

Pushpay exceeds quarterly merchant acquisition target by 31%

Auckland, New Zealand | Redmond, Washington, USA – 8 April 2015

Pushpay Holdings Limited (NZAX:PAY) ('Pushpay' or 'the Company') announces that it has increased its customer base from 602 merchants as at 31 December 2014 to 996 merchants as at 31 March 2015, exceeding its quarterly merchant acquisition target of 301 merchants by 31%.

Chris Heaslip, Pushpay's Chief Executive Officer said, "I am pleased to announce that Pushpay continues to deliver on its USA growth plan, having exceeded our 31 March 2015 target. The Company now expects its customer base to grow by over 100% to more than 2,000 merchants in the six months to 30 September 2015.

"Pushpay has ended the financial year on a high note with our best recorded quarter across all key operational metrics. Our results demonstrate a strong product/market fit and the continued execution of our growth strategy. Pushpay commences its 2016 financial year in a strong position as it prepares for further focused growth and looks to reach its targets based on further development of its direct sales, referrals strategy and through existing relationships with Pushpay's strategic channel partners and other distribution partners. The company will continue to primarily focus on the faith sector in the USA, which consists of over 314,000 churches with an average size of over 500 attendeesⁱ."

Key metrics ⁱⁱ	Three months ended			Year ended	
	31 Mar 2015	31 Dec 2014	% Change	31 Mar 2014	% Change
Total Merchants	996	602	65.4%	158	530.4%
Average Revenue Per Merchant (ARPM)	\$491	\$446	10.1%	N/A ⁱⁱⁱ	N/A ⁱⁱⁱ
Months to Recover Customer Acquisition Cost (CAC)	Less than 12 months	Less than 12 months	N/A	Less than 12 months	N/A
Annual Revenue Retention Rate (Retention)	>95%	>95%	N/A	>95%	N/A
Annualised Monthly Payment Transaction Volume	>\$200m	\$149m	>34.2%	\$24m	>733.3%
Staff Headcount	68	62	9.7%	23	195.7%
Cash and Available Funding Lines	\$4.32m	\$2.65m	63.0%	\$2.74m	57.7%

Highlights for the quarter ended 31 March 2015

- Pushpay's customer base increased to 996 merchants and Pushpay expects its customer base to grow by over 100% to over 2,000 merchants in the six months to 30 September 2015.
- Annualised Monthly Payment Transaction Volume now exceeds \$200 million.
- ARPM increased to \$491 per month and Pushpay expects ARPM to increase to over \$550 per month over the medium term.
- Months to Recover CAC remained at less than 12 months and is expected to remain at this level as the business scales.
- Pushpay's Retention (excluding upsells into the existing merchant base) continued to exceed 95%, which the Company believes places it among the best-in-class for SaaS companies. Pushpay expects Retention to remain at this level as the business scales.
- Merchant Annualised Committed Monthly Revenue (ACMR)ⁱⁱ increased to \$5.33 million and Client ACMR (Run The Red) increased to \$3.82 million.

Highlights for the year ended 31 March 2015

- Pushpay's customer base increased to 996 merchants up 530.4% from 158 merchants as at 31 March 2014.
- Annualised Monthly Payment Transaction Volume increased to over \$200 million.
- Pushpay achieved its announced targets to both 31 December 2014 and 31 March 2015.
- Technology stack and product offering were enhanced with the purchase of the business and assets of Run The Red.
- Strategic channel partnership established with Renewed Vision.
- Run The Red secured an agreement with New Zealand Post Group to provide services to a number of businesses including Kiwibank, New Zealand Post and Express Couriers.
- The Pushpay Board was further strengthened with Graham Shaw joining as an Independent Director and Peter Huljich joining as an Alternate Non-Executive Director for Christopher Huljich.
- Pushpay continued to invest in its payment platform to ensure further product innovation. Version 3.7 of the Pushpay app, with its introduction of Touch ID payments on iOS and credit or debit card details scanning, is testament to Pushpay's commitment to innovation.

Pushpay's merchant numbers

Pushpay's customer base increased to 996 merchants, exceeding its targeted customer base of 903 merchants as at 31 March 2015. In addition, over 87% of merchants are now located in Pushpay's key target territory - the USA. The map below illustrates Pushpay's ability to attract merchants from all over the USA, suggesting the business model is not location specific.

