



9 August 2018

Energy Mad signs binding agreement with PaySauce Limited

Energy Mad Limited (the **Company**) announced on 2 March 2018 that it had signed a non-binding term sheet (the **Term Sheet**) with PaySauce Limited (**PaySauce**) in relation to the Company's acquisition of all of the shares in PaySauce.

The Company advises that on 9 August 2018 it signed a binding transaction management agreement (**TMA**) with the shareholders of PaySauce Limited (and others) to proceed with the transaction.

The TMA sets out that the transaction will involve the following key steps:

- the Company will make an in-specie distribution to the shareholders of the Company of all of the shares of Energy Mad NZ Limited (**MAD Subsidiary**) for zero consideration (which, following a proposed restructure, will be the direct holding company of Intellectual Property Energy Mad Limited, Energy Mad Build Limited, EcoSmartHome Limited and Energy Mad US LLC);
- the business of PaySauce will then be acquired by the Company through the Company issuing shares to shareholders of PaySauce, in exchange for all of the shares in PaySauce; and
- the Company will then change its name to PaySauce Limited.

The effect of the transaction for the Company's shareholders if the transaction is completed is that they will retain their current shares, which will become an indirect interest in PaySauce, but will also, for no consideration, receive shares in the MAD Subsidiary.

Valuation

The TMA calculations are based on the following values:

1. the value of the shares in PaySauce (on a debt free / cash free basis) as \$10 million; and
2. the value of the shares in the Company as \$310,243 (based on the 50 day moving average market capitalisation to the date of the Term Sheet).

Based on those valuations the shareholders of the Company would retain approximately 3% of the share capital and the current shareholders of PaySauce would hold the remaining 97% of the share capital in the Company.

Conditions: The TMA is subject to various conditions, including:

1. **(Due diligence):** The Company and PaySauce each being satisfied with the results of its due diligence investigations (which are advanced).
2. **(Shareholder documentation approval):** Approval of the listing profile and other shareholder documentation by NZX and the Takeovers Panel (following agreement as to their form by PaySauce and the Company).
3. **(Shareholder approval):** The Company obtaining all shareholder approvals that may be required to undertake the transaction, including under the Companies Act 1993, the Takeovers Code and the NZX Listing Rules.
4. **(NZX waiver)** NZX granting a waiver of any relevant requirements under the NZX Listing Rules.

5. **(Restructure)** The Company and PaySauce completing certain internal restructuring steps. The proposed restructure of the Company includes the sale of the assets of the Company, MAD Subsidiary, Intellectual Property Energy Mad Limited and Energy Mad Build Limited to Ecobulb Limited (announced as a possibility on 9 May 2017), which will require shareholder approval under condition 3 above.

Timetable: The parties aim to complete the transaction during October 2018.

Ends

For more information, contact Brent Wheeler, Chairman, 021 834 279.

Brent Wheeler

Chair