Annual Report | 2019

Contents

About Pushpay

Pushpay provides a donor management system, including donor tools, finance tools and a custom community app, to the faith sector, non-profit organisations and education providers in the US, Canada, Australia and New Zealand. Our leading solutions simplify engagement, payments and administration, enabling our Customers to increase participation and build stronger relationships with their communities.

Pushpay receives funding from Callaghan Innovation to help cover the commercialisation of innovation.

Pushpay is an award-winning company. For more information visit www.pushpay.com/investors/awards.

Investor calendar

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

19 June 2019 (NZT)
Annual Shareholders' Meeting | Auckland, New Zealand

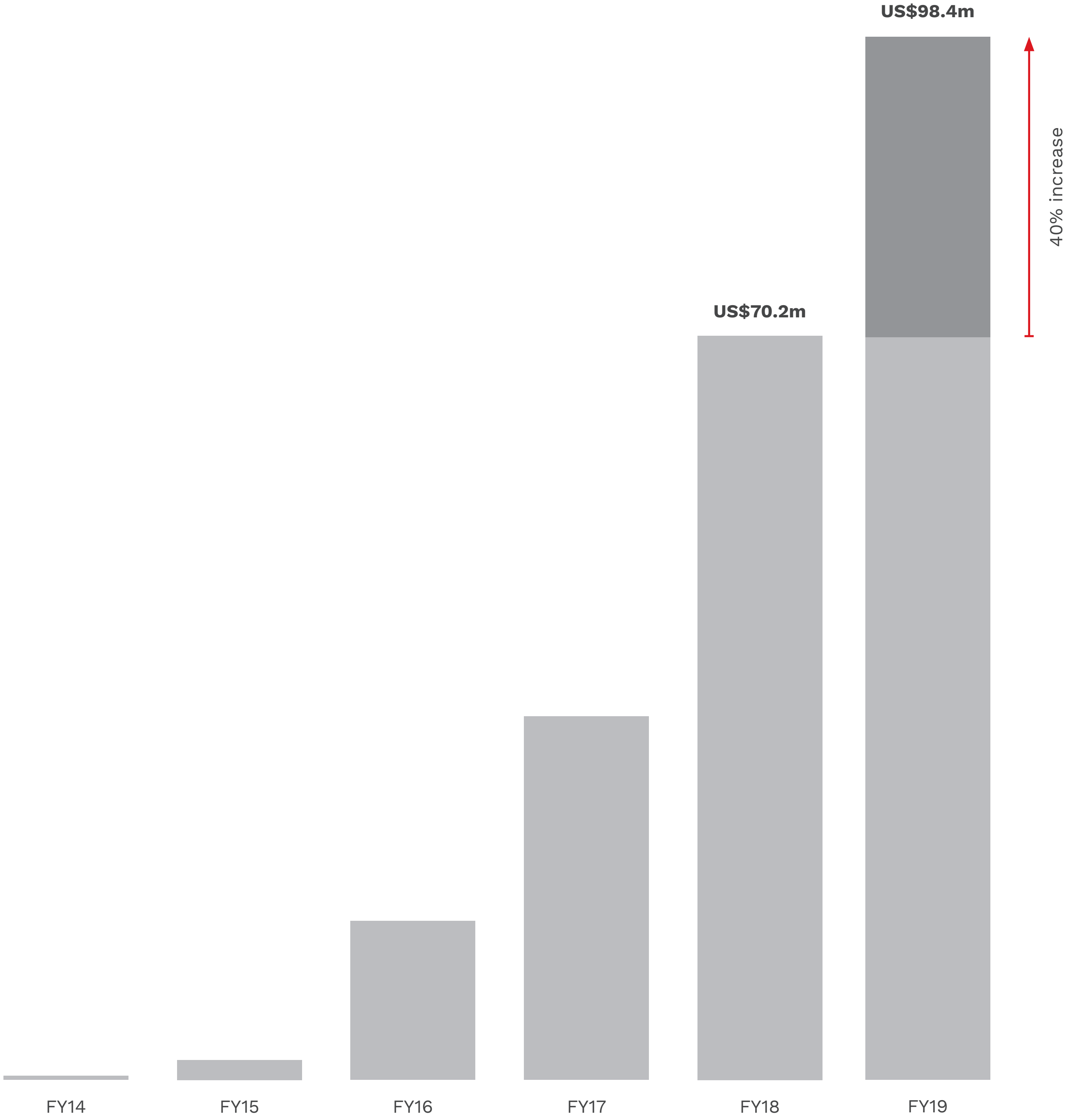
8 - 9 September 2019 (PT)
Investor Day | Redmond, WA, USA

6 November 2019 (NZT)
Interim Report and interim financial results release

01

Sustainable growth, **expanding operating leverage**

40%
total revenue growth



Total revenue

US$98.4 million up from US$70.2 million, an increase of 40% over the year to 31 March 2019

Operating Revenue

US$95.9 million up from US$67.7 million, an increase of 42% over the year to 31 March 2019

EBITDAF

US$1.6 million up from a loss of US$18.6 million, an increase of 108% over the year to 31 March 2019

NPAT

US$18.8 million up from a loss of US$23.3 million, an increase of 181% over the year to 31 March 2019

Cash and Cash Equivalents

US$13.9 million down from US$17.9 million, a decrease of 22% over the year to 31 March 2019

Total Customers

7,649 up from 7,276, an increase of 5% over the year to 31 March 2019

ARPC

US$1,315 per month up from US$989 per month, an increase of 33% over the year to 31 March 2019

Total LTV of Customer base

US$3.0 billion up from US$1.9 billion, an increase of 64% over the year to 31 March 2019

Annualised Processing Volume

US$4.2 billion up from US$3.0 billion, an increase of 40% over the year to 31 March 2019

Months to Recover CAC

<18 months remaining stable over the year to 31 March 2019

Annual Revenue Retention Rate

>100% remaining stable over the year to 31 March 2019

Staff Headcount

389 up from 350, an increase of 11% over the year to 31 March 2019

Note: Total Customers, ARPC, Total LTV of Customer base, Annualised Processing Volume, Months to Recover CAC, Annual Revenue Retention Rate and Staff Headcount are not GAAP financial measures and are not prepared in accordance with NZ IFRS.

Our success provides a significant platform for Pushpay to engage and attract more medium and large customers.

Customers

Pushpay increased its Customer base by 373 Customers over the year to 31 March 2019, from 7,276 to 7,649, an increase of 5%. Pushpay's strategy is progressing well, with modest growth in the number of new Customers and a significant increase in the proportion of new medium and large Customers.

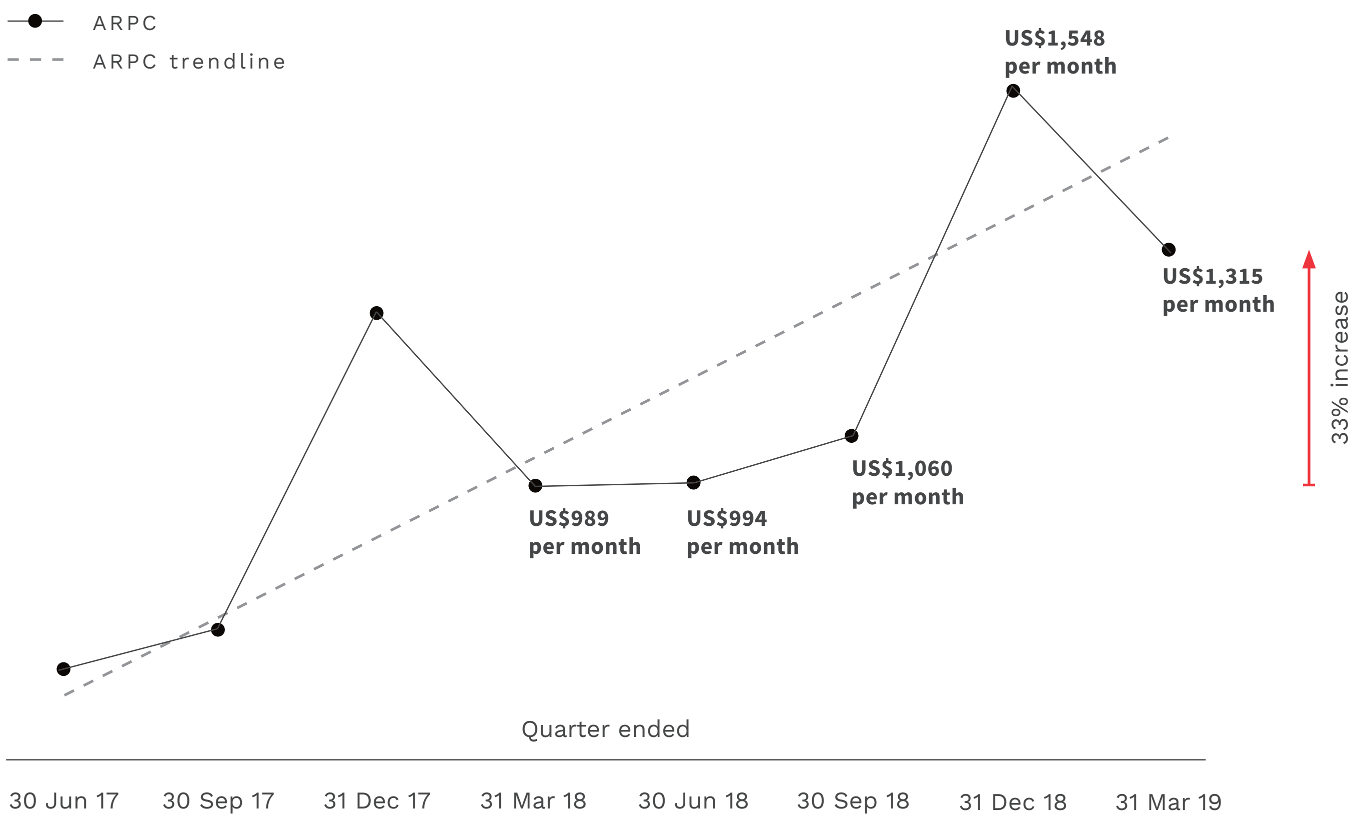
Over the year to 31 March 2019, Pushpay's proportion of medium and large Customers increased from 51% to 56%. We expect Customer numbers to steadily grow over the remainder of the financial year to 31 March 2020.

In October 2018, Pushpay welcomed the largest church in the US according to the Outreach 100 Largest Churches 2018 list as a new Customer, with an average of 51,900 weekly attendees. The confidence and support of high value Customers such as this demonstrate that Pushpay's donor management system is well-understood and valued by our main target market, the US faith sector.

As we execute on our sales strategy, the Company's primary focus is on increasing revenue by attracting a larger number of medium and large Customers, while expanding ARPC and increasing retention.

As at 31 March 2019, 98% of Pushpay's Customers were located in North America, which covers the US and Canada, with the remaining 2% located in Australasia, which covers New Zealand and Australia.

ARPC growth of 33%



ARPC

ARPC increased by US$326 per month over the year to 31 March 2019, from US$989 per month to US$1,315 per month, an increase of 33%.

There are a number of factors which have contributed to increased ARPC, which include: increased Subscription Fees from new and existing Customers; a larger proportion of medium and large new Customers; further development of our product set resulting in higher Volume Fees; increased adoption of digital giving in the US faith sector; and increased giving to religion in the US.

Pushpay plans to continue to grow ARPC by increasing revenue derived from existing Customers and by continuing to implement its sales strategy to attract more medium and large new Customers.


CENTRAL
FEATURED
Connection Card
New Here? We'd love to get to know you better!
LEARN MORE
Home
Sundays
Give
Connect
More

We continue to drive social good, with a platform that has been built for scale.

18.9 million

transactions processed over the year

US$192

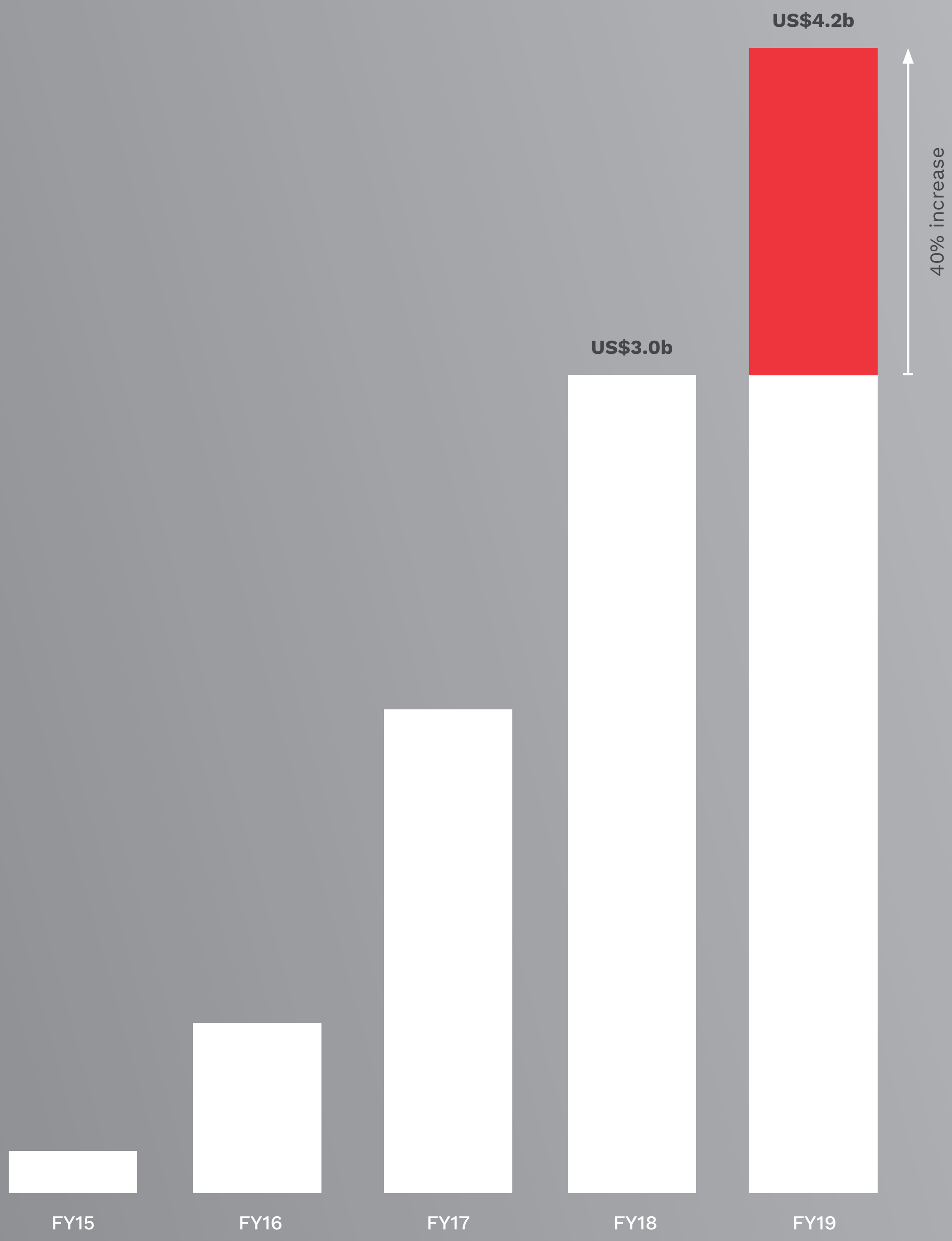
average transaction value over the year

19 countries

with supported payments

US$4.2 billion

Annualised processing volume



Key metric definitions

Annual Revenue Retention Rate – is recurring revenue retained from Customers (for example, in the case of Customers in the faith sector, this is measured by the amount of recurring revenue at the end of the period excluding upsells into the existing Customer base, over the amount of recurring revenue from the end of the previous period).

Annualised Processing Volume – is the annualised four week average payment transaction volume through the Pushpay payment platform, that Pushpay derives revenue from.

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 Customer product holding, which can vary based on the size of the Customer and Volume Fees are based on payment transaction volume. For Customers who use Pushpay's payment solution, Volume Fees are recognised on a gross basis and associated costs payable to issuing banks, processing partners and the card brands, such as Visa and MasterCard, are classified as expenses. The in-month average Volume Fee per Customer is used for the Volume Fee component of ARPC.

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

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

Customer Acquisition Cost (CAC) – is sales, marketing and implementation costs divided by the number of new Customers added over a certain period of time.

Earnings before Interest, Tax, Depreciation, Amortisation and Foreign Currency (gains)/losses (EBITDAF) – is a non-GAAP financial measure calculated by adding back net interest income, depreciation and amortisation, income tax expense and net foreign currency gains/losses to net gain/(loss).

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 1 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 revenue required to recover the cost of acquiring each new Customer.

Net Profit after Tax (NPAT) – is revenue less third party direct costs, total operating expenses, net foreign exchange gains/losses and taxes.

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

Staff Headcount – is total employees at a specific point in time.

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

Total Processing Volume – is payment transaction volume through the Pushpay payment platform, that Pushpay derives revenue from within a period.

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

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).

02

Chairman and Chief Executive's **review**

Dear Fellow Shareholder,

We are pleased with the performance of the business over the year ended 31 March 2019. Pushpay continued to experience strong revenue growth, expanding operating margins, delivered its first positive EBITDAF result and achieved breakeven on a monthly cash flow basis prior to the end of the calendar year.

We continue to focus on future-proofing the business, by refining the strategies that will allow the Company to realise its considerable potential over the long term, while maintaining prudent financial discipline.

As we embark on the next chapter, our relentless focus on innovation, strategy and execution will lead to continued strong growth for the business.

Strong revenue growth

Pushpay has a strong track record of delivering on guidance. Since initially listing in August 2014, Pushpay is pleased to have met or exceeded all guidance provided to the market.

Most recently, Pushpay delivered on its total revenue guidance for the year ended 31 March 2019, increasing total revenue by US$28.2 million from US$70.2 million to US$98.4 million, an increase of 40%.

These results were attained through the targeted implementation of our strategy, growing team capabilities and expertise, and responsible investment into product design and development.

The Company is providing annual operating revenue guidance for the year ending 31 March 2020 of between US$122.5 million and US$125.5 million. Pushpay expects to see consistent revenue growth as the business executes on its strategy, achieves increased efficiencies and gains further market share in the US faith sector.

Margin improvements

Pushpay delivered on its gross margin guidance for the year ended 31 March 2019, increasing gross margin from 55% to 60%.

Pushpay's diligent approach to optimising gross margin has driven pleasing results. We expect to continue to benefit from the margin improvement program over the coming year.

The Company is providing gross margin guidance for the year ending 31 March 2020 of over 63%.

Operating leverage

While Pushpay increased operating revenue by 42% over the year to 31 March 2019, total operating expenses remained stable. As a percentage of operating revenue, total operating expenses improved by 28 percentage points, from 93% to 65%. Pushpay expects significant operating leverage to accrue as operating revenue continues to increase, while growth in total operating expenses remains low.

Pushpay adopted best in class software tools and scalable processes early in its development. Combined with strong financial discipline, those investments will allow significant operating leverage to be achieved as revenue grows.

EBITDAF

Pushpay delivered on its EBITDAF guidance for the year ended 31 March 2019, increasing EBITDAF by US$20.2 million from a loss of US$18.6 million to a gain of US$1.6 million, an increase of 108%.

Pushpay is providing EBITDAF guidance for the year ending 31 March 2020 of between US$17.5 million and US$19.5 million.

NPAT

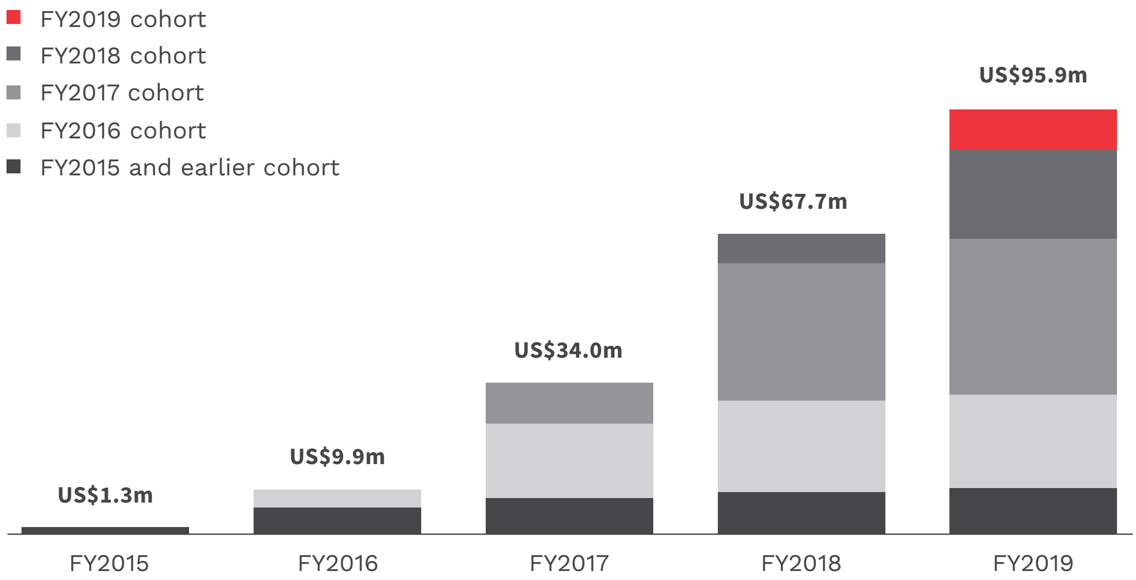
NPAT improved by US$42.1 million over the year ended 31 March 2019, from a net loss of US$23.3 million to a net profit of US$18.8 million, an improvement of 181%.

For the year ended 31 March 2019, the Company recognised a deferred tax asset of US$20.9 million having met the requirements of NZ IAS 12 Income Taxes.

Customer revenue cohort information

The chart below displays the annual revenue for Customer cohorts that joined the Pushpay platform at different times in our history. The strength of our business model lies in the consistent revenue coming from each cohort, particularly the increase in revenue from remaining Customers growing within a cohort offsets the decline in revenue from Customers leaving the platform.

