

Pushpay exceeds target - 108% ACMR increase in six months

Auckland, New Zealand | Redmond, Washington, USA - 13 April 2016

Pushpay Holdings Limited (NZSX:PAY) ('Pushpay' or 'the Company') announces that it has exceeded its target, increasing Annualised Committed Monthly Revenue (ACMR) by \$15.11 million to \$29.08 million over the six months to 31 March 2016, an increase of 108.16%. Pushpay now expects to reach its \$100 million ACMR target prior to the end of February 2018, six months sooner than previously anticipated.

Chris Heaslip, Pushpay's Chief Executive Officer said, "Our target was to increase our ACMR by over 100% to \$28.00 million in the six months to 31 March 2016, and we have comfortably exceeded that target having increased our ACMR by 108.16% to \$29.08 million, an increase of \$15.11 million.

"Pushpay continues to gain market share in the USA faith sector, and we are now used by over 1% of the estimated 314,000 churches in the USA with an average size of over 500 attendees.ⁱ We now expect to exceed \$100 million of ACMR prior to the end of February 2018, that's six months sooner than previously forecast."

Key metrics ⁱⁱ	Six months ended 30 Sep 2015	Six months ended 31 Mar 2016	% Change
Increase in ACMR	\$8.64m	\$15.11m	74.88%
ACMR	\$13.97m	\$29.08m	108.16%
Total Merchants	2,102	3,766	79.16%
Average Revenue Per Merchant (ARPM)	\$570 per month	\$643 per month	12.81%
Months to Recover Customer Acquisition Cost (CAC)	<12 months	<12 months	-
Annual Revenue Retention Rate	>95%	>95%	-
Staff Headcount	143	215	50.35%
Cash and Available Funding Lines	\$8.48m	\$16.16m	90.57%

Highlights for the quarter ended 31 March 2016

- ACMR increased by \$15.11 million to \$29.08 million, an increase of 108.16% over the six months to 31 March 2016. Pushpay was expecting to exceed \$100 million in ACMR prior to the end of August 2018, but now believes it will reach this target prior to the end of February 2018, six months sooner than previously forecast. See more under 'Annualised Committed Monthly Revenue (ACMR)'.
- Pushpay increased its customer base by 1,664 Merchants to 3,766 Merchants, an increase of 79.16% over the six months to 31 March 2016. Four of the top 10 largest churches in the USAⁱⁱⁱ have chosen to use Pushpay, the largest of which has over 34,000 attendees. See more under 'Pushpay's Merchant numbers'.
- ARPM increased by \$73 per month to \$643 per month, an increase of 12.81% over the six months to 31 March 2016. See more under 'Average Revenue Per Merchant (ARPM)'.
- Months to Recover CAC remained at less than 12 months and is expected to remain at this level as the business scales.
- Annual Revenue Retention Rate (excluding upsells into the existing Merchant base) continued to exceed 95%, which the Company believes places it among the best-in-class for SaaS companies. Pushpay expects its Annual Revenue Retention Rate to remain at this level as the business scales.

- Staff headcount increased by 72 to 215, an increase of 50.35% over the six months to 31 March 2016. Pushpay now has 50 staff based in New Zealand and 165 staff based in the USA.
- Following a competitive process, which attracted a number of interested parties, Pushpay sold the Run The Red business to Modica Group on 31 March 2016 for an aggregate value of \$4.5 million. The sale of Run The Red will maximise value to Pushpay's shareholders by freeing up capital for investment. In particular, the sale allows the Company to redeploy capital received to support its growth strategy in the USA and its target of reaching \$100 million of ACMR prior to the end of February 2018. See the end notes for how the sale of Run The Red has affected our metric calculations.
- During the last quarter Pushpay commenced offering event registration following increasing demand from our Merchants. See more under '*Event registration*'.
- For reporting periods commencing after 1 April 2016, Pushpay will change the presentation currency for its consolidated financial statements to United States Dollars (USD) from New Zealand Dollars (NZD) and will also report key metrics in USD. See more under '*Change in presentation currency*'.

