

# A SPECIALIST DIGITAL PAYMENTS PLATFORM BUSINESS

OFFERING INVESTORS UNIQUE EXPOSURE TO THE UK 'BUY NOW PAY LATER' PAYMENTS SECTOR



**10%\***

ThinkSmart's holding in Clearpay

Remaining 90% held by Australian fintech giant Afterpay

**£53.7m**

Carrying value of 10%\* Clearpay stake

As at 30 June 2020

**\$23.39bn**

Australian dollars

Afterpay market cap as at 3 September 2020

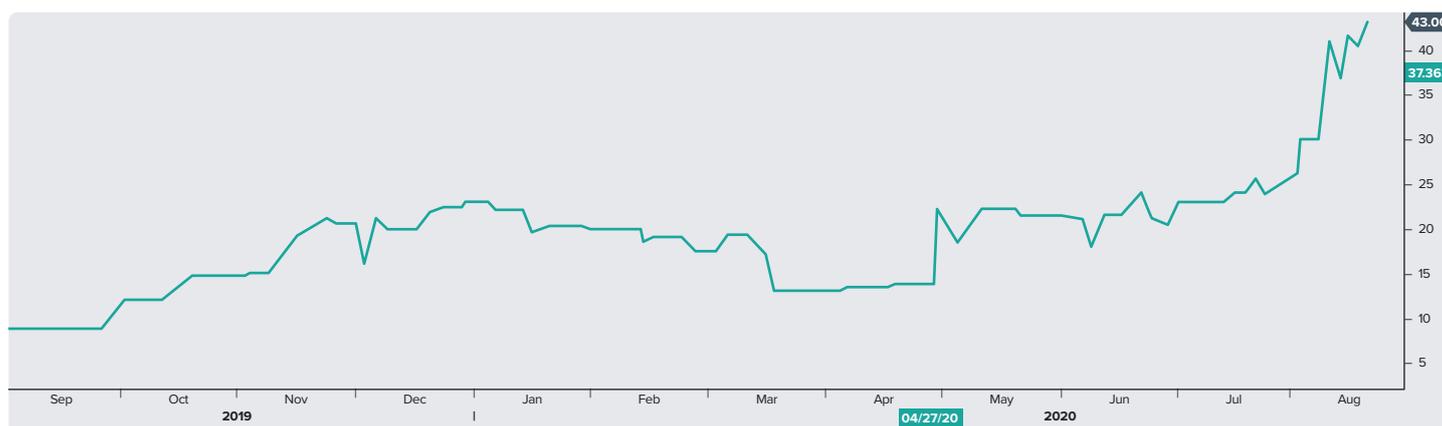
**1/10**

Clearpay's UK active customers

as a proportion of Afterpay's global customer base (June 2020)

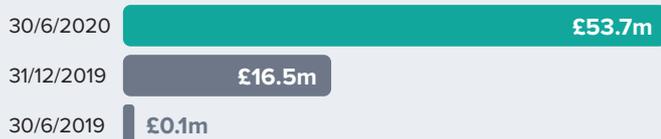
## 1-year share price chart (Aug-19 to Aug-20)

Source: Bloomberg



## FINANCIALS *Clearpay stake drives significant growth in Net Asset Value*

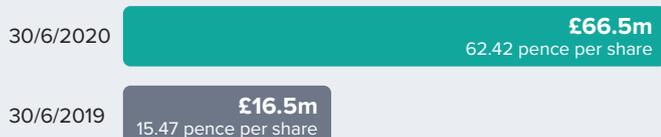
### Value of 10%\* Clearpay holding



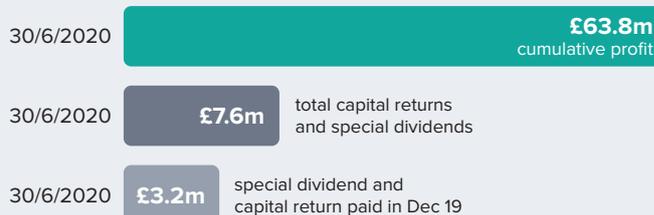
### Profit After Tax



### Net Assets



### Shareholder value as a result of 90% sale of Clearpay stake



## OUR OPERATIONS *ThinkSmart delivers shareholder value through two mediums*

### It's 10%\* shareholding in Clearpay

- After developing the Clearpay 'Buy Now Pay Later' payments platform, ThinkSmart sold a 90% stake to Australian listed Afterpay in 2018, retaining a 10%\* stake. Afterpay now trades in the UK under the Clearpay brand.
- Clearpay is demonstrating outstanding trading momentum having reached one million customers in only its first year of trading to June 2020. At 3 September 2020 Afterpay was valued at AU\$23bn, with Clearpay accounting for c10% of Afterpay's 9.9m customers.
- ThinkSmart's holding in Clearpay stake was conservatively valued at £53.7m as at 30 June 2020.

