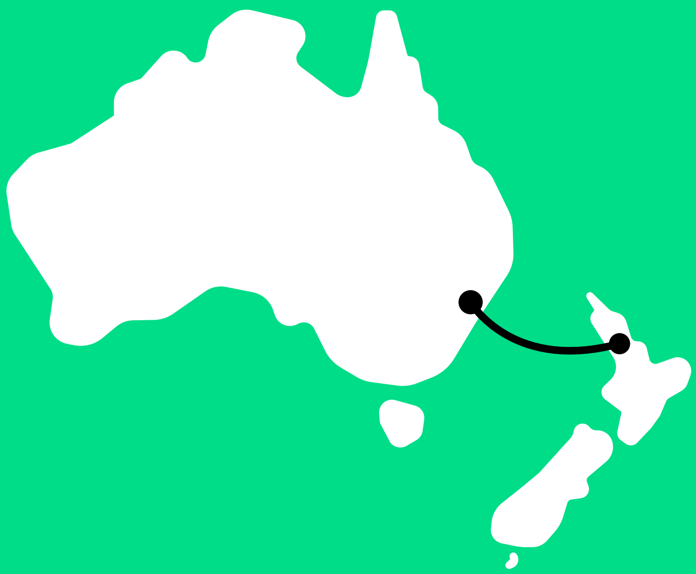


THE ANNUAL REPORT 2025

SMARTPAY HOLDINGS LIMITED

About This Report

On behalf of the Board and Smartpay team, we are pleased to present Smartpay's 2025 Annual Report

The 2025 Annual Report describes Smartpay Holdings Limited's (Smartpay) financial performance and includes the Corporate Governance Statement.

The Annual Report and financial performance relate to the period 1 April 2024 to 31 March 2025 and should be read in conjunction with other reports and presentations that comprise our 2025 Annual Reporting suite. These are available at Smartpay's Investor Centre smartpayinvestor.com. References to the prior year refer to the period 1 April 2023 to 31 March 2024.

Smartpay is a New Zealand incorporated company that is listed on the New Zealand Stock Exchange (NZX) with a foreign exempt listing on the Australian Securities Exchange (ASX). Accordingly, the Annual Report is primarily governed by the New Zealand Companies Act 1993 together with the NZX Listing Rules and NZX Corporate Governance Code.

The Company confirms that it continues to comply with the NZX Listing Rules.

The Annual Report covers the total group of Smartpay consisting of the entities noted on page 43 of the Annual Report (the Group), which operates in both New Zealand and Australia.

Non-GAAP Measures

Non-Generally Accepted Accounting Practice (non-GAAP) measures have been included as the directors and management of the Group believe they provide useful information for readers to assist in understanding the Group's financial performance. Non-GAAP financial measures are not prepared in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and are not uniformly defined, therefore non-GAAP measures reported in this Annual Report may not be comparable with those that other companies report and should not be viewed in isolation or considered as a substitute for measures reported in accordance with NZ IFRS.

The non-GAAP measures Smartpay has used are EBITDA and Free Cash Flow. The definitions of these can be found on page 88 of this report.

Contents

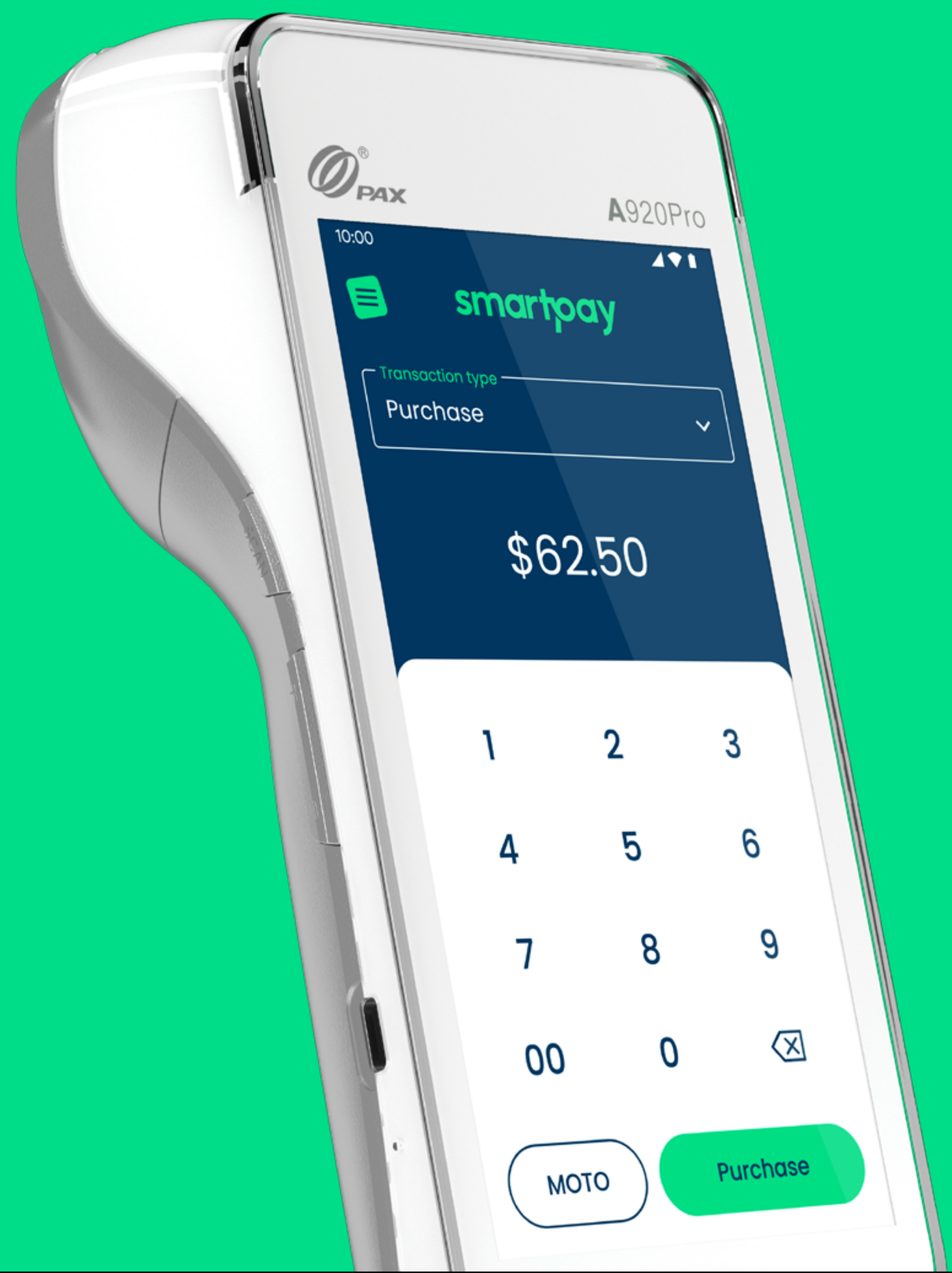
FY25 Highlights

8.5% Growth in Revenue Year on Year

Android Terminal in Market

Purchased a Merchant Fleet in NZ

Commenced Pilot of New Zealand Acquiring



One Team.
One Technology.
One Organisation.
Trans-Tasman.

Total Employees

231↑

FY24 - 179

Total Terminals

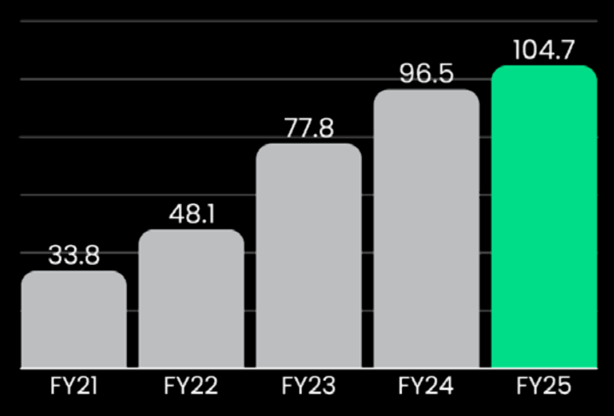
51,000+↑

FY24 - 48,000+

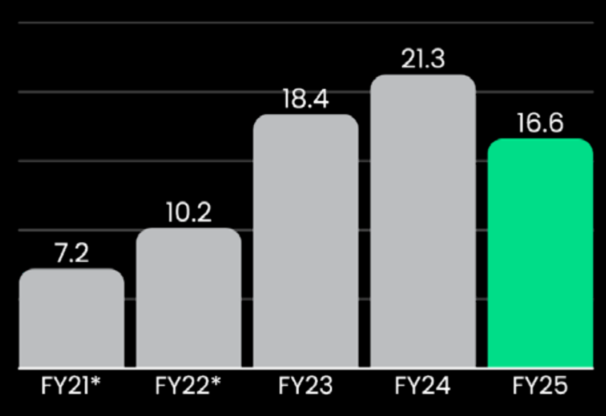
Financial Performance Summary

- 8.5% revenue growth in challenging economic environment
- On-going modernisation of core platforms and technology infrastructure
- Android terminals and platforms deployed increasing depreciation and amortisation
- Current year EBITDA and profit before taxation includes $5m pre-investment in New Zealand setting platform for future revenue
- New Zealand acquiring pilot commenced delivering incremental revenues
- New Zealand pre-investment and THL asset acquisition funded from operating cash flows

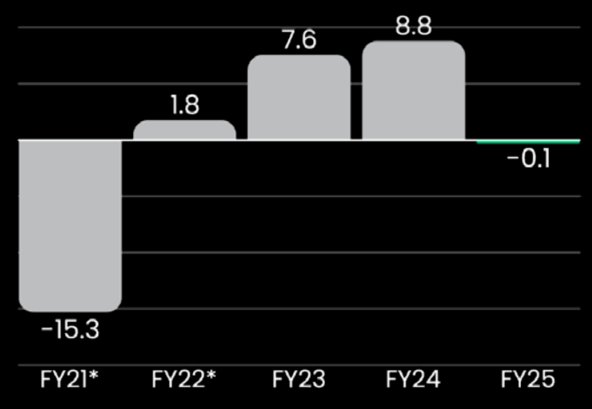
$'m
Revenue



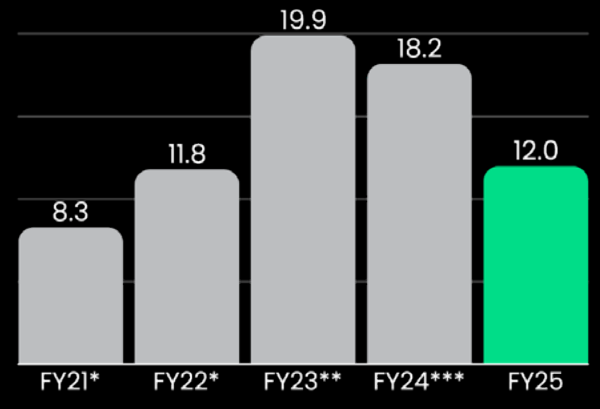
$'m
EBITDA



$'m
Profit / (Loss) Before Taxation



$'m
Operating Cash Flows



* numbers have been restated to reflect change in accounting policy for SaaS assets. The restatements in relation to FY21 have not been audited.
** numbers have been restated to reflect reclassification of capitalised employee costs.
*** numbers have been restated to reflect reclassification of payments for contract costs.

Australian Growth

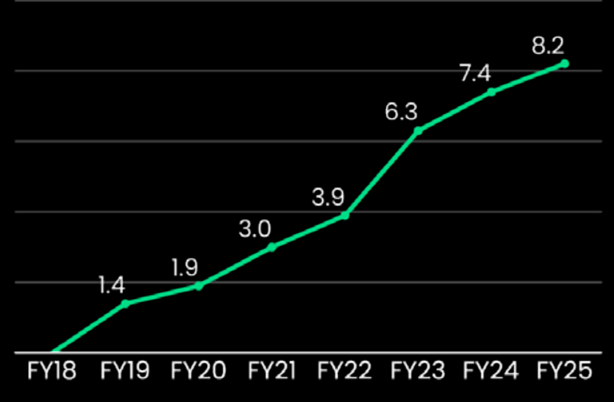
Product offering continues to resonate with merchants, growing to 8.2% of addressable market

Growth in monthly acquiring revenues to $7.3m per month

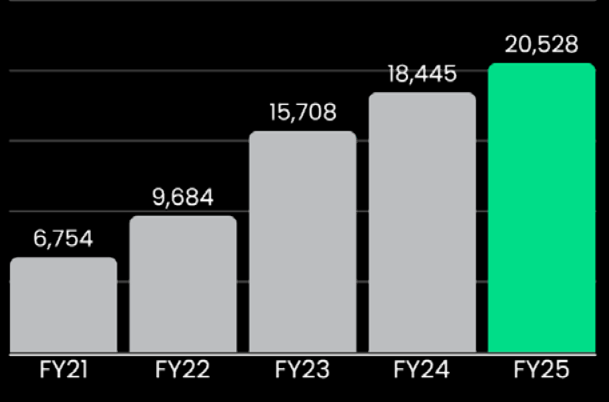
Focused merchant acquisition improving underlying transaction size and processing costs

smartpay

% Share of 250,000 Addressable Market



Transacting Terminals



About Smartpay

Smartpay's Strategic Goal is to be recognised as the most reliable, capable, agile and innovative omni-channel payments provider in Australia and New Zealand

Our Team

Smartpay is committed to looking after our team, who are looking after our customers, which is resulting in a stronger company for our shareholders.

The Smartpay team is united by **our purpose to make payments easy ensuring businesses are paid everywhere, anytime, every time**.

The collective and collaborative approach of our teams across both New Zealand and Australia has seen the Net Promoter Score (NPS) hold steady whilst also delivering the outstanding results that are presented in this report.

The values of Smartpay are simple and succinct and they guide us in our everyday interactions with our customers, our partners and each other.

Our Relationships with Partners

The Smartpay model is to enter into partnerships that provide good long-term outcomes for both Smartpay and our partners. Having these close relationships and working collaboratively ensures Smartpay can remain focused on the strategic goal, and what it is good at, whilst delivering innovative and robust products to our customers.

Our Customers

Smartpay is a customer led company where we seek customer feedback to both inform our service proposition and our product roadmap. We remain focused on the Small to Medium Enterprise end of the market where our proposition adds value to our customer through both cost and time benefits, but also through 24/7 access to customer support when needed.

We actively seek our customers' feedback to ensure we are delivering to their expectations.

One Team.
One Technology.
One Organisation.
Trans-Tasman.

Our Products

Smartpay designs, develops and implements innovative solutions for customers in New Zealand and Australia.

Our vision has been and remains to be the Payments Partner of Choice.

SmartCharge
A Zero Cost EFTPOS solution.

Merchants with a monthly card turnover of over $10,000 can pass off their acceptance fees to their customers, with no bill to pay at the end of the month.

Simple Flat Rate
Simplified monthly statements.

Take the complexity out of transaction costing with two simple rates. When a merchant comes to pay their fees each month, they know exactly what to pay.

Merchant Terminal
A compliant EFTPOS terminal for your business.

In New Zealand, we provide fully compliant portable and countertop EFTPOS terminals, including for short term rentals.

Merchant Portal
Summary of transactions across all payment types, by day, week, month and year.

The HUB is a powerful web-based tool designed to help merchants track and monitor information from card transactions and access past receipts.

SmartConnect
Integrations to third party applications.

Provides connectivity of Smartpay's terminals to third party applications and software, such as Point of Sale providers.

Retail Radio
In-store music and digital signage solution for retailers across Australia and New Zealand.

Provides engaging music, messaging and digital signage solutions for our customers.

Chairman's Report

Dear Shareholders

I am presenting this 2025 Report with a reasonable degree of satisfaction, not only regarding how we have performed over the past year but also, and importantly, on how Smartpay is positioned to move forward through the year ahead. Of course, I need to recognise that as I write, we are the subject of interest from various suitors which may change things for shareholders at some point later in the year, but for now, we are maintaining our focus on executing against what is a very clear strategy to continue to expand this business, and enhance our merchant offerings, in both Australia and New Zealand.

In general terms, there is no doubt that in both New Zealand and in Australia, that we are seeing a continued embracing of digital payment solutions, driven by technological advancements and changing consumer behaviours. In New Zealand the focus now is, perhaps, more on the enhancing of digital infrastructure and payment security while in Australia the industry is navigating the challenges of a declining cash economy and regulatory reforms to ensure fair and efficient payment systems. These conditions have created a significantly transformative environment for the payments industry in both countries. Out of this, there continues to be clear and apparent upside for growth, and the pursuit of such opportunity, as we have consistently telegraphed to the market, remains at the core of our strategy.

With the growing preference in Australia and New Zealand for contactless and mobile payments, there has been a consequential interest and oversight by regulators in both countries. Of particular interest to Smartpay, and to address concerns over the perception of excessive card surcharges, the regulators in both countries are, as a part of their Retail Payment System Reviews, reviewing the surcharge landscape. The position in New Zealand, as a result of the review, appears to be more focused upon the underlying costs associated to card acceptance, whereas the enquiry by the Reserve Bank of Australia (RBA) remains a work in progress. Of course, we are very mindful of the uncertainty that has been created by the work of regulators, particularly the RBA, with what would appear to be detrimental impact on the company share price. Based on our assessment of the current situation, we believe that even if there is to be change made to the rules around surcharging, the likely impact to the company financial performance is well understood by us and is something that has been discussed with you as shareholders on previous occasions. Should change be imposed or implemented by the regulator, we are confident that we have management plans in place to help support our customers through this process.

However, the current state of flux around surcharging does serve to demonstrate the vagary of operating in what is a regulated payments industry. To reiterate statements that I have previously made, operating in such a regulated environment comes with risk, but also with opportunity. The easing of regulation in Australia a number of years ago allowed us, in partnership with Cuscal, to access the market as an acquirer, meaning Smartpay can now settle card payments on behalf of merchant customers. This has meant a significant increase in per terminal revenues and has added significantly to the overall revenue growth of the company in Australia. The converse of this, as outlined, is that the potential erosion or removal of surcharging may result in some downside, if there proves to be any downside at all. However, it also remains possible that any such move may also bring about other opportunities, and we will remain diligent in the pursuit of these.

As Marty highlights in his CEO report, our progress this year in Australia is pleasing with revenue having grown and a further increase in terminal market share. This growth is anticipated and planned for, and we continue the drive to increase our presence in which we see as a clearly defined and sizeable, addressable market.

In New Zealand, as we have previously announced, we now have acquiring capability and are steadily taking this to market. This opportunity is now being realised and results to date are very satisfying and in line with internal predictions. We expect that this activity will start to ramp up and I am delighted that Smartpay is able to offer this service to our customers, which will significantly enhance the value of the New Zealand business. To gain a glimpse into the potential upside opportunity for Smartpay, one only needs to look at the Australian market to see what acquiring has meant for us over the past number of years.

There is no doubt that it has been a very busy time for the company. Late last year we completed the acquisition of an EFTPOS business in New Zealand which added scale to our New Zealand terminal fleet and helped to grow our presence in the New Zealand market. Other acquisitions have been considered but unless they prove to be synergistic to our business and are clearly value accretive then we will be selective in pursuit of such assets. However, it does highlight that, for Smartpay, acquisition is very much considered as a path to growth and as a way to enhance and to build upon current merchant offerings. There is no doubt that the recent New Zealand terminal acquisition has been a very good one for the company.

Things are progressing as we look to continue to drive performance at a governance level. As you are aware, we appointed Shelley Ruha to the board of directors in August last year and she has already proven to be a valuable addition to the board. Shelley has a strong background in banking and payments and her knowledge and experience in the regulatory environment in which we operate and her addition to the board helps to further add to the board's overall competency, and more specifically to the payments capability of the board.

As well as having a very capable group of directors, the company is well supported by an excellent management team. I am fortunate to see first-hand the drive and dedication of this group of executives and their performance in what has been a very busy and at times, challenging, year is particularly pleasing. The company and its stakeholders can be well satisfied with what this group of individuals, and overseen by a very well performed CEO in Marty Pomeroy, have achieved over the past twelve months. They are well placed to continue to drive the fortunes of the company forward again this year.

I remain very positive about the prospects for Smartpay in the year ahead. We, as a company, have come a long way over the recent years and the strong foundations created will support further growth. The payments landscape in both New Zealand and Australia is undergoing significant transformation, driven by technological advancements, regulatory changes, and evolving consumer preferences. This is both exciting and challenging, but these challenges should be seen simply as opportunities to be explored. Rest assured that the company will continue to focus on opportunity and to pursue growth, this year will see Smartpay continue to cement itself as a leading player in the Australasian payments industry.

