23 June 2025

# Smartpay Enters into Scheme Implementation Agreement at NZ$1.20 in Cash per Share

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Smartpay Holdings Limited (NZSX:SPY, ASX:SMP, "Smartpay" or "the Company") has entered into a Scheme Implementation Agreement ("SIA") under which Shift4 Payments, LLC ("Shift4"), or wholly-owned subsidiary, will acquire all of the shares in Smartpay for NZ$1.20 per share in cash, by means of a scheme of arrangement under Part 15 of the Companies Act 1993 (the "Scheme"). Shift4 is an American payment processing business.

## Highlights

- Following a comprehensive process and a thorough consideration of strategic options, the Smartpay Board has assessed the Scheme as providing the most compelling value for shareholders.
- Under the Scheme, Smartpay shareholders will receive a cash price of NZ$1.20 per share.
- The proposed consideration of NZ$1.20 per share in cash represents:
  - a 46.5% premium to Smartpay's 90 trading day volume weighted average price to close of 20 June of NZ$0.82 per share [1]
  - an implied equity value of A$274.1 million / NZ$296.4 million;[2]
  - an enterprise value of A$282.8 million / NZ$305.8 million;[3] and
  - an acquisition multiple of ~14.2x based on FY25 Normalised EBITDA pre-NZ investment of NZ$21.5 million.
- Following the culmination of negotiations between the parties, Shift4 has stated that the offer price under the Scheme of NZ$1.20 per share represents its best and final price, in the absence of a Competing Proposal.
- The Scheme is subject to the approval of Smartpay shareholders, consent under the New Zealand Overseas Investment Act 2005, approval of the New Zealand High Court, there being no Material Adverse Change and other customary conditions as detailed in the Scheme Implementation Agreement. The Scheme is not subject to any financing condition.
- Smartpay shareholder approval will be sought at a special meeting of shareholders expected to be held in Q3 2025. Smartpay shareholders do not need to take any action at the current time.

**The Directors unanimously recommend that shareholders vote in favour of the Scheme, subject to the Scheme price being within or above the Independent Adviser's valuation range for Smartpay shares and in the absence of a Superior Proposal. Subject to the same qualifications, the Directors intend to vote, or procure the voting of, all of the Smartpay shares that they hold or control in favour of the Scheme.[3]**

**The Scheme has support from Smartpay's substantial shareholder Microequities Asset Management**

As at the date of this announcement, Microequities Asset Management Group Limited (ACN: 110 777 056) ("Microequities Asset Management"), its associated entities and funds of, or managed by, Microequities Asset Management or its associated entities hold or control 32,109,979 Smartpay shares (representing approximately 13.3% of the Smartpay shares on issue). Microequities Asset Management, its associated entities and any funds of, or managed by, Microequities Asset Management or its associated entities intend to vote all Smartpay shares held or controlled by them as at the time of the Scheme Meeting in favour of the Scheme (noting that Microequities Asset Management, its associated entities and any funds of, or managed by, Microequities Asset Management or

[1] Period of 90 days of trading on the NZX between February 10 2025 to 20 June 2025, excluding New Zealand public holidays

[2] Using an NZD:AUD FX rate of 0.9248 as at 19 June 2025 , net debt of NZ$9.5 million as at 31 March 2025, and ordinary shares outstanding of 241,943,464 (excluding 169,931 shares held as treasury stock) and Share Performance Rights of 5,024,541.

[3] In the case of Carlos Gil, the representative director of one of Smartpay's largest shareholders, Microequities Asset Management, such intention to vote, or procure the voting of, all of the Smartpay shares that he holds or controls in favour of the Scheme does not extend to any shares held or controlled by Microequities Asset Management, its associated entities or any funds of, or managed by, Microequities Asset Management or its associated entities. See the separate statement included in this announcement in relation to Microequities Asset Management.

its associated entities reserve the right to sell any Smartpay shares held or controlled by them at any time), in the absence of a Superior Proposal and subject to the Independent Adviser concluding (and continuing to conclude) that the Scheme price is within or above the Independent Adviser's valuation range for the shares.

**Background to recommendation**

Following a comprehensive process to review expressions of interest and test a broad range of other potentially interested parties, the Smartpay Directors have assessed the Scheme as providing compelling, risk-adjusted value and, if the Scheme completes, certainty for shareholders.

Chairman of Smartpay, Gregor Barclay, said, "Following the receipt of various unsolicited, non-binding expressions of interest to acquire the Company, the Board formed an Independent Committee comprising the Company's independent directors, appointed external advisers and undertook a comprehensive process, with a view to exploring opportunities to enhance shareholder value."

