

Pushpay

Continuing Growth

Interim Report 2022

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Why we exist

Pushpay's purpose is to bring people together by strengthening community, connection and belonging. Our innovative technology solutions empower Customers to increase participation and engagement, and build stronger relationships with their communities.

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At a glance



18,229

Total Products purchased by Customers

Up from 12,725 Products, an increase of 43%

>110%

Annual Revenue Retention Rate

>110% on average for the last five years, including the last period

14,095

Total Customers

Up from 10,896 Customers, an increase of 29%

US $5.4b

Total LTV of Customer base

Up from US$4.5 billion, an increase of 20%

US $3.5b

Total Processing Volume

Up from US$3.2 billion, an increase of 9%

Notes: The above metrics compare the Group performance as at 30 September 2021 to 30 September 2020.

Annual Revenue Retention Rate, Total Customers, Total LTV of Customer base and Total Processing Volume are non-GAAP financial measures and are not prepared in accordance with NZ IFRS. For definitions of those terms, see "Key metric definitions" on page 50. The non-GAPP financial measures used in this report have not been audited.

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Expanding communities

Pushpay's software is built to grow communities. Our platform provides a comprehensive suite of software as a service, or SaaS, products, financial technology solutions including integrated payment processing, donor management system, church management system and video streaming solutions.

Pushpay helps organisations to do great work in local communities all around the world. We are driven by our purpose to bring people together by strengthening community, connection and belonging. Our powerful mobile-first end-to-end software solutions are reforming how the faith sector engages simply and effectively by enabling customers to offer greater ease of interaction, increased participation and the ability to build stronger relationships with their communities.

Pushpay is not changing the meaning of generosity, but creating new opportunities for how, when and where it can happen. Our products are effective because they deliver powerful ways for our customers to engage digitally. New occasions to give. New ways to engage and participate. Better ways to administer.

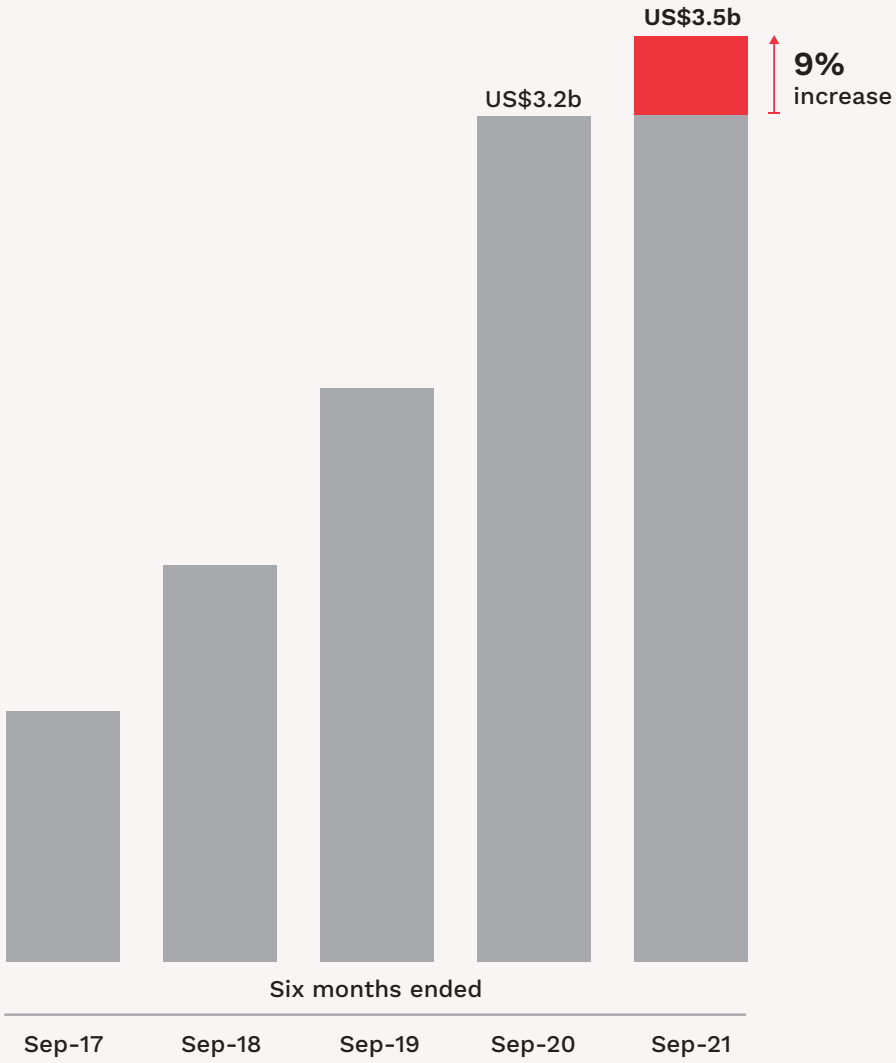
The critical factor fuelling growth in customer use of our technology our technology is the very human need for connection and belonging. We have believed in the power of that since day one. Now, spreading and diversifying our reach to include new churches, and in time, opportunities to reach non-profit and for-profit organisations, education providers, and new countries, gives us an exciting future with significant growth potential. As we execute on our strategy, we will continue to introduce innovative products and services to new verticals with powerful software to grow communities.

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US $3.5b

Total Processing Volume

Up from US$3.2 billion, an increase of 9%



Performance highlights

Section //

1.

US $93.5m

↑ **Operating Revenue**

Up from US$85.6 million, an increase of 9%

69%

↑ **Gross Profit Margin**

Up from 68%, an increase of one percentage point

US $29.6m

↑ **Underlying EBITDAFI**

Up from $26.5 million, an increase of 12%

US $19.1m

↑ **NPAT**

Up from US$13.4 million, an increase of 43%

US $30.8m

↑ **Operating Cash Flow**

Up from US$27.0 million, an increase of 14%

Notes: The above metrics compare the Group performance over the six months ended 30 September 2021 to the six months ended 30 September 2020.

Underlying EBITDAFI, and Gross Profit Margin are non-GAAP financial measures and are not prepared in accordance with NZ IFRS. The Group believes these measures provide a more appropriate representation of the Group's performance. A reconciliation of Underlying EBITDAFI to EBITDAFI and to NPAT is provided on page 29. For definitions of those terms, see "Key metric definitions" on page 50. The non-GAPP financial measures used in this report have not been audited.

Pushpay considers the metrics above to be the key financial metrics to measure the business going forward. Unless otherwise mentioned within the report, other metrics that were previously reported against are in the management commentary of the report.

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Investing for future growth

Products and Customers

"The functionality of the Pushpay tool is the best we have ever experienced. And best of all, it enables our congregants to give support to our church." – Jimmy Papia, Emmanuel Christian Church

Pushpay is a vertical SaaS organisation that is focused on delivering for our Customers. We provide compelling, innovative and differentiated solutions that continue to create strong value within communities. We have continued to invest in our technology platform that enables our Customers to accept payments from their members by providing a suite of solutions and services that promote member engagement.

We remain focused on investing in our longer-term drivers of growth. During the COVID-19 environment, we have stayed close to our changing Customer needs and believe the acquisition of customer relationships through these tumultuous periods of change will set us up for long-term success.

Our acquisition at the end of August 2021 of Resi Media LLC (Resi), a market-leading streaming platform, is a prime example of the changing customer needs. During the COVID-19 environment, it became obvious that the churches we serve are looking for technology-enabled platforms to deliver content and engagement when and how their members look for it. The inclusion of Resi Media into our portfolio will allow Customers to engage with their communities and manage live-streamed and on-demand media content, apps, digital giving and more, all in one place.

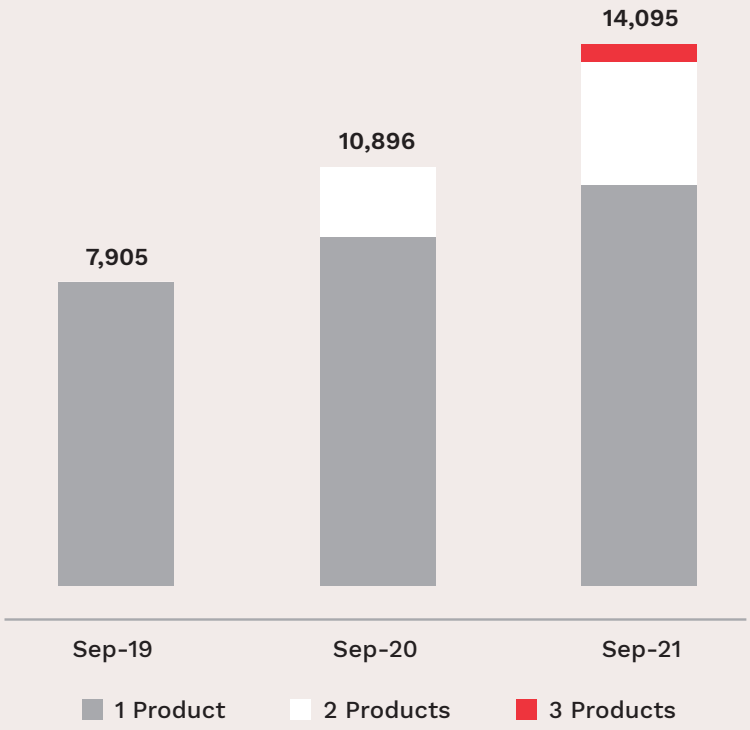
With Resi Media's solutions integrated within our portfolio of brands, Pushpay has a significant opportunity to increase the number of Products purchased by customers. Upon acquisition, the majority of Resi Media's customers were not existing Pushpay Customers. As at 30 September 2021, over 75% of the top 100 largest churches in the 2021 Outreach100 use one or more of Pushpay's Products. Resi Media has a higher number of Customers in this list than Pushpay had prior to the acquisition, which creates the opportunity to sell donor management and church management to additional large churches.

Through execution of our strategy, Pushpay increased its total Products purchased by Customers, which includes its donor management system, church management system and streaming solutions, from 12,725 to 18,229 Products, an increase of 43% over the 12 months ended 30 September 2021.

This expansion of our footprint has significantly expanded our total Customer count from 10,896 to 14,095 Customers, an increase of 29% over the 12 months ended 30 September 2021. As we continue to execute on our sales strategy, the

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Customers by number of Products



Company's primary focus is on increasing revenue by growing the number of Products purchased by Customers and offering bundled solutions to existing Customers, while continuing to attract net new customers to the business and stepping into the Catholic segment.

As at 30 September 2021, 97% of Pushpay's Customers were located in North America, which covers the US and Canada.

While Pushpay remains focused on addressing the Protestant segment, we are pleased to be in a position where we can now pursue our strategy to meaningfully address the next significant portion of the market represented by the Catholic church.

The Catholic segment of the US faith sector comprises 196 dioceses and archdioceses who represent an estimated 17,000 individual parishes[1]. With over US$30 billion given to Catholic services in the US in 2016[2], the Catholic segment represents an estimated US$330 million annual revenue opportunity. Catholic dioceses and parishes are increasingly seeking technology solutions, driven by a need to provide digital giving solutions as well as a recognition that an online and mobile presence is required as part of an effective engagement strategy.

ARPC

Excluding Resi Media, Pushpay increased ARPC by 7% over the 12 months ended 30 September 2021, from US$1,263 per month to US$1,348 per month. Resi Media has a lower ARPC when compared to the prior Pushpay Customer base, and therefore following the acquisition of Resi Media, the combined ARPC decreased over the 12 months ended 30 September 2021.

The acquisition of Resi Media has significantly changed the way we think about our business and ARPC will no longer be a like-for-like metric to enable comparisons in prior and future periods. We are in the process of integrating the Pushpay and Resi Media platforms to provide a more holistic solution to our Customers and improved metrics for Pushpay. This will allow us to compete more effectively with alternatives that our Customers have in the market that are typically more discrete solutions and therefore more cumbersome for our Customers to individually negotiate and manage. Our Customers are looking for simplicity from fewer partners and we believe this enables us to become a one-stop-shop.

1 Center for Applied Research in the Apostolate (CARA), Georgetown University

2 IBISWorld 2016 Industry Report | Religious Organizations in the US

Chair and CEO's review

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Graham Shaw
INDEPENDENT CHAIRMAN



Molly Matthews
CEO

Section //

Dear Shareholder,

We are pleased to deliver our results for the first six months of the 2022 financial year. Pushpay continued to deliver revenue growth, Total Processing Volume growth, net profit growth and EBITDAFI growth over the period, whilst maintaining sustainable margins and underlying operating metrics.

Over the period, Pushpay further set the foundation for future growth. We increased the number of Products purchased and welcomed new Customers, while continuing to successfully realise strategic product bundling opportunities within the Customer base. We completed the strategic acquisition of Resi Media and made significant enhancements to our existing product suite. Our performance represents the value that our Customers attribute to Pushpay's differentiated solutions and the meaningful progress achieved as we continue to execute against our strategic goal of being the preferred provider of mission-critical software to the US faith sector.

Throughout the evolving COVID-19 environment, our Customers and our dedicated team have continued to admirably adapt to the conditions that are faced by communities and organisations worldwide. Pushpay's solutions enable communities to stay connected and engaged through innovative digital means, which we know is now more important than ever.