Finally, thank you to all of you for the interest and support that you continue to provide to the company, it really is appreciated.

Gregor Barclay
Chairman

Chief Executive's Review

Smartpay's Customers

The macro economic conditions impacting numerous small businesses, as reported in my Financial Year 2024 review, continued throughout Financial Year 2025. We heard common themes in conversations with a range of customers, across a range of industries, throughout the year. Ongoing operating cost pressures, recruitment challenges, higher interest rates on business loans and subdued consumer demand being the main messages. These challenges have led to business closures in the small to medium enterprise segment of the market being at record levels, on both sides of the Tasman, throughout 2024.

We have also seen increasing competition from new entrants to the Australian payments market. With the success we have achieved to date not going unnoticed, we have seen both existing participants and newer entrants seek to replicate our offering to merchants.

Pleasingly, our robust business fundamentals, our investment in Brand messaging throughout 2024 and our ongoing focus on customer experience, resulting in another strong Net Promoter Score (NPS) result, has held us in good stead against these challengers. We will not rest on our laurels. Payments is a highly dynamic environment, and we will continue to innovate and bring new solutions to market to ensure Smartpay remains the Payments Partner of Choice for our customers.

Whilst it is not clear when macro conditions will change, we continue to support our customers with products designed to save them time and money and provide some degree of certainty for their business, at a time they most need it, and look forward to adding more value to their businesses as our solutions evolve.

I thank all our customers for their ongoing partnership and commitment to our business and confirm and reiterate our commitment to theirs.

Smartpay's Business

We continue to execute our 3-stage strategic plan with good progress made against all stages throughout Financial Year 2025. Our ultimate ambition is to embed our solutions and brand within our customers' business and become true partners, realising value accretion for ourselves, our customers and of course our shareholders.

In Australia we continue to grow our market share in an increasingly competitive environment. Our focus has continued into the market verticals where we see strong unit economics, and this has resulted in further penetration into these verticals and maintained margin from our Australian revenues in a softened TTV environment. As a result of this outbound sales activity, we are also seeing increased customer acquisition on our fixed price payments offering, Simple Flat Rate, and can see the broader opportunity we will execute into with our new payments products when launched later in the year.

During the first half of the financial year, we invested in our brand with a major campaign launched into Australia. This coincided with the launch of our next generation Android payment terminal. Both have been extremely well received by our customers. The investment in the Android solution not only provides our business with a leading-edge technology foundation for our merchant solutions into the future, it also provides the basis of our trans-Tasman payments offerings and our launch into acquiring in the New Zealand market.

Late in the second half of financial year 2025, leveraging this technology and investment, we entered the customer pilot stage of the testing program of our New Zealand terminal and acquiring solution. Entering the pilot stage is a significant milestone for our business and the result of over five years concerted effort breaking into a market that has seen very little competition and, similar to when we launched into the Australian acquiring market, is dominated by the major banks. Full launch of our New Zealand solution will follow during Financial Year 2026, and our Marketing, Sales and Logistics teams are fully prepared for execution.

Throughout the year we have also been actively engaged in developing our solutions for stage 3 of our strategic plan, where we expect to deliver additional value to our trans-Tasman customers through the deployment of market leading Point of Sale (POS) and business insights solutions.

Payments Market Reviews by the Australian and New Zealand regulators have been the major industry news items in both Australia and New Zealand throughout the year. With a wide range of views from both informed and uninformed commentators, and industry participants and stakeholders, providing the daily narrative, it is clear to see the challenge in front of the regulators.

Suffice to say, a lot can happen in six months in payments.

Payments is a complex business, being competed for by small fintech innovators, regional incumbent financial institutions, global schemes and global technology behemoths. It is a challenge for regulators to navigate the range of interests and offerings from these participants. We remain focused on providing solutions that benefit our customers, in real terms, leveraging our considerable payments intellectual property and experience and in a manner that is aligned to the guidance and or controls that are implemented by the regulators – this is the principle and approach we took with regard to our entry into the Australian market with our payments products. We will continue to innovate and deliver value to our customers and our shareholders, come what may.

We have further invested in the modernisation of our key infrastructure and core enterprise technologies. Not only do these technologies provide for a more secure information and cyber environment, they bring the additional benefit of adding agility and scalability to support our growth ambitions. The investment in this area of our business, alongside our investment in Android payment technology, forms the basis of the development of our next generation of merchant offerings including our POS and payment solution and our broader merchant ecosystem, both of which we will launch during Financial Year 2026.

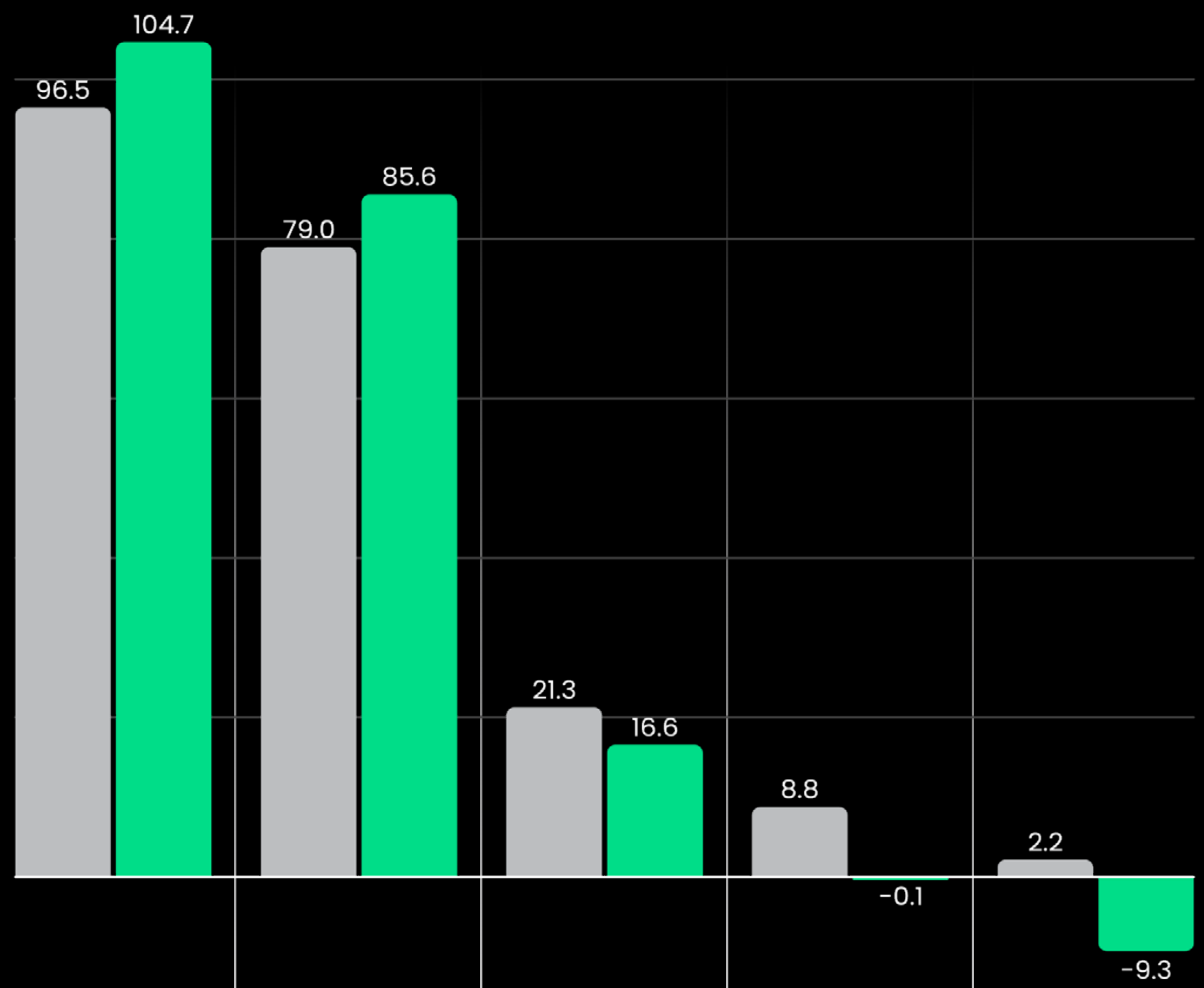
We have continued to mature our go-to-market capability and capacity with the ongoing development of our business development and outbound sales capability in Australia throughout the year. We have also invested in key support roles and have developed our customer retention toolsets and capacity to ensure we retain our customers and leverage our customer experience investment and outstanding Net Promotor Score results.

As we continue to evolve our approach, and scale into the Australian market, along with the New Zealand opportunity nearing launch, and anticipating the release of additional solutions to add value to our customers and our business, we are well aligned as an organisation and purposed and prepared for the opportunities we have in front of our business.

I thank our team for their loyalty, commitment to our strategy and execution effort, and unwavering commitment to our vision and values.

Financial Performance Metrics

FY24 FY25



Revenue	Australian Acquiring Transactional Revenue	EBITDA	(Loss) / Profit Before Taxation	Net (Debt) / Cash
+ $8.2m	+ $6.6m	- $4.7m	- $8.9m	- $11.5m
+ 9%	+ 8%	- 22%	- 101%	- 519%

Operating Results

The financial performance for Financial Year 25 reflects ongoing growth into the Australian market, early investment into our New Zealand opportunity and the acquisition of a New Zealand competitor late in the first half of the financial year. The headline results include revenues of $104.7m and EBITDA of $16.6m.

The economic conditions in the year were challenging for our customers, and we have not been immune to the flow on effect of these customer impacts ourselves, with ongoing business closures at historically high levels throughout the year in the Small to Medium Enterprise segment across both countries we operate in.*

Whilst it is clear there will always be challenges, as an organisation we have a strong vision and remain focused on being prepared, agile and maintaining strong business fundamentals that assist us to navigate these challenges whilst we continue to grow. Viewed in the context of the economic environment, the challenges confronting our customers, and the aforementioned emergence of competitors endeavouring to replicate our offerings, we consider 8.5% growth in revenue over the Financial Year an outstanding achievement.

Summary and Outlook

In Australia we look forward knowing we operate in a dynamic environment with increasing competition. We anticipate a conclusion to the Australian and New Zealand regulators' Payments Reviews later in Financial Year 2026 and are well prepared for the range of possible outcomes. We have agility and adaptability embedded in both the culture and capability of our business and this will ensure we effectively navigate and manage our way through any outcomes from these reviews.

Our solutions have become market leading, with many choosing to follow – an obvious outcome of the success we have achieved to date and ultimately reported. The challenge for our business is to continue to outperform competition, evolve our outlook to the broader unique opportunities we have, and take advantage of our market position and competitive advantage. It will be imperative to deliver the next stage of our product roadmaps and customer value propositions in a timely and effective manner to deliver on the compelling opportunities we have for Financial Year 2026 and beyond.

In New Zealand we are closing out the pilot phase of our testing program of our new acquiring solution. The opportunity we expect to execute here is both unique and transformational. The acquisition of the assets and customers of Technology Holdings Limited (THL) during 2024 reflects our ability to act quickly on opportunities that align to our strategic intent in the markets we operate and adds scale to our New Zealand opportunity. In reality, there has been little real competition in the New Zealand acquiring market for over 30 years and with our existing brand value, terminal market share and organisational capability we are primed to change both the options available for New Zealand businesses, and to unlock the full potential of our own.

We are primed for success and filled with conviction to validate our unique position in the Australasian payments market, bring us closer to our strategic goal, **to be recognised as the most reliable, capable, agile, and innovative omni-channel payments provider in Australia and New Zealand**, and unlock the potential of currently untapped revenue and profit opportunities for our business through Financial Year 2026 and beyond.

I thank all shareholders for joining us on our journey and your continued support.

Martyn Pomeroy
Chief Executive Officer

* Australian Bureau of Statistics / NZ Ministry of Business, Innovation and Employment

Sustainability

"We are who we are – we just do the right thing – by our team, our customers, our community and our environment."

ESG at Smartpay

	Environment	Social	Governance
Definition	Having sustainable procurement and waste management programs that limit the impact on the environment	Creating equitable outcomes and sustainable futures for our employees and their communities	Ethical business practices, effective risk management and internal control and doing the right thing by our stakeholders, being investors, customers, employees, and communities
Focus Areas	• Sustainable procurement • Waste management • Managing and engaging in our climate impact	• Sustainable employment • Diversity and Inclusion • Living wage • Accredited employer • Health, safety and wellbeing • Supporting superannuation • Community impact and charitable giving	• Ethical business • Respecting stakeholders • Shareholder rights • Board governance and transparent reporting • Balance sheet strength and measured investment

Smartpay's ESG Strategy outlines our core areas of focus across our Environment, Social, and Governance activities. Our strategy has been aligned to the United Nations Sustainable Development Goals, a global call-to-action to achieve peace and prosperity for people and the planet.

This year Smartpay completed a double materiality assessment internally to further understand and sense-check our sustainability-related impacts, risks and opportunities and inform our ESG activities moving forward.

The materiality assessment involved identifying and assessing sustainability topics that are material to Smartpay from an impact or financial perspective.

Topics were considered material impact from an impact perspective where they related to Smartpay's positive and negative impacts on people or the environment and were considered financially material if they presented risks or opportunities that may impact our future financial position.

To assess impact materiality, Smartpay assessed the scale, scope, irremediability, and likelihood of actual and potential impacts on people or the environment.

To assess financial materiality, Smartpay identified risks and opportunities that different sustainability topics may present Smartpay over the short, medium, and long-term.

Environment

Climate Change

Smartpay is a Climate Reporting Entity (CRE) under the Financial Markets Conduct Act 2013. As a CRE, Smartpay is required to prepare a climate statement in-line with the Aotearoa New Zealand Climate Standards issued by the External Reporting Board.

We published our first climate statement for the Financial Year 24 in July 2024. We will publish our second climate statement for Financial Year 25 by 31 July 2025, which will be available at **smartpayinvestor.com**.

To prepare our Financial Year 25 climate statement our focus has been on undertaking scenario analysis and developing a more comprehensive understanding of our climate-related risks and their anticipated financial impacts, measuring our greenhouse gas emissions, and developing our emissions reduction plan across Scope 1 and 2.

We are now procuring certified 100% renewable electricity across three of our six sites through contractual arrangements with Meridian in New Zealand and Diamond Energy in Australia.

Waste Management

This year we have focused our internal waste management efforts on education and improvement. This has included the introduction of food waste collection at our key sites and educating our employees on best-practice recycling behaviours to avoid sending waste to landfill.

We have continued our terminal refurbishment and end-of-life programs in Australia and New Zealand to ensure maximum use of these assets. Where terminals are returned to Smartpay within their PCI compliance dates the terminals are refurbished and sent to new Smartpay Merchants if possible. When terminals have reached their PCI sunset date and can no longer be used in the market, their end-of-life is managed responsibly through our partners Abilities Group in New Zealand and Skyzer in Australia who ensure materials are recovered and recycled where possible.

Social

We have increased the Smartpay team to 231 (prior year 179), including onboarding employees from THL. As a technology company, many of our resources sit within engineering to support the development and maintenance of our technical offering. Likewise, an increase in our sales and support teams reflect our ambitious goals.

Smartpay continues to be a living wage employer, meaning we pay all of our employees at least a living wage in New Zealand and Australia, which is above and beyond the local minimum wage.

From July 2024 we have increased the company KiwiSaver contributions for employees in New Zealand to 4%. This acknowledges the importance of KiwiSaver to our New Zealand based team and the significantly higher contribution the company makes for our Australian team.

The Health, Safety & Wellbeing of our employees remains a high priority. With the introduction of the Right to Switch Off legislation in Australia, we continue to work to ensure that all our employees across Australia and New Zealand maintain a work-life balance.

This year we have also trained a number of employees, primarily in team leadership roles, on Mental Health First Aid to help identify any issues or concerns across our workforce. Employee engagement activities across both countries has also focused on mental health, with the business supporting 'R U Ok?' Day in Australia and Mental Health Awareness Week in New Zealand. Our charities of choice also remain in the mental health support space and include I Am Hope in New Zealand and Headspace in Australia.

Governance

Maintaining ethical behaviour remains at the heart of our business operations.

This year we have continued to evolve our Enterprise Risk Framework. This has included using VComply software to map out our strategic, operational, health and safety, and climate-related risks.

Our employees continue to be trained on various mandatory topics with half year and annual refresher requirements, adding new courses as policy or regulations are introduced or updated. This training is managed through our online Learning Management System, Sentrient.

Board of Directors

Gregor John Barclay

Chairman and Independent Director – LLB, Dip. Bus

Location
Auckland

Appointed
April 2010

Board Committees
Remuneration and Nominations (Chair)

Greg is a commercial lawyer and brings extensive experience in advising commercial and corporate clients. Greg was a founder of Claymore Partners, an Auckland based commercial law and business advisory firm. He continues to act as a consultant to that firm.

Greg is an experienced company director and Chair having held various directorships and advisory roles across a number of New Zealand and off-shore entities.

Matthew George Turnbull

Independent Director – BCom, CA

Location
Auckland

Appointed
April 2013

Board Committees
Audit and Finance (Chair)
Remuneration and Nominations

Matt has extensive experience providing accounting and corporate advisory services. Matt has a detailed understanding of Smartpay, having assisted the company in a corporate advisory capacity prior to becoming a Director.

Shelley Maree Ruha

Independent Director – BCom

Location
Auckland

Appointed
August 2024

Board Committees
Audit and Finance

Shelley brings extensive experience in governance with fintech, technology, infrastructure, payments and payments innovation, banking and venture capital.

Shelley previously had an executive career in banking and finance leading large and complex businesses in New Zealand.

Martyn Richard Pomeroy

Executive Director

Location
Auckland

Appointed
April 2014

Marty was the founder of Viaduct Limited, the third largest terminal business in New Zealand when purchased by Smartpay in 2013.

Marty leads the management team and is responsible for the strategy and culture of Smartpay, having become Chief Executive Officer in 2020.

Marty brings experience in the payments industry to the Board.

Geoffrey Myles Carrick

Independent Director - B.Ec, LLB

Location
Sydney

Appointed
June 2022

Board Committees
Audit and Finance

Geoff is a seasoned capital markets practitioner, having held the positions of Head of Corporate Finance at Shaw and Partners Limited, Head of Equity Capital Markets at Commonwealth Bank, and twelve years with Macquarie Capital.

Carlos Gil

Non-Executive Director - BEc, GradDipAppFin SIA, MAppFin FSIA

Location
Sydney

Appointed
December 2018

Carlos is the founder and current Chief Executive Officer of ASX listed Microequities Asset Management, a substantial shareholder in Smartpay. He is also a director of AI software firm Complexia Pty Limited. He has extensive experience in stockbroking, funds management, and investment research.

Carlos has held various senior management positions in Europe, including roles as Head of International Securities at BM Securities, and at Banesto Bank (Santander Group).

Executive Team

Martyn Pomeroy

Chief Executive Officer

Joined
January 2013

Location
Auckland

Marty was appointed Chief Executive Officer in September 2020 and brings extensive payment experience to Smartpay.

Marty is the leader of the executive team and responsible for driving the strategy and culture of Smartpay.

Cherise Barrie

Chief Financial Officer

Joined
May 2022

Location
Auckland

Cherise brings a depth of knowledge and experience in finance gained over many years in the financial services industry. Cherise is a chartered accountant.

Cherise is in a key strategic role with responsibilities including compliance and the financial oversight of the Smartpay Group.

Aidan Murphy

Chief Business Officer

Joined
May 2012

Location
Auckland

Aidan is a chartered accountant. Previously the Chief Financial Officer Aidan is now Chief Business Officer.

Aidan is responsible for material commercial opportunities and agreements with Smartpay's partners.

Peter Thomas

Chief Marketing & Product Officer

Joined
September 2016

Location
Sydney

Peter possesses a strong background in marketing having worked for the National Broadband Network, Tenix and QBE Insurance.

Peter is responsible for driving the marketing and product initiatives across Smartpay.

Arron Patterson

Chief Technology Officer

Joined
July 2023

Location
Auckland

Arron brings substantial experience, having held roles in global technology companies, leading teams and using technology to create customer value.

Arron leads the technology domain and is responsible for shaping and aligning the technology strategy with the business strategy, developing and implementing merchant solutions, and ensuring operational excellence across our platforms.

Andrew Davies

Chief Revenue Officer

Joined
April 2023

Location
Auckland

Andrew brings a wealth of expertise in high-growth technology-focused businesses. He has a proven record of success in driving revenue growth and retention strategies in local and international markets.

Andrew is responsible for customer acquisition, revenue growth, and retention strategies across both Australia and New Zealand.

