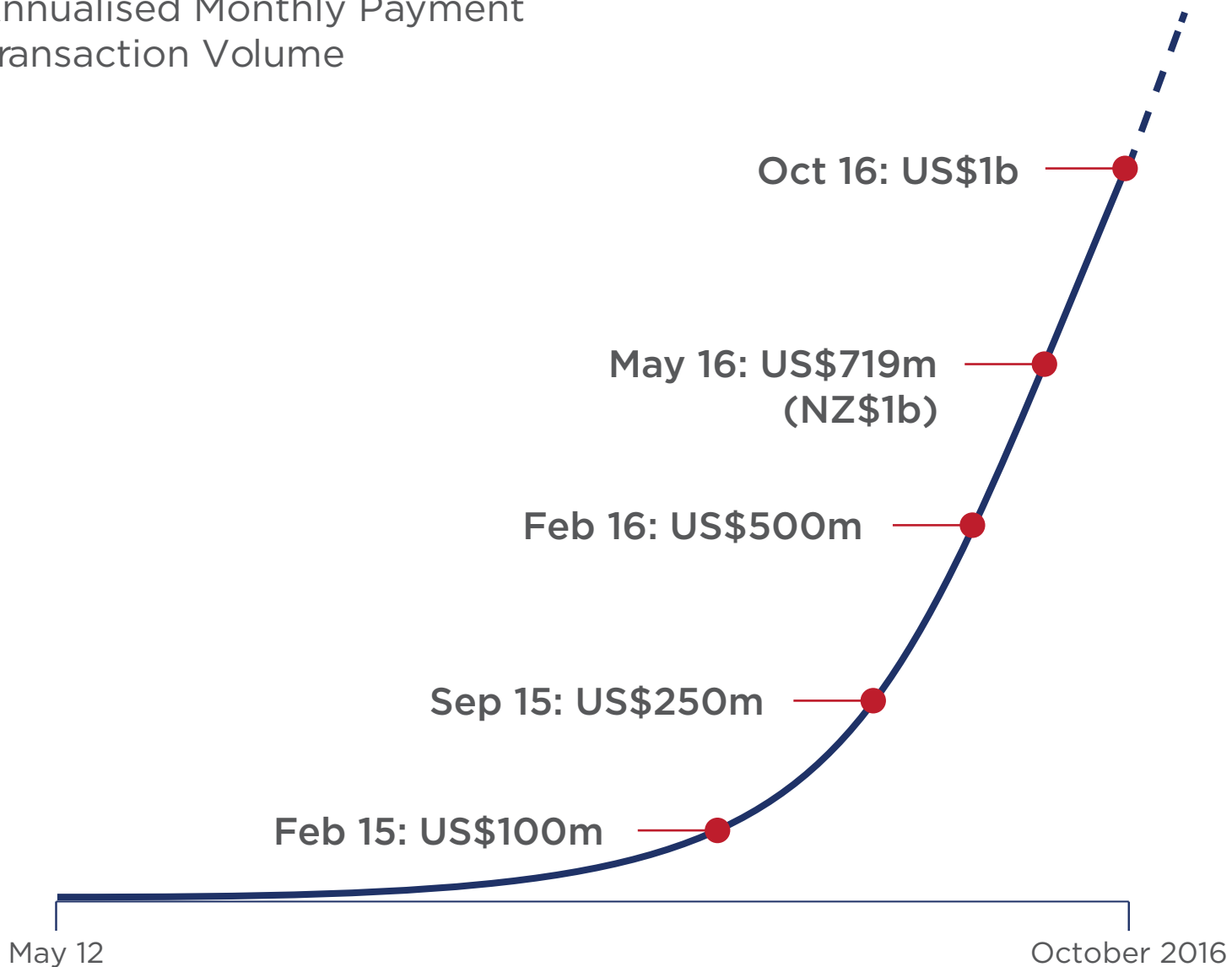
- Merchants in North America
- Merchants in Australasia
- Monthly ARPM



Annualised Monthly Payment Transaction Volume trend



— Annualised Monthly Payment Transaction Volume



ASX listing and latest raise



In addition to its NZX Main Board listing, Pushpay listed on the ASX, via an ASX Foreign Exempt listing, in order to:

- Diversify the Company's funding sources;
- Attract greater institutional capital to Pushpay's register;
- Achieve greater shareholding spread across the Company's register; and
- Generate additional liquidity in the market for Pushpay's shares going forward

