Change for good

Interim Report 2023

Pushpay

CONTENTS

WHY WE EXIST

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

Results at a glance

US$103.0m ↑
Operating Revenue
Up 10% from US$93.5 million

19,438 ↑
Total Products utilised by Customers
Up 7% from 18,229 Products

14,602 ↑
Total Customers
Up 4% from 14,095 Customers

US$3.6b ↑
Total Processing Volume
Up 2% from US$3.5 billion

US$5.5b ↑
Total Lifetime Value of Customer base
Up 2% from US$5.4 billion

>100%
Annual Revenue Retention Rate
On average for the last five years, including the last period

US$26.8m ↓
Underlying EBITDAF
Down 10% from US$29.6 million

US$8.8m ↓
Net Profit After Tax
Down 54% YoY from US$19.1 million

US$16.9m ↓
Operating Cash Flow
Down 47% from US$31.7 million
Includes US$9.9 million of income tax paid (prior period: US$0.0 million)

69%
Gross Profit Margin
Remained consistent over the year

18.2 million
transactions processed over the six months (prior year: 18.2 million)

2.3 million
unique donors* as at 30 September 2022 (prior year: 2.2 million)

US$198
average transaction value (prior year: US$194)

Notes:

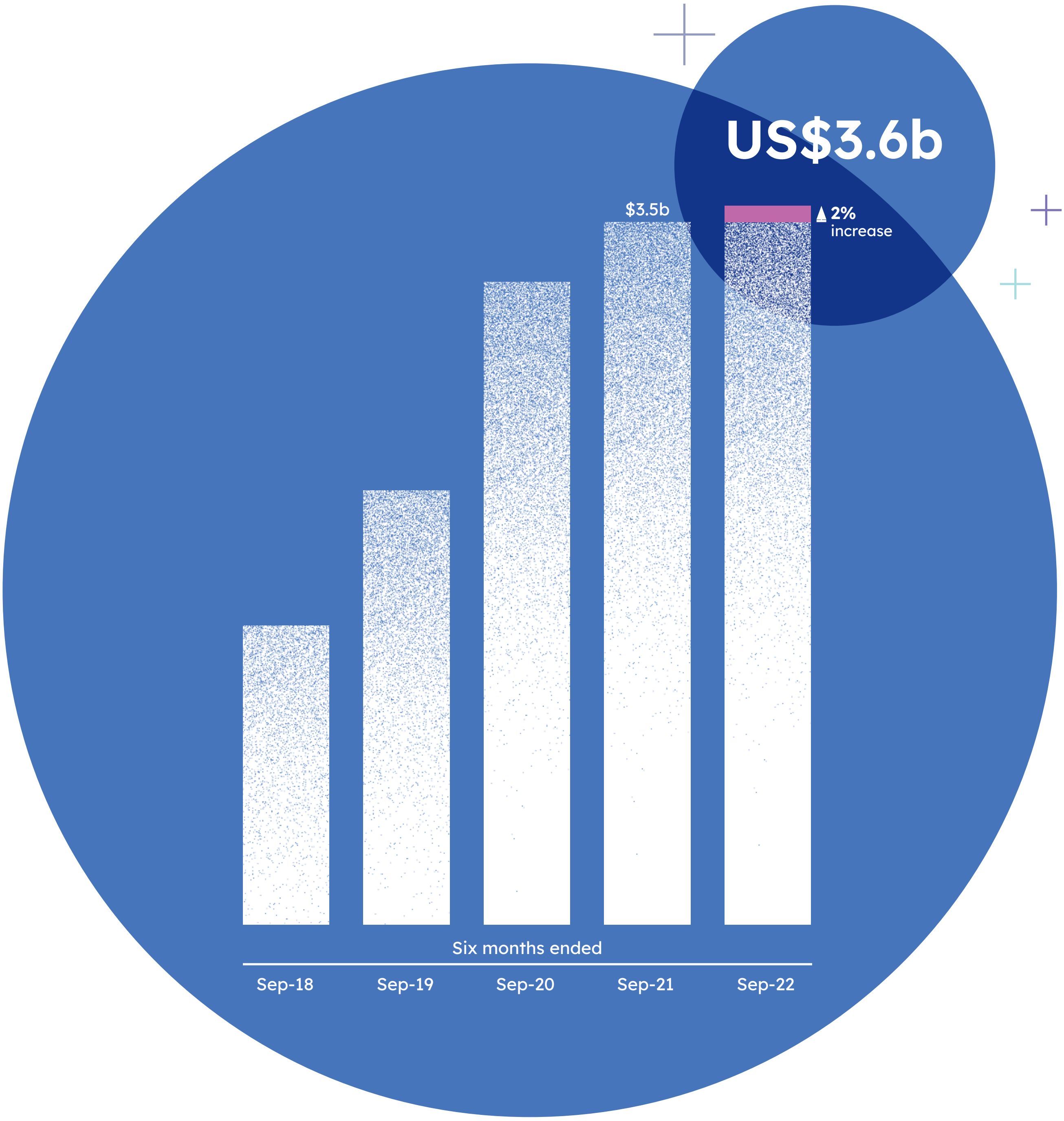
The above metrics compare Group performance over the six months ended, or as at, 30 September 2021 to the six months ended, or as at, 30 September 2022. Resi Media was acquired in August 2021 and therefore the prior comparable period has one month of Resi Media contribution.

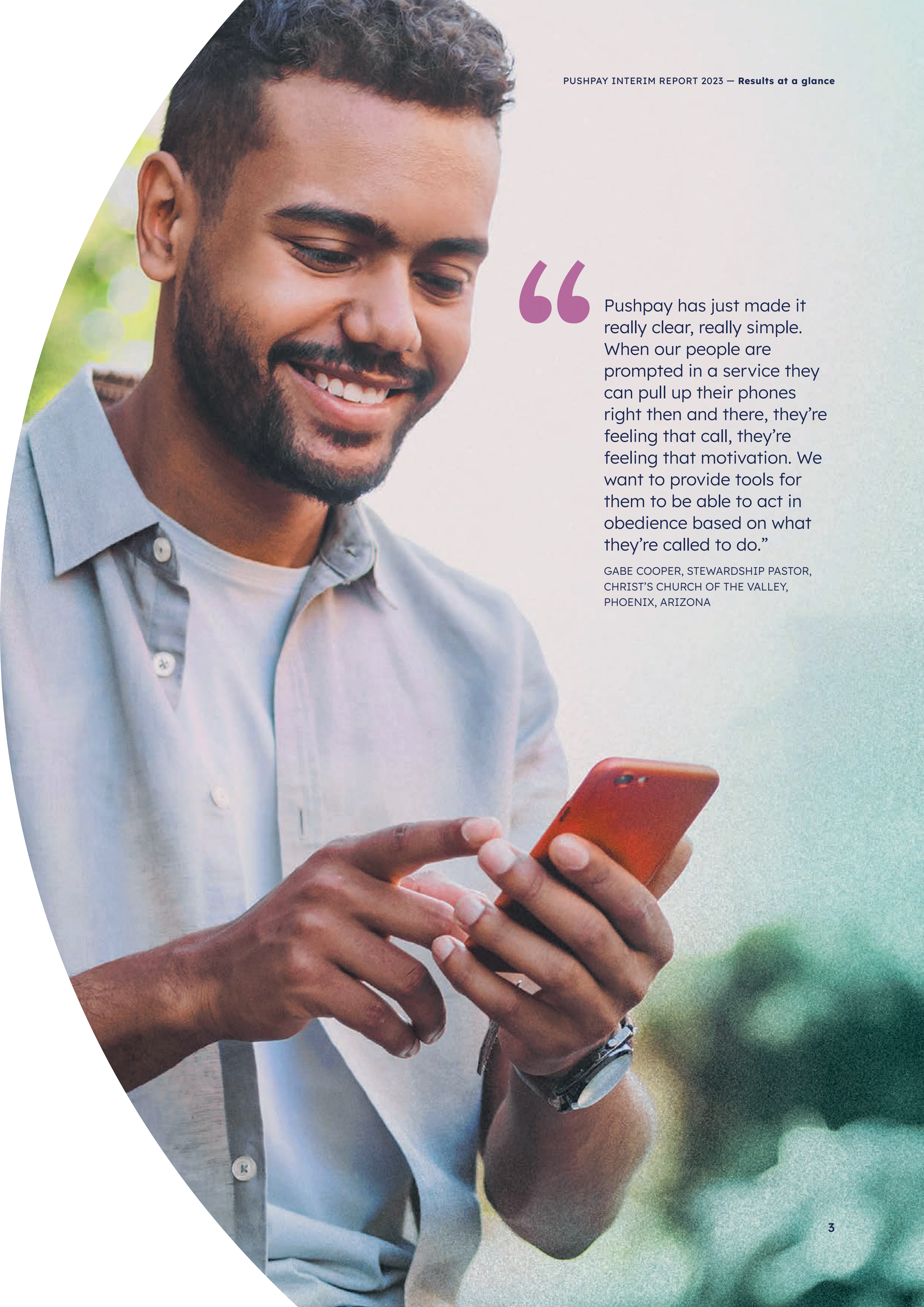
Annual Revenue Retention Rate represents each year since 2016. Annual Revenue Retention Rate, Total Customers, Total Lifetime Value (LTV) of Customer base, Total Processing Volume, Underlying EBITDAF and Gross Profit Margin are non-GAAP financial measures and are not prepared in accordance with NZ IFRS. A reconciliation of Underlying EBITDAF to EBITDAF (which is a non-GAAP financial measure) and to NPAT is provided on page 29.

For definitions of terms, see “Key metric definitions” on page 49. The financial measures in this report have not been audited. Pushpay considers the metrics above to be the key financial metrics to measure the business going forward.

* Refers to active donors who have made a payment in the last six months.

Total Processing Volume





"Pushpay has just made it really clear, really simple. When our people are prompted in a service they can pull up their phones right then and there, they're feeling that call, they're feeling that motivation. We want to provide tools for them to be able to act in obedience based on what they're called to do."

GABE COOPER, STEWARDSHIP PASTOR, CHRIST'S CHURCH OF THE VALLEY, PHOENIX, ARIZONA

Strategic growth pathway

Growth drivers	**Grow Customer numbers**	**Increase number of Products utilised**	**Expand the Product suite**	**Increase share of wallet**
Strategic priorities	Expand mid-market presence Continued focus on large Customers Expand into the Catholic segment	Integrate Resi Media Cross-referral and integration of Pushpay Solutions Church Management + Donor Management + Video Streaming	New product development Enhanced features Innovation M&A opportunities	Increase digital adoption Encourage uptake of Donor Management Product Upsell Customers Expand donation/ payment integrations

Pushpay's strategy is focused on long-term drivers of growth, with key priorities and initiatives being executed under each of these. Over the six months ended 30 September 2022, Pushpay continued to future-proof the business with diligent strategy execution and expanding our reach within our core market, the US faith sector.

As previously advised, FY23 represents an investment year for Pushpay as the Company sets the foundation for future growth. First half progress includes the completion of the majority of Pushpay's go-to-market strategy reset, including recruitment of a new and experienced sales and marketing team; the addition of new large Customers; and the ongoing build of the Catholic offering. Net new Customer growth has been slower as the go-to market reset has been completed, which has adversely affected revenue and processing volume growth. This combined with an uncertain economic backdrop due to rising interest rates, inflation and labour costs has led to churches re-evaluating their purchasing decisions resulting in lower new Customer adds than expected. While the rate of growth has been slower in 1H23 than anticipated, encouraging signs are being seen from the work to date.

Strategic progress highlights

Grow Customer numbers

- Total Customers increased by 507 or 4% from 14,095 as at 30 September 2021 to 14,602 as at 30 September 2022
- In 1H23, total Customers increased by 94 (1H22: 138 excluding 2,858 Resi Media Customers acquired on acquisition), with a softness in the first six months of FY23 as expected due to the go-to-market strategy reset and recruitment of a new and experienced sales and marketing team
- 48 of the net new Customers added in 1H23 are large Customers, driven by Resi Media, Catholic and non-profit strategies, with a small decrease in net new Protestant Customers[1]
- Welcomed the US Army Chaplain Corps as a software Customer in late September 2022, which includes 51 public service organisations and represents an opportunity for future expansion of Pushpay's solutions into a variety of public service organisations
- A focus on growing the number of medium and large Customers which have lower acquisition and support costs as a percentage of revenue compared to smaller Customers
- Completed the majority of the go-to-market strategy reset with sales and marketing organisations optimised to target mid-market segment
- Addressing a slight increase in mid-market churn with proactive activities focused on retaining Customers and processing volume

Maintaining and building market share in the Protestant segment remains a key priority for the business. As we continue to innovate and execute on our growth strategy, we expect to attract an increased number of Customers in the mid-market segment of our target market, which Pushpay considers to be Customers who have between 200 - 1,099 average weekly attendees.

1. Non-profit and other entities were previously included with the small Customer segment. These have now been reallocated into the appropriate equivalent segment size and comparatives restated

> ParishStaq allows Catholic Churches to have an interconnected hub that supports staff to manage their parish all on one platform and allows parishioners to have a best in class experience when engaging with the life of their parish and connecting with fellow parishioners".