"In considering the options, including the possibility of continuing to implement the Company's growth strategy as a publicly listed company, the Directors have carefully considered the risks and rewards of the various alternatives.

After a thorough assessment, the Directors believe that the Scheme currently represents the most compelling value for shareholders. Although the Directors remain confident in the future of Smartpay, the transaction will accelerate the realisation of value for Smartpay shareholders and mitigates the risks that would otherwise be involved in delivering Smartpay's strategic plan over time. Accordingly, the Directors are pleased to unanimously recommend the transaction to shareholders, in the absence of a Superior Proposal and subject to the Independent Adviser Report concluding (and continuing to conclude) that the Scheme price is within or above the Independent Adviser's valuation range for the shares."

Marty Pomeroy, CEO of Smartpay, said, "Smartpay remains focused on being the payments partner of choice, investing and adding scale to our existing Australian and New Zealand business. The proposed transaction, if completed, will see Shift4 partner with Smartpay to deliver an enhanced value proposition to our customers, employees and other stakeholders while delivering immediate and derisked value to our current shareholders."

**Details of Scheme, including key conditions and exclusivity**

The Scheme is subject to the approval of Smartpay shareholders, consent under the New Zealand Overseas Investment Act 2005 and approval of the New Zealand High Court. It is also subject to other customary conditions, including the absence of a Material Adverse Change.

The Scheme Implementation Agreement contains customary exclusivity provisions, including "no-shop", "no-talk", and "no due diligence" obligations. The latter two restrictions are subject to exclusions which permit the Smartpay Board to engage in relation to a competing proposal which is (or is reasonably likely to become) a Superior Proposal and where their fiduciary obligations require them to do so, subject to notifications being made to Shift4. Shift4 also has an opportunity to match any Superior Proposal. The Scheme Implementation Agreement also contains break fee and reverse break fee provisions (with each being approximately $2.96 million).

A copy of the SIA is attached to this announcement. The Appendix to this announcement sets out a summary of the Scheme process and a summary of key certain key aspects of the SIA.

**Indicative timetable and next steps**

Smartpay will, with the approval of the Takeovers Panel, appoint an independent firm to prepare an Independent Adviser's Report to assist shareholders to assess the merits of the Scheme.

A Scheme Booklet containing information relating to the Scheme, the Independent Adviser's Report, the reasons for the Directors' unanimous recommendation, and meeting information is currently expected to be sent to Smartpay shareholders in Q3 2025.

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Smartpay shareholders will have the opportunity to vote on the Scheme at a meeting likely to be held in Q3 2025. If all the conditions are satisfied, the Scheme is expected to be implemented in Q4 2025.

The Directors encourage shareholders to carefully consider the materials that will be sent to them and to exercise their right to vote at the special meeting that will be called to consider the Scheme. If shareholders have questions or if they propose to buy or sell Smartpay shares before receipt of those materials, they are encouraged to seek their own professional advice.

Note that these dates are indicative and subject to change.

Capitalised terms used but not otherwise defined in this announcement have the meanings given to them in the SIA.

**About Shift4**

Shift4 Payments, LLC is a subsidiary of Shift Payments, Inc., a global leader in financial technology, providing solutions for every aspect of the commerce ecosystem to deliver a seamless and streamlined payments experience to customers. Shift4 provides integrated payments solutions and commerce technology, processing over US$260bn in transactions each year in over 45 countries and servicing more than 200k customers across more than 100 payment methods.

Shift4 partners with the leading brands in every industry across travel & hospitality, food & beverage, retail, sports & entertainment, casinos & online gaming, eCommerce and specialty sectors.

Shift Payments, Inc. is listed on the New York Stock Exchange (NYSE).

**Contact**

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This announcement is authorised by the Board of Directors of Smartpay Holdings Limited.

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## About Smartpay

Smartpay is Australia and New Zealand's largest independent full-service EFTPOS provider. We service over 39,000 merchants with approximately 48,000 secure and feature-rich EFTPOS terminals.

At Smartpay our vision is to be the payments partner of choice by providing the best customer experience to ensure our merchants can take payments anywhere, anytime, every time.

