

Pushpay FY16 Results Announcement

Auckland, New Zealand | Redmond, Washington, USA – 18 May 2016

Pushpay Holdings Limited (**NZSX:PAY**) ('Pushpay' or 'the Company') is pleased to present its financial results for the year ended 31 March 2016 and its 2016 Annual Report.

Chris Heaslip, CEO and Co-founder said, "Pushpay has continued to deliver phenomenal growth coupled with exemplary SaaS metrics as it executes on its strategic growth plan in the USA faith sector. Pushpay has increased its leading metric, Annualised Committed Monthly Revenue (ACMR), by a staggering \$23.75 million to \$29.08 million over the year to 31 March 2016, an increase of 445.59%. This growth was achieved whilst maintaining best of breed efficiency metrics, including a greater than 95% Annual Revenue Retention Rate and less than 12 Months to Recover the Customer Acquisition Cost (CAC). Revenue from continuing operations increased by \$13.13 million to \$14.97 million over the year to 31 March 2016, an increase of 713.42%. Pushpay's net loss increased by \$11.92 million to \$19.40 million, an increase of 159.36% as Pushpay continues to invest in scaling its business."

Throughout the year to 31 March 2016, Pushpay has remained focused on gaining market share in the USA faith sector, delivering on our targets and continuing to invest in our people, product and processes. The Company now has over 1% of the USA faith sector, including four of the top 10 largest churches in the USA¹ and has quickly become the dominant player in the market, which consists of over 314,000 churches with an average size of over 500 attendees.²

Pushpay now expects to reach its \$100 million ACMR target prior to the end of February 2018, six months sooner than previously anticipated. While Pushpay believes that it is preferable to focus on and invest in growth as the best means to achieve overall value in its business, we are also conscious of the importance of reaching cash flow breakeven. As we continue to invest in scaling the business our current business plan implies the business reaching breakeven on a monthly cash flow basis in calendar year 2017.

Our clear growth strategy, investment in people, product and processes combined with the large under-served target market of the USA faith sector has driven our success to date.

Annualised Committed Monthly Revenue (ACMR)

The Company increased ACMR by \$23.75 million to \$29.08 million over the year to 31 March 2016, an increase of 445.59%. Pushpay is pleased to have exceeded its target to increase ACMR by over 100% to \$28.00 million in the six months to 31 March 2016.

Pushpay continues to make rapid and targeted progress in the USA faith sector and expects to reach its \$100 million ACMR target prior to the end of February 2018, based on further development of its product, direct sales, referrals strategy and through targeting Merchants that have existing relationships with Pushpay's strategic channel partners and other distribution partners.

We continue to refine our growth strategy, focusing on attracting larger Merchants which have the resources to maximise implementation, which in turn increases engagement and leads to higher retention. To complement this, Pushpay is investing in a more targeted marketing strategy, shifting away from transactional sales techniques towards relational sales techniques.

Attracting a higher number of larger Merchants will increase our ACMR growth while also increasing our Annual Revenue Retention Rate over time.

If we see opportunities to further refine our growth strategy to attain the \$100 million ACMR target sooner, we will position ourselves to take advantage of those opportunities.

¹ Outreach Magazine (2015). The Largest Churches 2015

² US Census Bureau (2012). Statistical Abstract of the United States: 2012

Recently, there has been a shift in technology investors' expectations, which has been reflected in valuations globally. Growth for growth's sake is no longer acceptable, with technology companies being punished by the market for "sloppy" growth.³ At Pushpay, we are proud to have sustainable, smart growth evidenced by our sales efficiency, best in class retention and commitment to reach breakeven on a monthly cash flow basis in calendar year 2017.

Pushpay's Merchant numbers

Pushpay increased its customer base by 2,770 Merchants to 3,766 Merchants, an increase of 278.11% over the year to 31 March 2016. Pushpay is proud to service over 1% of the estimated USA faith sector, which consists of over 314,000 churches with an average size of over 500 attendees.⁴

As at 31 March 2016, 95% of Merchants are located in North America, which covers the USA and Canada, with the remaining 5% located in Australasia, which covers New Zealand and Australia. This illustrates Pushpay's ability to attract Merchants from all over the USA and Canada, suggesting the business model is not location specific.

Additionally, four of the top 10 largest churches in the USA⁵ have chosen to use Pushpay, the largest of which has over 34,000 attendees. The confidence and support of large Merchants such as these, demonstrates that Pushpay's payment solutions are well-understood by the USA faith sector.

USA faith sector revenue opportunity

There is a very large revenue opportunity in the USA faith sector that Pushpay estimates to be around US\$1.614 billion, assuming 30% of digital giving based on US\$114.90 billion total giving to religious organisations in 2014.⁶

Average Revenue Per Merchant (ARPM)

In New Zealand Dollars (NZD), ARPM increased by NZD\$152 per month to NZD\$643 per month, an increase of 30.96% over the year to 31 March 2016. In United States Dollars (USD), ARPM increased by USD\$67 per month to USD\$434 per month, an increase of 18.26% over the year to 31 March 2016.