In conjunction with the ASX Foreign Exempt listing, Pushpay raised AU\$40 million through a placement of new shares (Placement)

- The net proceeds from the Placement will be used by the Company for working capital, to fund Pushpay's continued roll out of its payments platform across the USA Faith Sector, until it reaches cash flow breakeven prior to the end of CY2017

In addition, a selldown of shares by certain existing non-insider shareholders (Selling Shareholders) sold shares at the strike price, in conjunction with the Placement

Management team



Chris Heaslip
CEO, Executive Director
and Co-founder



Shane Sampson
CFO



Paul Shingles
COO



Steve Basden
SVP Customer Operations



James Maiocco
Chief Business Development
Officer



Josh Robb
VP Engineering



Colin Bown
VP Product



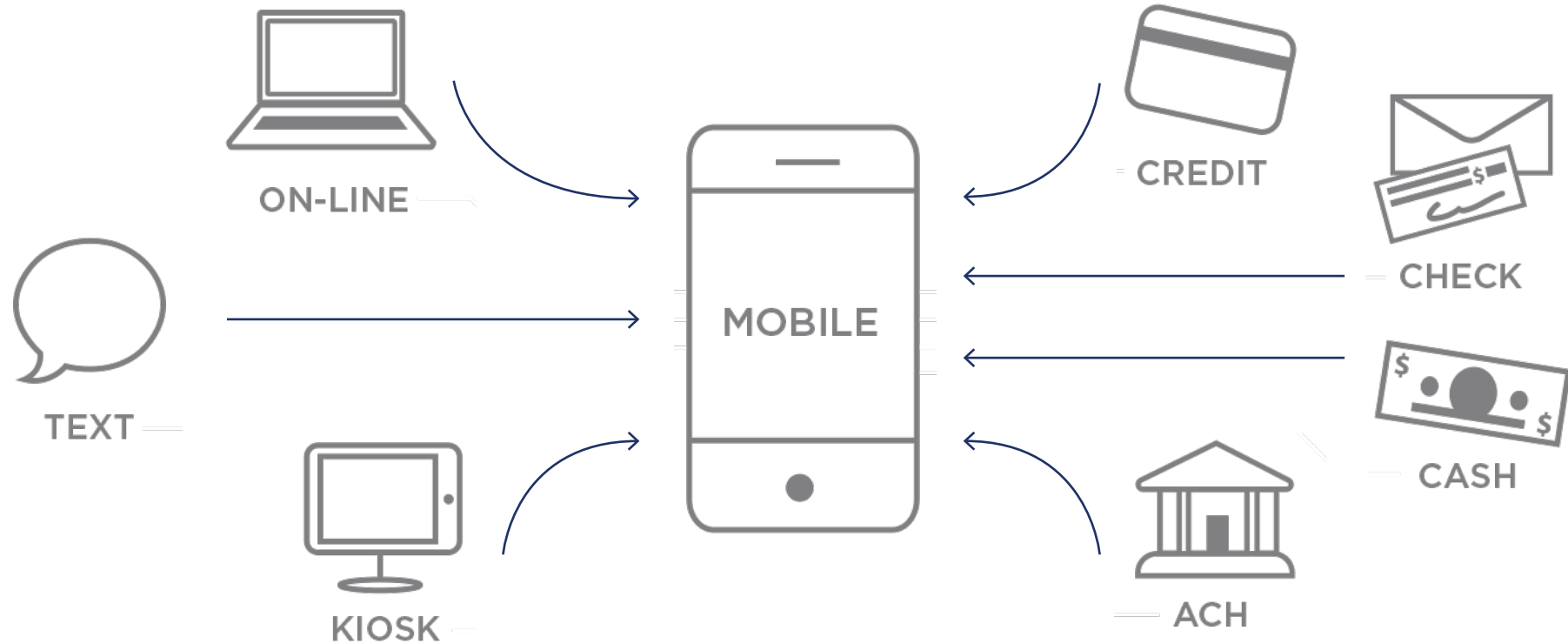
Sean Reiter
SVP Marketing



Troy Pollock
VP Partner Success

280 staff across Redmond, WA, USA
and Auckland, New Zealand
(as at 30 September 2016)