Customer revenue cohort information



(US$)	FY2015	FY2016	FY2017	FY2018	FY2019	CAGR
FY2015 and earlier cohort	$1.3M	$5.7M	$7.9M	$9.3M	$10.2M	67%
FY2016 cohort		$4.2M	$16.9M	$20.7M	$21.1M	71%
FY2017 cohort			$9.2M	$31.1M	$35.3M	97%
FY2018 cohort				$6.6M	$20.2M	205%
FY2019 cohort					$9.1M	N/A
Total	***$1.3M***	***$9.9M***	***$34.0M***	***$67.7M***	***$95.9M***	***N/A***

Processing volume

Annualised Processing Volume increased by US$1.2 billion over the year ended 31 March 2019 from US$3.0 billion to US$4.2 billion, an increase of 40%.

We expect continued growth in Annualised Processing Volume driven by a larger proportion of new medium and large Customers, further development of our product set resulting in higher adoption and usage, increased adoption of digital giving in the US faith sector and increased giving to religion in the US.

Pushpay is providing Total Processing Volume guidance for the year ending 31 March 2020 of between US$4.6 billion and US$4.8 billion.

People and culture

As we continue to execute on our strategy, attracting and retaining exceptional talent is critical to our success. Our Customer-centric culture of continuous improvement focuses on achieving higher job satisfaction, increased productivity, improved employee retention, as well as increased Customer satisfaction.

Michael Erisman | Chief People Officer

Pushpay welcomed Michael Erisman as Chief People Officer in March 2019. Michael is a highly experienced business leader with a proven track record of building successful human resources teams and developing global people strategies worldwide. His extensive experience, in guiding people-centred business initiatives and proven ability to attract, retain and engage top talent, will be instrumental for our growth plans.

Board of Directors

Eliot Crowther resigned as an Executive Director on 21 June 2018. The Board and management of Pushpay thank Eliot for his invaluable contribution to Pushpay.

Peter Huljich | Non-Executive Director

Pushpay's Board of Directors was pleased to welcome Peter Huljich as an Alternate Director for Christopher Huljich, effective 7 November 2018. Peter has held a number of executive positions in the Company, along with previously being an Alternate Director for Christopher Huljich. Peter brings extensive experience and knowledge to the business, having been involved with a number of high-growth technology businesses.

The Board is also actively searching for additional Directors and is considering suitably qualified candidates of diverse backgrounds and experience.

Outlook

Pushpay expects continued strong revenue growth, as we continue to execute on our strategy to gain further market share in the medium-term and believes this is the best way to maximise shareholder value.

From a strong financial position, we will continue to balance expanding operating margin with opportunities to increase revenue growth. We are particularly focused on ensuring efficiency remains high, while maintaining cost discipline throughout the business.

Pushpay is also evaluating potential strategic acquisitions that broaden the current proposition and add significant value to the current business.

Pushpay is providing the following guidance for the year ending 31 March 2020:

- operating revenue of between US$122.5 million and US$125.5 million;
- gross margin of above 63%;
- EBITDAF of between US$17.5 million and US$19.5 million; and
- total processing volume of between US$4.6 billion and US$4.8 billion.

In the long term, Pushpay is targeting over 50% of the medium and large church segments, an opportunity representing over US$1 billion in annual revenue.

Acknowledgements

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

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

Pushpay is uniquely positioned to capitalise on future growth opportunities within the US faith sector. The investments we made over the year provide an excellent platform to execute on our strategy and deliver innovative solutions to our Customers. We look forward to reporting further progress during this exciting period.

Bruce Gordon
Chairman

Chris Heaslip
CEO, Executive Director and Co-founder

03

A leading **cloud-first solution**

Jul 2011

Pushpay founded in Auckland, New Zealand by Chris Heaslip and Eliot Crowther

Aug 2012

iOS App released

Visa and MasterCard payments accepted

Nov 2012

Android App released

May 2014

Run The Red SMS gateway assets acquired

Sep 2014

ZipZap Processing Inc commenced operations

Nov 2014

AMEX, Discover, NZ bank payments and ACH payments accepted

Jan 2015

Touch ID payments on iOS released

Card entry by camera on iOS and Android released

Jun 2015

echurch Apps released

Sep 2015

Fastpay five second giving released

Virtual Terminal / Envelope Giving released

Dec 2015

3D Touch capability released

Mar 2016

Event registration released

Jun 2016

Auto Pay released

Cash and Check Recording released

Nov 2016

Text Giving released

Bluebridge Digital, Inc's church app business acquired

Dec 2016

Annual Giving Statements released

Apr 2017

echurch Apps 3.0 released

Jun 2017

Check Deposit released

Aug 2017

AWS migration

Dec 2017

Web Giving released

Payment Assurance released

Feb 2018

Offline Conversion released

Apr 2018

QuickBooks Online integration released

May 2018

Dynamic Home Screen and Recurring by Default released

Aug 2018

Branded Web Giving and Recurring Migration released

Oct 2018

Custom Giving Statements released

Nov 2018

Recurring Suggestion

Jan 2019

App Profiles, and Campaigns and Pledging released

Added functionality to the Pushpay solution

Pushpay continues to invest in its leading solutions which simplify engagement, payments and administration, enabling our Customers to increase participation and build stronger relationships with their communities.

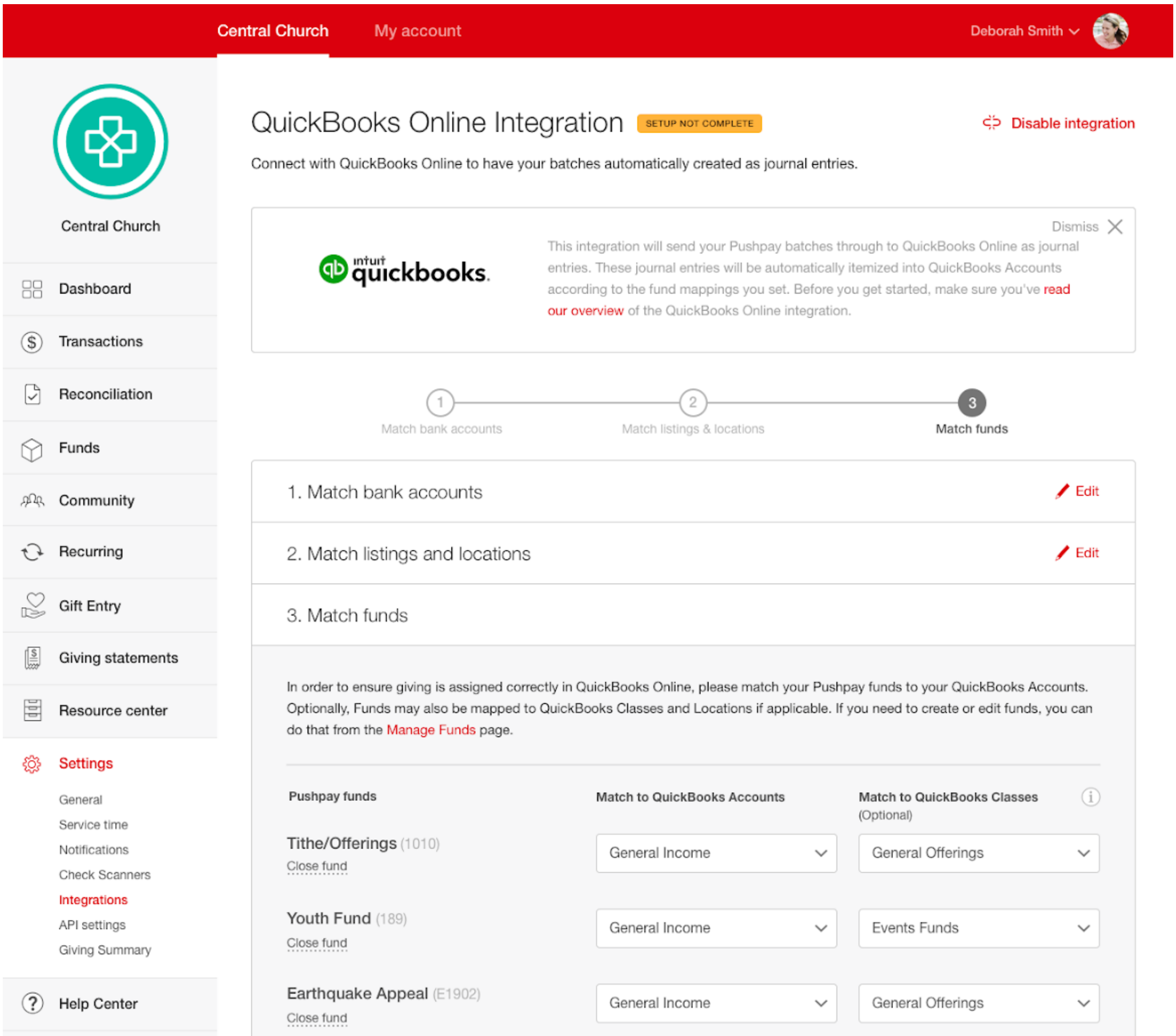
Our product design and development team employs an agile approach, where our solutions evolve through collaborative effort, including ongoing Customer feedback.

Some of our more recent additions to the Pushpay solutions are highlighted below.

QuickBooks® Online

Pushpay launched an integration with QuickBooks® Online, an Intuit product[1], in April 2018. Intuit is the dominant US accounting software provider, with over 2.2 million US subscribers. Pushpay research revealed that over 70% of our Customers use some version of QuickBooks® as their primary accounting software.

The integration automates the sharing of financial information from Pushpay to QuickBooks® Online and provides an end-to-end solution for Pushpay Customers' finance teams. Pushpay's QuickBooks® Online integration allows finance teams to perform common tasks, such as bank reconciliation, in less time and with lower risk of error. As a result of the integration, Pushpay's Customers have reported administrative time savings of between 25% and 40%.



1 Intuit and QuickBooks® are registered trademarks of Intuit Inc. Used with permission.

Dynamic Home Screen

Pushpay released Dynamic Home Screen in May 2018. Dynamic Home Screen delivers a dynamic feed to App users, similar to the experience from Facebook and Instagram where content is personalised to match your preferences and interests. Dynamic Home Screen simplifies the discovery of information with an intuitive experience in one centralised hub and promotes repeat, regular visits to the App.

Recurring by Default

Customers find that a user's intention to make consistent payments is often not followed through, particularly if they are not attending church regularly.

Pushpay's product design and development team tested a range of solutions to enable users to create recurring payments more easily. Following user testing and research, the Company released Recurring by Default in May 2018. Recurring by Default is a feature that Customers can activate, which will automatically suggest to users to make their payments recurring immediately prior to making a payment. Recurring by Default has been adopted by 31.6% of existing Customers. Since enabling this feature, these Customers have seen an estimated 6.0% increase in total payment volume and an approximate 8.5% increase in recurring payment volume.

Branded Web Giving

Pushpay released Branded Web Giving in August 2018. Branded Web Giving is an enhanced giving experience, based on the theory of emotional design. Branded Web Giving connects givers to the causes they support using imagery specific to both the organisation they identify with and the cause they care about. This customised user experience significantly improves the brand representation of our Customers' organisations, while driving connection in their communities.

Pushpay offers “Core”, “Advanced” and “Complete” pricing packages. Branded Web Giving is a feature exclusively available to Pushpay's Customers who have purchased our Advanced or Complete packages. Following the release of Branded Web Giving, 56% of Pushpay's Customers on the Advanced or Complete packages have started using this feature.

Recurring Migration

One of the most valuable sources of giving for churches is automated recurring giving. Recurring giving is critical, as it provides a predictable source of funds to meet payroll and other regular operational expenditure payments.

When Customers implement the Pushpay solution, migrating existing users' recurring payments to Pushpay is the most complex step and also the most critical step to maximising the benefits of the Pushpay solution. In August 2018, Pushpay launched Recurring Migration, a tool which automatically creates a nurture campaign to encourage users who had recurring payments set up with another provider, to move their payments to Pushpay. This feature helps consolidate giving into Pushpay's platform, in turn streamlining systems, administration and financial processes. Previously, this process would typically take a number of weeks and for larger Customers, months. Several of our largest Customers have used this feature to migrate their giving, with one Customer migrating 1,100 schedules in just over an hour and a half and migrating over US$400,000 worth of recurring payments in one month.

Custom Giving Statements

Pushpay launched Custom Giving Statements in October 2018. Previously, giving statements were focused on helping users understand their giving totals ahead of the US tax year end on 31 December. Pushpay has now enabled Customers to create and distribute custom statements at any point throughout the year. Custom Giving Statements create increased interaction and engagement with donors, by providing regular updates on their giving and how it is impacting their communities.

Many churches distribute Custom Giving Statements to their congregations at the same time that leaders talk about how community donations have been used. This provides donors with an opportunity to see their generosity in their personal statement, while also hearing how those funds are being used to impact their community. Linking the community outcome directly to givers' generosity is widely viewed as best practice in developing regular donors. Since launching this feature, Customers have sent over 215,000 Custom Giving Statements. One Customer reported saving up to 300 hours when utilising our Annual Giving Statements solution and we expect to see similar time savings for Customers sending Custom Giving Statements.

Recurring Suggestion

Building on the success of the Recurring by Default feature, in November 2018 the Company launched Recurring Suggestion across Pushpay's Customer base. Recurring Suggestion identifies patterns in regular givers' behaviour using machine learning. Users are automatically prompted with a personalised suggestion to set up a recurring payment at the end of their giving experience, similar to how Amazon recommends additional products following a purchase. This feature further adds to Pushpay's suite of recurring giving tools, driving increased financial predictability and value for our Customers.

App Profiles

Pushpay released App Profiles in January 2019. App Profiles is a foundational capability, which will enable Pushpay to build increased personalisation into its products. To create a profile, users can simply open the app and sync it with their existing Pushpay account. With App Profiles, users experience the seamless giving experience they are accustomed to, regardless of which device they are logged in on.

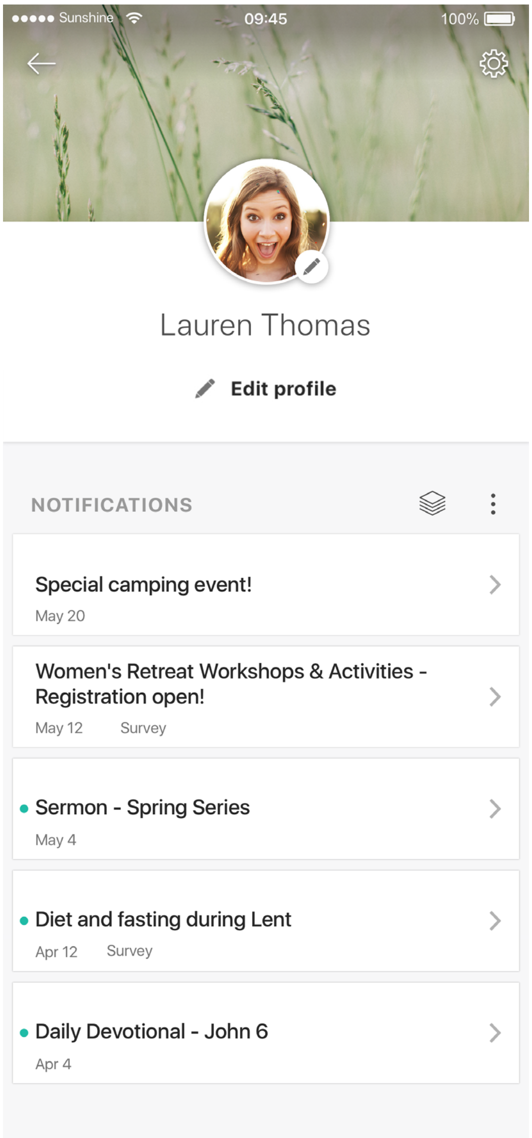
In the first two months following the launch of App Profiles, Pushpay saw a profile setup success rate of greater than 85%. For comparison, industry benchmarks for conversion rates on signup flows are between 30% and 36%.

Campaigns and Pledging

Pushpay released its Campaigns and Pledging functionality in January 2019. This functionality enables Customers to create and manage specific giving campaigns. Traditionally these campaigns have been managed by distributing and collecting physical pledge envelopes. Previously, church administration teams would manually enter the data and track contributions towards these campaigns.

With Pushpay's Campaigns and Pledging functionality, administration teams can set financial targets and dates for campaigns. Contributions from givers are automatically tracked towards the campaign total with simple reporting showing progress against the financial targets.

This functionality opens a new opportunity to capture an increased penetration of digital giving. In the first month following its release, Campaigns and Pledging saw US$7.3 million pledged and US$3.6 million given towards campaigns.

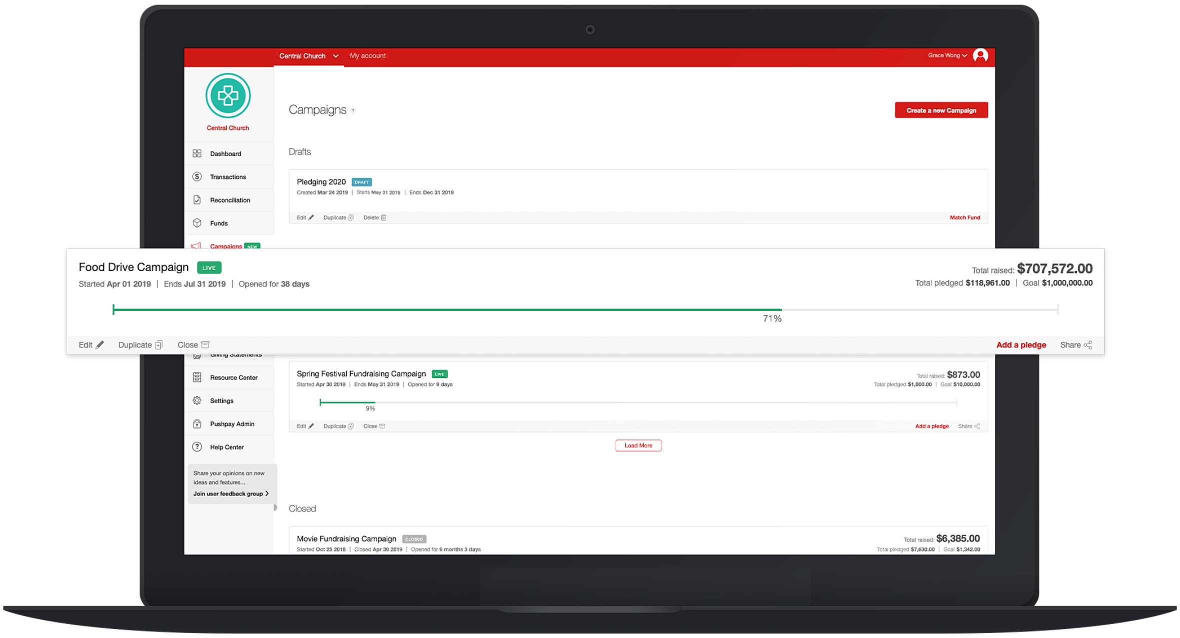


As Julie Gilliland, Director of Finance and HR of Fielder Church said, "Prior to the Campaigns and Pledging launch, we would have to manually accept and track pledge cards towards the various campaigns we'd run throughout the year. Since then we have been able to automate the process in the Pushpay platform which has saved our church staff a lot of time and effort. In February 2019, we had our first large campaign in over 10 years. We were grateful for the new Campaign functionality, it provided us exactly what we needed to manage our campaign."

Integrations

Pushpay significantly enhanced existing integrations and launched new integrations with several leading church management systems over the year ended 31 March 2019, including Servant

2 Servant Keeper® is a registered trademark of ServantPC Resources Inc. Used with permission.



Keeper®[2] and Shelby Arena. These integrations further the Company's efforts to provide the broadest range of partners and capabilities to our Customers. The additional integrations bring Pushpay's total number of API integrations and supported file exports to 22, which is more than any other giving company in the US faith sector. Pushpay's high number of integrations is reflective of our ongoing commitment to partner with other platforms to better serve our Customers.

Pushpay also formalised partnerships with several large church networks, including Catalyst Leader (www.catalystleader.com), the Southern Baptist Conservatives of Virginia (www.sbcv.org), the Great Lakes District of the Evangelical Free Church of America (www.efca.org) and LINC (www.linc.community) and established other key relationships over the year to 31 March 2019. Leverage of these relationships will allow the Company to expand its reach in the US faith sector.

Brand consolidation

The Company previously operated with a series of brands, including Pushpay, echurch, Bluebridge and ZipZap. The Company completed its rebrand initiative, having consolidated its echurch, Bluebridge and ZipZap brands under the single Pushpay brand in September 2018.

The brand consolidation involved numerous workflows including the migration of key contracts and legal entities, a www.pushpay.com website refresh, a new brand style guide and the redesign of hundreds of pieces of collateral as Pushpay updated its visual identity.

The Company considers that this brand consolidation will continue to provide economic benefits, a reduction in complexity, increased efficiencies in advertising and will ultimately help to strengthen the Company's market position over time.

Summit One Day

Pushpay hosted over 627 church leaders from 32 US states at the sold-out, Summit One Day conference in Charlotte, North Carolina, US. Summit One Day was a premier, one-day church conference designed to help forward-thinking pastors and staff grow in leadership, technology and communications. For 85% of the attendees, Summit One Day was their first experience at a Pushpay Summit conference and over 75% of attendees were from the East Coast of the US.

Summit One Day featured 10 speakers, including Pushpay's CEO, Chris Heaslip and a number of business, technology and church leaders, such as:

- Erwin Raphael McManus - Mosaic Church in Los Angeles, CA, US, www.mosaic.org
- Nona Jones - Facebook Faith-based Partnerships Leader, www.facebook.com
- Scott Harrison - Founder and CEO of charity:water, www.charitywater.org
- Steven Furtick - Elevation Church in Charlotte, NC, US, www.elevationchurch.org
- Carey Nieuwhof - Connexus Church in Barrie, Canada, www.connexuschurch.com

Pushpay's next Summit event will be held in Dallas, TX, US on 22-23 May 2019.

04

Enabling **social good**

Paradise Alliance Church
Paradise, California, US

Paradise Alliance Church

Paradise, California, US

Camp Fire was the most destructive wildfire in California's history. On 8 November 2018 the fire swept through the town of Paradise in central California destroying 18,804 buildings and taking 85 lives. Nearly every home was lost, along with hospitals, clinics, businesses, churches and schools. Two structures that withstood the devastation were Paradise High School and Paradise Alliance Church.

