

Pushpay Holdings Limited

Notice of Meeting and Scheme Booklet

For a scheme of arrangement between Pushpay Holdings Limited (“**Pushpay**”) and its Shareholders in relation to the proposed acquisition of all of the fully paid ordinary shares in Pushpay in return for payment to Shareholders (other than the holders of Excluded Shares) of NZ\$1.34 per Scheme Share by Pegasus Bidco Limited (the “**Bidder**”) (a company that will be ultimately owned by the Sixth Street and BGH Capital Consortium).

The special meeting of Shareholders will be held:

Time: 11:00 am (NZT)

Date: Friday, 3 March 2023 (NZT)

Where: Online by virtual webcast at www.virtualmeeting.co.nz/pphsm23. Pushpay will also hold a concurrent physical meeting at Link Market Services Limited, Level 30, PwC Tower, 15 Customs Street West, Auckland 1010.

See the Notice of Meeting in Section 4 of Part A of this Scheme Booklet for details.

VOTE IN FAVOUR

Your Non-Conflicted Directors unanimously recommend that Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal.

IMPORTANT

This is an important document and requires your urgent attention. You are encouraged to vote and have your say on the Scheme.

You should carefully read this Scheme Booklet in its entirety before deciding whether or not to vote in favour of the Scheme. If you are in doubt as to any aspect of this Scheme, you should consult your financial or legal advisers.

An Independent Adviser’s Report on the merits of the Scheme accompanies this Scheme Booklet as Annexure A and should be read in conjunction with this Scheme Booklet.



Important Information

Purposes of this Scheme Booklet

The purposes of this Scheme Booklet are to:

- + provide you with information about the proposed acquisition of Pushpay by the Bidder by way of the Scheme;
- + provide you with the material terms and conditions of the Scheme and explain their effect;
- + explain the manner in which the Scheme will be considered by Shareholders and, if approved, implemented;
- + provide you with information that could reasonably be expected to be material to your decision whether to vote in favour of, or against, the Scheme; and
- + include the information required by the Takeovers Panel in relation to the Scheme.

This Scheme Booklet is not a product disclosure statement.

Your decision

This Scheme Booklet does not take into account your individual investment objectives, financial situation or needs. You must make your own decisions and seek your own advice in this regard.

The information and recommendations contained in this Scheme Booklet do not constitute, and should not be taken as constituting, financial advice, financial product advice, tax advice or legal advice.

If you are in any doubt as to what you should do, you should seek advice from your financial, taxation or legal advisers before making any decision regarding the Scheme.

Not an offer

This Scheme Booklet does not constitute an offer to Shareholders (or any other person), or a solicitation of an offer from Shareholders (or any other person), in any jurisdiction.

Laws of New Zealand

This Scheme Booklet has been prepared in accordance with New Zealand law. Accordingly, the information contained in this Scheme Booklet may not be the same as that which would have been disclosed in this Scheme Booklet if it had been prepared in accordance with the laws of another jurisdiction.

Forward looking statements

This Scheme Booklet contains certain forward looking statements. You should be aware that there are risks (both known and unknown), uncertainties, assumptions and other important factors that could cause the actual conduct, results, performance or achievements of Pushpay to be materially different from the future conduct, market conditions, results, performance or achievements expressed or implied by such statements or that could cause future conduct to be materially different from historical conduct, including those resulting from uncertainties associated with the COVID-19 pandemic.

Deviations as to future conduct, market conditions, results, performance and achievements are both normal and to be expected.

Forward looking statements generally may be identified by the use of forward looking words such as 'aim', 'anticipate', 'believe', 'estimate', 'expect', 'forecast', 'foresee', 'future', 'intend', 'likely', 'may', 'planned', 'potential', 'should', or other similar words.

No person (including Pushpay, the Bidder and their respective directors, officers, employees and advisers) gives or makes any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this Scheme Booklet will actually occur. You are cautioned against relying on any such forward looking statements.

Privacy and personal information

Pushpay, the Bidder, the Sixth Street and BGH Capital Consortium and their respective directors, officers, employees and advisers may collect personal information in the process of implementing the Scheme. Such information may include the name, contact details and shareholdings of Shareholders and the name of persons appointed by those persons to act as their proxy or corporate representative at the Scheme Meeting. The primary purpose of the collection of personal information is to assist Pushpay and the Bidder to conduct the Scheme Meeting and implement the Scheme. Personal information may be stored in hard copy form or electronic form, including with third party data storage facilities and in cloud storage located inside or outside New Zealand.

Personal information of the type described above may be disclosed to Link, print and mail service providers, proxy solicitation firms, Related Companies of Pushpay and the Bidder, the Sixth Street and BGH Capital Consortium and Pushpay's and the Bidder's service providers and advisers.

Shareholders have certain rights to access personal information that has been collected. Shareholders who wish to access their own personal information should contact Link in the first instance. Shareholders who appoint a named person to act as their proxy or corporate representative should make sure that person is aware of these matters.

The address details for Pushpay and the Bidder are set out in the Directory.

No internet site forms part of this Scheme Booklet

Any references in this Scheme Booklet to any website are for informational purposes only. No information contained on any website forms part of this Scheme Booklet.

To the maximum extent permitted by law, Pushpay, the Bidder, the Sixth Street and BGH Capital Consortium and their respective directors, officers, employees and advisers do not assume any responsibility for the contents of any website referenced in this Scheme Booklet.

Times and dates

All references to times and dates in this Scheme Booklet are to New Zealand time, unless otherwise stated. Any obligation to do an act by a specified time in New Zealand time must be done in any other jurisdiction by the specified New Zealand time.

All references to expected dates and times in this Scheme Booklet in respect of procedural aspects of the Scheme are indicative only and, among other things, are subject to obtaining all necessary approvals from the High Court.

Currency

Unless expressly specified, all references to currency in this Scheme Booklet are to New Zealand dollars.

A reference to US\$ is a reference to United States dollars.

Diagrams, charts, maps, graphs and tables

Any diagrams, charts, maps, graphs and tables appearing in this Scheme Booklet are illustrative only and may not be to scale.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet are subject to the effect of rounding. Accordingly, actual calculations may differ from amounts set out in this Scheme Booklet.

Responsibility for information

Pushpay is responsible for this Scheme Booklet other than, to the maximum extent permitted by law:

- The Bidder Information, which has been prepared by, and is the responsibility of, the Bidder. Pushpay, its Related Companies and their respective directors, officers, employees and advisers do not assume any responsibility for the accuracy or completeness of the Bidder Information. The Bidder and its directors do not assume any responsibility for the accuracy or completeness of any information in the Scheme Booklet other than the Bidder Information.
- The Independent Adviser's Report contained in Annexure A, which has been prepared by, and is the responsibility of, the Independent Adviser. Pushpay, the Bidder, the Sixth Street and BGH Capital Consortium, their Related Companies and their respective directors, officers, employees and advisers do not assume any responsibility for the accuracy or completeness of the Independent Adviser's Report.

Notice of the Final Court Hearing

If you wish to oppose the Scheme at the Final Court Hearing, which will take place after the Scheme Meeting, at the High Court, Parliament Street, Auckland, you must file in the High Court a notice of appearance or a notice of opposition together with supporting documents on which you wish to rely in the manner set out in Section 6.8. The deadline for such filing will be 10 March 2023 or any later date announced by Pushpay on the NZX and ASX. See Section 6.8 for more detail.

Role of the Takeovers Panel and High Court

The fact that the Takeovers Panel has provided a letter of intention indicating that it does not intend to object to the Scheme (or subsequently issues a no objection statement in respect of the Scheme), or that the High Court has ordered that a meeting be convened, does not mean that the Takeovers Panel or the High Court:

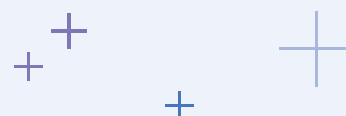
- has formed any view as to the merits of the proposed Scheme or as to how Shareholders should vote (on this matter Shareholders must reach their own decision); or
- has prepared, or is responsible for the content of, the Scheme Booklet or any other material.

Defined terms

Capitalised terms set out in this Scheme Booklet have the meanings given to them in the Glossary in Section 11.

Date of this Scheme Booklet

This Scheme Booklet is dated 3 February 2023.



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Part A: Key information about the Scheme and the Scheme Meeting

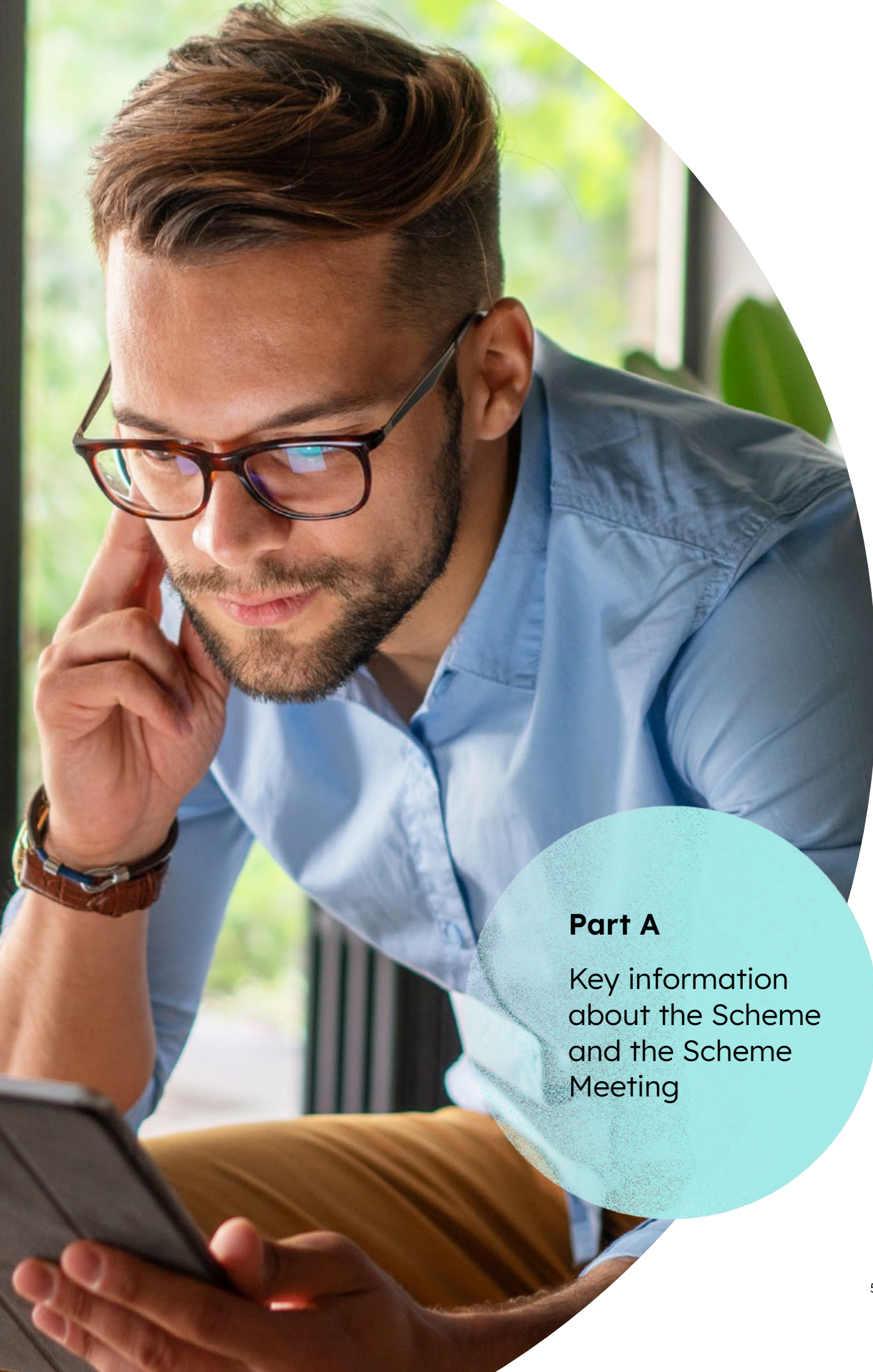
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Part A

Key information
about the Scheme
and the Scheme
Meeting

Section 1. Chair’s Letter



DEAR SHAREHOLDER,

On behalf of the Pushpay Board,¹ I am pleased to provide you with this Scheme Booklet which contains important information regarding the proposed acquisition of your Pushpay Shares by Pegasus Bidco Limited (the “**Bidder**”), a company associated with the Sixth Street and BGH Capital Consortium.

This proposed acquisition is to be completed by way of a scheme of arrangement. If the proposed Scheme is approved by Shareholders and the High Court, all other Conditions are satisfied or waived (to the extent capable of waiver) and the Scheme Implementation Agreement is not terminated, the Bidder will acquire all of the Pushpay Shares and you will be paid the Consideration of NZ\$1.34 in cash for each Pushpay Share that you hold on the Scheme Record Date.² Your Pushpay Shares will be acquired, and you will be paid, on the Implementation Date, which is currently anticipated to be a date between late March and mid-April 2023.³

I encourage you to read this Scheme Booklet, including the Independent Adviser’s Report, carefully before you vote on the Scheme.

All of the Non-Conflicted Directors recommend that you vote IN FAVOUR of the Scheme in the absence of a Superior Proposal

Each Non-Conflicted Director has undertaken to **vote all the Pushpay Shares** he or she holds or controls **IN FAVOUR** of the Scheme, in the absence of a Superior Proposal.⁴

The Scheme is the culmination of a process that began with the receipt of various unsolicited, non-binding expressions of interest for the acquisition of Pushpay in early 2022. Over a period of more than six months, the Independent Committee undertook a comprehensive process with a view to exploring opportunities to enhance Shareholder value. The process identified and attracted interest from numerous parties, a select group of which undertook due diligence on Pushpay’s businesses. After a thorough assessment, on 28 October 2022, the Non-Conflicted Directors concluded that the Scheme represented 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 executing Pushpay’s strategic plan over time.

¹ Being, for this purpose, all of the Non-Conflicted Directors. 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, and he abstains from providing a recommendation to Shareholders in relation to the Scheme. Accordingly, references in this Scheme Booklet to the Non-Conflicted Directors means the Directors other than Mr. Connolly.

² On the Implementation Date, the Bidder will acquire the Excluded Shares (being, in summary, Pushpay Shares held by associates of the Bidder) under the Scheme, but the Bidder will not pay the Scheme Consideration for those Excluded Shares. References in this letter to “Pushpay Shares” should be read accordingly.

³ Assuming the OIO Condition is satisfied by the date of the Final Court Hearing, Pushpay will notify Shareholders of the Implementation Date via announcement to NZX and ASX in due course, including any expected delay as a result of the OIO Condition not being satisfied by the date of the Final Court Hearing.

⁴ The Non-Conflicted Directors may change their recommendation if there is a Superior Proposal prior to the Scheme Meeting which the Bidder does not match in accordance with the matching rights set out in the Scheme Implementation Agreement. In addition, your Non-Conflicted Directors reserve the right to change their recommendation or vote against the Scheme if, prior to the 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.

The Non-Conflicted Directors consider that NZ\$1.34 per share is an attractive price for your Pushpay Shares and unanimously believe the reasons for you to vote in favour of the Scheme outweigh the reasons for you to vote against the Scheme. In summary, we recommend that you vote in favour of the Scheme for the following reasons (further detail is set out in Section 5.6):

- **The Consideration of NZ\$1.34 cash per share represents a material premium to pre-announcement trading**
 - The Consideration of NZ\$1.34 cash per Pushpay Share represents a **premium of 30.1%** to Pushpay's closing price of NZ\$1.03 per share on the NZX Main Board on 22 April 2022, being the last day of trading prior to the announcement of the receipt of expressions of interest
 - In the period between the announcement of the receipt of expressions of interest for the acquisition of Pushpay on 26 April 2022 and the announcement of the Scheme on 28 October 2022, Pushpay revised its FY23 revenue and earnings guidance downwards. During that period, there have also been equity market movements. For example, the ASX All Technology Index declined by 12.1% and the index of Pushpay's key payments facilitation peers declined by 14.1%.⁵
- **The Consideration of NZ\$1.34 in cash per Pushpay Share is within the Independent Adviser's valuation range of NZ\$1.33 to NZ\$1.53 per share**
 - The Independent Adviser valued Pushpay in United States dollars (US\$) and converted the valuation into New Zealand dollars (NZ\$) using an exchange rate of NZ\$1 = US\$0.61 to enable comparison with the Consideration, which is in New Zealand dollars. The NZ\$:US\$ exchange rate has moved since the date of the Independent Adviser's Report, with the exchange rate as at 27 January 2023 (being the latest practicable date before the date of this Scheme Booklet) of NZ\$1 = US\$0.6506. Based on this exchange rate, the NZ dollar valuation range implied by the Independent

Adviser's US dollar valuation range would be NZ\$1.25 to NZ\$1.43 per share. The NZ\$:US\$ exchange rate is subject to ongoing potential change up to and including the Implementation Date. In the Independent Adviser's opinion, it is not appropriate to update the valuation for a single input such as foreign exchange, without considering other key assumptions.

- Section 5.2.1 of the Independent Adviser's Report sets out a range of valuation sensitivities which include the impact of different exchange rates (with all other variables unchanged) on the Independent Adviser's valuation range for Pushpay Shares (which is included below).

NZD/USD exchange rate			
Value range	0.5800	0.6100	0.6400
Low	\$1.40	\$1.33	\$1.27
High	\$1.61	\$1.53	\$1.46

- **The acquisition price represents an acquisition multiple of approximately 16.7x Underlying EBITDAF based on the midpoint of Pushpay's revised FY23 Underlying EBITDAF guidance of US\$56 million⁶**
 - This is in line with the average of the Independent Adviser's assessed precedent comparable transaction multiples of 17.1x over the period January 2012 to September 2022 and at a material premium to the average forecast trading multiple of comparable companies of 10.7x (as set out in sections 5.4.2 and 5.4.3 of the Independent Adviser's Report)
- **The Scheme provides an opportunity to realise certain value for your Pushpay Shares now for 100% cash consideration**
 - The all-cash Consideration of NZ\$1.34 per Pushpay Share provides you with an opportunity to realise certainty of value for your Pushpay Shares (subject to the Scheme becoming Effective)
 - If the Scheme does not proceed (and Pushpay remains as a publicly listed company), there is no

⁵ Index consists of median performance of ACI Worldwide, EverCommerce, Fiserv, Global Payments, i3 Verticals, Nuvei Corporation, PayPal, Priority Technology Holdings, Repay, Shift4 and Blackbaud, between 22 April 2022 (being the last day of trading prior to the announcement of the receipt of expressions of interest) to 27 October 2022, being the date prior to the announcement of entry into the Scheme Implementation Agreement.

⁶ See Pushpay's trading and FY23 guidance update announcement released to NZX and ASX on 28 October 2022.

assurance that you will be able to achieve returns equivalent to or better than the Consideration of NZ\$1.34 per Pushpay Share in the future

- **You will no longer be subject to the risks associated with executing Pushpay’s strategic plan over time, which include:**
 - **Pushpay specific operational risks** that include customer growth and retention and processing volume growth potentially being more challenging, taking longer and/or requiring more investment or cost than expected (for more detail please see Section 5.6(e))
 - **External economic and general market risks** that include the impacts of inflationary pressures and the uncertain economic outlook on Pushpay’s church customers, the giving market and Pushpay costs, in addition to a potential increase in competition in Pushpay’s existing or target markets (for more detail please see Section 5.6(e))
- **Pushpay’s share price will likely fall if the Scheme is not implemented**
 - While the Non-Conflicted Directors are unable to predict the price at which Pushpay Shares will trade in the future, the Non-Conflicted Directors believe that if the Scheme is not implemented, and in the absence of a Superior Proposal, the Pushpay Share price will likely fall to a price below the Consideration of NZ\$1.34 per Pushpay Share that is being offered by the Bidder
- **The Scheme is the result of a comprehensive competitive process, and the Non-Conflicted Directors are satisfied that the Scheme is the most attractive option for Shareholders coming out of that process**
 - The Scheme is the outcome of a comprehensive process (which was announced to the market on 26 April 2022) undertaken over an extended period, during which the Non-Conflicted Directors have assessed available options to Pushpay and Shareholders (including remaining a publicly listed company) and selected the Scheme as the best currently available option

- **No better offer has emerged since the Scheme was announced and the Non-Conflicted Directors do not believe that a better offer is likely to emerge**

- No third party has made or announced a better offer for your Pushpay Shares (referred to as a “Superior Proposal” in this Scheme Booklet) since the Scheme was announced on 28 October 2022 up to the date of this Scheme Booklet, and the Non-Conflicted Directors do not believe that a competing Superior Proposal is likely to emerge prior to implementation of the Scheme
- The Board retains the ability to deal with a Superior Proposal if any is received, as necessary to comply with Directors’ fiduciary or statutory duties (subject always to the Bidder’s right to match that Superior Proposal). However, there can be no expectation or assurance that any further proposals will emerge at any time

In addition, Shareholders will not be required to pay any brokerage charges on the transfer of their Shares to the Bidder under the Scheme.

Reasons why Shareholders may choose to vote against the Scheme

The Non-Conflicted Directors have also carefully considered the disadvantages for Shareholders of the Scheme proceeding. In particular, if the Scheme is approved and implemented, you will receive the Consideration but you will no longer be a Shareholder in Pushpay. You will not participate as an investor in Pushpay’s future financial performance. Given this, you may wish to vote against the Scheme if:

- You consider that you will receive greater value through your investment in Pushpay over the longer term than you could receive under the Scheme now (for example, because you believe that Pushpay has strong long-term growth prospects and/or that the risks outlined above in this letter are unlikely to adversely affect Pushpay’s future financial performance, compared to what is currently expected)
- You disagree with the Independent Adviser’s valuation range for the Pushpay Shares
- You believe a better offer for Pushpay may still be likely to emerge
- You consider that the Scheme is otherwise not in your own best interests

A more detailed discussion of reasons why you may choose to vote against the Scheme is set out in Section 5.7. As noted above, the Non-Conflicted Directors unanimously believe the reasons for you to vote in favour of the Scheme outweigh the reasons for you to vote against the Scheme.

Independent Adviser's Report

The Non-Conflicted Directors appointed Grant Samuel & Associates Limited, with the approval of the Takeovers Panel, as the Independent Adviser to assess the merits of the Scheme. The Independent Adviser has concluded that the Consideration of NZ\$1.34 per Pushpay Share is within its valuation range for the Pushpay Shares of NZ\$1.33 to NZ\$1.53.

The Independent Adviser's Report is included as Annexure A to this Scheme Booklet. The report was finalised by the Independent Adviser in December 2022 prior to Pushpay applying to the High Court for Initial Orders in connection with the Scheme.

The Independent Adviser has valued Pushpay in United States dollars (US\$) and then converted that valuation into New Zealand dollars (NZ\$) using an exchange rate of NZ\$1 = US\$0.61 to enable comparison with the Consideration, which is in New Zealand dollars. The actual NZ\$:US\$ exchange rate at any point in time after the date of the Independent Adviser's Report up to and including the Implementation Date for the Scheme may differ from the exchange rate used by the Independent Adviser for valuation purposes. The NZ\$:US\$ exchange rate has moved since the date of the Independent Adviser's Report, with the exchange rate as at 27 January 2023 (being the latest practicable date before the date of this Scheme Booklet) of NZ\$1 = US\$0.6506. Section 5.2.1 of the Independent Adviser's Report sets out a range of valuation sensitivities which include the impact of different exchange rates (with all other variables unchanged) on the Independent Adviser's valuation range for Pushpay Shares.

See Section 5.6(b) of this Scheme Booklet and Sections 5.2.1 and 5.3 of the Independent Adviser's Report for further detail on currency and a range of other valuation sensitivities and assumptions (including discount rate and key Pushpay operating assumptions).

A summary of the Independent Adviser's assessment of the merits of the Scheme is set out at the beginning of the Independent Adviser's Report.

Bidder's correspondence with the Takeovers Panel in relation to the draft Independent Adviser's Report

In late December 2022, the Bidder wrote to the Takeovers Panel to raise certain concerns about the final draft of the Independent Adviser's Report. In summary, the Bidder raised the following concerns:

- The Independent Adviser's Report includes factual inaccuracies or statements which may be misleading in relation to the Bidder's view that:
 - i) the exchange rate used by the Independent Adviser for valuation purposes (as described above) being outdated and too low (given the exchange rate movements);
 - ii) the Independent Adviser's net debt assumption for valuation purposes being inaccurate and too low;
 - iii) Pushpay is experiencing declining customer growth in absolute terms and lower customer retention and higher churn rates and the Independent Adviser having either incorrectly or not adequately addressed these issues; and
 - iv) the Independent Adviser's Report does not include adequate financial information or commentary in respect of Pushpay's year-to-date actual performance in FY23 and the outlook for the remainder of FY23.
- The financial forecasts prepared by Pushpay and provided to the Independent Adviser to value the Pushpay Shares are unrealistic and overly optimistic and were not sufficiently risk-adjusted by the Independent Adviser, including in its scenario analysis.

The Non-Conflicted Directors do not agree with the Bidder's concerns about the Independent Adviser's Report or Pushpay's forecasts and other Pushpay information used in the preparation of the Independent Adviser's Report, but have referred to them above in the interests of transparency to Shareholders.

The Non-Conflicted Directors consider that the concerns raised about the Independent Adviser's Report (including the valuation inputs) relate to matters which are for Grant Samuel's judgement as Independent Adviser. The Non-

Conflicted Directors note that: (i) the Independent Adviser was made aware of the matters raised by the Bidder and made no changes to the Independent Adviser's Report (as further detailed below); (ii) to Pushpay's knowledge, the factual aspects of the Independent Adviser's Report are accurate and not misleading; and (iii) the forecasts provided to the Independent Adviser for valuation purposes were prepared in good faith and based on reasonable assumptions.

The Takeovers Panel advised that it had considered the Bidder's concerns and had concluded that the opinions in the Independent Adviser's Report were reasonably based, and therefore, the Independent Adviser's Report was not misleading or deceptive.

The Bidder's communications with the Takeovers Panel and Pushpay were provided to the Independent Adviser and, at the request of the Takeovers Panel, Pushpay requested the Independent Adviser to consider whether there have been any material changes of circumstances or new material information that the Independent Adviser wished to reflect in the Independent Adviser's Report. The Independent Adviser advised it had not been made aware by Pushpay of any such material changes or material information which the Independent Adviser might wish to reflect in its report, and that, in its opinion, it is not appropriate to update the valuation range for a single input such as foreign exchange without considering other factors (such as the changes in interest rates and the cost of capital or movements in implied multiples).