JOSHUA HESTER-GORALSKI, DATABASE ADMINISTRATOR, SPRINGS CHURCH, COLORADO SPRINGS, COLORADO

Catholic segment expansion

- Commenced Year Two of three-year product roadmap with continued development of Pushpay's value proposition for the Catholic segment
- Launched further enhancements to ParishStaq including Sacrament Tracking functionality
- Welcomed the Archdiocese of Seattle as a Customer in July 2022, representing an opportunity to reach over 600,000 people and 134 parishes included as Customers as at 30 September 2022
- Attracted 153 net new Catholic parishes since 31 March 2022 (including 134 from the Archdiocese of Seattle) and further developed market relationships over the first half of FY23
- Total 326 Catholic parish Customers on the Pushpay platform; and on Approved Vendor List for 49 dioceses as at 30 September 2022
- Increased prospective Customer activities with Catholic onsite events and realignment of Catholic sales territories to drive clear account-based marketing activities
- Continued focus in FY23 on driving engagement and increasing go-to-market product features, capabilities and strengthened team for the Catholic segment

The Catholic segment of the US faith sector is significant, with US$30 billion in giving in 2016[2] representing an estimated annual Total Addressable Market (TAM) revenue opportunity of between US$600 million and US$700 million[3]. The Catholic segment comprises 196 dioceses and archdioceses who represent an estimated 17,000 individual parishes[4]. Pushpay's long-term target is 25% share of Catholic parishes.

2. IBISWorld
3. Independent assessment by global third-party consultancy. Total Addressable Market (TAM) is the overall revenue opportunity that is available to a product or service if 100% market share was achieved; also referred to as total available market
4. Center for Applied Research in the Apostolate (CARA), Georgetown University | Frequently Requested Church Statistics

Catholic growth strategy roadmap

FY23 development and integration plan on track

YEAR ONE
FY22 (complete)

YEAR TWO
FY23

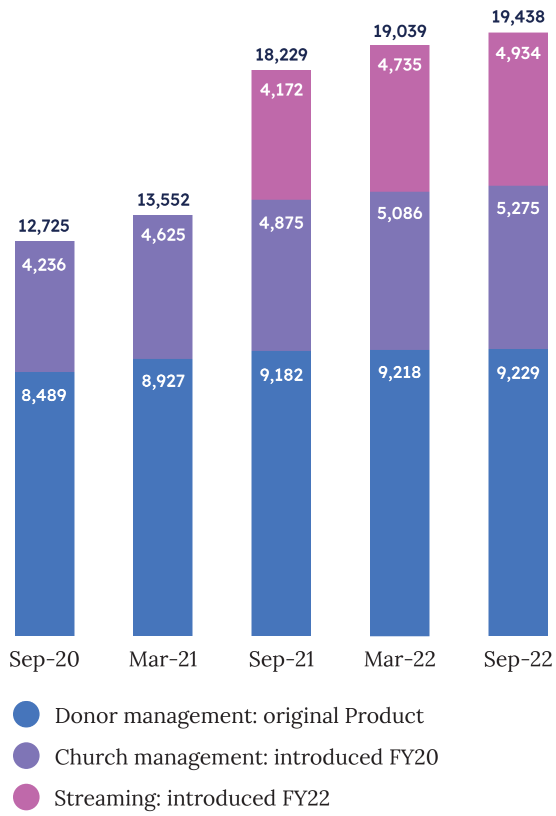
	Development	Initial sales	1H23 progress update
Investment	✓ Investment and expenses of US$3.2 million in year one (with US$1.1 million of this capitalised) ✓ Built team to 34 by year end, including 20 product and development team members ✓ Small loss at Underlying EBITDAF	• Expected investment and expenses of between US$5-7 million (with US$3-4 million of this capitalised) • Continue to expand and strengthen Catholic focused teams • Continue to develop product features and capabilities • Breakeven at Underlying EBITDAF	• On track for expected investment and expenses of between US$5-7 million • Expanded product development and sales teams • ParishStaq enhancements including launch of Comprehensive Sacrament Tracking • On track to reach breakeven at Underlying EBITDAF for FY23
Outcomes	✓ Pilot with Archdiocese of Chicago ✓ ParishStaq launched in January 2022 ✓ On Approved Vendor List for 45 dioceses – strong pipeline ✓ 173 parishes as Customers at 31 March 2022	• Execute go-to-market plan • Increase inclusion on Approved Vendor Lists for dioceses	• Archdiocese of Seattle signed as a Customer in July 2022 • Increased Approved Vendor List to 49 dioceses • 153 net new Catholic Customers added in 1H23, including 134 parishes from the Archdiocese of Seattle • 326 total Catholic Customers as at 30 September 2022

Increase number of Products utilised

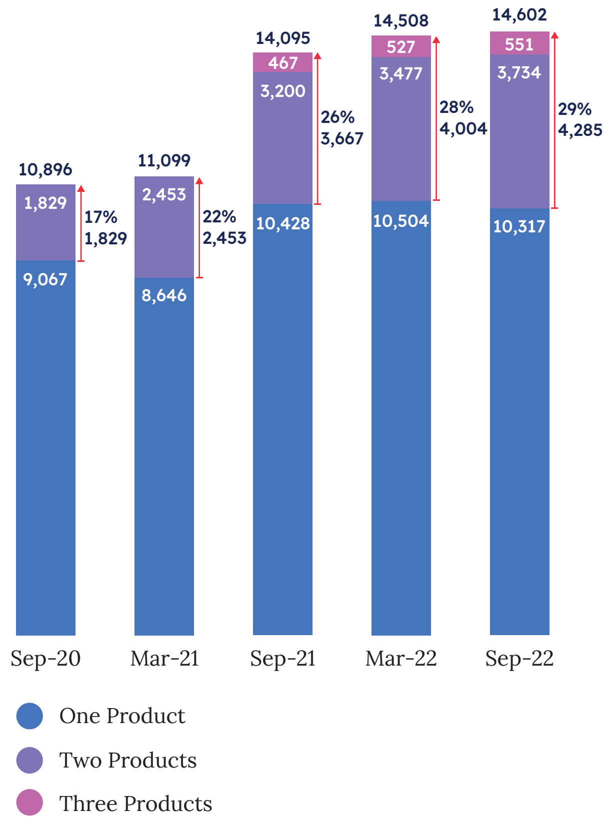
PRODUCT INTEGRATION OPPORTUNITIES

- Pushpay offers three Products, Donor Management System, Church Management System and Streaming solutions
- Total number of Products utilised increased by 1,209 or 7% from 18,229 as at 30 September 2021 to 19,438 as at 30 September 2022, and increased by 399 or 2% from 19,039 as at 31 March 2022
- Customers with two or more Products increased from 26% as at 30 September 2021 to 29% as at 30 September 2022
- The greater the number of Pushpay's Products utilised by each Customer, the more valuable the Pushpay integrated solution is to them, thereby increasing Customer retention and value
- Customers who subscribe to multiple Products deliver significantly higher revenue than a one-Product Customer
- Integrated solutions help to increase the number of Products utilised by Customers and attract new Customers

Total Products utilised



Customers by number of Products



RESI MEDIA INTEGRATION

Building upon the acquisition of Resi Media LLC, which was completed in August 2021, Pushpay has continued to strengthen integrations between its Donor Management, Church Management and Streaming solutions to provide an enhanced product and user experience for Customers in FY23. The inclusion of Resi Media into Pushpay's portfolio allows Customers to engage with their communities and manage live-streamed and on-demand media content, apps, digital giving and more, all in one place.

Resi Media Strategy Roadmap

FY23 development and integration plan on track

YEAR ONE
FY22 (complete)

YEAR TWO
FY23

	Development	Build sales	1H23 progress update
Investment	✓ Acquisition in August 2021 ✓ Seven months as part of the Pushpay business ✓ Focus on integration into Pushpay's product suite and core business systems ✓ Breakeven at Underlying EBITDAF	• Integration with Pushpay's sales and marketing engine • Product enhancement including content storage and video library • Revenue growth greater than 20%, breakeven at Underlying EBITDAF	• Consolidation of IT teams and integration between Pushpay and Resi Media IT systems and policies completed; developing a plan and timeline to consolidate primary business systems • Completed Resi Media content storage and video library enhancements, including Embeddable Playlists • While annualised subscription revenue is expected to grow by approximately 20%, hardware revenue has been softer than expected as both fewer existing and new Customers are currently buying or updating hardware; breakeven at Underlying EBITDAF remains on track
Outcomes	✓ Resi Live Streaming now available in Pushpay's custom Apps for a seamless viewing experience ✓ In-stream call-to-action button released in April 2022	• Strong opportunity to cross-refer product to existing Resi Media and Pushpay Customer bases • Attraction of new customers	• Strategy in place to drive cross-referrals between Donor Management and Resi Media Streaming Customers • 199 Streaming Products added in 1H23 with a strong pipeline