As a result of the overwhelming loss that this community experienced, lives were turned upside down and deeply disrupted. Many lost everything, including loved ones, property as well as their livelihood. Paradise Alliance Church rose to the occasion offering hope in the midst of the crisis. Their team led relief efforts across the area and began the process of rebuilding and restoring lives.

Despite the massive loss during this time, giving through Pushpay continued to trend upwards. Digital processing increased from US$38,294 per month prior to the fire to US$125,515 during the month of November as people across the country gave towards the relief efforts. Contributions to the Camp Fire fund alone have exceeded US$181,000 through over 370 donations. In addition, over the past year Paradise Alliance Church has processed over US$1.1 million in giving through Pushpay. The increase in funds has allowed them to add additional staff to assist with rebuilding efforts and outreach to those directly affected by the fire. It has allowed them to provide meals, clean up burn sites and help local families with transportation, relocation costs, and in some cases, temporary shelter while rebuilding. Because the work is significant, most regular ministry has been paused in order to invest into their community and surrounding areas.

In a special video that was made available to each person who contributed financially, Pastor Josh Gallager shared a heartfelt thank you, "... please know, as you have given it has affected our city, our community, our church - and it has also affected us personally - it's brought hope. We're reminded that we're not standing alone, but we're standing together with other people who deeply love us and care for us. When I look around me [at the devastation] I don't see much hope, but when I hear the prayers and encouragement and financial support that is coming in from across the nation, I am reminded that we serve a God of hope; that we can expect great things from him. It's in the midst of devastation where God can do his greatest restoration. Thank you so much for your partnership."

As a result of the devastation caused by Camp Fire, churches, organisations and individuals came together with a common goal of helping others in need. Relief efforts engaged by Paradise Alliance Church have touched over 10,000 lives.

Manna Connect Outreach, Cherry Hills Community Church
Denver, Colorado, US

Manna Connect Outreach, Cherry Hills Community Church

Denver, Colorado, US

Manna Connect was formed as a local outreach arm of Cherry Hills Community Church (CHCC) in Denver, Colorado. As a longtime Pushpay Customer, their mission is to lift 20 families in their community out of poverty and homelessness by 2020. CHCC is located in Douglas County, the ninth wealthiest county in the US. Although their local economy continues to thrive, they have seen the reality of how difficult it can be for struggling families to find a way out of poverty.

Manna Connect aims to provide assistance to the less fortunate members of their community. Through skills development, professional training and establishing long-term goals, those enrolled in the program can plug into a variety of job opportunities offered by partner businesses in the local community.

Due to the success of the program, donations reached US$1.4 million in the last year, with all funds applied to the program to lift others out of the cycle of poverty and homelessness.

In the words of one graduate, “The Manna Connect program helped me to overcome my academic obstacles and rebuild my self-esteem. I am now in a position of employment eligibility and I have a solid foundation to get back into the professional world as a nurse.”

Another graduate shared the following heartwarming story, “When my husband and I got divorced, he took both cars, both of our little girls and all the things I needed for my job. I started living in a motel and paying rent weekly. I made a lot of money quickly in all the wrong ways. The motivation in every wrong decision was to be with my kids. I can’t take back the damage that was done, or the decisions I made that ultimately resulted in prison time. The sentence I was facing was 16 to 60 years, but somehow I made parole after four years. I was released at three o’clock in the morning and I got on a bus to Colorado with nothing. I stepped off the bus and said ‘now what?’ I didn’t know where I was going, but knew that God had a plan. When I got my job everything seemed to be going well, but it was only a few months before I hit another wall.”

At the same time, she heard about Manna Connect at CHCC and felt she would be a good fit for the program. In the first meeting with the team she spoke about what her urgent needs were, “I couldn’t find anyone that would rent to me because of my past. It took three weeks after applying before the team was able to get me into a home. A member of Cherry Hills had this desire in her heart to be able to provide a home to someone at Manna Connect. After all the ways that God has provided for me, what really blows my mind is that I’m going to get my daughters back. Manna Connect made me feel whole again. They reminded me that I was a good person. I think a lot of people want to turn their lives around, but they don’t know that this program exists and that it’s working. My hope would be that somebody out there who needs help would find the support in Manna Connect, and find healing in their own story too.”

CHCC serves over 7,500 people every weekend. They have seen a total of US$8.9 million given through Pushpay in the last year and 44% of their processing volume comes through recurring schedules. In addition, 42% have given to CHCC from their mobile device.

'Love Week', Elevation Church
Charlotte, North Carolina, US

‘Love Week’, Elevation Church

Charlotte, North Carolina, US

Elevation Church has grown from a small group of families with a dream to impact the greater Charlotte, North Carolina area, to a church serving over 25,000 people every week across 17 campuses. From the very beginning, their church has placed a high value on giving back to their local community financially and through service, dedicating 12% of every dollar given to community outreach. Elevation Church has chosen to partner with highly capable non-profit organisations who specialise in serving those in need. They have created what is called ‘Love Week’, which has taken on its own brand and personality. Pouring generosity into the greater Charlotte area and beyond for one week each year, creates a positive ripple effect for years to come.

In 2018, Elevation Church gave US$8.7 million to 319 non-profit organisations and mobilised 15,000 volunteers to clean, build, feed and support those who are doing this highly impactful charity work every day. By partnering with and resourcing community non-profits, they are able to expand and grow their mission to combat poverty, homelessness, violence and racism, while empowering education, vocational training and building healthy communities.

For Elevation Church, the impact is not only about those receiving, but also about those serving and giving. A member from the church said, “I now understand why it’s a blessing to give rather than receive. Reaching out to bless someone in need with an ear to listen to, a hug and smile or simply your time, gives you life. I’m grateful to be a part of a church that always looks for opportunities to be a blessing to others.”

05

People we are **proud of**

Jeremy Everett, VP of Processing

Jeremy Everett

VP of Processing

"As a problem solver by nature and being acutely aware of the problem Pushpay was trying to solve, I was incredibly excited about the opportunity to join the company. I volunteered my evenings and weekends and even took a few weeks' vacation from my day job to meet with prospective customers in the US. When I joined the team in April 2013, I knew Pushpay would be successful, I believed in the mission and was willing to sacrifice to be a part of the unwritten story. Our success is aligned with our customers' outcomes. Pushpay solves a felt problem and produces tangible results. We understand both our customers and their donors and have a genuine desire to see them thrive. Put simply, Pushpay works."

"Jeremy's deep understanding of the processing space has allowed Pushpay to provide value added services to its customers. As Pushpay continues to grow and the processing needs of its customers change and evolve, his experience and depth of knowledge will allow Pushpay to continue to provide best-in-class services and products positioning both Pushpay and its customers for efficient growth."

– Steve Basden, President

"Processing is a highly complex side of our business and having an expert like Jeremy Everett on the team has brought great value to our customers over the years. Jeremy has not only helped us provide highly dependable service, but he continues to innovate on behalf of both the business and our customers."

– Matt Strelecki, VP of Customer Success

Sarah Herrmann, Senior Project Manager

Sarah Herrmann

Senior Project Manager

“One thing I love about Pushpay is that people genuinely care. No matter which department or team you’re in, the teams are focused on delivering business value and caring for one another along the way. I think what has made Pushpay successful so far is the sharp focus on our target market, as well as our internal transparency, which aligns all of our departments to the same goal. Having clarity on where we’re going and why, has allowed all departments to maintain alignment and focus on what’s most important. I choose to work at Pushpay because of the opportunities presented to me. I am presented with new challenges every day, which enables me to continually grow both personally and professionally. When I’m not at work, I love being outdoors. You can find me biking around the city and surrounds.”

“Sarah always strives for excellence, both in the projects she delivers and the growth she encourages in those she leads. Sarah is incredibly good at delivering clean, simple solutions that will scale as our business grows and changes over time.”

– Caitlin Hruska, Salesforce Project Manager

“Sarah is an incredibly talented project manager who always strives for world-class results. She leads her team to build solid, scalable solutions and can be trusted to attend to every detail of a complex project.”

– Julie Crowner, Senior Director of Technical Operations

Champ Vinitnantharat, Account Executive
and Jack Loofburrow, Mid-Market Sales Manager

Champ Vinitnantharat

Account Executive

“Pushpay has grown significantly in the three years that I have been in my role, which has been very fulfilling to play a part in. In turn, this growth has also forced me out of my comfort zone and has resulted in significant growth in my leadership qualities, problem-solving skills and ability to learn as I go. One thing I love about Pushpay is the generosity that is exhibited at an organizational level as well as an individual level. I witness generosity every day, through leaders and individual contributors giving time, knowledge and resources above and beyond what their role calls for.”

“Champ is someone who lives out Pushpay’s core values of People Come First and Excellence. When his teammates need help or have questions, Champ is the first person to reach out and help them. When it comes to the work Champ puts in on the sales team, he does everything with Excellence and goes the extra mile. He is consistently hitting his numbers while making the team around him more successful.”

- Jack Loofburrow, Mid-Market Sales Manager

“Champ really lives out the Pushpay value of Generosity, both personally and professionally. You will frequently find Champ answering technical questions for his peers, sharing product knowledge with new hires and encouraging his teammates.”

- Brian Byersdorf, Enterprise Account Executive

Industry recognition

Pushpay's many accolades reflect the quality of our people, product and processes. Our success is testament to the Pushpay team's dedication and commitment to excellence and we are extremely proud of our award-winning team. Recognition over the financial year include the following:

- Pushpay placed 11th in the Australian Financial Review Most Innovative Companies List;
- Pushpay was recognised with three awards in the 2018 Best in Biz International Awards, including silver in the Fastest-Growing Company of the Year - Medium and Large category;
- Pushpay was recognised at the 2018 Seattle Business Magazine Tech Impact Awards with a silver award in the Financial Technology category;
- Pushpay was awarded two regional awards in the Westpac Auckland Business Awards 2018 for the central region, including Excellence in International Trade and Supreme Business Excellence;
- Pushpay placed 14th on the 2018 Deloitte Fast 50 Index;
- Pushpay was recognised by the Technology Investment Network (TIN), placing fourth on the EY 10 Companies to Watch 2018 list and 25th on the 2018 TIN 200 list in the TIN Report;
- Pushpay was recognised by the 2018 Westpac Auckland Business Awards with the 'Best of the Best' award in the Excellence in International Trade category;
- Pushpay was recognised with four awards at the 2019 Stevie Awards, including silver in the Contact Center of the Year (Up to 100 Seats) - Technology Industries category; and
- Pushpay was recognised with three awards at the 2019 American Business Awards, including two silver in the 'Company of the Year - Computer Software - Large' and 'Most Innovative Tech Company of the Year - Up to 2,500 Employees' categories.

Board of Directors

Bruce Gordon, Graham Shaw, Dan Steinman,
Christopher Huljich, Chris Heaslip and Peter Huljich

Bruce Gordon, Independent Chairman

Bruce Gordon was appointed as the Independent Chairman of Pushpay on 20 February 2014.

Bruce has over 30 years' experience in business holding senior positions with both SMEs and corporate organisations across Asia Pacific, the UK and the US. He has held various positions in other New Zealand technology companies, including Data Insight.

A pioneer of many of the electronic banking services that consumers now enjoy, Bruce was Chairman of Paymark, Chief Manager Electronic Banking and Payments at Bank of New Zealand and has held senior roles at Eco-Products Group, Retail Financial Services (trading as Farmers Credit), National Australia Bank, ASB Bank and The Warehouse Group. He has extensive board experience, including with Vector Energy Solutions, The Warehouse Financial Services, The Merino Company of New Zealand and Bendon Group.

Bruce is a Fellow of FINSIA and holds an MBA and a PGDipBus (Information Systems) both from the University of Auckland. Bruce lives with his family in Auckland.

Graham Shaw, Independent Director

Graham Shaw was appointed as an Independent Director of Pushpay on 22 January 2015.

Graham is a chartered accountant with over 35 years' experience in business. He sits on a number of corporate and non-profit boards, and has extensive SaaS governance experience including board representation at Xero for eight years and more recently at Gentrack.

He spent 10 years with KPMG working primarily as an advisor to businesses. He then joined Works Infrastructure where he held a number of finance roles before being appointed Chief Executive Officer, leading the company to substantial growth and successful expansion into Australia. Graham has also been Chief Executive Officer of Kensington Swan, one of New Zealand's national law firms.

Graham has a BCom from the University of Canterbury, is a Fellow of Chartered Accountants Australia and New Zealand, a Chartered Member of the Institute of Directors in New Zealand, a member of the Institute of Managers and Leaders and a Companion of Engineering New Zealand. Graham lives with his family in Wellington.

Daniel (Dan) Steinman, Independent Director

Dan Steinman was appointed as an Independent Director of Pushpay on 3 July 2017.

Dan is currently the General Manager for Gainsight EMEA after having served as Chief Customer Officer and Chief Evangelist for the past five years. Dan has spent almost all of his career in Silicon Valley in customer-facing roles, so Customer Success was a natural landing place. He is a leading and sought-after expert in the field who co-authored the best-selling book "Customer Success: How Innovative Companies Are Reducing Churn and Growing Recurring Revenue".

Dan is a 30-year Silicon Valley startup veteran whose track record includes being a founding employee at E.piphany which went on to a highly successful IPO, Co-founder at NearbyNow and the first VP of Customer Success at Marketo (another IPO) before joining Gainsight as a founder in 2012.

Dan has a Computer Science degree from North Dakota State University. Dan currently lives with his family in London.

Christopher Huljich, Non-Executive Director

Christopher Huljich was appointed a Non-Executive Director of Pushpay on 1 February 2014.

Christopher was a Co-founder of Best Corporation, which floated on the NZX in 1991 and was subject to a takeover by the Danone Group in 1995.

He has over 40 years' experience in both commercial and residential property in New Zealand and Australia including large scale commercial, industrial and residential developments and has business interests in many listed and unlisted companies in New Zealand and Australia.

Christopher is the Managing Partner of Christopher & Banks and has invested in many SaaS-based companies, including the sole pre-IPO funding of Diligent Board Member Services. He is also a Co-founder of the Huljich Foundation, which aims to provide memorable experiences for children suffering from life threatening disease.

Christopher brings immense business knowledge across many industries as well as good strategic appreciation and vision. Christopher holds a BCom from the University of Auckland. Christopher lives with his family in Auckland.

Christopher (Chris) Heaslip, Chief Executive Officer, Executive Director and Co-Founder

Chris Heaslip was appointed as an Executive Director of Pushpay on 25 July 2011.

Chris is the CEO and Co-Founder of Pushpay. Along with his Co-Founder Eliot Crowther, Chris envisioned a fast, simple and secure giving solution, that could simultaneously provide a platform for increased generosity, while simplifying business processes and reducing costs.

Chris has worked in and for a number of SMEs and corporate organisations to develop effective and efficient systems and optimal accounting treatment.

He has previously served as CEO of an accounting and tax consultancy and prior to that as a tax management professional and business adviser at KPMG. Chris was also an investigator at the New Zealand Inland Revenue Department.

Chris has a BCom, GradDipCom and a MTax (Hons) all from the University of Auckland. Chris lives with his family in Seattle.

Peter Huljich, Alternate Director for Christopher Huljich

Peter was appointed as an Alternate Non-Executive Director of Pushpay for Christopher Huljich on 7 November 2018.

Peter is an investment professional with over 18 years' experience. He is a Partner at the Huljich family's investment firm, Christopher and Banks. Peter actively manages the firm's interests, which include property, listed equities and unlisted equities, primarily in Australasia and the Americas, with a focus on enduring technology companies with global reach.

Peter co-founded Huljich Wealth Management in 2007, which managed the largest KiwiSaver Scheme (in terms of members) with a 100% New Zealand owned manager. He served in a number of roles including Chief Executive Officer and Chief Investment Officer, prior to the KiwiSaver business being acquired by Fisher Funds Management in 2011. Peter has experience serving on a number of listed and unlisted boards including Mike Pero Mortgages (2006), Sugar International (2006-2010) and Diligent Board Member Services (2007-2011).

Peter holds a BCom from the University of Auckland, a DipNZX from Kaplan and a DipInvRel from the Australasian Investor Relations Association. He is also a Member of the Institute of Directors in New Zealand and is a Fellow of FINSIA. Peter lives with his family in Auckland.

Senior management

Chris Heaslip, Shane Sampson, Josh Robb,
Guy Weismantel, Steve Basden and Kevin Kuck

Chris Heaslip, Chief Executive Officer, is a member of our senior management team and he is also an Executive Director. Please find his biography under 'Board of Directors'.

Shane Sampson, Chief Financial Officer

Shane has over 24 years' experience in finance, commercial and leadership roles, most notably with NZX-listed Vector for around five years, of which two and a half he served as Acting CFO, at Spark in various positions including General Manager Finance and Commercial for Gen-i and most recently as CFO of then NZAX-listed Pulse Energy. In addition to his technical expertise Shane brings strong commercial acumen and a broad strategic outlook to Pushpay's senior management team.

Shane has a BCA and LLB (Hons) from Victoria University of Wellington and is a member of Chartered Accountants Australia and New Zealand. Shane lives with his family in Auckland.

Josh Robb, Senior VP of Product and Engineering

Josh has over 20 years' experience leading technical teams and building software products in Australasia and Europe. Since 2002 he has built SaaS products working in verticals including eLearning, advertising, human resources and mobile commerce. Josh joined Pushpay in January 2014 and led the growth of Pushpay's product design and development team from four to over 100 in only three years. Josh is responsible for building a high-performance product design and development team and product management practice, along with maintaining enterprise grade security and reliability.

Josh lives with his family in Auckland.

Guy Weismantel, Chief Marketing Officer

Guy has over 20 years' experience in driving bottom-line results through differentiated branding, product messaging, product positioning and strategic customer engagement. Guy is responsible for developing and executing marketing strategies that build on Pushpay's market leading position. Guy joined Pushpay from Marchex where he was the Executive Vice President of Marketing. Guy has held previous marketing leadership positions at global organisations including Expedia and Microsoft, as well as several start-up and high-growth SaaS businesses.

Guy holds a BBA from the University of Notre Dame and an MBA in Marketing from Northwestern University. Guy lives with his family in Seattle.

Steve Basden, President

Steve spent 16 years with United Parcel Service in a number of operations management and industrial engineering roles before transitioning into the non-profit sector to work with Adventures In Missions (AIM). While at AIM he held Director of Operations and Director of Short Term Missions roles, during which he helped scale the organisation as it achieved annual growth rates in excess of 18% over 11 years.

Steve holds a BBA from Dallas Baptist University and lives with his family in Seattle.

Kevin Kuck, Senior VP of Operations

Kevin has over 15 years' experience leading sales and operations teams in the US and New Zealand. Prior to joining Pushpay, Kevin led sales operations for Catch Software, an award winning Auckland-based technology company. Kevin is responsible for Pushpay's business systems infrastructure, business process design and organisational alignment, billing operations, sales operations, business intelligence and information technology.

Kevin holds a BA from Bucknell University and lives in Seattle.

06

Management **commentary**

You should read the following commentary with the audited 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. 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).

Business results

	2019 US$000	*2018 US$000*	*Change**
Year ended 31 March			
Operating revenue	95,907	67,697	42%
Other income	2,458	2,493	-1%
Total revenue	**98,365**	**70,190**	**40%**
Third party direct costs	(37,889)	(30,232)	25%
Percentage of operating revenue	*-40%*	*-45%*	5pp
Other operating expenses	(62,524)	(62,630)	0%
Percentage of operating revenue	*-65%*	*-93%*	*28pp*
Net foreign exchange gains	632	8	7,800%
Income tax benefit/(expense)	20,243	(603)	3,457%†
Net profit/(loss)	**18,827**	**(23,267)**	**181%†**
Percentage of operating revenue	*20%*	*-34%*	*54pp*

* pp stands for percentage point
† Improved percentage variance

Total revenue increased by 40% to $98.4 million in the year primarily driven by continued Customer growth and an increase in Average Revenue per Customer (ARPC). Third party direct costs increased by 25%, however as a percentage of operating revenue improved by 5 percentage points to 40% as the Group realised benefits from its margin improvement programme. Total other operating expenses remained stable over the year and, as a percentage of operating revenue, improved by 28 percentage points to 65%. The one-time benefit arising from previously unrecognised tax losses and deferred research and development expenditure of $20.0 million contributed to the net gain of $18.8 million for the year.