Key performance highlights

Total Processing Volume increased from US$3.2 billion to US$3.5 billion, an increase of 9% over the six months ended 30 September 2021, when compared to the prior comparable period. While Pushpay saw a softer period to begin the first half of the current financial year, Total Processing Volume growth in the second quarter was higher than the first quarter and the level of digital penetration within our Customer base remained consistent. We expect continued growth in Total Processing Volume driven by continued growth in the number of donor management system Products utilised by Customers, further development of our product set resulting in higher adoption and usage, and increased adoption of digital giving in our Customer base.

Despite the impacts being felt globally from COVID-19, Pushpay has maintained an average Annual Revenue Retention Rate of over 110% over the last five comparable periods ended 30 September, with the period ended 30 September 2021 maintaining this average.

Pushpay increased operating revenue by US$7.9 million to US$93.5 million for the six months ended 30 September 2021, an increase of 9%. Excluding Resi Media, Pushpay increased operating revenue

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by US$6.1 million, an increase of 7%. We expect to see continued revenue growth as the business executes on its strategy, achieves increased efficiencies and gains further market share in the US faith sector.

Net profit after tax increased by US$5.7 million to US$19.1 million over the six month period, an increase of 43% when compared to the prior comparable period.

Pushpay enters its next phase of growth with a durable and sustainable gross margin. Gross margin increased from 68% to 69% for the six month period.

Pushpay increased EBITDAFI to US$26.9 million for the six month period. The Group reviews its performance using Underlying EBITDAFI, which excludes costs such as acquisition related costs, and believes this measure provides a more appropriate representation of the Group's performance. Underlying EBITDAFI increased by US$3.1 million to US$29.6 million, an increase of 12%.

Resi Media acquisition

Alongside delivering organic growth over the six months ended 30 September 2021, Pushpay strengthened its value proposition by completing the strategic acquisition of 100% of Resi Media for US$150 million in cash and Pushpay shares, effective 25 August 2021. Resi Media is a US-based, high growth SaaS company serving customers predominantly in the faith sector. Resi Media's offerings comprise live streaming services to web, social media, mobile apps and other locations, and multisite streaming which delivers video to remote locations. The addition of Resi Media further broadens our core product offering and strengthens our digital technology strategy as we continue to execute against our shared strategic goal.

Our people

We are extremely proud of our people who continue to adapt to the challenging and changing circumstances of the evolving COVID-19 environment. We prioritise the wellbeing and health of our employees to ensure they thrive, as we know the dedication and commitment of our team is the reason for our success. As we continue to execute on our strategy, attracting and retaining exceptional talent is critical to our success.



Sumita Pandit
INDEPENDENT DIRECTOR



John Connolly
NON-EXECUTIVE DIRECTOR

Board and leadership

The composition of our Board further evolved over the first six months of the financial year. Bruce Gordon resigned as a Non-executive Director, effective 16 June 2021. The Board and management thank Bruce for his invaluable contribution to the Board and immense support of Pushpay over the past 10 years.

In September 2021, we were pleased to welcome two new US-based directors to the Board, Sumita Pandit as an Independent Director and John Connolly as a Non-executive Director.

Sumita is the Chief Operating Officer of dLocal, a technology-first payments platform enabling global enterprise merchants to connect with billions of consumers in emerging markets. Prior to joining dLocal, Sumita was a Managing Director and Global Head of Fintech Investment Banking for J.P. Morgan. Sumita brings nearly two decades of experience in investment banking, advising companies across verticals in fintech including payments, financial software, neo-banks and insurtech.

John is a Senior Advisor to Sixth Street providing guidance to portfolio company CEOs and management teams on strategic and operational issues associated with growth. He brings a 30-year track record of innovation, vision and execution in creating successful growth companies. John has served as chairman, non-executive chairman or director on over 35 boards, including A Cloud Guru, Paycor and Regulatory DataCorp (RDC) where he served alongside Michael McGinn, Co-Head of Sixth Street's Growth business. John was previously a Managing Director at Bain Capital Ventures, Chairman and CEO of M|C Communications, Chairman of Edgar Online, Chairman of the Princeton Review, President and CEO of Institutional Shareholder Services (ISS), and held several senior positions at IBM, including leading the integration to create the IBM Business Consulting Group.

On our management team, Kevin Kuck was appointed as Chief Operations Officer in August 2021 after previously serving as Senior Vice President of Operations. Kevin has spent over seven years at Pushpay, and his expertise on organisational design and process improvement has helped enable the Company to quickly scale amidst years

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of rapid growth. He played an integral part in the success of the Church Community Builder acquisition, guiding the IT and operations teams through the business integration process. Kevin's leadership has helped ensure the longevity of Pushpay's systems and tools, which enable the Company and its employees to serve its Customers well.

Shane Sampson resigned as CFO, effective 1 October 2021. The Board and management thank Shane for his dedication and commitment to the Company over the past six years.

Richard Keys was appointed as Interim CFO, effective 6 September 2021. Richard is an experienced listed-company executive with 30 years of healthcare and management experience in large and complex organisations. He has held a number of executive and non-executive roles, including Chief Executive Officer at Abano Healthcare Group Limited from 2015 - 2021. Richard has strong strategic, governance and leadership skills, and is providing strength to the Pushpay leadership team while recruitment for a US-based CFO is underway.

Church Disrupt 2021

Throughout COVID-19 it has become increasingly important for Customers and prospective customers to discover new ways to engage with their congregations through modern digital experiences. As an extension of Pushpay's high-touch 'Thought Leader' series, we hosted our second digital conference event in May 2021, Church Disrupt, bringing together church leaders from around the globe for thought provoking keynotes, engaging breakout sessions and conversations focused on leading through change, innovation and the future of church technology (www.churchdisrupt.com/). Church Disrupt 2021 delivered four hours of content, five inspiring keynotes, 12 breakout sessions and hosted more than 20 innovative speakers.

Our market

Despite pressures that have been felt globally from the COVID-19 environment, Pushpay has not seen any material change in digital giving reverting to non-digital means, indicating that our Customers in the US faith sector may have undergone a fundamental technological shift as a result of the current environment.



Kevin Kuck
CHIEF OPERATIONS OFFICER



Richard Keys
INTERIM CHIEF FINANCIAL OFFICER

While the US faith sector historically operated with antiquated solutions that have not kept up with modern technology, the COVID-19 environment has accelerated the adoption of technology within the faith sector. Digital giving and engagement is now a mission-critical factor within a church's engagement strategy.

The level of digital penetration within our Customer base remained stable over the six months, while Customer churn also remained consistent when compared to the prior comparable period. We anticipate digital adoption within our Customer base to continue to grow over time, albeit at a slower rate than before COVID-19 driven acceleration.

Strategy

Pushpay continues to focus on investing for sustainable future growth, by refining the strategies that will allow the Company to realise its considerable potential over the long term, while maintaining prudent financial discipline. As we execute on our strategy, Pushpay expects to see continued growth through further expansion of our existing suite of solutions, providing bundled product offerings to existing Customers, growing our Products utilised by Customers, while also attracting new customers and expanding our reach into new segments.

The acquisition of Resi Media is part of our strategy to attract an increased number of new customers across multiple segments, while providing the ability to realise material synergy opportunities through product bundling and integration with Pushpay's sales and marketing engine.

Catholic segment expansion

Pushpay has successfully established its value proposition within Protestant segment of the market and we remain focused on maintaining solid market share growth in this segment. We intend to replicate our success in the Protestant segment as we expand our services into the Catholic segment, where significant long-term opportunity exists.

Pushpay's expansion into the Catholic segment is a medium to longer-term initiative. As we continue to execute on our strategy, in the short to medium term, we remain focused on growing the number of Products purchased by Customers as well as increasing the number of Customers, along with the integration of Resi Media.

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In September 2021, Pushpay's Catholic product brand for the Pushpay suite of solutions, ParishStaq, was introduced to a targeted group of priests, parishes and dioceses at the 2021 International Catholic Stewardship Conference. As Pushpay increases its presence within the Catholic segment, we are seeing the majority of Catholic Customers adopt the ParishStaq platform, further validating the market hypothesis around the efficacy of a full product solution for both Protestant and Catholic churches.

As previously disclosed, the current financial year is serving as a key period of initial investment as Pushpay's team focuses on establishing relationships and increasing engagement with key stakeholders within the Catholic segment. While Pushpay has made an initial investment in talent over the first half of the financial year, our overall investment into the Catholic initiative is currently lower than originally anticipated primarily due to the recruitment process in a tight labour market being slightly slower than expected.

Pushpay expects to further increase product design and development headcount to plan over the remainder of the current financial year as we continue to develop the functionality of our suite of solutions to serve the Catholic segment. As previously advised, where appropriate, Pushpay will be capitalising any product design and development costs associated with the Catholic initiative.

Pushpay is currently focused on engagement and ramping go-to-market resources for the Catholic initiative. We expect the benefits from the Catholic segment to be realised incrementally over the course of the following years.

ParishStaq

Outlook

Pushpay has reported a positive start for the first half of the current financial year, and we expect continued revenue growth, as we continue to execute on our strategy to gain further market share and growth through continued innovation of our Products, bundling Products for existing and new Customers, integration of Resi Media and expanding into the Catholic market. Pushpay believes this is the best way to maximise shareholder value in both the short and long term.

During the first quarter of this financial year, we experienced lower Total Processing Volume growth than expected, with the second quarter improving with double digit growth compared to the same period last year. The level of digital penetration within our Customer base has remained consistent. We have also seen ongoing impacts from the COVID-19 environment, with consolidation of some churches, particularly in the small segment, and slower decision making on new subscriptions, particularly over the US summer holiday period. We have plans in place to address this and expect to see this improve.

Like other organisations, Pushpay has felt the impacts of rising wage pressures of the competitive hiring and retention environment in both the US and New Zealand markets, particularly in the IT sector. As we remain committed to attracting and retaining high-quality talent, staff costs have increased higher than originally anticipated as we respond to the competitive environment.

Pushpay is now expecting to achieve Underlying EBITDAFI for the year ending 31 March 2022 of between US$60.0 million and US$65.0 million, although uncertainties and impacts surrounding COVID-19 and the broader US economic environment remain. Excluding the costs associated with the investment into the Catholic initiative, Pushpay expects to achieve Underlying EBITDAFI for the year ending 31 March 2022 of between US$62.0 million and US$67.0 million.

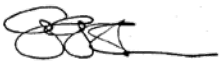
In the long-term, Pushpay continues to increase the appeal of our products to new customers in existing and new segments of the market, increasing the number of Products subscribed to by both existing and new Customers, increase the revenue per Customer through continued innovation, and merger and acquisitions. As we shared at the start of the financial year, the Catholic initiative is our first step in investing to grow our Customer base outside of our existing core Customer base, and we have set the goal of acquiring more than 25% of the Catholic church management system and donor management system market over the next five years.

Looking ahead, an exciting future awaits us as we continue to innovate and improve our software solutions to provide Customers with effective tools that strengthen connection within their communities.

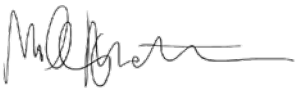
Acknowledgements

Pushpay's success would not be possible without the expert direction from the Board of Directors, successful execution from management and the hard work of our dedicated colleagues.

We would like to thank you, our shareholders, for your continued support and confidence, our teams in the US and New Zealand for their hard work and all of our Customers around the world for their continued loyalty and excitement, as these results are ultimately thanks to their support.



Graham Shaw
Independent Chairman



Molly Matthews
CEO

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Expanding team and capability

Resi Media





Section //

Founded in 2016 by Paul Martel and Brad Reitmeyer, Resi Media is a high growth SaaS business with a market leading streaming platform serving customers predominantly in the faith sector. Resi Media began out of the founders' church, Chase Oaks Church in Dallas, Texas, US after experiencing issues with the reliability and quality of available live streaming products. After trying every streaming solution available the founders embarked on solving the problem themselves, to bring reliable, resilient streaming protocol to the church.

