



Dear Shareholder,

**VARIATION OF SCHEME IMPLEMENTATION AGREEMENT  
INCREASED OFFER PRICE TO NZ\$1.42  
PER SHARE**

On 16 March 2023, Pushpay announced it had agreed a revised Scheme offer with Pegasus Bidco Limited (the Bidder) of NZ\$1.42 for each Pushpay share (other than shares held on behalf of a group of 10 sophisticated, professional offshore event-driven funds that have agreed to receive NZ\$1.34 per share in respect of a specified number of shares (the Specified Shareholders)).<sup>1</sup>

As you may be aware, the original Scheme of Arrangement, under which the Bidder was offering to buy your Pushpay shares for NZ\$1.34 per share, did not meet the required level of shareholder support to be implemented.

The revised Scheme consideration of NZ\$1.42 represents an 8 cents increase per share<sup>2</sup> on the original offer, and is near the mid-point of the Independent Adviser's valuation range.

Importantly, the revised Scheme has received committed support from a number of Pushpay shareholders that collectively held or controlled 28.0% of Pushpay's issued capital on 16 March 2023. The committed shareholders include seven of Pushpay's largest New Zealand-based institutional shareholders, six of which voted against the original Scheme, and which together held or controlled 18.6% of Pushpay as at 16 March 2023,<sup>3</sup> as well as the Specified Shareholders.<sup>4</sup>

**Your Non-Conflicted Directors<sup>5</sup> unanimously recommend that shareholders vote IN FAVOUR of the revised Scheme, and have undertaken to vote all of their own shares in favour of the revised Scheme, in the absence of a superior proposal.<sup>6</sup>**

Included with this Letter are a Supplementary Scheme Booklet, including an Addendum to the Independent Adviser's Report, and a new Voting/Proxy Form.

We encourage you to carefully consider these materials and to exercise your right to vote. If you have questions, you are encouraged to seek your own professional advice.

**THIS IS AN IMPORTANT  
DOCUMENT. YOUR ACTION  
IS REQUIRED.**

Your vote is very important. You are strongly encouraged to either attend the New Scheme Meeting in person or online and vote; or appoint a proxy to attend and vote at the New Scheme Meeting on your behalf.

**Votes at the previous Scheme Meeting are no longer valid. Accordingly, if you wish to have your say on the revised Scheme, you must vote again – either by proxy or by attending the New Scheme Meeting.**

The easiest way for you to vote is to complete the Voting/Proxy Form online at [vote.linkmarketservices.com/PPH](https://vote.linkmarketservices.com/PPH).

Alternatively, you can return the enclosed Voting/Proxy Form to Link Market Services in accordance with the instructions on that form.

**Proxies must be received by Link Market Services by 10:00 am on Wednesday, 26 April 2023 (NZT).**

If your share broker or financial adviser holds Pushpay shares as custodian on your behalf, we encourage you to instruct your broker or adviser how to vote.

The New Scheme Meeting will be held both in person and online at 10:00 am on Thursday, 27 April 2023 (NZT):

**Venue:** Link Market Services, Level 30, PwC Tower, 15 Customs Street West, Auckland 1010

**Online:** [www.virtualmeeting.co.nz/pphscheme23](https://www.virtualmeeting.co.nz/pphscheme23)

See the enclosed Supplementary Scheme Booklet and Voting/Proxy Form for more details.

<sup>1</sup> The Bidder will also acquire the Pushpay shares held or controlled by entities associated with BGH Capital and Sixth Street under the Scheme. However, the Bidder will not pay the Scheme consideration for those shares.

<sup>2</sup> Other than Pushpay shares that are held for or on behalf of Specified Shareholders or entities associated with BGH Capital and Sixth Street.

<sup>3</sup> The commitments of these large New Zealand shareholders to vote in favour of the Scheme are subject to the terms set out in the voting agreements which they have entered into with the Bidder. Those voting agreements were disclosed to NZX on 16 March 2023.

<sup>4</sup> The commitments of the Specified Shareholders to vote in favour of the Scheme and to receive the lower consideration are subject to the terms set out in the voting agreements which they have entered into with the Bidder. Those voting agreements were disclosed to NZX on 16 March 2023.