Lucy Williams

Chief Customer Officer

Joined
September 2018

Location
Auckland

Lucy brings extensive experience in building highly engaged customer focused teams.

Lucy is responsible for the customer teams in both New Zealand and Australia.

Denise Doyle

Chief People Officer

Joined
September 2023

Location
Auckland

Denise has experience within many diverse organisations, to support organisational transformation and change, by aligning people processes and initiatives to deliver to strategic priorities.

Denise works with the executive team to implement change, build and grow leadership capability, attract and retain key talent; and embed a resilient high-performance culture.

Our Values

One Team
We will work together to create an inspiring company that we are all proud to work for

Fearless
In our approach to our focus on our customer

We Deliver
By listening, engaging and being held accountable

SMARTPAY HOLDINGS LIMITED

2025 Financial Statements

Directors' Responsibility Statement

The Directors are responsible for the preparation, in accordance with New Zealand law and generally accepted accounting practice, of financial statements which present fairly the financial position of Smartpay Holdings Limited and its subsidiaries (the Group) as at 31 March 2025 and the results of its operations and its cash flows for the year ended 31 March 2025.

These financial statements dated 28 May 2025 are signed in accordance with a resolution of the Directors made pursuant to section 211(1)(k) of the Companies Act 1993.

For and on behalf of the Directors

Greg Barclay

Chairman

Martyn Pomeroy

Managing Director and Chief Executive Officer

Contents

Notes to the Financial Statements

Income Statement

For the year ended 31 March 2025

	Note	2025 $'000	2024 $'000
Revenue	5, 6	104,721	96,513
Other income	6	817	28
Operating expenditure	7	(88,697)	(75,224)
Net impairment losses on financial assets		(212)	(51)
EBITDA*		16,629	21,266
Depreciation and amortisation		(14,471)	(10,615)
Foreign exchange adjustments		(339)	(78)
Share performance rights amortisation	27	(795)	(936)
Gain on disposal of right-of-use assets		135	-
Impairment and loss on disposal of property, plant and equipment	7	(594)	(387)
Finance income	7	656	799
Finance costs	7	(1,333)	(1,251)
		(16,741)	(12,468)
Profit / (loss) before taxation		(112)	8,798
Income taxation expense	8	(611)	(392)
Profit / (loss) for the year		(723)	8,406
Earnings per share attributable to the shareholders of the Parent during the year			
Basic and diluted earnings per share (cents)	9	(0.30)	3.53

* EBITDA represents earnings before finance income and finance costs, taxation, depreciation, amortisation, foreign exchange adjustments, share performance rights amortisation, gain on disposal of right-of-use assets and impairment and loss on disposal of property, plant and equipment.

The above Income Statement should be read in conjunction with the accompanying notes.

Statement of Comprehensive Income

For the year ended 31 March 2025

	Note	2025 $'000	2024 $'000
Profit / (loss) for the year		(723)	8,406
Other comprehensive income, net of taxation			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operation	26	152	303
Total other comprehensive income, net of taxation		152	303
Total comprehensive income / (loss) for the year		(571)	8,709

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 31 March 2025

	Note	2025 $'000	2024 $'000
Current assets			
Cash and bank balances	10	12,079	20,227
Trade and other receivables	12	15,048	61,537
Derivative financial instruments	13	158	106
Total current assets		27,285	81,870
Non-current assets			
Property, plant and equipment	14	27,877	25,429
Right-of-use assets	15	5,753	6,401
Contract costs	16	4,383	2,550
Intangible assets	18	26,636	17,570
Goodwill	19	14,772	14,772
Deferred taxation assets	20	1,829	2,984
Total non-current assets		81,250	69,706
Total assets		108,535	151,576
Current liabilities			
Trade payables and accruals	21	34,789	79,433
Current taxation liabilities	22	337	674
Borrowings	23	232	-
Lease liabilities	24	2,026	1,694
Total current liabilities		37,384	81,801
Non-current liabilities			
Trade payables and accruals	21	-	3,098
Deferred taxation liabilities	20	555	-
Borrowings	23	14,600	9,000
Lease liabilities	24	4,316	5,281
Total non-current liabilities		19,471	17,379
Total liabilities		56,855	99,180
Net assets		51,680	52,396
Equity			
Share capital	25	94,487	91,641
Share performance rights reserve	27	459	3,237
Treasury shares reserve	25	(213)	-
Foreign currency translation reserve	26	618	466
Retained deficits		(43,671)	(42,948)
Total equity		51,680	52,396

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the Year Ended 31 March 2025

	Note	Share Capital $'000	Share Performance Rights Reserve $'000	Treasury Shares Reserve $'000	Foreign Currency Translation Reserve $'000	Retained Deficits $'000	Total $'000
Year ended 31 March 2024							
Balance at 31 March 2023		91,641	1,855	-	163	(51,354)	42,305
Profit for the year		-	-	-	-	8,406	8,406
Other comprehensive income		-	-	-	303	-	303
Total comprehensive income		-	-	-	303	8,406	8,709
Share performance rights	27	-	936	-	-	-	936
Deferred taxation benefit on share performance rights	27	-	446	-	-	-	446
At the end of the year		91,641	3,237	-	466	(42,948)	52,396
Year ended 31 March 2025							
Balance at 31 March 2024		91,641	3,237	-	466	(42,948)	52,396
Loss for the year		-	-		-	(723)	(723)
Other comprehensive income		-	-		152	-	152
Total comprehensive income / (loss)		-	-	-	152	(723)	(571)
Acquisition of treasury shares	25	-	-	(213)	-	-	(213)
Share performance rights	27	-	795	-	-	-	795
Deferred taxation expense on share performance rights	27	-	(727)	-	-	-	(727)
Equity-settled share-based payments	25, 27	2,846	(2,846)	-	-	-	-
At the end of the year		94,487	459	(213)	618	(43,671)	51,680

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the Year Ended 31 March 2025

	Note	2025 $'000	2024 restated* $'000
Cash flows from operating activities			
Receipts from customers		105,066	96,233
Receipts from insurance	6	817	-
Receipts from research and development grants		104	319
Interest received		829	784
Payments to suppliers and employees		(93,216)	(76,177)
Interest paid		(1,564)	(1,252)
Income taxation paid		(27)	(1,700)
Net cash inflow from operating activities	28	12,009	18,207
Cash flows from investing activities			
Payments for terminal assets		(8,214)	(10,176)
Payments for other property, plant and equipment		(804)	(397)
Payments for intangible assets		(12,457)	(5,977)
Net cash outflow from investing activities		(21,475)	(16,550)
Cash flows from financing activities			
Repayments of borrowings		(500)	(1,000)
Proceeds from borrowings		6,100	-
Acquisition of treasury shares		(213)	-
Principal elements of lease payments		(1,779)	(1,492)
Net cash inflow / (outflow) from financing activities		3,608	(2,492)
Net decrease in cash and cash equivalents		(5,858)	(835)
Add opening cash and cash equivalents		11,207	12,042
Closing cash and cash equivalents		5,349	11,207
Reconciliation of closing cash and cash equivalents to the Statement of Financial Position:			
Cash and cash equivalents		5,349	11,207
Other bank balances (restricted use)	10, 11	6,730	9,020
Closing cash and bank balances	10	12,079	20,227

* Certain comparative information has been restated, refer to Note 2h.

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

NOTE 1

General Information

Smartpay Holdings Limited (Parent) is a New Zealand company, registered under the Companies Act 1993 and listed on both the New Zealand Stock Exchange (NZX) and the Australian Securities Exchange (ASX). The Parent is an issuer (FMC reporting entity) in terms of the Financial Markets Conduct Act 2013.

The consolidated financial statements (the financial statements) of Smartpay Holdings Limited comprise the Parent and its subsidiaries together referred to as the Group (refer Note 17).

The Group's principal activity is that of a merchant service provider, facilitating payments and providing technology products and services to merchants in New Zealand and Australia.

NOTE 2

Material Accounting Policy Information

a. Statement of Compliance

The Parent is a reporting entity for the purposes of the Financial Reporting Act 2013 and its financial statements comply with that Act.

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities and the requirements of the Companies Act 1993 and the Financial Markets Conduct Act 2013.

The financial statements also comply with International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards).

Use of Non-GAAP Measures within the Financial Statements

Non-Generally Accepted Accounting Practice (non-GAAP) measures have been included as the Directors and management of the Group believe they provide useful information for readers to assist in understanding the Group's financial performance. Non-GAAP financial measures are not prepared in accordance with NZ IFRS and are not uniformly defined, therefore non-GAAP measures reported in the financial statements may not be comparable with those that other companies report and should not be viewed in isolation or considered as a substitute for measures reported in accordance with NZ IFRS. The non-GAAP measure the Group has used is EBITDA, as defined below.

EBITDA is a non-GAAP measure which is defined as earnings before finance income and finance costs, taxation, depreciation, amortisation, foreign exchange adjustments, share performance rights amortisation, gain on disposal of right-of-use assets and impairment and loss on disposal of property, plant and equipment.

The financial statements were authorised for issue by the Directors on 28 May 2025.

b. Basis of Preparation

The Group financial statements have been prepared on a historical cost basis except for derivative financial instruments, which have been measured at fair value. Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. Material accounting policy information is set out below and in the relevant notes to the financial statements.

These financial statements are prepared on a going concern basis.

c. Functional and Presentation Currency

The financial statements are presented in New Zealand dollars (NZD) ($'000), which is the Parent's functional currency. All financial information is presented in NZD except if stated otherwise, and has been rounded to the nearest thousand where appropriate.

d. Adoption of New and Revised Standards and Interpretations

i) Standards and Interpretations Effective in the Current Period

There are no new standards, amendments to standards or interpretations that are effective in the current period that had a material effect on the financial statements.

ii) Standards and Interpretations on Issue Not Yet Adopted

NZ IFRS 18 Presentation and Disclosure in Financial Statements (NZ IFRS 18)

NZ IFRS 18 was issued in May 2024 as a replacement for NZ IAS 1 *Presentation of Financial Statements* (NZ IAS 1). Most of the presentation and disclosure requirements (e.g., statement of financial position, statement of comprehensive income, statement of changes in equity, etc.) will largely remain unchanged together with other disclosures carried forward from NZ IAS 1 (e.g., capital management, debt covenants. etc.).

NZ IFRS 18 primarily introduces the following:

- a defined structure for the income statement by classifying items into one of the five categories: operating, investing, financing, income taxes and discontinued operations. Entities will also present expenses in the operating category by nature, function, or a mix of both, based on facts and circumstances;
- disclosure of management-defined performance measures (a subset of non-GAAP measures) in a single note together with reconciliation requirements; and
- additional guidance on aggregation and disaggregation principles (applied to all primary financial statements and notes).

NZ IFRS 18 also makes limited changes to certain presentation and disclosure requirements in the financial statements, e.g., NZ IAS 7 *Statement of Cash Flows*; as well as consequential changes to various NZ IFRS.

NZ IFRS 18 will be effective for annual reporting periods beginning on or after 1 January 2027 and entities can early adopt this accounting standard. The Group expects to adopt NZ IFRS 18 and relevant consequential changes of other accounting standards in the annual reporting period beginning on 1 April 2027. The Group is currently assessing the impact.

There are no other new standards, amendments to standards or interpretations awaiting implementation that will have a material impact on the Group.

e. Consolidation

The Group financial statements incorporate the financial statements of the Parent and entities controlled by the Parent (its subsidiaries). Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

In preparing the consolidated financial statements, appropriate adjustments were made to the financial statements of the subsidiaries, where necessary, to ensure consistency with the policies adopted by the Group.

All intra-Group balances, transactions, income and expenses have been eliminated in full on consolidation.

Business Combinations

The Group accounts for business combinations under the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. Any costs directly attributable to the business combination are expensed in the Income Statement. Any excess of the cost of acquisition over the aggregate fair values of the identifiable net assets acquired is recognised as goodwill. Goodwill arising on acquisition is recognised as an asset and initially measured at cost. Note 19 provides information on the Group's accounting policy on goodwill.

On 26 August 2024, the Group acquired specific assets of Technology Holdings Limited (THL) a New Zealand owned and operated merchant terminals and business equipment supply and service provider that was in receivership for consideration of $3.6 million cash and liabilities assumed of $464,000. The optional concentration test in NZ IFRS 3 Business Combinations was applied and it was determined that substantially all of the fair value of the gross assets acquired was concentrated in a single identifiable asset or group of similar identifiable assets being customer contracts and therefore the acquired set of activities and assets from THL was not a business. As a result, the Group identified and recognised the individual identifiable assets acquired and liabilities assumed, with the cost allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase, with no goodwill recognised. Refer to Note 14 and Note 18 for further details of the additions to property, plant and equipment and intangible assets from this asset acquisition.

f. Foreign Currencies

i) Foreign Currency Transactions

For the purpose of the Group financial statements, the results and financial position of any Group entity whose functional currency is not NZD are translated to NZD.

Transactions in currencies other than an entity's functional currency are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated to the entity's functional currency at the spot rates prevailing at the end of the reporting period.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in the Income Statement in the period in which they arise.

ii) Foreign Operations

For the purpose of presenting the Group financial statements, the assets and liabilities of the Group's foreign operations are expressed in NZD using exchange rates prevailing at the end of the reporting period. Items in the Income Statement are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in Other Comprehensive Income and accumulated as a separate component of equity in the Group's foreign currency translation reserve. Such exchange differences are reclassified from equity to the Income Statement (as a reclassification adjustment) on disposal of the net investment.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the closing rate.

g. Taxation

i) Income Taxation

Current taxation assets and liabilities are measured at the amount expected to be recovered from, or paid to, the taxation authorities based on the current period's taxable income.

ii) Deferred Taxation

Deferred income taxation is provided on all temporary differences at the reporting date between the taxation bases of assets and liabilities and their carrying amounts for financial reporting purposes. Under NZ IAS 12 *Income Taxes*, the measurement of deferred taxation depends on whether an entity expects to recover an asset through use or by selling it.

Income taxation relating to items recognised in Other Comprehensive Income or directly in equity are recognised in Other Comprehensive Income or directly in equity and not in the Income Statement.

iii) Goods and Services Taxation (GST)

Revenues, expenses and assets are recognised net of the amount of GST except when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and receivables and payables, which are stated with the amount of GST included.

NOTE 2 continued

Material Accounting Policy Information

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a net basis, and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, is classified as part of operating activities.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

h. Changes to Comparatives

Comparative information has been restated or reclassified, where appropriate, to ensure consistency with presentation in the current period.

Where there has been a restatement of comparative information the nature of, and the reason for, the restatement is disclosed in the relevant note.

Statement of Cash Flows

There was a misclassification identified and corrected by restating the comparative information of the statement of cash flows for the year ended 31 March 2024 in relation to $1,227,000 of payments for contract costs. This amount was incorrectly classified as payments for contract costs in cash flows from investing activities rather than payments to suppliers and employees in cash flows from operating activities. Cash payments for contract costs should be presented under cash flows from operating activities because they relate to the Group's ordinary revenue generating activities.

This correction had no impact on the net decrease in cash and cash equivalents and cash and cash equivalents previously reported in the prior period. The table below shows the impact of this restatement on the statements of cash flows:

Statement of Cash Flows for the year ended 31 March 2024	Previously Reported	Restatement	Restated Amount
Cash flows from operating activities			
Payments to suppliers and employees	(74,950)	(1,227)	(76,177)
Net cash inflow from operating activities	19,434	(1,227)	18,207
Cash flows from investing activities			
Payments for contract costs	(1,227)	1,227	-
Net cash outflow from operating activities	(17,777)	1,227	(16,550)

NOTE 3

Significant Accounting Judgements, Estimates and Assumptions

In applying the Group's accounting policies management are required to make judgements, estimates and assumptions. Judgements, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have an impact on the Group. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgements, estimates and assumptions. Significant judgements, estimates and assumptions made in the preparation of these financial statements are outlined below.

Significant Estimates and Judgements

a. Contracts with Customers

The Group provides a right to use its merchant terminals as part of its contracts with customers. Determining whether the contract contains a lease is a significant judgement requiring consideration as to whether the customer has the right to direct the use of the terminal. Note 6 provides further information on this consideration.

The Group has determined that its customers do not have the right to direct the use of the asset because the Group continues to have the right and ability to change how the merchant terminal operates during the customer's contractual term. The Group determined that customers do not have the right to control the use of its terminals and therefore the arrangement does not contain a lease. Accordingly, the contracts have been accounted for as service contracts.

The contracts with customers include promises to provide multiple services and products. Determining whether the services and products are considered distinct performance obligations that should be accounted for separately versus together requires significant judgement. The Group assesses each of its contracts as a portfolio to determine whether the performance obligation is at a point in time or over time.

b. Impairment of Goodwill and Intangible Assets with Indefinite Useful Lives

The Group determines whether goodwill and intangible assets with indefinite useful lives are impaired on at least an annual basis. This requires an estimation of the recoverable amount of the cash-generating units to which the goodwill and intangible assets with indefinite useful lives are allocated. The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill and intangible assets with indefinite useful lives are provided in Note 18 and Note 19.

c. Recognition of Software Development

The Group develops software to use internally or on merchant terminals.

The Group assesses all development expenditure in accordance with the future economic benefits to determine if it fulfils the criteria for capitalisation as an intangible asset.

The Group measures the cost of developing software from an assessment of the time spent by developers and management in bringing the asset into use.

Note 18 provides information on the software developed in the period.

d. Impairment of the Merchant Terminals

The Group assesses on an annual basis if any impairment of merchant terminals or ancillary equipment is required due to obsolescence.

NOTE 4

Financial Risk Management Objectives and Policies

The Group's principal financial instruments used to manage financial risk comprise borrowings, lease liabilities and derivative financial instruments. The main purpose of these financial instruments is to raise finance for the Group's operations and hedge interest rate and foreign exchange exposure. The Group has various other financial instruments such as overdraft facilities, cash, trade receivables, and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are risks in the movement of foreign exchange rates and interest rates, credit risk and liquidity risk. The Board of Directors (the Board) reviews and agrees policies for managing each of these risks as summarised below.

a. Market Risk

i) Foreign Currency Risk

The Group has an Australian business and an exposure to foreign exchange translation risk. The Group does not enter into any specific instruments to manage the translation risk.

The Group purchases terminal assets from foreign suppliers which are denominated in United States of America dollars (USD). This risk is managed by purchasing foreign currency or forward exchange contracts of equal value when invoices are received.

ii) Cash Flow and Fair Value Interest Rate Risk

The Group's only significant financial asset subject to floating interest rates is cash held in the bank. The Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises from its borrowings. Borrowings issued at floating rates expose the Group to cash flow interest rate risk. The Group manages its cash flow interest rate risk by using interest rate swaps as deemed necessary by the Board. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. The Group does not have any borrowings issued at fixed rates and is therefore not subject to any fair value interest rate risk on borrowings.

b. Credit Risk

In the normal course of business, the Group incurs credit risk (defined as the risk of failure of a counterparty to a transaction) from trade receivables and transactions with financial institutions.

Management have a credit policy in place and the exposure to credit risk is monitored on an on-going basis. Credit checks are performed as necessary and active measures are taken to collect outstanding amounts and prevent them from becoming non-performing accounts.

Note 30d provides further explanation on determining objective evidence that an impairment has occurred and an analysis of accounts overdue and concentrations of credit risk.

The Group deals with high credit quality financial institutions in placing its cash and deposits.

c. Liquidity Risk

Liquidity risk arises from the financial liabilities of the Group and the ability to meet obligations to repay financial liabilities as and when they fall due. The objective is to maintain a balance between continuity of funding and committed available credit lines.

The Group manages its liquidity by forecasting cash flows on a monthly and annual basis and monitoring the total cash flows on a regular basis. Note 30f provides further information.

NOTE 5

Segment Information

A business segment is a distinguishable component of the entity that is engaged in providing products or services that are subject to risks and returns that are different to those of other business segments and whose operating results are regularly reviewed by the entity's chief operating decision maker and for which discrete financial information is available.

The only data that is reviewed by the entity's chief operating decision maker that is analysed by any segment breakdown is revenue showing the various revenue streams split geographically. Costs and funding are analysed at a group level for decision making purposes.