Annualised Committed Monthly Revenue (ACMR)

Pushpay previously reported its ACMR split into Merchant ACMR and Client ACMR (Run The Red). Given Pushpay sold Run The Red on 31 March 2016, the Company has not reported Client ACMR (Run The Red) in this quarterly update and will not report Client ACMR (Run The Red) going forward. Merchant ACMR is referred to as ACMR in this quarterly update and will be referred to as ACMR going forward.

The Company increased ACMR by \$15.11 million to \$29.08 million over the six months to 31 March 2016, an increase of 108.16%. 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 now expects to reach its \$100 million ACMR target prior to the end of February 2018, six months sooner than previously anticipated.

Pushpay expects to reach this target 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.

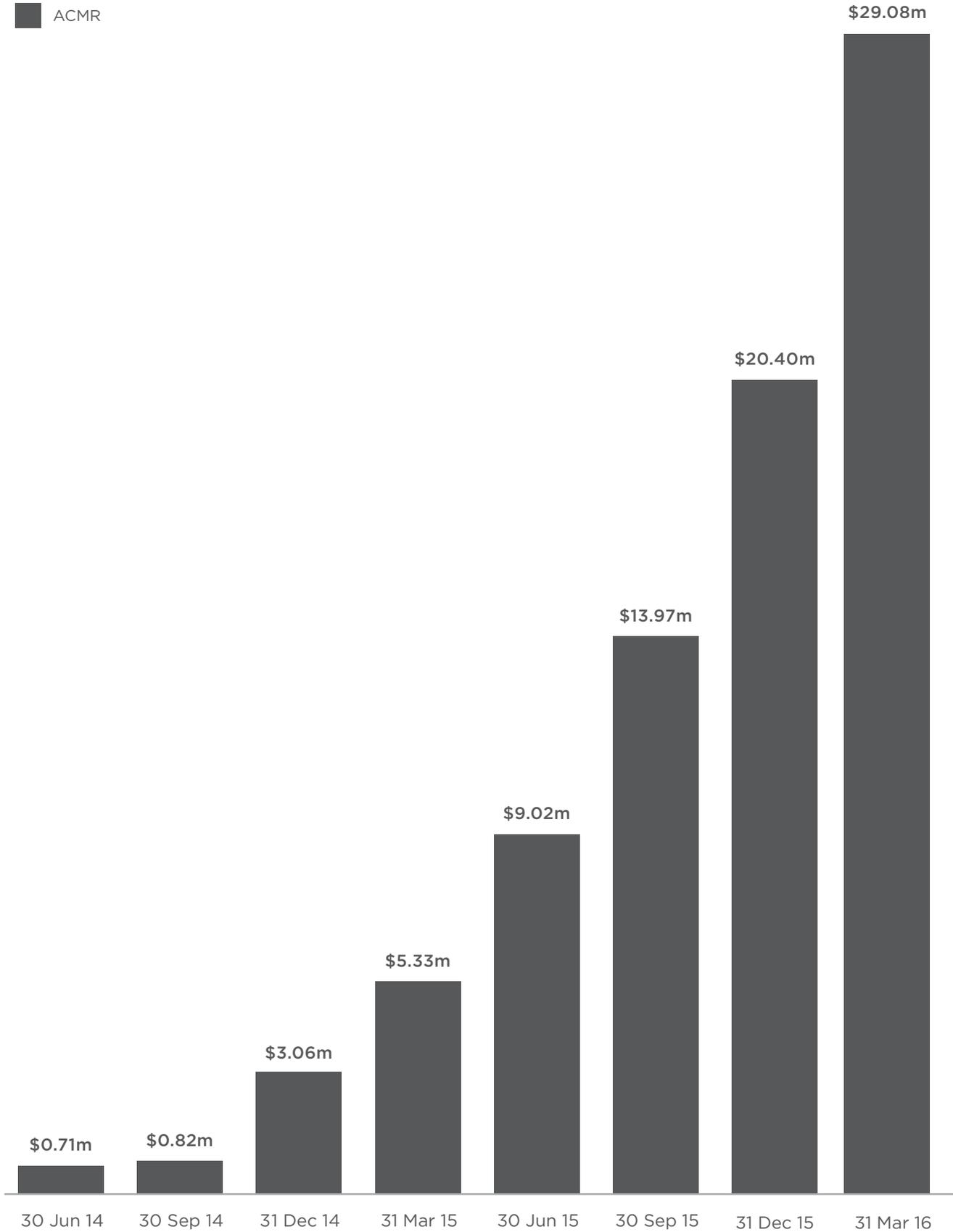
We continue to refine our growth strategy, focusing on attracting larger Merchants which have the resources to maximise implementation, which in turn increases engagement and leads to higher retention. To complement this, the Company is investing in a more targeted marketing strategy, shifting away from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