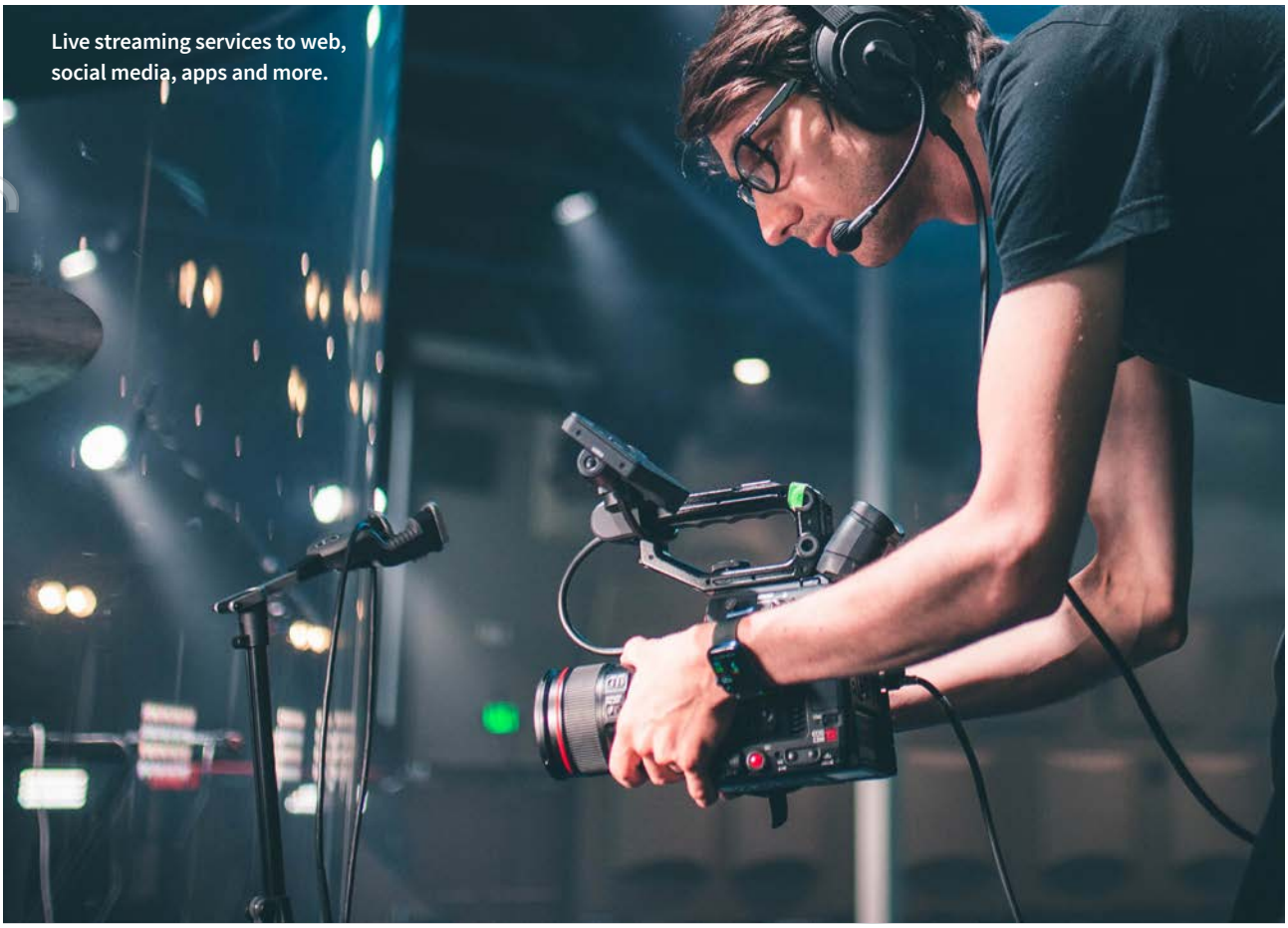
When Resi Media started, the team learned first-hand that their audience engagement growth was directly impacted by the reliability of the experience. Resi Media's team set out to create a streaming platform that organisations could rely on despite the issues of the public internet. The team prioritised creating products that were easy to use, while offering industry-leading customer support.

Today Resi Media's offerings comprise live streaming services to web, social media, mobile apps and other locations, and multisite streaming which delivers video to remote locations. Resi Media is well-positioned to execute on a value proposition of high quality, reliable live streaming as streaming becomes a core part of faith-based and other corporate organisations' operations.

Resi Media's Customers

Resi Media's Customers consist of thousands of organisations around the world seeking to engage their online audiences better through a consistently reliable, high quality platform. Because of Resi Media's deep roots in and dedication to the faith community, churches make up the largest percentage of its Customer base. Due to Resi Media's industry-leading technology and unique ability to offer resilient streaming in extreme circumstances, Resi Media has also been utilised by many other clients in education, sports and corporations for everything from streaming corporate meetings to transmitting video reliably between cruise ships. Customers can automate, monitor and review streams to make events extremely effective.

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Product innovation
Launched in 2016, 'Multisite' is Resi Media's original solution. Multisite enables organisations to stream from one to many physical locations. Unlike complicated and expensive solutions like satellite or utilising dedicated connections, Multisite can be reliably implemented over commodity internet connections, providing significant cost savings and simplifying workflows. This is due to Resi Media's RSP (Resilient Streaming Protocol) which ensures frame-accurate content delivery even through disruptions.

In November 2018, Resi Media released the Live Stream solution, powered by the same core technology as Multisite. This provides organisations the ability to stream to multiple web destinations simultaneously, including website, social media, TV/mobile apps and more. By taking advantage of RSP and a short delay, Resi offers high video quality and uninterrupted viewing even during variable bandwidth conditions. Additionally, if an outage occurs for longer than the delay, content will still be stored and transmitted when the connection resumes to ensure no data is missed to the viewer.

> "This streaming platform has kept us connected to our growing community and has enabled us to reach people seeking Jesus in Philadelphia and as far away as Melbourne, Australia!"
>
> **Kevin Johnson**
> LEAD PASTOR AT DARE TO IMAGINE IN PHILADELPHIA, PA, US

Resi Media's Live and Multisite solutions are enabled by hardware or software encoders at the broadcast site and decoders at the receiving site(s). In November 2020, Resi Media announced a partnership with Renewed Vision to implement streaming to Resi Media through Renewed Vision's ProPresenter software, used by thousands of churches around the world. This provides the ability for organisations to begin streaming reliably through Resi Media with no up-front hardware cost.

"This is not only an opportunity to align two mission-driven organisations, but also to build on the momentum which Resi Media has already generated by offering high quality and reliable live streaming services. Joining forces with Pushpay propels our ability to deliver seamless solutions which empower organisations to engage, monetise, and grow online, in-person and hybrid audiences at scale." – Paul Martel

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Innovative, mobile-first solutions

Added functionality to the Pushpay solution

Pushpay continues to invest in its leading solutions, enabling our Customers to increase participation, engagement and build stronger relationships with their communities. Some of our more recent additions and enhancements to the Pushpay solutions are highlighted below.

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People Search

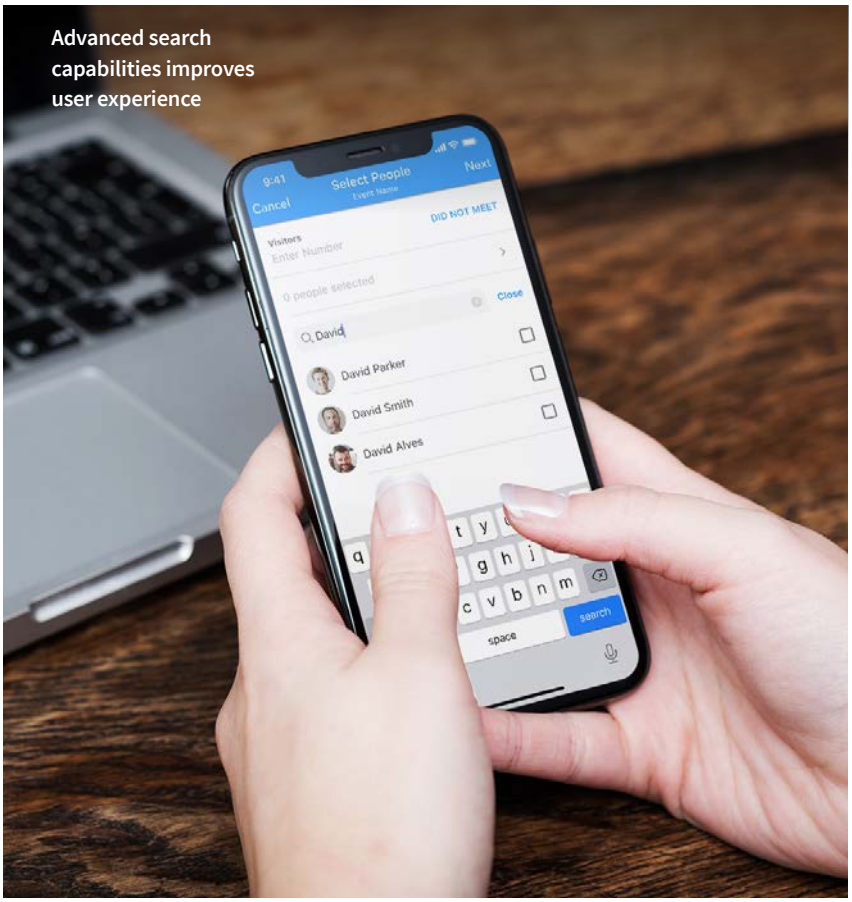
In April 2021, Pushpay launched a new People Search capability in the church management system. This update dramatically improves the user experience for church staff seeking to identify groups of people for further action. The new People Search enables church staff to perform basic to complex searches with a few clicks. Powerful and advanced search capabilities are vital to helping church staff to completely understand how their community is engaging in their church and activating them further. These capabilities allow ministry leaders to quickly identify groups of people with common attributes, such as individuals who are candidates to volunteer for certain ministry programs.

Giving Statements in the App

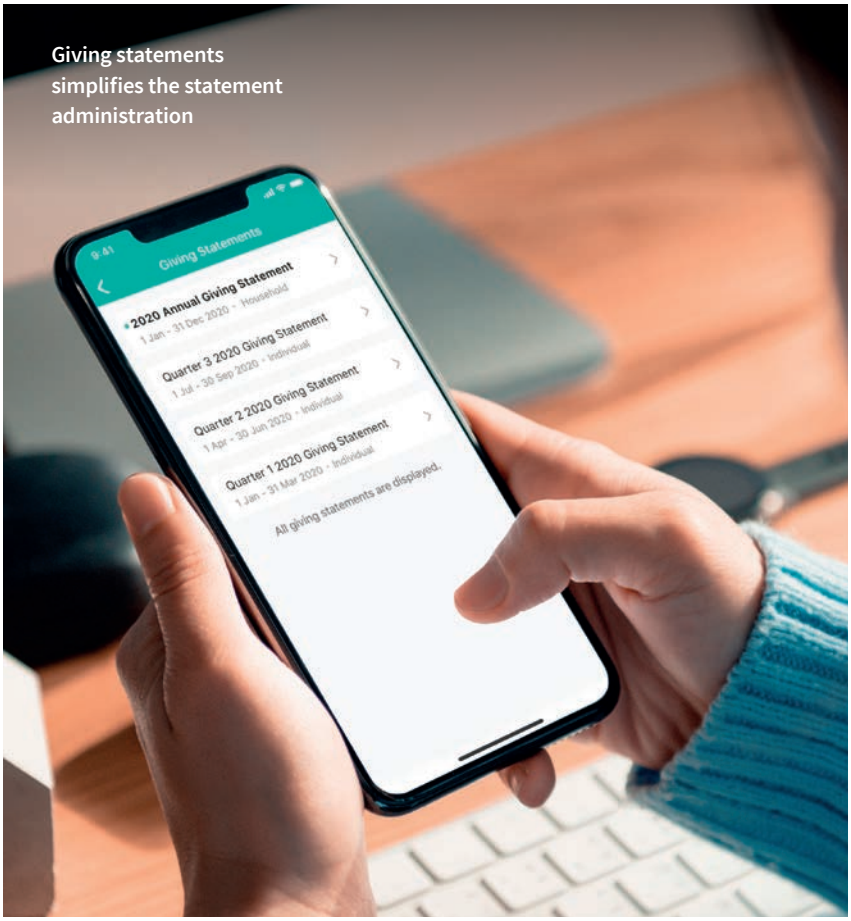
In July 2021, Pushpay made self-access Giving Statements available in the App. Formerly, individuals have had to wait to receive an email, mailed statement or requested one from church personnel. This functionality enables individuals to retrieve their giving statements directly from Pushpay's Custom Church App. This feature simplifies the Giving Statement distribution process for churches and donor development activities and during tax seasons.