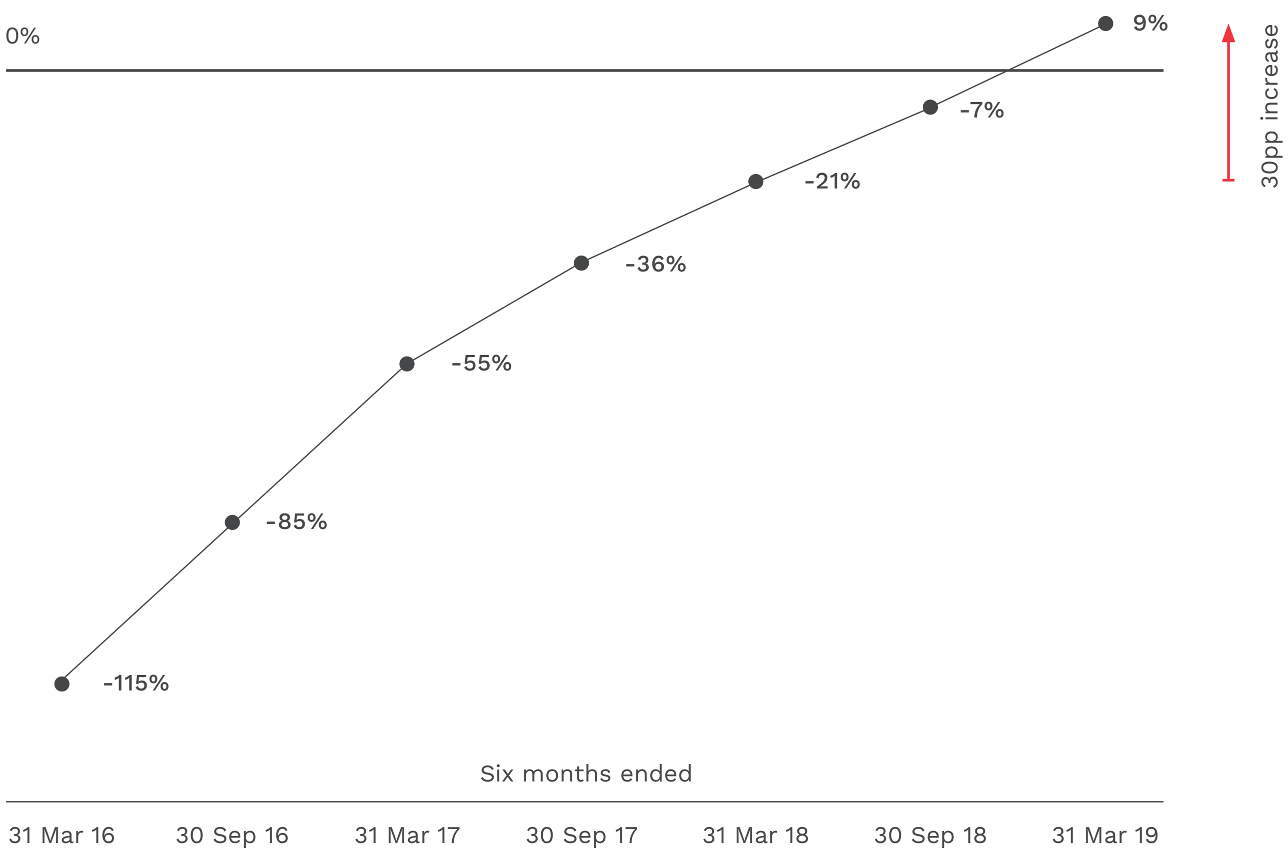
Earnings before interest, tax, depreciation, amortisation and foreign currency (gains)/losses (EBITDAF)

EBITDAF (a non-GAAP financial measure) is calculated by adding back net interest income, depreciation and amortisation, income tax expense and net foreign currency gains/losses to net profit/(loss).

	2019 US$000	*2018 US$000*	*Change*
Year ended 31 March			
Net profit/(loss)	18,827	(23,267)	181%†
Add back: net interest income	(158)	(292)	-46%
Add back: depreciation and amortisation	3,770	4,341	-13%
Add back: income tax (benefit)/expense	(20,243)	603	3,457%†
Add back: net foreign exchange gains	(632)	(8)	7,800%
EBITDAF	**1,564**	**(18,623)**	**108%†**
Percentage of operating revenue	*2%*	*-28%*	*30pp*

EBITDAF improved by $20.2 million over the year from a $18.6 million loss to a $1.6 million profit. EBITDAF, as a percentage of operating revenue, improved by 30 percentage points from -28% to 2%. Operating leverage was largely driven by strong operating revenue growth, improved margins and disciplined cost management.

EBITDAF as a percentage of operating revenue



Operating revenue

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

	2019 US$000	*2018 US$000*	*Change*
Year ended 31 March			
Subscription revenue	26,656	19,749	35%
Processing revenue	69,251	47,948	44%
Total operating revenue	**95,907**	**67,697**	**42%**

As at 31 March	*2019*	*2018*	*Change*
Total Customers	7,649	7,276	5%
ARPC per month (US$)	1,315	989	33%

Total operating revenue increased by 42% over the year primarily due to continued Customer growth and a significant increase in ARPC of 33% from $989 per month to $1,315 per month. This growth reflects the continuation of the Group's stated strategy of focusing on the medium and large customer segments, which contribute higher ARPC, and thus revenue. The Group is continuing to invest in helping Customers better utilise our solutions, to help drive engagement and giving, which in turn leads to higher processing volumes. Over the year the proportion of medium and large church Customers, as a proportion of total Customers, increased to 55.7%, up from 51.1% a year earlier.

Third party direct costs

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

	2019 US$000	*2018 US$000*	*Change*
Year ended 31 March			
Processing costs	34,782	27,702	26%
Platform hosting costs	2,432	1,699	43%
Other third party direct costs	675	831	-19%
Total third party direct costs	**37,889**	**30,232**	**25%**
Percentage of operating revenue	*40%*	*45%*	*-5pp*
Processing costs, as a percentage of processing revenue	50%	58%	-8pp
Platform hosting costs, as a percentage of operating revenue	3%	3%	0pp

Total third party direct costs increased by 25% over the year primarily due to higher interchange fees associated with higher processing volumes, and thus revenues, as well as increased platform hosting costs. The Group realised benefits from its margin improvement programme, with total third party direct costs, as a percentage of operating revenue, improving 5 percentage points from 45% to 40%.

This improvement was largely driven by processing costs which, as a percentage of processing revenue, improved to 50% from 58%. Platform hosting costs as a percentage of operating revenue were stable at 3% over the year.

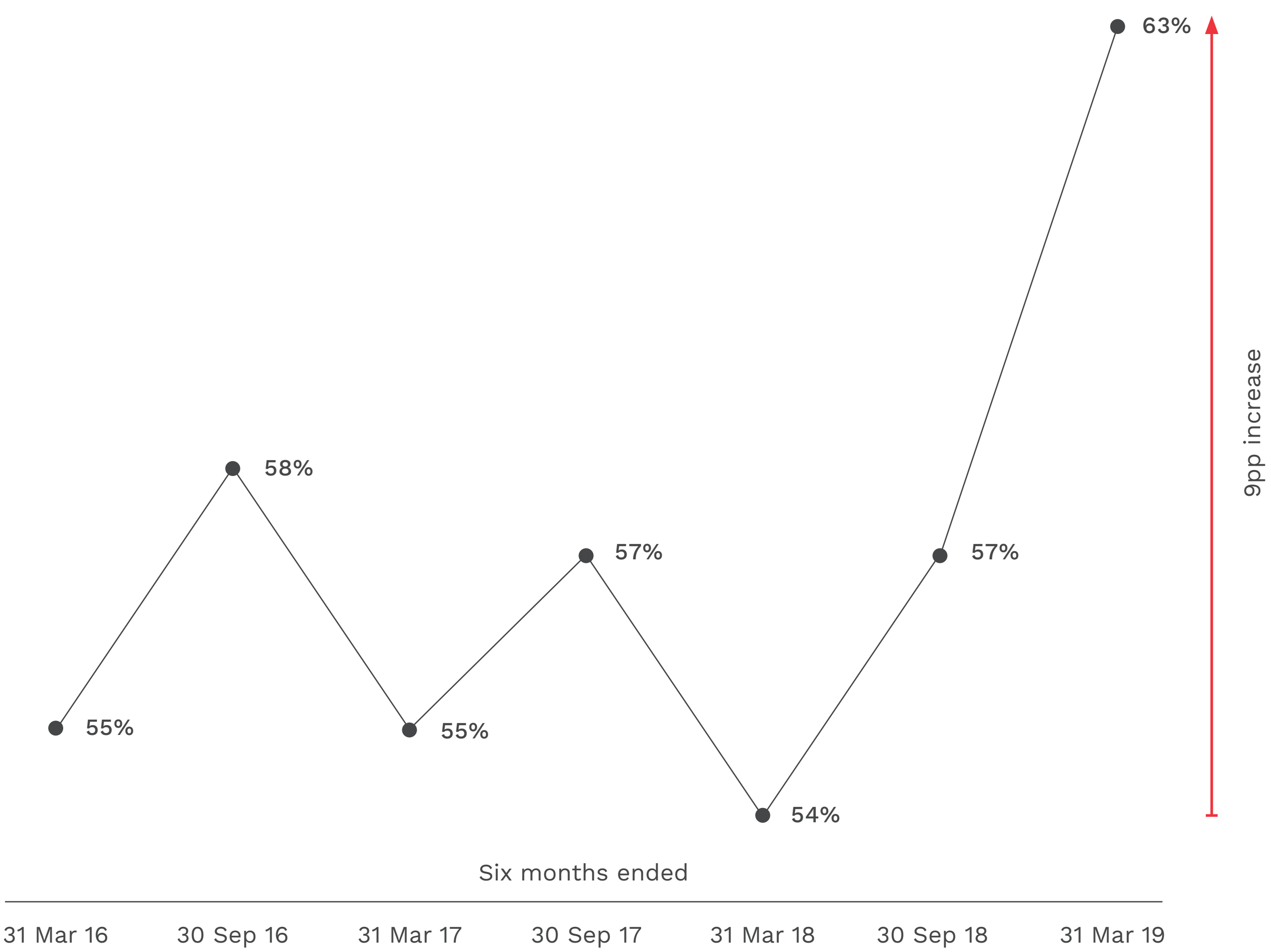
Gross profit

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

	2019 US$000	*2018 US$000*	*Change*
Year ended 31 March			
Operating revenue	95,907	67,697	42%
Third party direct costs	(37,889)	(30,232)	25%
Gross profit	**58,018**	**37,465**	**55%**
Gross margin percentage	*60%*	*55%*	*5pp*

Gross profit, as a percentage of operating revenue, increased by 5 percentage points over the year from 55% to 60%, due to the success of the Group's margin improvement programme driving enhanced processing margins. Gross margin in the six months to 31 March 2019 was 63%, up from 54% in the prior comparable period.

Gross margin percentage



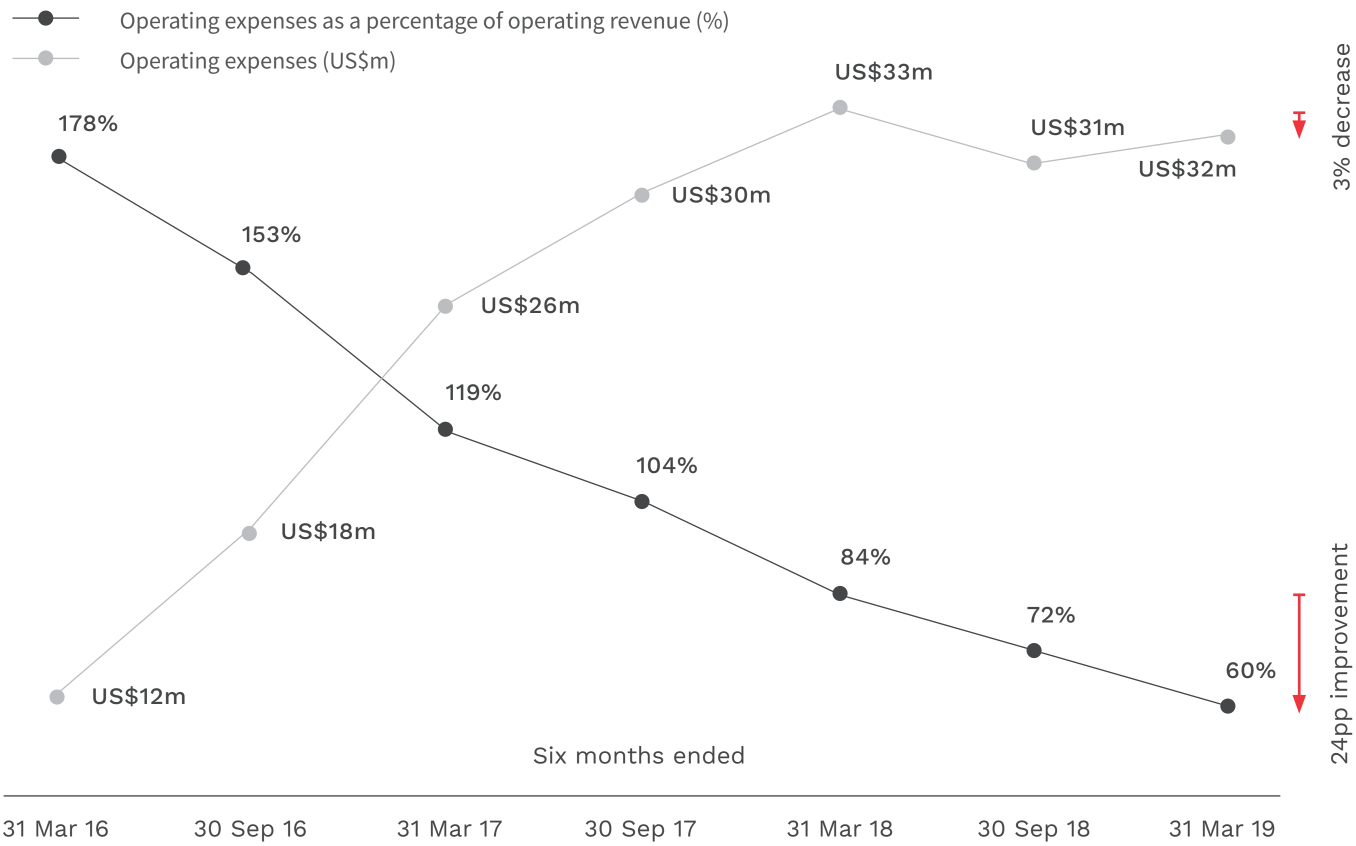
Operating expenses

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

	2019 US$000	*2018 US$000*	*Change*
Year ended 31 March			
Product design and development	17,111	15,200	13%
Sales and marketing	28,591	29,056	-2%
Customer success	5,868	6,237	-6%
General and administration	10,954	12,137	-10%
Total operating expenses	**62,524**	**62,630**	**0%**
Percentage of operating revenue	*65%*	*93%*	*-28pp*

Operating expenses remained stable over the year with increased product design and development costs largely offset by lower costs across all other functions. The Group's investment in scalable tools and processes, along with disciplined cost management has contributed to increased operating leverage.

Operating expenses



Product design and development

Product design and development costs consist primarily of personnel and related expenses (including salaries, benefits, bonuses and share-based payments) 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. The amount amortised is included as a product design and development expense.

	2019 US$000	*2018 US$000*	*Change*
Year ended 31 March			
Total product design and development costs (including amounts capitalised)	14,287	12,620	13%
Percentage of operating revenue	*15%*	*19%*	*-4pp*
Less capitalised development costs	-	(826)	-100%
Percentage of total product design and development capitalised	*0%*	*7%*	*-7pp*
Total product design and development expense excluding amortisation of amounts capitalised	**14,287**	**11,794**	**21%**
Add: Amortisation of capitalised development costs	2,824	3,406	-17%
Net total product design and development expenses	**17,111**	**15,200**	**13%**
Percentage of operating revenue	*18%*	*22%*	*-4pp*

Total product design and development expenses increased by 13% over the year from $12.6 million to $14.3 million. Total product design and development costs, as a percentage of operating revenue, improved by 4 percentage points from 22% to 18%. None of the product design and development costs were considered capital in nature, with the full $17.1 million included as an expense in the income statement.

The Group increased product design and development headcount by 17% from 89 to 104 to further enhance and extend our product offering.

The amortisation of capitalised product design and development expenditure of $2.8 million was also included as an expense in the income statement, giving a total net expense for the year of $17.1 million.

The higher expense in the income statement was primarily driven by the increased volume of product design and development expenditure as well as none of the expenditure being considered capital in nature. Partly offsetting these increased costs was the impact of the falling New Zealand (NZ) Dollar. A significant proportion of product design and development costs are incurred in NZ dollars, and thus a weakening NZ dollar has a favourable impact when translated to US dollars for reporting.

Sales and marketing, and customer success

Sales and marketing expenses consist of personnel and related expenses (including salaries, benefits, bonuses, commissions and share based payments) directly associated with the sales and marketing employees (which include account management 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 (including salaries, benefits, bonuses and share-based payments) 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).

	2019 US$000	*2018 US$000*	*Change*
Year ended 31 March			
Sales and marketing	28,591	29,056	-2%
Customer success	5,868	6,237	-6%
Total sales and marketing, and customer success costs	**34,459**	**35,293**	**-2%**
Percentage of operating revenue	*36%*	*52%*	*-16pp*
Months to recover CAC	<18	<18	NC
Annual Revenue Retention Rate	>100%	>100%	NC

Total sales and marketing, and customer success costs reduced by 2% over the year from $35.3 million to $34.5 million. Sales and marketing, and customer success costs, as a percentage of operating revenue, improved by 16 percentage points from 52% to 36%. The Group continues to focus on acquiring medium and large customers and has grown the account management team to also help Customers better utilise our solutions, to help drive engagement and giving, which in turn leads to higher processing volumes. Sales and marketing costs reduced by 2% from $29.1 million to $28.6 million, whilst headcount recently increased by 7% from 138 to 147. The Months to Recover CAC remained at less than 18 months and the Annual Revenue Retention Rate remained at over 100% for the year.

Customer success costs reduced by 6% over the year from $6.2 million to $5.9 million, however recent investment has seen an increase in total headcount by 30% from 56 to 73.

General and administration

General and administration expenses consist of personnel and related expenses (including salaries, benefits, bonuses and share-based payments) 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.

	2019 US$000	*2018 US$000*	*Change*
Year ended 31 March			
General and administration	10,954	12,137	-10%
Percentage of operating revenue	*11%*	*18%*	*-7pp*

General and administration costs reduced by 10% over the year from $12.1 million to $11.0 million, while improving as a percentage of operating revenue by 7 percentage points, from 18% to 11%.

Drivers of the decrease in general and administration costs included reduced executive share incentive costs and lower other overheads.

Employees

As at 31 March	*2019*	*2018*	*Change*
Product design and development	104	89	17%
Sales and marketing	147	138	7%
Customer success	73	56	30%
General and administration	65	67	-3%
Total Group	389	350	11%

Staff headcount increased by 11% over the year from 350 to 389, with 106 staff based in NZ and 283 based in the US.

Cash flows

	2019 US$000	*2018 US$000*	*Change*
Year ended 31 March			
Receipts from Customers	58,192	38,781	50%
Other operating cash flows	(60,949)	(55,917)	9%
Total cash flows from operating activities	**(2,757)**	**(17,136)**	**-84%**
Investing cash flows	(300)	(2,532)	-88%
Total operating and investing cash flows	**(3,057)**	**(19,668)**	**-84%**
Financing activities	-	24,599	-100%
Foreign currency translation adjustment	(903)	(451)	100%
Net movement in cash and cash equivalents	**(3,960)**	**4,480**	**-188%**

Receipts from Customers increased by 50% over the year from $38.8 million to $58.2 million. Receipts from Customers relating to processing revenue are shown net of the processing costs reflecting the physical cash inflows.

Investing cash flows decreased by 88% over the year from $2.5 million to $0.3 million, with $1.0 million in the prior year relating to the final settlement payment for the acquired Bluebridge assets. The remainder of the reduction largely related to lower levels of capitalised software in the year.

07

Independent **Auditor's Report**

To the Shareholders of Pushpay Holdings Limited

Opinion	We have audited the consolidated financial statements of Pushpay Holdings Limited (the 'Company') and its subsidiaries (the 'Group'), which comprise the consolidated statement of financial position as at 31 March 2019, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. In our opinion, the accompanying consolidated financial statements, on pages 52 to 79, present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2019, and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards ('NZ IFRS') and International Financial Reporting Standards ('IFRS').
Basis for opinion	We conducted our audit in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. We are independent of the Group in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Other than in our capacity as auditor and the provision of other assurance services, we have no relationship with or interests in the Company or any of its subsidiaries, except that partners and employees of our firm deal with the Company and its subsidiaries on normal terms within the ordinary course of trading activities of the business of the Company and its subsidiaries.
Audit materiality	We consider materiality primarily in terms of the magnitude of misstatement in the consolidated financial statements of the Group that in our judgement would make it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced (the 'quantitative' materiality). In addition, we also assess whether other matters that come to our attention during the audit would in our judgement change or influence the decisions of such a person (the 'qualitative' materiality). We use materiality both in planning the scope of our audit work and in evaluating the results of our work. Based on our professional judgement, we determined the quantitative materiality for our audit of the Group's consolidated financial statements as a whole to be US$1,000,000 (2018: US$769,000).

Key audit matters

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

Key audit matter	*How our audit addressed the key audit matter*
Recognition of subscription revenue (Note 3, Note 12) Subscription revenue was US$26.7 million (2018: US$19.7 million) for the financial year. Unearned subscription revenue at 31 March 2019 is US$7 million (2018: US$6.9 million). Subscription revenue is recognised in the accounting period(s) in which the services are rendered. This requires the Group to identify the individual services being provided, allocate the revenue across those services, and record the revenue in profit or loss in the period(s) in which the services are delivered to customers. We have included the recognition of subscription revenue as a key audit matter due to the significance of revenue to the performance of the Group and the level of judgement required in determining the periods over which the services are delivered.	We have evaluated the Group's systems, processes and controls to determine the amount and timing of subscription revenue recorded in the consolidated financial statements. For a sample of customer contracts, we: • Agreed client contract information in IT systems to approved client contracts; • Evaluated the Group's allocation of revenue to the various services provided under the contract and the determination of the timing of revenue recognition for each service; • Compared the period over which revenue is being recognised against the contractual terms; and • Reperformed the calculation for unearned revenue at balance date based on the contract price, payments made to date, and the period in which the services being delivered under the contract are provided as recorded in the IT systems.

Other information

The directors are responsible on behalf of the Group for the other information. The other information comprises the information in the Annual Report that accompanies the consolidated financial statements and the audit report.