Expand the Product suite

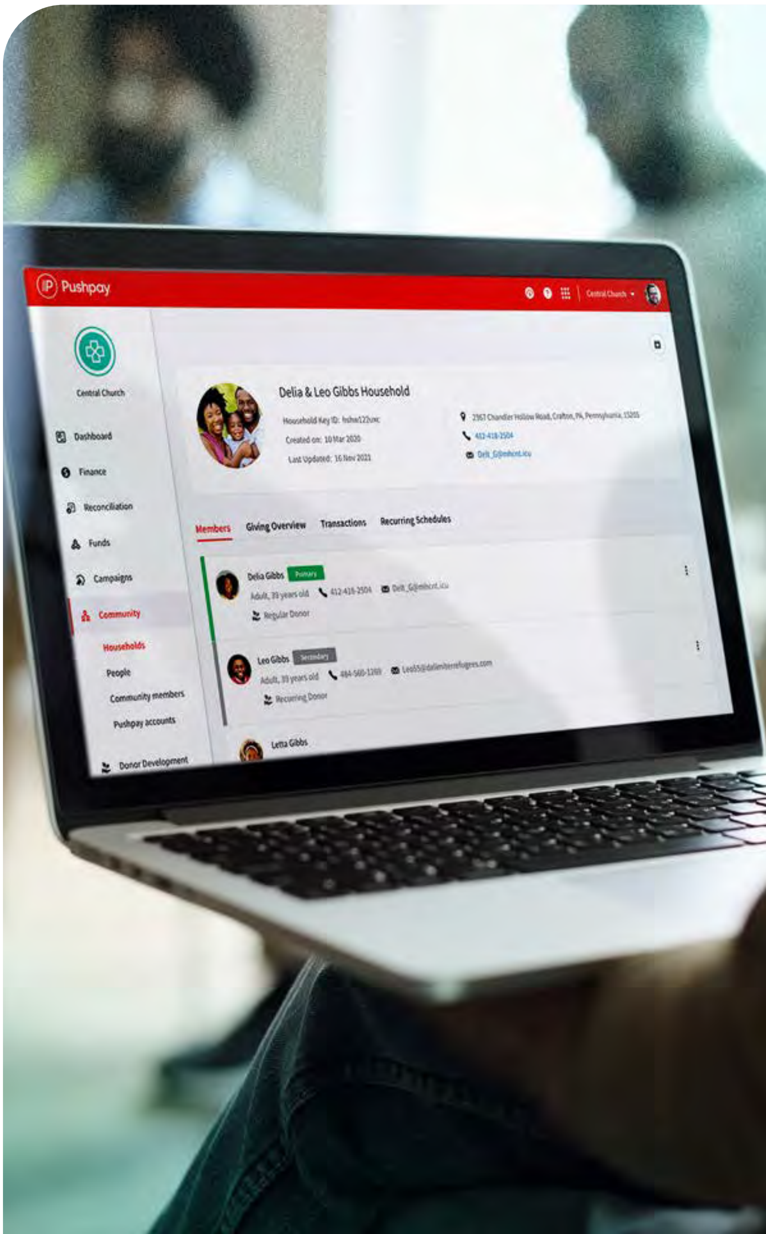
Innovative, mobile-first solutions

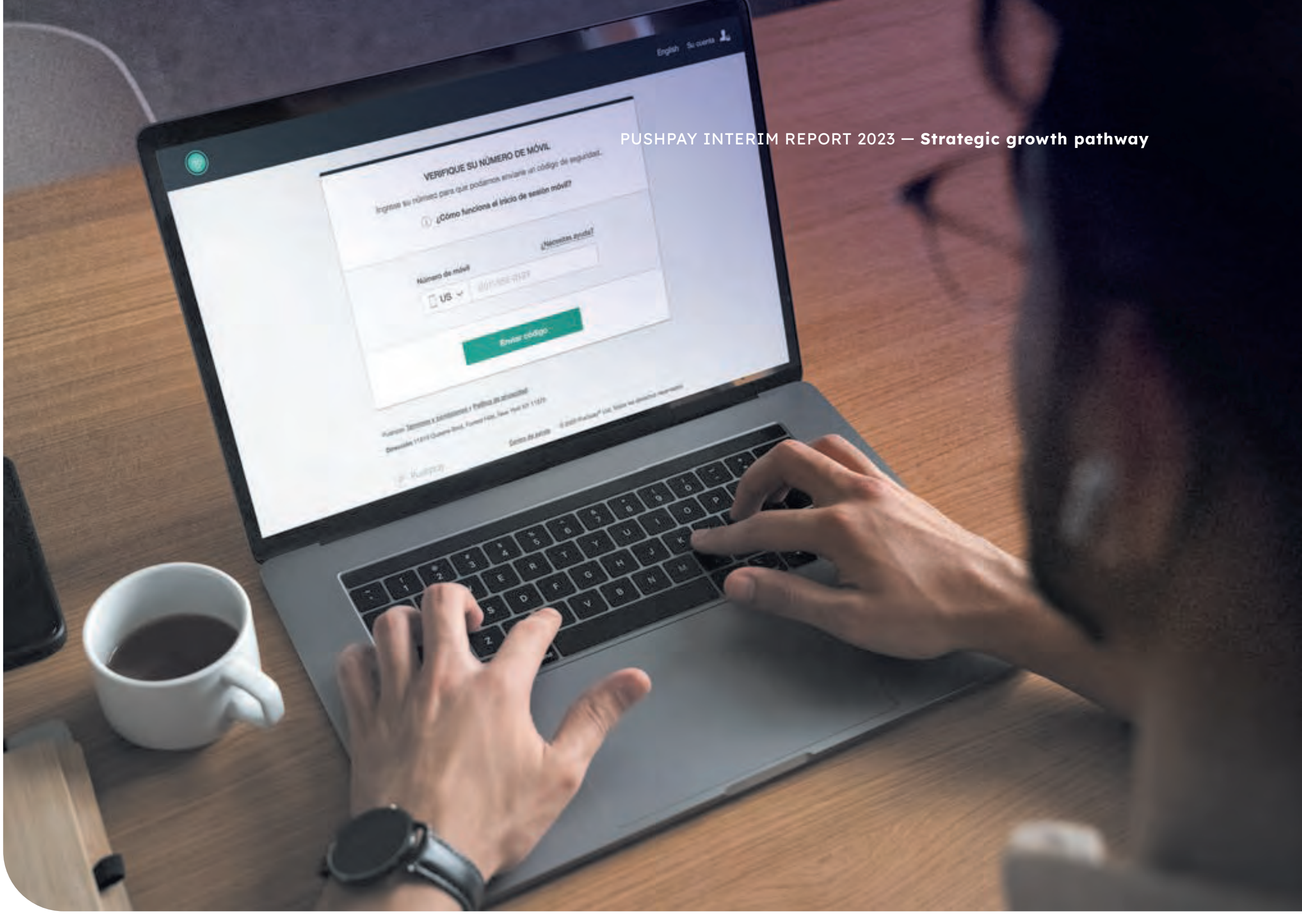
ADDED FUNCTIONALITY TO THE PUSHPAY SOLUTION

Pushpay continues to invest in its holistic engagement and giving solutions, enabling our Customers to increase participation, connection and build stronger relationships with their communities. Some of our more recent additions and enhancements to the Pushpay solutions are highlighted below and highlight Pushpay's commitment to maintaining an industry leading platform.

Donor Management System enhancements

During the first half of FY23, we continued to invest in our Donor Management System focusing on simplifying giving experiences through Pushpay. We improved the conversion rates for all donation types as well as delivering improvements for back-office reporting, error handling, cheque handling, refunds and cancellations. With the continued strategic focus on the Catholic segment, the Donor Management System has been further enhanced to support new payment frequencies, organisational and data structures to better support the unique needs of our Catholic Customers ranging from standalone parishes to archdioceses and their wide-reaching communities.



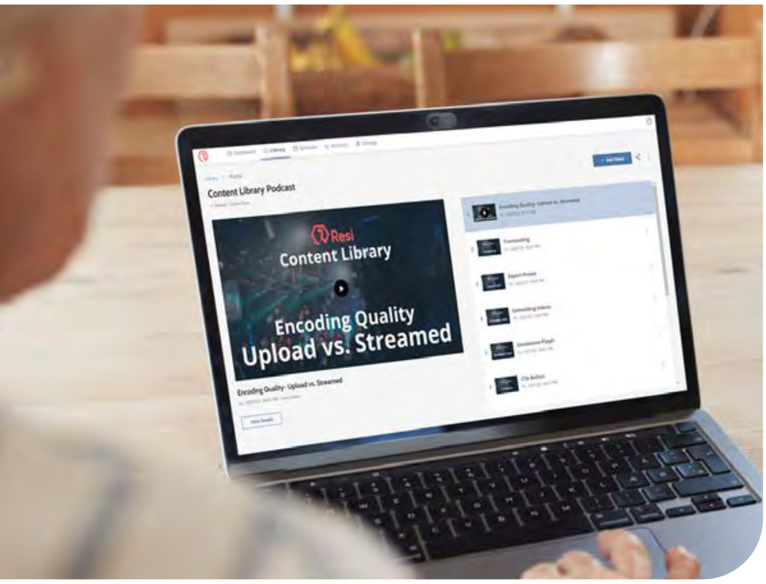


Comprehensive Sacrament Tracking

Building on the launch of Sacrament Tracking in March 2022, a series of enhancements were released over the first half of FY23 to further enhance Pushpay's Catholic ParishStaq offering. Multi-language capabilities and increased functionality was released to deliver a comprehensive Sacrament Tracking experience for Customers. Through an advanced people search functionality, parish administrators are enabled the ability to efficiently bulk upload, edit, view and manage data related to sacrament records for individuals within their congregation. These enhancements help drive action and provide meaningful insights into parishioners' engagement.

Spanish Translation in Church Management System and LEAD App

In August 2022, we continued to deliver on our product development plans to introduce Spanish language across the Pushpay ecosystem, with full translation of the LEAD App now available to support Customers with bi-lingual communities. The LEAD App is Pushpay's app designed to provide communication and volunteer management support for Church Management System administrators.



Increase share of wallet

Resi Media Studio enhancements

Enhancements were made to Resi Media's Studio platform, which has replaced its legacy customer interface. As at 30 September 2022, 100% of Resi Media Customers have migrated to the new platform, marking the completion of a significant continuous business improvement initiative. Bandwidth Tracking was also released within the Studio platform, enabling Customers to know their bandwidth data usage at a glance. The flexibility and scalability of the Studio platform sets the stage for intuitive content management with market-leading broadcasting and automation capabilities.

Resi Media Embeddable Playlists

In September 2022, Resi Media launched Playlists within its Content Library functionality, which enables Customers to build and maintain a list of videos that the viewer can watch in a series. Playlists can be embedded on websites, are shareable and easy for Customers to keep up to date.

Resi Media Content Library Video Resolution

In September 2022, Content Library video resolution support was expanded from 1080p to 4K, expanding resolution by 400%. Customers can upload 4K videos to their video library and the video will be automatically transcoded into a 4K adaptive bitrate viewing experience.

- Share of wallet is the amount of a Customer's total giving that is processed through Pushpay's platform
- The transformational shift to digital giving due to COVID-19 has been maintained and is driving benefit for Pushpay
- Digital giving has remained consistent over the six months following FY22 year end at approximately 55%
- It is expected that adoption and digital giving will continue to increase over time
- Pushpay is working with Customers on initiatives to both enhance giving and to increase digital adoption

> "Before Pushpay we were receiving less than $100,000 a year in giving. After the first year with Pushpay giving jumped up to $120,000, then up to $200,000, then $360,000 and this last year giving was over half a million dollars received through Pushpay. The system does a lot of the work."
>
> CHRIS KOZLOWSKI, PARISH BUSINESS MANAGER, ST. ISIDORE, DETROIT, MICHIGAN

Chair and CEO's review

GRAHAM SHAW
Independent Chairman

MOLLY MATTHEWS
CEO

DEAR SHAREHOLDER,

During the first six months of the 2023 financial year, we continued to strengthen our strategy and execute on our initiatives to drive further growth into the future.

As we previously signalled in May 2022, FY23 represents an investment year for Pushpay as we set the foundation for future growth. We expect early results from our strategic initiatives to be seen from FY24 and into the future years.

The Company delivered increases in revenue and Total Processing Volume over the half year period, however net new Customer growth has been slower than anticipated as the majority of the go-to-market strategy reset was completed, and this has affected the rate of revenue and processing volume growth.

Broader macroeconomic trends are affecting organisations across a range of industries. Tight labour markets and wage inflation are creating challenges for both our Customers and our own business; and slowing US economic growth is also putting pressure on new donor numbers within churches. Competition has also increased, although we have seen consolidation in the market commence. This is where the value of our diversified Customer strategy becomes more clear and we are confident we have the people, the products and the reputation to maintain and build our strong market position in a competitive environment.

Our recent trading and FY23 guidance update highlighted some of the challenges that the Company is facing in a post-COVID world. Our medium-term goals of more than US$10 billion in Total Processing Volume and greater than 20,000 Customers have not changed, however, the time to achieve these has been impacted by current operating trends. We now expect it to take a further 12 to 18 months, on the basis that the current trends improve. We will continue to monitor and adapt to both challenges and opportunities in our operating environment as we remain focused on executing our strategic plans.

Our first half progress includes the completion of the majority of Pushpay's go-to-market strategy reset, including recruitment of a new and experienced team; the addition of new large Customers; and the ongoing development of our Catholic market offering. We were delighted to welcome the US Army Chaplain Corps, as well as the Archdiocese of Seattle in the first half of the year. These Customers represent wide-reaching communities and the ability for Pushpay to support millions of people, and organisations, across the globe with our digital software solutions.

You can read more about our go-to-market strategy reset on page 16 below.

Financial performance

Pushpay's performance for the first half of the year reflects a softer period as we continued to invest in our strategic initiatives for future growth. While the rate of growth has been slower in 1H23 than anticipated, the benefits from our strategic actions are starting to be seen.

Pushpay welcomed 507 net new Customers and increased the total Customer base from 14,095 Customers to 14,602 Customers over the 12 months ended 30 September 2022. Although positive, the growth rate has been affected by the go-to-market strategy reset and new processes being implemented. We expect Customer growth to improve in 2H23. In addition, the first half of the financial year is usually slower due to the US summer holiday period. The Group added 94 net new Customers in 1H23, of which 48 were large Customers, in line with our strategy to focus on the medium and large market segments.

Total Processing Volume increased by 2% from US$3.5 billion to US$3.6 billion over 1H23 when compared to the prior comparable period. Growth in processing volumes has been affected by softer new Customer growth in 1H23, which we expect will improve in 2H23, combined with delayed processing volumes as new Customers are onboarded along with fewer new donors attending existing churches.

Operating revenue grew by 10%, from US$93.5 million to US$103.0 million for 1H23, when compared to the prior comparable period, with processing revenue growing by 1%, and subscription revenue growing by 28%. Revenue growth in 1H23 primarily reflects the full benefits from the acquisition of Resi Media in August 2021, compared to only one month contribution in 1H22.

As we execute toward our strategic goals, Pushpay will need to continually invest in product design and development to ensure we are maintaining or increasing our ability to attract new Customers.

As previously signalled and in line with Pushpay's investment in innovation and growth, Underlying EBITDAF decreased by 10% from US$29.6 million in 1H22 to US$26.8 million in 1H23. Excluding the costs associated with the investment into the emerging Catholic initiative, Underlying EBITDAF was US$27.4 million for 1H23.

Pushpay has strong positive cash flow, generating US$16.9 million in operating cash flows over the period. Bank debt, obtained to fund the Resi Media acquisition, reduced from US$54.0 million as at 31 March 2022 to US$40.0 million as at 30 September 2022, resulting in net debt reducing to US$35.1 million.

More detail on Pushpay's 1H23 performance is available on pages 29-37 of this Interim Report.

Our market

During the past two years, churches have relied heavily on technology to help them reach their people. Pushpay's solutions are uniquely positioned to support our Customers to connect with their communities.

Our Customers have admirably continued to adapt and evolve their processes in the face of headwinds, leveraging our digital solutions to help drive community, connection and belonging.

Despite the challenges and slower onboarding of new Customers due to these conditions, generosity and community connection has remained resilient within our Customer base. The average donation size and the percentage of people utilising recurring giving has increased over the 12 months ended 30 September 2022. Digital adoption has remained stable with the prior period at approximately 55%.

Execution of strategy

Pushpay's vision is to be the preferred provider of mission critical software to the US faith sector. Our Company has a unique leadership position in the market and a clear strategy to deliver long-term sustainable value, however, the full benefits of this will not be seen for several years.

As we continue to implement our plans, we expect to see an uplift in performance through growing our Customer numbers; increasing the number of our Products utilised by each Customer; further expansion and enhancement of our suite of solutions; and increasing our share of wallet.

Although market conditions and macroeconomic factors present ongoing challenges, we have made progress in executing towards our strategic goals in the first half of FY23. While this has yet to translate into financial outcomes, we have continued to prioritise investment and focused execution on our strategic growth areas.