Geographical Segments

2025	NZ $'000	AUS $'000	Elimination $'000	Total $'000
Revenue from contracts with customers				
Service revenue	14,169	3,624	-	17,793
Transactional income	250	85,625	-	85,875
Other service revenue	61	78	-	139
Short term rentals	267	-	-	267
Sale of goods	7,759	422	(7,534)	647
Total revenue from contracts with customers	22,506	89,749	(7,534)	104,721
Additions to non-current assets	23,614	5,555	-	29,169
Non-current assets	57,577	29,993	(6,320)	81,250

2024 * restated	NZ $'000	AUS $'000	Elimination $'000	Total $'000
Revenue from contracts with customers				
Service revenue	13,091	2,901	-	15,992
Transactional income	439	78,993	-	79,432
Other service revenue	78	45	-	123
Short term rentals	236	-	-	236
Sale of goods	10,220	479	(9,969)	730
Total revenue from contracts with customers	24,064	82,418	(9,969)	96,513
Additions to non-current assets	20,500	6,805	-	27,305
Non-current assets*	47,508	27,563	(5,365)	69,706

* Comparative information for the geographical split between New Zealand and Australia has been restated to ensure consistency with presentation in the current period.

In New Zealand and Australia no single customer represents more than 10% of total revenues as such there is no concentration of customers.

The elimination of $7,534,000 (2024: $9,969,000) relates to the revenue on the sales of merchant terminals from New Zealand to Australia within the Group.

NOTE 6

Revenue and Other Income

a. Revenue Streams

The Group generates revenue primarily from service contracts with customers for the provision of merchant terminals and transaction processing on the merchant terminals.
Note 5 provides the composition of revenue from contracts with customers.

b. Disaggregation of Revenue from Contracts with Customers

In Note 5, revenue from contracts with customers is disaggregated by primary geographical market and products and service lines. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments.

Below the revenue is analysed by major products and service lines and timing of revenue recognition.

Major Products and Service Lines	2025 $'000	2024 $'000
Merchant terminal service	18,060	16,228
Transaction processing	85,875	79,432
Direct sales	647	730
Other	139	123
Total revenue from contracts with customers	104,721	96,513

Timing of Revenue Recognition	2025 $'000	2024 $'000
Services transferred at point in time	86,281	79,791
Services transferred over time	17,793	15,992
Products transferred at point in time	647	730
Total revenue from contracts with customers	104,721	96,513

Contract Costs	2025 $'000	2024 $'000
Closing carrying value of contract costs	4,383	2,550

Contract costs relate to sales commissions and other costs of acquisition to obtain service and transaction processing contracts and are amortised over the term of the contracts (refer to Note 16).

c. Contract Balances

The following table provides information about contract assets and contract liabilities from contracts with customers.

Contract Balances	2025 $'000	2024 $'000
Contract assets	1,511	1,723
Contract liabilities	(53)	(24)
	1,458	1,699

Contract Assets	2025 $'000	2024 $'000
Opening balance	1,723	1,394
Additions	19	496
Transfers	(231)	(168)
Foreign exchange adjustment	-	1
Closing balance	1,511	1,723

The contract assets primarily relate to the Group's rights to consideration for services provided but not billed at the reporting date on merchant terminal service contracts. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

The contract liabilities primarily relate to the advance consideration received from customers for merchant service contracts, for which revenue is recognised over time.
The amount of revenue recognised relating to the previous year's contract liability balance during the year ended 31 March 2025 was $20,000 (2024: $19,000).

d. Performance Obligations and Revenue Recognition Policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

The following provides information for the types of services and products the Group provides, the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

i) Merchant Terminal Services

Nature and Timing of Satisfaction of Performance Obligations, Including Significant Payment Terms

The merchant terminal service provided to the customer is a bundled service made up of the following services:

- Provision of the hardware
- Provision of the software
- Provision of maintenance and repairs
- Provision of support services

The contracts with customers do not permit components of the bundled service to be provided separately nor can the customer benefit from each component individually. Therefore, only one bundled service is provided and is combined into a single performance obligation.

The customer is provided with the continuous use of a merchant terminal, i.e. the hardware, software and support service, for the duration of the contract and does not provide a specified quantity of services. The underlying activities in providing the terminal can vary from day to day, however the daily activities performed to fulfil the service are substantially the same. Consequently, for each period (1) it is providing an integrated service; (2) the customer is continuously receiving substantially the same benefit, which is distinct and (3) each increment of time is substantially the same.

During the term of the contracts the customer pays an amount per terminal per month depending on the type of terminal provided, the term of the contract and the number of terminals provided. In some contracts a deferred period (i.e. a rent-free period at the beginning of the contract) is given and therefore is regarded as variable consideration and is included in the transaction price. A significant financing component does not exist in the contracts.

Revenue Recognition

The monthly payments are recognised evenly through the contract term, taking into account part months at the start and end of the contract. The deferred period included for revenue recognition and the payments are spread through the term of the contract.

The service is provided and the customers consume the benefit of the service over time. Firstly, the provision of the merchant terminal and service contract is considered to be a single performance obligation. The customer is provided with the merchant terminal for the duration of the contract and the Group ensures that the merchant terminal functions properly for the duration of the contract. Consequently, the customer is able to transact on the merchant terminal from the day the terminal is installed to the day the terminal is returned to the Group. These dates will essentially coincide with the duration of the contract.

ii) Transactional Processing Services

Nature and Timing of Satisfaction of Performance Obligations, Including Significant Payment Terms

The transactional processing service is a bundled service made up of the following components:

- Provision of transaction processing
- Provision of support services

In respect of the transaction processing and the support services, reliance is placed on the practical expedient given that if the performance obligations were unbundled the amount recognised in the financial statements would be the same. It is therefore considered that there are two performance obligations. The bundled services are combined into a single performance obligation.

The customer consumes the benefit of the transaction bundled service at a point in time. The provision of the transaction processing and support service is a single performance obligation. The Group provides the transaction processing and support service for the duration of the contract.

Revenue Recognition

The transaction processing service revenue is recognised as the processing service is performed.

e. Other Income

Other Income	2025 $'000	2024 $'000
Proceeds of cyber insurance claim	810	-
Proceeds of other insurance claims	7	28
Total other income	817	28

During the year, $810,000 of other income has been recognised in relation to the proceeds of a cyber insurance claim to cover costs incurred as a result of the cyber incident that the Group experienced in June 2023.

Other insurance claims were recognised in relation to various building and motor vehicle insurance claims.

NOTE 7

Operating Expenditure

The following items are included within the Income Statement:

Operating Expenditure	2025 $'000	2024 $'000
Direct costs of sales	44,120	40,585
Information technology	5,549	3,147
Compliance	2,752	2,195
Cyber incident	-	995
Employee benefit expenses net of capitalised amounts	25,391	20,313
Marketing	9,048	6,497
Travel, accommodation and other	1,837	1,492
Total operating expenditure	88,697	75,224

PricewaterhouseCoopers

Auditor's Remuneration Included in Operating Expenditure	2025 $'000	2024 $'000
Audit of the financial statements	394	362
Audit fee overruns for prior period	-	15
Total auditors remuneration	394	377

During both the year ended 31 March 2025 and the year ended 31 March 2024, PricewaterhouseCoopers carried out other services for the Group through providing access to generic training materials through an online platform for $0.

Finance Income	2025 $'000	2024 $'000
Interest received	(656)	(799)
Total finance income	(656)	(799)

Finance Costs	2025 $'000	2024 $'000
Interest on borrowings	1,010	845
Interest on lease liabilities	509	421
Interest rate swap losses	-	82
Foreign exchange contracts realised / unrealised gains	(186)	(97)
Total finance costs	1,333	1,251

Impairment and Loss on Disposal of Property, Plant and Equipment	2025 $'000	2024 $'000
Merchant terminal impairment provision	255	61
Merchant terminal loss on disposal	339	326
Total impairment and loss on disposal of property, plant and equipment	594	387

NOTE 8

Income Taxation Expense

Income Taxation	2025 $'000	2024 $'000
Income taxation expense comprises:		
Current taxation benefit / (expense)	101	(982)
Deferred taxation benefit / (expense)	(181)	409
Prior period adjustments - current	271	204
Prior period adjustments - deferred	(802)	(23)
Income taxation expense	(611)	(392)
Reconciliation between charge for year and accounting profit / (loss)		
Profit / (loss) before taxation	(112)	8,798
Income taxation at 28%	31	(2,463)
Add / (deduct) the taxation effect of:		
Non-deductible expenses	(291)	(338)
Non-assessable income	1,100	(610)
Temporary differences now recognised	(940)	110
Research & development taxation incentive recognised	104	-
Australian taxation losses now recognised	-	2,798
Prior period adjustments - current	271	204
Prior period adjustments - deferred	(802)	(23)
Australian taxation rate differences	(84)	(70)
Income taxation expense	(611)	(392)

The taxation rate used in the above reconciliation is the corporate taxation rate applicable at 31 March 2025 payable on taxable profits under New Zealand (28%) and Australian (30%) taxation law.

NOTE 9

Earnings per Share

The calculation of basic and fully diluted earnings per share is as follows:

Basic and Diluted Earnings Per Share - Cents	2025	2024
Profit / (loss) for the year ($'000)	(723)	8,406
Weighted average number of ordinary shares ('000)	241,369	238,285
Basic and diluted earnings / (loss) per share - cents	(0.30)	3.53

The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders of the Parent and the weighted average number of ordinary shares outstanding during the year excluding treasury shares.

The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders of the Parent and the weighted average number of ordinary shares outstanding excluding treasury shares and adjusted for the effects of all dilutive potential ordinary shares. The FY22-FY24 share performance rights that vested and were subsequently issued during the period are included in the calculation of the weighted average number of ordinary shares outstanding from the date of issue. The new FY25-FY27 share performance rights do not form part of the weighted average number of ordinary shares as they are not yet issued.

NOTE 10

Cash and Bank Balances

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand and in banks, net of outstanding overdrafts.

Cash and Cash Equivalents	Note	2025 $'000	2024 $'000
Cash at bank and on hand		5,349	11,207
Total cash and cash equivalents		5,349	11,207
Other Bank Balances			
Merchant settlement account (restricted use)	11	6,730	9,020
Total cash and bank balances		12,079	20,227

Cash at bank earns interest at floating rates based on daily bank deposit rates.

NOTE 11

Merchant Settlement

The merchant settlement account represents the surplus cash balances that the Group holds on behalf of its merchants when the incoming amount from the card schemes precedes the funding obligation to merchants. The merchant receivables are amounts due from the card schemes for transactions processed on behalf of customers. The merchant payables represent amounts that are due to merchants in respect of transactions that have been processed.

Merchant Settlement	Note	2025 $'000	2024 $'000
Merchant settlement account	10	6,730	9,020
Merchant receivables	12	10,636	57,077
Merchant payables	21	(17,366)	(66,097)
Net merchant settlement balance		-	-

NOTE 12

Trade and Other Receivables

Trade receivables are amounts due from customers for services performed and goods provided in the ordinary course of business. Trade receivables, which generally have 30 day terms, are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components then they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance.

The Group has a security deposit with Cuscal Limited as a condition of the establishment of the acquiring facility.

Trade and Other Receivables	Note	2025 $'000	2024 $'000
Accounts receivable		1,449	1,970
Less expected credit loss allowance on account receivables		(297)	(592)
Merchant receivables	11	10,636	57,077
Accrued revenue (contract assets)	6c	1,511	1,723
Prepayments		1,501	1,114
Acquiring facility security deposit		248	245
Total trade and other receivables		15,048	61,537

Movements in Expected Credit Loss Allowance

Expected Credit Loss Allowance on Accounts Receivable	2025 $'000	2024 $'000
Opening balance	(592)	(571)
Net remeasurement of loss allowance	(482)	(577)
Receivables written off	783	557
Foreign exchange adjustment	(6)	(1)
Closing balance	(297)	(592)

Details on the Group's impairment policies and the calculation of the expected credit losses on receivables are provided in Note 30d.

NOTE 13

Derivative Financial Instruments

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. Changes in the fair value of any derivative financial instrument is recognised in the Income Statement in finance costs.

Interest rate swaps are entered into to manage interest rate risk in relation to debt.

Forward exchange contracts are entered into to hedge forecasted significant foreign currency purchases.

Specific valuation techniques used to value financial instruments include:

- forward exchange contracts – the present value of future cash flows based on the forward exchange rates at the reporting date
- interest rate swaps – the present value of the estimated future cash flows based on observable yield curves

Fair Value of Derivative Financial Instruments	2025 $'000	2024 $'000
Forward exchange contracts	158	97
Interest rate swaps	-	9
Total	158	106
Current asset	158	106

NOTE 14

Property, Plant and Equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses.

New terminals on hand are held as capital works in progress and are valued at cost.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets and charged to the Income Statement as follows:

- Merchant terminals - between three and six years
- Motor vehicles - five years
- Computer equipment – between three and four years
- Furniture, fixtures and office equipment - between three and five years

For some merchant terminals, due to payment compliance regulation, the life may be less than three years at the time of acquisition. Accordingly, these merchant terminals will be depreciated over this reduced life.

All impairment of non-financial assets recognised in the current and prior period relate to the impairment of terminal assets. The impairment of terminal assets is comprised of merchant terminals held by customers that have been deemed irrecoverable and impairment of obsolete or damaged merchant terminals.

Property, Plant and Equipment	Merchant Terminals		Leasehold Improvements, Motor Vehicles, Furniture and Office Equipment		Group Total	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Opening carrying value	15,881	11,139	639	411	16,520	11,550
Additions	-	-	695	495	695	495
Additions from asset acquisition*	257	-	71	-	328	-
Transfers from capital work in progress	13,299	10,044	-	-	13,299	10,044
Depreciation	(6,863)	(5,075)	(430)	(269)	(7,293)	(5,344)
Cost of sales	(1)	(7)	-	-	(1)	(7)
Impairment losses	(255)	(61)	-	-	(255)	(61)
Disposals	(340)	(326)	-	-	(340)	(326)
Foreign exchange adjustments	168	167	2	2	170	169
Closing carrying value	22,146	15,881	977	639	23,123	16,520
Capital Work in Progress						
Opening carrying value	8,909	4,082	-	-	8,909	4,082
Additions	9,106	14,701	-	-	9,106	14,701
Transfers to fixed assets	(13,299)	(10,044)	-	-	(13,299)	(10,044)
Foreign exchange adjustments	38	170	-	-	38	170
Closing carrying value	4,754	8,909	-	-	4,754	8,909
Total property, plant and equipment	26,900	24,790	977	639	27,877	25,429
Reconciled to:						
Cost	40,231	31,532	3,134	2,401	43,365	33,933
Less accumulated depreciation	(17,620)	(15,431)	(2,157)	(1,762)	(19,777)	(17,193)
Less accumulated impairment losses	(465)	(220)	-	-	(465)	(220)
Closing carrying value	22,146	15,881	977	639	23,123	16,520
Capital work in progress	4,754	8,909	-	-	4,754	8,909
Total property, plant and equipment	26,900	24,790	977	639	27,877	25,429

* On 26 August 2024, the Group acquired specific assets of Technology Holdings Limited (THL) a New Zealand owned and operated merchant terminals and business equipment supply and service provider that was in receivership. Refer to Note 2e for further details.

NOTE 15

Right-of-Use Assets

Right-of-use assets relate to the rental of offices, motor vehicles, and other equipment.

Right-of-use assets are initially recognised at cost comprising the following:

- The amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- An estimate of restoration or "make-good" costs.

Right-of-use assets are revalued when there is a remeasurement of the lease liability and are depreciated over the lease term on a straight-line basis.

Right-of-Use Assets	Right-of-Use Offices		Other Right-of-Use Assets		Group Total	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Opening carrying value	4,292	4,355	2,109	47	6,401	4,402
Additions	2,622	277	-	2,396	2,622	2,673
Disposals	(1,807)	(4)	-	-	(1,807)	(4)
Depreciation	(1,381)	(1,253)	(505)	(353)	(1,886)	(1,606)
Remeasurements of lease liabilities	378	863	-	-	378	863
Foreign exchange adjustments	25	54	20	19	45	73
Closing carrying value	4,129	4,292	1,624	2,109	5,753	6,401
Reconciled to:						
Cost	7,327	6,987	2,488	2,462	9,815	9,449
Less accumulated depreciation	(3,198)	(2,695)	(864)	(353)	(4,062)	(3,048)
Closing carrying value	4,129	4,292	1,624	2,109	5,753	6,401

NOTE 16

Contract Costs

Contract costs are sales commissions and other costs of acquisition paid to employees and third parties for the acquisition of service and transaction processing contracts and are amortised over the expected life of the contract, which is 36 months.

Contract Costs	2025 $'000	2024 $'000
Opening carrying value	2,550	2,477
Additions	4,065	1,534
Amortisation	(2,260)	(1,499)
Foreign exchange adjustments	28	38
Closing carrying value	4,383	2,550

NOTE 17

Subsidiary Companies

The consolidated financial statements include the financial statements of Smartpay Holdings Limited and the subsidiaries listed in the following table.

Subsidiaries	Equity Interest		Place of Incorporation	Activities
	2025	2024		
Smartpay Limited	100%	100%	New Zealand	Product and services
Smartpay New Zealand Limited	100%	100%	New Zealand	Non-trading
Smartpay Australia Pty Limited	100%	100%	Australia	Product and services
Cadmus Payment Solutions Pty Limited	100%	100%	Australia	Non-trading

NOTE 18

Intangible Assets

Intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

Software and Development Costs

All costs directly incurred in the purchase or development of software or subsequent upgrades and material enhancements, which can be reliably measured and are not integral to a related asset, are capitalised as intangible assets. Direct costs may include payroll and on-costs for employees directly associated with the project. Software is amortised on a straight line basis over the period of time during which benefits are expected to arise.

Cloud Computing Arrangements

The Group recognises costs incurred in configuring or customising cloud application software as an intangible asset only if the activities create a resource that the Group can control and from which it expects to benefit. Such costs are amortised over the estimated useful life of the software application on a straight-line basis.

Where the Group does not control the cloud application software, the arrangement is deemed to be a service contract and any implementation costs (i.e. costs incurred to configure or customise the cloud application software) are expensed to the Income Statement as incurred.

Amortisation

Intangible assets are amortised on a straight-line basis in the Income Statement (in the depreciation and amortisation line) over their estimated useful lives from the date that they are available for use. The estimated useful lives for the current and comparative years are as follows:

- Software and development costs – between two and ten years
- Customer contracts – ten years

The carrying amount of software and development costs and customer contracts has been assessed for impairment at 31 March 2025 and no impairment is required.

Intangible Assets	Software and Development		Customer Contracts		Group Total	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Opening carrying value	17,570	13,305	-	-	17,570	13,305
Additions*	8,361	6,491	-	-	8,361	6,491
Additions from asset acquisition**	-	-	3,736	-	3,736	-
Amortisation	(2,814)	(2,166)	(218)	-	(3,032)	(2,166)
Disposals	-	(61)	-	-	-	(61)
Foreign exchange adjustments	1	1	-	-	1	1
Closing carrying value	23,118	17,570	3,518	-	26,636	17,570
Reconciled to:						
Cost	30,580	27,901	3,736	-	34,316	27,901
Less accumulated amortisation and impairment	(7,462)	(10,331)	(218)	-	(7,680)	(10,331)
Closing carrying value	23,118	17,570	3,518	-	26,636	17,570

* All additions to software and development during the current and prior period are from internal development.

** On 26 August 2024, the Group acquired specific assets of Technology Holdings Limited (THL) a New Zealand owned and operated merchant terminals and business equipment supply and service provider that was in receivership. Refer to Note 2e for further details.

Significant Software and Development

Internally Developed Software

The Group undertakes development activities to support its business activities in both New Zealand and Australia. The combination of the development undertaken in this financial year and previous financial years resulted in the completion of internally developed software amounting to $9,970,000 (2024: $194,000). The work in progress software amounting to $9,128,000 (2024: $10,737,000) relates to ongoing merchant terminal development and the development of the transaction processing and merchant management system.

The amount of research and development expenditure recognised as an expense during the year ended 31 March 2025 was $866,000 (2024: $572,000).

NOTE 19

Goodwill

Goodwill	2025 $'000	2024 $'000
Opening value	14,772	14,772
Impairment losses	-	-
Balance at end of year	14,772	14,772
Reconciled to:		
Cost	14,772	14,772
Less accumulated impairment losses	-	-
Balance at end of year	14,772	14,772

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquired entity's identifiable assets, liabilities and contingent liabilities recognised at the date of acquisition.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated across the Group's cash-generating units. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. When the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. Impairment losses recognised for goodwill are not subsequently reversed.

Impairment

At 31 March 2025, goodwill was tested for impairment. The impairment testing was performed over the New Zealand cash-generating unit (New Zealand CGU) on the basis that the goodwill relates only to New Zealand. In relation to the composition of the estimates of future cash flows used in the impairment test, these have been estimated based on the current condition of the New Zealand CGU and have not included estimated future cash inflows or outflows that are expected to arise from improving or enhancing the asset's performance in relation to the provision by the Group of acquiring products in New Zealand, which will increase the recoverable amount of the New Zealand CGU by more than the increase in the carrying amount of the New Zealand CGU.