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

Our responsibility is to read the other information and consider whether it is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities for the consolidated financial statements

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

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

Auditor's responsibilities for the audit of the consolidated financial statements	Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. A further description of our responsibilities for the audit of the consolidated financial statements is located on the External Reporting Board's website at: https://xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1 This description forms part of our auditor's report.
Restriction on use	This report is made solely to the Company's shareholders, as a body. Our audit has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte Limited

Jason Stachurski, Partner
for Deloitte Limited
Auckland, New Zealand

8 May 2019

08

Financial **statements**

Income Statement

		Year ended 31 March	
		2019	*2018*
	Notes	*US$000*	*US$000*
Revenue	**3**	**98,365**	**70,190**
Expenses			
Third party direct costs		(37,889)	(30,232)
Product design and development		(17,111)	(15,200)
Sales and marketing		(28,591)	(29,056)
Customer success		(5,868)	(6,237)
General and administration		(10,954)	(12,137)
Net foreign exchange gains		632	8
Total expenses	**4**	**(99,781)**	**(92,854)**
Net loss before income tax		**(1,416)**	**(22,664)**
Income tax benefit/(expense)	5	20,243	(603)
Net profit/(loss) for the year		**18,827**	**(23,267)**
Profit/(loss) per share			
Basic profit/(loss) per share	16	6.85	(8.71)
Diluted profit/(loss) per share	16	6.80	(8.71)

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

Statement of Comprehensive Income

	Year ended 31 March	
	2019	*2018*
	US$000	*US$000*
Net profit/(loss) for the year	**18,827**	**(23,267)**
Other comprehensive income*		
Exchange differences on translation of foreign operations	(1,178)	(130)
Total comprehensive profit/(loss) for the year	**17,649**	**(23,397)**

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

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

Statement of Changes in Equity

	Notes	*Share capital US$000*	*Accumulated losses US$000*	*Shared based payment reserve US$000*	*Foreign currency translation reserve US$000*	*Total equity US$000*
Balance as at 1 April 2017		**66,501**	**(46,245)**	**765**	**(2,216)**	**18,805**
Net loss		-	(23,267)	-	-	(23,267)
Currency translation movements		-	-	-	(130)	(130)
Total comprehensive profit/(loss)		**-**	**(23,267)**	**-**	**(130)**	**(23,397)**
Transactions with owners:						
Issue of shares	14	27,342	-	-	-	27,342
Share issue costs	14	(1,531)	-	-	-	(1,531)
Share based payments		-	-	469	-	469
Balance as at 31 March 2018		**92,312**	**(69,512)**	**1,234**	**(2,346)**	**21,688**
Balance as at 1 April 2018		**92,312**	**(69,512)**	**1,234**	**(2,346)**	**21,688**
Net profit		-	18,827	-	-	18,827
Currency translation movements		-	-	-	(1,178)	(1,178)
Total comprehensive profit/(loss)		**-**	**18,827**	**-**	**(1,178)**	**17,649**
Transactions with owners:						
Issue of shares	14	1,354	-	-	-	1,354
Share based payments		-	-	103	-	103
Balance as at 31 March 2019		**93,666**	**(50,685)**	**1,337**	**(3,524)**	**40,794**

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

Statement of Financial Position

		As at	
		31 March 2019	*31 March 2018*
Assets	*Notes*	*US$000*	*US$000*
Current assets			
Cash and cash equivalents	9	13,926	17,886
Trade and other receivables	10	11,869	7,342
Deferred acquisition costs	8	1,300	1,478
Total current assets		**27,095**	**26,706**
Non-current assets			
Property, plant and equipment	6	1,221	1,806
Intangible assets	7	1,876	4,872
Deferred acquisition costs	8	1,464	-
Restricted cash balances	9	1,139	1,256
Deferred tax asset	5	20,930	-
Total non-current assets		**26,630**	**7,934**
Total assets		**53,725**	**34,640**
Liabilities			
Current liabilities			
Trade and other payables	11	3,752	3,508
Unearned revenue	12	7,097	7,206
Employee entitlements	13	2,057	1,759
Income tax payable	5	25	479
Total current liabilities		**12,931**	**12,952**
Total liabilities		**12,931**	**12,952**
Net assets		**40,794**	**21,688**
Equity			
Share capital	14	93,666	92,312
Accumulated losses		(50,685)	(69,512)
Share based payment reserve		1,337	1,234
Foreign currency translation reserve		(3,524)	(2,346)
Total equity		**40,794**	**21,688**

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

For and on behalf of the Board, 8 May 2019:

Bruce Gordon
Chairman

Chris Heaslip
CEO, Executive Director and Co-founder

Statement of Cash Flows

		Year ended 31 March	
		2019	*2018*
	Notes	*US$000*	*US$000*
Operating activities			
Receipts from Customers		58,192	38,781
Other income		2,053	1,437
Interest received		122	272
Payments to suppliers and employees		(61,755)	(57,385)
Income tax paid		(1,369)	(241)
Net cash flows from operating activities	23	**(2,757)**	**(17,136)**
Investing activities			
Purchase of property, plant and equipment		(345)	(792)
Capitalised development costs and intangible assets		-	(909)
Acquisition of software licence and Customer contracts		(49)	(1,000)
Restricted cash balances		94	169
Net cash flows from investing activities		**(300)**	**(2,532)**
Financing activities			
Issue of shares (net of costs)		-	24,599
Net cash flows from financing activities		**-**	**24,599**
Net increase/(decrease) in cash and cash equivalents		**(3,057)**	**4,931**
Foreign currency translation adjustment		(903)	(451)
Cash and cash equivalents as at the beginning of the year		**17,886**	**13,406**
Cash and cash equivalents as at the end of the year	9	**13,926**	**17,886**

The accompanying notes form an integral part of these 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 financial statements presented are for Pushpay and its subsidiaries (together, the 'Group') for the year ended 31 March 2019.

These consolidated financial statements were authorised for issue in accordance with a resolution of the Directors on 8 May 2019.

The Group's principal activity is to provide a donor management system, including donor tools, finance tools and a custom community app, to the faith sector, non-profit organisations and education providers in the US, Canada, Australia and New Zealand. 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. Summary of significant accounting policies

(a) Basis of preparation

The consolidated financial statements for the year ended 31 March 2019 have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ('NZ GAAP'), Part 7 of the FMCA and the NZX Main Board Listing Rules. They comply with New Zealand equivalents to International Financial Reporting Standards ('NZ IFRS') and other applicable Financial Reporting Standards, as appropriate for profit oriented entities. The financial statements comply with International Financial Reporting Standards ('IFRS').

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

(b) Critical, accounting estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. These are areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements.

Judgments, estimates and assumptions made by management in the preparation of these financial statements are outlined in the notes to the financial statements.

Key sources of estimation, uncertainty and judgment include:

<u>The application of the going concern assumption</u>

The financial statements have been prepared using the going concern assumption.

The Group has recently transitioned from being loss making to being profitable and cash flow positive on a regular basis. For the six months ended 31 March 2019, the Group has recorded a net profit before tax of $2.7 million and net operating cash inflows of $2.4 million. The Group has recorded a net profit after tax of $18.8 million for the year ended 31 March 2019 (2018: net loss after tax of $23.3 million) and as at balance date is in a net asset position of $40.8 million (2018: net asset position of $21.7 million). The Group has no debt and as at balance date has available cash and cash equivalents of $13.9 million (2018: $17.9 million).

With the growth in revenue, improved operating leverage through improved margins and relatively stable costs, the Group has now transitioned to be in a position of funding growth in the ordinary course of business from current business cash flows (as opposed to requiring additional capital). The Group's forecast shows continued revenue growth, increased operating leverage, strong positive cash flows and sustained profitability.

Recognition of subscription revenue

Identification of performance obligations contained within the sales contract and timing for recognition of revenue is on the basis of the completion of the performance obligation throughout the contract term (refer to Note 3: Revenue).

Recognition of deferred tax

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. With the Group transitioning to profitability it is now probable that prior period tax losses will be utilised to offset future taxable profits within the next three years. Current shareholder continuity further supports the recognition of a deferred tax asset. Accordingly, in the year to 31 March 2019 the Group has recognised a deferred tax asset of $20.9 million (refer to Note 5: Taxation).

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be measurable under the circumstances.

(c) Changes in accounting policies and disclosures

The Group adopted NZ IFRS 9 'Financial instruments' and NZ IFRS 15 'Revenue from Contracts with Customers' during the year ended 31 March 2019. The nature and effect of the changes as a result of the adoption of these new accounting standards are described below:

- NZ IFRS 9 'Financial Instruments' adoption has amended the Group's accounting for impairment losses for trade receivables by replacing the NZ IAS 39 incurred loss approach with a forward-looking expected credit loss approach.

  The transition to the standard has not had any material impact on the financial position and financial performance in the current year, or the respective prior year comparatives.

- NZ IFRS 15 'Revenue from Contracts with Customers' establishes a comprehensive model for entities to use in accounting for revenue arising from contracts with Customers. The standard replaces the revenue recognition requirements of NZ IAS 18.

  The core principle of NZ IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in a manner that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Group has identified subscription and processing revenue as the two key revenue streams that fall within the scope of NZ IFRS 15. Refer to 'Note 3: Revenue' for detailed descriptions of these revenue streams.

  A key difference between NZ IFRS 15 and NZ IAS 18 relates to the identification, measurement and recognition of distinct performance obligations contained within customer contracts and an assessment of the timing and recognition of revenue from each performance obligation. NZ IFRS 15 also requires an entity to determine if the nature of its promise is to provide the service itself (i.e., as a Principal) or to arrange for a third party to provide the services (i.e., as an Agent). The Principal versus Agent determination dictates whether the entity recognises revenue on a gross or net basis.

  Performance obligations

  NZ IFRS 15 requires the Group to identify performance obligations, whether explicit or implicit, in their sales contracts with Customers and assess timing for recognition of the revenue from each performance obligation. Upon review of the current contracts with Customers and service packages available to new Customers, we have concluded that the service packages can not be sold independently and are not capable of being distinct and therefore do not create separate performance obligations. Refer to 'Note 3: Revenue' for further description of the identified performance obligation.

Principal vs agent determination

Upon review of the contracts between the Group and third party service providers, we have established that, not only does the Group control the service before it is provided to the Customer, the Group is also ultimately responsible for the accurate and timely transfer of the donations made. The Group also has complete discretion over processing margins applied to each donation made. In consideration of these factors, the Group has concluded that it is the Principal party in its relationship with third party service providers. Therefore the practice of recording the processing revenue on a gross basis is not only appropriate, but also in accordance with NZ IFRS 15.

The transition to the standard has not had any material impact on the financial position and financial performance in the current year, or the respective prior year comparatives.

(d) Basis of consolidation

The Group financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has the rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

Subsidiaries are consolidated from the date the Company obtains control. They are de-consolidated from the date that control is lost. The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The consideration transferred for an acquisition is measured as the fair value of the assets acquired by the Group, equity instruments issued, and liabilities incurred or assumed, by the Group at the date of exchange. Costs directly attributable to the acquisition are recognised in the income statement.

At the acquisition date the identifiable assets acquired and the liabilities assumed are recognised at their fair value.

Intra-Group transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each subsidiary are measured using the currency of the primary economic environment in which it operates. The Group financial statements are presented in US Dollars, which is the Group's presentation currency. The Company's functional currency is New Zealand (NZ) Dollars.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement.

(iii) Foreign operations

The results and financial position of all foreign operations that have a functional currency different from US Dollars are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

- Income and expenses for each profit or loss component of the income statement are translated at average exchange rates for the period; and
- All resulting exchange differences are recognised as other comprehensive income and accumulated in the foreign currency translation reserve.

(f) Statement of cash flows

For the purpose of the statement of cash flows, cash and cash equivalents includes: 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 change in value.

The statement of cash flows is prepared exclusive of regional sales taxes, which is consistent with the method used in the income statement.

Definition of terms used in the statement of cash flows:

(i) Operating activities include all transactions and other events that are not investing or financing activities.

(ii) Investing activities are those activities relating to the acquisition and disposal of current and non-current investments and any other non-current assets.

(iii) Financing activities are those activities relating to changes in the equity and debt capital structure of the Group and those activities relating to the cost of servicing the Group's equity.

(g) New and revised standards, amendments and interpretations

The following standard has been published but is not yet effective, and has not been early adopted by the Group:

- NZ IFRS 16 'Leases' establishes a comprehensive model for entities to use in accounting for their operating leases. The standard replaces the current standard, NZ IAS 17 'Leases', and becomes effective on 1 April 2019 for the Group. The core principle of the standard is that an entity should recognise a lease liability and a right-of-use asset at inception, based on the present value of the future lease payments for substantially all lease contracts (with the exception of low value and short term leases). The expense that was previously recorded in relation to these leases will change from being included in operating expenses, to being included in depreciation and interest expenses. The cash payments that were previously recorded in operating activities within the statement of cash flows will be split into the principal portion (presented within financing activities) and the interest portion (presented within operating activities).

  The Group intends to apply the modified retrospective transitional approach and has performed an initial assessment of the financial impact based on leases in effect at 1 April 2019. For the year ended 31 March 2020, the Group estimates that the adoption of the new standard will result in an approximate \$1.2 million - \$1.4 million decrease in operating lease expense with approximate increases of \$1.2 million - \$1.4 million and \$0.1 million - \$0.3 million in depreciation and interest expenses, respectively. The overall impact on net profit before tax would be a decrease of \$0.1 million - \$0.3 million. The impact on the statement of financial position as at 31 March 2020 is estimated to be an approximate increase of \$2.8 million - \$3.2 million in both assets and liabilities. The Group anticipates there will be no change to the value of total cash payments under the new standard.

  In calculating the above estimated impacts several judgements were required. These include determining the lease term, the discount rate applicable to each lease and lease payment, and the underlying foreign exchange rate.

3. Revenue

Revenue comprises the fair value of the consideration received or receivable for the provision of services, excluding regional sales taxes, rebates and discounts.

Subscription revenue comprises recurring monthly and annual fees for engagement and giving solutions provided to Customers, forming the Group's sole performance obligation. The performance obligation is satisfied as and when the services are delivered to the Customer, resulting in revenue to be recognised over the term of the contract, commencing with the date the contract is signed by the Customer. Unearned revenue represents amounts billed to Customers in advance, either monthly or annually, of the provision of services and is recognised in the statement of financial position as unearned revenue in current liabilities.

Processing revenue consists of volume fees that are primarily based on a percentage of the total dollar value of payments processed, predominantly within the US faith sector. Revenues from volume fees are recognised on a gross basis when the Customer has an obligation to pay transaction fees on the related through-put, via the interchange merchant. Associated costs payable to processing parties are classified as third party direct costs.

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Interest income is accrued on a time basis by reference to the principal outstanding and using the effective interest rate method.

Year ended 31 March	*2019* *US$000*	*2018* *US$000*
Operating revenue*		
Subscription revenue	26,656	19,749
Processing revenue	69,251	47,948
Total operating revenue	**95,907**	**67,697**
Government grants		
Callaghan Innovation Project Grant	193	227
Callaghan Innovation Growth Grant	2,063	1,879
Total Government grants	**2,256**	**2,106**
Other income		
Interest received	158	292
Other income	44	95
Total other income	**202**	**387**
Total revenue	**98,365**	**70,190**

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

4. Expenses

Assets, liabilities, revenues and expenses are stated exclusive of regional sales taxes, with the exception of receivables and payables, which include regional sales taxes. Included in the expenses are the following items:

Year ended 31 March	*2019* *US$000*	*2018* *US$000*
Advertising and marketing	5,817	6,709
Auditor's remuneration	113	89
Bad debts	174	307
Depreciation and amortisation	3,770	4,341
Directors fees	239	204
Employee benefits - defined contribution expense	587	675
Employee benefits/entitlements	41,854	40,856
Employee benefits/entitlements - capitalised commissions and development costs	(2,715)	(3,335)
Net foreign exchange (gains)/losses	(632)	(8)
IT and communications	2,741	2,546
Occupancy costs	1,243	1,640
Share based payments	2,085	2,543
Third party direct costs	37,889	30,232
Travel-related costs	990	1,034
Other operating expenses	5,626	5,021
Total expenses	**99,781**	**92,854**
Depreciation and amortisation		
Relating to:		
Amortisation of development costs	1,620	2,107
Amortisation of other intangible assets	1,204	1,299
Depreciation of property, plant and equipment	946	935
Total depreciation and amortisation	**3,770**	**4,341**
Depreciation and amortisation included in function expenses as follows:		
Product design and development	3,076	3,634
Sales and marketing	364	362
Customer success	159	164
General and administration	171	181
Total depreciation and amortisation	**3,770**	**4,341**

Depreciation has been allocated to each function on a headcount basis and amortisation is entirely allocated to product design and development.

Auditor's remuneration		
Audit of financial statements	113	80
Other assurance services	-	9
Total auditor's remuneration	**113**	**89**

Other assurance services relate to a limited review of the Group's compliance with Callaghan Innovation Grant requirements.

5. Taxation

Income tax expense comprises current and deferred tax. Income tax is recognised in the profit or loss component of the income statement. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of the previous year.

Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related benefits will be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income tax levied by the same taxation authority on either the same taxable entity, or different entities, where there is an intention to settle the balance on a net basis.

(a) Income statement:

The analysis of income tax expense is as follows:

	2019	*2018*
Year ended 31 March	***US$000***	***US$000***
Current income tax benefit/(expense)	(765)	(480)
Adjustment for prior years	78	(123)
Deferred tax benefit	20,930	-
Income tax benefit/(expense)	**20,243**	**(603)**

(b) Reconciliation of income tax expense to prima facie tax expense

Year ended 31 March	*2019* *US$000*	*2018* *US$000*
Loss before tax	(1,416)	(22,664)
At the New Zealand statutory income tax rate of 28%	**396**	**6,346**
Non-deductible expenses	(1,524)	41
Taxation rate variances on subsidiaries	363	(67)
Adjustment for prior years	78	(123)
Deferred tax adjustment	20,930	-
Future benefit of tax losses not recognised	-	(6,800)
Income tax benefit/(expense)	**20,243**	**(603)**

(c) Current tax assets and liabilities

As at 31 March	*2019* *US$000*	*2018* *US$000*
Income tax payable	25	479

(d) Deferred tax balances

	Employee benefits *US$000*	*Depreciation and amortisation* *US$000*	*Capitalised commissions* *US$000*	*Deferred research and development expenditure* *US$000*	*Tax losses* *US$000*	*Other timing differences* *US$000*	*Net* *US$000*
As at 1 April 2017	150	(44)	(333)	-	267	(40)	-
Charged to income statement	191	(79)	(414)	-	165	137	-
As at 31 March 2018	**341**	**(123)**	**(747)**	**-**	**432**	**97**	**-**
As at 1 April 2018	341	(123)	(747)	-	432	97	-
Charged to income statement	137	134	-	7,041	12,527	1,091	20,930
As at 31 March 2019	**478**	**11**	**(747)**	**7,041**	**12,959**	**1,188**	**20,930**

The Group has recognised a deferred tax asset arising from deferred research and development expenditure, and tax losses of US$20.0 million. The unrecognised tax losses attributable to the previous year totalled US$18.5 million.

The Group had estimated NZ deferred research and development expenditure, and tax losses of US$71.4 million (2018: US$66.9 million) available to carry forward, subject to shareholder continuity being maintained as required by NZ tax legislation.

The Group has elected to defer the deduction of research and development expenditure in accordance with DB 34(7) and EE 1(5) of the Income Tax Act 2007. The Group elected to defer the deduction of US$10.3 million of research and development expenditure incurred during the year ended 31 March 2019, and

US$14.8 million of research and development expenditure incurred up until the period ended 31 March 2018. The total amount of deferred research and development expenditure available to the Group is US$25.1 million.

The deferred research and development expenditure can be deducted from taxable income in future periods, and the ability to carry forward deferred research and development expenditure is not dependent on maintaining shareholder continuity.

(e) Imputation credit account balances

As at 31 March	*2019* *US$000*	*2018* *US$000*
Balance at the end of the financial year	16	16

6. Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight line basis so as to write off the differences between the cost and the estimated residual values of the assets over their expected useful lives, as follows:

Category	Estimated useful life
Computer equipment	3 years
Office equipment	5 years
Fixtures and fittings	5-7 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the assets. These are included in the income statement.

	Computer equipment US$000	*Office equipment US$000*	*Fixture and fittings US$000*	*Total US$000*
Balance as at 1 April 2017				
Cost	1,687	889	506	3,082
Capital work in progress	-	-	180	180
Accumulated depreciation	(605)	(254)	(97)	(956)
Net book value as at 1 April 2017	**1,082**	**635**	**589**	**2,306**
Cost				
Balance as at 1 April 2017	1,687	889	506	3,082
Transfer from capital work in progress	-	-	180	180
Additions	508	78	26	612
Disposals	(8)	-	(144)	(152)
Foreign exchange variation	(20)	(12)	-	(32)
Balance as at 31 March 2018	**2,167**	**955**	**568**	**3,690**
Accumulated depreciation				
Balance as at 1 April 2017	(605)	(254)	(97)	(956)
Depreciation	(652)	(182)	(101)	(935)
Foreign exchange variation	5	4	(2)	7
Balance as at 31 March 2018	**(1,252)**	**(432)**	**(200)**	**(1,884)**
Net book value as at 31 March 2018	**915**	**523**	**368**	**1,806**
Balance as at 1 April 2018				
Cost	2,167	955	568	3,690
Accumulated depreciation	(1,252)	(432)	(200)	(1,884)
Net book value as at 1 April 2018	**915**	**523**	**368**	**1,806**
Cost				
Balance as at 1 April 2018	2,167	955	568	3,690
Additions	331	56	40	427
Disposals	(78)	(17)	(1)	(96)
Foreign exchange variation	(40)	(8)	(18)	(66)
Balance as at 31 March 2019	**2,380**	**986**	**589**	**3,955**
Accumulated depreciation				
Balance as at 1 April 2018	(1,252)	(432)	(200)	(1,884)
Depreciation	(601)	(185)	(160)	(946)
Disposals	59	-	-	59
Foreign exchange variation	24	4	9	37
Balance as at 31 March 2019	**(1,770)**	**(613)**	**(351)**	**(2,734)**
Net book value as at 31 March 2019	**610**	**373**	**238**	**1,221**

7. Intangible assets

Intangible assets consist of both internally generated intangible assets such as capitalised expenditure for software development, and externally generated intangible assets such as trademarks, software licences and customer databases.

Costs that are directly associated with the development of the software products controlled by the Group are recognised as intangible assets only if all of the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use or sale;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Software development relates to the continued development of the Group's mobile commerce and engagement solutions. The Group capitalises software development costs based on direct costs associated with the project and a proportion of employee costs that directly relate to the software development project. Computer software development costs recognised as assets are amortised over their estimated useful lives.

Other development expenditures that do not meet the above criteria are recognised as expenses as incurred. This includes research costs and costs associated with maintaining internal computer software programs.

Other intangible assets acquired are initially measured at cost. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the income statement in the year in which the expenditure is incurred.

The useful lives of the Group's intangible assets are assessed to be finite. Assets with finite lives are amortised over their useful lives and tested for impairment whenever there are indications that the assets may be impaired.

Amortisation is recognised in the income statement on a straight-line basis over the estimated useful life of the intangible asset, from the date it is available for use.

The estimated useful lives are:

Customer contracts and brands	3 years
Software licences	3 years
Software development costs	3-5 years
Patents and trademarks	10 years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the income statement when the asset is derecognised.

