

Pushpay FY17 Results Announcement

Auckland, New Zealand | Redmond, Washington, USA - 18 May 2017

Pushpay Holdings Limited (NZSX:PPH, ASX:PPH) ('Pushpay' or 'the Company') is pleased to present its financial results for the year ended 31 March 2017 and its 2017 Annual Report.

All currency amounts are in United States Dollars (USD) unless stated otherwise. Please refer to the section titled "Key metric definitions" in Pushpay's 2017 Annual Report for further detail on, and definitions of, the following key metrics.

Key metric	FY 2017 (US\$)	FY 2016 (US\$)	Change
Increase in Annualised Committed Monthly Revenue (ACMR) over the year	\$30.9m	\$15.6m	▲ 97.9%
ACMR	\$50.5m	\$19.6m	▲ 157.7%
Total Customers	6,737	3,766	▲ 78.9%
Average Revenue Per Customer (ARPC)	\$625 per month	\$434 per month	▲ 44.1%
Increase in total Lifetime Value (LTV) of Customer base over the year	\$356.5m	\$157.3m	▲ 126.6%
Total LTV of Customer base	\$568.0m	\$211.5m	▲ 168.6%
Months to Recover Customer Acquisition Cost (CAC)	<12 months	<12 months	✓
Annual Revenue Retention Rate	>95%	>95%	✓
Staff Headcount	376	215	▲ 74.9%
Cash and Available Funding Lines	\$13.4m	\$11.2m	▲ 20.0%
Published App rank in the Apple App Store worldwide	5	13	▲ 61.5%
Transactions processed over the year	6.1m	1.9m	▲ 220.1%
Average transaction value over the year	\$197	\$183	▲ 7.7%
Annualised Monthly Payment Transaction Volume	\$1.8b	\$0.6b	▲ 193.1%

Chris Heaslip, CEO and Co-founder said, “Pushpay has delivered another year of world-class growth, whilst maintaining best-in-class SaaS efficiency metrics. In 2016, Pushpay was named the fastest growing company in New Zealand and the 10th fastest growing technology company in Asia Pacific by Deloitte. With the Asia Pacific category including global heavyweights China and Australia, the recognition was an indication of our continued success on a global scale. In May 2017, Pushpay received the highest recognition New Zealand has to offer for a technology company, the PwC NZ Hi-Tech Company of the Year and the IBM Innovative Company of the Year at the 2017 NZ Hi-Tech Awards.

We are pleased to inform you that Pushpay has entered into a relationship with Intuit, makers of Quickbooks, as a member of the Intuit Reseller Program. Intuit is the dominant USA accounting software provider, with well over a 1.5 million subscribers to their Quickbook family of solutions. Pushpay research has revealed that over 70% of our Customers use some version of Quickbooks as their primary accounting software. Becoming an Intuit Authorized Reseller is the first step for Pushpay toward a deeper relationship with Intuit, and a more streamlined experience for our mutual customers.

It has been exciting and rewarding for us to see Pushpay continue to accelerate its growth in the USA faith sector. As at 31 March 2017, Pushpay was ranked number 5 for published Apps in the Apple App Store worldwide, compared to our ranking of number 13 last year. Pushpay processed 6.1 million transactions over the year to 31 March 2017, compared to 1.9 million transactions last year. The average transaction value over the year to 31 March 2017 was \$197, compared to \$183 last year. Our Annualised Monthly Payment Transaction Volume increased to \$1.8 billion as at 31 March 2017, compared to \$0.6 billion last year. These statistics demonstrate the speed of our growth and the scale at which Pushpay is now operating.

Our ACMR has increased by over 150% over the financial year and our penetration into the top 20 largest churches in the USA¹ has increased to 10 and in the top 100 has increased to 36. The USA faith sector represents a substantial opportunity and as we continue to execute on our growth strategy, we remain in a position to achieve \$72 million in ACMR and breakeven on a monthly cash flow basis prior to the end of calendar year 2017.

While historically we have offered payments solutions, in late 2016 we announced the Bluebridge acquisition and our focus on engagement solutions moving forward. Our experience has taught us that our customers need high quality engagement tools to complement our payment solutions. Our echurch App solution, stemming from the Bluebridge acquisition, offered a welcomed enhancement to the Pushpay solution. Pushpay released echurch Apps 3.0 initially as a “soft launch” to a group of existing Customers in mid-February 2017. Through the quarter ending 31 March 2017, the adoption of echurch Apps 3.0 exceeded our expectations, both in terms of number of Customers and ACMR added to the business.