Conditions to implementation of the Scheme

The Scheme is subject to customary Conditions for a transaction of this nature, including approval by Shareholders at the Scheme Meeting, High Court approval, and consent from the Overseas Investment Office. The outstanding Conditions are described in further detail in Section 6.2 of this Scheme Booklet.

The Condition for the expiry or termination of applicable waiting periods under the HSR Act (which is United States anti-trust legislation) was satisfied on 14 December 2022.

Pushpay has no reason to believe that any of the outstanding Conditions will not be satisfied, including within the indicative timetable set out in this Scheme Booklet.

Your action is required

The Scheme will be implemented if it is approved by the required majorities of Shareholders at the Scheme Meeting, all other Conditions are satisfied or waived (to the extent capable of waiver) and the Scheme Implementation Agreement is not terminated. If the Scheme is implemented, your Pushpay Shares will be transferred to the Bidder regardless of whether or how you voted. **It is therefore very important that you take this opportunity to have your say on the Scheme by voting, no matter how many Pushpay Shares you own.**

You can vote by attending the Scheme Meeting in person or online. Alternatively, you can exercise your right to vote by using the Voting/Proxy Form to appoint a proxy to attend the Scheme Meeting and vote on your behalf.

There are instructions for online attendance and voting, and appointment of a proxy, in the Notice of Meeting in Section 4 of this Scheme Booklet. A personalised Voting/Proxy Form accompanies this Scheme Booklet, but a proxy can also be appointed online by going to vote.linkmarketservices.com/PPH.

Further information

In addition to reading this Scheme Booklet, you may also wish to seek independent financial, taxation, legal or other professional advice regarding the Scheme.

For further information, you can also call the Shareholder information line on 0800 408 312 (toll free within New Zealand) or 1300 188 463 (toll free within Australia) between 9:00 am and 7:30 pm (New Zealand time), Monday to Friday.

Conclusion

On behalf of all the Non-Conflicted Directors of Pushpay, I would like to reiterate our support for the Scheme. We encourage you to vote and to vote **IN FAVOUR** of the Scheme. We look forward to your participation either at the Scheme Meeting at 11:00 am on 3 March 2023 or through your proxy vote.

Yours sincerely,



Graham Shaw
Chair of the Board



Section 2. What do shareholders need to do?

2.1 Read this Scheme Booklet and seek advice if you are in doubt

Please read this Scheme Booklet, including the Independent Adviser's Report, carefully and in full. It will assist you in making an informed decision on how to vote on the Scheme Resolution.

If you are in doubt as to what you should do, you should seek advice from your financial, taxation or legal advisers.

2.2 Vote on the Scheme

It is very important that you vote.

Voting is how you have your say in determining the future of your investment in Pushpay.

For the Scheme to proceed, it is necessary that **BOTH** of the two voting thresholds are met, being:

- 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.

Pushpay has one class of shares, all of which are fully paid up ordinary shares with identical voting rights. At the date of the Scheme Booklet, there are two interest classes (being respectively, associates of Sixth Street and BGH Capital in one interest class and all other Shareholders in the other interest class). This is expected to remain the case at the time of the Scheme Meeting. Despite this, only one Scheme Meeting will be held (and not two separate meetings for each interest class). See Section 6.1(b) of this Scheme Booklet for more information about what an interest class is, including whether the Bidder or its associates can acquire Pushpay Shares before the Voting Eligibility Date.

The Scheme Meeting will be held at 11:00 am (New Zealand time) on 3 March 2023, both online and in person:

Virtual webcast: www.virtualmeeting.co.nz/pphsm23

In person: Link Market Services Limited, Level 30, PwC Tower, 15 Customs Street West, Auckland 1010.

If you are a Shareholder on the Voting Eligibility Date (7:00 pm on 1 March 2023), you are entitled to vote on the Scheme.

You can vote at the Scheme Meeting in person or online, by proxy or, if you are a company, by a corporate representative. 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 fastest way for you to vote is to complete your Voting/Proxy Form online. Alternatively, you may return your Voting/Proxy Form by email, mail or in person or attend and vote in person or online at the Scheme Meeting.

Information on how to appoint a proxy or corporate representative, and how to ask questions before the Scheme Meeting, is set out in the Procedural Notes part of the Notice of Meeting in Section 4 of this Scheme Booklet.

2.3 If you are in favour of the Scheme

If you are in favour of the Scheme, you should vote in favour of the Scheme Resolution at the Scheme Meeting, by proxy, in person or online.

2.4 If you are not in favour of the Scheme

If you are not in favour of the Scheme, you can vote against the Scheme Resolution at the Scheme Meeting, by proxy, in person or online. As a Shareholder, you also have the right to appear and be heard at the Final Court Hearing, provided you file a notice with the High Court. Further details on how to do this are set out in Section 6.8.

If you do not want to participate in the Scheme, you are free to sell your Pushpay Shares on the NZX Main Board or ASX at any time up to the close of trading on the Trading Halt Date. However, if you sell your Pushpay Shares on the NZX Main Board or ASX, the sale price may be less than the Consideration of NZ\$1.34 cash per Scheme Share, and you may incur brokerage charges on the sale. You should seek your own professional advice to determine if your individual financial or taxation circumstances may make it preferable for you to do so.

Regardless of whether you vote for or against the Scheme, abstain or do not vote, the Scheme will still be implemented if it is approved by Shareholders by the requisite majorities and by the High Court, the other Conditions are satisfied or waived (to the extent capable of waiver), and the Scheme Implementation Agreement is not terminated.

2.5 You may need to provide your bank account details to Link

If the Scheme is implemented and you hold Scheme Shares on the Scheme Record Date, you will be paid the Consideration of NZ\$1.34 in cash for each of your Scheme Shares. See Section 6.3 for full details of how the Consideration will be paid. You may need to take the actions contemplated by that Section to ensure payment of the Consideration in your desired currency to your desired bank account.

Section 3. Key indicative dates

Indicative date and time	Event
11:00 am on 1 March 2023	Closing time and date – for Voting/Proxy Forms for the Scheme Meeting to be submitted
7:00 pm on 1 March 2023	Voting Eligibility Date – for determining eligibility to vote at the Scheme Meeting
11:00 am on 3 March 2023	Scheme Meeting
10 March 2023	Last day on which shareholders may file a notice of appearance or notice of opposition – to be filed at the High Court and served on Pushpay
10:00 am on 17 March 2023	Final Court Hearing – to approve the Scheme and grant the Final Orders
<p>IF THE SCHEME IS APPROVED BY SHAREHOLDERS AND THE OIO CONDITION IS SATISFIED BY THE DATE OF THE FINAL COURT HEARING, THEN THE INDICATIVE DATES FOR IMPLEMENTATION OF THE SCHEME ARE SET OUT BELOW.</p> <p>IF THE OIO CONDITION IS SATISFIED AFTER THE DATE OF THE FINAL COURT HEARING, PUSHPAY WILL GIVE NOTICE OF THE DATES AND TIMES FOR THE IMPLEMENTATION STEPS SET OUT BELOW, WHEN KNOWN, BY ISSUING AN ANNOUNCEMENT TO NZX AND ASX.</p>	
Close of trading on 21 March 2023	Trading Halt Date – Pushpay Shares will be suspended from trading on both the NZX Main Board and ASX
7:00 pm on 23 March 2023	Scheme Record Date – date for determining entitlements to the Consideration
Between 28 March 2023 and 11 April 2023	Implementation Date – date on which payment of the Consideration to Scheme Shareholders will occur
<p>FINAL DATES FOR SATISFACTION OR WAIVER OF CONDITIONS AND IMPLEMENTATION OF THE SCHEME</p>	
18 May 2023	Condition Satisfaction Date – the last date by which certain Conditions of the Scheme, including the OIO Condition, must be satisfied or waived (to the extent capable of waiver). If this does not occur, then the Scheme will not proceed unless Pushpay and the Bidder agree to extend the Condition Satisfaction Date
30 May 2023	End Date – the last date by which the Scheme must be implemented (unless Pushpay and the Bidder agree to extend the End Date)

All dates and times in the table above (and other references to such dates and times in this Scheme Booklet), except the Condition Satisfaction Date and the End Date, are indicative only and, among other things, are subject to obtaining all necessary approvals from the High Court.

Any changes to the above indicative timetable will be announced to NZX (<https://www.nzx.com>) (NZX code: PPH) and ASX (www.asx.com.au) (ASX code: PPH) and notified on Pushpay's website (www.pushpay.com).

Section 4. Notice of Meeting

Notice is given that a special meeting of Shareholders of Pushpay Holdings Limited (the “**Scheme Meeting**”) will be held:

Time: 11:00 am (NZT)

Date: Friday, 3 March 2023 (NZT)

Where: *Online:* virtual webcast at www.virtualmeeting.co.nz/pphsm23. Details of how to participate are provided in the Procedural Notes below.

Physical: Pushpay will also hold a concurrent physical meeting at Link Market Services Limited, Level 30, PwC Tower, 15 Customs Street West, Auckland 1010.

AGENDA

Scheme Resolution

To consider and, if thought fit, to pass the following resolution:

“That the Scheme (the terms of which are described in the Scheme Booklet) be and is hereby approved.”

The Scheme Resolution will be put as a single resolution for the purposes of confirming the approvals of each interest class and a simple majority of the votes of all Shareholders (see Procedural Notes 2, 3, and 4 below). The Scheme Booklet referred to in the Scheme Resolution is this Scheme Booklet.

Voting will be by way of poll and Link will confirm whether or not each of the relevant voting thresholds have been met in respect of the Scheme Resolution (see Procedural Notes below). Deloitte, Pushpay’s auditors, will act as scrutineer in respect of the vote.

By order of the Board,



Graham Shaw

Chair of the Board

3 February 2023

PROCEDURAL NOTES:

Scheme Booklet and Voting/Proxy Form

1. This Scheme Booklet (which includes this Notice of Meeting) provides information in relation to the Scheme Resolution and the Scheme, how the Scheme will be implemented and the reasons for proposing the Scheme. In particular, Section 2 of the Scheme Booklet contains details about the actions you can take in respect of the Scheme. A Voting/Proxy Form accompanies this Scheme Booklet.

Scheme of Arrangement

2. The Scheme is to be implemented by way of a Court approved scheme of arrangement under Part 15 of the Companies Act pursuant to the Scheme Plan included as Annexure B of this Scheme Booklet.⁷ Pushpay has obtained the Initial Orders which are available to view at www.pushpay.com. The next significant step in the Scheme process is seeking the approval of the Shareholders by voting on the Scheme Resolution.

Voting on the Scheme Resolution

3. The voting thresholds under the Companies Act for approval of the Scheme are:
 - (a) 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
 - (b) more than 50% of the total number of Pushpay Shares on issue must be voted in favour of the Scheme Resolution.
4. Both of the voting thresholds set out in Procedural Note 3 above must be met for the Scheme Resolution to be approved. Pushpay has one class of shares, all of which are fully paid up ordinary shares with identical voting rights. However, associates of Sixth Street and BGH Capital which hold or control Pushpay Shares (being the Sixth Street Entities and Oceania and persons who hold Pushpay Shares on their behalf) are required to vote in a separate interest class (the Sixth Street Entities and Oceania have committed to vote, and to procure all persons who hold Pushpay Shares on their behalf vote, all of the Pushpay Shares held or controlled by them⁸ in favour of the Scheme, in accordance with the Voting Deed Polls described in Section 8.7 of this Scheme Booklet). This means that, as at the date of the Scheme Booklet, there are two interest classes (being, respectively, associates of Sixth Street and BGH Capital in one interest class and all other Shareholders in the other interest class). This is expected to remain the case at the time of the Scheme Meeting. Despite this, only one Scheme Meeting will be held (and not two separate meetings for each interest class). See Section 6.1(b) of this Scheme Booklet for more information about what an interest class is, including whether the Bidder or its associates can acquire Pushpay Shares before the Voting Eligibility Date.

Whether or not you are in favour of the Scheme, it is very important that you cast your vote.

Eligibility to vote on the Scheme Resolution

5. You are entitled to vote at the Scheme Meeting (including by proxy or representative) if you hold Pushpay Shares (as recorded in Pushpay's Share Register) on the Voting Eligibility Date.

How to vote

6. If you are eligible to vote at the Scheme Meeting, you can vote:
 - (a) **by proxy:** see Procedural Note 7 below
 - (b) **online:** at www.virtualmeeting.co.nz/pphsm23. Information on attending online, how to ask questions and how to vote, is available in the Virtual Meeting Online Guide at: <https://bcast.linkinvestorservices.co.nz/generic/docs/OnlinePortalGuide.pdf>
 - (c) **in person:** by attending the Scheme Meeting and bringing your personalised Voting/Proxy Form (which accompanies this Scheme Booklet)
 - (d) **by corporate representative:** a company which is a Shareholder may appoint a representative to vote on its behalf in the same manner as that in which it could appoint a proxy

⁷ The Bidder may, in certain circumstances and subject to certain conditions, by notice to Pushpay no later than five Business Days before Pushpay applies to the High Court for the Final Orders, make changes to clauses 4.1(c) to 4.1(g) of the Scheme Plan (which relate to transfers of Excluded Shares held by associates of the Bidder, Sixth Street and BGH Capital). See Section 6.1(f) for further detail.

⁸ Being, at the date of this Scheme Booklet 232,052,324 Pushpay Shares, being 20.32% of all Pushpay Shares on issue at the date of this Scheme Booklet.

How to appoint a proxy

7. You may appoint a proxy to attend, and vote at, the Scheme Meeting on your behalf. If you wish to appoint a proxy, you must ensure that Link receives your completed Voting/Proxy Form by no later than 11:00 am (New Zealand time) on 1 March 2023. You can submit your completed Voting/Proxy Forms:
- (a) **online:** at Link's website by following the instructions on the website vote.linkmarketservices.com/PPH. You will be required to enter your Holder Number (CSN/HRN) and Authorisation Code (FIN) for security purposes
 - (b) **by email:** meetings@linkmarketservices.co.nz (please use "Pushpay Proxy Form" as the subject for easy identification)
 - (c) **by mail:** Link Market Services Limited, PO Box 91976, Auckland 1142, New Zealand
 - (d) **in person:** Link Market Services Limited, Level 30, PwC Tower, 15 Customs Street West, Auckland 1010, New Zealand
8. If you appoint a proxy, you can either direct your proxy how to vote or let them decide on your behalf by ticking the box marked "discretion". If you do not tick a box for the Scheme Resolution, then your proxy will be treated as having discretion on how to vote.
9. A proxy need not be a Shareholder. You may, if you wish, appoint the Chair or any other Non-Conflicted Director as your proxy. The Chair and all other Non-Conflicted Directors intend to vote undirected proxies in favour of the Scheme Resolution unless the Non-Conflicted Directors have changed their recommendation prior to the Scheme Meeting, in which case the Chair and all other Non-Conflicted Directors of Pushpay will vote all undirected proxies against the Scheme Resolution.⁹
10. If, in appointing a proxy, you have not named a person to be your proxy (either online or on the enclosed Voting/Proxy Form), or your named proxy does not attend the Scheme Meeting, the Chair of the Scheme Meeting will be your proxy and will vote in accordance with your express direction. If you have not included an express direction (either online or in the enclosed Voting/Proxy Form), the Chair of the Scheme Meeting will exercise your vote in favour of the Scheme unless the Non-Conflicted Directors have changed their recommendation prior to the Scheme Meeting, in which case the Chair of the Scheme Meeting will vote undirected proxies against the Scheme.¹⁰
11. Once appointed, a proxy can be revoked or your voting directions to your proxy can be changed by lodging a new proxy online as set out in Procedural Note 7(a) above or giving written notice to the address details set out in Procedural Notes 7(b), 7(c) or 7(d) above if such notice is received before 11:00 am (New Zealand time) on 1 March 2023. If you attend the Scheme Meeting in person or online you may, but are not required to, revoke your proxy.
12. Despite Procedural Notes 7 and 11, Pushpay may in its discretion accept proxy appointments received after 11:00 am (New Zealand time) on 1 March 2023 if it considers it to be in the best interests of Pushpay and Shareholders as a whole.

How to ask questions

13. You are invited to submit questions to be addressed at the Scheme Meeting. Pushpay has discretion as to which, and how, questions will be answered during the Scheme Meeting. If you wish to submit a question, you may do so by completing the relevant section on the Voting/Proxy Form:
- (a) **online:** at Link's website by following the instructions on the website vote.linkmarketservices.com/PPH. You will be required to enter your Holder Number (CSN/HRN) and Authorisation Code (FIN) for security purposes
 - (b) **by email:** meetings@linkmarketservices.co.nz (please use "Pushpay Question" as the subject for easy identification)
 - (c) **by mail:** to Link Market Services Limited at PO Box 91976, Auckland 1142, New Zealand
 - (d) **in person:** Link Market Services Limited, Level 30, PwC Tower, 15 Customs Street West, Auckland 1010
14. There will also be an opportunity for Shareholders to raise questions during the Scheme Meeting in person or through the online platform at www.virtualmeeting.co.nz/pphsm23.

Defined terms

15. Capitalised terms used in this Notice of Meeting have the meanings given to them in the Glossary at Section 11 of this Scheme Booklet.

⁹ The Non-Conflicted Directors may change their recommendation if there is a Superior Proposal prior to the Scheme Meeting which the Bidder does not match in accordance with the matching rights set out in the Scheme Implementation Agreement. In addition, your Non-Conflicted Directors reserve the right to change their recommendation or vote against the Scheme if, prior to the 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.

¹⁰ See footnote 4 on page 6 above.





Part B

Detailed
information
about the Scheme

Section 5. Key considerations relevant to your vote

5.1 Summary of the Scheme

The Scheme is the proposed scheme of arrangement under Part 15 of the Companies Act for the Bidder to acquire all of the Pushpay Shares. Further information regarding the legal requirements and steps for implementation of the Scheme are set out in Section 6.1.

As at the date of this Scheme Booklet, the Bidder is currently 100% indirectly owned by funds that are managed or advised by BGH Capital. However, on or about the Implementation Date, the Bidder will be ultimately owned by the Sixth Street and BGH Capital Consortium. Further information about the Bidder and the Sixth Street and BGH Capital Consortium is set out in Section 7 of this Scheme Booklet.

For the Scheme to be implemented, it needs to be approved by the required majorities of Shareholders and the High Court and the OIO Condition needs to be satisfied. The Scheme is also subject to the satisfaction or waiver (to the extent capable of waiver) of all other Conditions, including the absence of a Material Adverse Change during the period commencing on the date that the Scheme Implementation Agreement was entered into (28 October 2022) and ending at 8:00 am on the Implementation Date. For more information on the Conditions to the Scheme, see Section 6.2.

5.2 How the Scheme came about

The Scheme is the culmination of a process that began with the receipt of various unsolicited, non-binding expressions of interest for the acquisition of Pushpay in early 2022. The Board constituted an Independent Committee of Directors and that Independent Committee appointed external advisors, including Goldman Sachs as financial adviser and Harnos Horton Lusk as legal adviser. Over a period of more than six months, the Independent Committee undertook a comprehensive process with a view to exploring opportunities to enhance Shareholder value. The process identified and attracted interest from numerous parties, a select group of which undertook due diligence on Pushpay's businesses.

In considering the options, including the possibility of continuing to implement Pushpay's growth strategy as a publicly listed company, the Non-Conflicted Directors adopted a long-term view of the risks and rewards of various alternatives. After a thorough assessment, on 28 October 2022, the Non-Conflicted Directors concluded that the Scheme represented the most compelling 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.

On 28 October 2022, Pushpay and the Bidder entered into the Scheme Implementation Agreement which sets out the terms on which Pushpay and the Bidder will implement the Scheme. A summary of the Scheme Implementation Agreement is set out in Section 10.

5.3 Consideration

If the Scheme is implemented and you hold Scheme Shares on the Scheme Record Date, on the Implementation Date you will be paid the Consideration of NZ\$1.34 in cash for each Scheme Share. See Section 6.3 for further details on how the Consideration will be paid.

5.4 Funding for the Scheme

The Bidder intends to fund the amount necessary to pay the Consideration for the Scheme Shares through a combination of equity and third party debt financing. The Bidder has entered into legally binding commitment letters with investors in the Sixth Street and BGH Capital Consortium and with third party financing sources. The investors providing equity commitments are funds associated with BGH Capital and Sixth Street. Further information on BGH Capital and Sixth Street is set out in Section 7 of this Scheme Booklet.

As is customary in transactions of this nature, the Bidder, being an entity formed specifically for the purposes of the Scheme, does not itself currently hold funds that are sufficient to pay the aggregate Consideration and is therefore reliant on the equity and debt commitments referred to above.

The Bidder has agreed under the Scheme Implementation Agreement to use reasonable endeavours to consummate the equity and debt financing, including by satisfying any conditions in the commitment letters that are within the Bidder's control. If the debt funding becomes unavailable, the Bidder has agreed to use reasonable endeavours to obtain alternative debt funding.

Pushpay may, by written notice to the Bidder after a payment obligation becomes due under any equity commitment letter, require the Bidder to enforce any of its rights under the relevant equity commitment letter.

5.5 Your Non-Conflicted Directors unanimously recommend that you vote in favour of the Scheme

Your Non-Conflicted Directors unanimously recommend that you vote in favour of the Scheme Resolution at the Scheme Meeting to be held on 3 March 2023, in the absence of a Superior Proposal.¹¹

In reaching their recommendation to vote in favour of the Scheme, your Non-Conflicted Directors have considered:

- (a) the merits of the Scheme, including the factors set out in Sections 5.6, 5.7 and 5.8;
- (b) the Consideration in relation to the Independent Adviser's valuation range and the Non-Conflicted Directors' own views of the value of Pushpay; and
- (c) Pushpay's growth prospects and the additional time and capital it would require to achieve these, near term earnings expectations, the outlook for Pushpay and broader market conditions and the risk of continuing to own and operate the business compared to realising value for Shareholders now.

Your Non-Conflicted Directors who hold or control Pushpay Shares have undertaken to vote, or to procure that the relevant holder votes, all of the Pushpay Shares held or controlled by them in favour of the Scheme, in the absence of a Superior Proposal. The interests of the Directors in Pushpay Shares are set out in Section 9.5.

Due to his role as a Senior Adviser to Sixth Street, Pushpay Director John Connolly is not a Non-Conflicted Director. He has not participated in Pushpay's response to the receipt of unsolicited expressions of interest or the negotiation of the Scheme, and he abstains from providing a recommendation to Shareholders.

5.6 Reasons to vote in favour of the Scheme

- (a) ***The Consideration of NZ\$1.34 cash per Scheme Share represents a material premium to pre-announcement trading***

The Consideration represents:

- a premium of 30.1% to Pushpay's undisturbed closing share price of NZ\$1.03 per Pushpay Share on the NZX Main Board on 22 April 2022, being the last day of trading prior to Pushpay's announcement of the receipt of expressions of interest on 26 April 2022;
- an implied equity value of US\$898 million / NZ\$1,539 million; and¹²
- an enterprise value of US\$933 million / NZ\$1,599 million.¹³

In the period between the announcement of the receipt of expressions of interest for the acquisition of Pushpay on 26 April 2022 and the announcement of the Scheme on 28 October 2022, Pushpay revised its FY23 revenue and earnings guidance downwards. During that period, there have also been equity market movements. For example, the ASX All Technology Index declined by 12.1% and the index of Pushpay's key payments facilitation peers declined by 14.1%.¹⁴

- (b) ***The Consideration of NZ\$1.34 in cash per Scheme Share is within the Independent Adviser's valuation range of NZ\$1.33 to NZ\$1.53 per share***

¹¹ The Non-Conflicted Directors may change their recommendation if there is a Superior Proposal prior to the Scheme Meeting which the Bidder does not match in accordance with the matching rights set out in the Scheme Implementation Agreement. In addition, your Non-Conflicted Directors reserve the right to change their recommendation or vote against the Scheme if, prior to the 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.

¹² Using an NZ\$:US\$ exchange rate of 0.5835 as at 27 October 2022, net debt of US\$35.1 million as at 30 September 2022, and Pushpay Shares outstanding as at 28 October 2022 of 1,141,144,570 and RSUs of 7,306,460.

¹³ See footnote 12 above.

¹⁴ Index consists of median performance of ACI Worldwide, EverCommerce, Fiserv, Global Payments, i3 Verticals, Nuvei Corporation, PayPal, Priority Technology Holdings, Repay, Shift4 and Blackbaud, between 22 April 2022 (being the last day of trading prior to the announcement of the receipt of expressions of interest) to 27 October 2022, being the date prior to the announcement of entry into the Scheme Implementation Agreement.

Grant Samuel & Associates Limited has been appointed, with the prior approval of the Takeovers Panel, as the Independent Adviser to prepare an Independent Adviser's Report on the merits of the Scheme.

The Independent Adviser has assessed the value of Pushpay (including a premium for control) to be in the range of NZ\$1.33 to NZ\$1.53 per Pushpay Share. The Consideration of NZ\$1.34 cash per Scheme Share is within that range.

The Independent Adviser has valued Pushpay in United States dollars (US\$) and then converted that valuation into New Zealand dollars (NZ\$) using an exchange rate of NZ\$1 = US\$0.61 to enable comparison with the Consideration, which is in New Zealand dollars. The Independent Adviser has said that, "[t]he selected foreign exchange rate is relatively consistent with the consensus forecasts, forward rates and the six month average".¹⁵ The actual NZ\$:US\$ exchange rate at any point in time after the date of the Independent Adviser's Report up to and including the Implementation Date for the Scheme may differ from the exchange rate used by the Independent Adviser for valuation purposes. In this regard, section 5.2.1 of that report sets out valuation sensitivities which indicate the impact of different exchange rates on the Independent Adviser's valuation range for the Pushpay Shares. If the Scheme does not proceed, the price for Pushpay Shares on the NZX, which is in New Zealand dollars, will continue to remain exposed to movements in the NZ\$:US\$ exchange rate over time.¹⁶

The Independent Adviser's Report is set out in Annexure A to this Scheme Booklet. The Independent Adviser's assessment of the merits of the Scheme is set out in Section 6 of that report.

- (c) ***The acquisition price represents an acquisition multiple of approximately 16.7x Underlying EBITDAF based on the midpoint of Pushpay's revised FY23 Underlying EBITDAF guidance of US\$56 million***¹⁷

This is in line with the average of the Independent Adviser's assessed precedent comparable transaction multiples of 17.1x over the period January 2012 to September 2022 and at a material premium to the average forecast trading multiple of comparable companies of 10.7x (as set out in sections 5.4.2 and 5.4.3 of the Independent Adviser's Report).

- (d) ***The Scheme provides an opportunity to realise certain value for your Pushpay Shares now for 100% cash consideration***

The all-cash Scheme Consideration of NZ\$1.34 per Scheme Share provides you with an opportunity to realise certainty of value for your Pushpay Shares (subject to the Scheme becoming Effective).