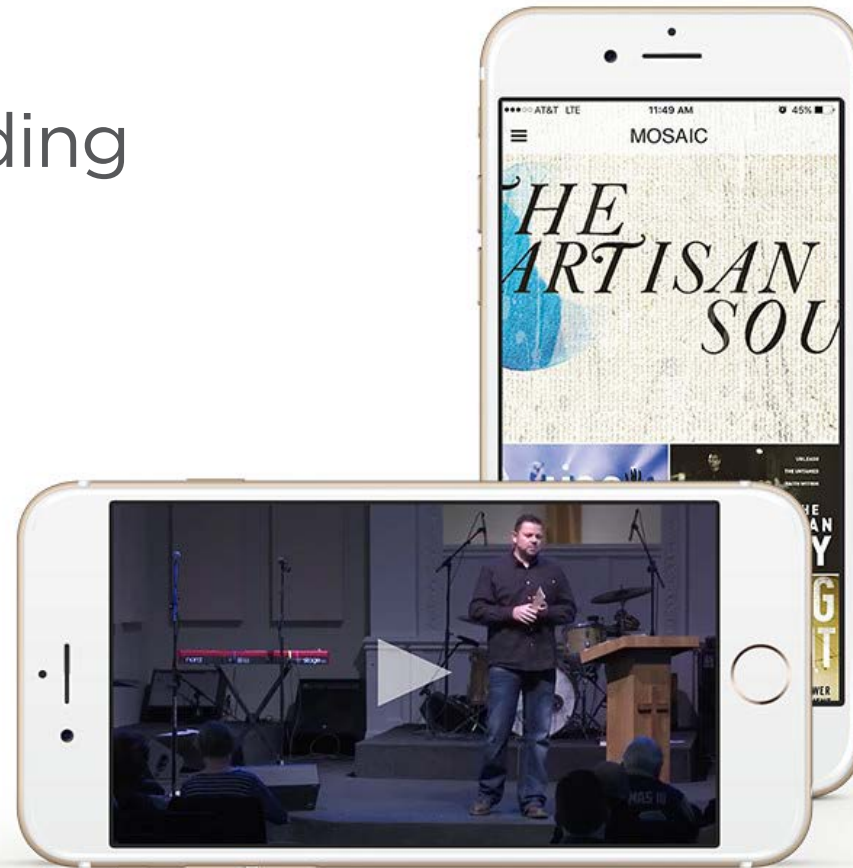
The Pushpay solution



Product updates



- Auto Pay
- Cash and cheque recording
- echurch Apps
- Text giving



Bluebridge acquisition

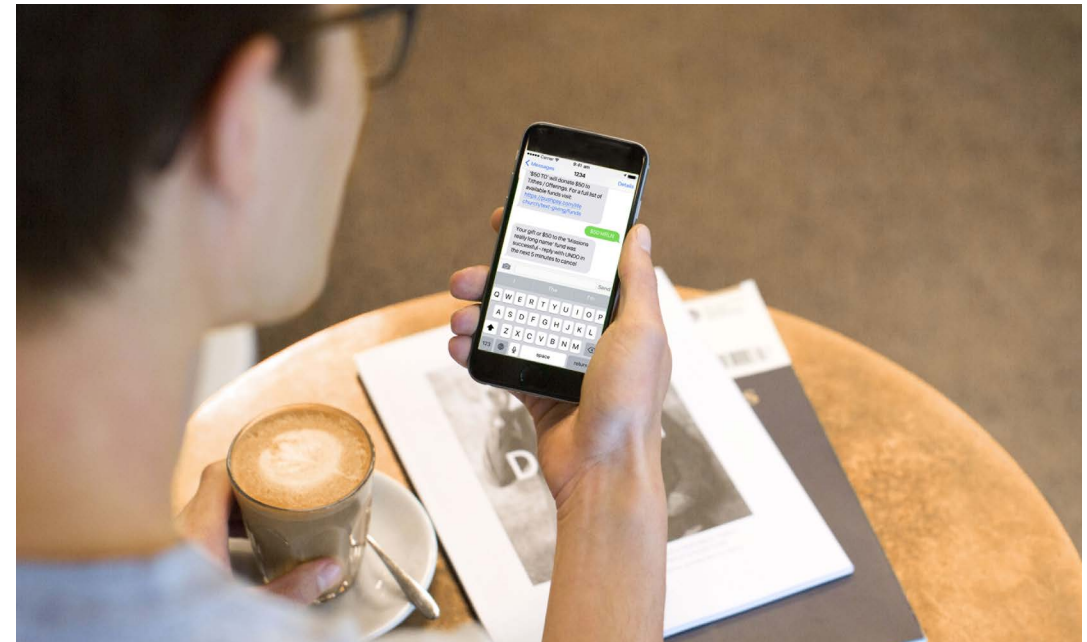


- Pushpay Holdings Limited is to acquire a church app business from Bluebridge Digital, Inc for up to US\$3.1 million
- The transaction remains subject to a number of customary conditions and adjustments. It is anticipated that, subject to satisfaction of these conditions, the acquisition will be completed on or by the end of November 2016
- Bluebridge is one of the leading providers of church apps in the world
- This acquisition is fully cash funded from the proceeds of Pushpay's AU\$40 million private placement in October 2016