**ASX:SMP**
**NZX:SPY**
**SHARE INFORMATION**
Issued Shares: 241,943,464

**BOARD OF DIRECTORS**
Independent Chair:
**Gregor Barclay**
Managing Director:
**Martyn Pomeroy**
Independent:
**Matthew Turnbull**
Independent:
**Shelley Ruha**
Independent:
**Geoffrey Carrick**
Non-Executive
**Carlos Gil**

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**SHAREHOLDER ENQUIRIES**

*Enquiries concerning shareholdings should be addressed to:*

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## APPENDIX: Summary of scheme process

**Process for implementation of the Scheme:**

- A scheme of arrangement is a Court supervised process. The first step in this process is for Smartpay to seek initial Court orders, after which the Board will call a special meeting of shareholders to vote on the Scheme.
- The Board expects that the special meeting will be held in Q3 2025.
- Prior to the special meeting, Smartpay will send shareholders a Scheme Booklet containing information about the Scheme, including details of the special meeting and a copy of the Independent Adviser's Report.
- The voting thresholds for approval of the Scheme are:
  - 75% or more of the votes cast by each interest class on the resolution must be voted in favour of the Scheme;[4] and
  - more than 50% of the Smartpay shares must be voted in favour of the Scheme
- Both of these voting thresholds must be satisfied for the Scheme to be approved.
- If shareholder approval is obtained at the special meeting, Smartpay will seek final Court orders (being orders by the Court to approve implementation of the Scheme).
- Subject to shareholder approval, the granting of final Court orders and satisfaction of other conditions, the Scheme is currently expected to be implemented by Q4 2025.

**Key transaction terms**

The Scheme Implementation Agreement (**SIA**) accompanies this announcement. Set out below is a brief, high level summary of certain key provisions of the SIA. This is a summary only, and not an exhaustive list of all material terms. For full details of any matter referred to in the summary (or any matters not addressed in the summary), please refer to the attached SIA.

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| **Bidder** | Shift4 Payments, LLC (**Shift4**) or one of its wholly owned subsidiaries |
| **Consideration** | NZ$1.20 per Smartpay Share |
| **No increase to the Consideration, in the absence of a Competing Proposal** | Shift4 has stated that the Consideration is its best and final price, in the absence of a Competing Proposal. Shift4 acknowledges that this is a "last and final statement" within the meaning of section 5 of the Takeovers Panel guidance note on Misleading and Deceptive Conduct (1 November 2023). This means that, under applicable laws, Shift4 cannot increase the Consideration except where there is a Competing Proposal. |
| **Director recommendation and voting intention** | Smartpay must ensure that each of its Directors:<br>• recommend that Shareholders vote in favour of the Scheme (and do not adversely change or withdraw their recommendation); and<br>• undertake to vote, or procure the voting of, all Smartpay shares held or controlled by them in favour of the Scheme,[5]<br>in each case, subject to: |

[4] It is currently expected by Smartpay and Shift4 that there will only be a single interest class of shareholders, but if it were necessary for there to be more than one interest class, 75% or more of the votes cast in each such interest class on the resolution must be voted in favour of the Scheme.

[5] In the case of Carlos Gil, the Shares he holds or controls do not include any Shares held or controlled by Microequities Asset Management Group Limited (ACN: 110 777 056), any associated entities of Microequities Asset Management Group Limited or funds of, or managed by, Microequities Asset Management Group Limited or its associated entities. See the separate statement included in this announcement in relation to Microequities Asset Management.

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| | • the Independent Adviser's Report concluding, and continuing to conclude, that the Consideration is within or above the Independent Adviser's valuation range for the Smartpay shares; and<br>• there being no Superior Proposal. |
| **Conditions** | • Overseas Investment Act consent<br>• The Independent Adviser providing a report which concludes, and continues to conclude, that the Consideration is within or above the Independent Adviser's valuation range for the Smartpay shares.<br>• Smartpay shareholder approval of the Scheme.<br>• High Court approval of the Scheme.<br>• No restraining orders or similar prohibition enforced or issued by a government agency that prohibits or materially restricts implementation of the Scheme is in effect on the implementation date.<br>• No "Prescribed Occurrence" (as described below) having occurred between the SIA date and the implementation date.<br>• No Material Adverse Change (as described below) having occurred, been announced or been discovered between the SIA date and the implementation date.<br><br>Failure to satisfy a condition may give rise to a termination right in favour of one or both parties. |
| **Additional termination rights** | • Either party may terminate the SIA:<br>- for an unremedied material breach of the SIA by the other party;<br>- if Smartpay provides Shift4 with the opportunity to match a Superior Proposal, and Shift4 does not do so; and<br>- if the Scheme does not become effective by 8.00am on the date that is six business days after the End Date (being nine months after the date of the SIA (subject to automatic extension for a limited period of time where the parties appeal any decision by the Court to grant orders) or such other date as the parties may agree in writing).<br>• Smartpay may terminate the SIA:<br>- due to an insolvency event of Shift4; and<br>- due to a breach by Shift4 (or its nominated wholly owned subsidiary) of its payment obligations in connection with the Scheme.<br>• Shift4 may terminate the SIA if a Smartpay director fails to recommend the Scheme or adversely changes or withdraws their recommendation (subject to certain exceptions described above). |
| **Material adverse change** | A "Material Adverse Change" means any event or circumstance (or series of related events or circumstances) that occurs, is announced or is discovered on or after the date of the SIA which reduces or is reasonably likely to reduce, the consolidated EBITDA of the Target Group for the financial year end 31 March 2026 by more than NZ$5,755,246.40 compared to what EBITDA would reasonably have been expected to have been for that period but for such event or circumstances (or series of related events or circumstances). |