	Customer contracts and brands *US$000*	*Software licence* *US$000*	*Software development* *US$000*	*Patents and trademarks* *US$000*	*Total* *US$000*
Balance as at 1 April 2017					
Cost	1,310	2,290	6,146	300	10,046
Accumulated amortisation	(155)	(272)	(2,288)	(79)	(2,794)
Net book value as at 1 April 2017	**1,155**	**2,018**	**3,858**	**221**	**7,252**
Cost					
Balance as at 1 April 2017	1,310	2,290	6,146	300	10,046
Additions	-	-	826	83	909
Impairment	-	-	-	(83)	(83)
Foreign exchange variation	-	-	237	10	247
Balance as at 31 March 2018	**1,310**	**2,290**	**7,209**	**310**	**11,119**
Accumulated amortisation					
Balance as at 1 April 2017	(155)	(272)	(2,288)	(79)	(2,794)
Amortisation	(437)	(763)	(2,161)	(45)	(3,406)
Impairment	-	-	-	7	7
Foreign exchange variation	-	-	(54)	-	(54)
Balance as at 31 March 2018	**(592)**	**(1,035)**	**(4,503)**	**(117)**	**(6,247)**
Net book value as at 31 March 2018	**718**	**1,255**	**2,706**	**193**	**4,872**
Balance as at 1 April 2018					
Cost	1,310	2,290	7,209	310	11,119
Accumulated amortisation	(592)	(1,035)	(4,503)	(117)	(6,247)
Net book value as at 1 April 2018	**718**	**1,255**	**2,706**	**193**	**4,872**
Cost					
Balance as at 1 April 2018	1,310	2,290	7,209	310	11,119
Additions	-	-	41	8	49
Impairment	-	-	-	-	-
Foreign exchange variation	(35)	(61)	(437)	-	(533)
Balance as at 31 March 2019	**1,275**	**2,229**	**6,813**	**318**	**10,635**
Accumulated amortisation					
Balance as at 1 April 2018	(592)	(1,035)	(4,503)	(117)	(6,247)
Amortisation	(426)	(744)	(1,620)	(34)	(2,824)
Impairment	-	-	-	-	-
Foreign exchange variation	15	26	264	7	312
Balance as at 31 March 2019	**(1,003)**	**(1,753)**	**(5,859)**	**(144)**	**(8,759)**
Net book value as at 31 March 2019	**272**	**476**	**954**	**174**	**1,876**

Impairment considerations

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of the recoverable amount. Where the carrying value of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

The recoverable amount is the greater of fair value less costs to sell or the asset's value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets are reviewed for possible reversal of the impairment loss at each reporting date.

As at 31 March 2019, the Group has concluded that there are no indicators of impairment, and therefore no impairment has been recognised.

8. Deferred acquisition costs

Deferred acquisition costs comprise capitalised costs of Customer acquisitions, such as commissions paid to employees. These costs are amortised in equal instalments over the duration of the associated revenue contract, from the date of Customer acquisition.

	US$000
Balance as at 1 April 2017	*1,190*
Additions	2,507
Amortisation	(2,219)
Net book value as at 31 March 2018	**1,478**
Net book value as at 1 April 2018	**1,478**
Additions	2,715
Amortisation	(1,429)
Balance as at 31 March 2019	**2,764**
Current	1,300
Non-current	1,464

9. Cash and cash equivalents and restricted cash balances

Cash and cash equivalents includes: 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.

As at 31 March	2019 US$000	2018 US$000
Cash and cash equivalents	13,926	17,886

Amounts held by currency were as follows:		
United States dollars	12,906	16,045
New Zealand dollars	804	1,752
Canadian dollars	139	63
Australian dollars	77	26
Total cash and cash equivalents	**13,926**	**17,886**

As at 31 March	2019 US$000	2018 US$000
Restricted cash balances	1,139	1,256

Restricted cash balances primarily represent tenant security deposits relating to property lease arrangements that the Group has entered into.

10. Trade and other receivables

Trade and other receivables are initially recognised at the fair value of the amounts to be received, plus transaction costs (if any).

The Group has recognised expected credit losses in the income statement by applying the simplified impairment approach, whereby upon initial measurement of the trade receivables, the Group considers all credit losses that are expected to occur during the lifetime of the receivable. The Group has reviewed the historical ageing analysis of gross trade receivables, by geographic region, to determine the expected credit loss rate. This rate is applied to outstanding gross trade receivables as at 31 March 2019 to calculate the allowance for expected credit losses.

Additionally the Group recognises an allowance of individual receivables if there is objective evidence of credit impairment.

As at 31 March	2019 US$000	2018 US$000
Gross trade receivables	3,142	2,886
Allowance for expected credit losses	(310)	(375)
Net trade receivables	**2,832**	**2,511**
Prepayments	2,624	1,786
Accrued revenue	5,401	2,855
Other receivables	1,012	190
Current trade and other receivables	**11,869**	**7,342**

Trade receivables

Trade receivables primarily relate to subscription charges. Subscriptions are generally charged monthly or annually in advance and are predominantly electronically collected.

Aging analysis

As at 31 March	*2019* *US$000*	*2018* *US$000*
1-60 days	2,775	2,466
61-90 days	27	45
91+ days	340	375
Gross trade receivables	**3,142**	**2,886**

Past due but not impaired trade receivables

Included in the trade receivables balance are debtors amounting to $0.2 million (2018: $0.2 million), which are past due but not impaired at balance date.

Movement in allowance for expected credit loss on trade receivables

	2019 *US$000*	*2018* *US$000*
Balance as at 1 April	375	91
Provision for expected credit losses	109	293
Written-off during the year	(174)	(9)
Balance as at 31 March	**310**	**375**

11. Trade and other payables

Trade and other payables are unsecured, non-interest bearing and usually paid within 45 days of recognition. Therefore, the carrying value of creditors and other payables approximates their fair value.

As at 31 March	*2019* *US$000*	*2018* *US$000*
Trade payables	842	571
Other payables and accrued expenses	2,271	2,190
Deferred lease incentive	639	747
Balance as at 31 March	**3,752**	**3,508**

12. Unearned revenue

Unearned subscription revenue is a proportion of revenue yet to be recognised as revenue in the income statement, based upon the period over which the service is delivered to the Customer. Unearned subscription revenue is largely recognised within 12 months.

Unamortised grant revenue is the amount yet to be amortised to revenue based on the estimated life of the software development to which the grant relates.

As at 31 March	*2019* *US$000*	*2018* *US$000*
Unearned subscription revenue	7,045	6,946
Unamortised grant revenue	52	260
Balance as at 31 March	**7,097**	**7,206**

13. Employee entitlements

Accruals are made for benefits accruing to employees in respect of wages and salaries, commissions payable and annual leave when it is probable that settlement will be required and they are capable of being measured reliably.

As at 31 March	*2019* *US$000*	*2018* *US$000*
Liability for annual leave	841	680
Commissions payable	470	497
Share incentive scheme bonus accrual	562	536
Other employee entitlements	184	46
Balance as at 31 March	**2,057**	**1,759**

14. Share capital

	Number of shares *000's*	*US$000*
Balance as at 1 April 2017	**250,550**	**66,501**
Movements during the year		
Issue of shares	23,843	26,920
Issue of shares to Pushpay Trustees Limited	156	-
Capital raised on employee share scheme allotment	-	422
Share issue costs	-	(1,531)
Balance as at 31 March 2018	**274,549**	**92,312**
Movements during the year		
Issue of shares	571	1,074
Issue of shares to Pushpay Trustees Limited	142	-
Capital raised on employee share scheme allotment	-	280
Balance as at 31 March 2019	**275,262**	**93,666**

The paid up capital comprises ordinary shares. The total number of shares on issue is 275,261,739 (2018: 274,549,033). All shares have been issued, are fully paid and have no par value.

As at 31 March 2019, these include 379,281 shares (2018: 463,334) issued to Pushpay Trustees Limited (the Trustee), a wholly owned subsidiary established for the purpose of the employee share scheme.

Fluctuations in the underlying NZ and Australian (AU) exchange rates, relative to the US resulted in the final amount of capital raised being US$26.1 million on the date of the issue of the shares on 19 July 2017 (in the prior financial year). The foreign currency impact had no dilutive effect on any of the shares on issue.

15. Share based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the income statement over the remaining vesting period, with a corresponding adjustment to the equity-settled share-based payment reserve.

Employee share incentive scheme (SIS)

The SIS is for full time and contract employees and executives of the Group. Under the SIS, ordinary shares in Pushpay Holdings Limited are issued to the Trustee and allocated to participants, on grant date, using funds lent to them by the Company. The shares are beneficially owned by the participants. The length of the retention period before the shares vest is typically between one and three years.

If the individual is still employed by the Group at the end of this specific period, the employee is given a bonus that must be used to repay the loan, and shares are then transferred to the employee. The weighted average grant date fair value of restricted shares issued during the year was $2.75 (2018: $1.76). Shares with a grant date fair value of $0.3 million were vested during the year (2018: $0.4 million). The Group has no legal or constructive obligation to repurchase the shares or settle the SIS for cash.

The Trustee holds 379,281 shares (2018: 463,334). All of these shares are held on behalf of employees and subject to repayment of employee loans. Loans are not recognised as they are limited recourse and accounted for as options. The fair value of services received in return for the shares granted is based on the fair value of shares granted measured using a Black Scholes option pricing model. The volatility used in the option pricing model is the standard deviation based on a statistical analysis of the daily share price of the Company over the last 12 months. For shares issued during the year the volatility used was 30% (2018: 55%).

The number and exercise price is as follows:

	Weighted average exercise price US$	*Number of shares*
Unvested shares as at 1 April 2017		**1,368,177**
Granted	1.76	155,586
Vested	0.40	(1,060,429)
Total as at 31 March 2018, of which		**463,334**
Forfeited shares not yet reallocated - held by the Trustee		65,137
Unvested shares as at 31 March 2018 - allocated to employees		398,197
Total as at 31 March 2018		**463,334**
Granted	2.75	141,613
Vested	1.24	(225,666)
Total as at 31 March 2019, of which		**379,281**
Forfeited shares not yet reallocated - held by the Trustee		92,159
Unvested shares as at 31 March 2019 - allocated to employees		287,122

Aging of unvested shares	*2019*	*2018*
Balance of shares to vest within one year	197,307	214,232
Balance of shares to vest after one year*	89,815	183,965
Total unvested shares as at 31 March	**287,122**	**398,197**

* In the Group's 2018 Annual Report, this balance included 65,137 unallocated shares.

Operating expenses

Year ended 31 March	*2019* *US$000*	*2018* *US$000*
Share based payment expense	526	755

Restricted Stock Units (RSUs)

The RSU plan is for full time and contract employees and executives of the Group. No cash consideration is required to be paid to exercise the RSUs. The fair value of RSUs granted in the year ended 31 March 2019 was $2.0 million (2018: $2.8 million) as determined by the market value of the shares on grant date. The RSUs typically vest over a period of three years, and are generally exercisable annually in equal amounts, on the condition that the employee is still employed by the Group.

	Weighted average exercise price US$	*Number of RSUs*
Total as at 1 April 2017		**1,540,433**
Granted during the year	2.17	1,703,321
Forfeited during the year		(552,190)
Converted to shares	2.66	(520,506)
Surrendered to pay payroll tax	2.66	(168,843)
Total as at 31 March 2018		**2,002,215**
Total as at 1 April 2018		**2,002,215**
Granted during the year	2.46	829,215
Forfeited during the year		(244,054)
Converted to shares	2.22	(540,575)
Surrendered to pay payroll tax	2.22	(162,534)
Total as at 31 March 2019		**1,884,267**

Year ended 31 March	*2019* *US$000*	*2018* *US$000*
Share based payment expense	1,559	1,788

16. Earnings per share (EPS)

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

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

The profit of $18.8 million (2018: loss of $23.3 million) represented a profit (2018: loss) per share shown below based on weighted average ordinary shares on issue during the year.

Year ended 31 March	*2019* *000's*	*2018* *000's*
Number of issued ordinary shares	275,262	274,549
Weighted average ordinary shares outstanding	274,794	267,069
Basic profit/(loss) per share (cents)	**6.85**	**(8.71)**
Weighted average ordinary shares outstanding	274,794	267,069
Weighted average dilutive potential ordinary shares	1,875	-
Weighted average potential ordinary shares outstanding	276,669	267,069
Diluted profit/(loss) per share (cents)	**6.80**	**(8.71)**

No anti-dilutive employee share options were excluded from the weighted average number of dilutive potential ordinary shares for the year ended 31 March 2019 (2018: 2,002,215).

17. Net tangible assets per share

Net tangible assets per share is determined by dividing the net asset value of the Group (adjusted by the intangible assets, deferred acquisition costs and deferred tax) and the number of ordinary shares issued at the end of the year.

As at 31 March	*2019* *000's*	*2018* *000's*
Net tangible assets	13,709	14,935
Number of issued ordinary shares	275,262	274,549
Net tangible assets per share (cents)	**4.98**	**5.44**

18. Reserves

Foreign currency translation reserve

Exchange differences relating to the translation from the functional currencies of the Group's Companies into US Dollars are recorded in other comprehensive income and accumulated in the foreign currency translation reserve.

Share based payment reserve

This reserve is used to record the value of share-based payments provided to employees, including key management personnel as part of their remuneration.

19. 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 Chief Executive Officer and senior management team (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 forms a single operating segment. The segment result is reflected in the financial statements.

Geographical information

The Group operated principally in the US for the year ended 31 March 2019, from which over 98% of its revenue from operations is generated.

20. Subsidiaries

Name	*Country of Incorporation*	*Interest 2019 (%)*	*Interest 2018 (%)*
Bluebridge Churches LLC	United States	100	100
NPO Apps Incorporated (not trading)	United States	100	100
Pushpay Incorporated	United States	100	100
Pushpay IP Limited	New Zealand	100	100
Pushpay Limited (not trading)	New Zealand	100	100
Pushpay New Zealand Limited (formerly Run The Red Limited)	New Zealand	100	100
Pushpay Processing Incorporated (formerly ZipZap Processing Incorporated)	United States	100	100
Pushpay Pty Limited	Australia	100	100
Pushpay Trustees Limited	New Zealand	100	100
Pushpay USA Incorporated (formerly eChurch Incorporated)	United States	100	100

All companies have a 31 March balance date.

21. Related parties

The Group has a related party relationship with its key management personnel, which includes the Directors.

Remuneration

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly and include the Directors, the Chief Executive Officer and senior managers.

The following table summarises remuneration paid to key management personnel:

Year ended 31 March	*2019 US$000*	*2018 US$000*
Directors' fees	239	204
Short term employee benefits	1,883	1,569
Share based payments	545	442

22. Financial risk management

The Group is subject to a number of financial risks including liquidity risk, credit risk and market risk. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. Specific risk management objectives and policies are set out below:

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of debt and equity.

The capital structure of the Group consists of shares, comprising issued capital and retained losses. The

Group's Board of Directors reviews the capital structure on a regular basis to ensure that entities in the Group are able to continue as going concerns. The Group is not subject to externally imposed capital requirements.

Interest rate risk

The Group's interest rate risk arises from its cash and cash equivalents balance. These are placed on deposit at variable rates that expose the Group to cash flow interest rate risk. The Group does not enter into forward rate agreements.

The Group's management regularly reviews its banking arrangements to ensure the best returns on funds.

As at 31 March	*2019* *US$000*	*2018* *US$000*
Variable rate instruments		
Financial assets - cash and cash equivalents	13,926	17,886
Financial assets - restricted cash balances	1,139	1,256
	15,065	**19,142**

Cash at bank is subject to floating interest rate risk. During the year interest rates ranged from 0-3.4% (2018: 0-3.5%). As at 31 March 2019 if interest rates had been 1% higher/lower with all other variables held constant, the impact on interest income and net profit of the Group would have been $0.1 million higher/lower (2018: $0.1 million).

Credit risk

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Group. Financial instruments which potentially subject the Group to credit risk principally consist of cash and accounts receivable. The Group's Board of Directors monitors and manages the exposure to credit risk by ensuring Customers have an appropriate credit history, with the majority of Customer subscription fees recovered via Automated Clearing House draw (direct debit).

The maximum exposures to credit risk at the balance date are:

As at 31 March	*2019* *US$000*	*2018* *US$000*
Gross trade receivables*	3,142	2,886
Cash and cash equivalents and restricted cash balances	15,065	19,142

* In the Group's 2018 Annual Report, this balance was comprised of net trade receivables.

The Group does not require any collateral or security to support financial instruments. The Group's bank accounts are held with ASB Bank, Commonwealth Bank of Australia, City National Bank, Wells Fargo Bank and Royal Bank of Canada, which are banks of good credit ratings.

Liquidity risk management

Liquidity risk is the risk that the Group cannot pay contractual liabilities as they fall due. The Group's Board of Directors regularly reviews its liquidity position by examining future cash requirements.

All financial liabilities of the Group for 31 March 2019 and 31 March 2018 are non-interest bearing and mature within 3 months of balance sheet date.

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 following sensitivity analysis is based on the foreign currency risk exposures in existence at the reporting date. As at 31 March 2019, had the NZ Dollar moved, as illustrated in the table below, with all other variables held constant, post tax profit and loss and equity would have been affected as follows:

As at 31 March	*2019* *US$000*	*2018* *US$000*
Increase in value of NZ Dollar of 10 percent		
Impact on profit/(loss)	(865)	(3,046)
Impact on equity	(865)	(3,046)
Decrease in value of NZ Dollar of 10 percent		
Impact on profit/(loss)	865	3,046
Impact on equity	865	3,046

The sensitivity analysis was calculated by taking the spot rate as at balance date of 0.6806 (2018: 0.7235) for NZ Dollars and moving this spot rate by the reasonably possible movements of plus and minus 10 percent and then re-converting the foreign currency into US Dollars with the 'new spot rate'. This methodology reflects the translation methodology undertaken by the Group.

Fair value of financial instruments

Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial instruments recognised in the statement of financial position include cash and cash equivalents, trade receivables, trade payables and accruals.

The carrying value of financial assets and financial liabilities are assumed to approximate their fair values due to the short term maturity of these assets and liabilities. Both financial assets and financial liabilities are carried at amortised cost.

23. Reconciliation of net profit/(loss) with cash flows from operating activities

Year ended 31 March	*2019* *US$000*	*2018* *US$000*
Net profit/(loss) for the period	18,827	(23,267)
Adjustment for non-cash items		
Depreciation	946	935
Amortisation	2,824	3,406
Share based payment expense	2,085	2,088
Deferred tax benefit	(20,930)	-
Net foreign exchange (gains)/losses	(632)	(8)
Other non-cash items	(43)	162
	3,077	**(16,684)**
Movements in working capital		
Trade and other receivables	(4,527)	(2,819)
Deferred acquisition costs	(1,286)	(288)
Trade and other payables	244	464
Unearned revenue	(109)	1,112
Employee entitlements	298	745
Income tax payable	(454)	334

	(5,834)	(452)
Net cash flows from operating activities	(2,757)	(17,136)

24. Contingent liabilities

As at the balance date there were no material contingent liabilities (2018: nil).

25. Capital commitments and operating lease commitments

Capital commitments

As at the balance date there were no material capital commitments (2018: nil).

Operating lease commitments

Operating leases are recognised on a straight-line basis over the lease term. In the event that lease incentives are received, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis across the duration of the corresponding lease.

Non-cancellable operating lease commitments where the Group is a lessee in relation to leases of office space are:

As at 31 March	*2019* *US$000*	*2018** *US$000*
Less than one year	1,494	1,656
After one year but not more than five years	3,538	4,687
More than 5 years	-	520
	5,032	**6,863**

* In the Group's 2018 Annual Report, this disclosure included occupancy related operating expenses.

Non-cancellable operating lease receivables where the Group is a lessor in relation to sub-leases of office space are:

As at 31 March	*2019* *US$000*	*2018* *US$000*
Less than one year	107	212
After one year but not more than five years	-	107
	107	319

26. Events after the balance sheet date

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

09

Corporate **governance**

The objective of the Board is to enhance shareholder value. The Board and management of Pushpay are committed to ensuring that Pushpay ('the Company') meets best practice governance principles and adheres to high ethical standards.

Pushpay commenced trading on the NZX Alternative Market ("NZAX") on 14 August 2014. The Company ceased quotation of its shares on the NZAX at 5:00 pm on 8 June 2015 and commenced quotation of its shares on the NZX Main Board on 9 June 2015. The Company commenced quotation on the Australian Securities Exchange ("ASX") in a foreign exempt listing on 12 October 2016. Pursuant to ASX Listing Rule 1.15.3, the Company confirms that it continues to comply with the NZX Main Board Listing Rules.

The Board considers that, as at 31 March 2019, the Company complied with the recommendations set by the NZX Corporate Governance Code 2017, except as set out below.

Reference	*Recommendation*	*Alternative Governance Practice and Reason for the Practice*	*Applicable Period*
Recommendation 3.5	All Board committees should operate under written charters.	The Board has three standing committees, the Audit and Risk Management Committee, the Nominations and Remuneration Committee and the Technology, Innovation and Intellectual Property Committee. The written charters for these committees are appended to the Company's Corporate Governance Code. The Board may, from time to time, establish ad-hoc committees to deal with specific issues or circumstances. As these committees are established on an ad-hoc basis, they will not have written charters. However, when appointing an ad-hoc committee the Board intends to minute, or otherwise record in writing, the terms of appointment of the committee.	At all relevant times

Recommendation 4.3	Financial reporting should be balanced, clear and objective. An issuer should provide non-financial disclosure at least annually, including considering material exposure to environmental, economic and social sustainability risks and other key risks. It should explain how it plans to manage those risks and how operational or non-financial targets are measured.	Pushpay has not provided detailed reporting on environmental, economic and social sustainability risks because it is in the early stages of reporting on non-financial information. Pushpay will consider providing more detailed non-financial reporting in the following financial years.	At all relevant times
Recommendation 5.2	An issuer should have a remuneration policy for remuneration of Directors and officers, which outlines the relative weightings of remuneration components and relevant performance criteria.	The Board has adopted a remuneration policy (see paragraph 11 of the Company's Corporate Governance Code), which addresses remuneration components (fixed, performance-based and equity-based) and confirms that executive remuneration should include an element of performance-based pay. The remuneration policy does not specify relative weightings of remuneration components or specify performance criteria. This is because the Board has concluded that the relative weightings between remuneration components, as well as the performance criteria used to determine performance-based payments, will be determined on a case-by-case basis, having regard to the nature of the executive's role and other relevant factors.	At all relevant times

The alternative governance practices described in the above table have been approved by the Board.