### Leveraging investment in technology & expertise in UK retail consumer payments and finance

- ThinkSmart's technology-led approach and retail sector expertise has yielded a proprietary, highly robust credit origination and decision engine, SmartCheck, which powers point-of-sale lease finance payments solutions. The SmartCheck technology is in use across a number of retail B2B and B2C lease finance solutions provided by ThinkSmart.
- The Group's operating business continues to generate positive cashflows, and is the process of managed wind down while management focusses on the opportunity to generate significant value from its 10%\* Clearpay holding and its proprietary digital payments and financing technology.

## BOARD OF DIRECTORS *Led by an experienced, well-qualified team*



**Ned Montarello**  
Executive Chairman

- Appointed on 22 May 2010 and is also CEO (since 3 January 2018)
- Founded ThinkSmart in 1996, listing it in 2007 via a AU\$204m IPO, and migrated it to the UK's AIM in 2016
- Significant investment expertise, and in 2018 he negotiated the sale of 90% of Clearpay to the emerging, global, industry leading Afterpay Ltd
- Ned retains a board seat on Clearpay (i.e. the Afterpay UK subsidiary)



**Gary Halton**  
Chief Financial Officer

- CFO since 2008 and appointed to the Board on AIM Admission
- Qualified chartered accountant and a chartered tax advisor, with 20+ years post-qualification experience, having qualified with Ernst & Young, and then a subsequent senior manager role with PricewaterhouseCoopers
- Between October 2012 and January 2014, Gary acted as interim Managing Director of the Group



**Peter Gammell**  
Independent  
Non-Executive Director

- Chair of the Remuneration and Nomination Committee of ThinkSmart, deep financial services and investment company expertise
- Current Chairman of Octet Group Holdings Pty Ltd, and NED at One Ventures Pty Ltd, a Venture Capital fund manager based in Sydney



**David Adams**  
Independent  
Non-Executive Director

- Chair of the Audit and Risk Committee, with 30+ years of City expertise
- Prior CFO and Deputy CEO at House of Fraser plc and has held NED positions at Debenhams plc, Jessops plc, Moss Bros plc, Fevertree Drinks plc, Conviviality plc and Hornby plc.
- Currently SID of Halfords plc and Chairman of Park Cameras Limited

## WHY THINKSMART?

### 10%\* Stake in Clearpay, one of UK's leading 'Buy Now Pay Later' platforms

Offers attractive exposure to high growth, eCommerce-led digital payments market.

### Clearpay holding provides exposure to increases in value in the high growth digital payments market

Conservative valuation of 10%\* stake at £53.7m at 30 June 2020.

### Agreed pathway to value realisation of Clearpay stake

Stake subject to a put/call arrangement with Afterpay in 2023/24, based on agreed valuation principles using same valuation metrics, multiples and methodologies, including those used by market participants and with regard to sell-side analysts, to value the Clearpay business within the Afterpay listed group.

### Point of Sale digital payments IP

Cash generative operating business, SmartCheck, in managed wind-down as group leverages prior investment in proprietary digital payments platform.

### Highly conservative balance sheet underpins ongoing shareholder returns

90% sale of Clearpay stake has to date generated capital and dividend returns of £7.6m.

### Aligned management team and Board hold in excess of 40%

Fully aligned with shareholder interests.

\* A proportion of the 10% retained shareholding (up to 3.5% of the total share capital of Clearpay) will be made available to employees of Clearpay under an employee share ownership plan.

## THINKSMART'S STRATEGIC VISION:

To generate significant shareholder value via returns from its 10%\* Clearpay holding and cash-generative, managed wind-down of its operating business and leveraging its investment in its proprietary technology.