Pushpay is currently executing on its strategic growth plan, including a reset of its sales and marketing strategy and team, as well as significant investment in new customer segments, including its Catholic segment expansion. There is an uncertain range of possible outcomes including timing, investment and future success from these initiatives.

In considering the options, including the possibility of continuing to implement Pushpay's growth strategy as a publicly listed company, the Non-Conflicted Directors adopted a long-term view of the risks and rewards of various alternatives.

The Consideration of NZ\$1.34 per Scheme Share provides you with certainty of value for your Pushpay Shares in cash (subject to the Scheme becoming Effective) and an opportunity to mitigate the risks that are otherwise involved in delivering the opportunities from executing Pushpay's strategic plan over time. If the Scheme is implemented, you will no longer be subject to the business risks, investment and other risks associated with an investment in Pushpay Shares.

Given these risks, if the Scheme does not proceed (and Pushpay remains as a publicly listed company), there is no assurance that you will be able to achieve returns equivalent to or better than the Consideration of NZ\$1.34 per Scheme Share in the future (especially given, as at the date of this Scheme Booklet, no Superior Offer has been received, as noted below).

¹⁵ See section 5.2.1 of the Independent Adviser's Report.

¹⁶ Similarly, the price of Pushpay Shares on the ASX, which is in Australian dollars (AU\$), will continue to be exposed to movements in the AU\$:US\$ exchange rate over time.

¹⁷ See Pushpay's trading and FY23 guidance update announcement released to the NZX and ASX on 28 October 2022.

(e) You will no longer be exposed to the risks associated with executing Pushpay's strategic plan over time

Pushpay-specific existing operational risks that may adversely impact future financial performance include:

- Pushpay may have slower customer growth and retention and processing volume growth may be more challenging than is currently expected
- growth initiatives (including Resi and Catholic segment customer growth and development of a product for the small church segment) may take longer to materialise and/or may require greater investment or cost than is currently expected
- the required investment in existing products and new product development may be greater than currently expected

External economic and general market risks that may adversely impact future financial performance include:

- inflationary pressures and the uncertain economic outlook in the US may result in lower levels of switching among churches and greater price sensitivity, lower growth in processing revenue because of lower growth in donations from donors and/or cost increases above what is currently expected
- increased competitive pressure, which may cause Pushpay to lose customers and/or which may result in Pushpay having to decrease its donor management subscription prices without any offsetting increase in processing fees for any particular customer

(f) Pushpay's share price will likely fall if the Scheme is not implemented

Pushpay Shares closed at NZ\$1.03 per share on 22 April 2022, being the last day of trading prior to the announcement of the receipt of expressions of interest for the acquisition of Pushpay. Since then, the economic outlook has softened, markets are faced with a higher inflationary and interest rate environment, and a weaker growth outlook. This has raised the cost of capital and resulted in declines in equity markets and in business valuations. Valuations of technology stocks, in particular, have continued to face broad-based declines. Between 22 April 2022 and 27 October 2022, the ASX All Technology Index declined 12.1% and the index of Pushpay's key payments facilitation peers has declined by 14.1%¹⁸.

Since 22 April 2022, Pushpay has faced a more challenging operating environment and has released its financial results for the six months ended 30 September 2022. On 28 October 2022, Pushpay announced revised FY23 revenue and Underlying EBITDAF guidance which was below what was expected at the beginning of FY23.

While the Non-Conflicted Directors are unable to predict the price at which Pushpay Shares will trade in the future, the Non-Conflicted Directors believe that if the Scheme is not implemented, and in the absence of a Superior Proposal, it is likely that the Pushpay Share price will fall to a price below the Consideration of NZ\$1.34 per Scheme Share that is being offered by the Bidder.

(g) The Scheme is the result of a comprehensive competitive process, and the Non-Conflicted Directors are satisfied that the Scheme is the most attractive option for Shareholders coming out of that process

The Scheme is the outcome of a comprehensive process (which was announced to the market on 26 April 2022) undertaken over an extended period of time to investigate third-party interest in acquiring Pushpay, as described in Section 5.2. As a result of that process and having regard to the Independent Adviser's valuation range and the Non-Conflicted Director's own view of value and assessment of Pushpay's business risks, the Non-Conflicted Directors have assessed that the Scheme is in the best interests of Shareholders compared to any other currently available option. The Non-Conflicted Directors believe that the Scheme provides compelling, risk-adjusted value for Shareholders.

(h) No better offer has emerged since the Scheme was announced and the Non-Conflicted Directors do not believe that a better offer is likely to emerge

Since the announcement of the Scheme by Pushpay to ASX on 28 October 2022 and to NZX on 31 October 2022, and up to the date of this Scheme Booklet, no Superior Proposal has emerged.

¹⁸ Index consists of median performance of ACI Worldwide, EverCommerce, Fiserv, Global Payments, i3 Verticals, Nuvei Corporation, PayPal, Priority Technology Holdings, Repay, Shift4 and Blackbaud, between 22 April 2022 (being the last day of trading prior to the announcement of the receipt of expressions of interest) to 27 October 2022, being the date prior to the announcement of entry into the Scheme Implementation Agreement.

The Non-Conflicted Directors do not believe that a competing Superior Proposal is likely to emerge prior to implementation of the Scheme, for the following reasons:

- the Scheme is a result of a comprehensive process which included a select group of interested parties undertaking due diligence on Pushpay, as outlined in Section 5.2
- the receipt of expressions of interest to acquire Pushpay was previously announced to NZX and ASX on 26 April 2022
- the Board retains the discretion to consider any other transaction proposal that is reasonably likely to become a Superior Proposal if it is necessary to respond to such a proposal in order for the Board to comply with Directors' fiduciary or statutory duties (subject always to the Bidder's right to match the Superior Proposal). However, there can be no expectation or assurance that any further proposals will emerge at any time
- if another transaction proposal did emerge, the Board would also need to take into account the Break Fee of NZ\$15.3 million payable to the Bidder, referred to in Section 5.8(d)
- associates of the Bidder hold or control, in aggregate, 232,052,324 Pushpay Shares (being 20.32% of all the Pushpay Shares on issue as at the date of this Scheme Booklet)

- (i) **No brokerage costs will be charged on the transfer of your Pushpay Shares to the Bidder if the Scheme proceeds**

This is in contrast to selling your Pushpay Shares on the NZX Main Board or ASX where you may incur brokerage charges.

5.7 Reasons you may choose not to vote in favour of the Scheme

- (a) **You may consider that Pushpay could have greater value over the longer term than you will receive under the Scheme**

You may consider that Pushpay could have strong long-term growth potential and/or that the risks identified in Section 5.6(e) are unlikely to adversely affect Pushpay's future financial performance (compared to what is currently expected). Accordingly, you may consider that the Consideration does not fully reflect your views on long term value. You may therefore prefer to retain your Pushpay Shares and realise the value of your Pushpay Shares over the longer term.

If the Scheme is approved and implemented, it is expected to be completed between late March and mid-April 2023.¹⁹ This timeframe may not be consistent with your investment objectives.

- (b) **You may disagree with the Independent Adviser's value range for the Pushpay Shares or the Independent Adviser's assessment of the merits of the Scheme**

You may consider that the Independent Adviser's valuation range undervalues your Pushpay Shares or have a different view to the Independent Adviser on the merits of the Scheme.

- (c) **You may consider that there is a possibility that a Superior Proposal could emerge**

As noted in Section 5.6(h), from the announcement of the Scheme on 28 October 2022 to the date of this Scheme Booklet, no Superior Proposal (or other change of control transaction proposal) has emerged, and the Non-Conflicted Directors do not believe that a Superior Proposal is likely to emerge. However, you may disagree with the Non-Conflicted Directors, and you may believe that a Superior Proposal is possible prior to implementation of the Scheme.

- (d) **You may wish to maintain an investment in a publicly listed company with the specific characteristics of Pushpay in terms of industry, operations, profile, size and capital structure**

If the Scheme is approved and implemented, you will be paid the Consideration in cash for all of your Scheme Shares, you will cease to be a Shareholder, Pushpay Shares will cease to be quoted on the NZX Main Board and ASX and Pushpay will be delisted by NZX and ASX. As a result, you will no longer be able to participate in the benefits (or be exposed to the risks) of Pushpay's future financial performance or the future prospects of its ongoing business. However, as with all investments in listed securities, there is no guarantee as to Pushpay's future performance.

¹⁹ The Implementation Date is indicative only and the timing will depend on the satisfaction or, where applicable, waiver of the Conditions, including the OIO Condition.

(e) ***The tax implications of the Scheme may not suit your current financial position***

If the Scheme is approved and implemented, it may potentially result in adverse tax implications for you, which may arise earlier than may otherwise have been the case. If you are in doubt about the potential tax implications of the Scheme, you should seek advice from your tax adviser.

(f) ***You may consider that the Scheme is subject to Conditions that you consider unacceptable***

All of the Conditions to the Scheme are summarised in Sections 6.2 and 10.2 of this Scheme Booklet. If those Conditions are not satisfied or waived (to the extent capable of waiver) by the Condition Satisfaction Date or another date agreed between Pushpay and the Bidder, the Scheme will not proceed (even if it has been approved by Shareholders) and you will not be paid the Consideration.

(g) ***You may consider that the Scheme is not in your best interests***

For any, or a combination, of the reasons set out above in this Section 5.7 and/or for reasons that are particular to you or your circumstances, you may believe that the Scheme is not in your best interests.

5.8 Additional matters for you to consider

(a) ***Independent Adviser's Report***

The Independent Adviser has prepared a report for Shareholders on the merits of the Scheme. The full Independent Adviser's Report is set out in Annexure A. You are encouraged to read that report carefully before making a decision in respect of the Scheme.

(b) ***You may sell your Pushpay Shares on the NZX Main Board or ASX at any time prior to suspension of Pushpay Shares from trading***

You may be able to sell your Pushpay Shares on the NZX Main Board or ASX at any time prior to the close of trading on the Trading Halt Date if you do not wish to hold them or participate in the Scheme.

However, if you sell your Pushpay Shares on the NZX Main Board or ASX the sale price may be less than the Consideration of NZ\$1.34 cash per Scheme Share, and you may incur brokerage charges on the sale. You should seek your own professional advice to determine if your individual financial or taxation circumstances may make it preferable for you to do so.

(c) ***The Scheme may be implemented even if you do not vote at the Scheme Meeting or if you vote against the Scheme***

Regardless of whether you vote for or against the Scheme, abstain or do not vote, the Scheme will still be implemented if it is approved by Shareholders by the requisite majorities and by the High Court, the other Conditions are satisfied or waived (to the extent capable of waiver), and the Scheme Implementation Agreement is not terminated. If implementation occurs and you hold Pushpay Shares on the Scheme Record Date, those Pushpay Shares will be transferred to the Bidder and you will be paid the Consideration for those Pushpay Shares on the Implementation Date.

(d) ***The Break Fee may be payable by Pushpay in some circumstances***

Pushpay may be required to pay the Break Fee of NZ\$15.3 million (including GST, if any) to the Bidder in certain circumstances if the Scheme does not proceed. Those circumstances include where:

- any Non-Conflicted Director adversely changes, qualifies or withdraws, or makes any statement inconsistent with, the recommendation of the Non-Conflicted Directors in this Scheme Booklet to vote in favour of the Scheme, except as a result of one or more of the following:
 - (A) subject to the proviso below, the Independent Adviser issuing an Independent Adviser's Report which concludes that the Consideration is not within or above the Independent Adviser's valuation range for the Pushpay Shares; or
 - (B) Pushpay receiving a Superior Proposal, subject to Pushpay's compliance with the provisions in the Scheme Implementation Agreement regarding the Bidder's matching rights;

Notwithstanding (A), the Break Fee will be payable by Pushpay if, prior to the issue of the relevant Independent Adviser's Report, a Competing Proposal is received by Pushpay or is made public and within 12 months after the date of receipt of the Competing Proposal or the Competing Proposal being made public, the person making the Competing Proposal (or certain controlled or associated persons of that person) completes a Competing Proposal (whether or not the Competing Proposal that is completed is the same as or different to that which was originally received or announced);

- at any time before the Scheme Implementation Agreement is terminated, a Competing Proposal is publicly announced and the person making the Competing Proposal (or certain controlled or associated persons of that person) completes a Competing Proposal (whether or not the Competing Proposal that is completed is the same as or different to that which is originally announced) within 12 months after the date of such announcement;
- the Scheme Implementation Agreement is terminated by the Bidder due to a breach of the Scheme Implementation Agreement by Pushpay where the consequences of that breach (other than in respect of a breach of certain fundamental Pushpay warranties) are material in the context of the Scheme taken as a whole;
- the Scheme Implementation Agreement is terminated by the Bidder due to a Prescribed Occurrence (except for termination in reliance on the Prescribed Occurrence in respect of an action, claim, litigation, arbitration or prosecution being brought by any person other than a government agency against or involving a member of the Pushpay Group);
- the Scheme Implementation Agreement is terminated by the Bidder if Pushpay enters into a definitive agreement to give effect to a Competing Proposal; or
- the Scheme Implementation Agreement is terminated by either the Bidder or Pushpay where the Bidder fails to match a Superior Proposal.

Pushpay is not required to pay the Break Fee if the Scheme Resolution is not passed, provided none of the above matters occurs or has occurred.

(e) ***The Reverse Break Fee may be payable by the Bidder in some circumstances***

The Bidder may be required to pay the Reverse Break Fee of NZ\$15.3 million (including GST, if any) to Pushpay in certain circumstances if the Scheme does not proceed. Those circumstances are where the Scheme Implementation Agreement is terminated by Pushpay due to a breach of the Scheme Implementation Agreement by the Bidder where the consequences of that breach are material in the context of the Scheme taken as a whole.

(f) ***Pushpay's and the Bidder's liability is limited***

Other than liability for fraud (which is not subject to a limitation), Pushpay's liability to the Bidder under the Scheme Implementation Agreement and the Scheme (whether under the Scheme Implementation Agreement, at law (including negligence) under any statute or regulation, in equity or otherwise) is limited to, and will not exceed:

- if Pushpay breaches the Scheme Implementation Agreement where the relevant act or omission was made or not taken (as the case may be) for the deliberate intention or purpose of not completing the Scheme, an amount equal to three times the Break Fee (NZ\$45.9 million); and
- in all other circumstances, an amount equal to the Break Fee (NZ\$15.3 million).

Other than liability for fraud (which is not subject to a limitation), the Bidder's liability to Pushpay and Shareholders under the Scheme Implementation Agreement, the Deed Poll and the Scheme (whether under the Scheme Implementation Agreement, at law (including negligence) under any statute or regulation, in equity or otherwise) is limited to, and will not exceed:

- if the Bidder breaches the Scheme Implementation Agreement where the relevant act or omission was made or not taken (as the case may be) for the deliberate intention or purpose of not completing the Scheme, an amount equal to three times the Reverse Break Fee (NZ\$45.9 million); and
- in all other circumstances, an amount equal to the Reverse Break Fee (NZ\$15.3 million).

The limitations of liability described above do not prevent Pushpay or the Bidder from seeking specific performance or other equitable relief.

(g) **Dispute resolution is to be conducted through the New Zealand Courts**

All disputes under the Scheme Implementation Agreement will be resolved through litigation in the New Zealand Courts. You should be aware that:

- Litigation can be a time-consuming and costly process. If a dispute arises in respect of the Scheme, the outcome of the High Court process will be uncertain and enforcement of any Court order may require litigation in other jurisdictions.
- If Pushpay asks the High Court to grant specific performance of the Scheme Implementation Agreement,²⁰ Pushpay must continue to comply with the Scheme Implementation Agreement during the litigation process, including by operating within the restrictions imposed by the Scheme Implementation Agreement as it was still in force until the issue is determined by a Court.
- Any party may appeal a High Court decision to the Court of Appeal, and, with leave, to the Supreme Court.

5.9 What happens if the Scheme is not approved?

If the Scheme is not approved by Shareholders or the High Court, or if the other Conditions are not satisfied or waived (to the extent capable of waiver), or if the Scheme Implementation Agreement is terminated:

- you will not be paid the Consideration;
- your Pushpay Shares will not be transferred to the Bidder, and will be retained by you;
- Pushpay will continue to operate as a standalone entity listed on, and with Pushpay Shares quoted on, the NZX Main Board and ASX;
- you will continue to be exposed to the benefits and risks associated with an investment in Pushpay and other general benefits and risks relating to any investment in a publicly listed company;
- depending on the reasons why the Scheme does not proceed, Pushpay may be required to pay to the Bidder the Break Fee or, in some circumstances, Pushpay may be liable for damages for an amount up to three times the amount of the Break Fee (see Sections 5.8(d) and 5.8(f) of this Scheme Booklet) or the Bidder may be required to pay to Pushpay the Reverse Break Fee or, in some circumstances, the Bidder may be liable for damages for an amount up to three times the amount of the Reverse Break Fee (see Sections 5.8(e) and 5.8(f) of this Scheme Booklet); and
- in the absence of a Superior Proposal, the price for Pushpay Shares on the NZX Main Board and ASX is likely to fall (noting that the Non-Conflicted Directors are unable to predict the price at which Pushpay Shares will trade in the future).

Pushpay is not required to pay the Break Fee if the Scheme Resolution is not passed, provided none of the matters set out in 5.8(d) occurs or has occurred.

²⁰ Specific performance is a discretionary remedy of the High Court under which it orders a contractual party to complete performance of a contract, rather than pay damages for breach of contract. In general, a Court will only grant specific performance if it considers that damages are not an appropriate remedy.

Section 6. Further information about the Scheme

6.1 Key steps in the Scheme

The Scheme is to be implemented by way of a scheme of arrangement under Part 15 of the Companies Act. The key steps in the process to implement the Scheme are summarised briefly below.

(a) Initial Orders

Pushpay has applied to the High Court for, and on 2 February 2023 was granted, the Initial Orders. This was the first step in the Scheme process. The Initial Orders required Pushpay to convene the Scheme Meeting for Shareholders to consider, and vote on, the Scheme. A copy of the Initial Orders is available at www.pushpay.com. In addition, the Initial Orders were released to NZX and ASX on 3 February 2023. You can access information released by Pushpay to NZX and ASX, respectively, at www.nzx.com (under the NZX code: PPH) and www2.asx.com.au (under the ASX code: PPH).

The Scheme will only be implemented if:

- Shareholders approve the Scheme Resolution by the requisite majorities at the Scheme Meeting (see Section 6.1(b));
- the High Court approves the Scheme and grants the Final Orders;
- the OIO Condition is satisfied;
- the other Conditions are satisfied or waived (to the extent capable of waiver); and
- the Scheme Implementation Agreement is not terminated in accordance with its terms.

(b) Shareholder approval requirements

What are the voting requirements?

In order for the Scheme Resolution to be approved at the Scheme Meeting, it requires:

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

Each of these voting thresholds must be met for the Scheme Resolution to be approved. If the Scheme Resolution is approved by the requisite majorities of Shareholders at the Scheme Meeting, then Pushpay will apply to the High Court for orders approving the Scheme (being the Final Orders).

What is an interest class?

Shareholders whose rights are so dissimilar that they cannot sensibly consult together about a common interest will form a separate interest class for the purposes of voting on the Scheme Resolution.

Pushpay has one class of shares, all of which are fully paid up ordinary shares with identical voting rights. However, associates of Sixth Street and BGH Capital which hold or control Pushpay Shares (being the Sixth Street Entities, Oceania and persons who hold Pushpay Shares on their behalf) are required to vote in a separate interest class. The Sixth Street Entities and Oceania have committed to vote, and to procure all persons who hold Pushpay Shares on their behalf vote, all of the Pushpay Shares held or controlled by them in favour of the Scheme, in accordance with the Voting Deed Polls described in Section 8.7 of this Scheme Booklet. This means that, as at the date of the Scheme Booklet, there are two interest classes (being respectively associates of Sixth Street and BGH Capital in one interest class and all other Shareholders in the other interest class). This is expected to remain the case at the time of the Scheme Meeting. Despite this, only one Scheme Meeting will be held (and not two separate meetings for each interest class).

For clarity, the RSU Restricted Shares and the Resi Restricted Shares (described in Sections 6.4(b) and 6.4(c)) are fully paid up ordinary shares in Pushpay, are of the same class of shares as Pushpay Shares and do not form a separate interest class for the purposes of the Scheme Resolution. In addition, RSUs (described in

Section 6.4(a)) are not Pushpay Shares or voting securities in Pushpay and holders of RSUs will not be entitled to vote on the Scheme. Accordingly, RSUs do not form a separate interest class for the purposes of the Scheme Resolution.

Scheme Meeting

Even though there are two interest classes, there will be only one Shareholder meeting (being the Scheme Meeting) held to consider the Scheme Resolution. The votes cast by associates of Sixth Street and BGH Capital:

- will be counted separately for the purposes of the interest class vote; and
- will be counted together with the votes of all other Shareholders when assessing whether more than 50% of the total number of Pushpay Shares on issue are voted in favour of the Scheme Resolution.

Voting commitments

Associates of Sixth Street and BGH Capital that hold an aggregate 232,052,324 Pushpay Shares (being 20.32% of all Pushpay Shares on issue at the date of this Scheme Booklet) have committed to vote all Pushpay Shares held by them in favour of the Scheme, in accordance with the Voting Deed Polls described in Section 8.7 of this Scheme Booklet. This means that the vote of the interest class comprising the associates of Sixth Street and BGH Capital will be passed unanimously.

Can the Bidder acquire Pushpay Shares before the Scheme Meeting?

As the Bidder is an associate of Sixth Street and BGH Capital, and the combined voting control over Pushpay Shares of the Sixth Street and BGH Capital Consortium at the date of this Scheme Booklet is 20.32%, the Bidder, the Sixth Street and BGH Capital Consortium and any other associates of Sixth Street and BGH Capital, are unable to acquire Pushpay Shares prior to the Scheme Meeting except in compliance with the Takeovers Code. In broad terms, to acquire Pushpay Shares in compliance with the Takeovers Code, such acquisitions could only be made by way of a full or partial takeover offer or with shareholder approval by ordinary resolution.

(c) Takeovers Panel no objection statement

Under the Companies Act, Pushpay may request a statement from the Takeovers Panel indicating that the Takeovers Panel has no objection to the High Court making the Final Orders to approve the Scheme. This is commonly referred to as a “no objection statement”.

If the Scheme Resolution is passed at the Scheme Meeting, Pushpay will promptly apply for a no objection statement from the Takeovers Panel. The Takeovers Panel does not typically issue no objection statements until just before documents are filed for the Final Court Hearing in respect of the Scheme.

The Takeovers Panel has granted a preliminary statement (called a “letter of intention”), indicating that, on the basis of the documents and information provided to it, it is minded to issue a final no objection statement on or before the Final Orders Date.

Even when a no objection statement is granted by the Takeovers Panel, the High Court still has the discretion to determine whether or not to approve the Scheme.

(d) Final Court Hearing

If Shareholders approve the Scheme Resolution at the Scheme Meeting, Pushpay will apply to the High Court for the Final Orders.

The Final Orders, if granted by the High Court, will make the Scheme binding on Pushpay, all Shareholders (including Shareholders who did not vote for the Scheme), the Bidder (subject to the satisfaction of the OIO Condition if such Condition is outstanding at that time and the satisfaction or waiver (to the extent capable of waiver) of any of the Conditions which continue to apply until the implementation of the Scheme), certain Related Companies of the Bidder and certain associates of Sixth Street and BGH Capital which hold or control Pushpay Shares (see Section 6.1(f)).

In considering the application for the Final Orders, the High Court will consider whether:

- there has been compliance with the relevant procedural rules, the relevant legislation and the Initial Orders (including in relation to the Scheme Meeting);
- the Scheme has been fairly put to Shareholders, including whether the Scheme Booklet puts the information reasonably necessary to enable each interest class of Shareholders to consider and vote on the Scheme;
- Shareholders in each interest class are fairly represented by those Shareholders who vote on the Scheme; and
- the Scheme is such that it might reasonably be approved by an intelligent and honest business person acting in that person's own interest.

Each Shareholder has the right to appear at the Final Court Hearing if the Shareholder has taken the steps set out in Section 6.8.

The Scheme will be implemented in accordance with the Scheme Plan²¹ if the High Court approves the Scheme, all other Conditions have been satisfied or waived (to the extent capable of waiver), and the Scheme Implementation Agreement is not terminated.

(e) **Scheme Record Date**

If all of the Conditions to the Scheme are satisfied or waived (to the extent capable of waiver) and you are a Shareholder recorded on the Share Register on the Scheme Record Date and the Scheme Implementation Agreement has not been terminated, on the Implementation Date you will be paid the Consideration for all of the Pushpay Shares you hold as at the Scheme Record Date.

(i) *Dealings on or prior to the Scheme Record Date*

Pushpay must, before 7:00 pm on the Scheme Record Date, register registrable transmission applications for Pushpay Shares or registrable transfers of Pushpay Shares received, in either case, prior to close of trading on the Trading Halt Date.

For the purposes of determining entitlements under the Scheme, Pushpay will not accept for registration, nor recognise for any purpose (except a transfer of Pushpay Shares in accordance with the Scheme Plan or any subsequent transfer by the Bidder), any transfer or transmission application or other request received after the close of trading on the Trading Halt Date, or received prior to such time but not in registrable or actionable forms.

Pushpay intends to apply for Pushpay Shares to be suspended from trading on the NZX Main Board and ASX with effect from the close of trading on the Trading Halt Date (which is the date two Business Days after the later of the Final Orders Date and the date on which the OIO Condition is satisfied).

(ii) *Dealings after the Scheme Record Date*

You must not dispose of, or purport or agree to dispose of, any Pushpay Shares or any interest in them after 7:00 pm on the Trading Halt Date, except under the Scheme Plan.

For the purpose of determining entitlements to the Consideration, Pushpay must maintain the Share Register in its form as at the Scheme Record Date (other than in respect of entries contemplated by the Scheme Plan) until the Consideration has been paid to the Scheme Shareholders. The Share Register in this form will solely determine entitlements to the Consideration.

After 7:00 pm on the Scheme Record Date, each entry of a Shareholder on the Share Register (other than entries on the Share Register in respect of Excluded Shares or otherwise contemplated by the Scheme Plan) will cease to have effect, except as evidence of entitlement to the Consideration in respect of the Pushpay Shares relating to that entry.

²¹ The Bidder may, in certain circumstances and subject to certain conditions, by notice to Pushpay no later than five Business Days before Pushpay applies to the High Court for the Final Orders, make changes to clauses 4.1(c) to 4.1(g) of the Scheme Plan (which relate to transfers of Excluded Shares held by associates of the Bidder, Sixth Street and BGH Capital). See Section 6.1(f) for further detail.