Check-in Announcements

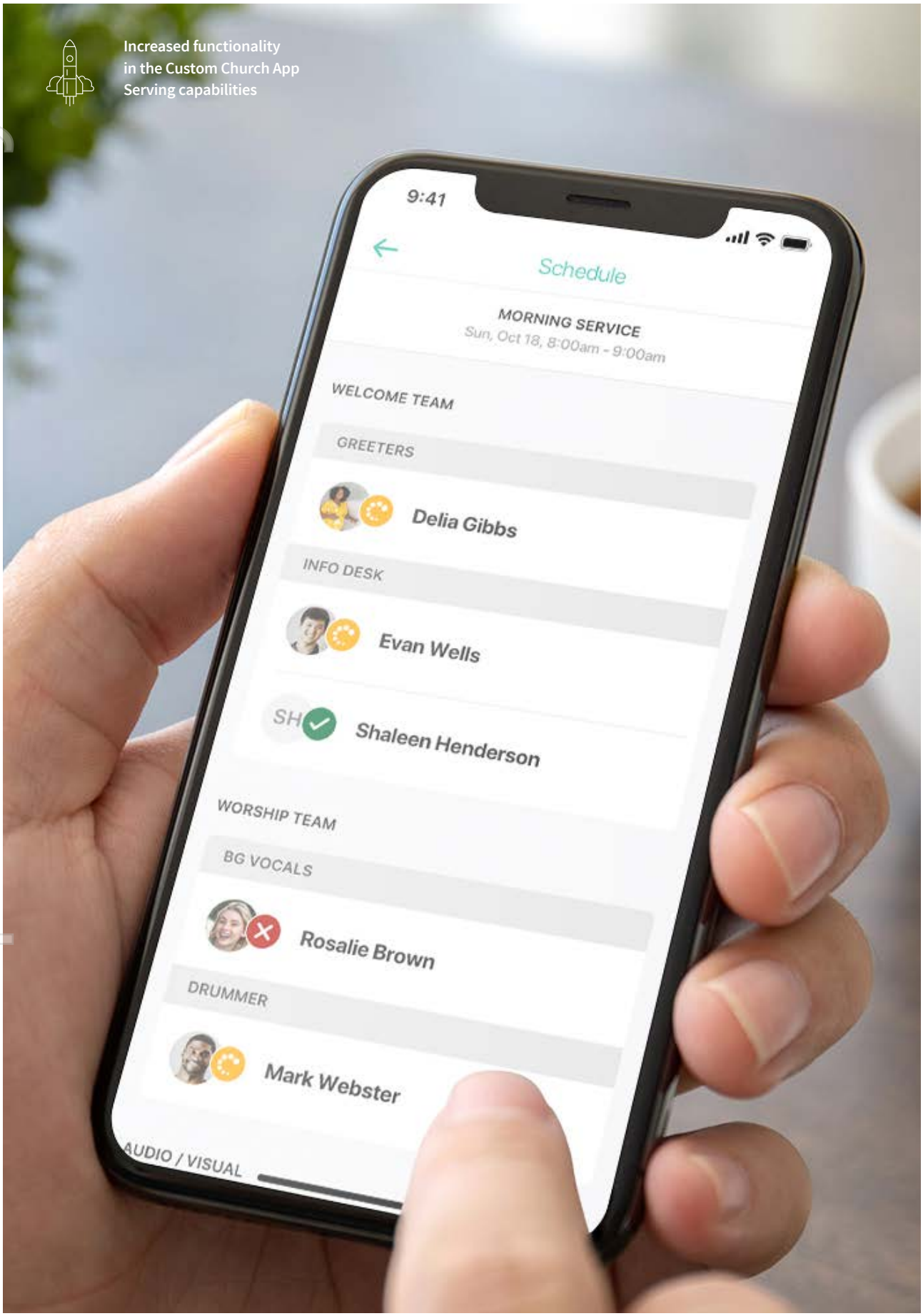
In August 2021, Pushpay launched a Check-in Announcement feature, which allows churches to create an informational message to share with families as they are checking in at a service or event. These messages enable the church to share important updates, such as new instructions for their reopening efforts or safety procedures related to COVID-19. Many times the check-in process is the only interaction a family may have directly with staff or church personnel and Check-in Announcements enable a simple way to communicate, engage and involve with those individuals and families.



Advanced search capabilities improves user experience

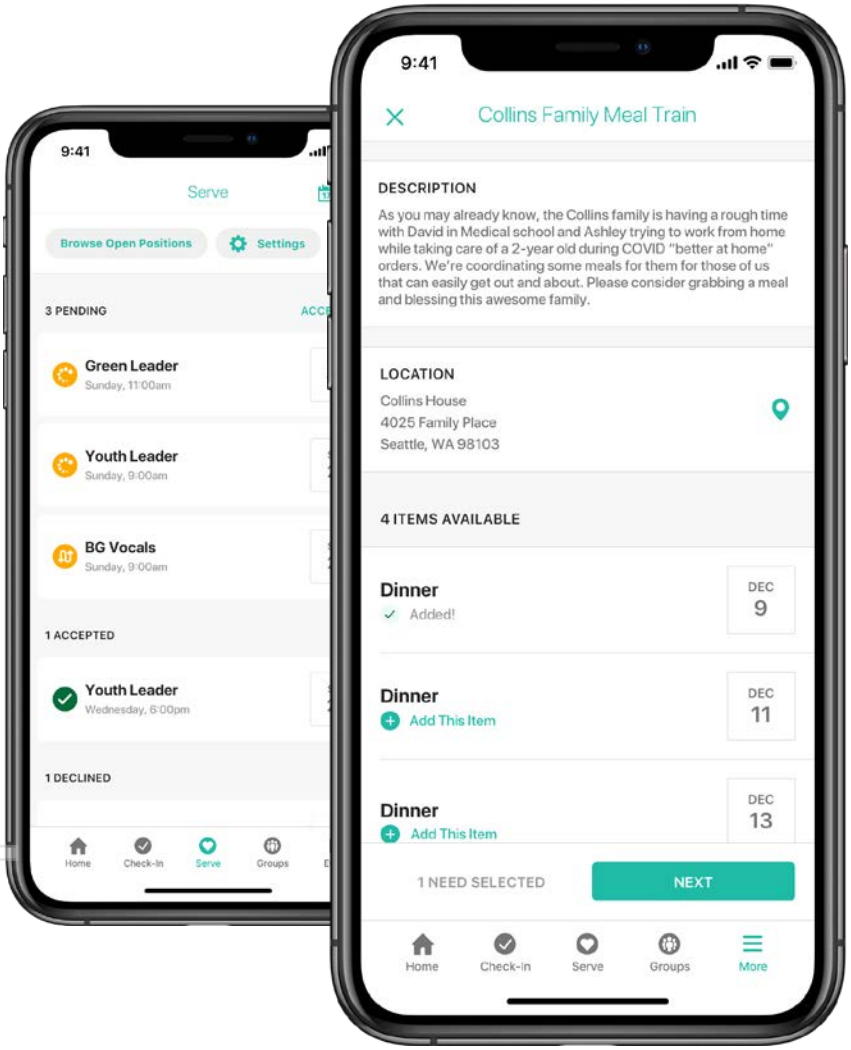


Giving statements simplifies the statement administration



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Increased functionality in the Custom Church App

Serving capabilities

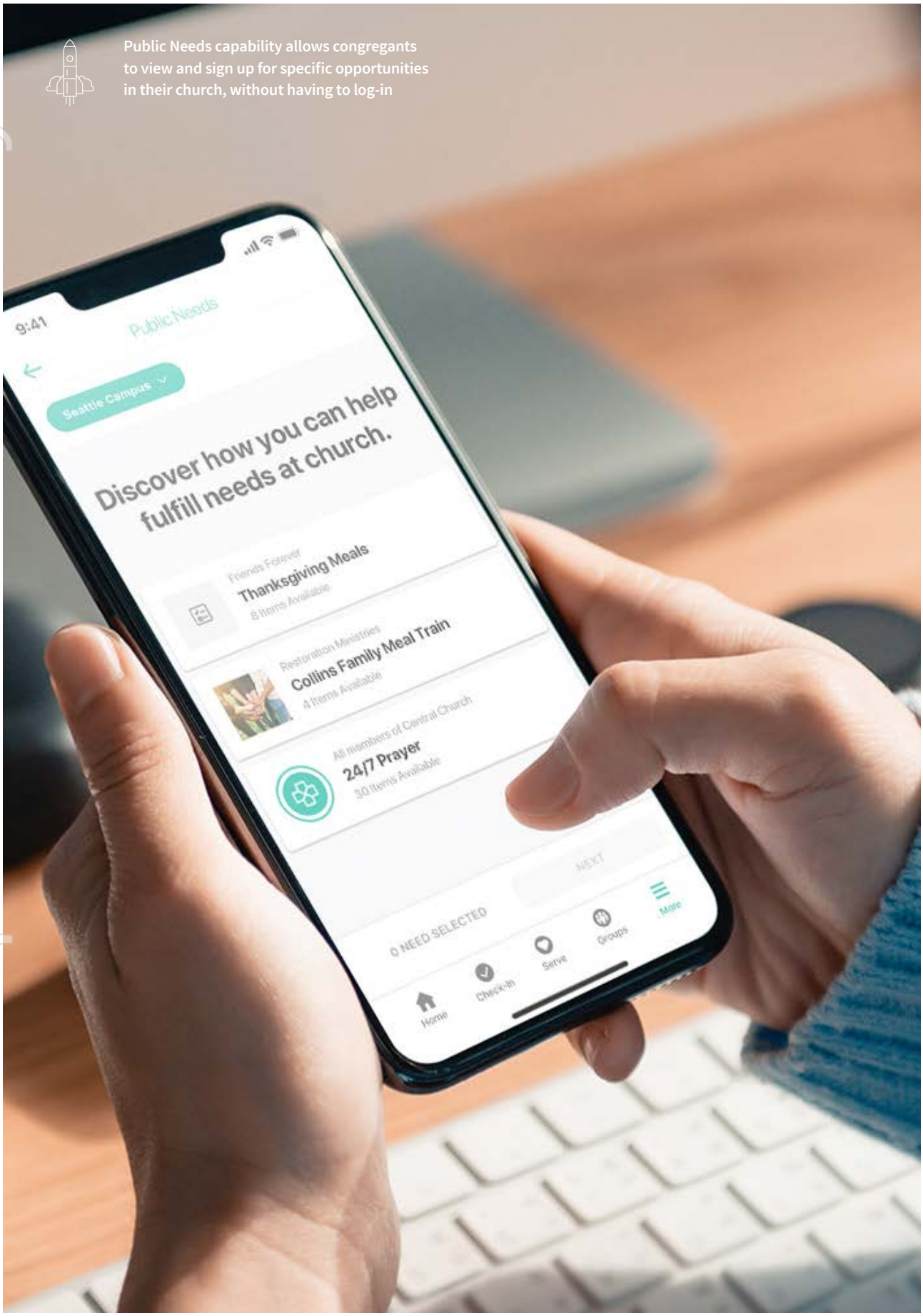
In August 2021, Pushpay introduced new Serving capabilities in the Custom Church App that allows individual community members to manage their volunteer schedules directly from their mobile phone. Individuals can now accept or decline serving assignments, view their upcoming schedules and plans, sign up for open positions and adjust their serving preference and available dates, all conveniently from their Church App. This feature has been heavily requested by Customers and is an additional tool that allows members to effortlessly engage with their communities in easy, intuitive ways powered by mobile technology.

Public Needs

In church communities, staff members often have visibility into specific needs within their organisations, whether it be a family in need, a sector of the community in need or a general need of the church itself. Those staff members are often looking for ways to notify, inform and engage their communities to help fill these needs. In August 2021, Pushpay released a Public Needs capability in the Custom Church App which allows congregants to view and sign up for specific opportunities in their church, without having to log-in, or even have a profile, in any software. This feature helps congregants to engage with the church and fulfil needs within their community.

Brand unification and consolidation

As the Group and its software offerings continue to grow and evolve, Pushpay will continue to consolidate under the single Pushpay brand. The Company's donor management system and church management system Customers will continue to experience the same world-class software and exceptional customer service under the unified Pushpay brand. The new visual identity for the unified brand is being unveiled throughout the current financial year, across a number of key channels, including emails, social media posts, the Pushpay website (www.pushpay.com) and more.



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Enabling social good

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Communities we're helping

Section //

The Austin Stone Community Church

Austin, Texas, US

For the City Ministry

In 2009, For the City (FTC) was launched out of The Austin Stone as a grassroots outreach to serve the community in the St. John neighbourhood of Austin, Texas. For the City's purpose was to help the church engage in issues of brokenness and injustice within the city of Austin. The commitment of FTC is to facilitate justice and mercy wherever there is brokenness and need.

Today, FTC has grown into a local missions organisation that continues to serve their community throughout the greater Austin area. A primary initiative of FTC is to actively partner with other non-profit organisations for the purpose of providing volunteers and financial support. FTC empowers people to care for the needs of their community and resource other non-profits initiatives.

Following becoming a Pushpay Customer in 2016, The Austin Stone church has received over US$1.5 million through their Mercy Fund, which they have used over the years to resource FTC in addressing issues like COVID-19 and natural disasters.

When the COVID-19 pandemic began in March of 2020, FTC knew there would be greater need than ever to care for the most vulnerable people and communities in their city. Due to COVID-19, many local communities around Austin began experiencing shut-downs, isolation and increased financial hardship. This contributed to an increased sense of hopelessness among local churches, especially in low-income neighbourhoods. FTC took action by helping to facilitate the 2:44 Cares initiative alongside a diverse body of church leaders in Austin. The purpose of 2:44 Cares was to support other churches and individuals who were being hit hardest by the pandemic. Throughout 2020, FTC worked to serve and support hundreds of people through:

- Mobilising over 800 people to serve others during the pandemic through various socially-distanced, safe opportunities;
- Mentoring over 300 girls ages 7-18 through Total City Sports Volleyball;
- Coordinating over 30 projects with local non-profit partners to serve marginalised communities;
- Providing over 12,000 meals to first responders; and
- Participating in a grassroots effort that resulted in over US$800,000 distributed to other local churches to serve their community.

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In February of 2021, the state of Texas suffered a severe winter weather event. The unusual freezing temperatures caused an overload to local power grids and many in the city of Austin lost power and water. In response, the people of The Austin Stone came together to provide disaster relief and rehabilitation to areas of their community most impacted. Below is a summary that provides a glimpse of what was achieved through their collective efforts.

For over a decade, the impact of FTC has been felt in communities throughout Austin. The work and generosity of this ministry will ensure that many local churches and organisations will be able to continue making a difference for years to come.

4,5000 Individuals +
// **Over 4,500 individuals were served in the Greater Austin area.**

16,500 Gallons
// **Of water were distributed.**

300 Families +
// **Over 300 families were served through individual benevolence requests.**

16 Teams
// **Were sent out into the community for disaster relief.**

US $ 150,000 Was donated
// **To the Mercy Fund for disaster relief.**



The Austin Stone Community Church
For the City Ministry

US $ 1.6 M Pledged

// **Using the Campaigns functionality in Pushpay**

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Nativity of Our Lord Catholic Parish
Broomfield, Colorado, US

Stewardship initiative

Nativity of Our Lord Catholic Parish (Nativity) became a Pushpay Customer in August 2020. The Parish was established for 179 Broomfield families in 1958, with the first Mass held in the lower level of the Empire Savings and Loan building on 7 September. Two years later, ground-breaking took place for the church. At midnight on Christmas Day 1960, the first Mass in the new red-brick church was celebrated and is now home to more than 2,800 families.