- Pushpay continues to perform well and remains on track to reach US\$72 million (NZ\$100 million) in Annualised Committed Monthly Revenue and breakeven on a monthly cash flow basis prior to the end of calendar 2017

Benefits to our Merchants



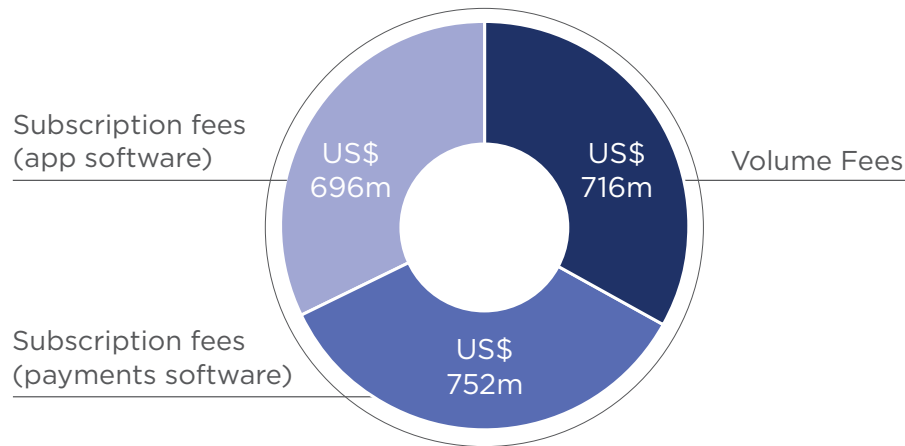
Bluebridge's church apps provide churches with a unique solution that combines high quality mobile apps, a scalable platform, intuitive content management system and mobile expertise. Bluebridge's church apps help churches increase giving, support multiple locations, quickly communicate, gather instant feedback, provide a dedicated customer success manager, increase church attendance, provide a centralised tool and reduce overhead costs.