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

Annualised Committed Monthly Revenue (ACMR)

The Company increased its ACMR to US\$50.5 million, an increase of 157.7% over the year to 31 March 2017. Pushpay remains in a position to achieve US\$72 million in ACMR and breakeven on a monthly cash flow basis prior to the end of calendar year 2017.

Pushpay expects to reach its ACMR target through further enhancement of its products, expanding from a direct sales model to a field account based sales model and capitalising on referrals from Pushpay’s strategic partners and services partners.

1 Outreach Magazine (2016). 100 Largest Participating Churches 2016

Average Revenue Per Merchant (ARPC)

ARPC increased substantially to US\$625 per month, an increase of 44.1% over the year to 31 March 2017. As Pushpay continues to increase its Customer base, our ARPC also continues to increase, implying increased adoption from our current Customer base and larger deal sizes, leading to greater sales efficiency.

Pushpay's Customer numbers

Pushpay increased its Customer base to 6,737 total Customers, an increase of 78.9% over the year to 31 March 2017.

As at 31 March 2017, 10 of the top 20 and 36 of the top 100 largest churches in the USA² have chosen to use Pushpay, including the largest church in the USA, which has over 39,000 average weekly attendees. As at 31 March 2016 we had 7 of the top 20 and 24 of the top 100 largest churches in the USA. The confidence and support of large Customers such as these demonstrates that Pushpay's engagement and giving solutions are well-understood and valued by our main target market, the USA faith sector.

As at 31 March 2017, 97% of Pushpay's Customers were located in North America, which covers the USA and Canada, with the remaining 3% located in Australasia, which covers New Zealand and Australia. Pushpay attracts Customers from all over the USA and Canada from its Redmond office, suggesting the business model is not location specific.

Sales strategy

Pushpay continues to refine its relational approach to targeted account-based selling, focusing more specifically on mid-market and enterprise sized Customers. We have found that larger Customers: invest more in implementation and are therefore more likely to implement correctly and successfully, leading to greater adoption; are easier to service long term; are less likely to churn than smaller Customers; and typically generate increased Subscription and Volume Fees over time.

The Company is implementing a number of initiatives focused on attracting mid-market and enterprise sized Customers through more targeted account-based selling. Churches in local territories are attracted through regional events, marketing content specific to the demographic and onsite visits. In conjunction with these efforts, the Company is improving its sales and marketing approach, centred on meeting Customers where they are in their purchasing journey.

As Pushpay continues to gain market share and attract the "early majority" in the USA faith sector, our product strategy will continue to evolve to promote more enhanced and specialised feature sets. The early majority segment are seeking increased engagement solutions, analytics and enhanced integration with their existing software. Pushpay's team of software engineers is constantly innovating, with a focus on the early majority segment of the market, whilst maintaining the integrity of our underlying platform.

Definition changes

As the Company grows our methods of measuring the business need to be updated to ensure that performance is accurately represented. The Average Revenue Per Customer (ARPC) definition currently represents an overly conservative historical view of our Volume Fee growth. We believe that while the changes in our ARPC definition are still conservative, they provide a more accurate reflection of the performance of the business. Please refer to 'Key metric definitions' in Pushpay's 2017 Annual Report for more information on the definition changes.

2 Outreach Magazine (2016). 100 Largest Participating Churches 2016

People

Pushpay's success to date in the USA faith sector is 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. Pushpay continues to nurture and invest in its team of professionals, having increased staff headcount to 376, an increase of 74.9% over the year to 31 March 2017. Product development, and sales and marketing roles, comprised more than 70% of the headcount added in the year.

Pushpay has seen rapid growth at a global standard over the last three years. As we continue to execute on our growth strategy, Pushpay has attracted a world-class team that we are extremely proud of. Pushpay has also retained exceptional talent, choosing to promote from within where possible.

Steve Basden | President of echurch

Steve Basden was promoted to President of echurch effective 1 January 2017. As President of echurch, Steve is responsible for the go to market functions including sales, marketing, sales development and post sale support. Steve previously served as the Senior Vice President (SVP) of Customer Relations for Pushpay and ZipZap Processing, Inc. Steve spent 16 years with United Parcel Service (UPS) in a number of operations management and industrial engineering roles before transitioning into the non-profit sector to work with Adventures In Missions (AIM). While at AIM he held Director of Operations and Director of Short Term Missions roles during which he helped scale the organization as it achieved annual growth rates in excess of 18% over 11 years.