(f) Excluded Shares

The Excluded Shares are the Pushpay Shares held by associates of Sixth Street and BGH Capital, being the Sixth Street Entities and Oceania, and persons who hold the Pushpay Shares on their behalf, as described in Section 8.5. As at the date of this Scheme Booklet, there are, in aggregate, 232,052,324 Excluded Shares (representing 20.32% of the total number of Pushpay Shares on issue on the date of this Scheme Booklet).

The Scheme Plan (see Annexure B) provides that, on the Implementation Date, the first steps in the implementation of the Scheme will be the transfer of the Excluded Shares held or controlled by the Sixth Street Entities and Oceania to certain Related Companies of the Bidder and, ultimately, to the Bidder (the “**Excluded Share Transfers**”).

Following completion of the Excluded Share Transfers, the Scheme Shares will be transferred to the Bidder and the Consideration will be paid to Scheme Shareholders.

Under the Scheme Implementation Agreement, the Bidder may delete or change the provisions of the Scheme Plan that provide for the Excluded Share Transfers provided that:

- (i) the change is not adverse to the interests of Pushpay or the Scheme Shareholders;
- (ii) any deletion or change requires Pushpay’s prior written consent (not to be unreasonably withheld or delayed) if it would have the effect of changing the number of Excluded Shares or otherwise changing the aggregate Consideration payable to Scheme Shareholders;
- (iii) any steps provided for by an amendment must comply with applicable law; and
- (iv) any deletion or change must be notified to Pushpay at least five Business Days before Pushpay applies to the High Court for approval of the Final Orders.

(g) Implementation Date

The Implementation Date is the day on which Scheme Shareholders will be paid for their Scheme Shares. The Implementation Date will be the date (before the End Date) that is, at the election of the Bidder,²² between three and 10 Business Days after the Scheme Record Date (or such other date as Pushpay and the Bidder may agree).

By 5:00 pm on the Business Day before the Implementation Date, the Bidder must pay into a trust account operated by Link the aggregate Consideration payable to Scheme Shareholders. The terms on which Link will receive and pay the aggregate Consideration will be set out in the Escrow Agreement to be entered into between Link, Pushpay and the Bidder (see Section 8.9 of this Scheme Booklet).

At implementation of the Scheme on the Implementation Date, which is currently expected to occur between late March and mid-April 2023, the Scheme Shares will be transferred to the Bidder without Scheme Shareholders needing to take any further action.

Immediately after the Scheme Shares are transferred to the Bidder, Link will, on behalf of the Bidder, pay from the trust account the Consideration to Scheme Shareholders.

See Section 6.3 for more details on payment of the Consideration to Scheme Shareholders.

(h) Deed Poll

On 15 November 2022, the Bidder executed the Deed Poll pursuant to which the Bidder has undertaken in favour of each Scheme Shareholder to pay each Scheme Shareholder the Consideration to which they are entitled under the Scheme, subject to the Scheme becoming Effective.

See Section 5.8(f) for further detail in relation to the maximum aggregate liability of the Bidder to Pushpay and Shareholders for breaches of the Deed Poll and the Scheme Implementation Agreement.

The Scheme Plan appoints Pushpay as attorney of the Scheme Shareholders to enforce the Deed Poll.

A copy of the Deed Poll is set out in Annexure C to this Scheme Booklet.

²² To be made by 11:59 pm on the later of (a) the Final Orders Date; and (b) the date on which the OIO Condition is satisfied.

6.2 Conditions

The Scheme is subject to certain Conditions being satisfied or waived (to the extent capable of waiver). The outstanding Conditions at the date of this Scheme Booklet are:

- (a) approval of the Scheme by the High Court;
- (b) approval of the Scheme by Pushpay's Shareholders;
- (c) the satisfaction of the OIO Condition;
- (d) no judgment, order, restraint or prohibition enforced or issued by any government agency is in effect at 8:00 am on the Implementation Date that prohibits, prevents or materially restricts the implementation of the Scheme;
- (e) no Prescribed Occurrence occurring in respect of Pushpay prior to 8:00 am on the Implementation Date; and
- (f) no Material Adverse Change occurs, is announced or is discovered prior to 8:00 am on the Implementation Date.

The Scheme Implementation Agreement also includes a Condition to protect Shareholders and which applies up until the Scheme Meeting. That Condition requires the Independent Adviser's Report to conclude prior to the Scheme Meeting that the Consideration is within or above the Independent Adviser's valuation range for the Pushpay Shares. The Independent Adviser's Report included as Annexure A satisfies this Condition. While the Independent Adviser can update the Independent Adviser's Report before the Scheme Meeting, Pushpay has no reason to believe that this will occur or that the Condition will not be satisfied.

The Conditions described at paragraphs (a), (b) and (c) above must be satisfied by the Condition Satisfaction Date (being 18 May 2023 or such other date as Pushpay and the Bidder may agree). The Conditions described at paragraphs (d), (e) and (f) above must be satisfied at all times before 8:00 am on the Implementation Date. If any of these Conditions (other than those Conditions that are satisfied on the Implementation Date) are not satisfied by the Condition Satisfaction Date the Scheme will not proceed (even if it has been approved by the requisite majorities of Shareholders) and you will not receive the Consideration unless Pushpay and the Bidder agree to extend the Condition Satisfaction Date.

The High Court also has the power to make such other conditions to the Scheme as it sees fit.

Pushpay has no reason to believe that any of the Conditions will not be satisfied by the Condition Satisfaction Date (where applicable) to allow completion of the Scheme as contemplated in this Scheme Booklet.

The Scheme was conditional on any applicable waiting period under the HSR Act (the United States anti-trust legislation) having been expired or terminated. This Condition was satisfied on 14 December 2022.

6.3 Payment of Consideration

If the Scheme is implemented, you will be paid the Consideration for your Scheme Shares on the Implementation Date, which is currently expected to be between late March and mid-April 2023.

(a) *New Zealand dollar payments*

Except as contemplated by Sections 6.3(b) and 6.3(c), the Consideration will be paid by electronic funds transfer of New Zealand dollars into the New Zealand bank account you have previously provided to Link. If:

- you wish to change your bank account details; or
- you have not otherwise provided your New Zealand bank account details and you wish to be paid in New Zealand dollars,

please advise Link of your bank account details before the Scheme Record Date.

If you wish to be paid the Consideration for your Scheme Shares in New Zealand dollars and you have already provided Link with your New Zealand bank account details, you do not need to provide your details to Link. Otherwise, please provide your New Zealand bank account details to Link as soon as possible and, in any event, before the Scheme Record Date.

(b) Australian dollar payments

Where you have, prior to the Scheme Record Date, provided to Link bank account details to enable payment of Australian dollars by electronic funds transfer, you will be paid the Consideration (less any applicable costs, exchange rate spread and fees) in Australian dollars to the bank account you have nominated.

If you wish to be paid the Consideration for your Scheme Shares in Australian dollars and you have already provided Link with your Australian bank account details, you do not need to provide your details to Link. Otherwise, please provide your Australian bank account details to Link as soon as possible and, in any event, before the Scheme Record Date.

(c) Payments in currencies other than New Zealand dollars or Australian dollars

Where you have a registered address outside New Zealand and Australia and have not, prior to the Scheme Record Date, provided bank account details to enable payment in New Zealand or Australian dollars by electronic funds transfer, but have provided sufficient written instructions in the required form to Link to enable payment in a currency other than New Zealand or Australian dollars (and Link is able to make payment in that currency), you will be paid the Consideration (less any applicable costs, exchange rate spread and fees) in the currency nominated by electronic funds transfer to the bank account you have nominated.

If you wish to be paid the Consideration for your Scheme Shares in a currency other than New Zealand dollars or Australian dollars (e.g. United States dollars), please contact Link as soon as possible and, in any event, before the Scheme Record Date to provide the necessary details.

(d) Foreign currency payments are at your risk

The Bidder has agreed to pay the Consideration in New Zealand dollars. Accordingly, if you have provided, or provide, Australian bank account details to Link (see Section 6.3(b)) or provide information to Link sufficient to enable the payment in a currency other than New Zealand or Australian dollars (see Section 6.3(c)), then:

- any currency conversion from New Zealand dollars into a different currency is solely at your risk; and
- Pushpay, the Bidder and the Sixth Street and BGH Capital Consortium will not be responsible for, or have any liability in connection with, any currency conversion or any fees or other costs that you are required to pay, or which are deducted from the Scheme Consideration payable to you, in connection with facilitating the payment of the Scheme Consideration to you in a currency other than New Zealand dollars.

(e) What happens if you do not provide sufficient payment information?

If you have not provided the bank account or payment information and/or taken the steps contemplated by Sections 6.3(a) to 6.3(c), Link will retain the Consideration owed to you in a trust account for 24 months after the Implementation Date.

If Link retains your Consideration, you may, before the expiry of that 24 month period, claim your Consideration by written request to Link. In connection with this request, you must provide the bank account or payment information, or take the steps, contemplated by Sections 6.3(a) to 6.3(c).

If you have not claimed your Consideration in accordance with the above paragraph by the expiry of the 24 month period, Link will pay your Consideration (and all other remaining, unclaimed Consideration) to Pushpay.

(f) How to contact Link to provide bank account details or payment information

Link's contact details are set out in the Directory.

6.4 Restricted Share Units and Restricted Shares**(a) Restricted Share Units**

Pushpay has established the Pushpay Share Incentive Plan, under which selected employees of the Pushpay Group are granted restricted share units (“RSUs”) as part of their remuneration package. An RSU is a conditional agreement by Pushpay to issue Pushpay Shares (one Pushpay Share for each RSU, prior to tax adjustments) to an employee, subject to the satisfaction of certain vesting criteria. The vesting criteria and other terms of an employee's RSUs are set out in the Pushpay Share Incentive Plan and in a RSU agreement

entered into between Pushpay and the employee.

At the date of this Scheme Booklet there are 6,389,440 RSUs outstanding.²³ 2,681,073 of the 6,389,440 outstanding RSUs are subject to performance based vesting criteria ("**Performance RSUs**"). The remaining outstanding RSUs, being 3,708,367 RSUs at the date of this Scheme Booklet, are subject to time-based vesting criteria. Under the Scheme Implementation Agreement, Pushpay is not able to grant new RSUs.

If the vesting criteria of the time-based RSUs is satisfied by the Scheme Record Date, then Pushpay will issue Pushpay Shares to the relevant employees and those Pushpay Shares will be Scheme Shares for the purposes of the Scheme (see also Section 6.4(b)). Of the 3,708,367 time-based RSUs outstanding on the date of this Scheme Booklet:

- Pushpay estimates 867,169 RSUs will vest or be cancelled on or about 7 March 2023 (being the next vesting date of the time-based RSUs after the date of this Scheme Booklet), prior to the Scheme Record Date (assuming the Scheme Record Date is before June 2023 and no employee who has been granted RSUs ceases to be employed by the Pushpay Group), resulting in the issue of an estimated 604,686 Pushpay Shares.²⁴
- 48,311 time-based RSUs have been forfeited prior to the date of this Scheme Booklet due to employee departures and will be cancelled on or about 7 March 2023.

The Board currently expects that the vesting criteria of the Performance RSUs will not be satisfied by the Scheme Record Date. If this remains the case, the Board will determine that the Performance RSUs are forfeited and cancelled on or before 7:00 am on the Implementation Date without any payment to the holder of the Performance RSUs.

In relation to all other RSUs outstanding as at the Implementation Date (being the time-based RSUs that did not vest and are not cancelled before the Scheme Record Date),²⁵ the Board intends to determine that those RSUs are forfeited and cancelled on or before 7:00 am on the Implementation Date in exchange for the payment by the relevant Pushpay Group member that employs the relevant employee of an amount in cash (without interest and in the currency in which the employee is paid their salary or wages (at an exchange rate for non-New Zealand dollar payments determined by Pushpay)) equal to:

- the Consideration multiplied by the number of Pushpay Shares subject to the employee's cancelled RSUs (assuming that the cancelled RSUs were fully vested); less
- all applicable tax withholdings, all withholdings and deductions required by law, and all other authorised deductions.

RSUs are not Pushpay Shares or voting securities in Pushpay and holders of RSUs will not be entitled to vote on the Scheme. Accordingly, RSUs do not form a separate interest class for the purposes of the Scheme Resolution.

(b) **RSU Restricted Shares**

When an RSU vests and Pushpay issues Pushpay Shares to an employee, those Pushpay Shares are subject to a participant undertaking ("**RSU Participant Undertaking**"),²⁶ under which the employee agrees to certain restrictions, including:

²³ Of the RSUs outstanding, 48,311 time-based RSUs have been forfeited prior to the date of this Scheme Booklet due to employee departures and will be cancelled on or about 7 March 2023.

²⁴ The number of Pushpay Shares actually issued on vesting or cancellation of RSUs is less than one Pushpay Share for each RSU as a result of tax adjustments. The actual number of Pushpay Shares issued on the vesting or cancellation of RSUs on or about 7 March 2023 may differ. The estimated number of Pushpay Shares to be issued on the vesting or cancellation of RSUs on or about 7 March 2023 is Pushpay's good faith estimate assuming (i) except for 48,311 time-based RSUs which will be cancelled on or about 7 March 2023 due to employee departures, no holder of RSUs ceases to be employed by the Pushpay Group prior to vesting or cancellation, and (ii) Pushpay's estimate of the individual holders' individual current tax rates (which is subject to change).

²⁵ At the date of this Scheme Booklet, Pushpay estimates that there will be 2,792,887 time-based RSUs outstanding as at the Implementation Date. See footnote 24.

²⁶ The form of the RSU Participant Undertaking was attached to the substantial product holder notice released by Pushpay to the NZX market announcement platform on 22 May 2017.

- an undertaking, subject to certain exceptions, not to sell, transfer or otherwise dispose of those Pushpay Shares for 12 months after the issue of the Pushpay Shares; and
- a separate undertaking not to sell, transfer or otherwise dispose of those Pushpay Shares for a period of up to 180 days following the effective date of any registration statement filed by Pushpay under the US Securities Act (or such other period to accommodate certain regulatory restrictions).

It is a requirement of the Pushpay Share Incentive Plan for employees to provide RSU Participant Undertakings. No additional consideration is provided by or to the employee for the RSU Participant Undertakings.

Pushpay Shares subject to the restrictions set out under an RSU Participant Undertaking are the “**RSU Restricted Shares**”.

At the date of this Scheme Booklet, Pushpay anticipates 1,680,882 Pushpay Shares will be RSU Restricted Shares at 8:00 am on the Implementation Date.²⁷ The restrictions on transfer that apply to the RSU Restricted Shares are contractual restrictions and are not terms of issue of those shares. Accordingly, the RSU Restricted Shares are fully paid ordinary shares in Pushpay, are of the same class of shares as Pushpay Shares, and do not form a separate interest class for the purposes of the Scheme Resolution.

(c) **Founder Restricted Shares**

As part of Pushpay’s acquisition of Resi Media LLC (which was announced on 23 August 2021 and completed on 25 August 2021), 35,260,748 Pushpay Shares were issued to the vendors of Resi Media LLC and certain of their associates as partial consideration for the acquisition. All such persons who were issued Pushpay Shares entered into lock-up deeds in favour of Pushpay and certain of these persons also entered into founder restricted share agreements.²⁸

Under the lock-up deeds, the relevant holders of Pushpay Shares agreed, subject to exceptions, not to sell or transfer Pushpay Shares for agreed periods.

Under the founder restricted share agreements, the relevant holders of Pushpay Shares agreed, subject to exceptions, not to sell or transfer Pushpay Shares for agreed periods and that Pushpay has the right to acquire Pushpay Shares in certain circumstances.

Pushpay Shares subject to the restrictions set out under the lock-up deeds and founder restricted share agreements set out above are the “**Resi Restricted Shares**”. The restrictions on transfer that apply to the Resi Restricted Shares are contractual restrictions and are not terms of issue of those shares. Accordingly, the Resi Restricted Shares are ordinary shares in Pushpay, are of the same class of shares as Pushpay Shares, and do not form a separate interest class for the purposes of the Scheme Resolution.

At the date of this Scheme Booklet, Pushpay anticipates the following Pushpay Shares will be Resi Restricted Shares at 8:00 am on the Implementation Date.

²⁷ The number of Pushpay Shares that will be RSU Restricted Shares at 8:00 am on the Implementation Date comprises 1,332,851 RSU Restricted Shares on issue at the date of this Scheme Booklet less 256,655 RSU Restricted Shares that cease to be RSU Restricted Shares on or about 7 March 2023 plus an estimated 604,686 Pushpay Shares to be issued on the vesting or cancellation of RSUs on or about 7 March 2023 that will on issue be RSU Restricted Shares. The estimated 604,686 Pushpay Shares to be issued on the vesting or cancellation of RSUs on or about 7 March 2023 is Pushpay’s good faith estimate assuming (i) except for 48,311 time-based RSUs which will be cancelled on or about 7 March 2023 due to employee departures, no holder of RSUs ceases to be employed by the Pushpay Group prior to vesting or cancellation, and (ii) Pushpay’s estimate of the individual holders’ individual current tax rates (which is subject to change).

²⁸ Copies of the lock-up deeds and founder restricted share agreements were attached to the substantial product holder notice released by Pushpay to the NZX market announcement platform on 15 November 2022.

Shareholder	Number of Pushpay Shares subject to lock-up deed restrictions	Number of Pushpay Shares subject to founder restricted share agreement restrictions
Asynchronous Holdings, LLC	5,771,087	0
RenVis Resi, LLC	1,060,683	0
The Horseshoe 2020 Trust	661,139	1,322,278 ²⁹
The 1 Timothy 6:7 Trust	661,139	1,322,278 ³⁰
The Reitmeyer Living Trust	661,139	1,322,278 ³¹
Total	8,815,187	3,966,834

6.5 No encumbrances

The Scheme Plan provides that each Scheme Shareholder warrants to the Bidder on the Implementation Date that all their Scheme Shares (including all rights and entitlements attaching to those Pushpay Shares) which are transferred under the Scheme Plan will, at the time of transfer, be fully paid and free from encumbrances and restrictions on transfer of any kind and that they have full power and capacity to transfer their Scheme Shares to the Bidder together with any rights and entitlements attaching to those Scheme Shares.

At the date of this Scheme Booklet, the holders of the RSU Restricted Shares and the Resi Restricted Shares described in Sections 6.4(b) and 6.4(c) have agreed to restrictions on transfer in respect of their Scheme Shares. Under the Scheme Implementation Agreement, Pushpay has waived, subject to the satisfaction or waiver (to the extent capable of waiver) of all Conditions and with effect from 8:00 am on the Implementation Date, all restrictions on transfer that would apply to the transfer of those RSU Restricted Shares and the Resi Restricted Shares to the Bidder pursuant to the Scheme.

The Scheme Plan is attached as Annexure B.

6.6 No dividends

Pushpay has not previously paid dividends. Pushpay has agreed that it will not authorise or pay any dividends prior to implementation of the Scheme.

6.7 Delisting of Pushpay

Pushpay intends to apply for termination of the quotation of Pushpay Shares on, and the de-listing of Pushpay from, the NZX Main Board and ASX from close of trading on the Implementation Date.

6.8 Shareholder objection rights

If you do not support the Scheme, you can vote against the Scheme Resolution at the Scheme Meeting.

In addition, if you are a Shareholder, you may appear and be heard at the application for Final Orders, which is currently expected to occur at 10:00 am on 17 March 2023 at the High Court at Auckland. The High Court proceeding number is CIV-2023-404-000141.

To do so, you must file with the High Court at Auckland (24 Waterloo Quadrant, Auckland) a notice of appearance or a notice of opposition (in either case containing an address for service), and any affidavits or memoranda of submissions on which you intend to rely, by the final date for objections (as described below). Your notice of appearance or notice of opposition should contain an address for service. You must serve a copy of your notice of appearance or notice of opposition on Pushpay at c/- Harmos Horton Lusk Limited, Level 33, Vero Centre, 48 Shortland Street, Auckland 1010 or email nathanael.starrenburg@hhl.co.nz. If you do this, Pushpay will serve you, at your address for service, a copy of all documents filed in support of the application for Final Orders by 5:00 pm on the date that is three Business Days before the Final Court Hearing.

²⁹ 661,139 of these Pushpay Shares are also subject to the lock-up deed restrictions.

³⁰ 661,139 of these Pushpay Shares are also subject to the lock-up deed restrictions.

³¹ 661,139 of these Pushpay Shares are also subject to the lock-up deed restrictions.

The final date for objections is 10 March 2023 (or any later date announced by Pushpay on the NZX and ASX).

Any other person claiming to have a proper interest in the Scheme, who wishes to appear and be heard on the application for Final Orders, must file an application with the High Court at Auckland (24 Waterloo Quadrant, Auckland) for leave to be heard and a notice of opposition (either or both containing an address for service), and any affidavits or memoranda of submissions on which such person intends to rely, by the final date for objections (see above). You must serve a copy on Pushpay at c/- Harmos Horton Lusk Limited, Level 33, Vero Centre, 48 Shortland Street, Auckland 1010 or email nathanael.starrenburg@hhl.co.nz. Pushpay will then serve upon any such person, at their address for service, a copy of the affidavits in support of the application for Final Orders by 5:00 pm on the date that is three Business Days before the Final Court Hearing.

If the application for Scheme approval is opposed, oppositions will be heard by the High Court at the Final Court Hearing.

You may only appear and be heard at the Final Court Hearing if you are:

- a Shareholder who files a notice of appearance or a notice of opposition to the application for Final Orders within the required timeframes (set out above); or
- any other person who claims to have a proper interest in the Scheme who files an application for leave to be heard and a notice of opposition to the application for Final Orders within the required timeframes (set out above), and who is subsequently granted leave to appear and be heard at the Final Court Hearing.

In addition, the Takeovers Panel may consider an objection by a Shareholder or other interested party to the Scheme when determining whether to provide its no objection statement (see Section 6.1(c) of this Scheme Booklet). Written objections can be submitted directly to the Takeovers Panel (whether or not a no objection statement is granted) by email to takeovers.panel@takeovers.govt.nz. The Takeovers Panel is also entitled to appear and be heard at the Final Court Hearing of the application for Final Orders.

There are no other dissent or buy-out rights for Shareholders who do not support the Scheme.

If you do not want to participate in the Scheme, you are free to sell your Pushpay Shares at any time before close of trading on NZX on the Trading Halt Date (see Section 5.8(b)). Pushpay intends to apply to the NZX and ASX for trading in Pushpay Shares to be suspended on the NZX Main Board and ASX from the close of trading on the Trading Halt Date, being the date that is two Business Days after the later of the Final Orders Date and the date on which the OIO Condition is satisfied. You will not be able to sell your Pushpay Shares on market after this time (see also the restrictions on transfer of Pushpay Shares described in Section 6.1(e)).

You should note that if you choose to sell your Pushpay Shares before the Trading Halt Date, the price you receive may differ from the Consideration of NZ\$1.34 for each Scheme Share under the Scheme, and you may incur brokerage charges on the sale. You should seek your own professional advice to determine if your individual financial or taxation circumstances would be better served by selling your Pushpay Shares before the Trading Halt Date.

Section 7. Information about the Bidder

This Section 7 forms part of the Bidder Information and has been prepared by, and is the responsibility of, the Bidder. Pushpay, members of the Pushpay Group and their directors, officers and advisers do not assume any responsibility for the accuracy or completeness of the information in this Section 7.

7.1 The Bidder

If the Scheme is implemented, the Bidder will acquire all of the Scheme Shares.

The Bidder is a New Zealand limited liability company that was incorporated on 18 October 2022 for the purpose of acquiring the Scheme Shares.

The ultimate holding company of the Bidder is NZ Holdco. NZ Holdco is a New Zealand incorporated limited liability company that was established as the investment vehicle to aggregate the participation in the Scheme by (i) the funds that are managed or advised by BGH Capital; and (ii) the Sixth Street Entities.

As at the date of this Scheme Booklet, NZ Holdco is 100% owned by funds that are managed or advised by BGH Capital. However, on or about the Implementation Date, funds that are managed or advised by BGH Capital will together hold shares which will give them an aggregate interest of approximately 69% in NZ Holdco, while the Sixth Street Entities will together hold shares which will give them an aggregate interest of approximately 31% in NZ Holdco.

7.2 BGH Capital

BGH Capital was established in 2017 by Robin Bishop, Ben Gray and Simon Harle to create the pre-eminent private equity firm in Australia and New Zealand. BGH Capital is headquartered in Melbourne, Australia and is an independent firm, owned and managed by its founding partners.

BGH Capital raised BGH Capital Fund I at approximately AU\$2.6 billion in 2018 and BGH Capital Fund II at approximately AU\$3.6 billion in 2022, being the largest private equity fund raised in Australia and New Zealand. BGH Capital partners with business owners and management teams to help them build and grow strong, sustainable, market-leading businesses.

7.3 Sixth Street

Sixth Street is a global investment firm with over US\$60 billion in assets under management and committed capital. The firm uses its long-term, flexible capital, data-enabled capabilities, and One Team culture to develop themes and offers solutions to companies across all stages of growth. Founded in 2009, Sixth Street has more than 400 team members including over 180 investment professionals operating around the world.



Part C

Statutory and
other information

Section 8. Information equivalent to Schedule 1 of the Takeovers Code

This Section contains information, to the extent applicable, equivalent to the information that would be provided by the Bidder in a takeover offer document in accordance with Schedule 1 to the Takeovers Code.

The Bidder has prepared, and is solely responsible for, the information in this Section. The Bidder has not prepared, and is not responsible for, information which is referred to in this Section, but which is set out in another Section (other than Section 7) of this Scheme Booklet. Pushpay, members of the Pushpay Group and their directors, officers and advisers do not assume any responsibility for the accuracy or completeness of the information set out in this Section 8 (other than information which is referred to in this Section, but which is set out in another Section (other than Section 7) of this Scheme Booklet).

8.1 Date

This Section 8 was prepared, and is current, as at 27 January 2023.

8.2 The Bidder and its directors

The name and postal address of the Bidder is:

Pegasus Bidco Limited
 c/- Bell Gully
 Level 22, Vero Centre
 48 Shortland Street
 Auckland 1010
 New Zealand

The primary email address for the Bidder is: contact@bghcapital.com.

The current directors of the Bidder (being representatives of the interests of BGH Capital) are:

- (a) David Benjamin Brooks; and
- (b) Ralph James Norris.

It is intended that, on or about the Implementation Date, Robin Bishop (as a representative of the interests of BGH Capital) and Michael McGinn and Jeffrey Stone (as representatives of the interests of Sixth Street) will also be appointed as directors of the Bidder.