The Parish falls in the Archdiocese of Denver, Colorado, US. Like many parishes and churches during the COVID-19 pandemic, they were in need of online giving and the ability to live stream masses. Having adopted Pushpay's platform in October 2020 Nativity has been able to maintain a strong level of parishioner donations during the pandemic. The availability of Pushpay's platform generated an increase in both participation in online giving and overall donations to the Parish.

Each year during the autumn season, Nativity executes a stewardship initiative, during which they invite parishioners to make pledges of prayer, time and talent, and treasure. The use of Pushpay's campaign functionality has been an integral component in allowing Nativity to successfully navigate its annual stewardship efforts.

The Parish's success with Pushpay has led to discussions of the benefits of Pushpay's Catholic-specific all-in-one solution, ParishStaq. The church leadership is excited about how a full integration of services would improve their workflow and reporting, allowing them to focus on stewardship and fundraising.



Nativity of Our Lord Catholic Parish
Stewardship initiative

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US $40,000 Raised

// Partnering with Pushpay allows donations without barriers

IM, Inc.
Antioch, Tennessee, US

IMpact Projects

IM, Inc., located in Antioch, Tennessee, US expands the globe with a unique and impactful ministry to people with physical, spiritual and emotional needs in areas with less than a 5% Evangelical witness. IM, Inc. has over 50 missionaries worldwide, providing unique opportunities to support people and communities around the world. With partnerships in countries such as Bulgaria, India, Japan, Russia and more, the gospel is shared and lives are impacted through IM, Inc's mission.

IM, Inc.'s 'IMpact Projects' are specific field-based ministry projects created by IM missionaries for the communities they are ministering to. IMpact Japan is making significant progress with over US$40,000 raised thus far. Specifically, Iriso FWB Church in Sayama, Japan is spearheading an effort to bury people who are Christians who do not want to be buried in a Buddhist grave or their family will not allow them to be buried together because of their religion. This project is targeting specifically those people associated with the Free Will Baptist Kanto area churches. Giving through Pushpay has allowed the ministry to raise funds to purchase land and is working together with three other area churches to secure funding for the gravestone. The gravestone marker will be a testimony to all the people who come through the graveyard.


IM, Inc.
IMpact Projects

Additionally, projects found in India are focused on the construction of new church buildings to facilitate growth and reaching non-believers to attend. Countries such as Kenya have an array of opportunities. Specifically, the IMpact Kenya Solar MP3 Player project has an emphasis on reaching the nomadic Samburu people. The translation of the Bible is crucial to the Samburu people. As they are constantly moving around with their cattle, IM, Inc. provides the purchase and distribution of solar MP3 players in the Samburu District of Kenya to assist in sharing the gospel of Jesus Christ with the Samburu people. The IMpact Kenya project has raised over US$20,000 in donations.

Partnering with Pushpay since October 2020, an online solution has removed barriers to generosity allowing donors to partner with IM, Inc.'s mission without limitation.

People we are proud of

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> "I love the people at Pushpay, they are smart, motivated and passionate about serving our customers."
>
> **Lenny Fellez**

Lenny Fellez

Account Executive Sales Manager
Redmond, Washington, US

The people and team assembled at Pushpay are world-class. Additionally, the mission to serve the church, which in turn serves local communities. That's as important as it gets. I love the people at Pushpay, they are smart, motivated and passionate about serving our customers. My favourite memory at Pushpay is a recurring one, every time we help a church see the vision of what it could be like to grow and impact their communities at a greater level. Working with excellent communicators and passionate people excites me about my role here at Pushpay. It's the people that make the difference. My time at Pushpay has helped me to become a better servant leader. Taking my mind off myself and putting it on the needs of others has allowed me to become a more self-aware and better parent, husband, leader and friend.

"Lenny is an instrumental leader at Pushpay. He has served across the sales team in multiple roles which contributes to the deep value he brings to churches and his teammates every day. Lenny's passionate commitment to excellence challenges both our churches as well as our team internally to continue to make our outstanding Sales team even better." – Tip Moore – Director of Enterprise Sales

"Without a doubt, Lenny is a dynamic leader at Pushpay. He has successfully served in multiple roles and brings intense passion and energy to what he puts his hand to, no matter the task. His ability to communicate enthusiastically and professionally drives deals forward and inspires his teammates. I truly believe that Lenny is an incredible asset to Pushpay's continued success and feel honoured to serve with him." – Caleb Gilbert, Senior Account Executive



Lenny Fellez – Account Executive Sales Manager
Redmond, Washington, US

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> "I have never worked in a place where people are so genuinely invested in making a positive impact to those around them."
>
> **Caroline Morales**

Caroline Morales

Engineering Manager
Colorado Springs, Colorado, US

Prior to Pushpay, I was a project manager at Capsher Technology, designing software such as the Sonic Restaurant menu and logistics software for Schlumberger. When I was job searching, my number one requirement for a company was they needed to "do good." I found Church Community Builder and the thing that made me pick them over anyone else was the people. I have never worked in a place where people are so genuinely invested in making a positive impact to those around them than here. I can sincerely say, we as a group, a team, a company and a community are better each day than the day before and that is because we lift each other up every day. I have a heart for people. I used to say I had a heart for delivering great software, but over the years, I've delivered hundreds of "great" features but when I retell my story I almost never mention the features. I tell the stories of great teamwork overcoming extreme obstacles and coming out on top. I believe my role is crucial to Pushpay's success because I fight for our people. I love taking care of our employees, advocating for them and making Pushpay a place they feel valued, safe and excited to be here.

"Caroline helps make our Engineering culture what it is. From encouraging people to celebrating victories, to providing opportunities to stretch and grow in their career to feasting over a team lunch, she is instrumental in building the relationships and the camaraderie that exist in our team." – Erik Cramer, Director of Engineering, Church Management System

"Caroline has been fun and easy to work with. As a manager, I appreciate that she takes the time to figure out what I need to work on next for my career. She also listens when I bring up ideas or things I want to pursue and encourages me to work towards my goals. On top of that, she has an easy sense of humor and makes every meeting fun!" – Chris Wilcoxson, Software Engineer, Church Management System



Caroline Morales – Engineering Manager
Colorado Springs, Colorado, US

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> “Supporting churches gives me my purpose to wake up and go to work everyday.”
>
> **Richie Chambers**

Richie Chambers

Director of Customer Support
Redmond, Washington, US

From my over 20 year career prior to Pushpay, I have experience leading people and teams from a variety of roles, including being an IT Support Manager at AT&T Wireless and an Operations Manager at Tableau. I find a great amount of joy in coaching and encouraging others, and my experience has given me the unique ability to serve as a leader in many of the Customer Success functions at Pushpay. Supporting churches gives me my purpose to wake up and go to work every day. It is a true joy to know we are helping grow the kingdom to better our world by working at Pushpay. We are a team and we lean on each other’s strengths to achieve our goals and objectives. I have never been a part of an organization that truly walked their Core Values - Pushpay does and always has. Our values have meaning and define who we are. The thing I love most about Pushpay, without question, is the people. The joy I find at being at work every day has made me a happier person both in my personal and professional life. I believe the secret to Pushpay’s success is that we truly care about our customers. It’s less about creating a great product and more about what our product can do for them.

“Richie truly has a passion for customer care and support, and lives at the intersection of building strong processes, getting the most out of tools and solutions, and developing his team to perform at a high level. Having now worked in several departments within Customer Success, he truly understands how the overall org works together to ensure our customers are successful and get the most from the Pushpay platform.” Jeremy Mason - Director, Customer Success

“Richie leads with a servant attitude and heart for our teams and customers. If we encounter a barrier or roadblock, he will take it head on to find a better way of doing things. He is a true “Coach” and leads those around him with authenticity and care. Richie is a complete gift to our organization. He encourages us, challenges us, and inspires us and has had an immeasurable impact on our entire business.” – Seth Kuhlman, Customer Care Manager



Richie Chambers – Director of Customer Support, Colorado Springs, Colorado, US

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Management commentary

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You should read the following commentary with the unaudited interim financial statements and the related notes in this report. Some parts of this commentary include information regarding the plans and strategy for the business, and include forward-looking statements that involve risks and uncertainties. Actual results and the timing of certain events may differ materially from future results expressed or implied by the forward-looking statements contained in the following commentary. Unless otherwise stated, the following commentary discusses the performance over the six months ended 30 September 2021 compared to the six months ended 30 September 2020, also referred to as the prior comparable period (PCP). All amounts are presented in United States Dollars (USD), except where indicated.

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6.

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Non-Generally Accepted Accounting Principles (Non-GAAP) measures have been included, as we believe they provide useful information for readers to assist in understanding Pushpay's financial performance. Non-GAAP financial measures should not be viewed in isolation, nor considered as substitutes for measures reported in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS). EBITDAFI (a non-GAAP financial measure) is calculated by adding back net finance expenses, depreciation and amortisation, income tax expense and net foreign currency gains/losses to net profit/(loss). Underlying EBITDAFI (a non-GAAP financial measure) excludes one-off changes as well as costs and IFRS accounting relating to acquisitions. The business results table below provides a reconciliation of EBITDAFI to net profit, and of EBITDAFI to Underlying EBITDAFI.

Business results

Unaudited	*2021 US$000*	*2020 US$000*	*Change**
Six months ended 30 September			
Operating revenue	93,491	85,558	9%
Other revenue	20	985	-98%
Total revenue excluding finance income	**93,511**	**86,543**	**8%**
Third party direct costs	(29,272)	(27,191)	8%
Percentage of operating revenue	31%	32%	-1pp
Other operating expenses	(37,325)	(32,645)	14%
Percentage of operating revenue	40%	38%	2pp
Earnings before interest, tax, depreciation, amortisation, foreign currency (gains)/losses and impairments (EBITDAFI)	**26,914**	**26,707**	**1%**
Percentage of operating revenue	29%	31%	-2pp
Finance expenses, net	(170)	(907)	-81%
Depreciation and amortisation	(3,902)	(3,606)	8%
Net foreign exchange gains/(losses)	2,200	(3,413)	-164%
Net profit before income tax	**25,042**	**18,781**	**33%**
Income tax expense	(5,915)	(5,381)	10%
Net profit	**19,127**	**13,400**	**43%**
Percentage of operating revenue	20%	16%	4pp

* pp stands for percentage point

Unaudited	*2021 US$000*	*2020 US$000*	*Change*
Six months ended 30 September			
Earnings before interest, tax, depreciation, amortisation, foreign currency (gains)/losses and impairments (EBITDAFI)	**26,914**	**26,707**	**1%**
Percentage of operating revenue	29%	31%	–2pp
Adjustments to EBITDAFI for non recurring items			
Transactions costs associated with the Resi Media acquisition	1,869	–	100%
Fair value discount on unearned revenue acquired	277	765	–64%
Government grants (research and development)	–	(960)	–100%
Impact of vendor restricted shares on employee benefits	563	–	100%
Underlying Earnings before interest, tax, depreciation, amortisation, foreign currency (gains)/losses and impairments (Underlying EBITDAFI)	**29,623**	**26,512**	**12%**
Percentage of operating revenue	32%	31%	1pp

The increase in operating revenue was driven by the growth in Products purchased by Customers, an increase in Customers and an increase in ARPC, achieved both organically and from the Resi Media acquisition (effective 25 August 2021). Other revenue decreased by 98%, reflecting the Callaghan Innovation growth grant received in the 2021 financial year being replaced by the Research and Development Tax Incentive in the 2022 financial year. This incentive will be recognised as a credit against income tax expense as opposed to other revenue under the Callaghan Grant. The impact of this change is expected to be net profit and cash neutral. Operating expenses increased over the period primarily due to the Resi Media acquisition and costs associated with the transaction.

Excluding the $1.9 million in transaction costs associated with the Resi Media acquisition, operating expenses as a percentage of operating revenue were flat at 38%.