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 them.

Pushpay's ACMR growth

■ ACMR

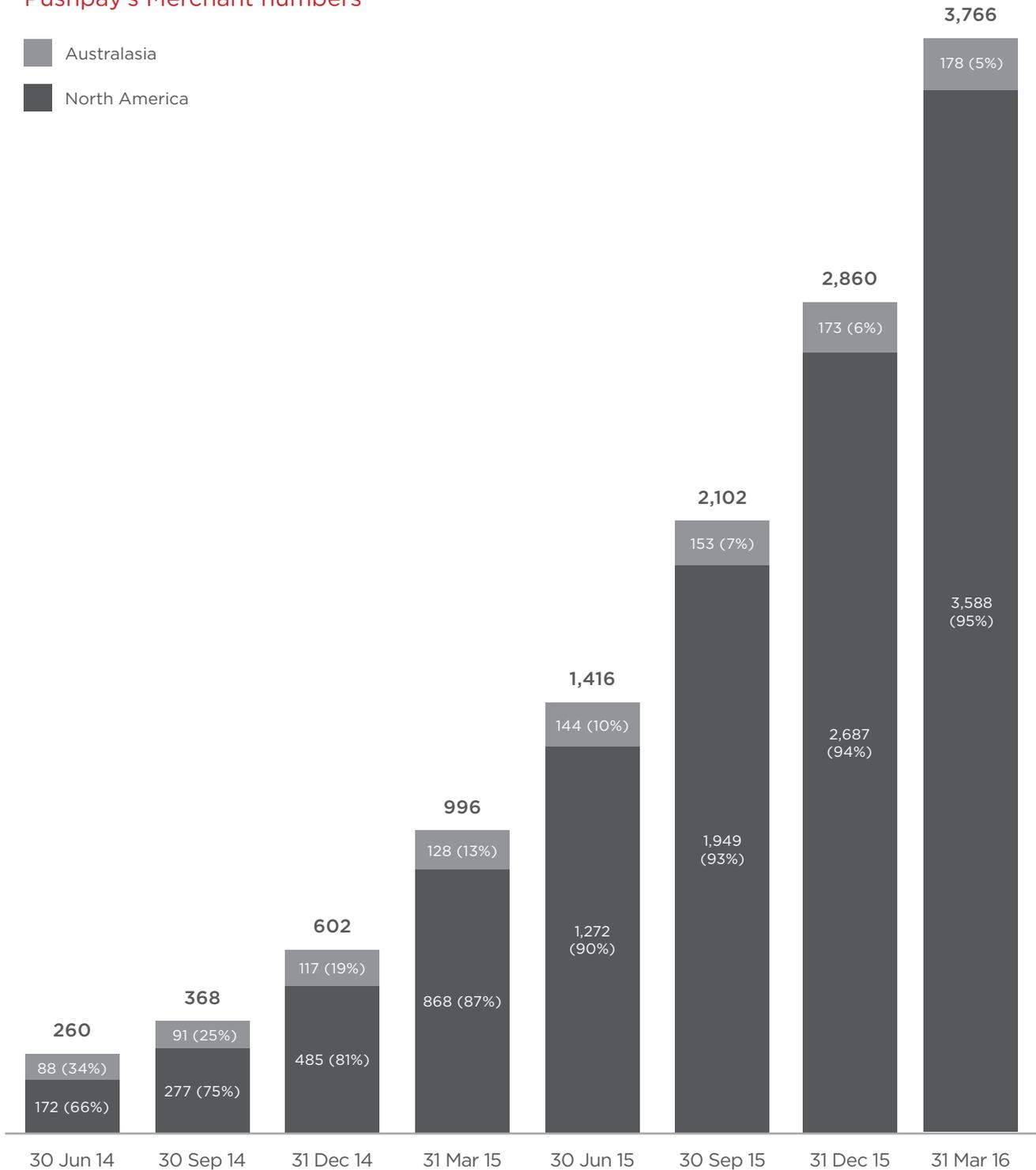


Pushpay's Merchant numbers

Pushpay increased its customer base by 1,664 Merchants to 3,766 Merchants, an increase of 79.16% over the six months 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.^{iv}