The value in use methodology has been applied using past experience of sales and expenses, whilst factoring in any anticipated changes. These cash flows are based on the Directors' view of the projected cash flows for the 31 March 2026 year and beyond that used an average growth rate of 3% (2024: 3%). For cash flows beyond five years, a terminal value has been used based on the final of the five years net cash flows. The cash flows are discounted using a pre-taxation rate of 18.17% (2024: 18.24%).

The recoverable amount was determined by taking the value in use, which was then compared to the carrying amount. The value in use was also tested against market capitalisation. This testing indicated no impairment had occurred. Adverse changes in actual performance or future rates of growth will reduce the calculated recoverable amount. However, there are no reasonably possible changes in any of the key assumptions on which management has based its determination of the recoverable amount that would cause the carrying amount of the New Zealand CGU to exceed its recoverable amount.

When performing our assessment some costs and assets are allocated to the Australian cash-generating unit (Australian CGU) (e.g., software, salary, compliance expenses) based on whether the expense is being used to generate revenue in Australia or New Zealand.

Forecast capital expenditure for the New Zealand CGU includes spend on software development and merchant terminals. The assumptions have been based on past experience and include forecast fleet replacement. The carrying amount used includes net working capital and total fixed assets including software for the New Zealand business.

NOTE 20

Deferred Taxation Assets / (Liabilities)

Movements in Deferred Taxation:	2025 $'000	2024 $'000
Opening balance	2,984	2,152
Charged to the Income Statement	(181)	409
Prior period adjustments - deferred	(802)	(23)
Charged to equity	(727)	446
Balance at end of the year	1,274	2,984
Deferred Taxation Balance Reconciliation:		
Accruals and provisions	679	766
Share performance rights	89	1,364
Right-of-use assets	(1,678)	(1,885)
Lease liabilities	1,853	2,056
Taxation losses now recognised	3,455	1,612
Fixed assets and computer software	(3,124)	(929)
Total deferred taxation balance	1,274	2,984

Taxation Losses

Total New Zealand taxation losses of $12,207,000 (2024: nil) are recognised. The New Zealand taxation losses can be carried forward provided that the shareholder continuity remains above 49% or the business continuity test is satisfied. Currently the shareholder continuity is above the threshold. Due to the current forecasts of when Smartpay Limited will generate assessable income and as to when the taxation losses will be utilised, a deferred taxation benefit in respect of all remaining New Zealand taxation losses has been recognised beyond the deferred taxation liability in this reporting period. The current forecasts estimate that the remaining recognised tax losses above will be utilised by FY27. In the prior period, total Australian taxation losses of $A4,930,000 were recognised. An amount of $A2,511,000 was utilised in the current year and $A746,000 in respect of a prior period adjustment, and $A110,000 are carried forward. The residual Australian tax losses amounting to $1,563,000 have been derecognised due to the uncertainty regarding the availability of these losses.

NOTE 21

Trade Payables and Accruals

Financial liabilities included in trade payables and accruals are initially measured at fair value, less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Liabilities for wages and salaries, including non-monetary benefits, annual leave, long service leave and accumulated sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulated sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Trade payables are typically non-interest bearing and are normally settled on 7–60 day terms.

Current Trade Payables and Accruals	Note	2025 $'000	2024 $'000
Trade payables		11,838	7,458
Merchant payables	11	17,366	66,097
Accruals		3,260	3,253
Employee entitlements		1,847	2,316
Other payables and accruals		478	309
Total current trade payables and accruals		34,789	79,433

Non-current Trade Payables and Accruals	Note	2025 $'000	2024 $'000
Trade payables		-	3,098
Total non-current trade payables and accruals		-	3,098

The non-current trade payables in the prior period related to amounts owing for merchant terminals purchased that were not due within 12 months from the reporting date.

NOTE 22

Current Taxation Liabilities

Current Taxation	2025 $'000	2024 $'000
Opening balance	(674)	(1,330)
Prior period adjustment - current	271	204
Charged to the Income Statement	-	(982)
Use of money interest	11	-
Income taxation paid	27	1,700
Refundable taxation credits	28	53
Research and development grants	104	-
Taxation refund	(104)	(319)
Closing balance	(337)	(674)

Imputation Credit Account Balances

The Group has an Imputation Credit Account (ICA) of $1,118,000 as at 31 March 2025 (2024: $1,388,000) and nil franking credits (2024: nil).

NOTE 23

Borrowings

Borrowings are initially measured at fair value, less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Bank Term Loans - at Amortised Cost	2025 $'000	2024 $'000
Non-current	14,600	9,000
Total bank term loans	14,600	9,000
Other Borrowings		
Current	232	-
Total other borrowings	232	-
Total borrowings	14,832	9,000

Summary of Borrowing Arrangements

On 10 October 2024, the Group refinanced the existing loan with ASB Bank Limited (ASB) which was under the Smartpay New Zealand Limited subsidiary. The Group entered into a new re-documented Senior Facility Agreement with ASB under the Smartpay Limited subsidiary.

This resulted in the following:

- A Revolving Credit Facility of $14,000,000.
- A Merchant Acquiring Overdraft Facility of $12,500,000.
- A Term Loan Facility of $8,750,000.

These facilities expire on 10 October 2027 and there is no requirement to amortise unless the net leverage ratio is less than 1.00 times for a quarterly reporting date, in which case an amount of $375,000 is payable for that quarter.

The interest rate is BKBM (90 day bill rate) plus a margin as follows:

- 1.74% for the Revolving Credit Facility.
- 1.50% for the Merchant Acquiring Overdraft Facility.
- 2.90% for the Term Loan Facility.

A line fee of 1.16% of the Revolving Credit Facility limit is payable quarterly.

ASB has security over all the assets of the Group with all companies in the Group providing cross guarantees and indemnities in favour of ASB (for a list of the Group companies refer to Note 17).

The specific covenants relating to financial ratios the Group is required to meet are:

- Interest cover ratio
- Net leverage ratio

As at 31 March 2025, the Group has drawn down $6,100,000 under the Revolving Credit Facility and $8,500,000 under the Term Loan Facility with ASB.

The Group was in compliance with all covenants during the period.

The Group also has a short-term facility loan with Hunter Premium Funding Limited. The balance as at 31 March 2025 is $232,000 (2024: nil).

NOTE 24

Lease Liabilities

Leases as Lessee

Lease liabilities are measured at the net present value of any lease payments, which include fixed payments and variable payments linked to an index. Variable payments linked to an index are not included in the lease liability until they take effect. When adjustments to lease payments linked to an index take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate of the Group. The interest rate implicit in the lease can be readily determined for motor vehicles, but not for all other leases, and thus these are discounted using the incremental borrowing rate of the Group. This is determined using the risk-free rate and an asset specific adjustment at the time of recognition.

The lease term includes any right to renewal where it is reasonably certain that the Group will exercise that right. The likelihood of renewing the term is assessed at initial recognition and is reassessed when there is a significant change in circumstances within the Group's control which affects the likelihood of extending the lease. All leases either do not meet the threshold of being reasonably certain or do not have a right to renewal.

Non-cancellable lease liabilities are payable as follows:

Non-cancellable Lease Liabilities	2025 $'000	2024 $'000
Current	2,026	1,694
Non-current	4,316	5,281
Total lease liabilities	6,342	6,975
Amounts Recognised in Statement of Comprehensive Income		
Depreciation on right-of-use assets (included in depreciation and amortisation)	1,886	1,606
Interest expense on lease liabilities (included in finance costs)	509	421
Amounts Recognised in Statement of Cash Flows		
Interest paid	509	422
Principal elements of lease payments	1,779	1,492
Total cash outflow for leases	2,288	1,914

Leases comprise of:

- Offices with arm's length third parties on commercial terms and are used in the on-going activities of the Group. All office leases are negotiated with rights of renewal to allow for certainty of tenure whilst also providing flexibility.
- Motor vehicles and equipment with arm's length third parties on normal commercial terms and are used in the on-going activities of the Group.

The leases relate to the right-of-use assets.

NOTE 25

Share Capital

Share Capital	2025 Shares	2024 Shares	2025 $'000	2024 $'000
Treasury shares	(169,931)	-	(213)	-
Authorised, issued and fully paid up ordinary shares	242,113,395	238,284,963	94,487	91,641

	Share Capital		Treasury Shares		Total Shares	
Reconciliation of movements in shares	**Shares**	**$'000**	**Shares**	**$'000**	**Shares**	**$'000**
Opening balance at 1 April 2024	238,284,963	91,641	-	-	238,284,963	91,641
Shares acquired	-	-	(169,931)	(213)	(169,931)	(213)
Shares issued	3,828,432	2,846	-	-	3,828,432	2,846
Closing balance at 31 March 2025	242,113,395	94,487	(169,931)	(213)	241,943,464	94,274

Treasury Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where the Parent purchases its equity instruments, for example as the result of a share buy-back, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the Parent as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Parent.

Capital Management

The main objective of capital management is to ensure the entity continues as a going concern, meets debt repayments as they fall due, maintains the best possible capital structure and reduces the cost of capital.

Share capital is regarded as equity as shown in the Statement of Financial Position.

To maintain or alter the capital structure the Group has the ability to issue new shares, buy-back shares, decide whether to pay a dividend to shareholders and what size the dividend may be, reduce or increase debt or sell assets.

NOTE 26

Foreign Currency Translation Reserve

The foreign currency translation reserve comprises all exchange rate differences arising from translating the financial statements of the foreign currency operations. Movements are shown in the Statement of Changes in Equity.

Foreign Currency Translation Reserve	2025 $'000	2024 $'000
Opening balance	466	163
Other comprehensive income	152	303
Closing balance	618	466

NOTE 27

Share Performance Rights

The Group operates a share-based compensation plan that is equity settled. The fair value determined at the grant date is expensed over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

The impact of any revision to original estimates is recognised in the Income Statement, with a corresponding adjustment to equity.

a. Type of Share-Based Payments

2022-2024 Share Performance Rights

The establishment of the Group share-based Long Term Incentive (LTI) plan for the Chief Executive Officer (CEO) was approved by the shareholders at the annual general meeting on 29 September 2021. This was followed by the establishment of the LTI plan for key management in November 2021. The LTI plan was designed to provide long-term incentives for the CEO and key management to deliver long-term shareholder returns.

Under the LTI plan, the eligible employees were offered rights (for nil consideration) to ordinary shares in Smartpay Holdings Limited, to be known as Share Performance Rights (SPRs). The LTI plan operated for three financial years commencing 1 April 2021, i.e. FY22-24. SPRs conditionally vested annually based on two performance measures: EBITDA per share and revenue targets. If the performance hurdles were not met in each of the first two years, they were to be added to the tranche of SPRs issued in the following year. In FY24 all SPRs that did not meet the performance targets were to lapse. Each conditionally vested SPR converted to one ordinary share in Smartpay Holdings Limited (for nil consideration) if the employee remained employed by the Group as at 31 March 2024 (being the over-arching hurdle). The Board retained discretion over the final outcome of the issue of the SPRs to allow appropriate adjustments where unanticipated circumstances may have impacted performance over the measurement period.

During the year, 3,828,432 SPRs were fully vested resulting in the FY22-24 LTI plan being concluded.

2025-2027 Share Performance Rights

During the year a new Group share-based LTI plan was established, which was approved by the Board on 19 August 2024. This LTI plan is designed to provide long-term incentives for the eligible employees to deliver long-term shareholder returns.

Under the LTI plan, the eligible employees are offered rights (for nil consideration) to ordinary shares in Smartpay Holdings Limited, to be known as Share Performance Rights (SPRs). The LTI plan will operate for three financial years commencing 1 April 2024, i.e. FY25-27. SPRs conditionally vest annually based on two performance measures: EBITDA per share and revenue targets. If the performance hurdles are not met in each of the first two years, they are to be added to the tranche of SPRs issued in the following year. In relation to the EBITDA per share target, if the actual result is up to 5% below the threshold for FY26 and FY27, 50% of the SPRs (for the EBITDA per share performance hurdle) will conditionally vest. In FY27 all SPRs that do not meet the performance targets will lapse. Each conditionally vested SPR converts to one ordinary share in Smartpay Holdings Limited (for nil consideration) if the employee remains employed by the Group as at 31 March 2027 (being the over-arching hurdle). The Board retains discretion over the final outcome of the issue of the SPRs to allow appropriate adjustments where unanticipated circumstances may impact performance over the measurement period.

NOTE 27 continued

Share Performance Rights

The SPRs issued to the eligible employees carry no dividend or voting rights. An adjustment would be made to the number of SPRs issued to compensate for any dividends paid during the vesting period.

SPRs (including those which have not conditionally vested) may vest early where the Parent is subject to an unconditional offer to acquire all the issued shares in the Parent prior to the exercise date of the SPRs.

The LTI plan has been accounted for as a grant of shares to employees in accordance with NZ IFRS 2 *Share-based Payment.*

b. Effect of Share-Based Payment Transactions

Share Performance Rights Amortisation Expense	2025 $'000	2024 $'000
Share performance rights amortisation	795	936
Deferred taxation (expense) / benefit on share performance rights amortisation	(727)	446
Total share performance rights amortisation expense	68	1,382

c. Measurement of Fair Value

The fair value of the SPRs issued under the LTI plan were determined with reference to the Parent's share price on the NZX and ASX (converted to NZD) at grant date with expected dividends not incorporated into the measurement of fair value. The impact of any service and non-market vesting conditions is excluded from the fair value. Instead, at each reporting date, the Group revises its estimate of the number of SPRs that are expected to vest based on the service and non-market conditions.

d. Movement in Share-Based Payment Rights

2022-2024 Share Performance Rights	2025	2024
Opening balance	3,828,432	4,057,920
Granted during the year	-	-
Forfeited during the year	-	(229,488)
Unconditional vesting during the year	(3,828,432)	-
Closing balance	-	3,828,432

2025-2027 Share Performance Rights	2025	2024
Opening balance	-	-
Granted during the year	5,024,541	-
Forfeited during the year	-	-
Unconditional vesting during the year	-	-
Closing balance	5,024,541	-

The SPRs granted during the period had a grant date weighted average fair value of $1.22.

NOTE 28

Operating Cash Flows Reconciliation

Operating Cash Flows Reconciliation	2025 $'000	2024 restated* $'000
Profit / (loss) for the year	(723)	8,406
Add / (Deduct) Non-Cash Items:		
Depreciation and amortisation	14,471	10,615
Expected credit loss allowance on accounts receivables	212	53
Unrealised foreign exchange movements	329	155
Share performance rights amortisation	795	936
Impairment and loss on disposal of property, plant and equipment	594	387
Deferred taxation (benefit) / expense	983	(386)
Gain on disposal of right-of-use assets and reversal of rent paid in advance	(149)	-
Add / (deduct) Changes in operating assets and liabilities:		
Trade and other receivables	685	(256)
Derivative financial instruments	(52)	(16)
Trade payables and accruals	(682)	196
Borrowings	(232)	-
Contract costs	(3,885)	(1,227)
Current taxation	(337)	(656)
Net cash inflow from operating activities	12,009	18,207

* There was a $1,227,000 misclassification identified and corrected in the comparative information of the statement of cash flows in relation to payments for contract costs, which has been restated from cash flows from investing activities to cash flows from operating activities. As a result, the net cash inflow from operating activities in the operating cash flows reconciliation has been restated and is consistent with the restated amount disclosed in the statement of cash flows, refer to Note 2h.

NOTE 29

Related Parties

Key management personnel of the Parent are considered to be related parties of the Group. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. In relation to the Parent, the key management personnel are the Directors (which includes the Chief Executive Officer) and the direct reports to the Chief Executive Officer during the year ended 31 March 2025.

Related Party Transactions and Balances	2025 $'000	2024 $'000
Payables for Directors' fees	44	28

Key Management Personnel Compensation	2025 $'000	2024 $'000
Directors' fees	398	310
Short-term employee benefits	3,841	4,571
Share-based payment	739	872

In addition to the above, during the year, $3,000 of consultancy fees were paid to Matthew Turnbull.

Short-term employee benefits includes the remuneration of the Chief Executive Officer and the other members of the key management personnel.

During the year, two motor vehicles which had nil net book value were purchased by Gregor Barclay for $1 each.

NOTE 30

Financial Risk Management

a. Financial Instruments by Category

2025

Financial Instruments	Measured at Fair Value Through Profit or Loss $'000	Measured at Amortised Cost $'000	Total $'000
Financial Assets			
Cash and bank balances	-	12,079	12,079
Trade and other receivables	-	13,547	13,547
Derivative financial instruments	158	-	158
Total financial assets	158	25,626	25,784
Financial Liabilities			
Trade payables and accruals	-	32,464	32,464
Borrowings	-	14,832	14,832
Lease liabilities	-	6,342	6,342
Total financial liabilities	-	53,638	53,638

2024

Financial Instruments	Measured at Fair Value Through Profit or Loss $'000	Measured at Amortised Cost $'000	Total $'000
Financial Assets			
Cash and bank balances	-	20,227	20,227
Trade and other receivables	-	60,423	60,423
Derivative financial instruments	106	-	106
Total financial assets	106	80,650	80,756
Financial Liabilities			
Trade payables and accruals	-	76,808	76,808
Borrowings	-	9,000	9,000
Lease liabilities	-	6,975	6,975
Total financial liabilities	-	92,783	92,783

NOTE 30 continued

Financial Risk Management

b. Fair Value

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities measured at fair value:

Fair Value Hierarchy of Assets and Liabilities at Fair Value			Fair Value Measurement Using		
2025	Date of Valuation	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000
Derivative financial assets:					
Interest rate swap	31-Mar-25	-	-	-	-
Forward exchange contracts	31-Mar-25	158	-	158	-

Fair Value Hierarchy of Assets and Liabilities at Fair Value			Fair Value Measurement Using		
2024	Date of Valuation	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000
Derivative financial assets:					
Interest rate swap	31-Mar-24	9	-	9	-
Forward exchange contracts	31-Mar-24	97	-	97	-

There were no material transfers between levels of the fair value hierarchy.

Financial Instruments Not Measured At Fair Value

Financial Assets

The carrying value of all financial assets is considered to approximate their fair value as they are short term in nature or are receivable on demand. Prepaid expenses are not considered financial assets.

Payables and Other Financial Liabilities

This category include current trade payables and accruals for which the carrying amount is considered to approximate fair value as they are short term in nature or are payable on demand. The carrying amount of non-current trade payables and accruals in the prior period was also considered to approximate fair value due to the close proximity of the timing of their initial recognition to reporting date. Employee entitlements, GST payable and deferred revenue are not considered financial liabilities.

Borrowings

For borrowings, which are all either short-term or reprice within three months, the carrying amount is a reasonable approximation of fair value at the reporting date.

Lease Liabilities

Refer to Note 24.

c. Foreign Currency Exchange Risk Management

Foreign currency risk is the risk that the value of the Group's assets, liabilities and financial performance will fluctuate due to changes in foreign exchange rates. The Group is primarily exposed to movements in foreign exchange rates due to the purchases of inventory in USD and the results of its operations in Australia in AUD.

The Group manages foreign currency risk on outstanding liabilities denominated in USD by purchasing and holding USD or entering into forward exchange contracts when invoices are received. Invoices received in AUD are paid in AUD from cash generated from operations.

There is translation risk as a result of the Australian subsidiaries having a functional currency of AUD and being translated to NZD for the Group financial statements. Exchange differences arising on translation of operations are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to the Income Statement when the net investment is disposed of.

d. Credit Risk

In the normal course of business the Group is exposed to credit risk on financial assets including cash and bank balances, derivative financial instruments, merchant receivables, trade receivables and unbilled receivables.

Credit Risk Exposure	2025 $'000	2024 $'000
Maximum exposure to credit risk at reporting date is:		
Cash and bank balances	12,079	20,227
Derivative financial instruments	158	106
Merchant receivables	10,636	57,077
Trade receivables (net of expected credit loss allowance on accounts receivable)	1,152	1,378
Accrued revenue (unbilled receivables)	1,511	1,723
Acquiring settlement facility security deposit	248	245

The Group applies the simplified approach in NZ IFRS 9 *Financial Instruments* to measuring expected credit losses which uses a lifetime loss allowance for all trade receivables and accrued revenue (unbilled receivables).

The expected loss rates are based on the payment profiles of sales over a period of 12 months before balance date and the corresponding historical credit losses experienced within this period. The historic loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

In respect to credit risk arising from cash and bank balances, the acquiring settlement facility security deposit and derivative financial instruments, the Group's policy is to only deal with registered banks and financial institutions with high credit ratings and accordingly the risk of exposure is considered to be low.

