

Interim Trading Update

The Board of Smartpay is pleased to provide the following interim trading update following the completion of the first two months of the second quarter to 31 August 2021 of the 2022 financial year.

Australian acquiring revenue showing resilience to impacts of COVID lockdowns in multiple states, 7.3% down in July, 15.5% down in August compared to June 2021. Strong growth in revenue year on year: 2 months to August **up 53.6%** year-on-year.

Australian transacting terminals at **7,149** reflecting positive ongoing customer acquisition, largely offsetting lockdown impacted non-transacting terminals through the period (end Q1 FY22: **7,306**)

Australia

The impact of COVID lockdowns, primarily in NSW and Victoria, throughout the months of July and August resulted in approximately 800 terminals in our Australian fleet unable to transact in the month of August.

Despite the disruptive lockdowns in NSW and Victoria, newly acquired transacting terminals in August grew by 650, demonstrating the value proposition of the Smartpay offering continues to strongly resonate in the marketplace.

Further to this we have approximately 200 terminals sold in August yet to complete a first transaction. As yet we have not seen an increase in our average FY22 monthly churn due to the effects of the recent lockdowns.

Ultimately, we anticipate the majority of the terminals unable to trade in August, due to COVID lockdowns, to return to trading on the easing of restrictions in the impacted states.

Acquiring revenues in July were \$2.15 million, down 7.3% from previously reported levels (June 21 \$2.32 million).

Acquiring revenues in August were \$1.96 million, down 15.5% from previously reported levels (June 21 \$2.32 million).

The main contributors to the acquiring revenue reduction in August were New South Wales with acquiring transactional revenues down approximately 30% from normal trading levels and Victoria acquiring transactional revenues down approximately 16% from normal trading levels.

New Zealand

The COVID lockdown in New Zealand during the month of August had an effect on transacting terminals in our New Zealand fleet. With the majority of our New Zealand revenues derived from monthly rental-based customer contracts we have not seen an immediate material impact on our New Zealand revenues.

Other than Auckland, the rest of New Zealand has returned to near normal trading conditions early in September off the back of easing of lockdown restriction.

ENDS

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SHARE INFORMATION

Issued Shares: 238,284,963