As set out in Section 7.1, the ultimate holding company of the Bidder is NZ Holdco. The Bidder is indirectly 100% owned by NZ Holdco. As at the date of this Scheme Booklet, NZ Holdco is 100% owned by funds that are managed or advised by BGH Capital. However, on or about the Implementation Date, funds that are managed or advised by BGH Capital will together hold shares which will give them an aggregate interest of approximately 69% in NZ Holdco, while the Sixth Street Entities will together hold shares which will give them an aggregate interest of approximately 31% in NZ Holdco.

BGH Capital currently controls NZ Holdco because, until the ownership change referred to in the paragraph above occurs, it has the right to appoint all of the directors of NZ Holdco. After those ownership changes occur, it will have the right to appoint a majority of the directors. BGH Capital is a wholly owned subsidiary of BGH Capital Holdings Pty Ltd (a company incorporated in Australia) of which the BGH Capital founding partners (Robin Bishop, Ben Gray and Simon Harle) are the directors and the ultimate beneficial owners.

8.3 Scheme company

The name of the company to which the Scheme relates is Pushpay Holdings Limited.

8.4 Scheme terms

The terms and conditions of the Scheme are set out in the Scheme Plan in Annexure B.³² A summary of the terms and conditions of the Scheme is included in Section 6.

8.5 Ownership of equity securities of Pushpay

Except as set out in the table below in this Section 8.5, none of the following persons hold or control any equity securities in Pushpay:

- (a) the Bidder;
- (b) any Related Company of the Bidder;
- (c) any person acting jointly or in concert with the Bidder; and
- (d) any director of any person described in paragraphs (a) to (c) above.

The following associates of Sixth Street or BGH Capital may be acting jointly or in concert with the Bidder and hold or control Pushpay Shares.

Associate	Pushpay Shares held or controlled at the date of this Scheme Booklet	% of total Pushpay Shares on issue at the date of this Scheme Booklet
Oceania	35,890,537 Pushpay Shares ³³	3.143%
Schrassig Fundamental S.à r.l.	46,956,131 Pushpay Shares ³⁴	4.113%
Consdorf Adjacent Holdco S.à r.l.	58,350,422 Pushpay Shares ³⁵	5.110%
Berdorf S.à r.l.	42,398,766 Pushpay Shares ³⁶	3.713%
Bertrange S.à r.l.	48,456,468 Pushpay Shares ³⁷	4.244%
Total	232,052,324 Pushpay Shares	20.324%

Information about the other persons who hold or control 5% or more of any class of equity securities in Pushpay is set out in Section 9.5 of this Scheme Booklet.

8.6 Trading in Pushpay equity securities

None of the persons referred to in Sections 8.5(a) to (d) above, including Oceania and the Sixth Street Entities, have acquired or disposed of any equity securities in Pushpay in the six-month period ending on the date of this Scheme Booklet.

8.7 Agreements to vote in favour of Scheme

Except as set out below in this Section 8.7, no person has agreed, conditionally or unconditionally, or publicly announced an intention, to vote in favour of the Scheme.

In accordance with the Scheme Implementation Agreement, on 28 October 2022 and 31 October 2022, Pushpay announced to ASX and NZX, respectively, that each of the Non-Conflicted Directors undertakes to vote all of the Pushpay Shares that he or she holds or controls in favour of the Scheme, subject to the Consideration being within the Independent Adviser's value range for the Pushpay Shares and there being no Superior Proposal.

The Non-Conflicted Directors who hold or control Shares have confirmed that they intend to vote in favour of

³² The Bidder may, in certain circumstances and subject to certain conditions, by notice to Pushpay no later than five Business Days before Pushpay applies to the High Court for the Final Orders, make changes to clauses 4.1(c) to 4.1(g) of the Scheme Plan (which relate to transfers of Excluded Shares held by associates of the Bidder, Sixth Street and BGH Capital). See Section 6.1(f) for further detail.

³³ Pushpay Shares legally held by Custodial Services Limited for and on behalf of the associate.

³⁴ Pushpay Shares legally held by New Zealand Central Securities Depository Limited for and on behalf of HSBC Nominees (New Zealand) Limited for and on behalf of the associate.

³⁵ See footnote 34 above.

³⁶ See footnote 34 above.

³⁷ See footnote 34 above.

the Scheme, in the absence of a Superior Proposal, as contemplated by the statements elsewhere in this Scheme Booklet.³⁸ The Non-Conflicted Directors' holdings of Pushpay Shares are set out in Section 9.5.

On 15 November 2022, BGH Capital and Oceania and the Sixth Street Entities entered into the BGH Capital Voting Deed Poll and the Sixth Street Voting Deed Poll respectively in favour of Pushpay and the Takeovers Panel under which:

- (a) Oceania and each Sixth Street Entity agreed to vote all of their respective Pushpay Shares in favour of the Scheme at the Scheme Meeting;
- (b) Oceania and each Sixth Street Entity agreed, until the earlier of the date on which the High Court grants Final Orders in respect of the Scheme or the date on which the Scheme Implementation Agreement is terminated, not to dispose of, encumber or deal in any way with any of their respective Pushpay Shares, except to transfer those Pushpay Shares under the Scheme; and
- (c) BGH Capital and each Sixth Street Entity agreed to procure that all of the votes attached to any Pushpay Shares which are acquired on or after the date of the Voting Deed Polls by BGH Capital or Sixth Street (as applicable) or a person which is controlled by or associated with BGH Capital or Sixth Street (as applicable) are voted in favour of the Scheme.

Entry into of the Voting Deed Polls by the parties described above was required under the Scheme Implementation Agreement and was also required by the Takeovers Panel due to the Pushpay Shares held by the parties to the Voting Deed Polls being a separate interest class (see Section 6.1(b) of this Scheme Booklet for further details). The Voting Deed Polls will expire with immediate effect if the Scheme Implementation Agreement is terminated or expires in accordance with its terms.

Copies of the Voting Deed Polls are available at www.pushpay.com. In addition, the Voting Deed Polls were attached to the substantial product holder notice released to the NZX and the ASX by Pushpay on 15 November 2022. You can access information released by Pushpay to NZX and ASX, respectively, at www.nzx.com (under the NZX code: PPH) and www2.asx.com.au (under the ASX code: PPH).

8.8 Arrangements to pay consideration

The Bidder confirms that resources will be available to it sufficient to meet the total Consideration to be paid to Scheme Shareholders if the Scheme becomes Effective (see Section 5.4).

The Bidder has executed the Deed Poll under which the Bidder undertakes in favour of each Scheme Shareholder to pay each Scheme Shareholder the Consideration to which they are entitled under the Scheme, subject to the Scheme becoming Effective (see Section 6.1(h) for further detail in relation to the Deed Poll).

A copy of the Deed Poll is set out in Annexure C to this Scheme Booklet.

8.9 Arrangements between the Bidder and Pushpay

Except as set out below in this Section 8.9, no agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between the Bidder or any associates of the Bidder and Pushpay or any Related Company of Pushpay, in connection with, in anticipation of, or in response to, the Scheme.

Confidentiality Agreements

On 29 June 2022, Sixth Street and Pushpay entered into a confidentiality agreement under which Sixth Street agreed to keep information provided by Pushpay in connection with the Scheme confidential.

On 30 June 2022, BGH Capital and Pushpay entered into a confidentiality agreement under which BGH Capital agreed to keep information provided by Pushpay in connection with the Scheme confidential.

Scheme Implementation Agreement

On 28 October 2022, the Bidder and Pushpay entered into the Scheme Implementation Agreement. The material terms of the Scheme Implementation Agreement are summarised in Section 10.

³⁸ The Non-Conflicted Directors reserve the right to change their recommendation or vote against the Scheme if, prior to the 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.

A copy of the Scheme Implementation Agreement is available at www.pushpay.com. In addition, it was released to ASX on 28 October 2022 and NZX on 31 October 2022. You can access information released by Pushpay to NZX and ASX, respectively, at www.nzx.com (under the NZX code: PPH) and www2.asx.com.au (under the ASX code: PPH).

Disclosure Letter

On 28 October 2022, Pushpay provided the Disclosure Letter to the Bidder which contained certain disclosures by Pushpay in respect of the warranties provided by Pushpay in the Scheme Implementation Agreement and set out certain other agreed matters in respect of the Scheme Implementation Agreement.

Deed Poll

The Bidder entered into the Deed Poll on 15 November 2022 which records that, under the Scheme Plan, Pushpay is appointed as attorney for the Scheme Shareholders. The terms of the Deed Poll are summarised in Sections 6.1(h) and 8.8 of this Scheme Booklet.

A copy of the Deed Poll is set out in Annexure C to this Scheme Booklet.

Escrow Agreement

Prior to Pushpay applying to the High Court for the Final Orders, Pushpay, the Bidder and Link will enter into the Escrow Agreement which will set out detailed arrangements relating to the completion of the Scheme. The Escrow Agreement will provide for Link to establish a trust account into which the Bidder will deposit the total Consideration. The Escrow Agreement will also set out the process for Link to follow to effect completion of the Scheme by transferring the Scheme Shares to the Bidder and paying the Consideration to Scheme Shareholders.

The form of the Escrow Agreement is set out in Schedule Seven to the Scheme Implementation Agreement.

Voting Deed Poll

On 15 November 2022, the persons set out in Section 8.7 entered into the Voting Deed Polls in favour of Pushpay and the Takeovers Panel. The Voting Deed Polls are described in Section 8.7 of this Scheme Booklet.

Intellectual property internal restructure

At the date of this Scheme Booklet, Pushpay and the Bidder propose to enter into arrangements to amend the Scheme Implementation Agreement under which they will agree:

- (a) the steps required to implement the intra-group restructure of certain intellectual property owned by members of the Pushpay Group³⁹ (including any minimum amount of outstanding debt);
- (b) that the intra-group transfer will be completed in accordance with the agreed steps between 5:00 pm and 11:59 pm on the Business Day prior to the Implementation Date, subject to the Bidder complying with its obligations to transfer the aggregate Consideration into a trust account established by Link; and
- (c) to the Pushpay Group granting security to its incumbent financier in connection with the intra-group transfer.

8.10 Arrangements between the Bidder and Directors and Senior Managers of Pushpay

Except as set out below in this Section 8.10, no agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between the Bidder or any associates of the Bidder and any Director or Senior Manager of Pushpay or any Related Company of Pushpay (including any agreement or arrangement providing for a payment or other benefit proposed to be made or given by way of compensation for loss of office or as to the Director or Senior Manager remaining in or retiring from office), in connection with, in anticipation of, or in response to, the Scheme.

Indemnities for directors, officers and employees of the Pushpay Group

Under the Scheme Implementation Agreement, the Bidder has agreed that it and its Related Companies (as defined in the Scheme Implementation Agreement) will:

- (a) for a period of seven years from the Implementation Date, ensure that the constitutions of the members of the Pushpay Group continue to contain such rules as are contained in their constitutional documents at the date

³⁹ For further background, see Pushpay's announcement to the NZX and the ASX on 11 May 2022 titled "Pushpay internal restructure to transfer intellectual property from Pushpay New Zealand to Pushpay USA".

of the Scheme Implementation Agreement that provide for each member of the Pushpay Group to indemnify each of its directors, officers and employees against liabilities (excluding for fraud or wilful misconduct) incurred by that person in their capacity as a director, officer or employee of the Pushpay Group member; and

- (b) procure that the members of the Pushpay Group comply with any deeds of indemnity made by them in favour of their respective directors and officers from time to time.

Insurance for directors and officers of the Pushpay Group

Under the Scheme Implementation Agreement, the Bidder has agreed that:

- (a) subject to certain process requirements, Pushpay may, prior to the Implementation Date, enter into, and pay the premiums for, a run-off directors' and officers' liability insurance policy (for a period of seven years after the Implementation Date) in respect of any director or officer of a member of the Pushpay Group ("**D&O Run-off Policy**"); and
- (b) after the Implementation Date, the Bidder will not, and will procure that its Related Companies (as defined in the Scheme Implementation Agreement) do not, vary or cancel the D&O Run-off Policy or do any act, matter or thing (or fail or omit to do any act, matter or thing) that is reasonably likely to result in the D&O Run-off Policy being terminated or becoming voidable.

Benefit of the agreements

These agreements summarised above in this Section 8.10 are:

- (a) given for the benefit of each person who is a current or former director, officer or employee of any member of the Pushpay Group (including the Directors and the Senior Managers) and are intended to be enforceable by each such person;
- (b) subject to restrictions in the Companies Act or the law of the jurisdiction in which the Pushpay Group member is incorporated; and
- (c) given until the earlier of the end of the relevant period specified or the relevant Pushpay Group member ceasing to be part of the Bidder Group, provided that this will not affect any indemnities which continue in accordance with their terms.

Treatment of RSUs and Restricted Shares

For further information regarding the treatment of RSUs and Restricted Shares in connection with the Scheme and as agreed under the Scheme Implementation Agreement, see Section 6.4 of this Scheme Booklet.

8.11 Financial assistance

After the Consideration is paid and the Scheme has been implemented, the members of the Pushpay Group will be wholly-owned subsidiaries of the Bidder and be members of the Bidder Group. Accordingly, members of the Pushpay Group may, after implementation of the Scheme, grant security over their respective assets to the financiers of the Bidder Group.

Under the Scheme Implementation Agreement, Pushpay has agreed:

- (a) to provide reasonable co-operation and assistance to the Bidder in connection with the arrangement, syndication or provision of equity or debt financing by the Bidder Group for the purposes of funding the Consideration; and
- (b) to assist the Bidder to identify, and obtain a release of, any encumbrances over the assets of the Pushpay Group, including in connection with the repayment of Pushpay's existing indebtedness.

8.12 Intentions about material changes to Pushpay

Given that, if the Scheme becomes Effective, Pushpay will become a wholly-owned subsidiary of the Bidder, this information is not applicable.

8.13 No pre-emption rights clauses in Pushpay's constitution

Pushpay's constitution does not contain any restrictions on the right of Scheme Shareholders to transfer Scheme Shares (being the equity securities to which the Scheme relates) which have the effect of requiring Scheme Shareholders to offer Scheme Shares for purchase to other Scheme Shareholders or to any other person before transferring the Scheme Shares under the Scheme.

8.14 No escalation clauses

If the Scheme becomes Effective, the Board intends to determine on or before 7:00 am on the Implementation Date that:

- (a) Performance RSUs are forfeited and cancelled without any payment to the holder of the Performance RSUs; and
- (b) all other RSUs outstanding as at the Implementation Date are forfeited and cancelled in exchange for a cash payment to the holders of those outstanding RSUs,

as further described in Section 6.4(a).

Pushpay has agreed to pay retention payments to certain employees of the Pushpay Group, some of whom are existing or prior holders of Pushpay Shares and/or RSUs. Those payments will be paid to employees to encourage their continued employment and are unrelated to the employees' existing or prior holding of Pushpay Shares or RSUs. The only retention payment payable to a Senior Manager is described in Section 9.13.

After commencing the process which led to entry into of the Scheme Implementation Agreement, Pushpay has not granted any further RSUs and has agreed, in the Scheme Implementation Agreement, not to do so before the Implementation Date. Accordingly, for those employees who would have otherwise been granted RSUs (some of whom currently hold Pushpay Shares and/or previously held RSUs), Pushpay has paid, and has agreed to pay, cash bonuses that are economically equivalent to the value of the RSUs that would have otherwise been granted. The only such payment made or agreed with a Senior Manager is described in Section 9.13.

Except as set out above, there is no agreement or arrangement (whether legally enforceable or not) under which:

- (a) any existing holder of equity securities in Pushpay will or may receive in relation to, or as a consequence of, the Scheme any additional consideration or other benefit over and above the Consideration; or
- (b) any prior holder of equity securities in Pushpay will or may receive any consideration or other benefit as a consequence of the Scheme.

8.15 Only one class of financial products is subject to the Scheme

The only financial products subject to the Scheme are the Pushpay Shares. Accordingly, no report is required to be obtained by the Bidder as to the fairness and reasonableness of the consideration and terms of the Scheme as between different classes of financial products.

The RSU Restricted Shares and the Resi Restricted Shares are Pushpay Shares and are not a separate class of financial products (as described in Sections 6.4(b) and 6.4(c)).

RSUs are not a separate class of financial product. In any event, immediately prior to implementation on the Implementation Date, there will be no RSUs on issue. Accordingly, RSUs do not form a separate class of financial products subject to the Scheme. For further information regarding the treatment of RSUs in connection with the Scheme, see Section 6.4(a).

Section 9. Pushpay information equivalent to Schedule 2 of the Takeovers Code

The information in this Section 9 contains information, to the extent applicable, that would be provided by Pushpay in a target company statement under Schedule 2 of the Takeovers Code.

9.1 Date

This Scheme Booklet is dated 3 February 2023.

9.2 Scheme

This Scheme Booklet relates to a scheme of arrangement between Pushpay and its Shareholders in relation to the proposed acquisition of the Scheme Shares by the Bidder.

9.3 Scheme company

The name of the company to which the Scheme relates is Pushpay Holdings Limited.

Postal address:

Pushpay Holdings Limited
Level 6, Building D
167 Victoria Street West
Auckland 1010
New Zealand

Email: investors@pushpay.com

Phone number (for Link): +64 9 375 5998

9.4 Directors of Pushpay

The names of the Directors of Pushpay are:

- Graham Shaw (Independent Chair);
- Lorraine Witten (Independent Director);
- Lovina McMurchy (Independent Director);
- Sumita Pandit (Independent Director);
- Christopher Fowler (Executive Director); and
- John Connolly (Director).

9.5 Ownership of equity securities of Pushpay

Ownership interests of Directors and Senior Managers of Pushpay

Pushpay Shares

The table below sets out the number and the percentage of Pushpay Shares or other Pushpay equity securities held or controlled by each Director or Senior Manager of Pushpay or their associates as at the date of this Scheme Booklet.⁴⁰

Name of Director or Senior Manager	Description	Number of Pushpay Shares or other Pushpay equity securities held or controlled at the date of this Scheme Booklet	Percentage of total Pushpay Shares or other Pushpay equity securities at the date of this Scheme Booklet
Graham Shaw	Director	11,560,840 Pushpay Shares ⁴¹	1.013%
Lorraine Witten	Director	50,218.45 Pushpay Shares ⁴²	0.004%
Lovina McMurchy	Director	85,000 Pushpay Shares	0.007%
Christopher Fowler	Director	13,011,428 Pushpay Shares ⁴³	1.140%
Molly Matthews	Senior Manager	349,463 Pushpay Shares 248,201 RSUs	0.031% (Pushpay Shares) 3.885% (RSUs)

The information in the above table was provided on behalf of Directors or Senior Managers in response to questionnaires circulated by Pushpay after the entry into of the Scheme Implementation Agreement and is stated as at 27 January 2023 (being the last practicable date before the date of this Scheme Booklet).

No other ownership of equity securities

Except as set out above, no other Director or Senior Manager or their associates holds or controls any equity securities of Pushpay as at the date of this Scheme Booklet.

At the date of this Scheme Booklet, Pushpay estimates an additional 187,764 Pushpay Shares will be issued to Molly Matthews on the vesting on or about 7 March 2023 of the 248,201 RSUs held by Molly Matthews on or about 7 March 2023.⁴⁴

40 For the purposes of this Scheme Booklet, Pushpay has treated Molly Matthews (Chief Executive Officer) and Michael Song (Interim Chief Financial Officer) as Pushpay's Senior Managers in accordance with the Takeovers Code.

41 10,935,276 Pushpay Shares held by Graham Shaw and Delwyn Shaw (jointly) and 625,564 Pushpay Shares held by Ashley Mudford, Susan Mudford and Graham Shaw as trustees of the Three In Common Trust (Graham Shaw is not a beneficiary of the trust).

42 48,420 Pushpay Shares held by Lorraine Witten as bare trustee for Lorraine Witten and GCL Trustees No 6 Limited as trustees of the Lorraine Witten Income Trust, 1,798.45 Pushpay Shares beneficially held by Lorraine Witten and legally held by Sharesies Nominee Limited.

43 Custodial Services Limited is the registered holder of the Pushpay Shares beneficially owned by Christopher M. Fowler and Laura C. Fowler as trustees of the Fowler Family Trust.

44 The number of Pushpay Shares actually issued on vesting of RSUs is less than one Pushpay Share for each RSU as a result of tax adjustments. The actual number of Pushpay Shares issued on the vesting of RSUs on or about 7 March 2023 may differ. The estimated number of Pushpay Shares issued on the vesting of RSUs on or about 7 March 2023 is Pushpay's good faith estimate assuming Molly Matthews continues to be employed by the Pushpay Group prior to vesting and based on Pushpay's estimate of her individual current tax rate (which is subject to change).

Ownership interests of holders or controllers of 5% or more of Pushpay Shares or other Pushpay equity securities

The table below sets out the number and the percentage of Pushpay Shares held or controlled by any other person holding or controlling 5% or more of the Pushpay Shares or another class of Pushpay equity securities, to the knowledge of Pushpay.

Holder or controller of 5% or more of the Pushpay Shares or other Pushpay equity securities	Number of Pushpay Shares or other Pushpay equity securities held or controlled at the date of this Scheme Booklet	Percentage of total Pushpay Shares or other Pushpay equity securities at the date of this Scheme Booklet
Accident Compensation Corporation	71,047,506 Pushpay Shares ⁴⁵	6.223% of Pushpay Shares
Brown Capital Management, LLC	68,446,215 Pushpay Shares ⁴⁶	5.995% of Pushpay Shares
Sixth Street Advisers, LLC ⁴⁷	196,161,787 Pushpay Shares	17.180% of Pushpay Shares
Consdorf Adjacent Holdco S.à r.l.	58,350,422 Pushpay Shares ⁴⁸	5.110% of Pushpay Shares
New Zealand Central Securities Depository Limited ⁴⁹	829,040,903 Pushpay Shares	72.610% of Pushpay Shares
Jason Rupert ⁵⁰	4,001,602 RSUs	62.628% of RSUs

Except as noted in the footnotes to the above table, the information in the above table was taken from substantial product holder notices or was provided on behalf of the named persons in response to questionnaires circulated by Pushpay after the entry into of the Scheme Implementation Agreement and is stated as at 27 January 2023 (being the last practicable date before the date of this Scheme Booklet).

Except as set out in the table above, to Pushpay’s knowledge, no other person holds or controls 5% or more of a class of equity securities of Pushpay.

No Director or Senior Manager of Pushpay or their associates, and no person who, to Pushpay’s knowledge, holds or controls 5% or more of the Pushpay Shares or other Pushpay equity securities has a relevant interest in a derivative for which the underlying is Pushpay Shares.

45 67,598,518 Pushpay Shares held by New Zealand Central Securities Depository Limited and 3,448,988 Pushpay Shares held by J. P. Morgan Nominees Australia Ltd.

46 Brown Capital Management, LLC has the power to control the acquisition or disposal of these Pushpay Shares. The number stated in the above table is stated as at 24 January 2023.

47 Sixth Street Advisers, LLC has the indirect power to control the acquisition or disposal of Pushpay Shares held by the Sixth Street Entities (see Section 8.5 for details of the Pushpay Shares held by each Sixth Street Entity).

48 These Pushpay Shares are included in the number of Pushpay Shares that are indirectly controlled by Sixth Street Advisers, LLC and are held by New Zealand Central Securities Depository Limited for and on behalf of HSBC Nominees (New Zealand) Limited for and on behalf of Consdorf Adjacent Holdco S.à r.l.

49 New Zealand Central Securities Depository Limited holds Pushpay Shares as custodian and bare trustee on behalf of other persons. The number stated in the above table is stated as at 18 January 2023.

50 Jason Rupert is the Chief Growth Officer of Pushpay. Mr Rupert is not a Senior Manager of Pushpay for the purposes of the Takeovers Code.

Issue of equity securities or obtaining of beneficial interest in equity securities

The number and price of equity securities of Pushpay (including Pushpay Shares):

- (a) issued to any Director or Senior Manager of Pushpay, or their associates; or
- (b) in which any Director or Senior Manager of Pushpay, or their associates, obtained a beneficial interest under any Pushpay employee share scheme or other remuneration arrangement (including the Pushpay Share Incentive Plan),

in the two year period ending on the date of this Scheme Booklet is set out in the following table:

Director, Senior Manager or associate	Description	Number of equity securities of Pushpay	Designation of equity securities of Pushpay	Price of total number of equity securities of Pushpay	Date
Molly Matthews	Senior Manager	28,530 (issued on vesting of 37,713 RSUs)	Pushpay Shares	Nil ⁵¹	13 December 2022
Molly Matthews	Senior Manager	180,716 (issued on vesting of 248,201 RSUs)	Pushpay Shares	Nil ⁵²	7 March 2022
Molly Matthews	Senior Manager	57,106 (issued on vesting of 75,486 RSUs)	Pushpay Shares	Nil ⁵³	13 December 2021
Molly Matthews	Senior Manager	496,402 (issued under the Pushpay Share Incentive Plan)	RSUs	Nil ⁵⁴	23 February 2021

The information in the above table was provided on behalf of Directors or Senior Managers in response to questionnaires circulated by Pushpay after the entry into of the Scheme Implementation Agreement and is stated as at 27 January 2023 (being the last practicable date before the date of this Scheme Booklet).

Except as set out above, no Director or Senior Manager of Pushpay, or their associates, have, in the two year period ending on the date of this Scheme Booklet:

- (a) been issued with any equity securities of Pushpay; or
- (b) obtained a beneficial interest in any equity securities of Pushpay under any Pushpay employee share scheme or other remuneration arrangement (including the Pushpay Share Incentive Plan).

At the date of this Scheme Booklet, Pushpay estimates an additional 187,764 Pushpay Shares will be issued to Molly Matthews on the vesting of 248,201 RSUs on or about 7 March 2023.⁵⁵

⁵¹ No cash consideration was payable by Molly Matthews on the issue of these Pushpay Shares on vesting of RSUs. Similarly, no cash consideration was payable by Molly Matthews for the grant of the RSUs. Rather, when the RSUs were granted they were attributed a nominal value of US\$1.33 per RSU, which reflected the volume weighted average price of Pushpay Shares on the NZX Main Board over a relevant 20 trading day period prior to the grant of those RSUs.

⁵² No cash consideration was payable by Molly Matthews on the issue of these Pushpay Shares on vesting of RSUs. Similarly, no cash consideration was payable by Molly Matthews for the grant of the RSUs. Rather, when the RSUs were granted they were attributed a nominal value of US\$0.68 per RSU, which reflected the volume weighted average price of Pushpay Shares on the NZX Main Board over a relevant 20 trading day period prior to the grant of those RSUs.

⁵³ No cash consideration was payable by Molly Matthews on the issue of these Pushpay Shares on vesting of RSUs. Similarly, no cash consideration was payable by Molly Matthews for the grant of the RSUs. Rather, when the RSUs were granted they were attributed a nominal value of US\$1.01 per RSU, which reflected the volume weighted average price of Pushpay Shares on the NZX Main Board over a relevant 20 trading day period prior to the grant of those RSUs.