<sup>5</sup> Due to his role as a Senior Adviser to Sixth Street, Pushpay Director John Connolly has not participated in Pushpay's response to the receipt of unsolicited expressions of interest or the negotiation of the Scheme (including the revised Scheme offer), and he abstains from providing a recommendation to shareholders in relation to the Scheme. Accordingly, references in this letter to the Non-Conflicted Directors means the Directors other than Mr Connolly.

<sup>6</sup> The Non-Conflicted Directors may change their recommendation and vote against the Scheme if there is a superior proposal prior to the New Scheme Meeting which the Bidder does not match in accordance with the matching rights set out in the Scheme Implementation Agreement. In addition, the Non-Conflicted Directors reserve the right to change their recommendation or vote against the Scheme if, prior to the New Scheme Meeting, the Independent Adviser changes the Independent Adviser's valuation range for the Pushpay shares and, after that change, the consideration is below the Independent Adviser's valuation range for the Pushpay shares.

Subject to shareholder approval, and satisfaction of other conditions, the Scheme is currently expected to be implemented and payment made to shareholders by the end of May 2023.

On behalf of all of the Non-Conflicted Directors of Pushpay, I would like to reiterate our support for the revised Scheme. The Non-Conflicted Directors went through a comprehensive process to assess the opportunities for Pushpay and believe that the offer from the Bidder represents the most compelling risk-adjusted value for shareholders.

We strongly encourage you to vote and recommend that you vote **IN FAVOUR** of the Scheme, absent a superior proposal. We look forward to your participation either through your proxy vote or at the New Scheme Meeting on Thursday, 27 April 2023.

Yours sincerely,



**Graham Shaw**

Chair of the Board

3 April 2023

## HIGHLIGHTS OF THE REVISED SCHEME

- Shareholders will receive cash consideration of NZ\$1.42 per share, an increase of 8 cents per share from the previously offered consideration of NZ\$1.34 per share (other than Specified Shareholders who have agreed to receive NZ\$1.34 per share in respect of a specified number of shares).
- The consideration of NZ\$1.42 per share represents a premium of 37.9% to Pushpay's closing price of NZ\$1.03 per share on the NZX Main Board on 22 April 2022<sup>7</sup> and is near the mid-point of the Independent Adviser's assessed valuation range of NZ\$1.33 to NZ\$1.53 per share.
- Seven of Pushpay's largest New Zealand-based institutional shareholders, which held or controlled, in aggregate, 18.6% of Pushpay's issued capital on 16 March 2023, have undertaken to the Bidder, or stated that they intend, to vote in favour of the Scheme at the increased consideration of NZ\$1.42 per share. Six of those shareholders previously voted against the original Scheme.
- To facilitate this improved offer being made to all other shareholders, the Specified Shareholders, who are a specified group of 10 sophisticated, professional offshore event-driven funds, have also entered into commitments to vote in favour of the Scheme. On 16 March 2023, the Specified Shareholders held or controlled shares representing 10.3% of Pushpay's issued capital. These investors have acknowledged that they will receive the original cash consideration of NZ\$1.34 per share for a specified number of shares. All other shareholders (other than entities associated with the Bidder) are being offered NZ\$1.42 under the Scheme.
- The increased consideration of NZ\$1.42 per share (except for the Specified Shares held or controlled by the Specified Shareholders) represents:
  - an implied equity value of US\$1,015 million / NZ\$1,630 million;<sup>8</sup>
  - an enterprise value of US\$1,038 million / NZ\$1,666 million;<sup>8</sup> and
  - an acquisition multiple of 18.5x based on the midpoint of the revised FY23 Underlying EBITDAF guidance of US\$56 million.<sup>9</sup>

You can read the full announcement and view other news and materials on the Pushpay website

<https://pushpay.com/investors#scheme-of-arrangement>.

<sup>7</sup> Being the last day of trading prior to the announcement of the receipt of expressions of interest for the acquisition of Pushpay.

<sup>8</sup> Using a NZD:USD FX rate of 0.6230 as at 15 March 2023, net debt of US\$22.2 million as at 31 January 2023 (per Pushpay's guidance update on 7 February 2023), and ordinary shares outstanding of 1,142,371,145 and RSUs of 5,473,960 (assuming all RSUs are converted to Pushpay Shares) on the basis of NZ\$1.42 per Pushpay Share rather than a weighted average including the \$1.34 per Specified Share.

<sup>9</sup> See Pushpay's guidance update on 7 February 2023.