USA faith sector revenue opportunity

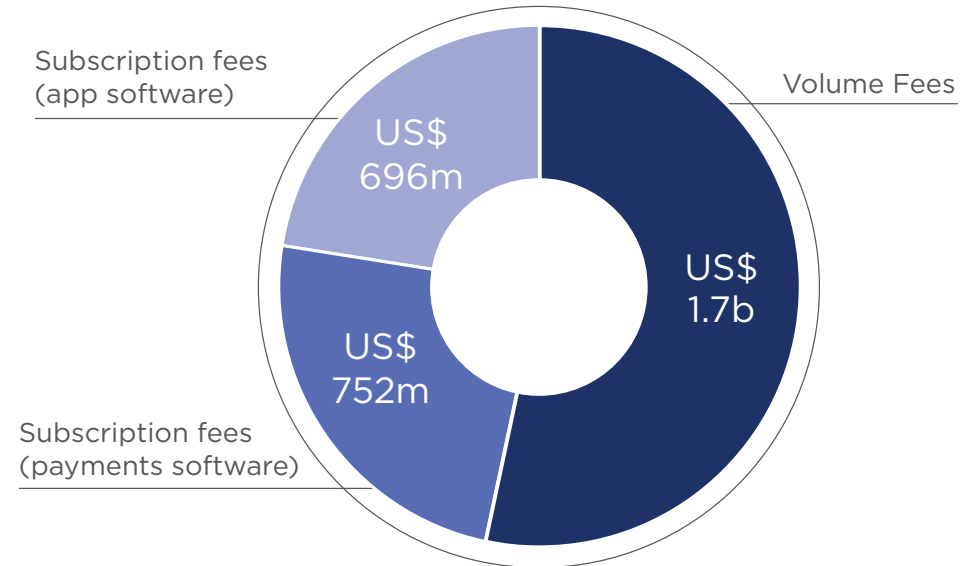


2015



Total USA faith sector revenue opportunity of US\$2.2 billion

2020



Total USA faith sector revenue opportunity of US\$3.1 billion

With the addition of Bluebridge's church app business, Pushpay's current Total Available Market (TAM) increases significantly by US\$0.7 billion from US\$1.5 billion in potential annual revenue to US\$2.2 billion. US\$119.3 billion was given to religious organisations in the USA in 2015*. Using that figure, and assuming digital giving of 30%, Pushpay assesses the potential annual revenue opportunity in the USA faith sector (i.e. in terms of Subscription (payments and app software) Fees and Volume Fees earned from digital payments) to be US\$2.2 billion in 2015. If total religious giving in the USA was to grow by 3.13% per annum and if total giving through digital payments was to increase by 6% per annum, the potential digital payment revenue opportunity in the USA faith sector grows to US\$3.1 billion in 2020. Pushpay has calculated these revenue opportunity figures on the basis of its current Subscription (payments and app software) Fee and Volume Fee pricing, on an assumption that there are over 340,000 churches in the USA faith sector** and on the basis of assumed church sizes***.

* Giving USA (2016). Giving USA 2016: Annual report
 ** Hartford Institute (2010). Religious Congregations Membership Study
 *** Hartford Institute (2010). Religious Congregations Membership Study and other demographic data

Financial results



Income Statement (unaudited)



	Six months to 30 September 2016	Six months to 30 September 2015	Movement	% Movement
Total revenue and other income	12,135	2,975	9,160	308%
Third party direct costs	(5,052)	(1,407)	(3,645)	259%
Partner success	(1,293)	(400)	(893)	223%
Product development and maintenance	(2,346)	(876)	(1,470)	168%
Sales & marketing	(8,318)	(2,702)	(5,616)	208%
General and other administration	(6,341)	(2,585)	(3,756)	145%
Net foreign exchange gains/(losses)	(29)	602	(631)	-105%
Total expenses	(23,379)	(7,368)	(16,011)	217%
Net loss from continuing operations	(11,339)	(4,393)	(6,946)	158%
Total Comprehensive Loss	(10,954)	(6,508)	(4,446)	68%

Cash Flow Statement (unaudited)



	Six months to 30 September 2016	Six months to 30 September 2015	Movement	% Movement
Net cash (outflow) from operating activities	(7,040)	(4,439)	(2,601)	59%
Net sale/(purchase) of property, plant and equipment	(373)	(310)	(63)	20%
Capitalised development costs and intangibles	(1,405)	(539)	(866)	161%
Run The Red sale/(purchase)	0	(276)	276	-100%
Restricted cash balances	113	(717)	830	-116%
Net cash (outflow) from investing activities	(1,665)	(1,842)	177	-10%
Cash inflow from financing activities	949	10,442	(9,493)	-91%
Net increase/(decrease) in available cash	(7,753)	2,600	(10,353)	-398%

Balance Sheet (unaudited)



	30 September 2016	31 March 2016	Movement	% Movement
Cash and cash equivalents*	667	8,420	(7,753)	-92%
Other assets	11,645	8,786	2,859	33%
Current liabilities	9,149	3,251	5,898	181%
Net assets/equity	3,163	13,955	(10,792)	-77%

* Cash and Available Funding Lines includes the standby funding facility of up to NZ\$10 million made available to the Company by Christopher & Banks on 30 June 2016, which has since been retired. It does not include the AU\$40 million raised through the private placement on 5 October 2016 or the costs associated with capital raising activities.

Capital and funding



- Cash and available funding lines ▼ US\$1.6m to US\$5.4m, a decrease of 29.9% over 30 September 2016
- June 2015 – R&D Project Grant of up to NZ\$1.0 million
- June 2015 – fully underwritten Entitlement Offer of NZ\$13.8 million
- October 2015 – Private Placement of NZ\$18.8 million
- March 2016 – sold Run the Red business for NZ\$4.5 million
- June 2016 – Christopher & Banks facility increased to NZ\$10.0 million and extended
- October 2016 – Private Placement of AU\$40.0 million
- October 2016 – foreign exempt listing on ASX
- November 2016 – Christopher & Banks facility retired
- Shareholder numbers and liquidity have grown strongly over the period

