

# Special Meeting of Shareholders

27 April 2023 (NZT)




[investors@pushpay.com](mailto:investors@pushpay.com)

[www.pushpay.com](http://www.pushpay.com)



# Virtual meeting procedures




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
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 Notice of Meeting and Scheme Booklet

 Virtual Meeting Online Guide



# Key details of the revised Scheme

- Pegasus Bidco Limited (Bidder), a company associated with the Sixth Street and BGH Capital shareholder consortium, is offering to buy your Pushpay shares for NZ\$1.42 per share in cash under a scheme of arrangement (Scheme).<sup>1</sup>
- This is a material 8 cents per share increase from the previous price under the original Scheme and is near the mid-point of the Independent Adviser's valuation range.
- Seven of Pushpay's largest NZ-based institutional shareholders, six of which voted against the original Scheme, have supported the revised Scheme at the increased price.
- Pushpay's Non-Conflicted Directors<sup>2</sup> unanimously recommend that shareholders vote **IN FAVOUR** of the Scheme, and have undertaken to vote their own shares **IN FAVOUR** of the revised Scheme.

1. 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 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.
2. All of the Directors, other than John Connolly (who recused himself from Board involvement in the Scheme, due to his relationship as a Senior Adviser to Sixth Street).



# Key rationale for the Non-Conflicted Directors' recommendation

- A key valuation driver 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. 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.
- Pushpay's forecasts were the basis for the valuation analysis undertaken by Grant Samuel (the Independent Adviser appointed to assess the merits of the Scheme) and were used by Grant Samuel for their scenario analysis to derive their valuation range.
- The Non-Conflicted Directors undertook their own internal assessment of the execution risk associated with achieving the growth initiatives underpinning the forecasts and assessed a range of our own sensitivities and scenarios to potential earnings estimates.
- The Non-Conflicted Directors believe the 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.
- No superior proposal has been received prior to this meeting and the Non-Conflicted Directors believe that a superior proposal is unlikely to emerge. Pushpay's share price will likely fall if the Scheme is not implemented.

**Pushpay's Non-Conflicted Directors reiterate their unanimous recommendation that shareholders should vote in favour of the Scheme, and undertake to vote all of their own Pushpay shares in favour of the Scheme.**

# Next steps and key dates

## **If the Scheme is approved by Shareholders and the other conditions are satisfied:\***

- Last day of trading in Pushpay shares on 10 May 2023.
- Expected that the Scheme will be implemented between 17 May 2023 and 26 May 2023.
- Shareholders who hold shares on the record date - 7:00 pm on 12 May 2023 - will be paid the Scheme price on the implementation date.
- Pushpay will no longer be listed on the NZX and ASX.

## **If the Scheme is NOT approved by shareholders:**

- You will not receive the Scheme price.
- Pushpay will remain listed on the NZX and ASX.
- Shareholders will retain their shares in Pushpay.
- Pushpay's share price will likely fall.

\* The above dates and times are indicative only and, among other things, are subject to obtaining all the necessary approvals from the High Court

# Scheme Resolution

The resolution to be voted on by shareholders is:

*“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.”*

**To approve the Scheme, it is necessary that both of the following two thresholds are met:**

- The first threshold is that 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 resolution;<sup>1</sup> and
- The second threshold is that more than 50% of the total number of Pushpay shares on issue must be voted in favour of the resolution.

1. 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 holders of Specified Shares in respect of those Specified Shares. Specified Shares are a specified number of shares in respect of which the Specified Shareholder has agreed to receive NZ\$1.34 per Specified Share. The Specified Shareholders are a group of 10 sophisticated, professional offshore event-driven funds. The third interest class is all other shareholders who will receive NZ\$1.42 per share if the revised Scheme is approved (which includes Pushpay shares held on behalf of Specified Shareholders that are not Specified Shares).



# Shareholder discussion



# Voting





# Close of the meeting



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All currency amounts are in United States Dollars (USD) unless stated otherwise. Please refer to the Appendix for definitions of key metrics used in this presentation.