Pushpay's Merchant numbers

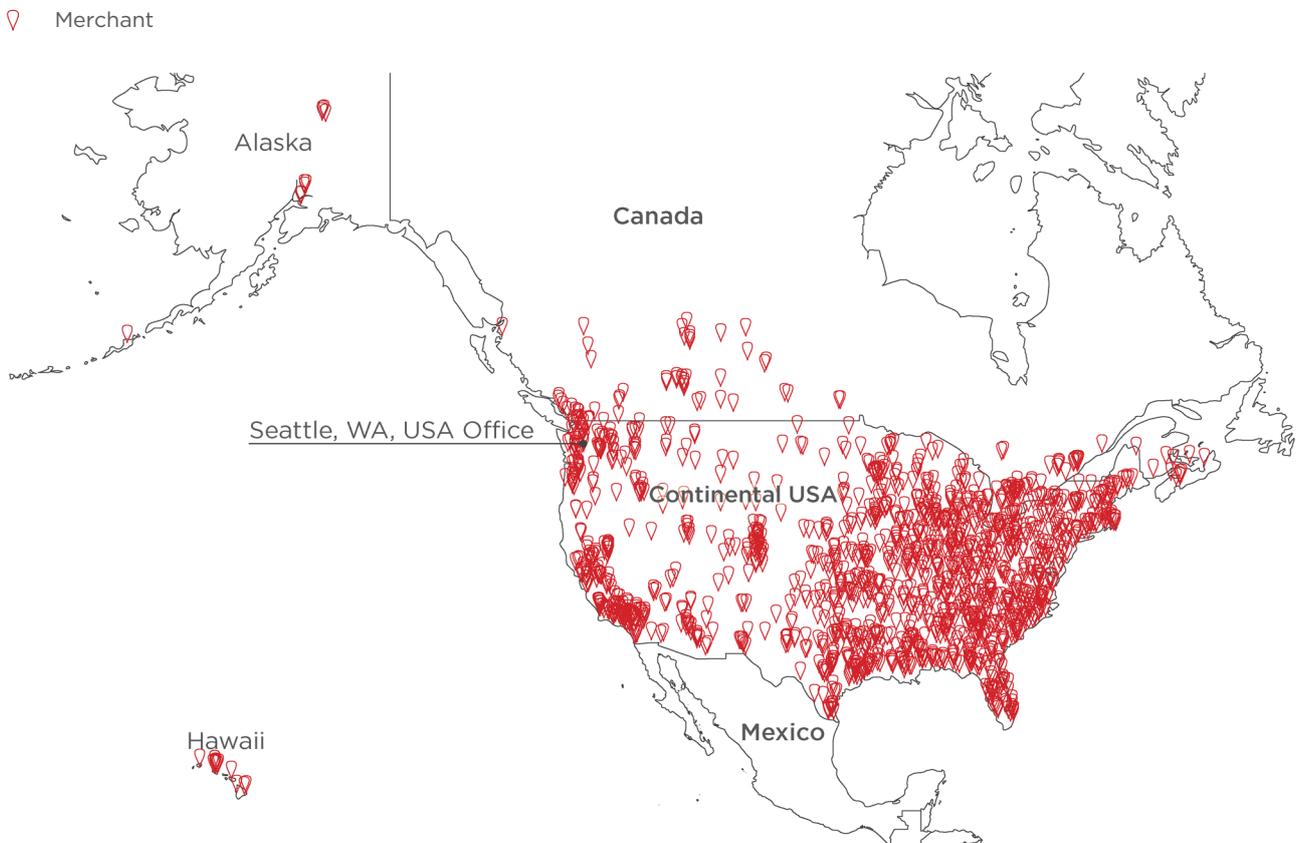
- Australasia
- North America



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. The map below 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 USA^v 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 our main target market, the USA faith sector.

Location of Pushpay's Merchants in North America^{vi}



Average Revenue Per Merchant (ARPM)

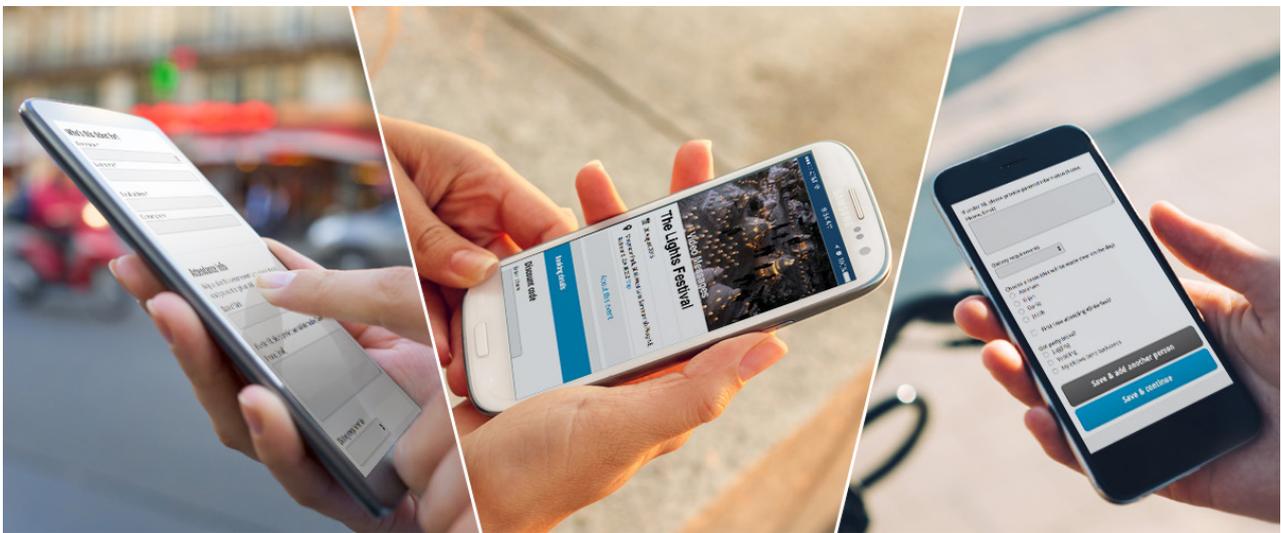
ARPM increased by \$73 per month to \$643 per month, an increase of 12.81% over the six months to 31 March 2016. In USD, ARPM increased by US\$73 per month to US\$434 per month, an increase of 20.22% over the six months to 31 March 2016.

Event registration

During the last quarter Pushpay commenced offering an event registration solution following increasing demand from our Merchants.

Pushpay's new event registration solution is professionally designed, intuitive, and built to integrate with the most common church management systems. From signups and registration, to collecting payments, and all the way through the reporting process, it is built with all the power and potential of a premium events platform, including simple integrations that our Merchant's require.