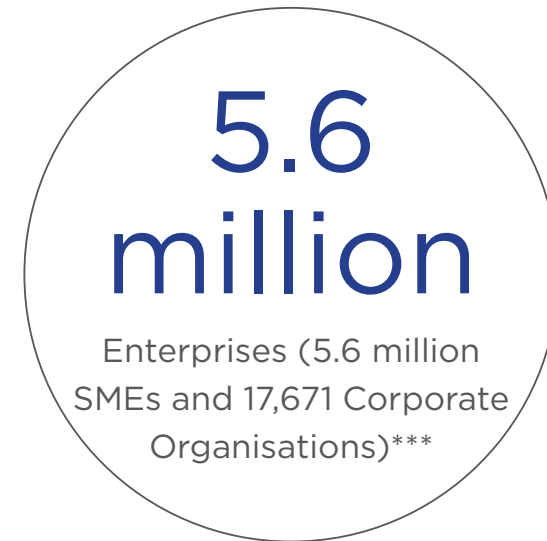
Outlook



Market opportunity in the USA



Market leader with over 1% market share and long term duration growth



Expanding into this market - currently piloting with corporate organisations

Potential future market opportunity

* Hartford Institute (2010). Religious Congregations Membership Study
** Urban Institute (2014). The Nonprofit Sector in Brief 2014: Public Charities, Giving, and Volunteering
*** US Census Bureau (2012). Statistical Abstract of the United States: 2012

Track record of success



31 December 2014 targets achieved

31 March 2015 target exceeded

30 September 2015 target exceeded

31 March 2016 target exceeded

On track to reach breakeven on a monthly cashflow basis prior to the end of calendar 2017

On track to exceed US\$72 million (NZ\$100 million) ACMR prior to the end of calendar 2017

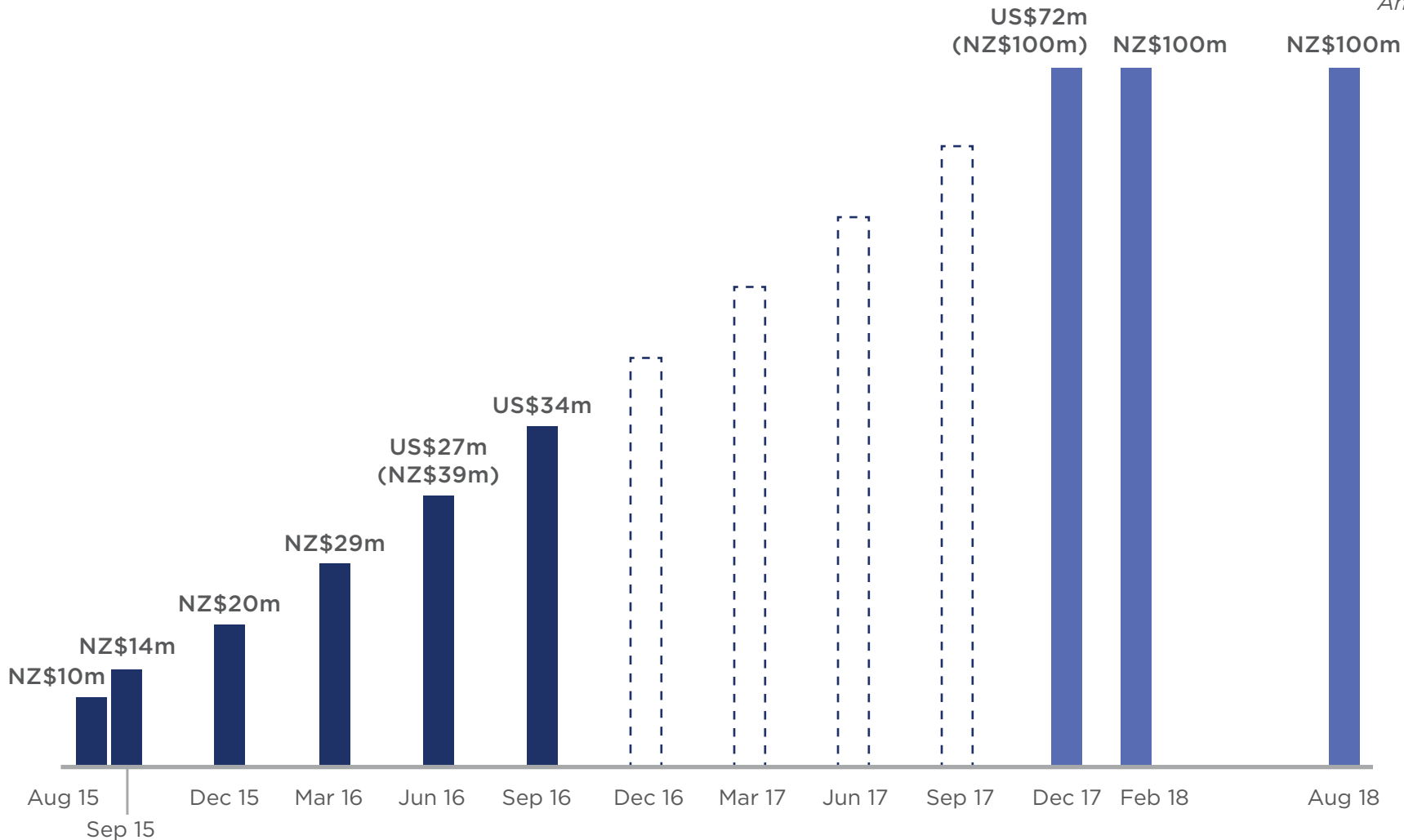
On track to exceed the ACMR increase over the quarter ended 30 September 2016 in the current quarter ending 31 December 2016

