

FY22 Half Year Results Announcement

The Board of Smartpay is pleased to announce its half year results to 30 September 2021 of the FY22 Financial Year.

Highlights

Total Revenue
\$21.0m up 45%
on prior year
\$14.5m.

Australian acquiring
transactional revenue
\$12.6m a **99% increase**
on the prior year \$6.3m.

Australian transacting terminals **6,737**
end of September 2021 (post “freedom
day” in NSW & VIC, increased to **8,083**
end of October 2021).

Australian total
transaction value up
103% year-on-year;
to **\$1.1bn**.

Operating Performance

The momentum in Australian customer acquisition, seen through the second half of FY21, continued through the first half of FY22, further reinforcing our view that the Australian SME market is open to disruption by a specialist payments provider with targeted, customer focused propositions.

The regional lockdowns in New South Wales and Victoria had an effect on our transacting terminals through the period with 6,737 transacting at the end of September 21. Pleasingly we were able to maintain our customer acquisition performance throughout the lockdown affected months.

Current transacting terminals has increased to 8,083 at the end of October, as our customer acquisition efforts continue to deliver results and the majority of lockdown impacted customers in Victoria and New South Wales return to trading.

Overall revenues were \$21.0m, up 45% on the prior year \$14.5m. The key driver of our revenue growth continues to be the strong growth in our Australian acquiring transactional revenues, \$12.6m compared to \$6.3m in the prior period.

The EBITDA increase of 10% year on year reflects the impact of the lockdowns in New South Wales and Victoria during the reporting period and the focus of the business on maintaining our investment in growth and customer acquisition cadence. Our expectation of post lockdown trading performance is a prompt return to expected EBITDA levels and ongoing top line revenue growth.

Total Transaction Value (TTV) of \$1.1b over the six months was an increase of 103% versus \$545m in the prior year.

NPAT of \$0.4m is a positive result in a lockdown impacted period and includes a non-cash gain of \$0.9m as a result of the conversion of the remaining Convertible Notes during the period. The conversion of the Notes also increases the Net Assets of the business, when compared to year end FY21, by \$5.0m.

With Net Debt of (\$5.5m) at the end of September 21 the business has a strong balance sheet to support our execution plan and continued growth through the remainder of FY22.

Our efforts at targeting specific higher value market verticals with our marketing investment, and the majority of newly acquired customers choosing our Smartcharge product, are contributing to an ongoing increase in revenue per terminal. **Monthly acquiring revenues in October 21, following the easing of trading restrictions in New South Wales and Victoria during the month, were \$2.74m.**

In New Zealand we continue to focus on reinforcing our market presence and developing additional products to enhance our customer product suite and further monetise our significant network of terminals.

Summary and Outlook

We are very pleased with the execution against our strategic objectives and overall business performance in the first half FY22 in a very challenging trading environment in both Australia and New Zealand.

Despite lockdowns affecting trading conditions we delivered 10% EBITDA growth compared to the prior period with **monthly EBITDA improving to \$0.8m in October 21 as trading conditions begin to improve off the back of easing of restrictions.**

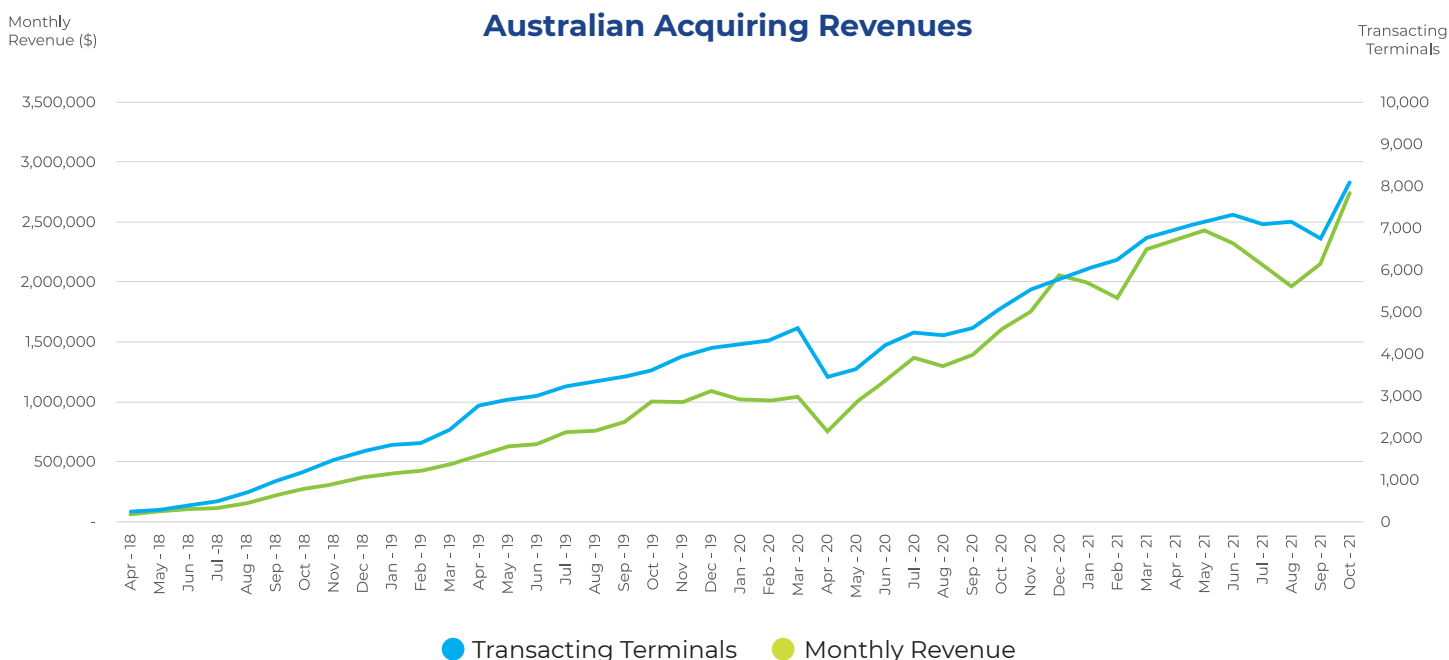
With the ongoing momentum in our Australian customer acquisition through the period and a strong ‘bounce back’ effect seen in our Australian transacting terminals and acquiring revenues, we look forward to a strong second half performance to Financial Year 22.

↑ 99%
**Australian Acquiring
Transactional Revenue**
on previous year

↑ \$0.4m
NPAT
versus (\$9.2m) in
prior year

↑ \$3.7m
EBITDA
versus \$3.4m in
prior year

↑ 103%
**Total Transaction
Value**
on previous year



ENDS

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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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Managing Director:

Martyn Pomeroy

Non-Executive:

Matthew Turnbull

Non-Executive:

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