

# Pushpay New Scheme Meeting - Chair's address

**Auckland, New Zealand | Redmond, Washington; Colorado Springs, Colorado; Plano, Texas, US – 27 April 2023 (NZT)**

## 1. Welcome

Tēnā koutou, tēnā koutou, tēnā koutou katoa. Greetings and welcome back.

I am Graham Shaw, Chair of the Pushpay Board. I would like to welcome shareholders to today's special meeting, including those joining us online. Before we start, for those in the room, if there is an emergency, please follow the emergency exit sign near the registration desk. Should you require assistance please raise your hand.

## 2. Virtual Meeting Procedures

For our online shareholders, you are able to ask questions and submit votes. To get an online voting card, you will need your shareholder number which is on your proxy form or in the emails sent by Link Market Services. If you encounter any issues, please refer to the online portal guide or you can phone the helpline displayed in the top right of your screen.

I am joined today by my fellow Director, Lorraine Witten in Auckland, New Zealand. Joining us online from the US are Directors Lovina McMurchy, Sumita Pandit, Chris Fowler and John Connolly. Also with us in Auckland is our Chief Executive Officer, Molly Matthews.

This is a single purpose meeting for shareholders to consider and vote on the revised Scheme of Arrangement with Pegasus Bidco Limited, which is a company associated with the Sixth Street and BGH Capital shareholder consortium.

A quorum is present, the special meeting is duly convened and I declare it open.

Voting on the resolution, which seeks shareholder approval to the revised Scheme, will be by way of poll. For those in the room today, Link will collect your voting papers after discussion on the resolution. To vote online, please click "Get a voting card", enter your shareholder number and submit your vote. You have the ability to change your vote, up until the time I declare voting closed. Online voting is now open.

We will shortly run through the key details of the revised Scheme and the Board's recommendation, then take questions before moving to the vote.

The Supplementary Scheme Booklet, which contained the Notice of Meeting and explanatory notes for this meeting, has been circulated to shareholders and I will take it as read.

## 3. Key details of the revised Scheme

As you are most likely aware, under the original Scheme the Bidder had offered to buy your Pushpay shares for NZ\$1.34 per share. Although the original Scheme was supported by Pushpay shareholders holding a majority of the shares it did not receive the required threshold of shareholder approval at the shareholder meeting on 3 March 2023.

Following the vote, the Bidder held discussions with a number of Pushpay's largest shareholders to seek their support for an alternative proposal at a higher price.

On 16 March 2023, Pushpay and the Bidder entered into arrangements to amend the Scheme Implementation Agreement. Under the amended Agreement, the Bidder agreed to increase the price to NZ\$1.42 per Pushpay share other than for Pushpay shares that are held by shareholders associated with BGH Capital and Sixth Street and for certain shares held on behalf of a group of sophisticated, professional event-driven funds. I will refer to those funds as the Specified Shareholders. The Specified Shareholders have agreed to accept NZ\$1.34 per share for a specified number of shares to facilitate the Bidder making the increased offer to other shareholders.

The revised price of NZ\$1.42 per share represents an 8 cents per share increase to the price offered under the original Scheme and is near the mid-point of the Independent Adviser's value range.

The revised Scheme has received committed support from a number of Pushpay shareholders that collectively held or controlled 28% of Pushpay's issued capital on 16 March 2023. The committed shareholders include the Specified Shareholders and seven of Pushpay's largest New Zealand-based institutional shareholders, six of which voted against the original Scheme. Those New Zealand shareholders together held or controlled 18.6% of Pushpay's shares as at 16 March 2023.

Pushpay's Non-Conflicted Directors (being your Pushpay Directors other than John Connolly) believe the revised offer of NZ\$1.42 per share is an attractive price for Pushpay shares.

Accordingly, your Non-Conflicted Directors 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. No superior proposal has been received.

#### 4. Key rationale for Non-Conflicted Directors' recommendation

At the original shareholder meeting on 3 March 2023, we carefully laid out the key rationale for the Non-Conflicted Directors' recommendation. These have not changed.

In particular, a key valuation driver for shareholders to consider is Pushpay's future financial performance and the achievability of Pushpay's growth plan. Pushpay is currently in the process of implementing a number of growth initiatives, including a reset of its sales and marketing strategy and team, as well as investment in new customer segments, including its Catholic segment expansion. These initiatives represent an opportunity for Pushpay, but several of these initiatives are at a relatively early stage and there are uncertainties as to timing, investment and ultimately, the degree of future success.

These risks have been evidenced by the downward revision of our revenue and earnings guidance in October 2022, which we reconfirmed in early February 2023. Preliminary management accounts for the year ended 31 March 2023 indicate that Pushpay's results are within the guidance range provided at that time of Underlying EBITDAF between US\$55.0 million and US\$57.0 million, and positive operating revenue growth between 5% and 6% for FY23. Pushpay's net debt balance has reduced from US\$35.1 million as at 30 September 2022, to US\$13.5 million as at 31 March 2023.

After careful consideration, and with the benefit of external expert advice, your Non-Conflicted Directors believe the revised Scheme represents the most compelling risk-adjusted value for shareholders. It provides shareholders with an opportunity to accelerate a capital return, while also mitigating the risks and uncertainties that are otherwise involved in delivering the opportunities from executing Pushpay's strategic plan over time.

The Board thanks shareholders for the engagement and patience they have shown since the first expression of interest was received. At every stage of this process, the Non-Conflicted Directors have been committed to acting in the best interests of all shareholders, and respecting the right of shareholders, as the owners of the company, to decide Pushpay's future. We believe we have lived up to those principles at all times.