James Maiocco | Chief Business Development Officer

James Maiocco, Chief Business Development Officer, joined Pushpay in August 2016. James is a seasoned business executive with over 20 years' experience at cutting-edge technology companies, most recently as General Manager of Business and Corporate Development at Xero for around two years. During his tenure, Xero consummated major partnerships with Apple, Google and Microsoft; further, James led a US\$110 million financing round for Xero with Accel Partners and Matrix Capital. Prior to Xero, James was a Global Director at Microsoft for over four years in the Microsoft Ventures and Microsoft Dynamics business units.

Catherine Burk | VP of Talent

Catherine joins Pushpay after spending over seven years at Amazon as a Recruiting Leader, where she focused on career development, staffing, team building, employee engagement and culture. In this role, Catherine developed a deep passion for working with employees and building a great place to work. Catherine was a leader of leaders at Amazon, managing highly functioning recruiting teams within multiple disciplines.

Kevin Kuck | VP of Operations

Kevin relocated from Auckland to the USA in February 2017 to lead Pushpay's Operations team. Kevin has 15 years' experience leading Sales and Operations teams in the USA and New Zealand. Prior to joining Pushpay, Kevin led Sales Operations for an award winning Auckland-based technology company. Kevin's team delivered solutions to Fortune 500 and Global 2000 customers including Intel, eBay, Orange (French Telecom), Paypal and the US Military. Kevin joined Pushpay in September 2014 as the first dedicated operations hire. As VP of Operations, Kevin has grown a world class team of specialists to support Pushpay's operational needs.

Matt Vaughan | Legal

Matt Vaughan, former Xero General Counsel and Company Secretary, recently joined the Pushpay team. Matt is an experienced corporate lawyer, having worked in a variety of in-house and private practice roles around the globe, with a particular focus on technology and venture capital. Matt's work has led to him being honoured with a number of awards including the Private Sector In-House Lawyer of the Year Award by the New Zealand Law Society in 2014 and a "Top 10 30-Something" award by the Association of Corporate Counsel (USA) in 2015.

Product

During the financial year we launched some exciting additions to the Pushpay solution, including Cash and Check Recording, Auto Pay, Text Giving, Annual Giving Statements and echurch Apps. Pushpay continues to invest in making its engagement and giving solutions more intuitive, simple and secure.

Cash and Check Recording

From June 2016 onwards, Pushpay Customers have had the ability to record their cash and check receipts within Pushpay. While this does not contribute to platform volume as we do not process these payments, it allows Pushpay to build a full view of a user's giving. This positions Pushpay as the key information source for generosity in the church and allows us to deliver critical payment insights to each Customer.

Auto Pay

Based on feedback from our Enterprise pilot Customers and payers, Pushpay released an 'Auto Pay' feature in June 2016 that allows bill pay users to automatically pay their bill on the due date using either their bank account or debit/credit card. Uptake of this feature within our pilot groups has been encouraging, which we believe demonstrates the trust that users have with the Pushpay platform. Enterprise Customers, in particular, can benefit from this feature by knowing ahead of time the likelihood and certainty of payment.

Text Giving

To complement Pushpay's existing payment pathways of mobile, web, custom app, kiosk and envelope giving, from 1 November 2016, Pushpay Customers were able to accept donations via text message through a new text giving solution. This additional feature further reinforces Pushpay's position as a complete engagement and payments solution.

Annual Giving Statements

Annual Giving Statements successfully launched on 31 December 2016 and is now available to all USA-based Customer administrators.

Pushpay's new Annual Giving Statements solution simplifies the year-end giving statement process for our Customers' administrators, providing significant time saving opportunities, by enabling them to:

- Deliver personalised statements with ease;
- Consolidate payments in one place; and
- Save time and resources so they can be redistributed to where they are needed most.

Annual Giving Statements is a critical development in our strategy to become the central system of generosity. By providing churches and givers with a simple time saving tool to manage end of year giving statements, we encourage churches and givers alike to use Pushpay as their primary and only generosity solution. We expect this will help drive Pushpay adoption throughout the church and their congregation.

echurch Apps

Pushpay acquired the church app assets of Bluebridge Digital, Inc (Bluebridge) for consideration of up to \$3.1 million in November 2016. Bluebridge's technology is world class in the faith sector and the acquisition allows Pushpay to have greater control over product development moving forward.

Following the acquisition of Bluebridge's church app assets, Pushpay released echurch Apps 3.0 initially as a "soft launch" to a group of existing Customers in mid-February 2017. Over the quarter ending 31 March 2017, the adoption of echurch Apps 3.0 exceeded our expectations both in terms of number of Customers and ACMR added to the business.