The credit risk relating to merchant receivables is considered to be low, as the risk relates to the daily settlements due from the credit schemes, primarily Visa and Mastercard and the registered banks in respect to merchant transactions. The Group receives the majority of money daily, retains the fees due by the merchant before settling to the merchant. Thereafter the Group is exposed to the potential of chargeback risk for a period of three months. The historical experience of chargebacks supports management's view that the Group's exposure to credit risk is low.

	2025			2024		
Loss Allowances	Gross Carrying Amount $'000	Loss Rate	Loss Allowance $'000	Gross Carrying Amount $'000	Loss Rate	Loss Allowance $'000
Merchant receivables	10,636	0.00%	-	57,077	0.00%	-
Accrued revenue (unbilled receivables)	1,511	0.00%	-	1,723	0.00%	-
Trade receivables - current	1,342	14.13%	190	1,700	18.94%	322
Trade receivables - salvage	107	100.00%	107	270	100.0%	270
	13,596		297	60,770		592

In terms of geographical location, for the year ended 31 March 2025 all categories relate to both New Zealand and Australia (2024: the merchant receivables category related only to Australia and the other categories related to both New Zealand and Australia).

e. Interest Rate Risk

The Group has interest rate risk on the Revolving Credit and Term Loan Facilities as at 31 March 2025. If interest rates had changed by +/- 1% (2024: +/- 2%) over the financial year with all other variables held constant, the Group's post taxation profit for the period (annualised) would have been $103,000 lower (2024: $90,000 lower) or $103,000 higher (2024: $90,000 higher). This sensitivity is based on reasonably possible changes at reporting date using the observed range of historical data.

f. Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Board considers that the Group is generating sufficient cash flows from operations to meet all of its obligations.

The table below sets out the contractual, undiscounted cash flows for financial liabilities.

Contractual Undiscounted Cash Flows 2025	Total $'000	<6 Months $'000	6-12 Months $'000	1-2 Years $'000	2-5 Years $'000
Borrowings*	17,580	777	543	1,085	15,175
Lease liabilities	7,287	1,221	1,209	2,255	2,602
Trade payables and accruals	34,790	27,244	7,546	-	-
Total contractual undiscounted cash flows	59,657	29,242	9,298	3,340	17,777

Contractual Undiscounted Cash Flows 2024	Total $'000	<6 Months $'000	6-12 Months $'000	1-2 Years $'000	2-5 Years $'000
Borrowings*	10,179	393	393	9,393	-
Lease liabilities	8,156	1,084	1,065	2,110	3,897
Trade payables and accruals	82,532	77,368	2,066	3,098	-
Total contractual undiscounted cash flows	100,867	78,845	3,524	14,601	3,897

* The future interest payment on borrowings included in the contractual, undiscounted cash flows are based on an estimate of the floating interest rate.

NOTE 31

Contingencies

Guarantees

The Group has provided bank guarantees in favour of NZX of $75,000 (2024: $75,000) and in respect of a right-of-use office asset in Australia of A$640,000 (2024: A$640,000).

On 15 August 2024, the Group entered into a guarantee with ASB to pay Cuscal Payments NZ Limited any sum to a maximum of $250,000. This is in consideration of Cuscal Payments NZ Limited granting the Group acquirer, settlement and processing services in relation to providing acquiring products in New Zealand.

NOTE 32

Capital Commitments

The group has capital commitments of $15,680,000 (2024: $19,788,000). Commitments principally relate to development of intangible assets and purchase of terminals and terminal accessories.

NOTE 33

Subsequent Events

Revolving Credit Facility Drawdown

On 24 April 2025, the Group drew down $600,000 under the Revolving Credit Facility with ASB.

Update on Potential Acquisition of the Group

On 25 April 2025, Smartpay received a revised conditional, non-binding indicative proposal from the previously mentioned international strategic (Other Party) to acquire 100% of the issued ordinary shares of Smartpay for a price of NZ$1.20 (A$1.12) per share, comprising 100% cash consideration (the Revised Proposal). The Smartpay Board has determined it is in the best interests of shareholders to enter into an exclusivity agreement with the Other Party (the Exclusivity Agreement) for a limited period of time in order to progress the Revised Proposal and determine if an acceptable binding transaction can be agreed with the Other Party. The Exclusivity Agreement will provide exclusivity to the Other Party until 9 June 2025. Under the exclusivity arrangements, during the period from 2 May 2025 to 25 May 2025 Smartpay has committed not to engage with any competing proposal (including a potentially superior proposal), however during the period from 26 May 2025 to 9 June 2025 Smartpay may engage with any competing proposal that is potentially a superior proposal.

There have been no other material events that occurred after the reporting date which require adjustment or additional disclosure in these financial statements.

Independent auditor's report

To the shareholders of Smartpay Holdings Limited

Our opinion

In our opinion, the accompanying consolidated financial statements (the financial statements) of Smartpay Holdings Limited (the Company), including its subsidiaries (the Group), present fairly, in all material respects, the financial position of the Group as at 31 March 2025, its financial performance, and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards).

What we have audited

The Group's financial statements comprise:

- the statement of financial position as at 31 March 2025;
- the income statement for the year then ended;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than in our capacity as auditor, our firm carries out other assignments in the areas of other services relating to access to generic training materials through an online platform to the Group. Subsequent to reporting date, we have been engaged to provide other assurance services relating to limited assurance over greenhouse gas emissions reporting. The firm has no other relationship with, or interests in, the Group.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of the key audit matter	How our audit addressed the key audit matter
Revenue recognition The Group's revenue of $104,721,000 (2024: $96,513,000) primarily consists of revenue from merchant terminal services and revenue from transaction processing, which together account for approximately 99% (2024: 99%) of total revenue as disclosed in Note 6 to the financial statements. Considering the volume of revenue transactions processed and the importance of revenue to the users of the financial statements, including as a performance measure in the Group's share-based Long Term Incentive (LTI) plan for key management, we considered revenue recognition under NZ IFRS 15 *Revenue from Contracts with Customers* (NZ IFRS 15) to be a key audit matter.	Our audit procedures performed included: • Gaining an understanding of the business process applied by management in relation to revenue and receivables for each material revenue stream; • Assessing the reasonableness of the judgements made by management in applying NZ IFRS 15 to each material revenue stream, particularly in relation to the determination of performance obligations; • Assessing the design, and testing the operating effectiveness, of controls over reconciliations of transactional data and the related cash flows between the Group's transaction processing system and the external acquiring processing partner in relation to revenue from transaction processing; • Testing a sample of revenue transactions against invoices issued to merchants and/or contracts signed with merchants, and bank or external acquiring processing partner statements evidencing the receipt of cash; • Testing a sample of fees or rates included in the transaction processing system against the fees or rates included in the contract with the merchant; • Recalculating, on a sample basis, daily amounts for revenue from transaction processing by merchant, using data from the external acquiring processing partner of the transactions processed by the merchant on Smartpay's merchant terminal(s) for that day, and the fee or rate for the merchant from the transaction processing system; and • Assessing the disclosures in the financial statements against the requirements of NZ IFRS 15.

Description of the key audit matter	How our audit addressed the key audit matter
Impairment assessment of goodwill As at 31 March 2025, the Group has goodwill with a carrying amount of $14,772,000 (2024: $14,772,000) as disclosed in Note 19 to the financial statements, which relates solely to the New Zealand cash-generating unit (CGU). NZ IAS 36 *Impairment of Assets* (NZ IAS 36) requires goodwill to be tested for impairment annually irrespective of whether there is any indication of impairment. Management have performed their annual goodwill impairment assessment using a value in use (VIU) model. Our audit focused on this area because there are significant judgements made by management in determining the inputs used in the VIU model to support management's goodwill impairment assessment. The most significant judgements applied are in relation to the forecast cash flows for five years, the terminal growth rate, the discount rate (weighted average cost of capital), and the allocation of overheads. For the New Zealand CGU, the recoverable amount based on the VIU was higher than the carrying amount and as a result, no impairment charge was recognised.	Our audit procedures performed included: • Gaining an understanding of the business process applied by management in preparing the goodwill impairment assessment; • Comparing the forecast cash flows for the year ended 31 March 2026 included in the goodwill impairment assessment to the budget approved by the Board of Directors; • Challenging management's assumptions in the VIU model for the five year period, in particular around the revenue growth rate, allocation of overheads, and capital expenditure; • Testing the mathematical accuracy of the VIU model used to determine the VIU of the New Zealand CGU; • Engaging our auditor's valuation expert to assess the reasonableness of the valuation methodology and management's assumptions relating to the weighted average cost of capital and the terminal growth rate; • Performing a sensitivity analysis over key assumptions to determine whether reasonably possible changes would result in impairment of goodwill; and • Assessing the disclosures in the financial statements against the requirements of NZ IAS 36.

Our audit approach

Overview

Overall group materiality: $1,047,000, which represents approximately 1% of revenue.

We chose revenue as the benchmark because, in our view, this is a key measure of the Group's performance and, given the growth phase of the business, we consider revenue to be a more appropriate benchmark than profit / (loss) before taxation.

We performed a full scope audit over the consolidated financial information of the Group.

As reported above, we have two key audit matters, being:

- Revenue recognition
- Impairment assessment of goodwill.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality
The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the financial statements as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures, and to evaluate the effect of misstatements, both individually and in the aggregate, on the financial statements as a whole.

How we tailored our group audit scope
We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. Other than the climate statement which we will receive at a later date, we have received all the other information expected to be included in the annual report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of audit opinion or assurance conclusion thereon.

pwc

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors and use our professional judgement to determine the appropriate action to take.

Responsibilities of the Directors for the financial statements

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS Accounting Standards, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1-1/

This description forms part of our auditor's report.

Who we report to

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Callum Dixon.

For and on behalf of:

PricewaterhouseCoopers

PricewaterhouseCoopers
28 May 2025

Auckland

Governance

The Board of Directors of Smartpay is responsible for governance of Smartpay and is committed to the best practices of governance and maintains the highest ethical standards and integrity

Smartpay's governance framework sets out Smartpay's accountabilities to our stakeholders, how we expect to conduct our business, communicate and manage risk. The key documents include Values, Ethics and Code of Conduct, Board and Committee Charters, Policies on Securities Trading, Audit Independence, Diversity and Inclusion, Disclosure, and Director and Executive Remuneration. These policies are available on Smartpay's investor website **smartpayinvestor.com**.

This section of the Annual Report reflects the company's compliance with the requirements of the New Zealand Stock Exchange (NZX) Corporate Governance Code dated 31 January 2025.

● **PRINCIPLE 1**

Code of Ethical Behaviour

Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed through the organisation.

Our values of teamwork, focus on the customer, delivery and accountability are at the heart of what we do and how we are at Smartpay. Ensuring that Smartpay is governed transparently and to the highest of ethical standards is one of the key priorities for the Board. Policies are subject to regular review to ensure they are compliant with the NZX Corporate Governance Code recommendations, the latest regulatory requirements and best practice. Policies supporting the standards of behaviour required of all members of Smartpay when they represent the company are noted below.

Values, Ethics and Code of Conduct Policy

The purpose and intent of the Values, Ethics and Code of Conduct Policy is to guide directors, employees, consultants and all other people who represent Smartpay to ensure that their conduct is consistent with high business standards. Whilst the policy does not present an exhaustive list of acceptable and non-acceptable behaviours, it is intended to facilitate decisions that appropriately align to Smartpay's business standards.

The Values, Ethics and Code of Conduct is reviewed at least every two years. At the time of review, all employees are provided with the updated policy for review. New employees are introduced to the policy at the time of their induction. From time to time, staff are provided with reminders of the code of conduct that is acceptable to Smartpay.

Securities Trading Policy

The Securities Trading Policy applies to all directors, officers, employees, contractors and professional advisors during the period of their engagement with Smartpay. None of these parties may use their position of knowledge of Smartpay and its business to engage in financial products trading for personal benefit or to provide benefit to any third party.

Trading in Smartpay's securities by employees requires approval. All employees acknowledge their understanding of the Securities Trading Policy via our online training platform as part of ongoing training.

Protected Disclosures (Protection of Whistleblowers) Policy

The Protected Disclosures (Protection of Whistleblowers) Policy applies to all directors, employees and contractors of Smartpay. All parties have a responsibility to report any act of dishonesty, misconduct, or breach of duty, whether known or merely suspected.

● PRINCIPLE 2

Board Composition & Performance

To ensure an effective Board, there should be a balance of independence, skills, knowledge, experience and perspectives.

Smartpay has six directors, the majority of whom are independent (as defined by the NZX Listing Rules). Smartpay regularly reviews the Board composition to ensure Board membership contains an appropriate mix of skills and experience to support the business, emerging issues and to provide challenge to the business and exercise independent judgement.

Board Skills Matrix

The Board skills matrix sets out the range of skills that the Board consider required to effectively govern Smartpay. Through the Remuneration and Nominations Committee, the Board applies the matrix to assist in succession planning and for the Board to consider and to ensure that its current members have the appropriate mix of skills, personal attributes and experience to allow the Board, and its directors, to discharge their duties effectively and efficiently.

The current members of the Board have been evaluated against the Board skills matrix as follows:

Director Competence & Experience	Expert	Experienced	Competent	Some / Little Experience
Leadership	●●●	●●		●
Corporate Governance	●●●●	●		●
Financial Acumen	●●	●	●●●	
Risk Management	●	●●	●●●	
Digital, Data, Technology		●	●●	●●●
People & Culture	●	●●●		●●
Strategy & Planning	●●	●●	●●	
Corporate Transactions	●●●	●●		●
Industry Experience	●●	●●	●	●
Specific Sector Knowledge	●	●	●	●●●
Government & Regulation	●	●		●●●●
Corporate Sustainability			●●	●●●●

Board Charter

The Board Charter sets out the authority, responsibilities, membership and operation of the Board of Directors. Membership is defined as at least three and no more than seven directors of whom two must be ordinarily resident in New Zealand.

With the prior approval of the Chairman, all directors have the right to seek legal or financial advice on any matter which is either put forward for decision of the Board, or relevant to their positions as directors.

Nomination and Appointment of Directors

A procedure exists to support the nomination and appointment of directors.

All directors enter into a written agreement with Smartpay upon appointment.

Independent Directors and Residency of Directors

Smartpay is committed to ensuring that a majority of directors are independent, and do not have any interests, positions, associations or relationships that might interfere, or be seen to interfere. The factors the Board considers to determine independence are set out in the Board Charter.

As at 31 March 2025, the Board determined the following directors are independent directors of Smartpay: Gregor Barclay, Matthew Turnbull, Shelley Ruha and Geoffrey Carrick.

The Directors have carefully considered Gregor Barclay's and Matthew Turnbull's long tenure as Directors and whether it leads to any influence or perceived influence, in a material way, affecting their capacity to bring an independent view, to act in the best interests of Smartpay Group, or to represent Shareholders. The Directors have observed the robust approach that both Gregor and Matthew bring in challenging management and the strategic priorities of Smartpay. Additionally the change in the composition of the Board recently with the addition of Shelley Ruha on 23 August 2024 is considered to further support this view. As such the Board have determined that Gregor Barclay and Matthew Turnbull continue to qualify as independent directors.

Gregor Barclay is the independent chair in accordance with the requirements of the NZX Corporate Governance Code. Gregor Barclay, Matthew Turnbull and Shelley Ruha reside in New Zealand.

Information in respect of each director is disclosed in the Annual Report on page 22 and on the investor website smartpayinvestor.com.

Board of Directors Attendance

The attendance of the Board at Board and committee meetings is noted below:

	Board		Audit and Finance Committee		Remuneration and Nominations Committee	
	Eligible to Attend	Attended	Eligible to attend	Attended	Eligible to Attend	Attended
Gregor Barclay	6	6	-	-	2	2
Martyn Pomeroy	6	6	-	-	-	-
Matthew Turnbull	6	6	4	4	2	2
Geoffrey Carrick	6	6	4	4	-	-
Carlos Gil	6	6	2	2	-	-
Shelley Ruha	3	3	2	2	-	-

Shelley Ruha was appointed to the Board on 23 August 2024. Carlos Gil ceased to be a member of the Audit and Finance Committee on 23 August 2024 and was replaced by Shelley Ruha.

At the invitation of the Board, the Chief Financial Officer and Chief Business Officer attend relevant sections of the Board Meetings. The Board have access to key management to assist in developing the Board's understanding of issues and the performance of the business.

The Chief Financial Officer attends Audit and Finance Committee Meetings at the invitation of the Audit and Finance Committee.

Subsidiary Company Directors

The Directors of each of Smartpay's subsidiary companies are all executive appointments and as at 31 March 2025 are Martyn Pomeroy and Cherise Barrie. Peter Thomas is a director of only the Australian subsidiaries.

Board Performance and Training

The Board regularly reviews its performance and on a bi-annual basis, an independent assessment of the Board is undertaken by the New Zealand Institute of Directors. Additionally, the performance of the Audit and Finance Committee and the Remuneration and Nominations Committee is subject to regular review by both the Committees and the Board.

Directors have the opportunity to request training on key issues.

Diversity and Inclusion Policy

Smartpay is committed to attracting, developing, promoting and retaining a diverse group of talented individuals who will help drive our business performance.

Smartpay's Diversity and Inclusion Policy requires that the directors set measurable objectives to improve diversity and inclusivity. In conjunction with management, objectives have been developed to build an environment where gender, age, culture, disability, economic background, education, ethnic or national origins, language(s) spoken, relationship status, physical appearance, race, colour, religious beliefs, gender identity or sexual orientation are valued.

To ensure continued focus and prioritisation, the Board set measurable objectives for achieving and promoting diversity across Smartpay's business. Implementation and actions to achieve the objectives are the responsibility of the Chief Executive Officer and Senior Management Team.

The objectives and outcomes are set out below:

- Balanced gender representation would have Smartpay strive to achieve a target of a minimum of 40 percent representation of woman or men in each measure:

	31 March 2025		31 March 2024	
	Male	Female	Male	Female
Board	5 (83%)	1 (17%)	5 (100%)	0 (0%)
Officers*	5 (63%)	3 (37%)	5 (63%)	3 (37%)
Whole of Business	137 (59%)	94 (41%)	110 (61%)	69 (39%)

*In accordance with the NZX definition of an Officer, Officers represent the Chief Executive Officer and persons reporting directly to the Chief Executive Officer at 31 March 2025. At 31 March 2025, the persons reporting directly to the Chief Executive Officer are the Chief Financial Officer, Chief Business Officer, Chief Marketing & Product Officer, Chief Revenue Officer, Chief Customer Officer, Chief People Officer and Chief Technology Officer.

Whilst Smartpay would ideally seek to get to a minimum of 40 percent across each measure, the appointment of females will not override the commitment to the appointment of the right person for the role being the most important driver.

PRINCIPLE 2 continued

Board Composition & Performance

- Balanced age representation would have Smartpay strive to have employees fall into each of the following categories:

	31 March 2025	31 March 2024
16-19	0 (0%)	1 (1%)
20-29	57 (25%)	50 (28%)
30-39	101 (44%)	73 (40%)
40-49	42 (18%)	25 (14%)
50-59	24 (10%)	25 (14%)
60-64	2 (1%)	1 (1%)
65+	5 (2%)	4 (2%)

- Ethnic diversity would have Smartpay strive to have employees that are representative of the ethnic groups in our chosen markets:

Smartpay is reporting the countries of birth of our employees which also shows the breadth of the cultures within our team.

Argentina, Australia, Bangladesh, Brazil, Canada, Chile, China, Colombia, Ethiopia, France, Hong Kong, Hungary, India, Iran, Ireland, Japan, Netherlands, New Zealand, Pakistan, Philippines, Poland, Russia, Slovakia, South Africa, South Korea, Sri Lanka, Thailand, United Kingdom, United States of America and Vietnam.

Smartpay is a member of Diversity Works NZ to support the development of diversity and inclusion within Smartpay.

PRINCIPLE 3

Board Committees

The Board should use committees where this will enhance its effectiveness in key areas, while still retaining Board responsibility.

For the year ended 31 March 2025 there were two standing committees of the Board, being the Audit and Finance Committee and the Remuneration and Nominations Committee. The Board have determined that the responsibilities related to Director Nominations can be performed by the Remuneration and Nominations Committee. Accordingly Smartpay does not have a separate Nomination Committee as is recommended by the NZX Corporate Governance Code.

The written charters for both committees are available on Smartpay's investor website smartpayinvestor.com.