US\$72m/NZ\$100m ACMR target



- Expected ACMR target dates
- ACMR achieved

- Original target
Announced Aug 15
- 6 months sooner
Announced Apr 16
- 8 months sooner
Announced Aug 16





Questions

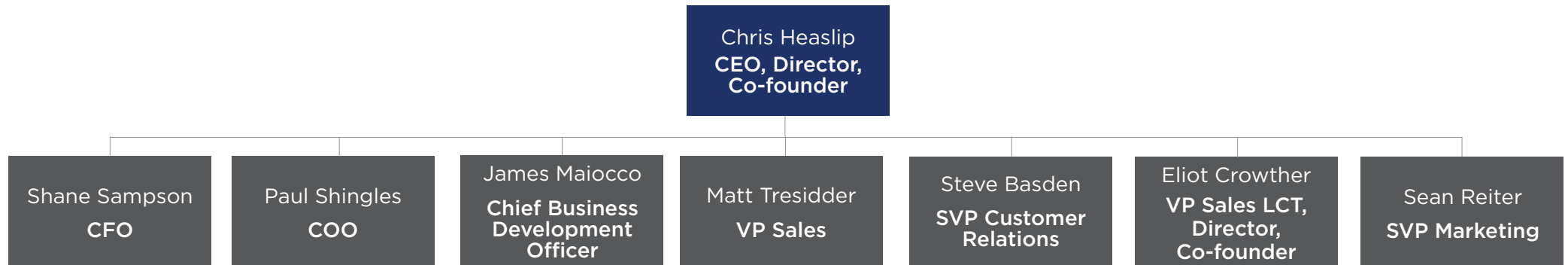
Audrey Cheng - Product Delivery Manager and Josh Robb - VP Engineering