The full content of the Company's Corporate Governance Code and related Appendices can be found on the Company's website (see https://pushpay.com/investors/governance).

Board of Directors

Role of the Board

Pushpay's Board is responsible for directing the Company and enhancing its value for shareholders in accordance with good corporate governance principles.

The main functions of the Board are to:

a) provide overall governance and strategic leadership;

b) oversee the development, adoption and communication of a clear strategy for the Company (including overseeing the implementation of the Company's strategy by management);

c) be well-informed, impartial and critically engaged in the Company's affairs;

d) apply that manner of engagement when assessing strategic, business and financial plans prepared by management;

e) bring an independent mind when deciding the viability of plans to be adopted;

f) regularly assess and monitor the Company's performance against those plans, carefully considering the CEO's management of the Company against them;

g) select and replace the CEO, determine conditions of employment, and monitor performance against agreed objectives;

h) appoint a chairperson of the Board and, if considered by the Board to be appropriate or necessary, a deputy chairperson of the Board, and monitor performance against agreed objectives;

i) approve executive management team appointments, remuneration (including performance remuneration) and monitor performance against agreed objectives;

j) assess whether appropriate training has been received by Directors on how best to perform their duties;

k) review development and succession plans for executive management team;

l) ensure that the Company has adequate management and resources to achieve its objectives and to support the Board;

m) ensure effective and timely reporting to shareholders;

n) review and approve the Company's operating budgets and major capital expenditure;

o) set delegated authority levels for the CEO and executive management team;

p) review and approve individual investment and divestment decisions which the Board has determined should be referred to it before implementation;

q) review and approve material transactions not in the ordinary course of the Company's business;

r) ensure effective accounting, reporting, audit, risk management and compliance systems are in place and monitored to protect the Company's assets and to minimise the possibility of actions beyond legal and regulatory requirements or beyond acceptable risk parameters being undertaken;

s) ensure that the Company maintains a risk management framework which identifies:

  i) material risks to the Company and its business;

  i) the likelihood and impact of each risk to the Company's business; and

  i) how those risks are being managed or mitigated;

t) ensure that regular reports on the risk management framework are provided to, and reviewed by, the Board;

u) determine the nature and extent of the material risks it is willing to take to achieve its strategic objectives and how it will manage them;

v) ensure ethical behaviour by the Company, the Board and management;

w) ensure compliance with the Company's Constitution, its continuous disclosure obligations, and the relevant laws, listing rules and regulations and relevant auditing and accounting principles;

x) adopt and from time to time review the Company's remuneration policy and other corporate governance documents;

y) implement and from time to time review the Company's Code of Ethics, foster high standards of ethical conduct and personal behaviour and hold accountable those Directors, managers or other employees who engage in unethical behaviours;

z) ensure the quality and independence of the Company's external audit process; and

aa) assess from time to time its own effectiveness in carrying out these functions and the other responsibilities of the Board.

The Board has delegated a number of its responsibilities to three Board Committees: Audit and Risk Management Committee, Nomination and Remuneration Committee and Technology, Innovation and Intellectual Property (IP) Committee. The role of each Committee is described below. The Board determines the strategic direction and goals, whereas day to day management of the Company is delegated to the senior management team under the leadership of the CEO.

Board composition

The NZX Main Board Listing Rules state that the Company must have at least three Directors, of which at least two must be resident in New Zealand.

As at 31 March 2019 the Board comprised five Directors:

Bruce Gordon - Independent Chairman

Graham Shaw - Independent Director

Daniel Steinman - Independent Director

Christopher Huljich - Non-executive Director

Christopher Heaslip - Executive Director, CEO and Co-founder

On 21 June 2018, Eliot Crowther resigned as an Executive Director. On 7 November 2018, Peter Huljich was appointed as the Alternate Director for Christopher Huljich.

A biography of each Director is available earlier in this Report and on Pushpay's website at https://pushpay.com/investors/board.

Chairman

The Chairman of the Board is elected by the Board. The Board supports the separation of roles of the Chairman and CEO. The Board has determined that the Chairman, Bruce Gordon, is an Independent Director.

The Chairman is responsible for coordinating the activities and work streams of the Board and has the following specific responsibilities:

a) lead the Board, facilitate effective contribution by all Directors and promote constructive and respectful relations between Directors and between the Board and senior management;

b) conduct meetings of the Board and of shareholders;

c) schedule Board meetings in a manner that enables the Board and its Committees to effectively perform their duties while minimally interfering with the Company's business;

d) prepare, in consultation with the CEO, other Directors and Committee chairpersons and the Board Secretary, the agendas for the Board and committee meetings, and ensure that adequate time is available for discussing agenda items (particularly strategic issues);

e) define the quality, quantity and timeliness of the flow of information between senior management and the Board;

f) ensure that issues raised, or information requested, by any Director are responded to promptly and as fully as possible;

g) approve, in consultation with the Board, the retention of consultants who report directly to the Board;

h) foster a constructive governance culture and assist the Board and senior management in assuring compliance with, recommended revisions to, and implementation of the Company's Corporate Governance Code;

i) promote and maintain the independence of the Board from senior management;

j) participate in the Non-executive Directors' evaluation of the CEO's performance and to meet with the CEO to discuss the Board's requirements and expectations and the evaluation of the CEO's performance by the Board; and

k) to ensure that processes for annually evaluating the performance of the Board, Board Committees and individual Directors are in place and lead these processes in conjunction with the Board.

Conflict of interests

The Board is aware of its obligations to ensure that Directors avoid conflicts of interest between their duties to the Company and any personal interests. The Company's Corporate Governance Code outlines the policy where conflicts exist (real and perceived). Pushpay maintains a Directors' interests register where relevant disclosures of interest and related party transactions are recorded.

Director independence

Consideration is given to significant shareholders or shareholder groups being represented on the Board. In addition, as required by the NZX Main Board Listing Rules, the Board also has Independent Directors to ensure that the interests of all shareholders are represented. The Board takes into account the NZX Main Board Listing Rules in determining the independence of the Directors and will review any determination it makes, on becoming aware of any information that may impact any Director's independence.

As at 31 March 2019 and the date of this Report, the Board has determined that Bruce Gordon, Graham Shaw and Daniel Steinman are Independent Directors and the remaining Directors (Christopher Huljich, Peter Huljich and Christopher Heaslip) were not Independent Directors.

Retirement and re-election

Directors are subject to the retirement by rotation requirements as set out in the NZX Main Board Listing Rules and in the Company's constitution. In broad terms, one third (or the whole number nearest one third) of the Directors must retire by rotation at each annual meeting. The Directors to retire are those who have been longest in office since the last election. Directors retiring by rotation may, if eligible, stand for re-election. A Director appointed by the Board since the previous annual meeting holds office only until the next annual meeting but is eligible for re-election at that annual meeting.

Director training

All Directors are responsible for ensuring they remain current in understanding their obligations and duties. New Directors are given a copy of the Company's Corporate Governance Code and other relevant Company information, appropriate induction training and a letter of appointment covering the role of the Board, expectations and any particular terms of the appointment.

Company information

All Directors have access to senior management to discuss issues or obtain information in specific areas in relation to items to be considered at Board meetings or any other areas considered appropriate. Each Director has the right to seek independent legal and other professional advice (with approval of the Chairman) at the Company's expense to assist them to carry out their responsibilities.

Directors' and officers' insurance

Pushpay has insured and indemnified all its Directors against liabilities to other parties that may arise from acts or omissions in their capacity as Directors.

Board evaluation

The Board undertakes regular reviews of its own performance and the performance of Directors and each Committee to ensure the Board's composition has the appropriate skills, qualifications, experience and background to monitor the Company's performance in the interests of the shareholders.

Board Committees

Audit and Risk Management Committee

The current members of the Audit and Risk Management Committee are Graham Shaw (Chairman), Bruce Gordon and Daniel Steinman. All members of the Audit and Risk Management Committee are Independent Directors.

The Board is committed to a transparent system for auditing and reporting the Group's financial performance. The Audit and Risk Management Committee's principal functions include assisting the Board in:

- fulfilling the Board's responsibilities in producing accurate financial statements in compliance with all applicable legal requirements and accounting and reporting standards;
- ensuring the quality and independence of the Company's external audit process; and
- discharging the Board's responsibility to exercise due care, diligence and skill in relation to oversight of, appropriate accounting policies, financial management, internal control systems and risk management framework.

The Audit and Risk Management Committee provides a forum for effective communication between the Board and external auditors. The Committee reviews the annual and interim financial statements prior to their approval by the Board, the effectiveness of internal control and management information systems and the efficiency and effectiveness of the audit function.

The Committee generally invites the Company's Chief Financial Officer and the auditors to attend Committee meetings. The Committee also meets with and receives reports from the auditors concerning any matters that arise in connection with the performance of their role, including the adequacy of internal controls.

Pushpay has established a system of risk oversight and management. Senior management maintains a risk register and this is reviewed at each meeting of the Audit and Risk Management Committee.

Pushpay has established procedures for confidential, anonymous submission of concerns by employees of the Company, including a whistle blowing scheme.

A copy of the Audit and Risk Management Committee Charter can be found on the Company's website (see Appendix D of the Company's Corporate Governance Code, located at the date of this Report at https://pushpay.com/investors/governance).

Nominations and Remuneration Committee

The current members of the Nominations and Remuneration Committee are Bruce Gordon (Chairman), Graham Shaw and Christopher Huljich, a majority of which, the Board has determined, are Independent Directors.

The Committee reviews the remuneration packages of all Directors and the senior management team. The Non-executive Directors approve the employee remuneration of Christopher Heaslip who is also an Executive Director. Christopher Heaslip does not receive any remuneration solely in his capacity as Director.

The packages of the employees and contractors of the Group, which consist of base salary and incentive schemes (including performance-related bonuses) are reviewed with due regard to performance and other relevant factors.

The Committee reviews the composition of the Board annually to ensure the Board maintains an appropriate balance of skills, experience and expertise.

The terms and conditions of the appointment of Directors are set out in a formal letter of appointment, that typically deals with the following matters:

- duration of appointment;
- role of the Board;
- timing and location of board meetings and expected time commitment;

- remuneration, including timing of reviews;
- Committee involvement;
- Board and individual evaluation processes;
- outside interests including other directorships;
- dealing in Company shares;
- induction and development processes;
- access to independent professional advice;
- availability of liability insurance; and
- confidentiality of Group information.

A copy of the Nominations and Remuneration Committee Charter can be found on the Company's website (see Appendix E of the Company's Corporate Governance Code, located at the date of this Report at https://pushpay.com/investors/governance).

Technology, Innovation and Intellectual Property (IP) Committee

The current members of the Technology, Innovation and IP Committee are Bruce Gordon (Chairman), Daniel Steinman, Christopher Huljich and Christopher Heaslip.

The purpose of this Committee is to perform an advisory role in relation to the Company's material technology, innovation and intellectual property related matters through:

- reviewing and providing advice and recommendations to the Board on all material decisions regarding the development of the Company's technology;
- assisting the Board to determine enhancements in functionality that would be desirable to make to Pushpay's products and material investments, research and development; and
- developing intellectual property policy and strategy.

A copy of the Technology, Innovation and IP Committee Charter can be found on the Company's website (see Appendix F of the Corporate Governance Code, located at the date of this Report at https://pushpay.com/investors/governance).

Board and Committee meeting attendance

Board and Committee meetings are held in person and/or by teleconference. The table below shows Director attendance at these meetings during the year ended 31 March 2019:

	Board	*Audit and Risk Management Committee*	*Nominations and Remuneration Committee*	*Technology, Innovation and IP Committee*
Total meetings	17	4	4	4
Bruce Gordon	17	4	4	4
Graham Shaw	16	4	4	2*
Daniel Steinman	14	2	1*	4
Christopher Huljich	14	2*	2	2
Christopher Heaslip	17	2*	4*	3
Peter Huljich**	6	2*	2*	2*
Eliot Crowther***	7	-	-	-

* Non-member attending Committee meeting.

** Peter Huljich joined the Board as an Alternate Director for Christopher Huljich on 7 November 2018.

*** Eliot Crowther resigned as a Director on 21 June 2018.

Code of Ethics

The Pushpay Code of Ethics is fundamental to the way that Pushpay does business. The purpose of the Code is to ensure high standards of ethical conduct. The Code aims to achieve this purpose by the use of principles that provide guidance on appropriate standards and conduct. As the Code and the principles set out in it cannot capture every situation that might arise, Pushpay personnel are expected to assess actions and decisions against the backdrop of the principles and spirit of the Code and always seek to act consistently with that.

The Code has been approved by the Board and all of Pushpay's personnel are expected to be familiar with it. Furthermore, all of Pushpay's personnel (including employees, contractors and other representatives of Pushpay from time to time) must comply with the letter and spirit of the Code. This is especially true of Directors and senior management. Breaches of the Code will result in appropriate disciplinary and/or legal action.

The Code covers:

- conflicts of interest;
- receipt and use of Company information;
- receipt and use of Company assets and property;
- Directors' attention to the matters before them;
- acting honestly and in the best interest of the Company;
- valuing personnel;
- giving and receiving gifts; and
- reporting and managing breaches of the Code.

A copy of the Code can be found on the Company's website (see Appendix A of the Company's Corporate Governance Code, located at the date of this Report at https://pushpay.com/investors/governance).

Interests register

An interests register is maintained for Pushpay in which the particulars of certain transactions and matters involving the Directors must be recorded. The interests register is available for inspection at Pushpay's registered office. When a Director has declared an interest in a particular entity, as a shareholder, director or otherwise, the declaration serves as notice that the Director may benefit from any transaction between the Company and the disclosed entity.

Securities Trading Policy

The Board has adopted a Securities Trading Policy for all Directors, officers, employees and contractors of Pushpay and its subsidiaries for trading in the Company's quoted financial products. Compliance with this Policy is actively managed. The Policy covers insider trading laws and various policy requirements, including the monitoring of trading.

Before trading Pushpay's quoted financial products, at any time, all Directors, officers and employees of Pushpay and its subsidiaries, or any trusts or companies controlled by such persons, or anyone else notified by the Company's Head of Investor Relations from time to time, must, in writing:

- notify the Company's Head of Investor Relations of their intention to trade in Pushpay's quoted financial products, seek consent to do so and receive a signed copy of the consent to trade;
- confirm that they do not hold material information; and
- confirm that there is no known reason to prohibit trading in Pushpay's quoted financial products.

A copy of the Securities Trading Policy can be found on the Company's website (see Appendix B of the Company's Corporate Governance Code, located at the date of this Report at https://pushpay.com/investors/governance).

Diversity

Pushpay has a Diversity Policy as the Board acknowledges the importance of treating others with dignity, respect and fairness, and taking into consideration cultural sensitivities, as well as ensuring freedom from unlawful discrimination. Pushpay is committed to creating and maintaining an inclusive and collaborative workplace culture by recognising the values of a diverse and skilled workforce. This commitment extends to all areas of its business.

Pushpay will support the ongoing enhancement of diversity and inclusion of initiatives, which may include:

- promotion of a discrimination, harassment and victimisation-free working environment, with a focus on respect and inclusion;
- raising employee awareness of workplace diversity by designing, delivering and measuring the efficacy of gender equality and workforce diversity programmes;
- diversity support and education;
- promotion of a culture of empowerment that rewards employees to act in accordance with the policy; and
- striving to ensure that all employees receive equal treatment in all aspects of Pushpay's employment policies and practices.

As at 31 March 2019 the gender balance of Directors, officers and employees/contractors was as follows (with the table also showing comparative numbers as at 31 March 2018):

	As at 31 March 2019				*As at 31 March 2018*		
	Directors	*Officers*	*Employees/ Contractors*		*Directors*	*Officers*	*Employees/ Contractors*
Female	0	0	119	Female	0	0	103
Male	5	6	273	Male	6	6	251
Total	5	6	392	Total	6	6	354

Pushpay is proud to have an ingrained inclusive culture, where differences become strengths that can be used to better serve the Company's Customers and drive strong business performance. Pushpay values creating equal opportunities for each of its people to progress within the Company. When assessing remuneration, Pushpay's focus is on the performance and merits of each individual relative to market benchmarks. Explicit consideration is made as part of the annual remuneration review process as to whether any differences in remuneration between individuals with similar roles is justified given the risk of unconscious bias.

Pushpay has made progress over the last financial year by putting in place processes and increasing awareness through education to create a stronger focus in the area of diversity and inclusion in order to prepare the business for growth long-term. Pushpay continues to develop an inclusive culture, which creates a better experience for its Customers, staff and candidates. Below is an update of steps the Company has taken to improve in this area:

- To better ensure diversity in candidates, Pushpay has implemented an applicant tracking system called 'Greenhouse' in order to help mitigate unconscious bias and to help evaluate candidates consistently. This is in addition to Pushpay's commitment to present a diverse pool of candidates to our hiring managers;
- Pushpay has invested into promoting jobs on 'LatPro', which distributes open positions to nine different diversity focused job boards;
- The value of diversity in Pushpay's sourcing is communicated to the talent acquisition team through ongoing coaching;

- To ensure diversity during the interview process Pushpay has ensured that diversity was also represented amongst the staff and leaders on the interview loop. Pushpay equipped its managers through interview training to establish the importance of diversity and to increase awareness of unconscious bias;
- Pushpay has continued to work with US military and veteran organisations to attract more diverse candidates by attending career fairs for both Work of Honor and Hiring our Heroes; and
- Pushpay initiated company-wide unconscious bias training. This was presented in small groups so the content could be personalised for our frontline managers, executive leaders and staff.

The Board is actively searching for additional Directors and is considering suitably qualified candidates of diverse backgrounds and experience.

Internal audit

Although Pushpay does not currently have an internal audit function, it does have the following processes for evaluating and improving the effectiveness of its risk management and internal processes:

- the Board is responsible for determining the nature and extent of the material risks it is willing to take to achieve its strategic objectives and for ensuring that the Company maintains a risk management framework, which identifies:
  - material risks to the Company and its business;
  - the likelihood and impact of each risk to the Company's business; and
  - how those risks are being managed or mitigated.

The Board also ensures that it receives and reviews regular reports on the risk management framework; and

- the Audit and Risk Management Committee is responsible for (amongst other things):
  - regularly reviewing the Company's internal controls and systems;
  - monitoring and regularly reviewing the authorities, delegations and procedures under which the Company may be committed; and
  - establishing procedures for receipt, retention and treatment of concerns received by the Company regarding accounting, internal accounting controls and auditing matters.

Further information regarding the responsibilities of the Board and Audit and Risk Management Committee in respect of risk management is set out in Pushpay's Corporate Governance Code, which can be found on the Company's website (see the Company's Corporate Governance Code, located at the date of this Report at https://pushpay.com/investors/governance).

Auditors

Pushpay has adopted an External Audit Policy, which can be found on the Company's website (see the Corporate Governance Code, located at the date of this Report at https://pushpay.com/investors/governance).

The Policy requires, among other matters:

- the Board to facilitate full and frank dialogue among the Audit and Risk Management Committee, the auditor and senior management; and
- rotation of the lead and engagement audit partner after a maximum of five years.

The Audit and Risk Management Committee Charter, a copy of which can be found on the Company's website (see Appendix D of the Company's Corporate Governance Code, located at the date of this Report at https://pushpay.com/investors/governance), requires the Committee to, among other matters:

- facilitate continued independence of the external auditor;

- assess the external auditor's independence and qualifications, and monitor performance; and
- review the nature and scope of the audit and review the audit delivery plan.

The amounts payable by the Company to the auditor of the Company as audit fees and fees payable by the Company for other services provided by the auditor are set out in the financial statements contained in this Report.

Market disclosure

Pushpay is committed to ensuring that all of its shareholders have timely access to full and accurate material information about the Company. Equally the Directors comply with full and timely disclosure to the market of material information.

Pushpay's Disclosure and Communications Policy, a copy of which can be found on the Company's website (see Appendix C of the Company's Corporate Governance Code, located at the date of this report at https://pushpay.com/investors/governance):

- records the Company's commitment to its continuous disclosure obligations under the NZX Main Board Listing Rules and the Financial Markets Conduct Act 2013;
- sets out the processes to be followed by the Company to ensure compliance with those obligations; and
- addresses the Company's general approach to communicating with shareholders and other external parties, with a view to ensuring such communications are effective, consistent and accurate.

Non-executive Director remuneration

The total remuneration available to be paid to Non-executive Directors is fixed by shareholders. The current annual fee pool limit is US$450,000. The Board has determined that differentiation between fees for New Zealand resident Directors and other Directors is appropriate. The current standard allocation of Non-executive Directors remuneration is:

New Zealand Non-executive Directors	*NZ$**	*US$*
Board Chairman	133,636	88,200
Non-executive Director	51,970	34,300
Chair of Audit and Risk Management Committee	10,606	7,000
Other Committee Chair	9,545	6,300
Committee Member	6,364	4,200
United States Non-executive Directors		
Non-executive Director	N/A	47,250
Committee Member	N/A	6,300

* An assumed exchange rate of $0.70 USD:NZD is used to convert the USD rate to NZD for New Zealand resident directors.

In addition, the Board may determine from time to time that it is necessary to pay higher fees to attract specific Non-executive Directors, as long as the total remuneration paid to Non-executive Directors does not exceed the amount fixed by shareholders.

Directors are also entitled to be paid for all reasonable travel, accommodation and other expenses incurred by them in connection with the Company's business.

Executive Director remuneration

Christopher Heaslip is an Executive Director as at 31 March 2019. He did not receive any remuneration in his capacity as Director, but was remunerated as an Officer.

Christopher Heaslip is an Executive Director and receives remuneration from the Company in the form of a salary and a Short Term Incentive (STI). He does not participate in the Company's Share Incentive Scheme or receive Restricted Stock Units in the Company, and does not receive any other remuneration in his capacity as a Director. His remuneration, as CEO, is paid in United States Dollars (USD) and was US$430,000 in the twelve months to 31 March 2019 (2018: US$331,000), comprising base salary of US$369,000 (2018: US$244,000) and an STI related payment of US$61,000 (2018: US$87,000).