At the time of the bi-annual review of the Board Charter, the directors consider the benefits of constituting additional committees. The Board has elected not to establish any additional committees including a change in control committee or to have protocols setting out the procedure to follow in such an event. The Board has determined that due to the small size of the Board, it can effectively, efficiently and independently manage any additional issues as a whole Board. In the current year on the receipt of the non-binding indicative offers, the Board constituted a sub-committee of the Board to oversee the control transactions.

Audit and Finance Committee

The members of the Audit and Finance Committee are Matthew Turnbull, Geoffrey Carrick and Shelley Ruha. Carlos Gil ceased to be a member of the Audit and Finance committee on 23 August 2024 following the appointment of Shelley Ruha.

In accordance with recommendation 3.1 of the NZX Corporate Code, the Committee has a majority of members, including the Chair who are independent directors. Due to the size of the Board, the Committee had one director who was deemed a Non-Executive Director. This Director has been replaced with an independent director with effect from 23 August 2024 and accordingly all members of the Audit and Finance Committee at 31 March 2025 are independent. All members are from an accounting or financial background.

Employees attend the Committee at the invitation of the Chair. In the year ended 31 March 2025, the Chief Financial Officer attended all Audit and Finance Committee meetings, and the Head of Finance attended as an observer.

Remuneration and Nominations Committee

The members of the Remuneration and Nominations Committee are Gregor Barclay and Matthew Turnbull.

In accordance with recommendation 3.3 of the NZX Corporate Code, the Committee has a majority of members who are independent directors.

Management attend the Committee at the invitation of the Chair.

PRINCIPLE 4

Reporting and Disclosures

The Board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures.

Smartpay is committed to promoting shareholder confidence and to its obligations to inform shareholders (both current and prospective) and market participants of all information that might have a material effect on the price of its shares and to ensuring that trade in securities takes place in an effective and informed market. To this end Smartpay is committed to providing timely, orderly and credible information consistent with legal and regulatory requirements.

The Disclosure Policy together with all key governance documents are available on Smartpay's investor website smartpayinvestor.com.

The Board approves the disclosure of all documents (financial and non-financial) issued by Smartpay.

The Audit and Finance Committee oversees the quality and integrity of external financial reporting including the accuracy, completeness, balance and timeliness of financial statements. All financial statements are prepared in accordance with New Zealand International Financial Reporting Standards and are subject to an annual independent audit.

Non-financial reporting is reviewed by the Board and included in the Annual Report, the Climate Statement and the Modern Slavery Statement. The Board have not formally adopted a framework to report on material environmental, social and governance (ESG) factors and practices. Smartpay acknowledges the increasing interest of investors in understanding ESG factors. Oxygen Consulting Limited assists the Board with the completeness of the ESG disclosures.

As Smartpay continues to grow, there is from time-to-time additional regulatory requirements to provide further transparency. Smartpay will continue to monitor these requirements and is committed to responding appropriately.

PRINCIPLE 5

Remuneration

The remuneration of directors and executives should be transparent, fair and reasonable.

The Directors and Executive Remuneration Policy is available on Smartpay's investor website smartpayinvestor.com.

Directors are paid a basic fee for their appointment as a director. In addition directors may be paid extra remuneration for their membership of Board appointed committees and/or in consideration of their appointment as Chairman or Deputy Chairman.

Directors do not receive retirement or other benefits.

The level of remuneration to be paid is reviewed annually by the Remuneration and Nominations Committee.

The Chief Executive Officer and other Officers are not paid directors fees.

At the Annual General Meeting of Shareholders in July 2024, the shareholders approved an increase to the pool available to remunerate directors from $500,000 to $750,000 per annum with effect from 1 August 2024. Subsequent to this approval, director's remuneration was reviewed, and any subsequent increase to director's fees will be taken to the Annual General Meeting of Shareholders for approval.

There have been no other changes to the remuneration of directors in the year ended 31 March 2025.

Please refer to the Remuneration Report on page 72 for the reporting of Directors and Senior Executives Remuneration.

PRINCIPLE 6

Risk Management

Directors should have a sound understanding of the material risks faced by the issuer and how to manage them.
The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks.

Risk management is a critical business discipline that reduces uncertainty and compliments other corporate governance initiatives.

Smartpay is committed to actively manage all material risks in order to conduct business as usual and to accept an appropriate level in accordance with Smartpay's risk appetite.

The Risk Management Framework has been reviewed in the current year, together with the risk appetite and risk tolerance for each risk category.

The risk categories include People, Financial, Tax, Operational, Products and Services, Compliance and Legal, Information Technology, Cyber Information and Data, Industry and Strategic. Smartpay has compulsory training for all staff including the Board in respect to compliance requirements, applicable to Smartpay.

The Board has assessed the impact of climate change on Smartpay's business activities. Experience to date, together with the scenario testing undertaken, supports the Board's assessment that the overall risk to the value of the assets of Smartpay is low.

The Board has determined not to have a separate Risk Committee. The Board periodically reviews the Risk Register and other relevant aspects of the risk management framework.

The Audit and Finance Committee considers the internal control framework and fraud risk as part of the consideration of the interim and annual financial statements.

Smartpay has insurance policies in place covering all areas where the risk to the assets and business can be insured.

The health and safety of Smartpay's employees is a core responsibility of the Board. A Health and Safety report is presented to the Board at each meeting summarising incidents, risks and actions undertaken. Smartpay does not operate in a high risk health and safety environment with the majority of staff being office based. The Board also receives reporting on the usage of Smartpay's independent employee assistance provider. All Smartpay employees have received Health, Safety and Wellbeing training. The Health and Safety framework was subject to an independent audit in 2024 and is subject to an annual review.

The Board regularly attend the offices in New Zealand and Australia and completes formal walk-arounds of the premises.

In the year to 31 March 2025 there have been no notifiable events to report to Worksafe NZ. There has been one report to Worksafe Australia.

PRINCIPLE 7

Auditors

The Board should ensure the quality and independence of the external audit process.

Oversight of Smartpay's external audit arrangements is the responsibility of the Audit and Finance Committee. Smartpay has an Audit Independence Policy that is subject to bi-annual review.

The Audit and Finance Committee will only recommend the appointment of a firm as the external auditor that would be regarded by a reasonable investor as having full knowledge and be capable of exercising objective and impartial judgment on all matters related to the audit engagement.

PricewaterhouseCoopers were appointed as auditors of Smartpay in November 2022, and reappointed at the Annual General Meeting in July 2024. Callum Dixon continues as the lead partner.

The external auditor is required to rotate the senior audit partner and concurring partner at least every five years. The external auditor also provides assurance as to their independence and compliance with professional standards and regulations as set by Chartered Accountants Australia and New Zealand, NZX, Financial Markets Authority and other relevant bodies. The external auditor attends the Annual General Meeting of the Shareholders and is available to answer questions in relation to the audit.

All non-audit services provided by the external auditor are subject to approval by the Audit and Finance Committee Chairman, and monitored by the Audit and Finance Committee at each meeting.

Smartpay does not have an internal audit function or engage an external party to undertake internal audit activities. The Audit and Finance Committee review the need for internal audit annually. The ongoing enhancement and improvement of the risk management and internal processes are being completed by the Chief Financial Officer and the Head of Risk and Compliance.

PricewaterhouseCoopers have been engaged to provide assurance services in respect of the Climate Statement Assurance requirements for the year ended 31 March 2025.

PRINCIPLE 8

Shareholder Rights and Relations

The Board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer.

Smartpay recognises that key stakeholders are its shareholders and the investment community. Smartpay also acknowledges that it has other, no less important, stakeholders externally. Smartpay is committed to engaging with Stakeholders and accordingly has a Stakeholder Communications Policy.

The Board retains overall responsibility for the communications of Smartpay. The Board have delegated the Chief Executive Officer and Managing Director as the key point of contact for all communications with shareholders and the wider investment community and stakeholders.

Smartpay presents to shareholders at the time of the half year and full year results together with the Annual General meeting of Shareholders. Investors are invited to engage in these structured engagements and more informally at their request. During the year Smartpay holds a results broadcast to allow all shareholders to have equal access to the presentation of the half year and full year results by the Chief Executive Officer and Chief Financial Officer. Whilst some shareholders have direct contact details, the investor website has a 'Contact Us' mechanism. Computershare are the share registrar for Smartpay and manage all formal distributions to shareholders and allows for shareholders to agree to receiving communications electronically or by mail. The contact details for Computershare are presented in the directory on page 86.

The Smartpay Investor website smartpayinvestor.com makes available to all parties the governance policies, market announcements and annual and interim financial statements. The governance policies are subject to regular review and following Board approval are placed on the investor website.

Major decisions are taken to the Annual General Meeting of Shareholders and the next Annual General Meeting will be in August 2025. The Notice of Meeting will be sent to shareholders and published on Smartpay's investor website and the NZX/ASX at least 20 working days prior to the annual shareholders meeting each year.

5 Year Summary

Financial Performance	FY21*	FY22*	FY23	FY24	FY25
Revenue and other income	33,861	48,084	77,779	96,541	105,538
Direct costs of sales	(11,464)	(17,058)	(30,270)	(40,585)	(44,120)
Operating expenditure	(15,180)	(20,754)	(28,888)	(34,639)	(44,577)
Net impairment losses on financial assets	-	(110)	(227)	(51)	(212)
EBITDA	7,217	10,162	18,394	21,266	16,629
Depreciation and amortisation	(7,803)	(8,511)	(9,859)	(11,551)	(15,266)
Impairment and loss on disposal	(468)	(164)	(238)	(387)	(594)
Net finance costs	(1,612)	(538)	(638)	(452)	(677)
Change in fair value of convertible notes	(12,731)	909	-	-	-
Other	74	(87)	(86)	(78)	(204)
Profit / (loss) before taxation	(15,323)	1,771	7,573	8,798	(112)
Income taxation benefit / (expense)	(242)	399	885	(392)	(611)
Profit / (loss) for the year	(15,565)	2,170	8,458	8,406	(723)
Financial Position					
Terminals New Zealand	31,155	31,079	30,754	29,966	30,829
Terminals Australia	6,754	9,684	15,708	18,445	20,528
Total current assets	18,050	23,731	35,530	81,870	27,285
Property, plant and equipment	9,045	9,458	15,632	25,429	27,877
Intangible assets	12,168	12,638	13,305	17,570	26,636
Goodwill	14,772	14,772	14,772	14,772	14,772
Other assets	1,329	6,553	9,031	11,935	11,965
Total non-current assets	37,314	43,421	52,740	69,706	81,250
Total assets	55,364	67,152	88,270	151,576	108,535
Total current liabilities	19,094	19,856	33,331	81,801	37,384
Total non-current liablities	11,228	14,650	12,634	17,379	19,471
Total equity	25,042	32,646	42,305	52,396	51,680
Weighted average number of shares	209,875	236,253	238,285	238,285	241,369
Earnings / (loss) per share (cents)	(7.42)	0.92	3.55	3.53	(0.30)
Share price at 31 March (NZX)	0.99	0.70	1.24	1.56	0.85

* Numbers have been restated to reflect change in accounting policy for SaaS assets. The restatements in relation to FY21 have not been audited.

Remuneration Report

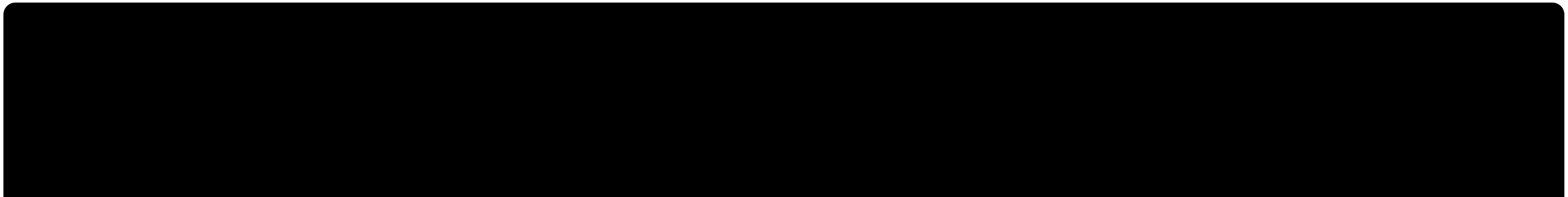
Smartpay recognises that its people are fundamental to its business. Smartpay wants to attract and retain the best people and to be recognised as the preferred employer in the Trans-Tasman payments industry

To this end Smartpay is committed to providing structures in its remuneration that enable it to recognise everyone's contribution to the business and to attract, reward and retain staff by providing a remuneration structure that rewards activities that are aligned to the values, performance and strategic goals of the business.

Remuneration structure

Smartpay's' remuneration has three components as set out below:

	Description	Link to strategy and performance
Fixed remuneration	Base salary Employer contributions to superannu-ation / Kiwisaver	• Attract and retain talent. • Reviewed, but not necessarily increased annually. Based on individual skills and performance. • Market conditions are considered and remuneration benchmarked to the market via independent reports for role.
Short term incentive (STI)	'At risk' award set as a % of base salary Achievement reviewed annually	• To motivate and encourage achievement of short term targets aligning the creation of shareholder value to employee reward. • Annual targets are set by the Remuneration and Nominations Committee and approved by the Board. • STI value is set annually. • Payment of the STI is at the discretion of the Board and is not guaran-teed even when the targets for determining achievement are met. • STI awards are reviewed within 10 days following the release of the audited financial statements for the relevant financial year.
Long term incentive (LTI)	'At risk' award Share performance rights New employees may be invited to participate subject to Board approval Subject to continued employment	• Align the incentives of the employees with the interests of the shareholders over the longer-term. • Facilitate and encourage employee share ownership. • Promote long term decision making. • Promote the retention of key staff to maintain a focus on the longer term outlook of Smartpay. • Subject to invitation at the absolute discretion of the Board. • LTI conditional award is reviewed within 10 days following the release of the audited financial statements for the relevant financial year. • Conditional vesting is subject to employment at the end of the relevant financial year. • Participant must remain employed as at the Unconditional Vesting Date for a tranche in order for Eligible Share Rights to be exercised.



Short term incentive

Smartpay operates a Short-Term Incentive (STI) scheme for eligible employees. The STI is designed to compensate individuals for achieving or exceeding short term annual targets that are aligned to the creation of shareholder value. The Board approves the amount of the STI and the targets annually for each eligible employee following the completion of the annual strategic plan and budget.

Component	Description
Purpose	To compensate individuals for achieving or exceeding short term annual targets aligned to the creation of shareholder value.
Target opportunity	As recommended by the Chief Executive Officer and approved by the Board.
Maximum opportunity	150% of target.
Performance period	1 April to 31 March of the financial year.
Performance objectives	The performance objectives vary in percentage by role. All measures relate to the achievement of the Group Revenue and Group EBITDA budget as approved by the Board on an annual basis.
Performance assessment	The Chief Executive Officer reviews performance against the annual budget within 10 days following the completion of the audit of the annual financial statements for the financial year to which the STI relates. A recommendation is made to the Remuneration and Nominations Committee for review and recommendation to the Board for approval. The Board has absolute discretion in respect to the STI.
STI payments	Annually following approval by the Board.

Long term incentive

Smartpay operates a Long Term Incentive (LTI) scheme for eligible employees. The LTI is designed to secure the Chief Executive Officer and key employees for a period to support the achievement of Smartpay's longer term strategic goals and to encourage long term decision making.

LTI targets for the financial years ended 31 March 2022 to 2024 were achieved and accordingly SPRs related to that period unconditionally vested to all participants. There were two participants who ceased their tenure with Smartpay in that period and the Board did not exercise their discretion to vest the SPRs.

Component	Description
Purpose	To secure the Chief Executive Officer and key employees for a period to support the achievement of Smartpay's longer term strategic goals and to encourage long term decision making.
LTI measurement period	Three financial years. Where an employee subsequently joins Smartpay and is invited to participate in the LTI, the LTI measurement date will be agreed with the Board.
Vesting date	Within 10 days of the release of the audited financial results for the year ended 31 March 2027 subject to the Board's approval and with limited exceptions available to the Board subject to the continued employment of the participant at vesting date.
Conditional vesting date	Upon the achievement of the annual targets, the Share Performance Rights (SPRs) will conditionally vest to the recipient. Please refer to vesting date.
Performance period	1 April to 31 March of the financial year.
Performance hurdles	**EBITDA per Share 50%** • Financial year ended 31 March 2025 $0.10 • Financial year ended 31 March 2026 $0.17 • Financial year ended 31 March 2027 $0.25 **Revenue 50%** • Financial year ended 31 March 2025 $130,682,000 • Financial year ended 31 March 2026 $173,719,000 • Financial year ended 31 March 2027 $226,755,000 Any SPRs that do not conditionally vest due to the non-achievement of a performance hurdle will roll over to the following year. The Board has the ability to make adjustments to the performance hurdles to take account of any adverse impacts on the financial performance of the Group, such as from a pandemic. Any such adjustments will be final, conclusive and binding.
Performance assessment	The Chief Executive Officer reviews performance against the annual budget within 10 days following the completion of the audit of the annual financial statements for the financial year to which the LTI relates. A recommendation is made to the Remuneration and Nominations Committee for review and recommendation to the Board for approval. The Board has absolute discretion in respect to the LTI.
Cessation of employment	Board discretion may be exercised.
Rights issue, bonus issue, reconstruction, takeover	In the event of a bonus issue of shares prior to the exercise date, the eligible employee is entitled to receive an additional number of shares on exercise of any conditionally vested SPRs to put the eligible employee in the same position as they would have been had the eligible employee held those shares at the time of the bonus issue (amount of additional shares to be determined by the Board). The performance hurdles will be amended (subject to obtaining any necessary approvals from the NZX or the shareholders) as the Board at its absolute discretion considers appropriate.

Directors Remuneration

Director remuneration was reviewed in 2024 and at the Annual General Meeting of Shareholders in July 2024, the shareholders approved an increase in the Pool for remunerating directors to $750,000 per annum with effect from 1 August 2024.

Directors remuneration was increased from 1 August 2024.

	Chair	Director	Audit and Finance Committee Chair	Remuneration and Nominations Committee Chair
New Zealand (NZ$)				
Up to 31 July 2024	90,000	65,000	15,000	-
With Effect from 1 August 2024	120,000	75,000	16,500	-
Australia (AU$)				
Up to 31 July 2024	-	65,000	-	-
With Effect from 1 August 2024	-	75,000	-	-

Directors received the following director's fees for the year ended 31 March 2025. All fees are in NZD.

NZ$	Base Fee	Audit and Finance Committee Chair	Remuneration and Nominations Committee Chair	Total Remuneration Received for the Year Ended 31 March 2025
Gregor Barclay	110,000	-	-	110,000
Matthew Turnbull**	71,670	16,000	-	87,670
Geoffrey Carrick	77,710	-	-	77,710
Shelley Ruha*	43,750	-	-	43,750
Carlos Gil	77,710	-	-	77,710

* Shelley Ruha was appointed to the Board on 23 August 2024.

** In addition to the Director fees and Audit and Finance Committee fees noted, Matthew Turnbull received a further $3,000 for consultancy fees during the year.

Chief Executive Officer Remuneration

The Chief Executive Officers remuneration is made up of base salary, STI, LTI, employer contribution to superannuation and other benefits including a motor vehicle and a home office allowance.

NZ$	Fixed Remuneration	STI*	LTI**	Superannuation	Other Benefits	Total Remuneration Paid
2025	871,043	349,948	1,634,747	48,792	20,376	2,924,906
2024	749,617	306,250	-	42,187	15,854	1,113,908

*STI targets are set in respect of a financial year. Performance against the STI targets is reviewed 10 days after the release of the annual audited financial statements for the year to which the STI relates. Accordingly, the STI is paid in the financial year following e.g., FY24 STI payment is paid in FY25.

** LTI represents the cost of the LTI that vested during the financial year

The STI for the Chief Executive Officer is set as 50% of base salary, with a maximum available of 150% of this amount. The performance objectives for the Chief Executive Officer's STI are agreed with the Board on an annual basis. For the year ended 31 March 2025, the performance objectives are 50% on achievement of budgeted Group Revenue and 50% on achievement of budgeted Group EBITDA.

Share performance rights (SPRs) that have been granted, conditionally vested or unconditionally vested as at 31 March 2025 are set out below.