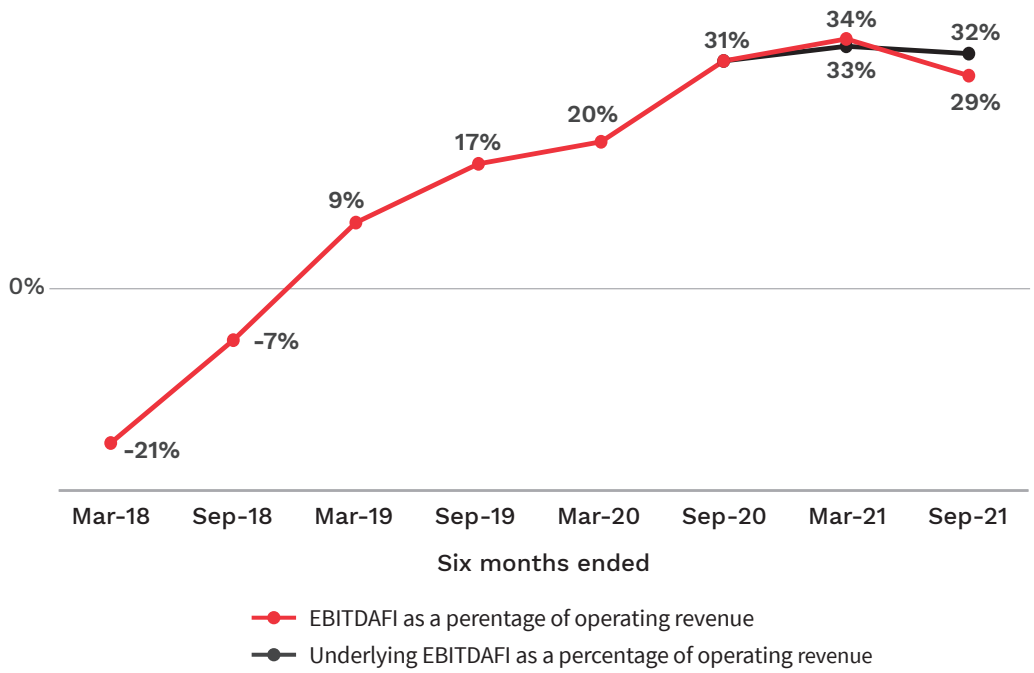
Net finance expenses improved 81% due to the timing of the repayment of the borrowings related to the Church Community Builder acquisition in the second half of the 2021 financial year and subsequent borrowing to fund the acquisition of Resi Media late in the first half of the 2022 financial year on 25 August 2021.

Depreciation and amortisation increased by 8% largely due to the amortisation of Resi Media intangible assets. Net foreign exchange gains primarily relate to non-cash accounting adjustments arising from the New Zealand legal entities that have a New Zealand dollar functional currency.

In addition to reporting results under IFRS, with the one-off changes in the government grants as well as acquisition related costs and IFRS accounting adjustments associated with the Resi Media acquisition, the Company has also reported on Underlying Earnings. This provides a reconciliation of the Group's performance without these non-recurring items and the Group believes that these measures provide a more appropriate representation of the Group's performance.

Including these costs such as the Resi Media acquisition costs, EBITDAFI improved by 1%, as a percentage of operating revenue over the prior comparative period. Excluding these transaction costs and other accounting adjustments associated with the acquisition of Resi Media, the underlying EBITDAFI increased by 12% from $26.5 million to $29.6 million in the period.

EBITDAFI as a percentage of operating revenue



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Operating revenue

Subscription revenue consists of recurring fees based on which Products the Customer subscribes to and can vary depending on the size of the Customer (in the case of the faith sector, size is based on average weekly attendance). Customers are invoiced monthly or annually in advance. Revenue is recognised as the services are delivered to Customers over the term of the contract, commencing with the date the contract is signed by the Customer. Unearned revenue represents amounts billed to Customers in advance of the provision of services and is recognised in the statement of financial position as unearned revenue in current liabilities. Processing revenue consists of variable fee income generated from payment transaction volume (in the case of the faith sector, this is usually a percentage of total donations). Processing revenue is billed monthly in arrears. Other operating revenue consists of data integration, training and other implementation fees billed to the Customer. This revenue is recognised at the point of delivery.

Unaudited	*2021 US$000*	*2020 US$000*	*Change*
Six months ended 30 September			
Subscription revenue	27,272	23,913	14%
Processing revenue	65,133	61,242	6%
Other operating revenue	1,086	403	169%
Total operating revenue	**93,491**	**85,558**	**9%**

As at 30 September	*2021*	*2020*	*Change*
Total Products	18,229	12,725	43%
Comprising			
Donor Management System	9,182	8,489	8%
Church Management System	4,875	4,236	15%
Streaming	4,172	–	100%
Total Customers	14,095	10,896	29%
ARPC per month (US$)	1,166	1,263	-8%
ARPC per month excluding Resi Media acquisition (US$)	1,348	1,263	7%

During the period, total Products sold increased by 43%, from new Customers, existing Customers increasing the number of Products utilised and as a result of the Resi Media acquisition.

Group ARPC, which includes Customers acquired as part of the Resi Media acquisition, decreased by 8% to $1,166 per month in September 2021, reflecting the lower ARPC of the Resi Media Customers. Excluding Resi Media, ARPC increased by 7% to $1,348 per month in September 2021 when compared to the corresponding prior period, with ARPC growth across all of our Customer segments.

Continued work on bundling Products utilised by our Customers has resulted in single product Customers reducing from 100% of Customers in September 2019 to now more than 25% of our Customers having two or more Products. This indicates that there is significant potential within our existing Customer base to grow the number of Products and offer bundled solutions.

The proportion of medium and large Customers, as a proportion of total Customers, increased to 59.7%, up from 57.1% in the prior comparable period due to the inclusion of Resi Media, while there was a slight increase in the proportion of smaller Customers added in the underlying business in the period. There was no material change in churn of Customers during the period.

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Third party direct costs

Third party direct costs consist of volume related processing costs, platform hosting and other related costs payable to third parties. Processing costs include interchange fees, which are paid to third parties, such as Visa and MasterCard. Other costs include payments to third party distributors.

Unaudited	*2021 US$000*	*2020 US$000*	*Change*
Six months ended 30 September			
Processing costs	26,819	25,339	6%
Platform hosting costs	2,121	1,855	14%
Other third party direct costs	332	(3)	Large
Total third party direct costs	**29,272**	**27,191**	**8%**
Percentage of operating revenue	31%	32%	-1pp
Processing costs, as a percentage of processing revenue	41%	41%	0pp
Platform hosting costs, as a percentage of operating revenue	2%	2%	0pp

Total third party direct costs increased by 8% over the period primarily due to higher processing volumes, with processing costs remaining consistent at 41% of processing revenue. Other third party direct costs increased due to the cost of sales related to the sale of hardware such as decoders, encoders and streaming kits sold by Resi Media.

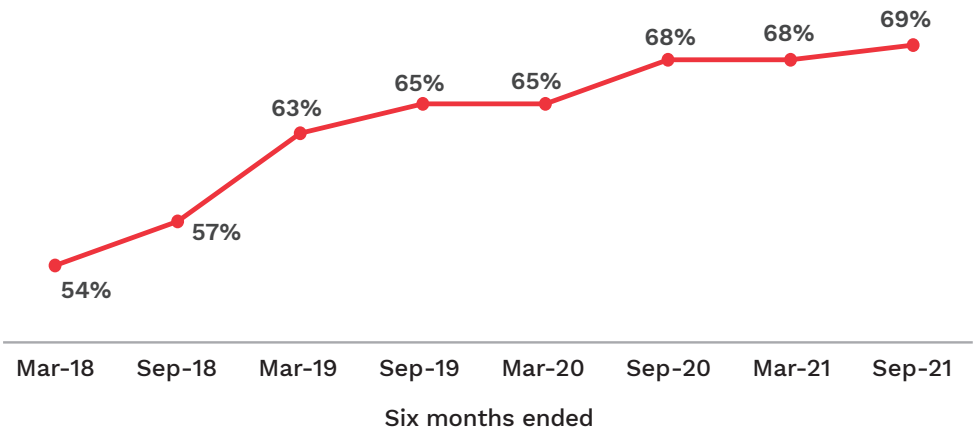
Gross profit

Gross profit (a non-GAAP financial measure) is calculated as operating revenue less third party direct costs.

Unaudited	*2021 US$000*	*2020 US$000*	*Change*
Six months ended 30 September			
Operating revenue	93,491	85,558	9%
Third party direct costs	(29,272)	(27,191)	8%
Gross profit	**64,219**	**58,367**	**10%**
Gross margin, as a percentage of operating revenue	69%	68%	1pp

Gross margin as a percentage of operating revenue was maintained and slightly increased due to the higher gross margin associated with Resi Media.

Gross margin percentage



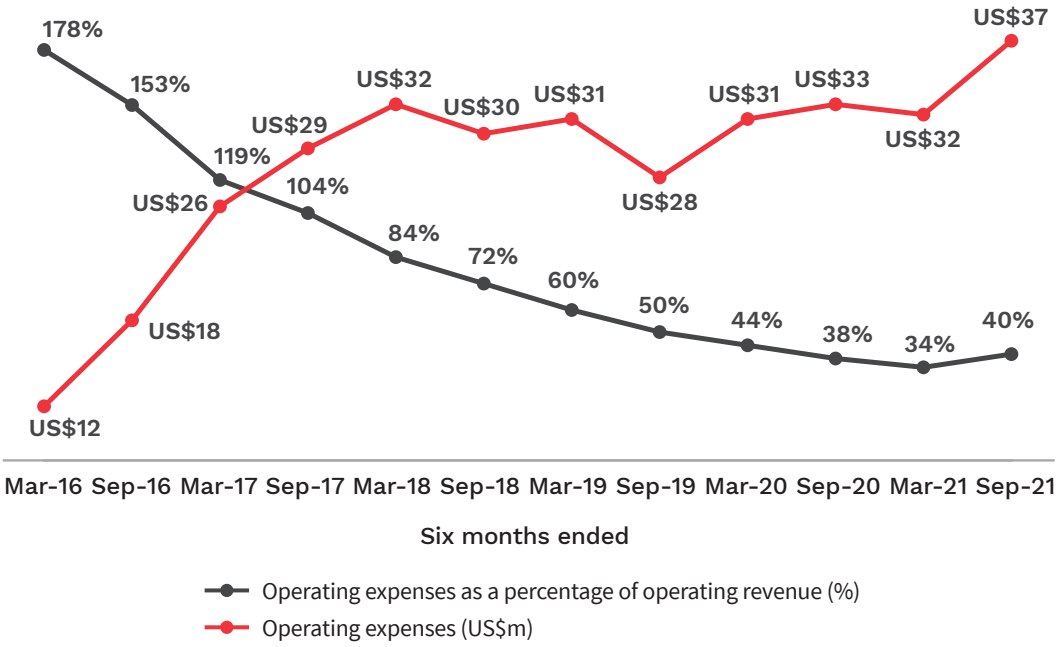
Operating expenses

Operating expenses comprise product design and development, sales and marketing, customer success, and general and administration costs.

Unaudited	*2021 US$000*	*2020 US$000*	*Change*
Six months ended 30 September			
Product design and development	9,219	8,557	8%
Sales and marketing	14,063	12,172	16%
Customer success	4,359	4,317	1%
General and administration	9,684	7,599	27%
Total operating expenses	**37,325**	**32,645**	**14%**
Percentage of operating revenue	40%	38%	2pp

Operating expenses increased over the period largely due to the inclusion of Resi Media operating expenses ($2.1 million) and acquisition related transaction costs ($1.9 million) as well as increased investment in marketing and promotions. Excluding the $1.9 million of Resi Media transaction costs, operating expenses in the period as a percentage of operating revenue were maintained at 38%.

Operating expenses



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Product design and development

Product design and development costs consist primarily of personnel and related expenses directly associated with product design and development employees. Under NZ IFRS, the portion of product design and development personnel and vendor expenses that relate to new products and features that create a benefit in future years are capitalisable as an intangible asset and are then amortised to the income statement over the estimated life of the asset created.

Unaudited	*2021 US$000*	*2020 US$000*	*Change*
Six months ended 30 September			
Total product design and development costs (including amounts capitalised)	9,391	8,557	10%
Percentage of operating revenue	10%	10%	0pp
Less capitalised development costs	(172)	–	100%
Percentage of total product design and development costs	2%	0%	2pp
Net product design and development expense	**9,219**	**8,557**	**8%**
Percentage of operating revenue	10%	10%	0pp

Product design and development costs increased over the period while remaining at a consistent 10% of operating revenue. The increase in product design and development costs was largely due to the increased headcount associated with the Resi Media acquisition. Capitalised development costs related to applicable product design and development costs associated with the Catholic initiative.

Sales and marketing, and customer success

Sales and marketing expenses consist of personnel and related expenses directly associated with the sales and marketing employees, external advertising costs and marketing costs (including promotional events, corporate communications, brand building and product marketing activities such as online lead generation).

Customer success expenses consist primarily of personnel and related expenses directly associated with customer success employees. Customer success facilitates onboarding and ongoing support of Customers, ensuring they maximise the benefit from Pushpay's solutions. The portion of customer success costs relating to onboarding new Customers is treated as part of Customer Acquisition Cost (CAC).

Unaudited	*2021 US$000*	*2020 US$000*	*Change*
Six months ended 30 September			
Sales and marketing	14,063	12,172	16%
Customer success	4,359	4,317	1%
Total sales and marketing, and customer success costs	**18,422**	**16,489**	**12%**
Percentage of operating revenue	20%	19%	1pp
Months to recover CAC	24.3	15.4	8.9
Annual Revenue Retention Rate	>110%	>110%	NC

Sales and marketing costs increased in the period due to increased investment in external marketing and promotional campaigns as well as increases in headcount driven by the Resi Media acquisition. Months to recover CAC increased from 15 to 24 months reflecting the higher marketing spend as well as a higher proportion of sales to smaller customers in the period. Customer success costs increased due to an increase in headcount driven by the Resi Media acquisition.

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General and administration

General and administration expenses consist of personnel and related expenses for executive, finance, human resources and administrative employees. It also includes legal, accounting and other professional services fees, stock exchange listing expenses and other corporate expenses.

Unaudited	*2021 US$000*	*2020 US$000*	*Change*
Six months ended 30 September			
General and administration	9,684	7,599	27%
Percentage of operating revenue	10%	9%	1pp

The increase in general and administration expenses was primarily driven by transaction costs of $1.9 million and increased headcount from 82 to 101, both of which relate to the acquisition and inclusion of Resi Media. Excluding the $1.9 million in acquisition transaction costs, general and administration expenses increased by 3% in the period, and reduced as a percentage of operating revenue to 8%.