⁵⁴ No cash consideration was payable by Molly Matthews for the grant of these RSUs. Rather, when these RSUs were granted they were attributed a nominal value of US\$1.21 per RSU, which reflected the volume weighted average price of Pushpay Shares on the NZX Main Board over a relevant 20 trading day period prior to the grant of those RSUs.

⁵⁵ No cash consideration will be payable by Molly Matthews on the issue of these Pushpay Shares on vesting of RSUs. Similarly, no cash consideration was payable by Molly Matthews for the grant of the RSUs. Rather, when the RSUs were granted they were attributed a nominal value of US\$1.2087 per RSU, which reflected the volume weighted average price of Pushpay Shares on the NZX Main Board over a relevant 20 trading day period prior to the grant of those RSUs.

9.6 Trading in Pushpay equity securities by Directors and Senior Managers of Pushpay

The following equity securities of Pushpay have, during the six month period before 27 January 2023 (being the latest practicable date before the date of this Scheme Booklet), been acquired or disposed of by a Director or Senior Manager (including their associates) of Pushpay:

Name	Number of equity securities of Pushpay acquired or disposed	Consideration per Pushpay Share or RSU	Date of transaction
Molly Matthews	28,530 Pushpay Shares (acquired by way of issue on vesting of 37,713 RSUs)	Nil ⁵⁶	13 December 2022
Molly Matthews	37, 713 RSUs (cancelled on vesting)	Nil ⁵⁷	13 December 2022

The information in the above table was provided on behalf of Directors or Senior Managers in response to questionnaires circulated by Pushpay after the entry into of the Scheme Implementation Agreement and is stated as at 27 January 2023 (being the last practicable date before the date of this Scheme Booklet).

Except as set out in the table above, no Pushpay equity securities were acquired or disposed of by any Director or Senior Manager (including their associates) of Pushpay during the six month period before 27 January 2023 (being the latest practicable date before the date of this Scheme Booklet).

At the date of this Scheme Booklet, Pushpay estimates an additional 187,764 Pushpay Shares will be issued to Molly Matthews on the vesting of 248,201 RSUs on or about 7 March 2023.

9.7 Trading in Pushpay equity securities by holders or controllers of 5% or more of Pushpay equity securities

Appendix 1 to this Scheme Booklet sets out the equity securities of Pushpay that have, during the six month period before 27 January 2023 (being the latest practicable date before the date of this Scheme Booklet) been acquired or disposed of by any person holding or controlling 5% or more of a class of Pushpay equity securities as at the date of this Scheme Booklet.

Except as set out in Appendix 1, no Pushpay equity securities were acquired or disposed of by any person known to Pushpay as holding or controlling 5% or more of a class of Pushpay equity securities as at the date of this Scheme Booklet during the six month period before 27 January 2023 (being the latest practicable date before the date of this Scheme Booklet).

⁵⁶ See footnote 51 on page 49 above.

⁵⁷ See footnote 51 on page 49 above.

9.8 Intentions to vote in favour of the Scheme

The table below sets out, as at the date of this Scheme Booklet, the name of every Director or Senior Manager of Pushpay and every associate of a Director or Senior Manager of Pushpay who has advised Pushpay that he or she has undertaken or intends to vote, or to procure Pushpay Shares controlled by them be voted, in favour of the Scheme, and the number of Pushpay Shares in respect of which the person has undertaken or expressed an intention to vote, or to procure be voted, in favour of the Scheme.⁵⁸

Name	Description	Number of Pushpay Shares undertaken or intended to be voted in favour
Graham Shaw	Director	11,560,840
Lorraine Witten	Director	50,218.45
Lovina McMurchy	Director	85,000
Christopher Fowler	Director	13,011,428
Molly Matthews	Senior Manager (Chief Executive Officer)	All Pushpay Shares held at the date of the Scheme Meeting, being 349,463 Pushpay Shares. ⁵⁹

9.9 Ownership of equity securities of the Bidder or its related companies

Neither Pushpay, nor any Director, Senior Manager or any of their associates, holds or controls any equity securities of the Bidder or any Related Company of the Bidder.

9.10 Trading in equity securities of the Bidder or its related companies

Neither Pushpay, nor any Director, Senior Manager or any of their associates, has acquired or disposed of any equity securities of the Bidder or any Related Company of the Bidder during the six month period before 27 January 2023, being the latest practicable date before the date of this Scheme Booklet.

9.11 Arrangements between the Bidder and Pushpay

Except as set out below in this Section 9.11, no agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between the Bidder or any associates of the Bidder and Pushpay or any Related Company of Pushpay in connection with, in anticipation of, or in response to, the Scheme.

Confidentiality Agreements

The confidentiality agreements between Pushpay and each of BGH Capital and Sixth Street are described in Section 8.9 of this Scheme Booklet.

Scheme Implementation Agreement

The Scheme Implementation Agreement is summarised in Sections 6 and 10 of this Scheme Booklet.

Disclosure Letter

The Disclosure Letter is described in Section 8.9 of this Scheme Booklet.

Deed Poll

The Deed Poll is described in Sections 6.1(h), 8.8 and 8.9 of this Scheme Booklet.

Escrow Agreement

The Escrow Agreement is described in Section 8.9 of this Scheme Booklet.

Voting Deed Polls

The Voting Deed Polls are described in Sections 8.7 and 8.9 of this Scheme Booklet.

⁵⁸ Each Non-Conflicted Director (being each Director other than John Connolly) has undertaken to vote all of the Pushpay Shares he or she holds or controls in favour of the Scheme, in the absence of a Superior Proposal. In addition, each Non-Conflicted Director reserves the right to vote against the Scheme if, prior to the 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.

⁵⁹ Assuming the Scheme Meeting occurs prior to the vesting or cancellation of Ms. Matthews outstanding RSUs, and associated issue of Pushpay Shares, on or about 7 March 2023.

Intellectual property internal restructure

The intellectual property internal restructure is described in Section 8.9 of this Scheme Booklet.

9.12 Relationship between the Bidder and Directors and Senior Managers of Pushpay

Except as set out in Section 8.10, no agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between the Bidder or any associate of the Bidder, and any Director or Senior Manager of Pushpay or any Related Company of Pushpay in connection with, in anticipation of, or in response to, the Scheme.

No Directors or Senior Managers of Pushpay are also directors or senior managers of the Bidder or any Related Company of the Bidder.

9.13 Agreement between Pushpay and its Directors and Senior Managers

Except as set out below in this Section 9.13, no agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between Pushpay or any Related Company of Pushpay and any Directors or Senior Managers of Pushpay or its Related Companies or their associates, under which a payment or other benefit may be made or given by way of compensation for loss of office, or as to their remaining in or retiring from office in connection with, in anticipation of, or in response to, the Scheme.

Retention payment

Pushpay has agreed to pay a one-off retention payment (in two instalments) to Molly Matthews, Pushpay's Chief Executive Officer, of an aggregate of US\$750,000 ("**Retention Payment**"). This Retention Payment is payable only if Ms. Matthews is employed by a Pushpay Group member on the relevant instalment date (having not given a notice of resignation to the Pushpay Group). The first instalment, being 66.7% of the Retention Payment (US\$500,000), is to be paid in cash on 1 March 2023 and the second instalment, being 33.3% of the Retention Payment (US\$250,000), is to be paid in cash on the earlier of 1 June 2023 and implementation of the Scheme. Pushpay may, at its election, delay a payment date by up to 60 days. Molly Matthews is the only Senior Manager who is entitled to a retention payment. The Retention Payment amounts in this paragraph are before tax and other deductions.⁶⁰

Cash bonus in lieu of RSUs

After commencing the process which led to the entry into of the Scheme Implementation Agreement, Pushpay has not granted any further RSUs and has agreed, in the Scheme Implementation Agreement, not to do so before the Implementation Date. Accordingly, for those employees who would have otherwise been granted RSUs, Pushpay has paid, and has agreed to pay, cash bonuses that are economically equivalent to the value of the RSUs that would have otherwise been granted.

Molly Matthews, Pushpay's Chief Executive Officer, is the only Senior Manager who is entitled to a cash bonus in lieu of the grant of RSUs. Pushpay has agreed, in substitution for granting new RSUs in the ordinary course of business, to pay a cash bonus in lieu of the grant of RSUs (in one instalment) to Molly Matthews of US\$90,625 ("**Cash Bonus**"). This Cash Bonus is payable within 30 days of the earlier of March 2024 and implementation of the Scheme, and is subject to the terms of the Pushpay Share Incentive Plan. The Cash Bonus in this paragraph is before tax and other deductions.⁶¹

Director fees

The total Shareholder approved fee pool for the Directors includes a US\$150,000 special governance pool that provides flexibility for the remuneration of non-executive Directors who assume additional responsibilities through the year for special events. The Non-Conflicted Directors have approved payments out of this special fee pool to the Non-Conflicted Directors for the additional responsibilities involved in dealing with the process described in Section 5.2 in relation to the how the Scheme came about and with the Scheme that resulted from that process. The Non-Conflicted Directors have been paid the amounts set out in the table below for these additional responsibilities and the Non-Conflicted Directors intend to approve further payments out of this special fee pool to Non-Conflicted

⁶⁰ All retention payments are subject to any required tax or retirement saving withholding or deduction.

⁶¹ All retention payments are subject to any required tax or retirement saving withholding or deduction.

Directors for these additional responsibilities, but have not yet decided on the total amount of the further payments.

Non-Conflicted Director	Payments from special governance pool during the financial year ending 31 March 2023
Graham Shaw	NZ\$26,375.00
Lorraine Witten	NZ\$36,062.50
Sumita Pandit	US\$15,875.00
Lovina McMurchy	NZ\$16,125.00
Christopher Fowler	Nil

RSU cancellation payment

The Scheme Implementation Agreement contemplates that, if the Scheme becomes Effective, certain RSUs outstanding as at 7:00 am on the Implementation Date will be forfeited and cancelled in exchange for a cash payment (see Section 6.4(a)). No Director or Senior Manager will hold RSUs as at 7:00 am on the Implementation Date.

9.14 Interests of Directors and Senior Managers of Pushpay in contracts of the Bidder or its related companies

Except as set out in Section 8.10, no Director or Senior Manager or their associates has an interest in any contract to which the Bidder, or any Related Company of the Bidder, is a party. Pushpay is unable to quantify the monetary value of the interests described in Section 8.10.

9.15 Interests of Pushpay's substantial security holders in material contracts of the Bidder or its related companies

No person who, to the knowledge of the Directors or the Senior Managers of Pushpay holds or controls 5% or more of any class of equity securities of Pushpay, has an interest in any material contract to which the Bidder or any Related Company of the Bidder, is a party.

9.16 Additional information

The Bidder Information in this Scheme Booklet is the responsibility of the Bidder. In the opinion of Pushpay's Directors and to the best of their knowledge, no additional information is required to make that information correct or not misleading.

9.17 Recommendation

Your Non-Conflicted Directors, being Graham Shaw, Lorraine Witten, Lovina McMurchy, Sumita Pandit and Christopher Fowler, unanimously recommend that Shareholders vote in favour of the Scheme Resolution, in the absence of a Superior Proposal.⁶² Your Non-Conflicted Directors' reasons for this recommendation are set out in Sections 5.5 and 5.6.

Your Directors' interests in Pushpay Shares are disclosed in Section 9.5.

Due to his role as a Senior Adviser to Sixth Street, Pushpay Director, John Connolly, is not a Non-Conflicted Director and has not participated in Pushpay's response to the receipt of unsolicited expressions of interest or the negotiation of the Scheme, and he abstains from providing a recommendation to Shareholders.

9.18 Actions of Pushpay

Except for the arrangements summarised in Section 8.9, there are no material agreements or arrangements (whether legally enforceable or not) of Pushpay or any Related Company of Pushpay entered into as a consequence of, in response to, or in connection with, the Scheme.

⁶² The Non-Conflicted Directors may change their recommendation if there is a Superior Proposal prior to the Scheme Meeting which the Bidder does not match in accordance with the matching rights set out in the Scheme Implementation Agreement. In addition, your Non-Conflicted Directors reserve the right to change their recommendation or vote against the Scheme if, prior to the 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.

Other than:

- (a) the intra-group restructure of certain intellectual property referred to in Section 8.9;
- (b) the provisions of the Scheme Implementation Agreement which, as described in Section 6.4(a), provide for the cancellation of all RSUs which are outstanding at 7:00 am on the Implementation Date; and
- (c) the terms of the founder restricted share agreements which, as described in Section 6.4(c), provide Pushpay with the right to acquire Pushpay Shares in certain circumstances,

there are no negotiations underway as a consequence of, in response to, or in connection with, the Scheme that relate to, or could result in:

- (d) an extraordinary transaction, such as a merger, amalgamation or reorganisation, involving Pushpay or any of its Related Companies;
- (e) the acquisition or disposition of material assets by Pushpay or any of its Related Companies;
- (f) an acquisition of equity securities by, or of, Pushpay or any of its Related Companies; or
- (g) any material change in the issued equity securities of Pushpay, or the policy of the Pushpay Board relating to distributions of Pushpay.

9.19 Equity securities of Pushpay

As at the date of this Scheme Booklet, Pushpay:

- (a) has 1,141,775,519 Pushpay Shares on issue;
- (b) has 6,389,440 RSUs outstanding;⁶³ and
- (c) estimates an additional 604,686 Pushpay Shares will be issued on or about 7 March 2023 on the vesting or cancellation of 867,169 RSUs.⁶⁴

All Pushpay Shares currently on issue are, and all Pushpay Shares to be issued on vesting of RSUs prior to the Implementation Date will be, fully paid.

Any RSUs outstanding at 7:00 am on the Implementation Date will be forfeited and cancelled as set out in Section 6.4(a) of this Scheme Booklet.

Except for the outstanding RSUs, Pushpay has no options, or rights to acquire equity securities of Pushpay, on issue. The material terms of the RSUs are set out in Section 6.4(a) of this Scheme Booklet.

Subject to certain provisions in the constitution of Pushpay and the NZX Listing Rules (which, for example, impose voting restrictions on Shareholders in certain circumstances), each Pushpay Share confers upon the holder the right to:

- (a) an equal share in dividends authorised by the Pushpay Board;
- (b) an equal share in the distribution of surplus assets on liquidation of Pushpay;
- (c) participate in certain further issues of equity securities by Pushpay; and
- (d) cast one vote per share on a poll, at a meeting of Shareholders on any resolution, including a resolution to:
 - (i) appoint or remove a director or auditor;
 - (ii) alter Pushpay's constitution;
 - (iii) approve a major transaction;
 - (iv) approve an amalgamation involving Pushpay; and
 - (v) put Pushpay into liquidation.

⁶³ Of the RSUs outstanding, 48,311 time-based RSUs have been forfeited prior to the date of this Scheme Booklet due to employee departures and will be cancelled on or about 7 March 2023.

⁶⁴ The number of Pushpay Shares actually issued on vesting of RSUs is less than one Pushpay Share for each RSU as a result of tax adjustments. The actual number of Pushpay Shares issued on the vesting of RSUs on or about 7 March 2023 may differ. The estimated number of Pushpay Shares issued on the vesting of RSUs on or about 7 March 2023 is Pushpay's good faith estimate assuming (i) except for 48,311 time-based RSUs which will be cancelled on or about 7 March 2023 due to employee departures, no holder of RSUs ceases to be employed by the Pushpay Group prior to vesting, (ii) Pushpay's estimate of the individual holders' individual current tax rate (which is subject to change).

9.20 Financial information

Copies of Pushpay's most recent Annual Report (being the Annual Report for the financial year ended 31 March 2022, incorporating audited financial statements for that financial year) and Pushpay's most recent Interim Report (being the Interim Report for the six months ended 30 September 2022, incorporating unaudited financial statements for that half-year period) are available on Pushpay's website at www.pushpay.com.

Each person who is eligible to vote on the Scheme may also request from Pushpay a hard copy of Pushpay's most recent Annual Report and most recent Interim Report by making a written request to Link at the contact details set out in the Directory.

Except as set out in this Scheme Booklet (including the Independent Adviser's Report), there have not been any material changes in the financial or trading position, or prospects, of Pushpay since 9 November 2022, being the date on which the Interim Report was made available to Shareholders.

The Directors are not aware of any information about the assets, liabilities, profitability and financial affairs of Pushpay which is not contained in Pushpay's most recent Annual Report, Pushpay's most recent Interim Report or this Scheme Booklet (including the Independent Adviser's Report) which could reasonably be expected to be material to Shareholders when making a decision to vote for, or against, the Scheme Resolution.

9.21 Independent advice on merits of the Scheme

Grant Samuel & Associates Limited is the Independent Adviser that has provided a report in relation to the merits of the Scheme. A copy of the full Independent Adviser's Report is set out in Annexure A.

9.22 Asset valuations

No information provided in this Scheme Booklet refers to a valuation of any asset of Pushpay.

9.23 Prospective financial information

The Independent Adviser's Report contains prospective financial information in relation to Pushpay. The principal assumptions on which the prospective financial information is based are set out in the Independent Adviser's Report.

The Independent Adviser's Report sets out certain details of Pushpay's internal forecast for the financial years ending 31 March 2023 to 31 March 2027 ("**Forecasts**"). The Forecasts were prepared for internal management purposes and not for the purposes of providing public guidance as to Pushpay's expected future financial performance. The Forecasts are subject to the disclosures set out under the heading "Forward looking statements" in the Important Information Section of this Scheme Booklet.

Other than the prospective financial information referred to above, this Scheme Booklet does not refer to any other prospective financial information about Pushpay.

9.24 Sales of unquoted equity securities under the Scheme

There are no unquoted equity securities that are subject to the Scheme.

9.25 Market prices for quoted equity securities under the Scheme

The Pushpay Shares are quoted on the NZX Main Board and ASX.

Closing market prices

The closing price on the NZX Main Board and ASX on:

- 27 January 2023, being the latest practicable working day before the date on which this Scheme Booklet was sent to Shareholders, was NZ\$1.30 on the NZX Main Board and AU\$1.175 on ASX; and
- 27 October 2022, being the last day on which NZX was open for business before the date on which Pushpay announced its entry into of the Scheme Implementation Agreement, was NZ\$1.19 on the NZX Main Board and AU\$1.055 on ASX.

The highest and lowest closing market prices of Pushpay Shares on the NZX Main Board and ASX (and the relevant dates) during the six months before 27 October 2022 (being the last day on which NZX and ASX were open for business before the date on which Pushpay announced that it had entered into the Scheme Implementation Agreement with the Bidder), were as follows:

- the highest closing market price of Pushpay Shares was NZ\$1.47 on the NZX Main Board (on 26 May 2022) and AU\$1.335 on ASX (on 25 and 26 May 2022); and
- the lowest closing market price of Pushpay Shares was NZ\$1.07 on the NZX Main Board (on 27 September 2022) and AU\$0.93 on ASX (on 28 September 2022).

Issues of equity securities which may have affected market prices

On 14 June 2022, Pushpay issued 178,350 Pushpay Shares fully paid on vesting of RSUs previously issued under the Pushpay Incentive Share Plan.

On 19 September 2022, Pushpay issued 266,897 Pushpay Shares fully paid on vesting of RSUs previously issued under the Pushpay Incentive Share Plan.

On 13 December 2022, Pushpay issued 630,949 Pushpay Shares fully paid on vesting of RSUs previously issued under the Pushpay Incentive Share Plan.

No other issues of equity securities and no distributions

Other than the issue of Pushpay Shares on vesting of RSUs as set out above, during the six month period before 27 October 2022 (being the last day on which NZX and ASX were open for business before the date on which Pushpay announced that it had entered into the Scheme Implementation Agreement with the Bidder), Pushpay did not issue any equity securities, make any changes to any equity securities on issue, or make any distributions, which could have affected the market prices of Pushpay Shares.

No other information

Except as set out in this Scheme Booklet, there is no other information about the market price of Pushpay Shares that would reasonably be expected to be material to the making of a decision by Shareholders when making a decision to vote for or against the Scheme Resolution.

9.26 Other information

The Non-Conflicted Directors are not aware of any additional information, which is not required to be disclosed elsewhere in this Scheme Booklet, that could reasonably be expected to be material to the Shareholders when making a decision to vote for, or against, the Scheme Resolution.

9.27 Board approval of Pushpay Information

The contents of this Scheme Booklet have been approved by the Non-Conflicted Directors of Pushpay, other than:

- the Bidder Information, which the Bidder has approved; and
- the Independent Adviser's Report, which has been prepared by Grant Samuel & Associates Limited.

Pushpay Director John Connolly is a Senior Adviser to Sixth Street. Due to his relationship with Sixth Street, he is not a Non-Conflicted Director and has not participated in Pushpay's response to the receipt of unsolicited expressions of interest or the negotiation of the Scheme. Mr Connolly does not provide a recommendation to Shareholders and abstained from approving the contents of this Scheme Booklet.

Section 10. Summary of the Scheme Implementation Agreement

10.1 Date and Parties

The Scheme Implementation Agreement is dated 28 October 2022 and is between Pushpay and the Bidder.

10.2 Conditions

Implementation of the Scheme is subject to the Conditions being satisfied or waived (to the extent capable of waiver). The outstanding Conditions at the date of this Scheme Booklet are:

- (a) approval of the Scheme by the High Court;
- (b) approval of the Scheme by Pushpay's Shareholders;
- (c) satisfaction of the OIO Condition;
- (d) no judgment, order, restraint or prohibition enforced or issued by any government agency is in effect at 8:00 am on the Implementation Date that prohibits, prevents or materially restricts the implementation of the Scheme;
- (e) no Prescribed Occurrence occurring in respect of Pushpay prior to 8:00 am on the Implementation Date; and
- (f) no Material Adverse Change occurring, is announced or is discovered prior to 8:00 am on the Implementation Date.

The Conditions referred to in paragraphs (e) and (f) above are for the benefit of the Bidder and may only be waived by the Bidder. The Condition referred to in paragraph (d) is for the benefit of the Bidder and Pushpay and may be waived by agreement between the Bidder and Pushpay. The other Conditions cannot be waived.

See Section 6.2 for further details in relation to the Condition relating to the Independent Adviser's valuation range for the Pushpay Shares.

10.3 Date for Satisfaction of Conditions

The last date by which the Conditions referred to in Sections 10.2(a) to 10.2(c) must be satisfied is the Condition Satisfaction Date (being 18 May 2022, the date that is seven Business Days before the End Date, unless otherwise agreed by the Bidder and Pushpay). The Conditions referred to in Sections 10.2(d) to 10.2(f) must be satisfied at all times before 8:00 am on the Implementation Date.

The Scheme was conditional on any applicable waiting period under the HSR Act (the United States anti-trust legislation) having been expired or terminated. This Condition was satisfied on 14 December 2022.

If any event or change in circumstances occurs that prevents or is reasonably likely to prevent a Condition referred to in Sections 10.2(a) to 10.2(d) being satisfied by the relevant date for satisfaction and that Condition is not waived (to the extent capable of waiver), Pushpay and the Bidder must consult in good faith to determine whether:

- (a) to change the timetable and/or extend the Condition Satisfaction Date; or
- (b) if a change of the timetable would not, in the reasonable opinion of Pushpay and the Bidder, assist with the satisfaction of the relevant Condition, the Scheme may proceed by way of alternative means or methods.

10.4 Recommendation and voting intentions

Pushpay has agreed to ensure that:⁶⁵

- (a) each of its Non-Conflicted Directors recommends that Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal; and

⁶⁵ The Non-Conflicted Directors may change their recommendation if there is a Superior Proposal prior to the Scheme Meeting which the Bidder does not match in accordance with the matching rights set out in the Scheme Implementation Agreement. In addition, your Non-Conflicted Directors reserve the right to change their recommendation or vote against the Scheme if, prior to the 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.

- (b) each Non-Conflicted Director who holds or controls Pushpay Shares undertakes to vote, or to procure that the relevant holder of the Pushpay Shares votes, all of the Pushpay Shares that he or she holds or controls in favour of the Scheme, in the absence of a Superior Proposal.

10.5 Exclusivity

The Scheme Implementation Agreement contains certain exclusivity arrangements in favour of the Bidder. These arrangements apply until the earliest to occur of (i) the termination of the Scheme Implementation Agreement; (ii) a Superior Proposal is not matched by the Bidder; (iii) the End Date; and (iv) the Implementation Date (the “**Exclusivity Period**”).

In summary, Pushpay has granted the Bidder the following exclusivity rights during the Exclusivity Period:

- (a) **No Shop:** Pushpay must not, and must procure its representatives do not, solicit, invite, encourage, initiate or otherwise seek to procure any Competing Proposal or any offer, proposal, expression of interest, enquiry, negotiation or discussion with any third party that may reasonably be expected to encourage or lead to a Competing Proposal, or assist, encourage, procure or induce any person to do any of these things on its behalf;
- (b) **No Talk:** Pushpay must not, and must procure its representatives do not, enter into, permit, continue or participate in negotiations or discussions in relation to a Competing Proposal, or for the purpose of or which may reasonably be expected to encourage or lead to a Competing Proposal, or assist, encourage, procure or induce any person to do any of these things on its behalf;
- (c) **No Due Diligence:** Pushpay must not, and must procure its representatives do not, make available to a third party or cause or permit a third party to receive any non-public information relating to Pushpay or its Related Companies that may reasonably be expected to assist a third party in formulating, developing or finalising a Competing Proposal, or assist, encourage, procure or induce any person to do any of these things on its behalf;
- (d) **Notification:** if Pushpay or any of its representatives receives a Competing Proposal, or any inquiry from a third party to initiate any discussions or negotiations that could reasonably be expected to lead to a Competing Proposal or any request for Pushpay to take any action that is referred to in the ‘No Talk’ or ‘No Due Diligence’ provisions (as described above), Pushpay must notify the Bidder as soon as practicable and in any event within 48 hours. Such notice is to contain material details of the relevant approach; and
- (e) **Matching Right:** if Pushpay receives a Competing Proposal which the Pushpay Board concludes is a Superior Proposal and failing to take a certain action otherwise prohibited under the Scheme Implementation Agreement would constitute a breach of the fiduciary duties or statutory obligations of any Non-Conflicted Director, Pushpay must give the Bidder five Business Days to provide a counterproposal on terms that will provide a no less favourable outcome, taken as a whole, for Shareholders compared to the terms and conditions offered under the relevant Superior Proposal. If the Bidder provides a counterproposal and Pushpay considers, in good faith, that the terms and conditions of the counterproposal (taken as a whole) are less favourable to Shareholders than those in the relevant Superior Proposal, Pushpay must consult with the Bidder as to the relative merits of the Bidder’s proposal and the Superior Proposal.