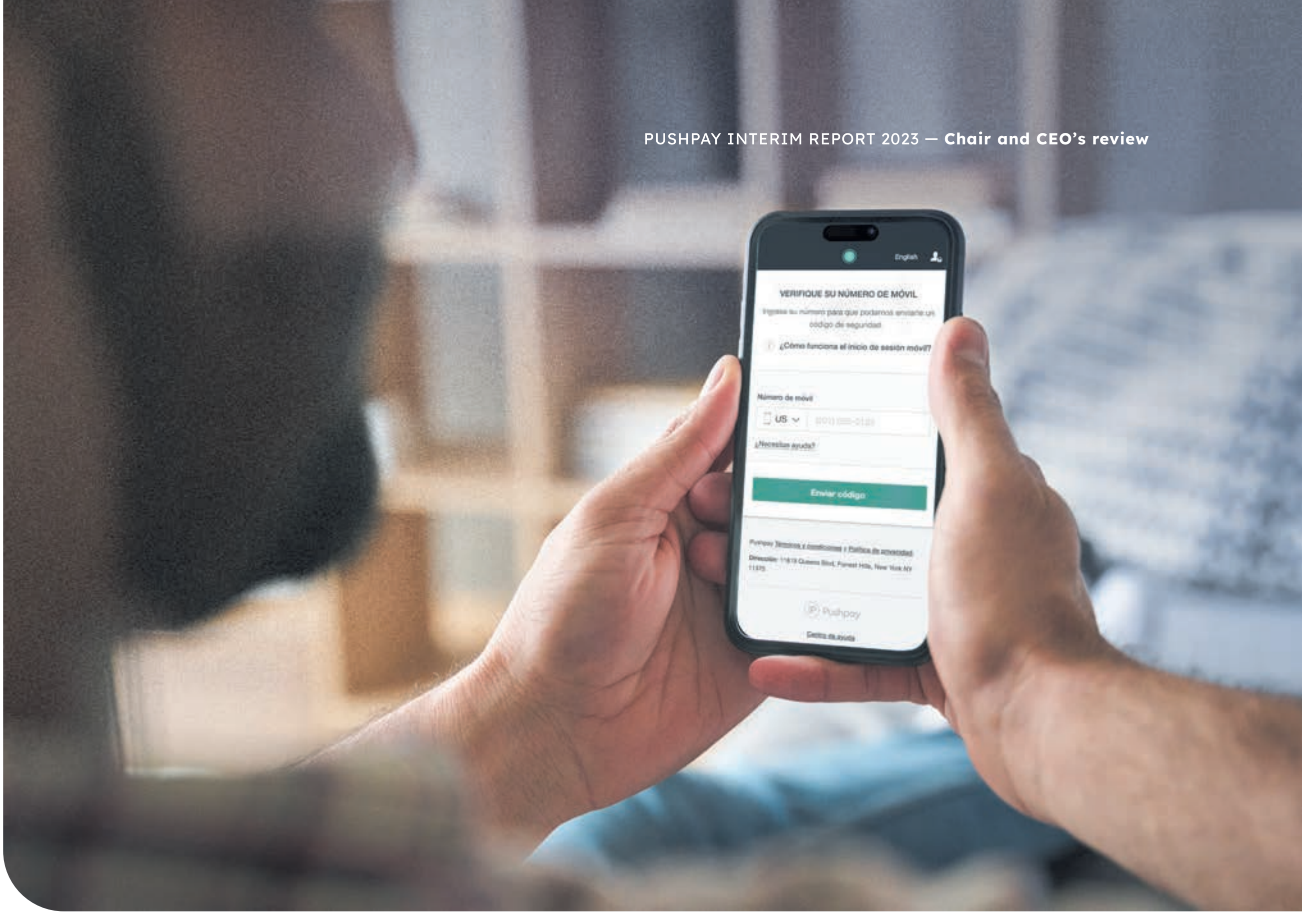
Go-to-market strategy

As the market continued to evolve in the 2022 financial year, we recognised the need to adapt and strengthen our go-to-market functions. We subsequently initiated a comprehensive review of our go-to-market strategy and implemented initiatives to ensure our sales and marketing strategy is focused, and efficiently addressing our target market. These initiatives included aligning our sales enablement and training organisations and reviewing our demand generation strategy to transition to a more segmented and targeted approach in alignment with our strategic priorities.

Over the first half of FY23, we completed the majority of the reset of our go-to-market strategy to drive future new Customer growth. A deep evaluation of the existing sales and marketing team was completed, which prompted several resource and organisational changes. The reset has provided a platform to rebuild momentum across the business and is expected to improve future performance and success.

We have seen a softness in net new Customer growth while we reset and strengthened the sales and marketing functions. We have a targeted strategy in place and we expect Customer numbers to increase as our team gains tenure. With the restructured and strengthened leadership, we expect early benefits of the optimisation initiatives to start being seen in the second half of FY23.

Following a decline prior to the reset, encouraging signs are now being seen with an increasing number of marketing qualified leads coming through at the top of the sales pipeline, while also improving the segment mix. The positive effect on future new Customer numbers is expected to become more apparent later in FY23 and into FY24.



We made progress in further scaling our go-to-market resources to support our Catholic growth strategy and integrating streaming functionality into the business through Resi Media. We are pleased to report increases in the number of Products utilised and an expansion of our Product suite with new, innovative functionality.

US Army Chaplain Corps

In late September 2022, Pushpay welcomed the US Army Chaplain Corps as a software Customer following a multi-year sales process. Pushpay's technology will enable the US Army Chaplain Corps to streamline communication and build deeper connections with soldiers through mobile solutions across their 51 garrisons. The addition of the US Army Chaplain Corps as a Customer also represents an opportunity for future expansion of Pushpay's solutions into a variety of public service organisations, as part of our longer-term strategy.

Catholic growth strategy

Over the first half of FY23, Pushpay made progress in executing its Catholic growth strategy by continuing product development and talent plans, attracting new Catholic parishes and further developing partnerships. Pushpay serves 326 Catholic parishes and is on the Approved Vendor List for 49 dioceses as at 30 September 2022, up from 45 as at 31 March 2022.

As planned, we have expanded our Catholic-focused team and remain on track for expected investment and expenses of between US$5-7 million in FY23, and to achieve breakeven at Underlying EBITDAF.

Pushpay continues to see uptake of its ParishStaq platform by Catholic Customers. During the first half of FY23, enhancements were released to the Sacrament Tracking functionality and further developments are on track to be released prior to the end of the financial year, including Diocesan Reporting and Spanish language localisation.

As previously stated, the Catholic initiative is our first step in investing to grow our Customer base outside of our existing core Customer base, and we have set the goal of acquiring more than 25% of the total number Catholic parishes as Customers over the next five years.

Archdiocese of Seattle

In July 2022, Pushpay was delighted to welcome the Archdiocese of Seattle as a Customer following a multi-month sales process. This represents an opportunity to reach a Catholic population of over 600,000 people. The addition of this Customer, as planned, is an example of the growth opportunity available as Pushpay continues to execute on its longer-term expansion strategy.

As of 30 September 2022, we added 134 parishes within the Archdiocese of Seattle as ParishStaq Customers. The first cohort is on track to complete their full implementation by 31 March 2023. We will see the processing revenue increase from this date with the last cohort due to be implemented by early 2024.

Resi Media integration

During the first half of FY23, Pushpay continued to strengthen its value proposition through further integration of Resi Media's streaming solutions into the business, following the acquisition which was completed in August 2021.

The primary focus for FY23 is to combine the main go-to-market business systems, with a focus on removing redundant operating systems that will increase throughput across teams and streamline back-office costs.

Throughout the remainder of FY23, we will continue to focus on realising sales and marketing synergies to offer streaming solutions to existing Pushpay Customers and vice versa. Pushpay's sales organisation has a planned strategic review of cross-referral activities to occur in the second half of FY23, with a focus on the medium segment of the Customer base.

Our people

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

In August 2022, Pushpay conducted a CultureAmp employee survey which yielded a 98% response rate across the Company, with the favourable engagement score increasing by 32% since March 2021. The survey is conducted twice a year to identify Company-wide focus areas which are then led by our senior leadership team and has seen the survey result improve each survey. For the remainder of the year, we are committed to communicating our vision, employee benefits, engagement and career development opportunities.

Scheme Implementation Agreement

As previously disclosed, Pushpay received unsolicited, non-binding and conditional expressions of interest or approaches from third parties looking to acquire the Company during the first half of the financial year.

On 28 October 2022, Pushpay announced that it has entered into a Scheme Implementation Agreement under which the Sixth Street and BGH Capital Consortium via Pegasus Bidco Limited (the "Sixth Street/BGH Consortium") will acquire all of Pushpay's shares at a price of NZ$1.34 per share in cash by means of a scheme of arrangement ("Scheme").

The Board (being, for this purpose, all of the Non-Conflicted Directors[5]) unanimously recommends that shareholders vote in favour of the Scheme, subject to the Scheme price being within or above the Independent Adviser's valuation range for Pushpay shares and in the absence of a superior proposal. Subject to the same qualifications, the Non-Conflicted Directors undertake to vote the Pushpay shares that they hold or control in favour of the Scheme.

The Pushpay Board has concluded that the Sixth Street/BGH Consortium Scheme proposal currently represents the most compelling value for shareholders. Although the Board remains confident in the future of Pushpay, the transaction will accelerate a capital return to shareholders and mitigate the risks that would otherwise be involved in delivering the opportunities from executing Pushpay's strategic plan over time.

The Scheme is subject to Pushpay shareholder and New Zealand High Court approval, applicable regulatory approvals and other conditions as detailed in the Scheme Implementation Agreement. Pushpay shareholder approval will be sought at a special meeting of shareholders currently expected to be held by the end of March 2023. Further information on the Scheme, including the reasons as to why the Non-Conflicted Directors currently unanimously recommend that you vote in favour, the reasons that you may vote against, and the Independent Adviser's Report (prepared to assess the merits of the Scheme) will be available ahead of the Scheme Meeting.

5. Due to his association with Sixth Street, Pushpay Director John Connolly has not participated in Pushpay's response to the receipt of unsolicited expressions of interest or the negotiation of the Scheme, and he abstains from providing a recommendation to shareholders. Accordingly, references in this report to the Non-Conflicted Directors means the Directors other than Mr Connolly and the Board means all of the Non-Conflicted Directors.

Outlook

FY23 remains an investment year for Pushpay with early benefits expected to start being seen in the second half of FY23 onwards. We believe in our strategic growth plan and are continuing to execute on the opportunities ahead of us albeit in a more challenging macroeconomic environment. While our go-to-market strategy reset has taken longer than anticipated and affected our growth rate in the short to medium-term, we are in a good position to move ahead.

As advised on 28 October 2022, for the FY23 financial year, Pushpay expects to be at the lower end of its previous FY23 Underlying EBITDAF guidance of between US$56.0 million and US$61.0 million. The Company revised its guidance range for Underlying EBITDAF to be between US$54.0 million and US$58.0 million. Pushpay continues to forecast positive operating revenue growth but has lowered expectations to be between 4% and 8% for FY23 (previous guidance 10% to 15%).

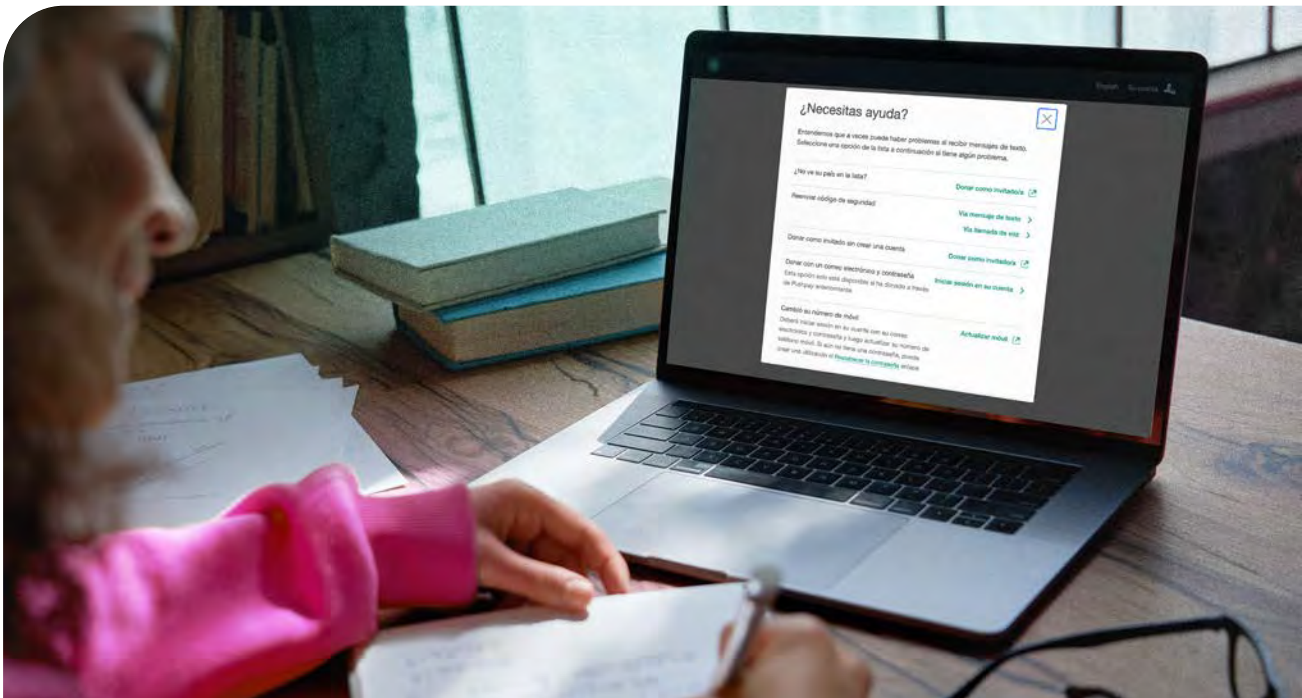
The Board remains confident in Pushpay's long-term strategy, however, notes the execution risks of delivering our strategy over time. Due to the go-to-market reset taking longer than anticipated, the more challenging trading environment and macroeconomic outlook, this has extended our expected timeline to achieve our medium-term outlook on Total Processing Volume (>US$10 billion) and Customer (>20,000) goals by 12-18 months on the basis that the current trends improve. We expect the benefits from FY23 investment into talent, resources and capability, balanced with continued cost management discipline, to be seen from FY24 with Underlying EBITDAF expected to grow faster than revenue.