Appendix - Key metrics



Updated	Previous
Annual Revenue Retention Rate – is recurring revenue retained from Customers (for example, in the case of Customers in the faith sector, this is measured by the amount of recurring revenue at the end of the period excluding upsells into the existing Customer base, over the amount of recurring revenue from the end of the previous period).	References to “Customers” read “Merchants”.
Annualised Committed Monthly Revenue (ACMR) – is Average Revenue Per Customer (ARPC) multiplied by total Customers and annualised. ACMR is a key metric to track how a SaaS business is acquiring revenue.	References to “Customers” read “Merchants”.
Annualised Monthly Payment Transaction Volume – is the annualised four week average payment transaction volume, excluding weeks falling in December given this is a seasonal high period.	Unchanged.
Average Revenue Per Customer (ARPC) – is the combination of Subscription Fees and Volume Fees divided by total Customers. Subscription Fees are based on the customer product holding which can vary based on the size of the Customer and Volume Fees are based on payment transaction volume. For Customers who use Pushpay’s payment solution, Volume Fees are recognised on a gross basis and associated costs payable to processing banks, such as Visa and MasterCard, are classified as expenses. In order to remove the seasonal effect on Volume Fees the last 12-month average Volume Fee per Customer is used for the Volume Fee component of ARPC.	Average Revenue Per Merchant (ARPM) – Pushpay calculates ARPM using a combination of subscription fees and volume fees. Subscription fees are based on the size of the Merchant and volume fees are based on payment transaction volume. Volume fees are recognised on a gross basis and associated costs payable to processing banks, such as Visa and MasterCard, are classified as expenses. In order to remove the seasonal effect on volume fees the last 12-month average volume fee per Merchant is used for the volume fee component of ARPM.
Customer – is an entity that utilises one or more Pushpay products. Pushpay reports Customers that have entered into an agreement and completed the paperwork necessary to setup their service.	Merchant – A ‘Merchant’ is a business or organisation that utilises Pushpay’s payment platform to process electronic transactions. Pushpay reports Merchants that have entered into an agreement and completed the paperwork necessary to setup their facility.
Customer Acquisition Cost (CAC) – is sales, marketing and implementation costs divided by the number of new Customers added over a certain period of time.	References to “Customers” read “Merchants”.
Months to Recover CAC (CAC months or months of ARPC to recover CAC) is the number of months of revenue required to recover the cost of acquiring each new Customer.	References to “Customers” read “Merchants”.
Staff Headcount – is total employees at a specific point in time.	Unchanged.
Subscription Fees – is recurring fees based on Customer product holding which can vary based on the size of the Customer (in the case of the faith sector size is based on average weekly attendance).	Subscription Fees – Based on the size of the Merchant (in the case of the faith sector, this is a fixed monthly fee usually based on the average weekly attendance).
Volume Fees – is variable fee income generated from payment transaction volume (in the case of the faith sector, this is usually a percentage of total donations).	Volume Fees – Based on payment transaction volume (in the case of the faith sector, this is usually calculated as a percentage of total donations).

Appendix - Organisational chart



Breakdown of staff by department as at 30 September 2016

Sales and marketing	115
Customer support and fulfillment	50
Product development	65
Head office and IT/operations	50
Total	<u>280</u>

Appendix - Customer Lifetime Value (LTV)/CAC Ratio*

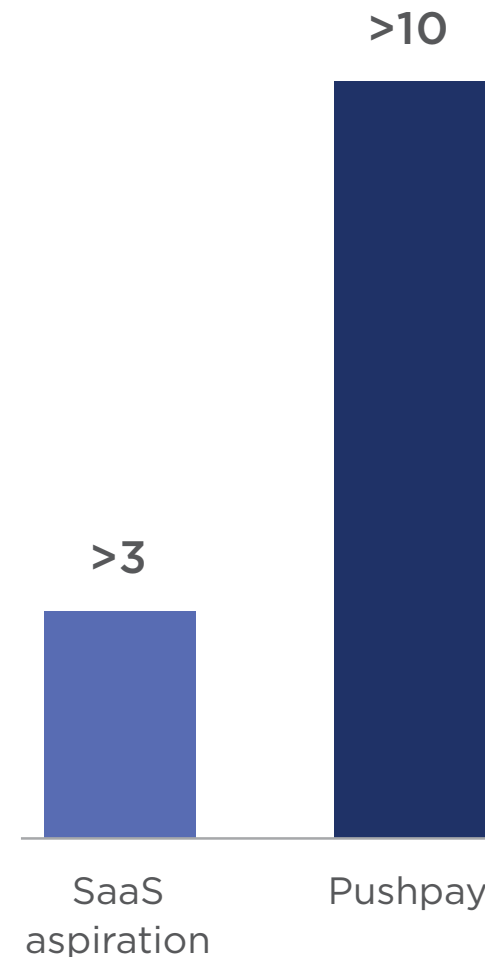


- Months to Recover Customer Acquisition Cost = <12 months
- Annual Revenue Retention Rate = >95%
- LTV/Customer Acquisition Cost (CAC) Ratio:

“The number of times the cost to acquire a customer is repaid based on the annual net income generated per customer and the annual revenue churn rate.”

- $LTV = (ARPM \times 12 \times \text{Gross Margin}) / (\text{Annual Revenue Retention Rate})$
- LTV/CAC is the above divided by CAC

LTV/CAC Ratio



* Saasmetrics (2016). Customer Acquisition Cost <http://saasmetrics.co/customer-acquisition-cost/>
Note: Pushpay's LTV/CAC Ratio is expected to remain greater than 10 as the business grows



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