If the Bidder does not exercise its matching rights or if Pushpay, having complied with obligations under the exclusivity provisions, does not accept a Bidder counterproposal, then the Exclusivity Period ends. Either the Bidder or Pushpay may then terminate the Scheme Implementation Agreement and, if this occurs, Pushpay must pay the Break Fee to the Bidder. See Section 5.8(d) for further detail in relation to the other circumstances where the Break Fee may be payable by Pushpay.

10.6 ‘Fiduciary out’ exception to exclusivity

Pushpay is not required to comply with its ‘No Talk’ and ‘No Due Diligence’ obligations (as described above) if it receives an unsolicited bona fide Competing Proposal, provided that:

- (a) the Board, having considered external legal and financial advice, determines that the Competing Proposal is, or is reasonably likely to become, a Superior Proposal; and
- (b) the Board, acting in good faith and having considered external legal advice, determines that it is necessary

to respond to such Competing Proposal in order to fulfil the fiduciary duties or statutory obligations of any member of the Board, and

in the case of the 'No Due Diligence' obligations, in addition to the above, provided that:

- (c) Pushpay has entered into a confidentiality agreement with the third party on terms Pushpay reasonably considers (acting in good faith) to be no more favourable in any material respect to the third party than those entered by Pushpay with Sixth Street and BGH Capital prior to disclosing any non-public information to the third party; and
- (d) any material non-public information provided to the third party is provided to the Bidder at the same time as it is provided to the third party or promptly thereafter.

10.7 Break Fee, Reverse Break Fee and limitation of liability

Details of the Break Fee, Reverse Break Fee and the Bidder and Pushpay's limitation of liability arrangements are set out in Sections 5.8(d), 5.8(e) and 5.8(f).

Payment of the Break Fee and Reverse Break Fee are intended to reimburse the other party for costs and expenses incurred in pursuing the Scheme.

10.8 Termination rights

Except as set out below, either Pushpay or the Bidder or both (depending on the circumstance) may terminate the Scheme Implementation Agreement if a Condition described in Section 10.2 of this Scheme Booklet is not satisfied or waived (to the extent capable of waiver) by the date prescribed for satisfaction (as set out in Section 10.3).

In addition, either Pushpay or the Bidder may terminate the Scheme Implementation Agreement at any time if:

- (a) the other party is in breach of the Scheme Implementation Agreement (including in breach of a warranty given by that party) where the consequences of that breach are material in the context of the Scheme taken as a whole (other than, in respect of a breach by Pushpay, a breach of certain fundamental Pushpay warranties); and
- (b) the non-breaching party has delivered notice of the breach and of the non-breaching party's intention to terminate the Scheme Implementation Agreement to the breaching party and:
 - (i) if the breach is capable of being remedied, it has not been remedied to the non-breaching party's reasonable satisfaction within 15 Business Days (or any shorter period ending at 5:00 pm on the day prior to the Implementation Date) from the time notice of the breach has been delivered; and
 - (ii) the non-breaching party terminates the Scheme Implementation Agreement before the earlier to occur of 30 Business Days after the time that the notice of the breach has been delivered and 8:00 am on the Implementation Date.

Pushpay may terminate the Scheme Implementation Agreement by notice to the Bidder at any time before the Scheme Meeting if the Independent Adviser's Report (including any amendment or supplement to that report) concludes that the Consideration is not within or above the Independent Adviser's valuation range for the Pushpay Shares.

Either the Bidder or Pushpay may terminate the Scheme Implementation Agreement if Pushpay has received a Superior Proposal from a third party that the Bidder has not successfully matched.

The Bidder may also terminate the Scheme Implementation Agreement if:

- (a) any Pushpay Director changes, qualifies or withdraws, or makes any statement inconsistent with his or her recommendation to Shareholders to vote in favour of the Scheme or his or her undertaking to, or to procure, Pushpay Shares held or controlled by them are voted in favour of the Scheme (provided that notice must be given by the Bidder to Pushpay in the manner described in paragraph (b) above);
- (b) Pushpay enters into a definitive agreement to implement a Competing Proposal;

- (c) a Prescribed Occurrence occurs before 8:00 am on the Implementation Date, provided that, where the purported termination is due to any action, claim, litigation, arbitration or prosecution by a third party against or involving a member of the Pushpay Group, the Bidder may only terminate:
 - (i) after the Bidder and Pushpay have consulted in good faith for at least 20 Business Days (or, if shorter, until 5:00 pm on the day prior to the Implementation Date); and
 - (ii) if the Bidder considers, acting in good faith and after taking into account specific factors and having taken legal advice from external legal advisers with relevant specialist expertise, that the relevant Prescribed Occurrence has occurred; or
- (d) a Material Adverse Change occurs, is announced or is discovered before 8:00 am on the Implementation Date, after the Bidder and Pushpay have complied with their obligations to provide notice and information to, and consult with, each other related to the Material Adverse Change event, including regarding the appropriate method of calculating the adverse financial consequences of the Material Adverse Change.

Either the Bidder or Pushpay may terminate the Scheme Implementation Agreement if the Scheme has not become Effective by 5:00 pm on the End Date, provided the terminating party has complied with its obligations where there has been a delay in satisfaction of a Condition.

10.9 Financing

The Bidder has warranted that, as at 28 October 2022, the Bidder had a reasonable basis to expect that it will have available to it by 8:00 am on the Implementation Date sufficient cash amounts (whether from internal cash reserves or external funding arrangements, including equity and debt financing or a combination of both) to satisfy its obligations to pay the Consideration in accordance with the Scheme Plan and the Deed Poll.

The Bidder is required to use reasonable endeavours to obtain, maintain, satisfy conditions to, and drawdown on financing (including both equity and debt financing) commitments and must also use reasonable endeavours to obtain alternative debt financing if the Bidder's existing debt financing commitments are withdrawn. Pushpay has a right to require the Bidder to enforce its equity commitment letters (including by requiring the Bidder to seek specific performance of those letters).

10.10 Interim period covenants

The Scheme Implementation Agreement includes a number of obligations on Pushpay with regard to the ongoing operation of its business in respect of the period between signing of the Scheme Implementation Agreement (28 October 2022) and the implementation of the Scheme. These positive and negative obligations are generally designed to enable Pushpay to continue to run its business in the normal course, while also recognising that it is appropriate for certain material actions to require the Bidder's prior approval, given the potential change of ownership of Pushpay under the Scheme.

A full copy of the Scheme Implementation Agreement is available at Pushpay's website www.pushpay.com. In addition, it was released to ASX on 28 October 2022 and NZX on 31 October 2022. You can access information released by Pushpay to NZX and ASX, respectively, at www.nzx.com (under the NZX code: PPH) and www2.asx.com.au (under the ASX code: PPH).

Section 11. Glossary

The meaning of terms set out in this Scheme Booklet are set out below:

associate	has the same meaning as in rule 4 of the Takeovers Code
BGH Capital	BGH Capital Pty Ltd (ABN 59 617 386 982) in its capacity as manager or adviser of the BGH Capital private equity funds
BGH Capital Voting Deed Poll	means the voting deed poll entered into by BGH Capital and Oceania in favour of the Takeovers Panel and Pushpay dated 15 November 2022 and which is described in Section 8.7 of this Scheme Booklet
Bidder	means Pegasus Bidco Limited (NZCN 8495448)
Bidder Group	means the Bidder and each of its Related Companies (but excluding members of the Pushpay Group), and a reference to a “Bidder Group Member” or “a member of the Bidder Group” is to the Bidder or any of its Related Companies
Bidder Information	means such information regarding the Bidder Group that is provided or approved by the Bidder Group for inclusion in Sections 7 and 8 or in any supplementary information for Shareholders
Break Fee	means NZ\$15,300,000 (including GST, if any)
Business Day	means any day (other than a Saturday, Sunday or a public holiday) on which banks are open for general banking business in Auckland, New Zealand; Melbourne, Australia; and Los Angeles, California, United States of America and excluding the period between 24 December 2022 and 3 January 2023 (both dates inclusive)
Companies Act	means the Companies Act 1993 (New Zealand)
Competing Proposal	means any proposed: <ul style="list-style-type: none"> (a) full or partial takeover under the Takeovers Code in respect of Pushpay; (b) scheme of arrangement for the acquisition of all or a majority of the Pushpay Shares; (c) transfer or issue of financial products of Pushpay to a third party: <ul style="list-style-type: none"> (i) where Shareholder approval is required under the Takeovers Code; or (ii) in respect of financial products which are convertible into, or exchangeable for, Pushpay Shares, where Shareholder approval would be required under the Takeovers Code on conversion or exchange of those financial products; (d) sale of assets or financial products of any Pushpay Group member to any third party, where such sale constitutes a material part of the Pushpay Group’s business (and, for clarity will not include any sale, disposal of assets or winding up in relation to any business, division, subsidiary or other interest of the Pushpay Group having a value of less than NZ\$150 million); or (e) reverse takeover, sale of securities, strategic alliance, joint venture, partnership, economic or synthetic merger or combination or other transaction or arrangement which, if completed, would result in a third party: <ul style="list-style-type: none"> (i) directly or indirectly having or being entitled to have a relevant interest in, or any other direct or indirect legal, beneficial or economic interest in, or control over, more than 20% of the: <ul style="list-style-type: none"> (A) Shares; or (B) shares in any other member or members of the Pushpay Group that, individually or collectively, contribute 20% or more of the consolidated Underlying EBITDAF of the Pushpay Group; (ii) directly or indirectly acquiring, or being entitled to acquire, the whole or substantially all of the business or assets of the Pushpay Group or any part of the business or assets of the Pushpay Group that, individually or collectively, contributes 20% or more of the consolidated Underlying EBITDAF of the Pushpay Group or that represents 20% or more of the total consolidated assets of the Pushpay Group; or

Competing Proposal cont.	<p>(iii) acquiring control of Pushpay or merging or amalgamating with Pushpay or with any other member or members of the Pushpay Group that, individually or collectively, contribute 20% or more of the consolidated Underlying EBITDAF of the Pushpay Group or whose assets represent 20% or more of the total consolidated assets of the Pushpay Group,</p> <p>or which would otherwise require Pushpay to abandon, or otherwise fail to proceed with, the implementation of the Scheme, and for the purposes of this definition of “Competing Proposal”;</p> <p>(f) any such proposal may be indicative, conditional or otherwise non-binding;</p> <p>(g) paragraphs (c), (d) and (e) above include any agreement (within the meaning of section 6 of the Financial Markets Conduct Act 2013) whereby such a transaction is implemented through a series of linked or related transactions which if conducted as a single transaction would constitute a Competing Proposal within the meaning of paragraphs (c), (d) or (e);</p> <p>(h) third party shall mean a third party together with its associates; and</p> <p>(i) each successive material modification to or variation of a Competing Proposal will constitute a new Competing Proposal</p>
Condition Satisfaction Date	means the date that is seven Business Days prior to the End Date or any other date agreed in writing by Pushpay and the Bidder
Conditions	means the conditions to the Scheme set out in clause 3.1 of the Scheme Implementation Agreement, including as summarised in Section 6.2 of this Scheme Booklet
Consideration	means NZ\$1.34 cash in respect of each Scheme Share
Deed Poll	means the deed poll dated 15 November 2022 entered into by the Bidder pursuant to which the Bidder has undertaken in favour of each Scheme Shareholder to pay each Scheme Shareholder the Consideration to which they are entitled under the Scheme, subject to the Scheme becoming Effective among other matters, attached as Annexure C
Director	means a director of Pushpay
Disclosure Letter	means the disclosure letter from Pushpay addressed to, and countersigned by, the Bidder dated 28 October 2022 and which is described in Section 8.9 of this Scheme Booklet
Effective	when used in relation to the Scheme, means the coming into effect, under section 236(3) of the Companies Act, of the order of the High Court made under section 236(1) of the Companies Act in relation to the Scheme and all Conditions to the implementation of the Scheme having been satisfied or waived (to the extent capable of waiver) in accordance with the Scheme Implementation Agreement and the Scheme
End Date	means 30 May 2023, or such other date as agreed in writing between Pushpay and the Bidder
Escrow Agreement	means the escrow agreement to be entered into between Pushpay, the Bidder and Link in the form set out in Schedule Seven to the Scheme Implementation Agreement and which is described in Section 8.9 of this Scheme Booklet
Excluded Shares	means: <ul style="list-style-type: none"> (a) the Pushpay Shares held by associates of Sixth Street and BGH Capital as set out in Section 8.5 (unless otherwise agreed in writing by Pushpay and the Bidder not less than two Business Days prior to the Scheme Record Date); and (b) any other Pushpay Shares nominated in writing by the Bidder to Pushpay not less than two Business Days prior to the Scheme Record Date which are held or controlled by the Bidder or any of its associates at 7:00 pm on the Scheme Record Date
Exclusivity Period	has the meaning given to that term in Section 10.5
Final Court Hearing	means the final hearing of the High Court in respect of the Scheme, which is currently expected to take place at 10:00 am on 17 March 2023 or such later date as the High Court directs
Final Orders	means the final orders of the High Court in respect of the Scheme made under section 236(1) (and section 237, if applicable) of the Companies Act
Final Orders Date	means the date on which Final Orders are granted by the High Court
FY23	means, with respect to Pushpay, the 52-week period ending 31 March 2023

FY24	means, with respect to Pushpay, the 52-week period ending 31 March 2024
High Court	means the High Court of New Zealand, Auckland Registry
HSR Act	U.S. Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder
HSR Condition	means the expiration or termination of any applicable waiting periods under the HSR Act as set out in clause 3.1(b) of the Scheme Implementation Agreement
Implementation Date	means the date on which the Scheme is to be implemented, being a date (determined by the Bidder) which is between three and 10 Business Days after the Scheme Record Date (or such other date agreed between Pushpay and the Bidder in writing) and no later than the End Date
Independent Adviser or Grant Samuel	Grant Samuel & Associates Limited
Independent Committee	means the committee of the Pushpay Board constituted in response to the receipt of non-binding indicative expressions of interest
Initial Orders	means the initial court orders of the High Court relating to the Scheme dated 2 February 2023
Link	means Link Market Services Limited, Pushpay’s share registrar
MAC Assessment Periods	means the following periods: FY23, FY24 and, if a Specified Event (see the definition of “Material Adverse Change” below) occurs, is announced or is discovered after 31 March 2023 and before 8:00 am on the Implementation Date, the 12-month period commencing on the date of the Specified Event
Material Adverse Change	<p>means any matter, event, or change in circumstances, which occurs, is announced or is discovered on or after 28 October 2022 (each a “Specified Event”) and which individually, or when aggregated with all other Specified Events, reduces or is reasonably likely to reduce the Underlying EBITDAF of the Pushpay Group in any MAC Assessment Period by at least US\$9 million in that MAC Assessment Period against what the Underlying EBITDAF would have reasonably been expected to have been for that MAC Assessment Period but for the Specified Event or Specified Events, determined after excluding:</p> <ul style="list-style-type: none"> (a) any out-of-pocket costs incurred in connection with: <ul style="list-style-type: none"> (i) the Scheme (provided such costs have either been fairly disclosed in the Disclosure Letter or, in relation to costs incurred in relation to the HSR Condition or in relation to enforcing the Scheme Implementation Agreement or the Deed Poll, such costs have been incurred in good faith); or (ii) without limiting paragraph (b)(ii), the Pushpay Group performing certain of its obligations under the Scheme Implementation Agreement; or (iii) the D&O Run-off Policy (as described in Section 8.10 of this Scheme Booklet); (b) matters, events and circumstances: <ul style="list-style-type: none"> (i) to the extent fairly disclosed: <ul style="list-style-type: none"> (A) in the due diligence material made available to the Bidder (other than relating to the actual or anticipated change of control of Pushpay contemplated by the Scheme Implementation Agreement or the matter noted in paragraph 16 of the Disclosure Letter); or (B) by Pushpay through the NZX and ASX market announcement platforms in the 12-month period ending two Business Days before 28 October 2022; (ii) done or not done at the written request or with the written approval of the Bidder, or resulting from compliance with the terms of, or the taking or omission of any action expressly required by, the Scheme Implementation Agreement (including the implementation of the intellectual property internal restructure), and any reasonably foreseeable consequences arising as a result of the relevant action or omission; (iii) resulting from legal or regulatory requirements generally affecting businesses in the industry in which any member of the Pushpay Group operates; (iv) resulting from any change (including globally, in any country or group of countries or in any state in the United States or group of states):

Material Adverse Change cont.

- (A) to generally accepted accounting principles or the interpretation or enforcement of them by a court of competent jurisdiction or government agency;
- (B) to the accounting policies of any member of the Pushpay Group that is required by law;
- (C) in interest rates, exchange rates or general economic conditions (including inflation rates and unemployment rates) or general political conditions; or
- (D) in securities, equity, credit, financial or other capital markets conditions;
- (v) resulting from or relating to geopolitical conditions, the outbreak or escalation of hostilities (including any escalation or expansion of the conflict in Ukraine), any generalised or localised rioting or public unrest, civil disobedience, acts of war and military conditions or activity, sabotage or terrorism (excluding cyberattacks), or any escalation or worsening of any of the foregoing;
- (vi) resulting from any natural disaster (including an earthquake, fire, landslide, volcanic eruption or tidal wave) or weather developments (including a storm, flood, hurricane, tornado, cyclone or lightning) or other comparable natural events; and
- (vii) resulting from the COVID-19 virus and any restrictions on the Pushpay Group’s business or the Pushpay Group imposed or recommended by any government agency or other regulatory authority in connection with the COVID-19 virus, including any worsening or escalation of the COVID-19 virus,

provided that, in relation to the exclusions in paragraphs (iii), (iv) and (v) above (other than changes in exchange rates in paragraph (iv)(C)), the effects of such matter, event or circumstance are not materially disproportionately adverse to the Pushpay Group as compared to the effects of such matter, event or circumstance on entities in the industry in which the relevant member of the Pushpay Group operates

Non-Conflicted Directors	means the Directors other than John Connolly
NZ\$	means New Zealand dollars
NZ Holdco	Pegasus Holdings NZ Limited (NZCN 8495087)
NZX	means NZX Limited
NZX Main Board	means the main board equity security market operated by NZX
Oceania	Oceania Equity Investments Pty Ltd (ACN 655 692 738) as trustee for the Oceania Trust
OIO	means the New Zealand Overseas Investment Office
OIO Condition	means the Condition set out in clause 3.1(a) of the Scheme Implementation Agreement that the Bidder has obtained all consents required under the Overseas Investment Act 2005 and Overseas Investment Regulations 2005 to the implementation of the Scheme on terms or conditions acceptable to the Bidder, acting reasonably

Prescribed Occurrence	means the events or circumstances relating to Pushpay and the Pushpay Group that are listed in Schedule One of the Scheme Implementation Agreement as Prescribed Occurrences (other than an event agreed to by the Bidder in writing), including: <ul style="list-style-type: none"> (a) payment of distributions by the Pushpay Group; (b) changes to the capital structure of any member of the Pushpay Group (including share issues, reclassifications and share buybacks); (c) disposal of all or a substantial part of the Pushpay Group’s assets; (d) changes to constitutions of Pushpay Group members; (e) an unremedied insolvency event affecting any member of the Pushpay Group; (f) amalgamations by members of the Pushpay Group; (g) certain related party transactions or payments to directors, officers or senior employees; (h) amendments to Pushpay’s arrangements with its financial advisers;
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Prescribed Occurrence cont.	(i) any: <ul style="list-style-type: none"> (i) enforcement action, investigation or audit or a material development in relation to any action, investigation or audit or related step taken by a government agency; (ii) decision, determination or ruling by a government agency; or (iii) action, claim, litigation, arbitration or prosecution (including by a government agency) being notified or commenced, against or involving a member of the Pushpay Group which is, or is reasonably likely to be, materially adverse to the Pushpay Group as a whole or in the context of the Scheme
Pushpay	means Pushpay Holdings Limited or, where the context requires, the Pushpay Group
Pushpay Board or Board	means the board of directors of Pushpay
Pushpay Group	means Pushpay and each of its Related Companies, and a reference to a “Pushpay Group Member” or “a member of the Pushpay Group” is to Pushpay or any of its Related Companies
Pushpay Share	means a fully paid ordinary share in the capital of Pushpay
Pushpay Share Incentive Plan	means the Pushpay Holdings Limited 2016 Share Incentive Plan
Related Company	has the meaning set out in section 2(3) of the Companies Act read as if a reference to a “company” was a reference to a body corporate wherever incorporated
Reverse Break Fee	means NZ\$15,300,000 (including GST, if any)
Scheme	means the scheme of arrangement under Part 15 of the New Zealand Companies Act under which all of the Scheme Shares held by Scheme Shareholders will be transferred to the Bidder and the Scheme Shareholders will be entitled to be paid the Consideration, in accordance with the Scheme Plan, subject to any amendment or modification made pursuant to section 236(2) of the Companies Act
Scheme Booklet	means this document together with its annexures
Scheme Implementation Agreement	means the scheme implementation agreement between Pushpay and the Bidder dated 28 October 2022 (as it may be amended from time to time), a summary of which is set out in Sections 6 and 10 of this Scheme Booklet
Scheme Meeting	means the meeting of Shareholders ordered by the High Court to be convened to approve the Scheme (and includes any adjournment of that meeting)
Scheme Plan	means the Scheme Plan set out in Annexure B, subject to: <ul style="list-style-type: none"> (a) any amendments agreed in writing between Pushpay and the Bidder; (b) the exercise by the Bidder of its right to delete or amend clauses 4.1(c) to 4.1(g) of the Scheme Plan (which relate to transfers of Excluded Shares held by associates of the Bidder, Sixth Street and BGH Capital); and (c) approval by the High Court under section 236(1) of the Companies Act
Scheme Record Date	means 7:00 pm on the date which is four Business Days after the later of: (a) the Final Orders Date; and (b) the date on which the OIO Condition is satisfied
Scheme Resolution	means the resolution set out in the Notice of Meeting in Section 4 of this Scheme Booklet
Scheme Shares	means all of the Pushpay Shares on issue as at the Scheme Record Date other than the Excluded Shares
Scheme Shareholder	means each person who is a holder of Scheme Shares at the Scheme Record Date
Senior Manager	means Molly Matthews, Chief Executive Officer and Michael Song, Interim Chief Financial Officer, being the persons that the Board has determined are senior managers for the purposes of the disclosures contained in this Scheme Booklet
Shareholder	means each person registered in the Share Register as a holder of Pushpay Shares from time to time
Share Register	means the share register of Pushpay, maintained by Link in accordance with the Companies Act
Sixth Street	means Sixth Street Partners, LLC

Sixth Street and BGH Capital Consortium	means the shareholder consortium comprising the Sixth Street Entities and funds that are managed or advised by BGH Capital
Sixth Street Entities	means: <ul style="list-style-type: none"> (a) Schrassig Fundamental S.à r.l.; (b) Consdorf Adjacent Holdco S.à r.l.; (c) Berdorf S.à r.l.; and (d) Bertrange S.à r.l.
Sixth Street Voting Deed Poll	means the voting deed poll entered into by the Sixth Street Entities in favour of the Takeovers Panel and Pushpay dated 15 November 2022 and which is described in Section 8.7 of this Scheme Booklet
Superior Proposal	means a written bona fide Competing Proposal received by Pushpay after 28 October 2022 that: <ul style="list-style-type: none"> (a) does not result from a breach by Pushpay of any of its exclusivity obligations under the Scheme Implementation Agreement, or from any act by a member of the Pushpay Group or its representatives which, if done by Pushpay, would constitute a breach of those exclusivity obligations by Pushpay; and (b) the Board determines, acting in good faith and after having received written advice from its external financial and legal advisers: <ul style="list-style-type: none"> (i) is reasonably capable of being valued and implemented, taking into account all aspects of the Competing Proposal, including its conditions precedent, timing considerations, the identity and financial condition and capacity of the proponent and any other matters affecting the probability of the Competing Proposal being completed in accordance with its terms; (ii) would, if completed substantially in accordance with its terms, result in a transaction that would be more favourable to Shareholders (as a whole) than the Scheme (if applicable, as amended or varied under any counter proposal provided by the Bidder under the matching rights provisions under the Scheme Implementation Agreement), taking into account all the terms and conditions of the Competing Proposal (including consideration, form of consideration, conditionality, funding, certainty and timing) and the Scheme and any other matters affecting the probability of the Competing Proposal being completed in accordance with its terms; and (iii) that failing to attempt to advance such Competing Proposal would constitute a breach of the fiduciary duties or statutory obligations by or of a Director
Takeovers Code	means the Takeovers Code recorded in the Takeovers Regulations 2000 (SR2000/210) (New Zealand), as amended, including any applicable exemption granted by the Takeovers Panel
Trading Halt Date	means the date which is two Business Days after the later of: <ul style="list-style-type: none"> (a) the Final Orders Date; and (b) the date on which the OIO Condition is satisfied, or such other date as Pushpay and the Bidder agree in writing
Underlying EBITDAF	means the consolidated earnings before interest, tax, depreciation (including gains/(losses) on sale of fixed assets), amortisation, foreign currency gains/(losses), and impairments of the Pushpay Group, excluding (where relevant) certain agreed costs and expenses and in each case calculated using the same practices, accounting policies and methodologies that the Pushpay Group used in the preparation of the Underlying EBITDAF guidance provided by Pushpay to NZX and ASX on 15 March 2022
Voting Deed Polls	means: <ul style="list-style-type: none"> (a) the BGH Capital Voting Deed Poll; and (b) the Sixth Street Voting Deed Poll, described in Section 8.7 of this Scheme Booklet and “ Voting Deed Poll ” means either of them, as the case requires
Voting Eligibility Date	means the time for determining eligibility to vote at the Scheme Meeting, being 7:00 pm on 1 March 2023 (NZT) or, if the Scheme Meeting is adjourned, being 7:00 pm (NZT) on the day which is two days before the adjourned meeting time for the Scheme Meeting
Voting/Proxy Form	means the voting and proxy form which accompanies this Scheme Booklet

Appendix 1. Trading in Pushpay equity securities by holders or controllers of 5% or more of Pushpay equity securities

Aggregate number of Pushpay equity securities acquired or disposed of	Week commencing of acquisition or disposal	Consideration or weighted consideration per Pushpay equity security (NZ\$)	Designation of Pushpay equity securities	Acquisition or disposal
Brown Capital Management, LLC				
330,318	25 July 2022	NZ\$0.77	Ordinary Shares	Disposal
32,146	25 July 2022	NZ\$0.80	Ordinary Shares	Acquisition
1,362,605	15 August 2022	NZ\$0.82	Ordinary Shares	Acquisition
897,012	22 August 2022	NZ\$0.82	Ordinary Shares	Acquisition
1,964,884	29 August 2022	NZ\$0.78	Ordinary Shares	Acquisition
105,338	5 September 2022	NZ\$0.76	Ordinary Shares	Acquisition
291,407	12 September 2022	NZ\$0.77	Ordinary Shares	Acquisition
Accident Compensation Corporation				
1,699,094	25 July 2022	NZ\$1.25	Ordinary Shares	Acquisition
40,000	1 August 2022	NZ\$1.30	Ordinary Shares	Disposal
39,933	8 August 2022	NZ\$1.26	Ordinary Shares	Acquisition
1,243,808	15 August 2022	NZ\$1.26	Ordinary Shares	Acquisition
242,297	22 August 2022	NZ\$1.27	Ordinary Shares	Acquisition
333,758	22 August 2022	NZ\$1.33	Ordinary Shares	Disposal
414,318	29 August 2022	NZ\$1.26	Ordinary Shares	Acquisition
1,025,955	5 September 2022	NZ\$1.25	Ordinary Shares	Acquisition
4,322,160	12 September 2022	NZ\$1.13	Ordinary Shares	Acquisition
267,355	19 September 2022	NZ\$1.10	Ordinary Shares	Acquisition
1,350,000	26 September 2022	NZ\$1.09	Ordinary Shares	Acquisition
1,032,825	3 October 2022	NZ\$1.13	Ordinary Shares	Acquisition
553,582	10 October 2022	NZ\$1.20	Ordinary Shares	Disposal
601,379	17 October 2022	NZ\$1.16	Ordinary Shares	Acquisition
50,000	24 October 2022	NZ\$1.19	Ordinary Shares	Disposal

The information in the above table was provided in substantial product holder notices released to NZX or on behalf of the named persons in response to questionnaires circulated by Pushpay after the entry into of the Scheme Implementation Agreement and is stated as at 27 January 2023 (being the last practicable date before the date of this Scheme Booklet).