It has always been up to shareholders themselves to decide whether to accept the offer on the table or not. This process has been a great demonstration of shareholder democracy in action, with the final decision, as it should be, entirely in the hands of those who own the Company.

#### 5. Next steps and key dates

The outstanding positive conditions needed for the revised Scheme to be implemented are shareholder approval which will be sought at today's meeting, and if shareholder approval is obtained, the final orders of the Court.

There are also some other conditions that continue to apply to the Scheme until just before implementation. In broad terms, those conditions require that there are no restraining orders that would prevent or materially restrict the Scheme, that there is no Material Adverse Change to Pushpay's earnings and that there is no Prescribed Occurrence (as that term is used in the Scheme Implementation Agreement). The Non-Conflicted Directors do not currently anticipate that any of these conditions will be breached.

If shareholder approval is obtained, then the Scheme is expected to be implemented between 17 May 2023 and 26 May 2023. If the Scheme is implemented, shareholders who hold shares on the record date for the Scheme will be paid the Scheme price on the implementation date. More information on the timing of key implementation steps is set out on page 11 of the Supplementary Scheme Booklet. Once the implementation date is known, Pushpay will release that information through NZX and ASX.

If the resolution is not approved by shareholders and Pushpay and the Bidder have not agreed by 5:00 pm on 1 May 2023 to hold another shareholder meeting (or otherwise agreed to terminate the Scheme Implementation Agreement), then either party can terminate the Agreement. If this occurs, the Scheme will not proceed, and you will not be paid the Scheme price. Pushpay will remain listed on the NZX and ASX, you will retain your shares in Pushpay and continue to be exposed to the risks and opportunities of executing Pushpay's strategic plan over time.

## 6. Scheme Resolution

I will now move on to the resolution before the meeting – that the Scheme (the terms of which are described in the Supplementary Scheme Booklet and, to the extent not superseded by the Supplementary Scheme Booklet, the Scheme Booklet) be and is hereby approved.

For the purposes of the resolution, the Scheme Booklet is dated 3 February 2023, and the Supplementary Scheme Booklet is dated 3 April 2023.

To approve the revised Scheme, it is necessary for two voting thresholds to be met. These are:

- 75% or more of the votes of shareholders in each interest class who are entitled to vote and who actually vote, must be voted in favour of the Scheme Resolution; and
- more than 50% of the total number of Pushpay shares on issue must be voted in favour of the Scheme Resolution.

There are three interest classes for the purposes of the revised Scheme.

- The first interest class is made up of those shareholders who are associated with BGH Capital or Sixth Street.
- The second interest class is made up of persons who hold shares for the Specified Shareholders, in respect of the shares for which those persons have agreed to receive NZ\$1.34 per share.
- The third interest class is all other shareholders who will receive NZ\$1.42 per share if the revised Scheme is approved. This includes all of the shares which are not in the first or second interest class.

## 7. Shareholder discussion

We will now provide the opportunity for shareholders to ask any questions. For our online shareholders, if you would like to ask a question, click on the 'Ask a Question' box either at the top or bottom of the webpage. Questions may be moderated or if we receive multiple questions on one topic we will amalgamate the questions together.

## 8. Voting

Only shareholders, proxy holders or corporate representatives of a shareholder may vote on today's resolution. The record time for voting eligibility was 10:00 am on 26 April 2023 and the share register at that time will be used for voting purposes.

If you are attending online, please cast your vote under the "Get a Voting card" tab on the meeting platform. Once you have completed your selection online, please click Submit Vote on the bottom of the card to lodge your vote. If you have already voted by proxy but wish to change your vote today, please revoke your vote and submit your new vote. This will take precedence over your previous proxy vote.

If you have any difficulties with online voting, please contact the helpline number displayed in the top right of your screen.

If you are present at the meeting, please use the voting card given to you when you registered at the door to vote.

If you are entitled to vote and do not have a voting card please raise your hand now and you will be provided with one. Link Market Services will collect your voting cards shortly.

For clarity, my fellow Directors and I intend to vote all discretionary proxies we have received in favour of the resolution as set out in the Notice of Meeting.

Thank you. Online voting will now be closed.

As of 10:00 am on Wednesday, when proxy voting closed, Pushpay had received proxy votes representing approximately 85% of issued capital of which approximately 93% are in favour of the Scheme resolution.

Our share registrar, Link Market Services, will count the votes received today and our auditor, Deloitte, will scrutinise the count.

The final results of the meeting are expected to be released to the market by the end of the day. Shareholders should not assume the outcome of the vote on the resolution before it is formally announced to NZX and ASX.

Before I close the meeting, is there any other business that shareholders would like to raise?

#### **9. Close of the meeting**

In closing, I would like to acknowledge and thank all shareholders for your support of Pushpay, our wonderful New Zealand and US teams for their passion and focus on our customers, and the Board and management team for your efforts.

This has been a long process since the Board first received expressions of interest more than 13 months ago. There have been a number of unexpected developments along the way, and plenty of commentary. The Board thanks shareholders for their support and engagement throughout this period.

We were pleased to give shareholders an opportunity to vote on the revised Scheme.

The Board also thanks Pushpay's employees for their hard work and commitment to the business during the uncertainty of the past 13 months.

We look forward to seeing Pushpay continue its growth journey and deliver for customers and staff, under its likely new ownership.

I now declare this special meeting of shareholders closed.

ENDS