In the short to medium-term, Pushpay remains focused on further integrating Resi Media into the portfolio of Products, growing the number of Products utilised by Customers and growing its share of Customers within its target market. Pushpay's medium to longer-term focus is to continue expansion into the Catholic segment, as well as non-profit or public service organisations, which offers a new opportunity for the Group.

Pushpay's success would not be possible without the direction from the Board of Directors, execution from management and the hard work of our dedicated colleagues. We would like to extend our thanks to all of the Pushpay team for their efforts and support over the past year.

Graham Shaw
Independent Chairman

Molly Matthews
CEO



People we are proud of

Heather Sharp – Senior Director of Implementation

Colorado Springs, Colorado, US

After having been in both the Customer Success and the Product and Engineering sides of Church Community Builder, what excites me most about my current role at Pushpay is entering into the Catholic market; it makes me want to jump out of bed and rush to work each morning. The opportunity to craft new, custom professional services tailored for our Catholic customers has been an exciting challenge and while we are still learning and adjusting, our initial successes are very rewarding. One thing I love about Pushpay is its unique culture, which is something I cherish. The way our values are lived out, the deep friendships among employees and the continuous focus on having a healthy culture make this a company I am proud to work for.

“Our Customer Support organisation would not be where it is today without Heather's leadership. She is constantly challenging herself and others to not settle, but to look for opportunities and charge forth to make change happen. She cares deeply and passionately for those around her and makes time to listen and give her full attention. On numerous occasions she has taken the time to check-in, offer encouragement, and valuable advice to me and many others. I am grateful to have had her example of leadership and friendship during my time at Pushpay.”

NIKOLE ARMBRUST, TECHNICAL SUPPORT TEAM LEADER

“Heather always says,‘You can't steer a parked car!' I appreciate and rely upon her activator strengths; she is always leading us forward and ready to jump-start the battery when we need it. She has helped me to embrace ambiguity and complexity and grow as a leader. Heather is tuned into the voice of the customer and adds value in countless ways.”

VALERIE MATHIEU, IMPLEMENTATION TEAM MANAGER

"Maria is an exceptionally talented leader that successfully balances the needs of a high performing organisation with Pushpay's core belief that our people truly do come first. Her tireless pursuit of excellence has been instrumental in Pushpay's ability to support our teams through the COVID-19 pandemic, resulting in a more engaged and aligned workforce than we've seen before."

KEVIN KUCK, CHIEF OPERATING OFFICER

"Working with Maria for the last few years can only be defined as a true partnership. She lives our core value of 'People Focused' every day by being an advocate for our people and helping managers throughout the company become great leaders. I know that I owe many of my own successes to her expert counsel."

PETER GOODMAN, VP OF ENGINEERING

Maria Telles – VP of People and Culture

Auckland, New Zealand

One of the main reasons I joined Pushpay was for the incredible opportunity to be part of a growing company that had a great foundation. I loved the idea of being able to help continue to grow and enhance our people's practices. We build on our past successes, learn from our misses, and get to make a real impact. I have spent most of my career in Human Resources and absolutely love the blended focus on people, culture and business results. It's an incredible passion of the members of our People team to ensure our employees feel they can both be themselves and have a great career experience while at Pushpay. Two of the main reasons why I think Pushpay is successful are our people and our innovative culture. We have such an incredible group of people on the Pushpay team, who are so incredibly passionate, smart and generous with their time to help each other. Pushpay has always been driven by being innovative and our teams have built incredible practices to approach it in such a unique way.

Peter Goodman – VP of Engineering

Auckland, New Zealand

I joined Pushpay because a group of early engineering folks approached me and asked if I was interested in joining the crew. As they were people I had a huge amount of respect for, I jumped at the opportunity. What excites me about my role at Pushpay is the impact I have on outcomes for both people and customers. I think Pushpay has been successful due to its focus and drive. In my role, I get to see and influence how we work with the rest of the business to define the what, the when, and ultimately the how of that process. The people are what made me want to work at Pushpay but it is our culture of constant learning through being challenged in a safe and collaborative environment that makes me want to stay. One thing I love about Pushpay is our blameless culture. I have been an evangelist for blameless culture inside and outside of Pushpay for many years but I have not seen anywhere else that does it as genuinely and as well as us.

“Pete is a competent and technically savvy engineer leader - but the industry is full of people who know their craft. What sets Pete apart is that he deeply cares about the culture and environment here at Pushpay. He's working to ensure that both the business and the people who work for it thrive.”

AARON SENNEFF, CHIEF TECHNOLOGY OFFICER

“Pete is an engineering leader who has that magical combination of visionary organisational design thinking paired with a deep and nuanced technical insight. He drives an engineering culture of excellence, where all our teams feel empowered to bring their best selves to Pushpay and to do the best work of their career.”

SAM WOOD, DIRECTOR OF ENGINEERING, GIVING

Enabling social good

Communities we're helping

Cathedral of Faith

San Jose, California, US

Cathedral of Faith began in 1965 in San Jose, California. Although in its early years, the church had a different name, the ministry work and impact of Pastor Kenny and Shirley Foreman left a mark for many to remember. One week after starting the church, Pastor Kenny began a ground-breaking television show, leading in innovation to proclaim the life filled message of his ministry via an uncommon medium. Not too long after, in 1982, Cathedral of Faith became the home of The Religious Channel which was the largest cable company in the nation at that time. The pioneering ministry work did not stop there.

In the late 1970s, the church started its food ministry, Reaching Out, and this ministry is still thriving today. Reaching Out began out of a church closet on campus. By the late 80s, the exponential growth was so impactful that the ministry had substantial resources to hold its first ever Celebration of Love. This large event is well known in the community, both by volunteers who serve the less fortunate and by the grateful beneficiaries of the social good that comes out of this generous effort. Not only does the church distribute large amounts of food at these events, but also serves the homeless community in the local area. In 1993, Reaching Out built a 16,000 square foot state-of-the-art warehouse facility to meet the needs of the economically disadvantaged within its community. Today, over US$16 million worth of food is distributed annually through the Reaching Out ministry. The ministry partners with 37 local public schools to provide food for families in need. This ministry has humbly become the largest food outreach in Northern California. The ministry operates via the unwavering generosity of its congregants and resources via grants.

The congregation not only gives financially, but selflessly gives of their time. The church provides several opportunities to serve and makes it easy for new volunteers to sign up and submit inquiries easily through their digital platforms. Pushpay is proud to partner with Cathedral of Faith, not only in recent years as the church increased its adoption of features that facilitate processes to support engagement, but since late 2014. The church family believes as they continue to be a place where people can get help, healing and hope, then anything is possible.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Eastern Hills

Aurora, Colorado, US

Eastern Hills is located in Aurora, Colorado and has been a partner with Pushpay since 2015. The church is proud that its community has created incredible moments of generosity, outreach and connection. Many of these moments are centred around the way that Eastern Hills does ministry. Its programming is based on three important key elements titled as Reach Out, Grow Deep and Partner with Families. While all three are equally important, Reach Out brings a different level of inspiration with its influence and impact in the surrounding area.

Eastern Hills explains that "In today's world, many churches are known for what they are against; we want to be known because of what we are for: we are #ForAurora." Knowing that life is full of challenges, the church wants the community to know that it is here to help. #ForAurora supports several different ministries, both locally and globally, and pulls in hundreds of volunteers looking to serve their city. Through this Reach Out ministry, the team ensures that needs are being met; whether physical, mental or spiritual. They provide times of prayer, conversations around mental health and life disruption resources. From a practical perspective, they provide several ways to meet the physical needs of individuals and families who are in need.

Below are some inspiring metrics around Eastern Hills' #ForAurora efforts:

- Over $102,000 raised in total for #ForAurora ministries
- 7,200 hot meals provided to families
- 750 families received boxes through Mountain of Mercy
- 100,000 meals packed for Rise Against Hunger
- 300 volunteers served in the local community

Eastern Hills has a strong, positive reputation in the community and is eager to continue its holistic approach. Although its impact can be experienced in person, the church understands the need for a digital presence for those who desire to connect digitally. Their online platform and content were a necessary resource over the past two years. This included online book clubs, Kids YouTube participation, and an online service experience. At Eastern Hills, the congregation is proud to be a part of a church that is making a difference.

New Life Community Church

Chicago, Illinois, US

New Life Community Church is located in the heart of Chicago, Illinois and has humbly become a strong influence within the surrounding area due to its generous staff and congregation. The church started a ministry in the early 1990s called New Life Centers, which evolved out of a felt need to reach the disconnected youth of Chicago.

The ministry of New Life Centers is built on five pillars:

- Mentoring young people who are in need of a healthy relationship. In 2016 they were identified as the top mentoring organisation of Illinois.
- Education and providing after school programs for young people.
- The Sports pillar, which has seen 2,500 youth come through the program. They also connect locally by having members of the Chicago Fire professional soccer team mentor athletes in their soccer program.
- In a dangerous inner city, the Peace Making pillar has allowed their teams to connect with victims of violent crimes as well as give them access to the Illinois Youth Correctional system.
- New Life Centers has also been able to provide meals through their Food Distribution pillar.

Prior to the COVID-19 pandemic, New Life Centers was distributing 100 meals per week. When the pandemic began to affect people's livelihoods, they started feeding 400 people per week. This was made possible through a partnership with a local supermarket, providing quality food to people in need.

In May 2020, the ministry expanded from one location to seven across the city. At this point they received a mention by Former President Obama in a Tweet which resulted in one million likes on New Life Center's social media platform. This publicity resulted in food vendors contacting New Life Centers asking how they could partner with this ministry. The Greater Chicago Food Company is a prominent partner to the ministry in providing, warehousing and distributing food for the now 30,000 meals per week. With this support, New Life Centers is now providing 10,000 meals per day.

Management commentary

You should read the following commentary with the unaudited interim financial statements and the related notes in this report. Some parts of this commentary include information regarding the plans and strategy for the business, and include forward-looking statements that involve risks and uncertainties. Actual results and the timing of certain events may differ materially from future results expressed or implied by the forward-looking statements contained in the following commentary. Unless otherwise stated, the following commentary discusses the performance over the six months ended 30 September 2022 compared to the six months ended 30 September 2021, also referred to as the prior comparable period (PCP). All amounts are presented in United States Dollars (USD), except where indicated.

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

BUSINESS RESULTS

Unaudited	2022 US$000	2021 US$000	Change*
Six months ended 30 September			
Operating revenue	103,026	93,491	10%
Other revenue	26	20	30%
Total revenue excluding finance income	103,052	93,511	10%
Third party direct costs	(31,536)	(29,272)	8%
Percentage of operating revenue	31%	31%	0 pp
Other operating expenses	(51,202)	(37,325)	37%
Percentage of operating revenue	50%	40%	10 pp
Earnings before interest, tax, depreciation, amortisation and foreign currency gains/(losses) (EBITDAF)	**20,314**	**26,914**	**-25%**
Percentage of operating revenue	20%	29%	-9 pp
Finance expenses, net	(1,301)	(170)	665%
Depreciation and amortisation	(6,059)	(3,902)	55%
Net foreign exchange gains/(losses)	(827)	2,200	-138%
Net profit before income tax	**12,127**	**25,042**	**-52%**
Income tax expense	(3,336)	(5,915)	-44%
Net profit	**8,791**	**19,127**	**-54%**
Percentage of operating revenue	9%	20%	-11 pp

** pp stands for percentage point*

Unaudited	2022 US$000	2021 US$000	Change
Six months ended 30 September			
Earnings before interest, tax, depreciation, amortisation and foreign currency gains/(losses) (EBITDAF)	**20,314**	**26,914**	**-25%**
Percentage of operating revenue	20%	29%	-9 pp
Adjustments to EBITDAF for non-recurring items			
Transaction costs	3,262	1,869	75%
Fair value discount on unearned revenue acquired	196	277	-29%
Impact of vendor restricted shares on employee benefits	3,000	563	433%
Underlying Earnings before interest, tax, depreciation, amortisation and foreign currency gains/(losses) (Underlying EBITDAF)	**26,772**	**29,623**	**-10%**
Percentage of operating revenue	26%	32%	-6 pp

Pushpay continued to invest in its strategic growth opportunities over the first half of 2023 as the Group sets the foundation for future growth. In particular, Pushpay increased and strengthened its talent pool by investing in resources and capabilities to drive the Catholic, Resi Media and other growth initiatives including the Group's go-to-market strategy reset. While both subscription and processing revenue increased over the period, the growth has been slower than anticipated during the go-to-market reset process where resource and organisational changes were made, and as a result there has been lower net customer adds throughout this period than originally expected. The investment in growth opportunities resulted in an increase in operating costs. Underlying EBITDAF for the six months ended 30 September 2022 was ahead of management expectations, and a decrease compared to the prior comparable period in line with previous market guidance.