SPRs FY22 – FY24 Scheme

Grant Date	Measurement Date	Balance as at 31 March 2024	Granted During the Year	Vested During the Year	Balance at 31 March 2025
30-9-2021	31-3-2022	746,460	-	746,460	-
30-9-2021	31-3-2023	746,460	-	746,460	-
30-9-2021	31-3-2024	746,460	-	746,460	-
Total		2,239,380	-	2,239,380	-

SPRs FY25 – FY27 Scheme

Grant Date	Measurement Date	Balance as at 31 March 2024	Granted During the Year	Vested During the Year	Balance at 31 March 2025
19-8-2024	31-3-2025	-	1,140,940	-	1,140,940
19-8-2024	31-3-2026	-	1,140,940	-	1,140,940
19-8-2024	31-3-2027	-	1,140,940	-	1,140,940
Total		-	3,422,820	-	3,422,820

Employee Remuneration

Smartpay has employees in New Zealand and Australia. Employee remuneration comprises base salary, STI, LTI, employer contribution to superannuation/Kiwisaver and commissions. For the purposes of this reporting, LTI is valued at grant date and disclosed in the year that it is paid and Australian remuneration amounts are converted to New Zealand dollars.

During the year ended 31 March 2025 the number of employees (excluding the Chief Executive Officer) who received remuneration with a combined total value exceeding $100,000 is set out below.

Of the employees reported below, 34 are employed in New Zealand and 66 are employed in Australia.

NZ$	No of Employees
100,000 – 110,000	6
110,001 – 120,000	13
120,001 – 130,000	12
130,001 – 140,000	7
140,001 – 150,000	10
150,001 – 160,000	7
160,001 – 170,000	7
170,001 – 180,000	6
180,001 – 190,000	8
190,001 – 200,000	4
200,001 – 210,000	3
210,001 – 220,000	3

NZ$	No of Employees
230,001 – 240,000	1
250,001 – 260,000	3
260,001 – 270,000	1
330,001 – 340,000	1
350,001 – 360,000	1
390,001 – 400,000	2
410,001 – 420,000	1
480,001 – 490,000	1
560,001 – 570,000	1
690,001 – 700,000	1
770,001 – 780,000	1

Share performance rights (SPRs) that have been granted, conditionally vested or unconditionally vested as at 31 March 2025 excluding the Chief Executive officer are set out below.

SPRs FY22 – FY24 Scheme

Grant Date	Measurement Date	Balance at 31 March 2024	Granted During the Year	Forfeited	Vested During the Year	Balance at 31 March 2025
21-12-2021	31-3-2022	429,744	-	-	429,744	-
21-12-2021	31-3-2023	429,744	-	-	429,744	-
17-6-2022	31-3-2023	149,910	-	-	149,910	-
21-12-2021	31-3-2024	429,744	-	-	429,744	-
17-6-2022	31-3-2024	149,910	-	-	149,910	-
Total		1,589,052	-	-	1,589,052	-

SPRs FY25 – FY27 Scheme

Grant Date	Measurement Date	Balance at 31 March 2024	Granted During the Year	Forfeited	Vested During the Year	Balance at 31 March 2025*
19-8-2024	31-3-2025	-	533,907	-	-	533,907
19-8-2024	31-3-2026	-	533,907	-	-	533,907
19-8-2024	31-3-2027	-	533,907	-	-	533,907
Total		-	1,601,721	-	-	1,601,721

* In accordance with the SPR rules, no SPRs vested in the year ended 31 March 2025.

Statutory Information

Directors and Former Directors

Directors

The persons who held office as directors of Smartpay Holdings Limited at any time during the year ended 31 March 2025, are as follows:

Name	Position
Gregor Barclay	Chairman, Non-Executive, Independent
Martyn Pomeroy	Chief Executive Officer, Executive Director
Matthew Turnbull	Non-Executive, Independent
Geoffrey Carrick	Non-Executive, Independent
Shelley Ruha	Non-Executive, Independent
Carlos Gil	Non-Executive Director

Shelley Ruha was appointed as a Director on 23 August 2024.

Subsidiary Company Directorships

The persons who held office as directors of subsidiary companies at 31 March 2025, are as follows:

Subsidiary Companies	Director
Smartpay Limited	Martyn Pomeroy, Cherise Barrie
Smartpay New Zealand Limited	Martyn Pomeroy, Cherise Barrie
Smartpay Australia Pty Limited	Martyn Pomeroy, Cherise Barrie, Peter Thomas
Cadmus Payment Solutions Pty Limited	Martyn Pomeroy, Cherise Barrie, Peter Thomas

Directors' and Senior Managers' Interests

Directors and Officers interests in external entities

In accordance with Section 140(2) of the Companies Act 1993, the directors named below have made a general disclosure of interest by a general notice disclosed to the Board and entered in the Company's interest register. General notices given by directors which remain current as at 31 March 2025 are as follows:

Gregor Barclay	
Consultant	Claymore Partners Limited
Director	Various Claymore client trustee companies
Director	Claymore Property Limited
Director	Franchised Businesses Limited
Director	Pacific Forest Products Limited
Director	Planet Fun Limited
Director	Kervus Property Group Limited
Director	New Zealand Rugby
Director	Boffa Miskell Limited
Director	Ngatapa Finance Limited
Executive Director & Shareholder	Ngatapa Legal Limited
Executive Director & Shareholder	Ngatapa Trustees Limited
Director	Stress Crete Group and Subsidiaries

Martyn Pomeroy	
Director & Shareholder	iHoldings Limited
Director	TEOV Two Limited

Matthew Turnbull	
Director & Shareholder	BR Capital Limited
Director	Verbier Limited
Director	Mangawara Farms Limited
Director & Shareholder	Browning Street Limited
Director	Pearlfisher FM Fund II Limited
Director	Bepure Health Limited
Director	SCA Trust Limited
Director & Shareholder	Mt Cardrona Station Foundation Limited

Directors' and Senior Managers' Interests

Geoffrey Carrick	
Director	Branchip Holdings Limited
Chair	VCF Capital Pty Limited
Shareholder	Licentia Group Limited

Shelley Ruha	
Director & Shareholder	Analey Holdings Limited
Director	IT & Business Consulting Limited
Director & Shareholder	Analey Investments Limited
Director & Shareholder	Analey Riverhead Limited
Director	Heartland Bank Limited
Director	Partners Group Holdings Limited and Subsidiary
Chair	PaySauce Limited
Chair	Allied Farmers Limited
Director	Allied Farmers Limited Subsidiaries
Director	9 Spokes International Limited and Subsidiaries

Carlos Gil	
Executive Director & Shareholder	Microequities Asset Management Pty Limited
Director	Complexia Pty Limited

Use of Company Information

There were no notices from directors of the Company requesting to disclose or use Company information received in their capacity as directors which would not otherwise have been available to them.

Directors Interests in Shares of The Company

The following directors held the following relevant interests in the ordinary shares of Smartpay at 31 March 2025:

Director	Name of shareholder	Nature of relevant interest	Balance at 31 March 2025
Gregor Barclay	Ngatapa Trustees Limited	Potential beneficiary under a discretionary trust	576,910
Gregor Barclay	Ngatapa Advisory Limited	Potential beneficiary under a discretionary trust	49,404
Martyn Pomeroy	Pomeroy Asset Protection Trust	Potential beneficiary under the trust	5,638,433
Geoffrey Carrick	Gagesafe Pty Limited	Legal and beneficial interests	22,564
Carlos Gil	Microequities Asset Management Pty Limited	Power to control the acquisition or disposal of securities or exercise the right to vote	32,109,979

In accordance with definition provided by Section 6 of the Financial Markets Conduct Act 2013 Senior Managers of the company include anyone who is not a director but occupies a position that allows that person to exercise significant influence over the management or administration of the Company. Senior Managers of the Company are required by the Financial Markets Conduct Act 2013 to disclose their interests in the Company. The Senior Managers of the Company include the Chief Executive Officer, Chief Financial Officer and Chief Business Officer.

Senior Managers Interests in Shares of the Company

Senior Manager	Shares
Martyn Pomeroy	5,638,433
Cherise Barrie	299,820
Aidan Murphy	486,276

Share Dealings by Directors

Martyn Pomeroy received 2,239,380 shares on 10 June 2024 following the vesting of the FY22-FY24 SPRs.

On 29 May 2024, Geoffrey Carrick provided notice of the purchase of 22,564 Smartpay shares on 28 May 2024 in accordance with Section 148 of the Companies Act 1993.

Directors' and Senior Managers' Interests

Directors and Senior Managers Interests in Unlisted Share Performance Rights of the Company

The following directors and senior managers held interests in the unlisted SPRs of Smartpay at 31 March 2025.

Holder	Position	Balance at 31 March 2025
Martyn Pomeroy	Director and Senior Manager	3,422,820
Cherise Barrie	Subsidiary Company Director and Senior Manager	352,350
Aidan Murphy	Senior Manager	352,350
Peter Thomas	Subsidiary Company Director	167,958

Directors' and Officers' Insurance and Indemnity

Smartpay has arranged, as provided for under the Company's constitution, policies of directors' and officers' liability insurance which, with a Deed of Indemnity entered into with all directors and officers to ensure that generally directors and officers will incur no monetary loss as a result of actions taken by them as a director or officer. Certain actions are specifically excluded, for example, the incurring of penalties and fines that may be imposed in respect of breaches of the law.

Other Disclosures

NZX Waivers

There were no waivers or exemptions granted to Smartpay during the year ended 31 March 2025.

NZX Disciplinary Actions

The NZX did not take any disciplinary action against Smartpay during the year ended 31 March 2025.

Auditors Fees

PricewaterhouseCoopers are the auditors of Smartpay. The audit fee payable to PricewaterhouseCoopers for the year ended 31 March 2025 is $393,750 including disbursements.

PricewaterhouseCoopers carries out other services for the Group through providing access to generic training materials through an on-line platform for $0.

PricewaterhouseCoopers will continue in office in accordance with the Companies Act 1993.

Donations

Smartpay does not make any political donations. Smartpay did make donations to a total value of $27,000 (2024: $17,000).

Lobbying

Smartpay does not make any expenditure for lobbying purposes.

Credit Rating

Smartpay does not have a credit rating.

Modern Slavery

Smartpay will publish a statement setting out the steps it has taken during the 2025 financial year to identify and mitigate potential modern slavery and human trafficking rules related to its business and in its supply chain. This statement will be available at smartpayinvestor.com

Security Holder Information

Securities on Issue

The Securities on issue at the date of the Annual Report are as follows:

241,943,464 ordinary fully paid shares (excluding 169,931 treasury shares), with all shares carrying one vote per share.

5,024,541 unlisted share performance rights.

Range of Shareholders

As at 31 March 2025.

Range	Total holders	Units	% of Issued Capital
1 - 4,999	1,363	1,836,243	0.76
5,000 - 9,999	248	1,623,506	0.67
10,000 - 49,999	395	7,656,850	3.16
50,000 - 99,999	69	4,527,812	1.87
100,000 - 499,999	61	11,161,896	4.61
500,000 - 999,999	9	5,817,444	2.41
1,000,000+	18	209,319,713	86.52
Total Shares on Issue	2,163	241,943,464	100.00

Source: Computershare

Dividends

Smartpay did not declare any dividends in the year ended 31 March 2025.

Substantial Security Holders

The following information is given pursuant to section 293 of the Financial Markets Conduct Act 2013. The names and holdings of Smartpay's substantial security holders is based on notices filed with Smartpay in the period to 31 March 2025.

As at 31 March 2025.

Name	Total Ordinary Shares	% of Shares on issue at March 2025
Anacacia Pty Limited	41,158,959	17.01
Milford Asset Management Limited	36,047,628	14.90*
Microequities Asset Management Pty Limited	32,109,979	13.27*
Wilson Asset Management Global Limited	26,872,812	11.10

* Restated to reflect reduction in Total Shares on issue.

Audit of Share Register

As required by Section 218 of the Financial Markets Conduct Act 2013 and Regulations 108 and 110 of the Financial Markets Conduct Regulations 2014 Computershare's registers of security holders are audited. The most recent Independent Assurance Report in respect to the year ended 30 June 2024 was received 16 August 2024.

Shareholder Information

Twenty Largest Shareholders

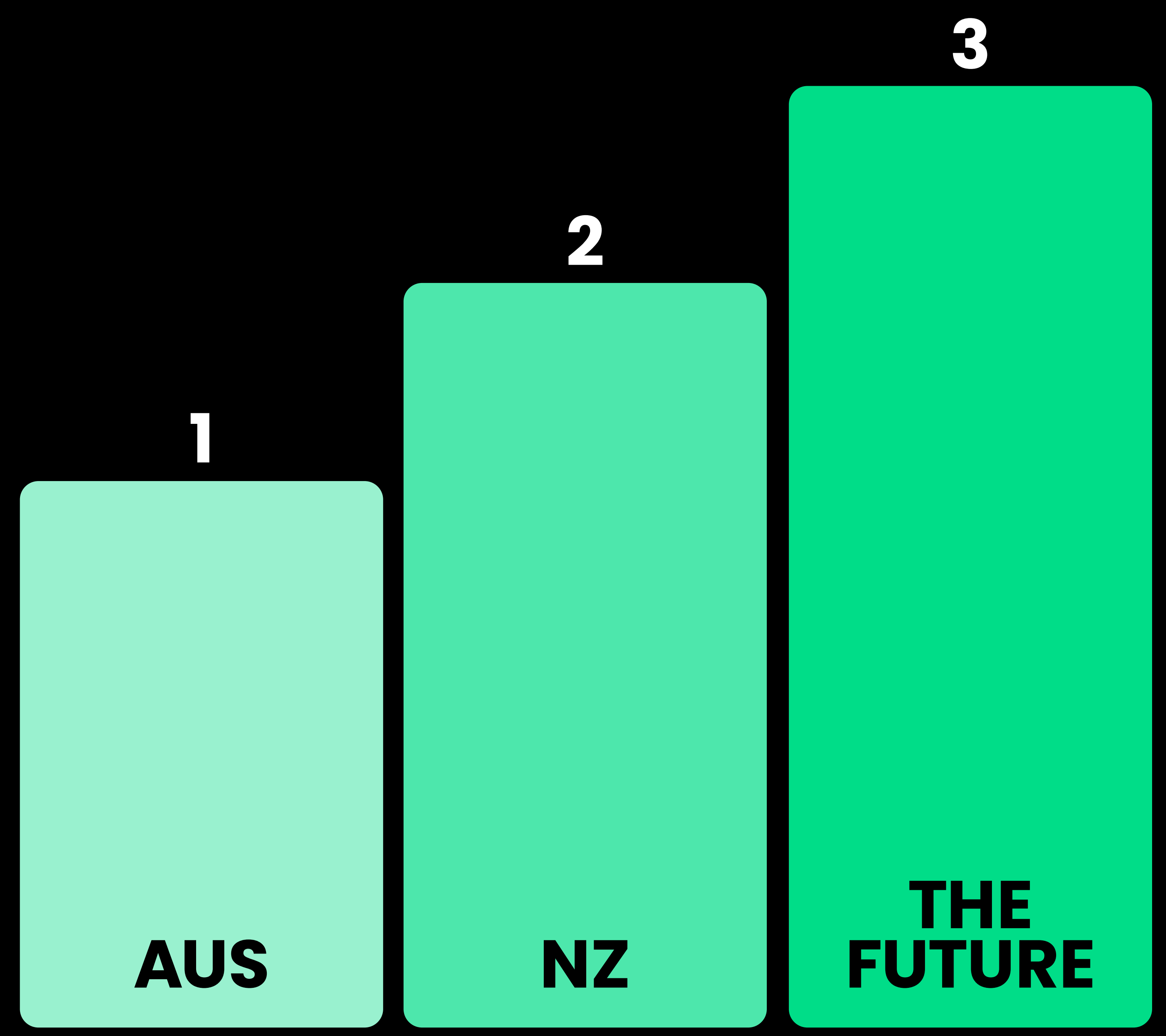
As at 31 March 2025.

Rank	Name	Units	% of Shares
1	Anacacia Pty Limited (Wattle Fund A/C)	41,358,959	17.09
2	JP Morgan Nominees Australia Limited	41,245,120	17.05
3	Citicorp Nominees Pty Limited	37,418,142	15.47
4	HSBC Nominees (New Zealand) Limited - NZCSD (HBKN90)	26,337,866	10.89
5	HSBC Custody Nominees (Australia) Limited	24,442,636	10.10
6	Accident Compensation Corporation - NZCSD (ACCI40)	11,605,475	4.80
7	Haymaker Investments Pty Limited (The Haymaker A/C)	6,337,422	2.62
8	Martyn Pomeroy & Sara Pomeroy (Pomeroy Asset Protection A/C)	5,638,433	2.33
9	New Zealand Depository Nominee Limited (A/C 1 Cash Account)	3,049,571	1.26
10	BNP Paribas Nominees Pty Limited (IB AU Noms Retail Client)	1,875,702	0.78
11	G Chan Pension Pty Limited (Chan Super Fund A/C)	1,808,457	0.75
12	Microequities Asset Management Pty Limited (Microequities Nanocap 9 A/C)	1,504,106	0.62
13	Moorgate Investments Pty Limited	1,273,268	0.53
14	HSBC Custody Nominees (Australia) Limited (A/C 2)	1,209,101	0.50
15	New Greenwich Pty Limited (New Greenwich S/F A/C)	1,170,435	0.48
16	JDA Investments Pty Limited	1,042,952	0.43
17	Snowball Fiduciary Pty Limited (Snowball Unit A/C)	1,002,068	0.41
18	Walker & Hall Fine Gifts Limited	1,000,000	0.41
19	BNP Paribas Nominees Pty Limited (Hub24 Custodial Services Limited)	972,557	0.40
20	Donald Robert Frampton	753,674	0.31
	Total top 20 holders of ordinary shares	211,045,944	87.23
	Total Shares on Issue	241,943,464	100.00

Source: *Computershare*

Directory

Registered Office and New Zealand Office	205 - 209 Wairau Road, Wairau Valley, Auckland, New Zealand PO Box 100 490, North Shore Mail Centre Auckland, New Zealand Phone: +64 9 442 2700 Email: info@smartpay.co.nz smartpay.co.nz
Australian Office	Level 9, 151 Castlereagh Street, Sydney, NSW 2000, Australia Phone: +61 2 8876 2300 smartpay.com.au
Share Registrar - New Zealand	Computershare Investor Services Limited Private Bag 92119, Auckland 1142, New Zealand Level 2, 159 Hurstmere Road, Takapuna, Auckland, New Zealand Phone: +64 9 488 8700
Sub Share Registrar - Australia	Computershare Investor Services Pty Limited GPO Box 2975, Melbourne, VIC 3001, Australia Phone: 1800 501 366
Company Secretary	Rowena Bowman Email: rowena.bowman@smartpay.co.nz
Investor Relations Enquiries	205 - 209 Wairau Road, Wairau Valley, Auckland, New Zealand PO Box 100 490, North Shore Mail Centre, Auckland, New Zealand Email: investor@smartpay.co.nz smartpayinvestor.com
Legal Advisors	Claymore Partners Limited Level 2, 63 Fort Street, Auckland, New Zealand Phone: +64 9 379 3163
Auditors	PricewaterhouseCoopers PwC Tower, 15 Customs Street West, Auckland, New Zealand Phone: +64 9 355 8000



Glossary

ATS	Average Ticket Size represents the total value of transactions processed as an average of the number of transactions processed.
AVERAGE MONTHLY TTV PER UNIT	Average Monthly TTV per unit represents the total value of transactions processed in a month as an average of the number of transacting terminals for the month.
COGS	Cost of Goods Sold represent the costs associated with the provision of the services provided by the terminal. These costs form part of Operating Expenditure reported in Note 7 of the FY25 Financial Statements.
EBITDA	A non-GAAP measure representing earnings before finance income and finance costs, taxation, depreciation, amortisation, foreign exchange adjustments, share performance rights amortisation, gain on disposal of right-of-use assets and impairment and loss on disposal of property, plant and equipment.
FREE CASH FLOW	A non-GAAP measure representing cash flows from operating activities and cash flows from investing activities as reported in the Statement of Cash Flows.
FY	Financial year ended 31 March.
NPS	Net Promoter Score measures the percentage of Promoters versus Detractors on a simple measurement of "How likely is it that you would recommend Smartpay to a friend or colleague?" Bain & Company , the creators of NPS note that any NPS score above 0 is good, anything above 20 is favourable, above 50 is excellent and above 80 is world class. *(Source: 'What is a good Net Promoter Score (NPS) posted by Perceptive Insights Team – 1 March, 2023).*
PCP	Prior Comparable Period.
SaaS	Software as a Service is a method of software delivery in which software is accessed online via a subscription rather than bought and installed on individual computers.
TRANSACTING TERMINAL	A transacting terminal represents a terminal that is processing transactions in the period.
TTV	Total Transaction Value represents the total value of transactions processed.
YoY	Year on year.

smartpay