

Trading Update

The Board of Smartpay is pleased to provide the following trading update following the completion of the third quarter to 31 December 2021 of the 2022 Financial Year.

Highlights

Australian acquiring transactional revenue showing strong growth, December quarter up **81%** year on year.

Australian Total Transaction Value up **78%** year on year and **57%** on the prior quarter.

Consolidated revenue up **43%** year on year.

Ongoing customer acquisition through the period with Transacting terminals in December **8,883**.

Australia

The 'bounce back' effect on transactional volumes and revenues, as a result of trading restrictions easing in New South Wales and Victoria, continued throughout November and December. Australian Acquiring revenues grew strongly through the third quarter FY22 and resulted in \$3.54 million of Australian Acquiring revenue in December – a record month for the business contributing to an 81% increase compared to the same quarter FY21.

Transacting terminals increased to 8,883 with the bulk of the increase, compared to October, coming from newly acquired customers. Approximately 180 terminals of the lockdown impacted fleet are yet to return to transacting or have subsequently ceased trading.

Gross Margin per transacting terminal increased through the quarter as we realised additional scale benefit from improved transactional processing costs and improved average revenue per customer. Our targeted customer acquisition efforts continue to yield improving business metrics, with average monthly transaction value per terminal increasing by 14% year on year. We continue to see strong uptake of our higher revenue proposition, SmartCharge, now at 75% of our fleet profile.

Monthly customer cancellations are maintaining at FY22 levels, approximately 1.2% of our transacting fleet, with the majority associated to business closures.

Total Transaction Value increased by 78% year on year.

New Zealand

New Zealand revenue contribution showed monthly improvement as trading restrictions eased into the Christmas period. Customer churn rates have not increased from pre-lockdown periods.

Outlook

The return to near normal trading conditions in Q3 FY22 in Australia and New Zealand, coupled with our ongoing growth in Australian acquiring customers, delivered a very strong Q3 result across all reported metrics. Whilst the challenges associated to the Omicron outbreak in Australia has led to some disruption for our customers early in 2022 we anticipate another positive quarter in Q4 and a strong finish to the 2022 Financial Year.

↑81%

Acquiring Transactional Revenue (YoY)

↑43%

Consolidated Revenue (YoY)

↑8,883

Transacting Terminals

↑78%

Total Transaction 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:

Greg Barclay

Managing Director:

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Non-Executive:

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Non-Executive:

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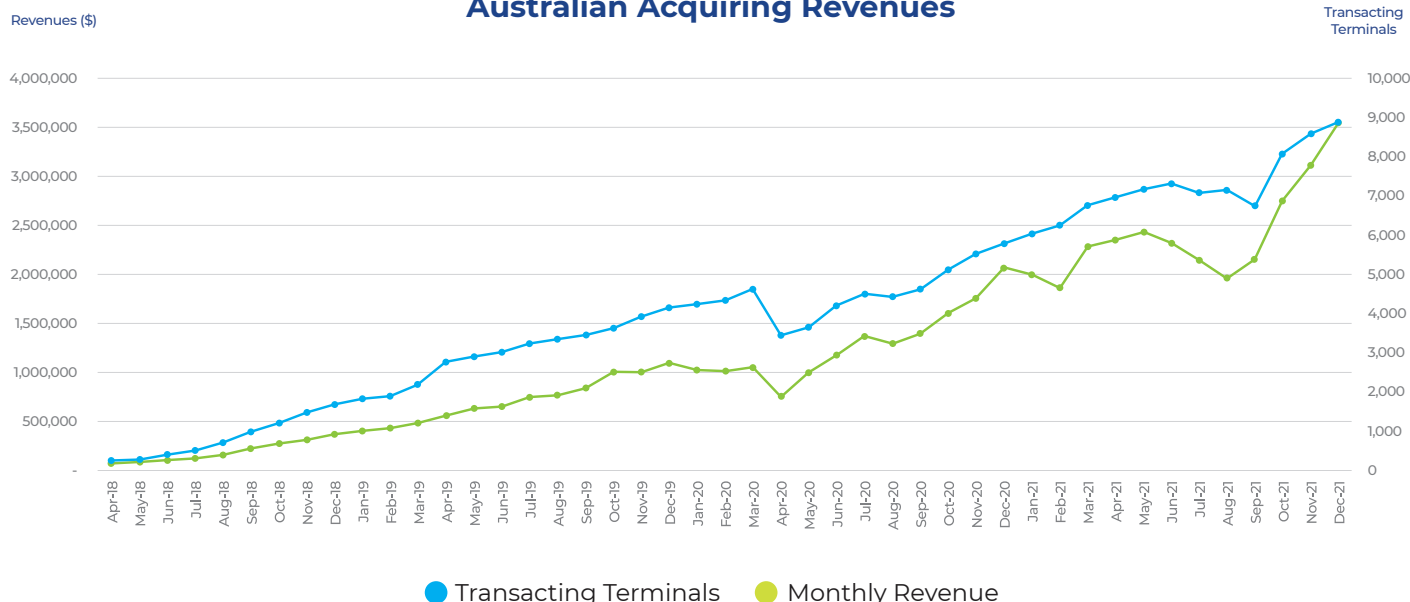
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Quarterly Revenue Indicators - Unaudited

NZ\$'000	Year on Year to 31 December				Quarter on Quarter to 31 December			
	Q3 FY22	Q3 FY21	Variance \$	Variance %	Q3 FY22	Q2 FY22	Variance \$	Variance %
Total Consolidated Revenue	13,231	9,268	3,963	43%	13,231	10,027	3,204	32%
Australian Acquiring Transactional Revenue	9,079	5,020	4,059	81%	9,079	5,871	3,208	55%
Number of transactions processed	21,805,643	12,811,130	8,994,513	70%	21,805,643	16,027,619	5,778,024	36%
Total transaction value	795,362,880	446,645,871	348,717,009	78%	795,362,880	507,894,948	287,467,932	57%
Average Revenue Per Unit	1,104	986	118	12%	1,104	895	209	23%

Australian Acquiring Revenues



ENDS

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Corporate Directory

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