While it is still early, this was a healthy affirmation of our strategy to deliver an engagement solution to our Customers to help spur generosity in their respective communities. Pushpay has recruited a team of software engineers across our Auckland, New Zealand and Redmond, WA, USA offices to focus on

expanding the current feature set. Pushpay is pleased to now make echurch Apps 3.0 generally available to all Customers as of the beginning of the 2018 financial year.

Processes

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

Industry recognition

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

- Pushpay was honoured with three awards at the Best in Biz International Awards 2016, including one Silver Award and two Gold Awards, making it the third most awarded company at the Best in Biz International Awards 2016;
- Pushpay was awarded Best Small-Medium Workplace at the IBM Kenexa New Zealand's Best Workplace 2016 Awards;
- Pushpay is ranked 1st on the TIN100 Ten Hot Emerging Companies List;
- Pushpay was presented with four Stevie Awards in 2017, including a Gold Award in the Business Development Achievement of the Year category;
- Pushpay was recognised by Deloitte as the fastest growing company in New Zealand and the 10th fastest growing technology company in the Asia Pacific region. Pushpay was the only New Zealand company to make the top 10 on the Deloitte Technology Fast 500 Asia Pacific list, alongside mostly China-based companies; and
- Pushpay was named PwC NZ Hi-Tech Company of the Year and IBM Innovative Company of the Year at the 2017 NZ Hi-Tech Awards. Previous winners of the PwC NZ Hi-Tech Company of the Year award include Vista Group, Datacom, Fisher & Paykel Healthcare and Xero.

Capital and ASX Listing

Pushpay increased Cash and Available Funding Lines to \$13.4 million, an increase of 20.0% over the year to 31 March 2017.

Pushpay was well supported over the period by existing and new shareholders including high quality institutional investors, Directors Graham Shaw, Christopher Huljich, Peter Huljich (Alternate Director for Christopher Huljich - resigned 17 May 2016) and a number of staff.

Pushpay successfully raised AU\$40 million in October 2016 through a private placement. In addition, in February 2017, Pushpay entered into a Funding Agreement with Callaghan Innovation for a Research and Development (R&D) Growth Grant. The Funding Agreement allows for the funding by Callaghan Innovation of up to NZ\$5 million (GST exclusive) per annum for eligible R&D spend by Pushpay over a 36-month period, provided the terms of Callaghan Innovation's R&D Growth Grant have been met.

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

Pushpay's shares commenced quotation on the ASX on 12 October 2016 under the ticker code 'PPH'. Pushpay is proud to have its shares quoted on the ASX and believes the secondary listing has diversified the Company's funding sources and achieved greater shareholding spread across the Company's share register.

Outlook

Pushpay continued to deliver on its targets and we are pleased with the progress we have made over the year to 31 March 2017.

We are often asked about expansion and whether we are going to move into new sectors. On top of the engagement and payment revenue opportunities in the USA faith sector, Pushpay's core software could be repurposed for other use case scenarios to service Education and Not-For-Profit (NFP) organisations, which are often closely affiliated or linked with USA faith-based institutions. We have no shortage of opportunities, but we see Pushpay delivering on its targets and succeeding long-term by remaining focused on the USA faith sector and investing lightly in other opportunities so as not to distract our team. The USA faith sector represents a large, under-served market with minimal competition and with only 2% of the market³, Pushpay is just scratching the surface of the revenue opportunities.

The Board and senior management are 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 remain in a position to achieve \$72 million in ACMR and breakeven on a monthly cash flow basis prior to the end of calendar year 2017.

Acknowledgments

Pushpay continues to deliver on its growth strategy in the USA faith sector with the direction of the Board and management's successful execution. We would like to thank you, our shareholders, for your continued support and confidence, our teams in the USA and New Zealand for their hard work and all of our Customers around the world for their loyalty and excitement, as these results are ultimately thanks to their support.

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About

Pushpay provides engagement solutions that enable meaningful connections and mobile commerce tools that facilitate fast, secure and easy non point of sale payments. Pushpay targets Customers 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 receives funding from Callaghan Innovation to help cover the commercialisation of innovation.

Pushpay is an award-winning company, team and product. For more information visit www.pushpay.com/investors/awards.

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 Customers and consumers to "never miss the moment".

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³ 2% of 314,000 churches as per the US Census Bureau (2012). Statistical Abstract of the United States: 2012