The Group's performance over the six months ended 30 September reflects the full benefit from the acquisition of Resi Media in August 2021, with only one month's contribution in the prior comparable period.

The increase in operating revenue was driven by the inclusion of six months of operating revenue from Resi Media ($10.5 million in the six months to 30 September 2022 compared to $1.8 million in the prior comparable period) as well as growth in Products and Customers and an increase in processing volume. Excluding the Resi Media operating revenue, operating revenue increased by 1% compared to the prior comparable period.

Operating expenses increased by 37% over the period primarily due to the inclusion of six months of operating expenses from Resi Media including the impact of vendor restricted shares on employee benefits ($12.1 million in the six months to 30 September 2022 compared to $2.1 million in the prior comparable period) as well as non-recurring items such as transaction costs associated with the intercompany transfer of intellectual property and the expressions of interest process. Excluding the Resi Media operating expenses and these non-recurring items, operating expenses of $36.0 million increased by 8%.

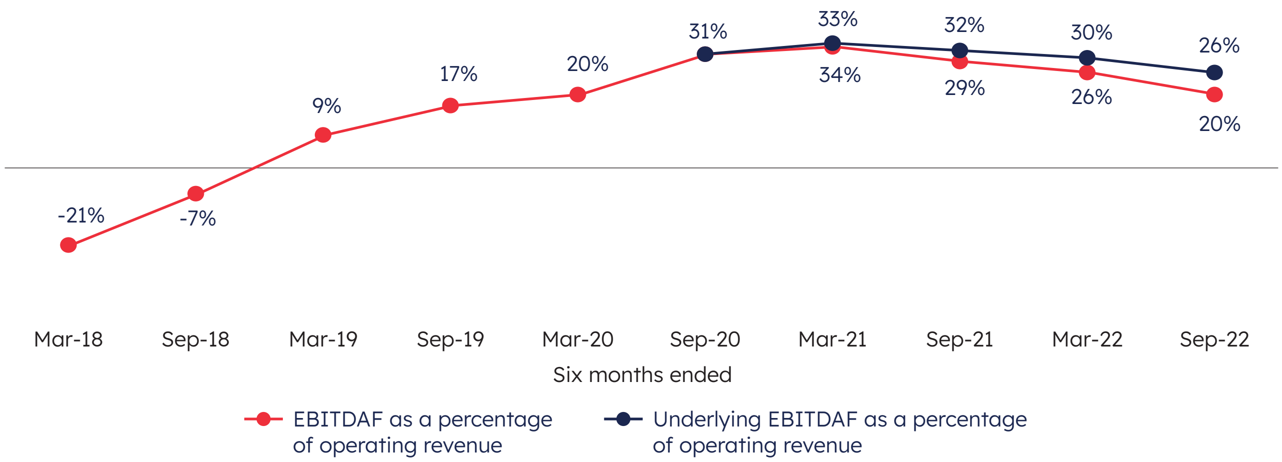
The increase in net finance expenses was due to the interest on the borrowings to fund the acquisition of Resi Media.

Depreciation and amortisation increased by 55% largely due to the amortisation of Resi Media intangible assets. Net foreign exchange losses primarily relate to non-cash accounting balances arising from the New Zealand legal entities that have a New Zealand dollar functional currency.

In addition to reporting results under NZ IFRS, with the non-recurring transaction costs and NZ IFRS accounting requirements associated with the Resi Media acquisition, the Group also provides a reconciliation of the Group's performance without these non-recurring items, Underlying EBITDAF. The Group believes that these measures provide a more appropriate representation of the Group's performance.

Including the non-recurring items mentioned above, EBITDAF decreased by 25% when compared to the prior comparable period. Excluding these one-off transaction costs and other accounting adjustments associated with the acquisition of Resi Media, the Underlying EBITDAF decreased by 10% from $29.6 million to $26.8 million during the period. Excluding Resi Media, Underlying EBITDAF decreased by 9% to $27.0 million during the period.

EBITDAF as a percentage of operating revenue



Net profit after tax for the six months ended 30 September 2022 decreased by 54% when compared to the prior comparable period. Lower EBITDAF in the period contributed the majority of the decrease. The remaining decrease was attributable to six months of the interest on borrowings to fund the acquisition of Resi Media and amortisation of Resi Media intangible assets as well as net foreign exchange losses. The lower EBITDAF, along with the items mentioned above, lead to a lower tax expense in the period.

OPERATING REVENUE

Subscription revenue comprises the recurring fees from Products utilised by Customers. Subscriptions can vary depending on the size of the Customer and in the case of the faith sector size is based on average weekly attendance. Revenue is recognised as the services are delivered to Customers over the term of the contract commencing with the date the contract is signed by the Customer. Customers are invoiced monthly or annually in advance. Unearned revenue represents amounts billed to Customers in advance of the provision of services and is recognised in the statement of financial position as unearned revenue in current liabilities.

Processing revenue is variable fee income generated from payment transaction volume and is usually a percentage of total donations. Processing revenue is billed monthly in arrears.

Other operating revenue consists mainly of the sale of hardware and also includes data integration, training and other implementation fees billed to the Customer. This revenue is recognised at the point of delivery.

Unaudited	2022 US$000	2021 US$000	Change
Six months ended 30 September			
Subscription revenue	34,948	27,272	28%
Processing revenue	66,049	65,133	1%
Other operating revenue	2,029	1,086	87%
Total operating revenue	**103,026**	**93,491**	**10%**

As at 30 September	2022	2021	Change
Total Products	19,438	18,229	7%
Comprising			
Donor Management System	9,229	9,182	1%
Church Management System	5,275	4,875	8%
Streaming	4,934	4,172	18%
Total Customers	14,602	14,095	4%
ARPC per month (US$)	1,139	1,166	-2%
ARPC per month excluding Resi Media acquisition (US$)	1,362	1,348	1%

The increase in subscription revenue was driven by the inclusion of six months of subscription revenue from Resi Media as well as the growth in Products and Customers. The total Products increased by 7% compared to the prior comparable period, representing new Customers and existing Customers increasing the number of Products utilised.

Total Processing Volume increased 2% with increases across all payment methods with a slight change in mix. Volume that originated from credit or debit card, as a percentage of Total Processing Volume, decreased by 1% to 62%, while electronic bank transfers, as a percentage of Total Processing Volume, increased by 1% to 32%. This resulted in a 1% increase processing revenue.

Group Average Revenue Per Customer (ARPC) decreased by 2% to $1,139 per month in September 2022 due to the higher proportion of small Customers that typically have lower average processing revenue and an increase in Resi Media Customers that do not generate any processing revenue and have lower subscription prices. Excluding Resi Media, ARPC increased by 1% to $1,362 per month, reflecting the lower ARPC of the Resi Media Customers.

Continued work on bundling Products utilised by our Customers has resulted in Customers with two or more products increasing from 26% of Customers in September 2021 to now being more than 29% of Customers. This included a 15% increase in Customers with three products to 4% of Customers over the same period demonstrating the significant potential within our existing Customer base to grow the number of Products and offer bundled solutions.

The six months to 30 September 2022 reflected a softer transitory period due to the go-to-market strategy reset and new processes being implemented. During the six month period, total Customers increased by 1% from 14,508 at 31 March 2022 to 14,602 at 30 September 2022, with 94 net new Customers of which over half were large Customers. This compares to 138 net new Customers (excluding 2,858 Resi Media Customers added at the date of acquisition) added during the six month prior comparable period. The first half of each financial year typically results in fewer Customer adds due to the US summer holiday period compared to the second half of the financial year which benefits from the increased seasonal demand prior to the Christmas and Easter periods.

The net new large Customer increase for the six months to 30 September 2022 was due to an increase in both Catholic and non-profit/public service organisations with a small decrease in Protestant Customers. The proportion of medium and large Customers, as a proportion of total Customers, decreased from 63% in the prior comparable period to 61% due to a large increase in net new small Customers.

Overall churn rates increased from 4% to 5% over the six months ended 30 September 2022 when compared to the prior comparable period.

THIRD PARTY DIRECT COSTS

Third party direct costs consist of volume related processing costs, platform hosting and other related costs payable to third parties. Processing costs include interchange fees, which are paid to third parties, such as Visa and MasterCard. Other third party direct costs include payments to third party suppliers for hardware such as decoders, encoders and streaming kits sold by Resi Media.

Unaudited	2022 US$000	2021 US$000	Change
Six months ended 30 September			
Processing costs	28,143	26,819	5%
Platform hosting costs	2,730	2,121	29%
Other third party direct costs	663	332	100%
Total third party direct costs	**31,536**	**29,272**	**8%**
Percentage of operating revenue	31%	31%	0 pp
Processing costs, as a percentage of processing revenue	43%	41%	2 pp
Platform hosting costs, as a percentage of operating revenue	3%	2%	1 pp

Total third party direct costs increased by 8% over the period primarily due to higher processing volumes and the inclusion of six months of direct costs associated with the Resi Media's streaming solution and hardware sales. Excluding Resi Media, total third party direct costs increased by 3%.

Processing costs as a percentage of processing revenue increased by 2% to 43% due to a higher proportion of credit card generated processing volume.

Platform hosting costs increased by 29% when compared to the prior comparable period and increased by 1% to 3% of operating revenue. The increase was due to the inclusion of six months of platform hosting costs associated with the streaming solution offered by Resi Media, contributing $0.8 million to the total platform hosting costs. Excluding Resi Media, platform hosting costs decreased by 2%. Other third party direct costs increased due to increased sales of hardware such as decoders, encoders and streaming kits sold by Resi Media.

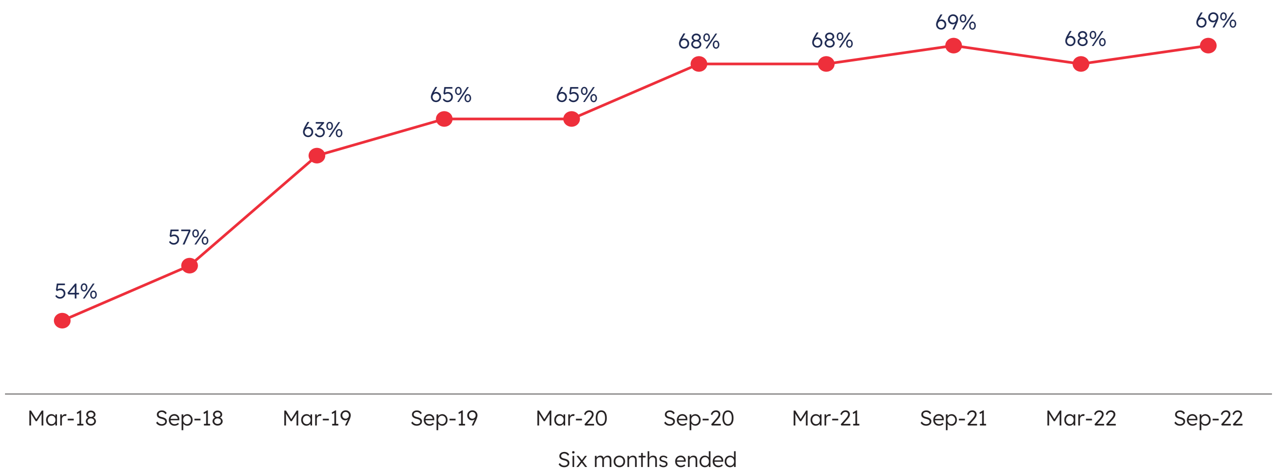
GROSS PROFIT

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

Unaudited	2022 US$000	2021 US$000	Change
Six months ended 30 September			
Operating revenue	103,026	93,491	10%
Third party direct costs	(31,536)	(29,272)	8%
Gross profit	**71,490**	**64,219**	**11%**
Gross margin, as a percentage of operating revenue	69%	69%	0 pp

Gross margin as a percentage of operating revenue remained unchanged at 69%.