Location of Pushpay's USA merchants^{iv}

 Merchant

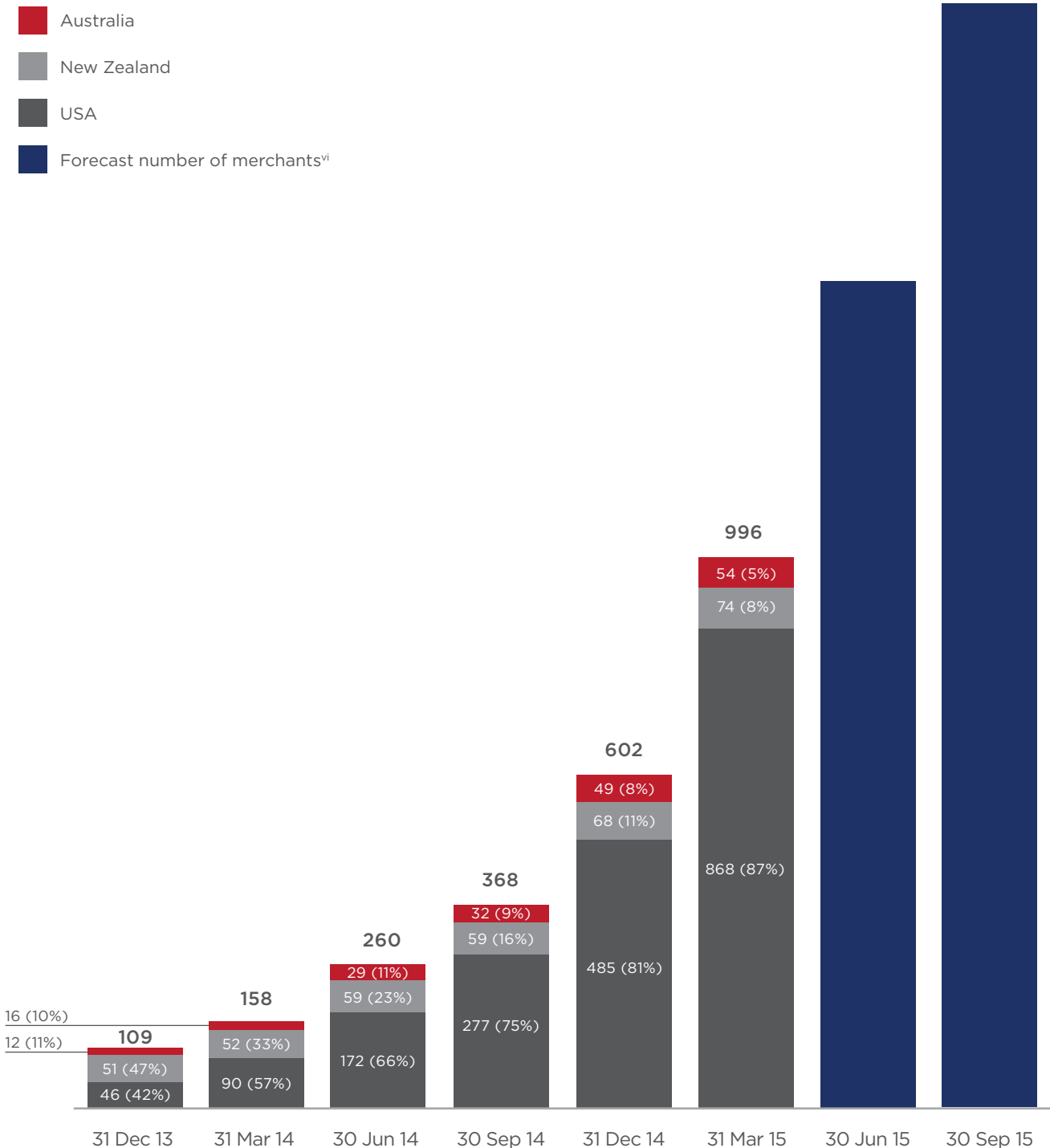


The Company now expects its customer base to grow by over 100% to more than 2,000 merchants in the six months to 30 September 2015, which includes the summer holidays in the USA which is a seasonally low period.

Pushpay expects to reach this target based on further development of its direct sales, referrals strategy and through targeting merchants that have existing relationships with Pushpay's strategic channel partners and other distribution partners.

The Company will continue to primarily focus on the faith sector in the USA, which consists of over 314,000 churches with an average size of over 500 attendees.^v

Pushpay's merchant numbers



Annualised Monthly Payment Transaction Volume

Pushpay's Annualised Monthly Payment Transaction Volume increased to now exceed \$200 million. This is a substantial increase of 34.2% on Pushpay's Annualised Monthly Payment Transaction Volume of \$149 million as at 31 December 2014.

ZipZap Processing, Incorporated (ZipZap Processing), a 100% wholly owned USA-based subsidiary, which collects interchange fees including those collected on behalf of third parties, is maturing rapidly with over 80% of Pushpay's Annualised Monthly Payment Transaction Volume being processed through it.