People, product and processes

Pushpay's success to date in the USA faith sector is a testament to the continuous investment in its people, product and processes. Pushpay has an extremely dedicated, high-quality team of professionals with true conviction in the work that they do at Pushpay. Pushpay continues to nurture and invest in its team of professionals, having increased staff headcount by 147 to 215, an increase of 216.18% over the year to 31 March 2016. Around half of the new hires were in sales and marketing related roles.

Shane Sampson joined Pushpay as Chief Financial Officer in October 2015, following an international search that generated extensive interest in the position. Shane's strong commercial acumen and broad strategic outlook have made him a valuable and crucial addition to our senior management team.

Peter Huljich has been appointed to an executive role as Head of Corporate Development, to provide internal planning, project management and execution resource for significant projects. Due to his new executive role, Peter has resigned as an alternate director for Christopher Huljich. Christopher Huljich remains a director of Pushpay.

At Pushpay, we strive for continuous improvement in our processes. Internally, across all positions and

3 TechCrunch (2016). Tech Valuations In 2016: The End Of The Line For Sloppy Growth

4 US Census Bureau (2012). Statistical Abstract of the United States: 2012

5 Outreach Magazine (2015). The Largest Churches 2015

6 Giving USA (2015). Giving USA 2015: Annual report on philanthropy for the year 2014

departments we are constantly looking for ways to streamline and improve processes. The ability to adapt and embrace change is a significant advantage in a rapidly growing business like Pushpay.

During the financial year we launched some exciting additions to the Pushpay solution, including Event Registration, 3D Touch, echurch™ Apps, Pushpay Fastpay™ and Virtual Terminal/Envelope Giving. Pushpay continues to invest heavily in new innovative product features, which will contribute to further ARPM growth and assist the Company in gaining further market share.

Event Registration is a professionally designed and intuitive solution that allows churches to concentrate on making their events as great as they can be, instead of worrying about tracking registration or taking payment. From signups and registration, to collecting payments, and all the way through the reporting process, it represents a premium events offering. Offered to our churches as part of the echurch proposition Event Registration further strengthens the Pushpay giving solution, attracting new Merchants and increasing retention.

3D Touch built-in support was released by Pushpay for Apple devices enabled with 3D touch. Pushpay has utilised this technology to make repeat payments through the platform even simpler, faster and more intuitive. iPhone 6s users can force press the Pushpay icon and open up a quick launch menu providing them with the ability to quickly make a repeat payment to their favourite Merchant.

echurch™ Apps is a custom app building solution that allows churches to create and customise their own branded apps for iOS and Android. echurch™ Apps is a valuable feature in Pushpay's complete giving solution that further enhances the Pushpay giving experience. This custom app platform with an integrated Pushpay payment experience, provides a powerful tool for our Merchants and has been widely adopted.

Pushpay Fastpay™ allows app vendors to integrate a five-second giving experience into their mobile apps with very little configuration. This revolutionary giving experience is designed to integrate into mobile app giving experiences and is being made available automatically to all echurch™ App customers. Pushpay believes that faster, simpler and more intuitive payments will lead to a higher level of adoption from our Merchants' users. We will continue to expand Pushpay Fastpay™ to facilitate additional types of digital payments.

Virtual Terminal/Envelope Giving expands Pushpay's digital giving feature set for our main target market – the USA faith sector. This feature allows church administrators to process envelope-based credit card, debit card and ACH payments through Pushpay (ACH payments in the USA are similar to direct debits in New Zealand). Not only does this result in additional processing volume through a valuable yet previously underserved segment, but Pushpay's technology also drives envelope-based givers towards our mobile experience, which leads to an increase in usability and a higher frequency of giving.

Industry recognition

Pushpay's many accolades reflect the high calibre of our people, product and processes. Our success is a testament to the Pushpay team's dedication and commitment to excellence and we are extremely proud of our award-winning team.

Pushpay was presented a Silver Award at the World 2016 App Design Awards and was awarded four Stevie Awards in 2016 including a Silver Award in the Customer Service Department of the Year category. Pushpay is ranked 1st on the TIN100 ASB Ten Hot Emerging Companies List and Pushpay's co-founders Chris Heaslip and Eliot Crowther are the EY Entrepreneur Of The Year 2015 New Zealand Young category winners.

Change in presentation currency

For reporting periods commencing on or after 1 April 2016, Pushpay will be changing the presentation currency for its consolidated financial statements to USD from NZD and will also report key metrics in

USD. This accounting policy change is allowed under the relevant financial reporting standard, NZ IAS 21, and is being made to assist users of the financial statements to assess the performance of the business, by reducing the impact of exchange rate movements on reported financial results and key metrics.