Gross margin percentage



OPERATING EXPENSES

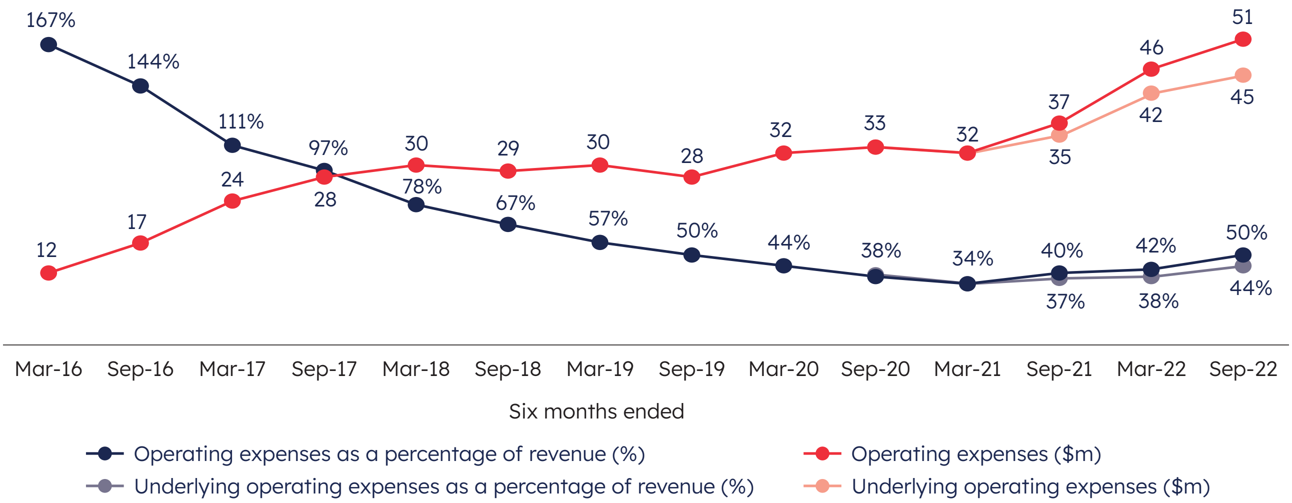
Operating expenses comprise product design and development, sales and marketing, customer success, and general and administration costs.

Unaudited	2022* US$000	2021 US$000	Change
Six months ended 30 September			
Product design and development	15,347	9,219	66%
Sales and marketing	14,427	14,063	3%
Customer success	5,411	4,359	24%
General and administration	16,017	9,684	65%
Total operating expenses	**51,202**	**37,325**	**37%**
Percentage of operating revenue	50%	40%	10 pp
Adjustments to operating expenses for non-recurring items			
Transaction costs	3,262	1,869	75%
Impact of vendor restricted shares on employee benefits	3,000	563	433%
Underlying total operating expenses excluding non-recurring items	**44,940**	**34,893**	**29%**
Underlying operating expenses by department			
Product design and development	14,075	9,032	56%
Sales and marketing	14,427	14,063	3%
Customer success	5,411	4,359	24%
General and administration	11,027	7,439	48%
Total underlying operating expenses	**44,940**	**34,893**	**29%**
Percentage of underlying operating revenue	44%	37%	7 pp

Operating expenses increased over the period largely due to the inclusion of six months of operating expenses from Resi Media ($12.1 million including the impact from vendor restricted shares on employee benefits) and transaction costs associated with the intercompany transfer of intellectual property and the expressions of interest process ($3.1 million combined).

Excluding Resi Media and non-recurring items, operating expenses increased by 8% to $36.0 million, an increase of 3% to 39% of operating revenue.

Operating expenses



PRODUCT DESIGN AND DEVELOPMENT

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

Unaudited	2022 US$000	2021 US$000	Change
Six months ended 30 September			
Total product design and development costs (including amounts capitalised)	17,543	9,391	87%
Percentage of operating revenue	17%	10%	7 pp
Less capitalised development costs	(2,196)	(172)	1177%
Percentage of total product design and development costs	13%	2%	11 pp
Net product design and development expense	**15,347**	**9,219**	**66%**
Percentage of operating revenue	15%	10%	5 pp

Product design and development costs increased over the period due to ongoing investment in the Catholic initiative and the inclusion of six months of product design and development costs from Resi Media (including $1.0 million of vendor restricted shares in employee benefits). Capitalised development costs related to applicable product design and development costs primarily associated with the Catholic initiative.

Excluding Resi Media, net product design and development costs increased by 18% to $9.7 million and amounted to 10% of operating revenue.

SALES AND MARKETING, AND CUSTOMER SUCCESS

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

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

Unaudited	2022 US$000	2021 US$000	Change
Six months ended 30 September			
Sales and marketing	14,427	14,063	3%
Customer success	5,411	4,359	24%
Total sales and marketing, and customer success costs	**19,838**	**18,422**	**8%**
Percentage of operating revenue	19%	20%	-1 pp
Months to recover CAC	20.8	24.3	-3.5
Annual Revenue Retention Rate	**>100%**	>100%	

Sales and marketing costs remained largely in line with the prior comparable period despite the inclusion of six months of sales and marketing costs from Resi Media. The focus on the go-to-market strategy reset included the recruitment of a new and experienced team. Months to recover CAC decreased from 24 to 21 months resulting from higher number of products added in the period when compared to the prior comparable period. Customer success costs increased due to an increase in headcount to support customer retention and the Catholic initiative.

GENERAL AND ADMINISTRATION

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

Unaudited	2022 US$000	2021 US$000	Change
Six months ended 30 September			
General and administration	16,017	9,684	65%
Percentage of operating revenue	16%	10%	6 pp

The increase in general and administration expenses was primarily driven by the inclusion of six months general and administration costs from Resi Media, increase in employee related costs and non-recurring transaction costs. Excluding Resi Media and non-recurring transaction costs, general and administration costs increased by 31% to $9.5 million when compared to the prior comparable period and remained consistent at 10% of operating revenue.

EMPLOYEES

As at 30 September	2022	2021	Change
Product design and development	195	175	11%
Sales and marketing	162	170	-5%
Customer success	107	101	6%
General and administration	114	101	13%
Total Group	**578**	**547**	**6%**

Staff headcount increased by 6% over the period to 578, with 100 staff based in New Zealand and 478 based in the US.

Financial Statements

INCOME STATEMENT

	Notes	Six months ended 30 September 2022 Unaudited US$000	Six months ended 30 September 2021 Unaudited US$000
Operating revenue	4	103,026	93,491
Other revenue	4	26	20
Third party direct costs		(31,536)	(29,272)
Product design and development		(15,347)	(9,219)
Sales and marketing		(14,427)	(14,063)
Customer success		(5,411)	(4,359)
General and administration		(16,017)	(9,684)
Total expenses	5	(82,738)	(66,597)
Earnings before interest, tax, depreciation, amortisation and foreign currency gains/(losses) (EBITDAF)*		**20,314**	**26,914**
Finance expenses, net	6	(1,301)	(170)
Depreciation and amortisation		(6,059)	(3,902)
Net foreign exchange gains/(losses)		(827)	2,200
Net profit before income tax		**12,127**	**25,042**
Income tax expense		(3,336)	(5,915)
Net profit for the period		**8,791**	**19,127**
Profit per share			
Basic profit per share (cents)	8	0.77	1.72
Diluted profit per share (cents)	8	0.77	1.71

** EBITDAF is a non-GAAP financial measure.*

STATEMENT OF COMPREHENSIVE INCOME

	Notes	Six months ended 30 September 2022 Unaudited US$000	Six months ended 30 September 2021 Unaudited US$000
Net profit for the period		**8,791**	**19,127**
Other comprehensive income*			
Exchange differences on translation of foreign operations		1,378	(2,326)
Fair value (losses) recognised in the cash flow hedge reserve, net of tax	11	(466)	(160)
Other comprehensive profit/(loss)		**912**	**(2,486)**
Total comprehensive profit for the period		**9,703**	**16,641**

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

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

STATEMENT OF CHANGES IN EQUITY

Unaudited	Notes	Share capital US$000	Vendor restricted share reserve US$000	Accumulated profits/ (losses) US$000	Share-based payment reserve US$000	Foreign currency translation reserve US$000	Cash flow hedge reserve US$000	Total equity US$000
Balance at 1 April 2021		**95,918**	**–**	**(3,502)**	**1,758**	**(447)**	**191**	**93,918**
Net profit		–	–	19,127	–	–	–	19,127
Other comprehensive loss		–	–	–	–	(2,326)	(160)	(2,486)
Total comprehensive profit/(loss)		**–**	**–**	**19,127**	**–**	**(2,326)**	**(160)**	**16,641**
Transactions with owners:								
Issue of shares	7	31,411	–	–	–	–	–	31,411
Issue of vendor restricted shares	7	9,000	(9,000)	–	–	–	–	–
Amortisation of vendor restricted share reserve*		–	563	–	–	–	–	563
Share issue costs	7	(75)	–	–	–	–	–	(75)
Share-based payments		–	–	–	229	–	–	229
Balance at 30 September 2021		**136,254**	**(8,437)**	**15,625**	**1,987**	**(2,773)**	**31**	**142,687**
Balance at 1 April 2022		**137,068**	**(5,062)**	**29,901**	**1,248**	**(910)**	**–**	**162,245**
Net profit		–	–	8,791	–	–	–	8,791
Other comprehensive profit/(loss)		–	–	–	–	1,378	(466)	912
Total comprehensive profit/(loss)		**–**	**–**	**8,791**	**–**	**1,378**	**(466)**	**9,703**
Transactions with owners:								
Issue of shares	7	506	–	–	–	–	–	506
Amortisation of vendor restricted share reserve*		–	3,000	–	–	–	–	3,000
Share-based payments		–	–	–	421	–	–	421
Balance at 30 September 2022		**137,574**	**(2,062)**	**38,692**	**1,669**	**468**	**(466)**	**175,875**

** Vendor restricted share reserve is amortised to the Employee Benefits in the Income Statement.*

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

STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 September 2022 Unaudited US$000	As at 31 March 2022 Audited US$000
Assets			
Current assets			
Cash and cash equivalents		4,904	6,755
Trade and other receivables		18,963	21,471
Deferred acquisition costs		690	1,020
Inventory		931	543
Total current assets		**25,488**	**29,789**
Non-current assets			
Property, plant and equipment		6,570	7,712
Intangible assets		216,194	218,929
Deferred acquisition costs		448	268
Restricted cash balances		228	200
Deferred tax asset		4,468	3,188
Other receivables		977	1,252
Total non-current assets		**228,885**	**231,549**
Total assets		**254,373**	**261,338**
Liabilities			
Current liabilities			
Trade and other payables		7,586	7,305
Unearned revenue		16,894	16,974
Employee entitlements		3,656	3,017
Lease liability		1,463	1,638
Derivative financial liability	11	635	–
Income tax payable		3,441	10,460
Total current liabilities		**33,675**	**39,394**
Non-current liabilities			
Lease liability		4,823	5,699
Borrowings		40,000	54,000
Total non-current liabilities		**44,823**	**59,699**
Total liabilities		**78,498**	**99,093**
Net assets		**175,875**	**162,245**

STATEMENT OF FINANCIAL POSITION CONTINUED

	Notes	As at 30 September 2022 Unaudited US$000	As at 31 March 2022 Audited US$000
Equity			
Share capital	7	137,574	137,068
Vendor restricted share reserve		(2,062)	(5,062)
Accumulated profits		38,692	29,901
Share-based payment reserve		1,669	1,248
Cash flow hedge reserve		(466)	–
Foreign currency translation reserve		468	(910)
Total equity		**175,875**	**162,245**

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

For and on behalf of the Board, 9 November 2022:

Graham Shaw
Independent Chairman

Lorraine Witten
Independent Director

STATEMENT OF CASH FLOWS

	Notes	Six months ended 30 September 2022 Unaudited US$000	Six months ended 30 September 2021 Unaudited US$000
Operating activities			
Receipts from Customers		74,558	66,918
Other income		1,568	1,137
Interest received		17	8
Payments to suppliers and employees		(49,409)	(36,330)
Income tax paid		(9,851)	(11)
Net cash flows from operating activities	12	**16,883**	**31,722**
Investing activities			
Purchase of property, plant and equipment		(257)	(252)
Acquisition of Resi Media, net of cash acquired		–	(110,000)
Final settlement of Resi Media working capital		309	–
Receipts from finance lease		–	49
Capitalised development costs and other intangible assets		(2,196)	(17)
Restricted cash balances		(28)	–
Net cash flows from investing activities		**(2,172)**	**(110,220)**
Financing activities			
Proceeds from borrowings		6,000	90,000
Repayment of borrowings		(20,000)	(7,000)
Payment of lease liabilities		(859)	(921)
Interest on borrowings		(892)	(79)
Financing costs		(124)	(900)
Share issue costs		–	(73)
Net cash flows from financing activities		**(15,875)**	**81,027**
Net increase/(decrease) in cash and cash equivalents		**(1,164)**	**2,529**
Foreign currency translation adjustment		(687)	331
Cash and cash equivalents at the beginning of the period		**6,755**	**4,843**
Cash and cash equivalents at the end of the period		**4,904**	**7,703**

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

Notes to the Financial Statements

1. CORPORATE INFORMATION

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

The unaudited interim financial statements presented are for Pushpay and its subsidiaries (together, the 'Group') for the six months ended 30 September 2022.

These unaudited interim financial statements were authorised for issue in accordance with a resolution of the Directors on 9 November 2022.

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

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

2. BASIS OF PREPARATION

These unaudited interim financial statements for the six months ended 30 September 2022 have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ('NZ GAAP'), NZX Listing Rules and NZ IAS 34 Interim Financial Reporting. These unaudited interim financial statements also comply with IAS 34 interim financial reporting.