For the year to 31 March 2019 the CEO's STI performance criteria were based on the Company achieving Total Revenue, Subscription Fee and EBITDA targets. All targets had performance hurdles that needed to be achieved for the CEO to be eligible for the related STI. For the year to 31 March 2019 the CEO's target STI amount was 50% of base salary (2018: 50% of base salary).

Director remuneration

The total Director fees and other remuneration received by the Directors for the period ended 31 March 2019 are stated in the table below in New Zealand Dollars (NZD). Remuneration for Directors outside New Zealand have been converted into NZD using the 12-month average foreign exchange rates from the Reserve Bank of New Zealand.

	2019		*2018*	
Director	*Fees*	*Other remuneration*	*Fees*	*Other remuneration*
	NZ$000	*NZ$000*	*NZ$000*	*NZ$000*
Bruce Gordon*	139	23	84	-
Graham Shaw	64	-	61	-
Daniel Steinman**	87	83	63	83
Christopher Huljich	60	-	57	-
Christopher Heaslip***	-	631	-	463
Douglas Kemsley	-	-	21	-
Eliot Crowther***	-	182	-	360
Total	350	919	286	906

* As well as director fees, Bruce Gordon received remuneration for additional work performed not in the capacity of a director.

** Daniel Steinman has provided consultancy services to Pushpay since 1 September 2016 as an expert in Customer Success. In relation to his consultancy services, Daniel was reimbursed for some travel expenses and was paid by way of the issue to him of 111,310 Restricted Stock Units (RSUs) on 18 November 2016 (i.e. before Daniel was appointed as a Director) at an issue price of NZ$2.24. The RSUs vested over a three-year period on a pro-rata basis based on the period of consultancy services provided, with vesting occurring in December of each year. The value of RSUs is included in Daniel's remuneration in this Report and has been assessed based on the issue price and number of RSUs vesting in the relevant financial year. Daniel Steinman ceased to provide consultancy services to Pushpay as at 31 March 2019. As a result, 9,276 RSUs are due to be vested and 15,460 RSUs will be cancelled.

*** Remuneration received in capacity as Officer (rather than Director). Eliot Crowther resigned from the Board on 21 June 2018.

The table below shows the number of employees and former employees (including Executive Directors) in the Group receiving remuneration and other benefits in their capacity as employees, the value of which was equal to or exceeded NZ$100,000 for the year ended 31 March 2019. Remuneration for those outside New Zealand have been converted into NZD using the 12-month average foreign exchange rates from the Reserve Bank of New Zealand. No Director of a subsidiary receives or retains any remuneration or other benefits from Pushpay for acting as such.

Employee remuneration range NZ$	*2019 Number of employees*	*2018 Number of employees*
$100,000-$110,000	19	24
$110,001-$120,000	26	24
$120,001-$130,000	24	9
$130,001-$140,000	13	15
$140,001-$150,000	14	18
$150,001-$160,000	12	10
$160,001-$170,000	7	6
$170,001-$180,000	11	10
$180,001-$190,000	6	6
$190,001-$200,000	8	9
$200,001-$210,000	5	2
$210,001-$220,000	4	3
$220,001-$230,000	2	1
$230,001-$240,000	5	2
$240,001-$250,000	2	3
$250,001-$260,000	2	-
$260,001-$270,000	1	2
$270,001-$280,000	5	-
$280,001-$290,000	1	-
$290,001-$300,000	3	-
$300,001-$310,000	1	3
$310,001-$320,000	1	1
$320,001-$330,000	1	1
$340,000-$350,000	1	-
$350,001-$360,000	3	-
$361,000-$370,000	1	1
$390,000-$400,000	1	-
$400,001-$410,000	-	1
$410,001-$420,000	1	-
$420,001-$430,000	-	1
$430,001-$440,000	-	1
$450,000-$460,000	1	-
$460,001-$470,000	1	1
$470,001-$480,000	1	-
$490,000-$500,000	-	1
$500,001-$510,000	-	1
$510,001-$520,000	1	-
$520,001-$530,000	1	-

Continued		
Employee remuneration range NZ$	*2019 Number of employees*	*2018 Number of employees*
$600,000-$610,000	1	-
$610,001-$620,000	1	-
$630,000-$640,000	1	-
$660,000-$670,000	1	1
$880,000-$890,000	-	1
	189	158

Waivers

There were no waivers granted to Pushpay by NZX or ASX during the 12 months ended 31 March 2019 and there were no waivers granted to Pushpay by NZX or ASX either during or before the 12 months ended 31 March 2019 that were relied upon in the 12 months ended 31 March 2019.

Directors' shareholdings

Details of Director shareholdings and holdings of other financial products issued by the Company as at 31 March 2019 are set out below:

Director	*Class of share*	*Held by Director or associated entities*
Bruce Gordon	Fully paid ordinary	2,767,895
Graham Shaw	Fully paid ordinary	2,881,335
Daniel Steinman	Fully paid ordinary	82,536
	Restricted Stock Units (RSUs)	24,736
Christopher Huljich	Fully paid ordinary	59,883,116
Peter Huljich (Alternate Director for Christopher Huljich)	Fully paid ordinary	59,775,976
Christopher Heaslip	Fully paid ordinary	29,712,148
Eliot Crowther*	Fully paid ordinary	-

* Eliot Crowther is a former Director having ceased to hold office as a Director on 21 June 2018.

Director share dealing

Directors disclosed, pursuant to section 148 of the Companies Act 1993 and Part 5 of the Financial Markets Conduct Act 2013, the following acquisitions and disposals of relevant interests in Pushpay shares during the year ended 31 March 2019:

Date	*Director*	*Registered holder / Associated entity*	*Class of financial product*	*Acquired/ (Disposed of)*	*Consideration $*	*Notes*
20-Apr-18	Christopher Heaslip	DDS Trustee Services Limited as trustee of the Dorchester Trust	Fully paid ordinary shares	(3,000,000)	Nil	On 20 April 2018, DDS Trustee Services Limited as trustee of the Dorchester Trust transferred 3,000,000 shares to FNZ Custodians Limited to hold as custodian in connection with security and loan facility arrangements with Bank of New Zealand. Christopher Heaslip is a beneficiary of the Dorchester Trust.
20-Apr-18	Christopher Huljich	Christopher Peter Huljich and Colin Gordon Powell	Fully paid ordinary shares	(8,371,924)	Nil	On 20 April 2018, Christopher Peter Huljich, Colin Gordon Powell and Jason Timothy Kilgour executed a Deed of Release and Relinquishment and Appointment of New Trustee ("Deed") under which Christopher Peter Huljich resigned as a trustee of the Elizabeth Anne Huljich Family Trust ("Trust") and irrevocably relinquished his powers arising under the Deed of Trust for the Trust to appoint and remove trustees of the Trust. Accordingly, Christopher Peter Huljich has ceased to have a relevant interest in 8,371,924 fully paid ordinary shares in PPH, previously registered to Christopher Peter Huljich and Colin Gordon Powell jointly. Jason Timothy Kilgour was appointed as a trustee by the Deed and Colin Gordon Powell will continue on as a trustee.
20-Apr-18	Peter Huljich	Christopher Peter Huljich and Colin Gordon Powell	Fully paid ordinary shares	(8,371,924)	Nil	On 20 April 2018, Peter Karl Christopher Huljich, Christopher Peter Huljich and Colin Gordon Powell executed a Deed of Disclaimer relating to the Elizabeth Anne Huljich Family Trust ("Deed"). Under the Deed, Peter Karl Christopher Huljich surrendered and relinquished his beneficial interest under and any control over the Elizabeth Anne Huljich Family Trust ("Trust"). Accordingly, Peter Karl Christopher Huljich no longer has a relevant interest in 8,371,924 fully paid ordinary shares in PPH, which are held by the trustees of the Trust.
18-Jun-18	Eliot Crowther	Eliot Crowther & Crowther Trustee Limited as trustees of the Crowther Family Trust (the "Crowther Family Trust")	Fully paid ordinary shares	8,000,000	Nil	FNZ Custodians Limited transferred legal title to 8,000,000 Shares which it had previously held as custodian for the Crowther Family Trust (as described in Eliot Crowther's ongoing disclosure notice of 13 October 2017 and substantial product holder notice of 18 December 2017), to the Crowther Family Trust.
18-Jun-18	Eliot Crowther	The Crowther Family Trust	Fully paid ordinary shares	(3,479,282)	Nil	The Crowther Family Trust transferred 3,479,282 Shares to MSix20 Foundation.
18-Jun-18	Eliot Crowther	The Crowther Family Trust	Fully paid ordinary shares	(1,385,203)	Nil	The Crowther Family Trust transferred 1,385,203 Shares to the donor advised fund, Seattle Foundation.

Continued						
Date	*Director*	*Registered holder / Associated entity*	*Class of financial product*	*Acquired/ (Disposed of)*	*Consideration $*	*Notes*
19-Jun-18	Eliot Crowther	The Crowther Family Trust, the MSix20 Foundation and the Seattle Foundation	Fully paid ordinary shares	(24,793,798)	NZ$100,166,944	On 18 June 2018, Eliot Crowther resigned as a Director with effect on 21 June 2018. On 21 June 2018, Interests associated with Eliot Crowther, being Eliot Crowther & Crowther Trustee Limited, the MSix20 Foundation and the Seattle Foundation, agreed to sell all of their Pushpay shares (being, in aggregate, 24,793,798 shares) for $4.04 per share to participants in a bookbuild managed by Deutsche Craigs Limited. The sale was completed on 21 June 2018.
7-Nov-18	Peter Huljich	Christopher & Banks V Limited (as to 54,694,040 shares) Christopher Peter Huljich, Connie Maria Francis Huljich, Elizabeth Anne Ferguson, Colin Gordon Powell and Peter Karl Christopher Huljich (as to 3,999,812 shares) Huljich Family Trust Nominees Limited (as to 1,082,124 shares)	Fully paid ordinary shares	59,775,976	Nil	Peter Karl Christopher Huljich joined Pushpay as an Alternate Director for Christopher Huljich on 7 November 2018. As at that date, Peter Karl Christopher Huljich held a relevant interest in 59,775,976 Pushpay shares.
31-Dec-18	Daniel Steinman	Daniel Thomas Steinman	Restricted Stock Units (RSUs)	(37,103)	Nil	37,103 ordinary shares were issued upon vesting of 37,103 RSUs granted under the RSU Plan as part of the remuneration of Daniel Thomas Steinman. No cash consideration was required to be paid for the RSUs to vest.
31-Dec-18	Daniel Steinman	Daniel Thomas Steinman	Fully paid ordinary shares	37,103	Nil	

Interests register disclosure

Insurance of Directors

For the purposes of section 162 of the Companies Act 1993, Directors disclosed insurance effected for Directors and Officers in relation to certain acts or omissions in their capacity as Directors and Officers of the Company.

General disclosure

The Company maintains an interests register in accordance with the Companies Act 1993. Directors of the Company have disclosed interests in the following entities both prior to and during the year ended 31 March 2019, in addition to those disclosed elsewhere in this Report:

Name	*Position*	*Entity*
Bruce Gordon	Advisor	Ask Nicely Limited
	Director	Cristal Air International Limited (resigned 22 June 2018)
	Director / Officer / Shareholder	E-Co Products Group Limited (resigned and ceased to hold a relevant interest 22 June 2018)
	Director	Energy Efficient Solutions NZ (2016) Limited (resigned 22 June 2018)
	Director / Shareholder	Geelong Investments Limited
	Director	HRV Australia Pty Limited (resigned 22 June 2018)

Continued		
Name	*Position*	*Entity*
Bruce Gordon	Director	HRV Clean Water Limited (resigned 22 June 2018)
	Director	HRV Filters Limited (resigned 22 June 2018)
	Director	HRV Home Solutions Limited (resigned 22 June 2018)
	Director	HRV Marketing Limited (resigned 22 June 2018)
	Director	HVAC Hero 2016 Limited (resigned 22 June 2018)
	Director / Shareholder	Jude Limited
	Director	PowerSmart NZ Limited (resigned 22 June 2018)
	Director	PropertyNZ Limited (resigned 17 September 2018)
	Director / Shareholder	Rfider Limited
	Director	Safe Filters Limited (resigned 22 June 2018)
	Director	Safe Windows Limited (resigned 22 June 2018)
	Director	Solpho Limited (resigned 22 June 2018)
	Director / Trustee	The East Street Trust
	Director	Vector Energy Solutions (Australia) Pty Limited (resigned 22 June 2018)
	Director	Vector Energy Solutions Limited (resigned 22 June 2018)
	Director	Ventilation Australia Pty Limited (resigned 22 June 2018)
Graham Shaw	Trustee	3inCommon Trust
	Trustee	Aroha Care Centre for the Elderly Trust and Taita Home Trust Boards (resigned 25 June 2018)
	Director	Beep Limited
	Trustee	Benevolo Trust
	Chairman	Christian Savings Limited
	Director / Shareholder	Corporate Concern Limited
	Director / Shareholder	Gentrack Group Limited (resigned and ceased to hold a relevant interest 26 February 2019)
	Director / Shareholder	RightWay Limited
	Chairman / Shareholder	Solvam Corporation Limited
	Director / Shareholder	Spotlight Reporting Limited
	Treasurer	Wellington Central Baptist Church
	Supporter	Young Enterprise Trust
	Director / Shareholder	Zed Holdings Limited
Daniel Steinman	Officer	Gainsight Incorporated
	Consultant	HgCapital (London)
	Consultant	Pushpay Incorporated and Pushpay USA Incorporated - formerly eChurch Incorporated

Continued		
Name	*Position*	*Entity*
Christopher Huljich	Director / Shareholder	Best Investments Limited
	Director	Christopher & Banks Limited
	Director	Christopher & Banks I Limited
	Director	Christopher & Banks II Limited
	Director	Christopher & Banks III Limited
	Director	Christopher & Banks IV Limited
	Director	Christopher & Banks V Limited
	Director / Shareholder	Hulfam Investments Limited
	Director / Shareholder	Huljich Family Trust Nominees Limited
	Trustee / Beneficiary	The CPH Trust
	Executor	The Estate of Patricia Birnie
	Settlor / Beneficiary	The Huljich Family Trust
	Trustee	The M and M Covic Family Trust
	Trustee	TRSSH Birnie Settlement Trust
Peter Huljich	Director	Christopher & Banks (Valocity) CIP Limited
	Director	Christopher & Banks GP Limited
	Director	Christopher & Banks IX Limited
	Director	Christopher & Banks M Limited
	Director	Christopher & Banks VI Limited
	Director	Christopher & Banks VII Limited
	Director	Christopher & Banks VIII Limited
	Shareholder	Huljich Family Trust Nominees Limited
	Director	Huljich Limited
	Director	Huljich (New Zealand) Limited
	Director	HWM (NZ) Holdings Limited
	Director / Shareholder	Llireva Holdings Limited
	Trustee / Beneficiary	The CPH Trust
	Beneficiary	The Huljich Family Trust
	Trustee / Beneficiary	The PKCH Trust
	Director	Valocity Holdings Limited
Christopher Heaslip	Director	Bitcoinica Consultancy Limited (entered into liquidation on 10 January 2013)
	Trustee / Beneficiary	Chris and Sarah Heaslip Trust
	Trustee / Beneficiary	Chris and Sarah Heaslip Foundation

Continued		
Name	*Position*	*Entity*
Christopher Heaslip	Beneficiary	Dorchester Trust
	Director / Officer / Shareholder	Leadr Incorporated
	Director / Member	Mission Holding Group LLC
	Director	Timberlake Christian Fellowship

Use of company information

The Board received no notice during the year from Directors requesting to use the Company or Group information received in their capacity as Directors, which would not have been otherwise available to them.

Substantial product holders

The substantial product holders in Pushpay on 31 March 2019 were as follows:*

Substantial product holder	*Number of ordinary shares at 31 March 2019***	*% of ordinary shares at 31 March 2019***
Christopher & Banks V Limited	54,694,040	19.87%
Christopher Heaslip	29,712,148	10.79%
Christopher Peter Huljich	59,883,116	21.75%
DDS Trustee Services Limited	29,712,148	10.79%
Peter Karl Christopher Huljich	59,775,976	21.72%
Morgan Stanley and certain subsidiaries, including Morgan Stanley & Co. LLC, Morgan Stanley Capital Services LLC, Morgan Stanley & Co. International Plc and Morgan Stanley Australia Securities Limited	19,661,692	7.14%

* The numbers of shares and percentage holdings represent the substantial product holders' relevant interest in Pushpay ordinary shares, and not necessarily their registered shareholdings. As at 31 March 2019, Pushpay's issued share capital was 275,261,739 ordinary shares (being the only class of quoted voting products issued by Pushpay).

** A number of the substantial product holder disclosures filed by substantial product holders before 31 March 2019 do not accurately reflect the substantial product holder's relevant interests as at 31 March 2019, including due to various share issuances undertaken by Pushpay since the dates of the relevant disclosures. Accordingly, the information provided in this table is based primarily on Pushpay's internal records and disclosures made under section 280(1)(b) of the Financial Markets Conduct Act 2013.

Twenty largest equity security holders

The 20 largest holders of Pushpay ordinary shares as at 30 April 2019 are listed below:

Rank	*Equity security holder*	*Number of shares*	*% of issued capital*
1	New Zealand Central Securities Depository Limited	83,953,261	30.5
2	Christopher & Banks V Limited	54,694,040	19.87
3	DDS Trustee Services Limited	26,712,148	9.7
4	Douglas David Kemsley & Linda Tanu Kemsley & Michael John Roberts	11,350,000	4.12
5	BNP Paribas Nominees Pty Limited	9,062,285	3.29
6	HSBC Custody Nominees (Australia) Limited	4,721,432	1.72

Continued			
Rank	*Equity security holder*	*Number of shares*	*% of issued capital*
7	FNZ Custodians Limited	4,622,568	1.68
8	Christopher Peter Huljich & Constance Maria Huljich & Elizabeth Ferguson Anne	3,999,812	1.45
9	Citicorp Nominees Pty Limited	3,175,548	1.15
10	Graham John Shaw & Delwyn Joy Shaw	2,733,819	0.99
11	JP Morgan Nominees Australia Pty Limited	2,308,863	0.84
12	Custodial Services Limited	1,871,070	0.68
13	New Zealand Depository Nominee Limited	1,797,747	0.65
14	Geelong Investments Limited	1,534,172	0.56
15	Custodial Services Limited	1,499,894	0.54
16	Perry Savill Trustees Limited & George Savill & Phillida Perry	1,313,316	0.48
17	Emma Jane Gordon & Bruce Patrick Gordon	1,233,723	0.45
18	Huljich Family Trust Nominees Limited	1,082,124	0.39
19	Forsyth Barr Custodians Limited	1,039,239	0.38
20	PT Booster Investments Nominees Limited	1,026,058	0.37

Spread of security holders

The spread of holders of Pushpay ordinary shares as at 30 April 2019 are listed below:

	Shareholders		*Issued capital*	
Range	*Number*	*%*	*Number*	*%*
1-1,000	2,062	31.63	1,092,845	0.4
1,001-5,000	2,709	41.56	7,120,931	2.59
5,001-10,000	876	13.44	6,502,521	2.36
10,001-50,000	714	10.95	15,489,268	5.63
50,001-100,000	65	1	4,768,745	1.73
100,001 and over	92	1.41	240,287,429	87.29
Total	6,518	100	275,261,739	100

Donations

No donations were made by the Group during the year ended 31 March 2019 (2018: Nil).

Credit rating

Pushpay has no credit rating.

Subsidiaries

As at 31 March 2019, the Company had 10 wholly owned subsidiaries, as set out below. As at 31 March 2019, the following people held office as Directors of those subsidiaries:

Bluebridge Churches LLC – Christopher Heaslip, Shane Sampson

NPO Apps Incorporated – Christopher Heaslip, Shane Sampson

Pushpay (New Zealand) Limited (formerly Run the Red Limited) – Bruce Gordon, Christopher Heaslip, Shane Sampson

Pushpay Incorporated – Christopher Heaslip, Shane Sampson

Pushpay IP Limited – Bruce Gordon, Christopher Heaslip, Shane Sampson

Pushpay Limited – Bruce Gordon, Christopher Heaslip, Shane Sampson

Pushpay Processing Incorporated (formerly ZipZap Processing Incorporated) – Christopher Heaslip, Shane Sampson

Pushpay Pty Limited – Christopher Heaslip, Jeremy Everett

Pushpay Trustees Limited – Bruce Gordon, Christopher Heaslip

Pushpay USA Incorporated (previously eChurch Incorporated) – Christopher Heaslip, Shane Sampson

10

Directory

Registered office

Level 6, Building D
167 Victoria Street West
Auckland 1010
New Zealand

Phone: +64 9 377 7720

Postal address

PO Box 90383
Victoria Street West
Auckland 1142
New Zealand

Company numbers

New Zealand 3481675

ARBN 613 314 104

Website

www.pushpay.com

Investor Relations

Sarah Elder
Gabrielle Wilson
Joshua Olley

investors@pushpay.com

Directors

Bruce Gordon
Chairman

Graham Shaw

Daniel Steinman

Christopher Huljich

Christopher Heaslip

Peter Huljich
Alternate Director for Christopher Huljich

Leadership team

Christopher Heaslip
Chief Executive Officer, Executive Director and Co-founder

Shane Sampson
Chief Financial Officer

Josh Robb
Senior VP of Product and Engineering

Guy Weismantel
Chief Marketing Officer

Steve Basden
President

Kevin Kuck
Senior VP of Operations

Legal advisors

Harmos Horton Lusk
New Zealand

Corrs Chambers Westgarth
Australia

Wilson Sonsini Goodrich & Rosati
United States

Nixon Peabody
United States

Auditor

Deloitte New Zealand

Stock Exchanges

NZX Main Board

ASX

Share Registrar

Link Market Services
Level 11, Deloitte Centre
80 Queen Street
Auckland 1010
New Zealand

Phone: + 64 9 375 5998

Level 12
680 George Street
Sydney, NSW 2000
Australia

Phone: +61 1300 554 474

Pushpay

www.pushpay.com