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| | Certain matters will be excluded or disregarded when determining whether a Material Adverse Change has occurred, including:<br>• any one-off or non-recurring impact of the relevant event or circumstance;<br>• any event or circumstance to the extent fairly disclosed in due diligence or through NZX or ASX in the prior 24 month period; and<br>• any event or circumstance resulting from legal or regulatory requirements generally affecting the payments industry. |
| **Prescribed occurrences** | If any "Prescribed Occurrence" occurs before implementation of the Scheme, Shift4 is entitled to terminate the SIA. Prescribed Occurrences include the matters summarised below (which are subject to certain limited exceptions):<br>• Payment of distributions by the Smartpay Group.<br>• Changes to the capital structure of any member of the Smartpay Group (including share issues, reclassifications and share buybacks).<br>• Changes to the constitution of any Smartpay Group members.<br>• An unremedied insolvency event affecting any member of the Smartpay Group.<br>• Amalgamations by members of the Smartpay Group.<br>• Certain related party transactions or payments to directors, officers or senior employees of the Smartpay Group.<br>• Termination of any directors, officers or members of the Smartpay Executive Team without cause.<br>• Smartpay shares cease to be quoted or are suspended for trading on the NZX for a period of more than three trading days<br>• Changes to arrangements with any financial advisor in relation to the Scheme or a competing proposal.<br>• Disposal of all or a substantial part of the Smartpay Group's assets. |
| **Exclusivity** | The SIA contains customary "no shop", "no talk" and "no due diligence" restrictions. The "no talk" and "no due diligence" restrictions are subject to "fiduciary out" exceptions. There are also matching rights (see below). Smartpay will need to notify Shift4 of any competing proposals received or if it proposes to take any action in reliance on the "fiduciary out" exceptions. |
| **Superior proposal and matching rights** | Smartpay will not be required to comply with its "no talk" and "no due diligence" obligations if it receives an unsolicited bona fide competing proposal and the Directors, acting in good faith, by majority decision, consider that:<br>• such competing proposal is, or is reasonably likely to become, a Superior Proposal (after having received financial advice); and<br>• failing to respond to the competing proposal would be reasonably likely to constitute a breach of the fiduciary or statutory duties owed by any Director (after having received legal advice).<br><br>Shift4 has a matching right in respect of the Superior Proposal – i.e., a right to be notified of the Superior Proposal (including all material details) and given an opportunity to submit a counter proposal that will provide a no less favourable outcome, taken as a whole, for shareholders compared to the |

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| | terms and conditions offered under the Superior Proposal. |
| **Reimbursement fees** | Smartpay must pay to Shift4 a "reimbursement fee" of NZ$ 2,963,616.06 (including GST, if any) in certain circumstances, including where:<br>• a competing proposal is announced prior to termination of the SIA, the Scheme does not proceed, and the competing proposal is implemented within 12 months after its announcement.<br>• any Smartpay director fails to recommend the Scheme or adversely changes or withdraws their recommendation (subject to certain exceptions).<br>• Shift4 terminates the SIA due to a material breach by Smartpay or a Prescribed Occurrence occurring; or<br>• either party terminates the SIA because Smartpay wishes to pursue a competing proposal and Shift4 does not match that proposal.<br><br>Shift4 must pay to Smartpay a "reverse reimbursement fee" of NZ$2,963,616.06 (including GST, if any) in certain circumstances, including where:<br>• Smartpay terminates the SIA due to a material breach by Shift4, an insolvency event of Shift4 or breach by Shift4 (or its nominated wholly owned subsidiary) of its payment obligations in connection with the Scheme; or<br>• either party terminates the SIA for failure of the Overseas Investment Office consent condition (unless Shift4 can demonstrate that such failure was not due to a failure to satisfy the "investor test" under the Overseas Investment Act, or any matter within its reasonable control). |
| **Dispute resolution** | Any disputes under the SIA will be resolved through litigation in the New Zealand Courts. |

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