These unaudited interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2022, which have been prepared in accordance with the New Zealand equivalents to International Financial Reporting Standards ('NZ IFRS') and International Financial Reporting Standards ('IFRS').

All significant accounting policies and methods of computation have been applied on a basis consistent with those used in the audited financial statements of the Group for the year ended 31 March 2022.

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

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

There have been no changes in accounting policies and disclosures. The unaudited interim financial statements have been prepared using the same accounting policies and methods of computation as, and should be read in conjunction with, the financial statements and related notes included in the Group's annual report for the financial year ended 31 March 2022.

4. REVENUE

Unaudited	Six months ended 30 September 2022 US$000	2021 US$000
Operating revenue		
Subscription revenue	34,948	27,272
Processing revenue	66,049	65,133
Other operating revenue	2,029	1,086
Total operating revenue	**103,026**	**93,491**
Other revenue		
Other income	26	20
Total other revenue	**26**	**20**

5. EXPENSES

Unaudited	Six months ended 30 September 2022 US$000	2021 US$000
Advertising and marketing	2,388	2,367
Auditor's remuneration	84	93
Capitalised development costs	(2,196)	(172)
Directors fees	384	172
Employee benefits	37,287	26,913
Employee benefits - capitalised commissions	(660)	(543)
Employee benefits - share-based payments	3,962	1,523
IT and communications	2,052	1,804
Occupancy costs	193	204
Other professional services	1,856	1,484
Third party direct costs	31,536	29,272
Transaction costs	3,262	1,869
Travel-related costs	399	154
Write-off of impaired receivables	223	–
Other operating expenses	1,968	1,457
Total expenses	**82,738**	**66,597**
Transaction costs		
Related to the acquisition of Resi Media	130	1,869
Intercompany transfer of intellectual property	422	–
Expressions of interest process	2,710	–
Total transaction costs	**3,262**	**1,869**

These costs are non-recurring and arise from one-off transactions including the acquisition of Resi Media, the intercompany transfer of intellectual property and the unsolicited expressions of interest.

6. FINANCE EXPENSES, NET

Unaudited	Six months ended 30 September 2022 US$000	2021 US$000
Finance income		
Interest income	17	4
Interest income from finance leases	–	5
Total finance income	**17**	**9**
Finance expenses		
Interest on lease liability	(95)	(58)
Interest on borrowings	(918)	(79)
Establishment and facility fees	(305)	(42)
Total finance expenses	**(1,318)**	**(179)**
Finance expenses, net	**(1,301)**	**(170)**

7. SHARE CAPITAL

Unaudited	Number of shares 000's	US$000
Balance as at 1 April 2021	**1,104,092**	**95,918**
Movements during the period		
Issue of shares – Restricted share units converted to shares	501	411
Issue of shares – Consideration for Resi Media	27,327	31,000
Issue of shares – Vendor restricted shares for Resi Media	7,934	9,000
Share issue costs	–	(75)
Balance as at 30 September 2021	**1,139,854**	**136,254**
Balance as at 1 April 2022	**1,140,699**	**137,068**
Movements during the period		
Issue of shares – Restricted share units converted to shares	446	506
Balance as at 30 September 2022	**1,141,145**	**137,574**

The paid up capital comprises ordinary shares. The total number of shares on issue is 1,141,144,570 (2021: 1,139,854,032). All shares that have been issued are fully paid and have no par value.

Pushpay Trustees Limited (the Trustee) was amalgamated on 30 June 2022. Upon amalgamation, the Trustee held no shares (2021: 138,336).

8. EARNINGS PER SHARE (EPS)

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

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

The net profit of $8.8 million (2021: $19.1 million) represented a profit per share shown below based on weighted average ordinary shares on issue during the period.

	Six months ended 30 September	
Unaudited	2022 000's	2021 000's
Number of issued ordinary shares	1,141,145	1,139,854
Weighted average ordinary shares outstanding	1,140,821	1,111,326
Basic profit per share (cents)	**0.77**	**1.72**
Weighted average ordinary shares outstanding	1,140,821	1,111,326
Weighted average dilutive potential ordinary shares	7,737	4,123
Weighted average potential and ordinary shares outstanding	1,148,558	1,115,449
Diluted profit per share (cents)	**0.77**	**1.71**

9. NET TANGIBLE ASSETS PER SHARE

Net tangible assets per share is calculated by dividing the net tangible assets of the Group by the number of ordinary shares on issued at 30 September 2022. Net tangible assets is calculated by subtracting the intangible assets from the net assets of the Group. Intangible assets for this purpose include the intangible assets, deferred acquisition costs and the deferred tax assets as disclosed on the Statement of Financial Position. Given the borrowings used to fund the acquisition of Resi Media, net tangible assets were a negative number as at 30 September 2022. As a software business the economic value of the Group is primarily represented by intangible assets which are specifically excluded from the net tangible assets per share calculation.

	As at	
	30 September 2022 Unaudited 000's	31 March 2022 Audited 000's
Net tangible assets	(47,060)	(62,517)
Number of issued ordinary shares	1,141,145	1,140,699
Net tangible assets per share (cents)	**(4.12)**	**(5.48)**

10. SEGMENT REPORTING

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

The Group's chief operating decision makers have determined that, based on the information they use for the purposes of allocating resources and assessing performance, the Group itself continues to form a single operating segment. The segment result is reflected in the unaudited interim financial statements to 30 September 2022.

Geographical information

The Group operated principally in the US for the six months ended 30 September 2022, from which over 99% (2021: 99%) of its revenue from operations is generated.

11. FOREIGN CURRENCY RISK

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

The Group has hedged a portion of its estimated exposure in respect of the forecast revenue over the financial year to March 2023 and uses forward exchange contracts (FECs) to hedge its NZD/USD foreign exchange risk. These contracts are designated cash flow hedges. Gains or losses deferred in the cash flow hedge reserve will be reclassified to the income statement and other comprehensive income as the contracts mature.

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

Forward foreign exchange contracts	Maturing in 1-6 months US$000
As at 30 September 2021	
Hedged exposure	1,053
Average US Dollars: NZ Dollar forward contract rate	0.585
As at 30 September 2022	
Hedged exposure	7,981
Average US Dollars: NZ Dollar forward contract rate	0.622

Forward foreign exchange contracts	Statement of financial position line item	Notional amount of the hedging instrument US$000	Carrying amount of the hedging instrument US$000	Recognised in other comprehensive income
As at 30 September 2021	Derivative financial asset	1,053	185	(160)
Current			185	
Non-current			–	
Total			**185**	
As at 30 September 2022	Derivative financial liability	7,981	(635)	(466)
Current			(635)	
Non-current			–	
Total			(635)	

12. RECONCILIATION OF NET PROFIT WITH CASH FLOWS FROM OPERATING ACTIVITIES

Unaudited	Six months ended 30 September 2022 US$000	 2021 US$000
Net profit for the period	8,791	19,127
Adjustment for non-cash items:		
Depreciation and amortisation	6,059	3,902
Employee benefits - share-based payments	3,962	1,523
Deferred tax benefit/(expense)	1,280	(212)
Net foreign exchange (gains)/losses	827	(2,200)
Other non-cash items	(93)	(89)
	20,826	22,051
Movements in working capital		
Trade and other receivables	2,474	231
Deferred acquisition costs	150	633
Inventory	(388)	(671)
Trade and other payables	281	2,447
Unearned revenue	(80)	2,274
Employee entitlements	639	465
Income tax payable	(7,019)	6,003
Working capital acquired through business combination	-	(1,711)
	(3,943)	9,671
Net cash flows from operating activities	16,883	31,722

13. CONTINGENT LIABILITIES

As disclosed in the audited financial statements for the Group for the year ended 31 March 2022, prior to acquisition, Resi Media became a defendant in a litigation alleging patent infringement. The litigation is currently ongoing. As part of the acquisition, the vendors of Resi Media escrowed a portion of the purchase price and indemnified the Group for up to the full amount of the purchase price for any losses or damages relating to the litigation. The Directors, upon consultation with external legal counsel, are of the opinion that the claim can be successfully defended or resolved by the Group for less than the escrow amount.
As a result, it is deemed that no present obligation exists and the contingent liability is not recognised on the acquisition.
The Directors are unaware of the existence of any other claims or contingencies that would have a material impact on the operations of the Group or are not accrued.

14. EVENTS AFTER THE BALANCE SHEET DATE

Scheme Implementation Agreement on 28 October 2022

Pushpay announced that it had entered into a Scheme Implementation Agreement under which the Sixth Street and BGH Capital Consortium via Pegasus Bidco Limited (the “Sixth Street/BGH Consortium”) has agreed to acquire 100% of the fully paid shares in Pushpay Holdings Limited for NZ$1.34 per share in cash, by way of a scheme of arrangement (Scheme). Together, entities associated with Sixth Street and BGH Capital currently hold, in aggregate, 20.34% of the shares in Pushpay. The Scheme is subject to the approval of Pushpay shareholders and New Zealand High Court approval, applicable regulatory approvals and other conditions as detailed in the Scheme Implementation Agreement. Pushpay shareholder approval will be sought at a special meeting of shareholders expected to be held by March 2023.

Key metric definitions

Annual Revenue Retention Rate	is revenue retained from Customers (subscription revenue and processing revenue) in the year, compared to the amount of subscription and processing revenue earned in the previous year, for Customers who joined Pushpay prior to the beginning of the comparative period.
Average Revenue Per Customer (ARPC)	is the combination of monthly Subscription Fees and Volume Fees divided by total Customers. Subscription Fees are based on the Products that Customers purchase, which can vary based on the size of the Customer and Volume Fees are based on payment transaction volume. For Customers who use Pushpay's payment solution, Volume Fees are recognised on a gross basis and associated costs payable to issuing banks, processing partners and the card brands, such as Visa and MasterCard, are classified as expenses. The in-month average Volume Fee per Customer is used for the Volume Fee component of ARPC.
Cash and Cash Equivalents	is cash on hand; deposits held at call with financial institutions; and other short-term, highly liquid investments readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.
Customer	is an entity that utilises one or more Pushpay products. Pushpay reports Customers that have entered into an agreement and completed the paperwork necessary to set up their service. Pushpay views Customers with 0-199 average weekly attendees as small, 200-1,099 average weekly attendees as medium and 1,100 or more average weekly attendees as large. For non-church Customers where organisations are not measured via weekly attendance, Pushpay aligns Customers to the small, medium and large groupings based on overall organisational size and the amount of revenue those Customers will generate.
Customer Acquisition Cost (CAC)	is sales, marketing and implementation costs divided by the number of new products sold over a six-month period.
Earnings before Interest, Tax, Depreciation, Amortisation and Foreign Currency gains/(losses) (EBITDAF)	is a non-GAAP financial measure calculated by adjusting interest, depreciation and amortisation, income taxes and net foreign currency gains/losses to net profit.
Lifetime Value (LTV)	is the gross margin expected from a Customer over the lifetime of that Customer. This is calculated by taking the ARPC multiplied by 12, multiplied by the gross profit percentage, multiplied by the average Customer lifetime (the average Customer lifetime is one divided by churn, being one minus the Annual Revenue Retention Rate). A 97.5% Annual Revenue Retention Rate is used for the purposes of the calculation. Total LTV is calculated as LTV multiplied by total Customers.

Months to Recover CAC	CAC months or months of ARPC to recover CAC is the number of months of gross revenue required to recover the cost of each new product sale.
Net Profit after Tax (NPAT)	is calculated in accordance with NZ IFRS accounting standards.
Operating Revenue	is receipts received from Customers calculated in accordance with NZ IFRS accounting standards.
Products	is the total number of Pushpay Products utilised by Customers. An individual Customer may use one or more Products. Pushpay currently offers three Products, including a Donor Management System, Church Management System and Streaming. A Customer purchasing ChurchStaq™ currently has two Products, being a Donor Management System and a Church Management System.
Subscription Fees	is recurring fees based on the Products that Customers purchase, which can vary based on the size of the Customer (in the case of the faith sector, size is based on average weekly attendance).
Total Addressable Market (TAM)	is the overall revenue opportunity that is available to a product or service if 100% market share was achieved; also referred to as total available market.
Total Processing Volume	is payment transaction volume through the Pushpay payment platform, that Pushpay derives revenue from within a period. This excludes payment transaction volume that is not processed through the Pushpay payment platform.
Underlying Earnings before Interest, Tax, Depreciation, Amortisation and Foreign currency gains/(losses) (Underlying EBITDAF)	is a non-GAAP financial measure calculated as EBITDAF excluding one-off changes as well as costs and IFRS accounting relating to acquisitions. This includes cash and non-cash expenses such as transaction costs, expensing of the restricted shares provided to the vendors as part of any transaction and fair valuing of unearned revenue acquired on acquisition. The Group believes that this measure provides a more appropriate representation of the Group's performance. The definition and calculation of Underlying EBITDAF remains consistent with prior periods.
Volume Fees	is variable fee income generated from payment transaction volume (in the case of the faith sector, this is usually a percentage of total donations).

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Christopher Fowler
Visionary and Executive Director

Senior Management
Molly Matthews
Chief Executive Officer

Richard Keys
Interim Chief Financial Officer

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