Employees

As at 30 September	*2021*	*2020*	*Change*
Product design and development	175	127	38%
Sales and marketing	170	139	22%
Customer success	101	93	9%
General and administration	101	82	23%
Total Group	**547**	**441**	**24%**

Staff headcount increased by 24% over the period to 547, with 94 staff based in NZ and 453 based in the US. The increase in headcount was due to the acquisition of Resi Media, which included 123 employees. Excluding the Resi Media employees, headcount decreased by 17 when compared to the prior comparable period.

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Financial statements

For six months ended 30 September 2021

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7.

Income Statement

		Six months ended 30 September	
		2021	*2020*
		Unaudited	*Unaudited*
	Notes	*US$000*	*US$000*
Operating revenue	4	93,491	85,558
Other revenue	4	20	985
Third party direct costs		(29,272)	(27,191)
Product design and development		(9,219)	(8,557)
Sales and marketing		(14,063)	(12,172)
Customer success		(4,359)	(4,317)
General and administration		(9,684)	(7,599)
Total expenses	5	(66,597)	(59,836)
Earnings before interest, tax, depreciation, amortisation, foreign currency (gains)/losses and impairments (EBITDAFI)*		26,914	26,707
Finance expenses, net	6	(170)	(907)
Depreciation and amortisation		(3,902)	(3,606)
Net foreign exchange gains/(losses)		2,200	(3,413)
Net profit before income tax		25,042	18,781
Income tax expense		(5,915)	(5,381)
Net profit for the period		19,127	13,400
Profit per share			
Basic profit per share	10	1.72	1.22
Diluted profit per share	10	1.71	1.21

* EBITDAFI is a non-GAAP financial measure.

The accompanying notes form an integral part of these unaudited interim financial statements.

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Statement of Comprehensive Income

		Six months ended 30 September	
		2021	*2020*
		Unaudited	*Unaudited*
		US$000	*US$000*
Net profit for the period		19,127	13,400
Other comprehensive income*			
Exchange differences on translation of foreign operations		(2,326)	5,039
Fair value gains recognised in the cash flow hedge reserve, net of tax	14	(160)	286
Other comprehensive profit/(loss)		(2,486)	5,325
Total comprehensive profit for the period		16,641	18,725

* Items of other comprehensive income may be subsequently reclassified to the income statement.

The accompanying notes form an integral part of these unaudited interim financial statements.

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Statement of Changes in Equity

Unaudited	*Notes*	*Share capital* US$000	*Accumulated profits/ (losses)* US$000	*Share–based payment reserve* US$000	*Foreign currency translation reserve* US$000	*Cash flow hedge reserve* US$000	*Total equity* US$000
Balance at 1 April 2020		94,609	(34,684)	1,401	(8,553)	167	52,940
Net Profit		–	13,400	–	–	–	13,400
Other comprehensive profit/(loss)		–	–	–	5,039	286	5,325
Total comprehensive profit/(loss)		**–**	**13,400**	**–**	**5,039**	**286**	**18,725**
Transactions with owners:							
Issue of shares	9	308	–	–	–	–	308
Share–based payments		–	–	247	–	–	247
Balance at 30 September 2020		**94,917**	**(21,284)**	**1,648**	**(3,514)**	**453**	**72,220**
Balance at 1 April 2021		**95,918**	**(3,502)**	**1,758**	**(447)**	**191**	**93,918**
Net profit		–	19,127	–	–	–	19,127
Other comprehensive profit/(loss)		–	–	–	(2,326)	(160)	(2,486)
Total comprehensive profit/(loss)		**–**	**19,127**	**–**	**(2,326)**	**(160)**	**16,641**
Transactions with owners:							
Issue of shares	9	31,411	–	–	–	–	31,411
Share issue costs	9	(75)	–	–	–	–	(75)
Share–based payments		–	–	792	–	–	792
Balance at 30 September 2021		**127,254**	**15,625**	**2,550**	**(2,773)**	**31**	**142,687**

The accompanying notes form an integral part of these unaudited interim financial statements.

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Statement of Financial Position

		As at	
		30 September 2021	31 March 2021
		Unaudited	Audited
Assets	Notes	US$000	US$000
Current assets			
Cash and cash equivalents		7,703	4,843
Trade and other receivables		19,192	19,043
Derivative financial asset	14	185	407
Deferred acquisition costs		1,351	1,747
Inventory		671	–
Income tax receivable		–	1,172
Total current assets		**29,102**	**27,212**
Non-current assets			
Property, plant and equipment		7,564	2,778
Intangible assets	7	223,039	83,955
Deferred acquisition costs		414	651
Restricted cash balances		535	538
Deferred tax asset		2,057	1,845
Other receivables		597	77
Total non-current assets		**234,206**	**89,844**
Total assets		**263,308**	**117,056**
Liabilities			
Current liabilities			
Trade and other payables		5,981	3,534
Unearned revenue		16,333	14,059
Employee entitlements		3,475	3,010
Lease liability		1,447	1,831
Income tax payable		4,831	–
Total current liabilities		**32,067**	**22,434**
Non-current liabilities			
Lease liability		5,554	704
Borrowings	8	83,000	–
Total non-current liabilities		**88,554**	**704**
Total liabilities		**120,621**	**23,138**
Net assets		**142,687**	**93,918**
Equity			
Share capital	9	127,254	95,918
Accumulated profits/(losses)		15,625	(3,502)
Share-based payment reserve		2,550	1,758
Cash flow hedge reserve		31	191
Foreign currency translation reserve		(2,773)	(447)
Total equity		**142,687**	**93,918**

The accompanying notes form an integral part of these unaudited interim financial statements.

For and on behalf of the Board, 10 November 2021:

Graham Shaw
Independent Chairman

Lorraine Witten
Independent Director

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Statement of Cash Flows

	Notes	Six months ended 30 September 2021 Unaudited US$000	2020 Unaudited US$000
Operating activities			
Receipts from Customers		66,918	60,410
Other income		1,137	874
Interest received		8	9
Payments to suppliers and employees		(37,230)	(34,236)
Income tax paid		(11)	(68)
Net cash flows from operating activities	15	**30,822**	**26,989**
Investing activities			
Purchase of property, plant and equipment		(252)	(297)
Acquisition of Resi Media, net of cash acquired	13	(110,000)	–
Receipts from finance lease		49	67
Capitalised development costs and other intangible assets		(17)	(10)
Net cash flows from investing activities		**(110,220)**	**(240)**
Financing activities			
Proceeds from borrowings		90,000	–
Repayment of borrowings		(7,000)	(9,325)
Payment of lease liabilities		(921)	(833)
Interest on borrowings		(79)	(611)
Issue of shares (net of costs)		(73)	–
Net cash flows from financing activities		**81,927**	**(10,769)**
Net increase/(decrease) in cash and cash equivalents		**2,529**	**15,980**
Foreign currency translation adjustment		331	(72)
Cash and cash equivalents at the beginning of the period		**4,843**	**7,203**
Cash and cash equivalents at the end of the period		**7,703**	**23,111**

The accompanying notes form an integral part of these unaudited interim financial statements.

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Notes to the Unaudited Interim Financial Statements

1. Corporate information

Pushpay Holdings Limited (the 'Company' or 'Pushpay') is a limited liability company, domiciled and incorporated in New Zealand and registered under the Companies Act 1993.

The unaudited interim financial statements presented are for Pushpay and its subsidiaries (together, the 'Group') for the six months ended 30 September 2021.

These unaudited consolidated interim financial statements were authorised for issue in accordance with a resolution of the Directors on 10 November 2021.

The Group's principal activity is to provide donor management system, church management system and streaming solutions, to the faith sector, non-profit organisations and education providers located primarily in the United States (US) and other jurisdictions. Our leading solutions simplify engagement, payments and administration, enabling our Customers to increase participation and build stronger relationships with their communities.

Pushpay is designated as a for-profit entity and is a FMC reporting entity for the purposes of the Financial Markets Conduct Act 2013 ('FMCA') and the Financial Reporting Act 2013 and is listed on the New Zealand Stock Exchange ('NZX') and the Australian Securities Exchange ('ASX').

2. Basis of preparation

These unaudited interim financial statements for the six months ended 30 September 2021 have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ('NZ GAAP'), NZX Main Board Listing Rules and NZ IAS 34 Interim Financial Reporting. These unaudited interim financial statements also comply with IAS 34 interim financial reporting.

These unaudited consolidated interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2021, which have been prepared in accordance with the New Zealand equivalents to International Financial Reporting Standards ('NZ IFRS') and International Financial Reporting Standards ('IFRS').

All significant accounting policies and methods of computation have been applied on a basis consistent with those used in the audited financial statements of the Group for the year ended 31 March 2021, other than as disclosed in Note 3 below.

The unaudited interim financial statements have been prepared using the going concern assumption and are presented in thousands of United States (US) Dollars.

3. Changes in accounting policies and disclosures

Except as noted below, there have been no changes in accounting policies and disclosures. The unaudited interim financial statements have been prepared using the same accounting policies and methods of computation as, and should be read in conjunction with, the financial statements and related notes included in the Group's annual report for the financial year ended 31 March 2021.

Inventory:

Inventory consists of finished goods and is stated at the lower of cost or net realisable value on a first-in first-out basis.

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4. Revenue

	Six months ended 30 September	
	2021	2020
Unaudited	*US$000*	*US$000*
Operating revenue*		
Subscription revenue	27,272	23,913
Processing revenue	65,133	61,242
Other operating revenue	1,086	403
Total operating revenue	**93,491**	**85,558**
Other revenue		
Government grants	–	960
Other income	20	25
Total other revenue	**20**	**985**

* Operating revenue is comprised of revenue from contracts with Customers.

5. Expenses

	Six months ended 30 September	
	2021	2020
Unaudited	*US$000*	*US$000*
Advertising and marketing	2,367	1,728
Auditor's remuneration	93	67
Directors fees	172	167
Employee benefits - defined contribution expense	511	463
Employee benefits/entitlements	26,402	25,359
Employee benefits/entitlements - capitalised commissions	(715)	(965)
IT and communications	1,804	1,807
Occupancy costs	204	203
Other professional services	1,484	1,323
Share-based payments	1,523	1,043
Third party direct costs	29,272	27,191
Transactions costs associated with the Resi Media acquisition	1,869	–
Travel-related costs	154	32
Write-off of impaired receivables	–	10
Other operating expenses	1,457	1,408
Total expenses	**66,597**	**59,836**

6. Finance expenses, net

	Six months ended 30 September	
	2021	2020
Unaudited	*US$000*	*US$000*
Finance income		
Interest income	4	–
Interest income from finance leases	5	9
Total finance income	**9**	**9**
Finance expenses		
Interest on lease liability	(58)	(113)
Interest on borrowings	(79)	(612)
Establishment fees	(42)	(191)
Total finance expenses	**(179)**	**(916)**
Finance expense, net	**(170)**	**(907)**

7. Intangible assets

	Cost	*Accumulated amortisation*	*Net book value*
	US$000	*US$000*	*US$000*
Balance as at 1 April 2020	**99,639**	**(10,705)**	**88,934**
Additions	10	–	10
Amortisation	–	(2,554)	(2,554)
Foreign exchange variation	946	(920)	26
Balance at 30 September 2020	**100,595**	**(14,179)**	**86,416**
Balance as at 1 April 2021	**101,237**	**(17,282)**	**83,955**
Acquisitions through a business combination	141,844	–	141,844
Capitalised development costs	172	–	172
Amortisation	–	(2,928)	(2,928)
Foreign exchange variation	(196)	192	(4)
Balance at 30 September 2021	**243,057**	**(20,018)**	**223,039**

8. Borrowings

The Group acquired Resi Media for a total cash consideration of $110 million, effective 25 August 2021. $90 million of the consideration was funded through a syndicated lending facility from Bank of New Zealand ('BNZ') and JP Morgan Chase Bank that matures on 23 February 2024. Refer to the table below for outstanding borrowings as at 30 September 2021 (refer to 'Note 13: Business combination').

The syndicated lending facility contains banking covenants which monitor interest cover and net leverage ratios. The Group has been fully compliant with these covenants since their establishment on 23 August 2021.

There was a $0.9 million establishment fee paid to BNZ in relation to the facility. This establishment fee has been recognised as a prepayment and amortised, on a straight line basis, over the life of the facility.

	30 September 2021 Unaudited
As at	*US$000*
Current	–
Non-current	83,000
Total borrowings	**83,000**

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9. Share capital

	Number of shares	
Unaudited	*000's*	*US$000*
Balance as at 1 April 2020	275,646	94,609
Movements during the period		
Issue of shares	133	279
Cancellation of shares acquired from Pushpay Trustees Limited	(126)	–
Capital raised on employee share scheme allotment	–	29
Balance at 30 September 2020	275,653	94,917
Balance as at 1 April 2021 (post 4:1 share split)	1,104,092	95,918
Movements during the period		
Issue of shares	35,762	31,411
Share issue costs	–	(75)
Balance at 30 September 2021	1,139,854	127,254

The paid up capital comprises ordinary shares. On 26 November 2020 the Company undertook a 4:1 share split whereby shareholders received four ordinary shares for every one ordinary share held. The total number of shares on issue is 1,139,854,032 (2020: 275,652,559). All shares that have been issued, are fully paid and have no par value.