Average Revenue Per Merchant (ARPM)

ARPM increased to \$491 from \$446 per month as at 31 December 2014 and Pushpay expects ARPM to increase to over \$550 per month over the medium term.

ARPM will continue to increase as the Company secures a larger percentage of merchant payment transaction volumes, such as bookshops and cafés in the case of the faith sector.

Annualised Committed Monthly Revenue (ACMR)

Moving forward, Pushpay will report its ACMR split into Merchant ACMR and Client ACMR (Run The Red).

ACMR is all annualised recurring revenue, plus bookings for future recurring revenue, minus revenue that the Company is likely to lose within the year. ACMR is a key metric to track how a SaaS business is acquiring revenue.

As at 31 March 2015 Pushpay's Merchant ACMR is \$5.33 million and Client ACMR (Run The Red) is \$3.82 million.

Outlook

Pushpay believes that it is preferable to focus on and invest in growth as the best means to achieve overall value in its business.

"Following the focused investment in people, product and business processes we are well-positioned to execute on our growth plans and deliver long-term shareholder value," said Chris Heaslip.

"We are committed to delivering best-in-class SaaS metrics as the Company continues to execute on its strategic plan driven through a keen focus from management and the teams coordinated across our USA and New Zealand operations", said Bruce Gordon, Pushpay's Chairman.

The Company plans to provide a further quarterly operational update in the week beginning 6 July 2015.

Investor Calendar

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

May 2015	Annual Report Release
July 2015	Quarterly Operational Update
August 2015	Annual Meeting
October 2015	Quarterly Operational Update
November 2015	Interim Report Release

New Zealand Dollars

All dollar amounts are in New Zealand dollars.

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About Pushpay

Pushpay provides mobile commerce tools that facilitate fast, secure and easy non point of sale payments between consumers and merchants. Pushpay targets merchants who are looking to offer convenient, personalised and intuitive payment solutions to their consumers. Pushpay services three target markets: the faith sector; non-profit organisations and enterprises (both small medium enterprises and corporate organisations).

To download the Pushpay App, visit the iTunes App Store or Google Play and search for “Pushpay”.

Visit www.pushpay.com to learn more and see an online demonstration of how Pushpay enables merchants and consumers to “never miss the moment”.

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- i US Census Bureau. (2012). Statistical Abstract of the United States: 2012
- ii Please see below for further information relating to how our key metrics are calculated.
- Total Merchants** - Historically we have reported Total Merchants as merchants that have entered into an agreement to become a Pushpay merchant customer that at the time of reporting were in the process of being on-boarded, which typically takes one week to complete. Moving forward, Pushpay will be reporting merchants that have entered into an agreement and completed the processing paperwork necessary to setup their facility.
- Average Revenue Per Merchant (ARPM)** - Pushpay calculates ARPM using a combination of subscription fees and volume fees. Subscription fees are based on the size of the merchant and volume fees are based on payment transaction volume. Volume fees include interchange fees, which are collected by the Company on behalf of third parties, such as Visa or MasterCard.
- Months to Recover Customer Acquisition Cost (CAC)** - is calculated as CAC divided by average monthly recurring revenue. CAC is calculated as sales, marketing and implementation costs divided by the number of new merchants added over a certain period of time.
- Annualised Monthly Payment Transaction Volume** - Annualised value of total funds that have passed through the Pushpay platform in a specific month.
- Annual Revenue Retention Rate (Retention)** - Pushpay measures Retention as recurring revenue retained from merchants (for example, in the case of merchants in the faith sector, this is measured by the amount of recurring revenue at the end of the period excluding upsells into the existing merchant base, over the amount of recurring revenue from the end of the previous period).
- Annualised Committed Monthly Revenue (ACMR)** - ACMR is all annualised recurring revenue, plus bookings for future recurring revenue, minus revenue that the Company is likely to lose within the year. ACMR is a key metric to track how a SaaS business is acquiring revenue.
- Staff Headcount** - Pushpay's employees at a specific point in time.
- Cash and Available Funding Lines** - This includes the standby funding facility of up to \$4.0 million provided on 16 March 2015 to the Company by Christopher & Banks.
- iii Pushpay does not have a comparable ARPM for this period as previously the Company did not offer internal merchant facilities and subsequently did not collect interchange fees. Given Pushpay now offers merchant facilities through ZipZap Processing, Incorporated (ZipZap Processing), which is a 100% wholly owned USA-based subsidiary, Pushpay now collects interchange fees including those collected on behalf of third parties.
- iv Includes locations in the USA of all merchants which have been added to the Pushpay platform since inception through to 7 April 2015.
- v US Census Bureau. (2012). Statistical Abstract of the United States: 2012
- vi The Company has not provided specific guidance on merchant numbers for the quarter ended 30 June 2015.