Pushpay is a New Zealand company listed on the NZX Main Board operated by NZX Limited and has historically presented its financial statements and key metrics in NZD. Rapid growth of the Company's USA Merchant base means that most revenue is now denominated in USD and the majority of costs are also in USD. In addition, Pushpay sold the Run The Red business on 31 March 2016. Run The Red comprised most of the group's non-USD denominated revenues and the sale of that business means the proportion of non-USD denominated revenues and expenses will fall further from 1 April 2016.

The 31 March 2016 consolidated financial statements are presented in NZD for consistency with prior periods and the 30 September 2016 Interim Report will be the first of Pushpay's financial statements to be presented in USD.

For announcements to the market and reports to shareholders in relation to periods commencing on or after 1 April 2016 which include comparable financial information previously reported in a currency other than USD, the comparable financial information will be restated to USD. Consistent with the requirements of NZ IAS 8, the first set of financial statements after the change in accounting policy will also include information on the effects of the policy change on the financial statements.

Capital and ASX Listing

Pushpay ended the year with Cash and Available Funding Lines of \$16.16 million, an increase of \$11.84 million or 274.07% over the year to 31 March 2016.

Pushpay was well supported over the period by existing and new shareholders including Directors Bruce Gordon, Graham Shaw, Christopher Huljich, Peter Huljich (Alternate Director for Christopher Huljich - resigned 17 May 2016), a number of staff and Pie Funds Management – a top performing boutique fund manager.

Pushpay secured funding throughout the year from a number of sources including a Research and Development (R&D) Project Grant in June 2015 from Callaghan Innovation with a total possible allocation of \$0.96 million. In addition, Pushpay successfully raised \$13.78 million in June 2015 through a fully underwritten Entitlement Offer and just months following, raised a further \$18.82 million in October 2015 through a Private Placement. Pushpay also sold its SMS gateway business, Run The Red, to Modica Group for an aggregate value of \$4.50 million in March 2016.

Funds raised over the period will continue to provide Pushpay with the funding to further develop our product offering and as working capital to accelerate growth in international markets, focusing on our key target territory – the USA.

The Board believes it prudent to prepare for future funding requirements and, accordingly, is in discussions with a number of USA-based venture capital firms who the Board believes have the potential to add significant value to Pushpay. In parallel, Pushpay is exploring a number of other capital raising opportunities with investment banks based in both Australia and the USA. The Board currently expects that in excess of \$30 million is likely to be raised within the next four months. Pushpay has also had preliminary discussions with ASX about a potential ASX listing and, subject to satisfying ASX's listing criteria, the Board's current intention is to seek an ASX listing within the next six months.

Migration and share split

Pushpay migrated to the NZX Main Board on 9 June 2015 having ceased quotation of its shares on the NZX Alternative Market on 8 June 2015. This marked a significant milestone for Pushpay.

Pushpay completed a 4:1 share split on 8 February 2016. After the share split, Pushpay shareholders held

four fully paid ordinary shares for each fully paid ordinary share held by them at 5:00 pm on the record date of 5 February 2016.

Following the migration and share split, Pushpay has seen increased liquidity, shareholder numbers and exposure in the investment community.

Outlook

The year to 31 March 2016 was exciting and successful and we are proud of the progress Pushpay has made. We are in a prime position to execute on our growth strategy and continue to work towards our target of reaching \$100 million of ACMR prior to the end of February 2018, six months earlier than previously forecast.

Bruce Gordon, Chairman said, “The board is pleased with the financial result and while Pushpay believes that it is preferable to focus on and invest in growth as the best means to achieve overall value in its business, we are also conscious of the importance of reaching cash flow breakeven. As we continue to invest in scaling the business our current business plan implies the business reaching breakeven on a monthly cash flow basis in calendar year 2017.”

Chris Heaslip said, “Pushpay continues to deliver on its growth plan in the USA faith sector with the direction of the board and management’s successful execution. On behalf of the board and management, we would like to thank our dedicated staff for their expertise and hard work, our Merchants for choosing to partner with us, and you, our shareholders for your continued confidence and support.”

Contact

Sarah Elder | Investor Relations | Pushpay Holdings Limited

P: +64 21 637 449 | E: sarah.elder@pushpay.com

www.pushpay.com

About

Pushpay provides mobile commerce tools that facilitate fast, secure and easy non point of sale payments between consumers and merchants. Pushpay targets merchants who are looking to offer convenient, personalised and intuitive payment solutions to their consumers. Pushpay services three target markets: the faith sector; non-profit organisations and enterprises (both small medium enterprises and corporate organisations).

Pushpay was presented a Silver Award at the World 2016 App Design Awards and was awarded four Stevie Awards in 2016 including a Silver Award in the Customer Service Department of the Year category. Pushpay is ranked 1st on the TIN100 ASB Ten Hot Emerging Companies List and Pushpay’s co-founders Chris Heaslip and Eliot Crowther are the EY Entrepreneur Of The Year 2015 New Zealand Young category winners.

To download the Pushpay App, visit the iTunes App Store or Google Play and search for “Pushpay”.

Visit www.pushpay.com to learn more and see an online demonstration of how Pushpay enables merchants and consumers to “never miss the moment”.

ENDS