As at 30 September 2021, the total number of shares on issue include 138,336 shares (2020: 1,691) issued to Pushpay Trustees Limited (the Trustee), a wholly owned subsidiary established for the purpose of the employee share scheme.

10. Earnings per share ('EPS')

The Group presents basic and diluted EPS data for its ordinary shares.

Basic EPS is determined by dividing the Group profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by dividing the Group profit or loss attributable to ordinary shareholders of the Company by the weighted average number of shares outstanding, accounting for the effects of any dilutive potential ordinary shares.

The net profit of $19.1 million (2020: $13.4 million) represented a profit per share shown below based on weighted average ordinary shares on issue during the period.

	Six months ended 30 September		
	2021	*2020 (post-split)*	*2020 (pre-split)*
Unaudited	*000's*	*000's*	*000's*
Number of issued ordinary shares	1,139,854	1,102,612	275,653
Weighted average ordinary shares outstanding	1,109,722	1,102,612	275,653
Basic profit per share (cents)	1.72	1.22	4.86
Weighted average ordinary shares outstanding	1,109,722	1,102,612	275,653
Weighted average dilutive potential ordinary shares	4,123	5,068	1,267
Weighted average dilutive vendor restricted shares	1,604	–	–
Weighted average potential and ordinary shares outstanding	1,115,449	1,107,680	276,920
Diluted profit per share (cents)	1.71	1.21	4.84

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11. Net tangible assets per share

Net tangible assets per share is calculated by dividing the net tangible assets of the Group by the number of ordinary shares issued at 30 September 2021. Net tangible assets is calculated by subtracting the intangible assets from the net assets of the Group. Intangible assets for this purpose include the intangible assets, deferred acquisitions costs and the deferred tax assets as disclosed on the Statement of Financial Position. Given the borrowings used to fund the acquisition of Resi Media, net tangible assets are a negative number as at 30 September 2021. As a software business the economic value of the Group is primarily represented by intangible assets which are specifically excluded from the net tangible assets per share calculation.

As at	*30 September 2021 Unaudited 000's*	*31 March 2021 Audited 000's*
Net tangible assets	(85,869)	3,671
Number of issued ordinary shares	1,139,854	1,104,092
Net tangible assets per share (cents)	**(7.53)**	**0.33**

12. Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenue and incur expenses, whose operating results are regularly reviewed by the Board (who are the Group's chief operating decision makers) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Group had a single operating segment as at 31 March 2021. The Group's chief operating decision makers have determined that, based on the information they use for the purposes of allocating resources and assessing performance, the Group itself continues to form a single operating segment. The segment result is reflected in the unaudited interim financial statements.

Geographical information

The Group operated principally in the US for the six months ended 30 September 2021, from which over 99% (2020: 99%) of its revenue from operations is generated.

13. Business combination

The Group acquired 100% of the ownership interests in Resi Media for a total purchase consideration of $141.0 million (excluding $9.0 million equity issued under a restricted share agreement to the vendors), effective 25 August 2021. Acquisition related costs (included in general and administration costs in the income statement and as transactions costs associated with the Resi Media acquisition in 'Note 5: Expenses') amounted to $1.9 million.

Resi Media's leading product and engineering-led streaming system is highly complementary to the Group's donor management and church management systems.

The Group result includes a discount recognised on deferred revenue balances, post acquisition employment costs from the vendor restricted shares and amortisation in relation to intangible assets recognised upon the acquisition of Resi Media. Adjusting for these amounts, Resi Media has contributed revenue of $1.8 million and a net loss after tax of $1.0 million in the period from 25 August 2021 to 30 September 2021. Excluding the adjustments above, Resi Media has contributed revenue of $2.1 million and a net profit after tax of $0.1 million in the period 25 August 2021 to 30 September 2021.

If the acquisition had occurred on 1 April 2021, the revenue and net profit after tax for the six months ended 30 September 2021 for the Group would have been $101.2 million and $14.9 million, respectively.

The purchase consideration was allocated to the acquired assets and liabilities based on their estimated fair values as at the date of acquisition, with the excess consideration recorded to goodwill as shown below. The fair values of acquired assets and liabilities may change over the measurement period as additional information is received. The primary areas subject to change include intangible assets and goodwill. Currently, goodwill has been provisionally allocated to the single operating segment (refer to 'Note 12: Segment Reporting'). The measurement period will end no later than one year from the date of acquisition.

Purchase consideration	*US$000*
Cash paid to the vendor	104,836
Debt repaid by the Group on behalf of Resi Media	2,633
Transaction costs paid by the Group on behalf of Resi Media	3,365
Equity issued to the vendor (unrestricted)	31,000
Working capital and other adjustments	(834)
Total purchase consideration	**141,000**
Fair Value of net assets acquired on 25 August 2021	
Cash	867
Trade and other receivables	1,749
Inventory	772
Intangible assets	23,100
Right of use asset	746
Trade and other payables	(1,250)
Unearned revenue	(2,646)
Employee entitlements	(336)
Lease liability	(746)
Net assets	**22,256**
Total purchase consideration	141,000
Net assets	(22,256)
Goodwill recognised	**118,744**

The fair value of acquired trade receivables is $1.2 million. The gross contractual value for trade receivables due is $1.7 million, with an expected credit loss allowance of $0.5 million recognised on acquisition.

The goodwill recognised as a result of the acquisitions reflects the technology and technical expertise of Resi Media and the synergies expected to be achieved from integrating Resi Media into the Group's existing business. Goodwill is expected to be deductible for US income tax purposes. Intangible assets consists of fair values assessed for Customer contracts, software, and patents and trademarks.

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14. Foreign currency risk

The Group, through its subsidiaries, is exposed to foreign currency movements against the US Dollar as it has significant expenditure in New Zealand. As a result, the financial statements can be affected by movements in the NZ Dollar.

The Group hedges a portion of its estimated exposure in respect of forecast revenue over the financial year to March 2022 and uses forward exchange contracts to hedge its NZD/USD foreign exchange risks. These contracts are designated cash flow hedges. Gains or losses deferred in the cash flow hedge reserve will be reclassified to the income statement as the contracts mature.

The effect of the Group's hedge accounting policies in managing foreign exchange risk related to some of its revenue denominated in foreign currency is presented in the table below:

	Maturing in 1-6 months	*Maturing in 6-12 months*	*Maturing in more than a year*
As at 30 September 2020	***US$000***	***US$000***	***US$000***
Forward foreign exchange contracts			
Hedged exposure	2,106	1,053	1,053
Average US Dollars: NZ Dollar forward contract rate	0.585	0.585	0.585

		Statement of financial position line item	*Notional amount of the hedging instrument*	*Recognised in other comprehensive income*	*Carrying amount of the hedging instrument*
As at 30 September 2020			***US$000***	***US$000***	***US$000***
Forward foreign exchange contracts	Derivative financial asset		4,212	286	534
Current					400
Non-current					134

	Maturing in 1-6 months	*Maturing in 6-12 months*	*Maturing in more than a year*
As at 30 September 2021	***US$000***	***US$000***	***US$000***
Forward foreign exchange contracts			
Hedged exposure	1,053	–	–
Average US Dollars: NZ Dollar forward contract rate	0.585	–	–

		Statement of financial position line item	*Notional amount of the hedging instrument*	*Recognised in other comprehensive income*	*Carrying amount of the hedging instrument*
As at 30 September 2021			***US$000***	***US$000***	***US$000***
Forward foreign exchange contracts	Derivative financial asset		1,053	(160)	185
Current					185
Non-current					–

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15. Reconciliation of net profit with cash flows from operating activities

	Six months ended 30 September	
	2021	*2020*
Unaudited	*US$000*	*US$000*
Net profit for the period	19,127	13,400
Adjustment for non-cash items:		
Depreciation and amortisation	3,902	3,606
Share-based payment expense	1,523	645
Deferred tax (benefit)/expense	(212)	5,537
Net foreign exchange (gains)	(2,200)	3,413
Other non-cash items	(89)	(2)
	22,051	**26,599**
Movements in working capital		
Trade and other receivables	(669)	(202)
Deferred acquisition costs	633	260
Inventory	(671)	–
Trade and other payables	2,447	(1,861)
Unearned revenue	2,274	576
Employee entitlements	465	909
Income tax (receivable)/payable	6,003	708
Working capital acquired from business combination	(1,711)	–
	8,771	**390**
Net cash flows from operating activities	**30,822**	**26,989**

16. Contingent liabilities

Prior to acquisition, Resi Media became a defendant in a litigation alleging patent infringement. The litigation is currently ongoing. As part of the acquisition, the vendors of Resi Media escrowed a portion of the purchase price and indemnified the Group for up to the full amount of the purchase price for any losses or damages relating to the litigation. The Directors, upon consultation with external legal counsel, are of the opinion that the claim can be successfully defended or resolved by the Group for less than the escrow amount. As a result, it is deemed that no present obligation exists and the contingent liability is not recognised on the acquisition. The Directors are unaware of the existence of any other claims or contingencies that would have a material impact on the operations of the Group.

17. Events after the balance sheet date

There were no significant events between the balance sheet date and the date these financial statements were authorised for issue.

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Key metric definitions

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Annual Revenue Retention Rate – is revenue retained from Customers and is measured by the amount of revenue at the end of the period, over the amount of revenue from the end of the previous period for Customers who joined Pushpay prior to the end of the previous period.

Average Revenue Per Customer (ARPC) – is the combination of monthly Subscription Fees and Volume Fees divided by total Customers. Subscription Fees are based on the Products that Customers purchase, which can vary based on the size of the Customer and Volume Fees are based on payment transaction volume. For Customers who use Pushpay's payment solution, Volume Fees are recognised on a gross basis and associated costs payable to issuing banks, processing partners and the card brands, such as Visa and MasterCard, are classified as expenses. The in-month average Volume Fee per Customer is used for the Volume Fee component of ARPC.

Cash and Cash Equivalents – is cash on hand; deposits held at call with financial institutions; and other short-term, highly liquid investments readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

Customer – is an entity that utilises one or more Pushpay products. Pushpay reports Customers that have entered into an agreement and completed the paperwork necessary to set up their service. Pushpay views Customers with 0-199 average weekly attendees as small, 200-1,099 average weekly attendees as medium and 1,100 or more average weekly attendees as large.

Customer Acquisition Cost (CAC) – is sales, marketing and implementation costs divided by the number of new products sold over a six month period.

Earnings before Interest, Tax, Depreciation, Amortisation, Foreign Currency (gains)/losses and Impairments (EBITDAFI) – is a non-GAAP financial measure calculated by adjusting interest, depreciation and amortisation, income taxes, net foreign currency gains/losses and impairments to net profit.

Lifetime Value (LTV) – is the gross margin expected from a Customer over the lifetime of that Customer. This is calculated by taking the ARPC multiplied by 12, multiplied by the gross profit percentage, multiplied by the average Customer lifetime (the average Customer lifetime is one divided by churn, being one minus the Annual Revenue Retention Rate). A 97.5% Annual Revenue Retention Rate is used for the purposes of the calculation. Total LTV is calculated as LTV multiplied by total Customers.

Months to Recover CAC – CAC months or months of ARPC to recover CAC is the number of months of gross revenue required to recover the cost of each new product sale.

Net Profit after Tax (NPAT) – is calculated in accordance with NZ IFRS accounting standards.

Operating Revenue – is receipts received from Customers calculated in accordance with NZ IFRS accounting standards.

Products – is the total number of Pushpay products utilised by Customers. An individual Customer may use one or more Products. Pushpay currently offers three products, including a donor management system, church management system and streaming. A Customer purchasing ChurchStaq™ currently has two Products, being a donor management system and a church management system and will soon have the option to include streaming in this bundle through the integration of Resi Media.

Subscription Fees – is recurring fees based on the Products that Customers purchase, which can vary based on the size of the Customer (in the case of the faith sector, size is based on average weekly attendance).

Total Processing Volume – is payment transaction volume through the Pushpay payment platform, that Pushpay derives revenue from within a period. This excludes payment transaction volume that is not processed through the Pushpay payment platform.

Total Revenue – is receipts received from Customers and other income calculated in accordance with NZ IFRS accounting standards.

Underlying Earnings before Interest, Tax, Depreciation, Amortisation, Foreign currency (gains)/losses and Impairments (Underlying EBITDAFI) – is a non-GAAP financial measure calculated as EBITDAFI excluding one off changes as well as costs and IFRS accounting relating to acquisitions. This includes cash and non-cash expenses such as legal fees relating to the acquisition, expensing of the restricted shares provided to the vendors as part consideration of any transaction, fair valuing of unearned revenue acquired on acquisition. The Group believes that this measure provides a more appropriate representation of the Group's performance.

Volume Fees – is variable fee income generated from payment transaction volume (in the case of the faith sector, this is usually a percentage of total donations).

Directory

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Lorraine Witten
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Non-executive Director

Christopher Fowler
Visionary and Executive Director

Senior Management
Molly Matthews
Chief Executive Officer

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Investor calendar

The following dates are indicative only and (subject to the NZX Listing Rules and applicable laws) are subject to change at Pushpay's discretion.

11 May 2022 (NZT)

2022 Annual Report and annual financial results release

16 June 2022 (NZT)

2022 Annual Shareholders' Meeting

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