Delivering this functionality to our Merchants further strengthens the value of the Pushpay proposition and complements our existing payment solutions.



Change in presentation currency

For reporting periods commencing after 1 April 2016, Pushpay will be changing the presentation currency for its consolidated financial statements to United States Dollars (USD) from New Zealand Dollars (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 will be 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 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.

Future funding opportunity

The Board believes it prudent to prepare for future funding requirements and as such is in discussions with a number of US-based venture capital firms who the board believes have the potential to add significant value to the Pushpay opportunity. The Board currently expects that this additional funding is likely to be raised within the next six months.

Outlook

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 demonstrating a path to profitability. While we continue to invest to scale the business our current business plan implies the business reaching breakeven on a monthly cash flow basis in calendar year 2017.

“We are proud of the progress Pushpay has made over the last six months to 31 March 2016, having exceeded our target by increasing ACMR by \$15.11 million to \$29.08 million, an increase of 108.16%. We 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.

“Pushpay expects to reach this target 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. As Pushpay continues to accelerate growth and deliver on its strategic plan, the Company will focus on maintaining best-in-class SaaS metrics,” said Chris Heaslip.

Investor Calendar

The following dates are indicative only and are subject to change at Pushpay’s discretion.

18 May 2016	Annual Results/Report Release
13 July 2016	Quarterly Operational Update
14 July 2016	Annual Shareholders’ Meeting
12 October 2016	Quarterly Operational Update

New Zealand Dollars

All dollar amounts are in New Zealand dollars unless otherwise stated.

Contact

Sarah Elder | Investor Relations | Pushpay Holdings Limited

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

www.pushpay.com

About Pushpay

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 awarded four Stevie Awards in 2016 including Silver 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".

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

ii Please see below for further information relating to how our key metrics are calculated.

Annual Revenue Retention Rate – Pushpay measures its Annual Revenue Retention Rate as recurring revenue retained from Merchants (for example, in the case of Merchants in the faith sector, this is measured by the amount of recurring revenue at the end of the period excluding upsells into the existing Merchant base, over the amount of recurring revenue from the end of the previous period).

Annualised Committed Monthly Revenue (ACMR) – ACMR is Average Revenue Per Merchant (ARPM) multiplied by its Merchants and annualised, a 'Merchant' is a business or organisation that utilises Pushpay's payment platform to process electronic transactions. ACMR is a key metric to track how a SaaS business is acquiring revenue.

Note: Pushpay previously reported its ACMR split into Merchant ACMR and Client ACMR (Run The Red). As Pushpay sold the Run The Red business on 31 March 2016, the Company will not be reporting Client ACMR (Run The Red) in this quarterly update and going forward. Merchant ACMR will be referred to as ACMR in this quarterly update and going forward.

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 include interchange fees, which are collected by the Company on behalf of third parties, such as Visa or MasterCard. 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.

Cash and Available Funding Lines – This includes the standby funding facility of up to \$4.0 million provided on 16 March 2015 to the Company by Christopher & Banks and the \$4.0 million paid at completion of the sale of the Run The Red business on 31 March 2016.

Customer Acquisition Cost (CAC) – CAC is calculated as sales, marketing and implementation costs divided by the number of new Merchants added over a certain period of time.

Months to Recover CAC – CAC months or months of ARPM to recover CAC represents the number of months of revenue required to recover the cost of acquiring each new Merchant.

Staff Headcount – Pushpay's employees at a specific point in time. The Staff Headcount as at 31 March 2016 does not include the six Run The Red employees who transferred their employment to Modica Group on 31 March 2016.

Total Merchants – Pushpay reports Merchants that have entered into an agreement and completed the paperwork necessary to setup their facility. A 'Merchant' is a business or organisation that utilises Pushpay's payment platform to process electronic transactions.

iii Outreach Magazine (2015). The Largest Churches 2015

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

v Outreach Magazine (2015). The Largest Churches 2015

vi Includes locations in the USA of all Merchants which have been added to the Pushpay platform since inception through to 31 March 2016.

ENDS