Annexure A. Independent Adviser’s Report



INDEPENDENT REPORT IN RELATION TO THE SCHEME OF ARRANGEMENT FOR THE ACQUISITION OF ALL OF THE SHARES IN PUSHPAY HOLDINGS LIMITED

Grant Samuel confirms that it:

- has no conflict of interest that could affect its ability to provide an unbiased report; and
- has no direct or indirect pecuniary or other interest in the proposed transaction considered in this report, including any success or contingency fee or remuneration, other than to receive the cash fee for providing this report.

Grant Samuel has satisfied the Takeovers Panel, on the basis of the material provided to the Takeovers Panel, that it is independent under the Takeovers Code for the purposes of preparing this report.

GRANT SAMUEL & ASSOCIATES LIMITED
DECEMBER 2022

Proposed Acquisition of Pushpay Holdings Limited

1 Introduction

On 28 October 2022 Pushpay Holdings Limited (**Pushpay or the Company**) announced that it had entered into a Scheme Implementation Agreement (**SIA**) with Pegasus Bidco Limited (**Pegasus Bidco**) to acquire 100% of the issued capital of Pushpay for a cash consideration of NZ\$1.34 per share (the **Scheme**).¹ At implementation of the Scheme, Pegasus Bidco will be ultimately owned by entities associated with BGH Capital Pty Limited (**BGH Capital**) and Sixth Street Partners, LLC (**Sixth Street**) (together, the **Consortium**). The proposed Scheme is subject to several key conditions that are set out in the SIA, including the approval of Pushpay shareholders.

The Scheme is to be implemented through a scheme of arrangement under the Companies Act 1993 (**Companies Act**) between Pegasus Bidco and Pushpay's shareholders. The Directors of Pushpay have engaged Grant Samuel & Associates Limited (**Grant Samuel**) to prepare an Independent Adviser's Report on the merits of the Scheme. This executive summary contains a summary of Grant Samuel's main conclusions in relation to the merits of the Scheme and its assessment of the price being offered to Pushpay's shareholders.

2 Key Conclusions

- **The outcome of the Scheme is binary.**

Pushpay shareholders are being asked to vote to approve or reject the implementation of the Scheme. For the Scheme to be approved, more than 50% of the total number of voting securities in Pushpay must be voted in favour of the Scheme and a majority of at least 75% of the total votes cast in each interest class must be in favour of the resolution. Grant Samuel understands there are likely to be two interest classes in respect to the Scheme. The two interest classes are:

- 1) interests associated with Sixth Street and BGH Capital;² and
- 2) the remaining shareholders not associated with Sixth Street and BGH Capital.

If the shareholding voting thresholds are satisfied, the High Court approves the Scheme, the other conditions (including obtaining Overseas Investment Office (**OIO**) consent) are satisfied or waived (to the extent capable of waiver) and the SIA is not otherwise terminated, the Scheme will proceed and all the shares in Pushpay will be acquired by Pegasus Bidco. If this occurs, all shareholders (other than those associated with Sixth Street and BGH Capital) will be paid NZ\$1.34 per share. The possible outcomes of the Scheme are a function of Pushpay shareholders' endorsement (or not) of the Scheme construct and are summarised below:

- **The voting thresholds to approve the Scheme are not achieved.**

If either of the voting thresholds (being the 50% and 75% thresholds described above) to approve the Scheme are not achieved, the Scheme will not proceed, and no shares in Pushpay will be acquired by Pegasus Bidco. Pushpay will remain a listed company and will have no further obligation to Pegasus Bidco. No break fees will be payable by either Pushpay or Pegasus Bidco unless one of break fee triggers described in the Scheme Booklet has occurred.

¹ Under the Scheme (as contemplated on the date of this report), Pegasus Bidco will acquire the Pushpay shares held by associates of the Consortium, but will not pay NZ\$1.34 for those shares.

² Those interests associated with BGH Capital and the Sixth Street Entities and any persons which hold Pushpay shares on their behalf.

- **The voting thresholds to approve the Scheme are achieved.**

If the voting thresholds to approve the Scheme are achieved, all other conditions are satisfied or waived (to the extent capable of waiver) and the SIA is not otherwise terminated, the Scheme will be implemented. In that circumstance all shareholders in Pushpay will have their shares acquired at NZ\$1.34 per share.³ Voting in favour of the Scheme will only realise cash for Pushpay shareholders if the voting thresholds are achieved, the other conditions are satisfied, and the transaction is therefore implemented. If the transaction is implemented Pushpay will be delisted from the NZX/ASX.

The outcome of the shareholder vote on the Scheme is binary – either the voting thresholds are achieved in which case the Scheme will be effected in its entirety (provided all other conditions are satisfied or waived (to the extent capable of waiver) and the SIA is not otherwise terminated), or the voting thresholds are not achieved in which case the Scheme will not be implemented. It is important that shareholders exercise their right to vote for or against the Scheme.

- **Grant Samuel has valued the equity in Pushpay in the range US\$0.93 billion to US\$1.07 billion or NZ\$1.33 to NZ\$1.53 per share.⁴**
 - The Scheme price of NZ\$1.34 per share is within Grant Samuel’s assessed value range for Pushpay shares, albeit at the low end. In Grant Samuel’s opinion the full underlying value of Pushpay shares is in the range of NZ\$1.33 to NZ\$1.53 per share. This value represents the value of 100% of the equity in Pushpay and therefore includes a premium for control.
 - Pushpay has been valued in US dollars on a per share basis and converted at a rate of 0.61 US\$ to NZ\$. The selected foreign exchange rate is relatively consistent with the consensus forecasts, forward rates and the six month average. Grant Samuel has used forecast and forward rates to 31 March 2023 to assess an appropriate exchange rate as this aligns with an estimated implementation date if the Proposed Scheme is approved.
- **Pushpay shareholders will receive a traditional premium for control.**
 - The Scheme represents a premium of 30.1% relative to the undisturbed closing share price of NZ\$1.03 per share on 22 April 2022 being the last trading day prior to the initial announcement of the receipt of expressions of interest for the acquisition of Pushpay. The Scheme also represents a premium of 24.1% over the volume weighted average share price (**VWAP**) over the 30 trading days prior to 22 April 2022 of NZ\$1.08 per share. The premium for control is consistent with the premium of control generally observed in successful takeovers of other listed companies in New Zealand. A considerable amount of time has passed from the announcement of the receipt of non-binding expressions of interest on 26 April 2022 to the date the SIA was signed on 28 October 2022. During this period Pushpay has publicly disclosed lower earnings guidance and the internal sale of Intellectual Property (**IP**), the share market has been volatile and there have been various announcements as well as media speculation in regard to the potential divestment process. These factors make the assessment of market premiums challenging.
 - On 28 October 2022, the day the Scheme was agreed Pushpay was placed in a trading halt before the New Zealand Stock Exchange (**NZX**) market opening. The closing share price on the previous trading day was NZ\$1.19 per share. The offer price of NZ\$1.34 per share represents a 12.6% premium to the 27 October 2022 share price. The VWAP over the 30 trading days prior to 28 October 2022 was NZ\$1.14 per share. The Scheme price of NZ\$1.34 represents a 17.5% premium to this 30 day VWAP. Due to the known expressions of interest and speculation as to whether a transaction

³ Other than associates of the Consortium, which will not receive NZ\$1.34 for their Pushpay shares.

⁴ Pushpay has been valued in US dollars on a per share basis. This per share value has been converted at an exchange rate of \$0.61 NZ\$/US\$ to obtain the New Zealand share pricing for Pushpay.

was to occur it is likely that the share price prior to the announcement on 28 October 2022 included a takeover premium.

▪ **The likelihood of competing proposals is low.**

- Grant Samuel understands that Pushpay did not solicit the approach from the Consortium but did undertake a competitive process once it had received expressions of interest. The Scheme represents the outcome of a strategic consideration of options by, and a comprehensive process run by Goldman Sachs on behalf of, the Non-Conflicted Directors.⁵ Interest in Pushpay was solicited from a wide range of industry and financial market participants. There has been an active expression of interest and bidding process.
- Pushpay is subject to an exclusivity period with Pegasus Bidco from 28 October 2022 until:
 - The end date, being 30 May 2022 (unless extended by agreement between Pushpay and Pegasus Bidco); or
 - the Scheme is terminated or implemented; or
 - a superior competing proposal is received and accepted by Pushpay's Non-Conflicted Directors (and Pegasus Bidco has not subsequently matched or provided a better proposal).

Pushpay is only able to address a competing proposal if the Non-Conflicted Directors have determined that the competing proposal is or is reasonably likely to become a superior proposal and that it is necessary to respond to such a proposal in order to fulfil the fiduciary duties of any director of Pushpay. Before the Non-Conflicted Directors can agree to implement a superior proposal, they must first offer Pegasus Bidco an opportunity to match it. The process undertaken and the restrictions imposed on Pushpay under the Scheme lower the probability of Pushpay receiving a competing proposal.

- The more time that elapses from the announcement of the Scheme, the less likely a competing proposal will emerge as Pushpay can only provide due diligence materials to bona fide proposals that have not been encouraged, solicited or invited, and that are reasonably likely to become superior to the Pegasus Bidco's proposal. In this regard, Pushpay has advised Grant Samuel that, as at the date of this report, there are no current alternative proposals.
- If the voting thresholds at the Scheme meeting are not achieved, theoretically Pegasus Bidco could elect to increase the price it is prepared to pay for Pushpay shares. Any price increase would require a revised scheme of arrangement proposal and the timetable to be extended to facilitate another shareholder meeting. However, there is no certainty that a revised proposal would be tabled. Unless a competing takeover proposal from another party is anticipated by the market, Pushpay's shares are likely to trade at levels below the Scheme price of NZ\$1.34 per share if the Scheme does not achieve the necessary voting thresholds and does not proceed.

▪ **Any significant delays to the Scheme are potentially detrimental to Pushpay shareholders.**

- The SIA includes restrictions on the payment of dividends. Pushpay has never paid a dividend. As there is a restriction on the payment of dividends under the Scheme the value of the Scheme remains unchanged at NZ\$1.34 per share regardless of when the transaction is ultimately implemented (if it is approved). The restriction on dividends prevents Pushpay's shareholders from sharing in any profits of the company since the announcement of the Scheme. If the Scheme is not implemented, Pushpay will be able to consider paying a dividend. Grant Samuel's valuation assumes

⁵ Pushpay Director John Connolly is a Senior Adviser to Sixth Street. Due to his relationship with Sixth Street, Mr Connolly has not participated in Pushpay's response to the receipt of expressions of interest or the negotiation of the Scheme. Non-Conflicted Directors means the Directors other than Mr Connolly.

the Scheme is implemented on 31 March 2023 and factors in the cash flow that is forecast to be earned since the date the SIA was signed.

- The Scheme is conditional on Pegasus Bidco receiving approval from the OIO. Grant Samuel understands Pushpay's Non-Conflicted Directors have no reason to believe that this consent will not be forthcoming.
- **The support of the larger shareholders, in particular those not associated with the Consortium, is likely to influence the success of the Scheme. If more than 25% of the shares voted by shareholders not associated with the Consortium are against the Scheme the Scheme will not proceed.**
 - Approximately 50% of the issued shares in Pushpay are held or controlled by the top 10 shareholders, including the shares held or controlled by the Consortium.⁶ The support or otherwise of the larger non-Consortium shareholders in relation to the Scheme is likely to be material in determining whether or not Pushpay achieves the voting thresholds.
 - Many takeovers or schemes of arrangement feature lock-up or voting commitment arrangements whereby certain larger shareholders are approached as part of the proposal and agree to accept the offer or vote for the scheme, thereby providing the proposed transaction with momentum and a significant head start, and thereby improving the probability of success. The Scheme does not feature any voting commitment arrangements from shareholders outside the Consortium.⁷ The support or rejection of the larger shareholders (excluding the Consortium) to the proposed transaction will be instrumental to the success of the Scheme.
 - The Consortium is expected to control 20.31% of the shares on issue in Pushpay at the time of the Scheme meeting. For a scheme of arrangement to proceed by a special meeting of shareholders the Scheme needs the following:
 - The support of 75% of the shares voted by interest class to be voted in favour of the Scheme. Grant Samuel understands there are likely to be two interest classes, being interests associated with the Consortium and the remaining shareholders not associated with the Consortium.
 - More than 50% of the total number of voting securities in the Company to be voted in favour of the Scheme.

In relation to the 75% threshold, if more than 25% of the shares voted that are not associated with the Consortium are against the Scheme then the Scheme will not proceed and the status quo will remain in place. For example, if all the shares were voted, this requires 227,573,796⁸ shares to be voted against.

In relation to the 50% threshold, the interests controlled by BGH Capital have agreed to vote 232,052,324 shares in favour of the Scheme, a minimum of 339,121,430 additional votes will need to be cast in favour of the resolution by non-associated shareholders to satisfy the requirement that more than 50% of all shares be voted in favour of the Scheme.

⁶ For this purpose, the term "shareholder" refers to a person who beneficially owns or controls shares, rather than registered shareholders. New Zealand Central Securities Depository Limited holds more than 50% of Pushpay's shares on behalf of various individuals and entities.

⁷ Interests controlled by BGH Capital and the Sixth Street Entities, which are associated entities of the Consortium, have entered into voting deed polls under which they have undertaken to vote in favour of the Scheme. These votes will count towards the 50% voting threshold. However, Interests controlled by BGH Capital and the Sixth Street Entities will vote in a separate interest class to other Pushpay shareholders. Accordingly, their votes will not count towards the 75% voting threshold for the interest class of other Pushpay shareholders.

⁸ The shares on issue at the expected time of voting for or against the Scheme are estimated to be 1,142,347,508. The increase in shares reflects the number of restricted share units that will vest between 1 December 2022 and the date of the Scheme meeting.

- **Pushpay is a strong business with identified growth opportunities.**

A consideration for Pushpay shareholders is whether, in time, an investment in Pushpay will yield a higher value outcome than the Scheme. If Pushpay can deliver on its initiatives and achieve the earnings growth it anticipates in future years, then higher value outcomes may eventuate. Key factors that are relevant to Pushpay delivering this earnings growth include:

- Pushpay has a diversified offering, with over 30% of revenues being on a subscription basis.⁹ Pushpay is considered by many to offer a best in class product, with its all-in-one bundle having few comparable competitors. This has created a barrier to entry for some competitors to take market share.
- Pushpay operates a highly recurring revenue model. Donating is part of both the Catholic and Protestant faiths and is likely to be less discretionary than many other forms of spending. This indicates that Pushpay's processing revenue may have some resistance to changes in economic conditions. However, the economic outlook in the US is currently uncertain and as a consequence there are several market risks. These risks could adversely impact Pushpay's performance and include:
 - lower levels of switching among churches which may make achieving customer growth forecasts challenging in the near term;
 - an increase in price sensitivity, leading to an increase in churn or lower subscription fees;
 - lower growth in processing revenue due to inflationary pressures; and
 - an increase in operating expenses due to inflationary pressures and competitive labour markets.
- US megachurches have been growing in number and size and have been contributing a growing proportion of total church donations over time. Pushpay provides services to 90 of the top 100 largest churches in the US and is one of the dominant providers of solutions to large Protestant churches generally.¹⁰
- Pushpay has significant scale in the US Protestant large/medium church segment and is now using this to enter the Catholic church segment as well as other market segments. Management believes the Company can replicate the growth and scale it has achieved in the Protestant segment in the Catholic segment. The Catholic segment has only recently been entered and represents a significant growth opportunity for the Company. However, there are differences between the Catholic segment and the Protestant segment that may present challenges to Pushpay growing its market share and the initiative remains in the early stages.
- COVID-19 has accelerated digital adoption by churches and this has resulted in a transformational shift to digital donations. Pushpay's Share of Wallet has increased significantly from pre-COVID levels.¹¹ While in person church services have largely resumed in the United States, people are continuing to use platforms such as Pushpay. Pushpay expects its Share of Wallet to continue to grow and digital donations now appear to be a permanent feature of church giving.
- Pushpay has made two acquisitions recently and has integrated these into its platform. The recent acquisitions are of Church Community Builder and Resi Media. These acquisitions account for a large majority of Pushpay's unique customer growth over the last three financial years. Both of

⁹ Based on Pushpay's FY22 revenue.

¹⁰ Based on Outreach Magazine's 100 largest churches in America in 2021.

¹¹ Share of wallet means the proportion of a church's total giving that is processed through the Pushpay platform.

these have broadened Pushpay's offering, have allowed the Company to obtain scale and are expected to generate further cross selling opportunities.

- One of the key drivers of value is customer growth. Organic growth from new donor management customers has slowed in the last four years. Pushpay's future revenue growth is highly dependent on the successful execution of its revised go to market strategy. This strategy is focused on driving net new customer sales in the medium to large customer segments and expanding into the Catholic segment. The development of a tailored product for small churches, with a self service functionality, is key to Pushpay obtaining market share in this segment in a cost effective way. This is also one of the drivers of future earnings growth. Pushpay's management forecast to 31 March 2027 assumes customer numbers grow by 84% over a four year period (by over 12,000 new customers). Based on the low level of organic growth achieved in the last two years, (i.e. growth not achieved by acquisitions) Grant Samuel believes that management forecasts appear to be optimistic and has run scenario and sensitivity analysis to assess a variation to the management forecasts (see Section 5.3.2 for more detail).
- Pushpay first achieved positive free cash flow in FY20 and over the last two years its free cash flow (before acquisitions) has grown materially due to economies of scale and continued sales growth and has benefitted from the COVID environment when physical church attendance was disrupted. Pushpay is expecting to generate increasing free cash flow as it has now reached sufficient scale, it has high EBITDA margins, minimal working capital requirements and a relatively low level of capital expenditure.
- Pushpay has recently revised its FY23 guidance down and noted the execution risks of delivering its strategy over time. The Company has also extended the timeline to achieve its earlier medium-term targets of US\$10 billion processing volume and 20,000 unique customers by 2025 by 12-18 months on the basis that current trends improve. If the current trends do not improve then the timeline to achieve these targets may need to be extended again.
- While Pushpay has scale and a strong platform there is a risk that new competitors enter the market or existing competitors try to more aggressively target Pushpay's customers. Competition primarily stems from internal church solutions such as traditional non-digital giving, basic digital options and companies that typically offer a church management platform that includes payment functions. Pushpay offers a premium product which is generally priced higher relative to other platforms. There is a risk that improved competitor products could result in Pushpay being forced to charge lower subscription fees or lower fees per transaction. In addition, many competitors have grown by acquisition (as discussed in sections 3.4 and 5.4.2) and further consolidation in the industry could result in more credible competition emerging.

As with any equity investment there are risks associated with the market in which Pushpay operates. Any event which had a material impact on consumer trust and Pushpay's brand reputation would likely have a significant impact on the business. Pushpay is also exposed to certain technological risks and the advent of increased competition.

3 Other Matters

Voting for or against the Scheme is a matter for individual shareholders based on their own view as to value and future market conditions, risk profile, liquidity preference, portfolio strategy, tax position and other factors. In particular, taxation consequences will vary widely across shareholders.

These are investment decisions upon which Grant Samuel does not offer an opinion and are independent of a decision on whether to vote in favour of the Scheme. Shareholders should consult their own professional adviser in this regard.

This is a summary of Grant Samuel's opinion. The full report from which this summary has been extracted is attached and should be read in conjunction with this summary. A detailed assessment of the merits of the Scheme is outlined in section 6 of this report. Grant Samuel's opinion is to be considered as a whole. Selecting portions of the analyses or factors considered by it, without considering all the factors and analyses together, could create a misleading view of the process underlying the opinion. The preparation of an opinion is a complex process and is not necessarily susceptible to partial analysis or summary.

GRANT SAMUEL & ASSOCIATES LIMITED

9 DECEMBER 2022

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GLOSSARY

TERM	DEFINITION
AFR	Australian Financial Review
ARPC	Average Revenue Per Customer
BGH Capital	BGH Capital Pty Limited
CAPM	Capital Asset Pricing Model
CCB	Community Church Builder
ChMS	Church Management Software
Code	The Takeovers Code
Companies Act	Companies Act 1993
Consortium	Sixth Street and BGH Capital via Pegasus Bidco
DCF	Discounted Cash Flow
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
FY2X	Financial year ended 31 March 202X
Grant Samuel	Grant Samuel and Associates Limited
Non Conflicted Directors	The Directors other than Mr John Connolly
NPV	Net Present Value
NZAX	NZX Alternative Market
NZX	New Zealand Stock Exchange
OIO	Overseas Investment Office
Pegasus Bidco	Pegasus Bidco Limited
Pegasus Holdings NZ	Pegasus Holdings NZ Limited, a New Zealand limited liability company that was established as the investment vehicle to aggregate the participation in the Scheme by the Consortium
Pushpay	Pushpay Holdings Limited
SaaS	Software as a Service
Scheme	The scheme of arrangement between Pushpay and the Consortium
Share of Wallet	The proportion of a church's total giving that is processed through the Pushpay platform
SIA	Scheme Implementation Agreement
Sixth Street	Sixth Street Partners LLC
Sixth Street Entities	Schrassig Fundamental S.À R.L, Consdorf Adjacent Holdco S.À R.L, Berdorf S.À R.L and Bertrange S.À R.L.
US	United States of America
WACC	Weighted Average Cost of Capital



1 Terms of the Scheme

1.1 Background

On 28 October 2022 Pushpay announced that it had entered into a SIA with Pegasus Bidco to acquire 100% of the issued capital of Pushpay for a cash consideration of NZ\$1.34 cash per share.¹² The Scheme is to be implemented through a scheme of arrangement under the Companies Act between Pegasus Bidco and Pushpay's shareholders.

The Scheme is subject to several outstanding key conditions that are set out in the Scheme Booklet, including:

- approval from the New Zealand OIO;
- Pushpay shareholder approval; and
- approval of the Scheme by the New Zealand High Court.

The full list of conditions to the Scheme are set out in the Scheme Booklet.

1.2 Profile of the Consortium

The Consortium comprises entities associated with Sixth Street and funds that are managed or advised by BGH Capital. Together, entities associated with Sixth Street and BGH Capital currently hold, in aggregate, 20.34% of the shares in Pushpay.

Pegasus Bidco is a New Zealand limited liability company that was incorporated for the purpose of acquiring Pushpay shares under the Scheme. The ultimate holding company of Pegasus Bidco is Pegasus Holdings NZ Limited (**Pegasus Holdings NZ**). Pegasus Holdings NZ is a New Zealand limited liability company that was established as the investment vehicle to aggregate the participation in the Scheme by the Consortium. As at the date of this report, Pegasus Holdings NZ is 100% owned by funds that are managed or advised by BGH Capital. However, on or about the implementation date of the Scheme funds that are managed or advised by BGH Capital will together hold shares which will give them an aggregate interest of approximately 69% in Pegasus Holdings NZ, while the entities associated with Sixth Street will together hold shares which will give them an aggregate interest of approximately 31% in Pegasus Holdings NZ.

Sixth Street is a global investment firm with over US\$60 billion in assets under management and committed capital. Founded in 2009, Sixth Street has more than 400 employees including over 180 investment professionals operating around the world.

BGH Capital was established in 2017 by Robin Bishop, Ben Gray and Simon Harle and is a private equity firm operating in Australia and New Zealand. BGH Capital is headquartered in Melbourne, Australia and is owned and managed by its founding partners. BGH Capital raised BGH Capital Fund I at AU\$2.6 billion in 2018 and BGH Capital Fund II at AU\$3.6 billion in 2022, being the largest private equity fund raised in Australia & New Zealand.

¹² Under the Scheme (as it is contemplated on the date of this report), Pegasus Bidco will acquire the Pushpay shares held by associates of the Consortium, but will not pay NZ\$1.34 for those shares.



2 Scope of the Report

2.1 Purpose of the Report

The Non Conflicted Directors of Pushpay have engaged Grant Samuel to prepare an Independent Adviser's Report on the merits of the Scheme. Grant Samuel is independent of Pushpay, Pegasus Bidco and the Consortium and has no involvement with, or interest in, the outcome of the Scheme. The Scheme is governed by the Companies Act and is required to be approved by the High Court of New Zealand in order to proceed. The High Court will not approve a scheme that affects the voting rights of a company unless:

- it is satisfied that the shareholders of the company will not be adversely affected by the use of a scheme rather than the Takeovers Code (**Code**) to effect the change involving the Code company; or
- the Court is presented with a no-objection statement from the Takeovers Panel. The Takeovers Panel will state in writing that it has no objection to a scheme if an applicant satisfies the Takeovers Panel that:
 - all material information relating to the scheme proposal has been disclosed;
 - the standard of disclosure to all shareholders has been equivalent to the standard that would be required by the Code in a Code-regulated transaction;
 - the interest classes of shareholders were adequately identified; and
 - other matters referred to in the Takeovers Panel's Guidance Note on Schemes of Arrangement have been addressed, and there are no other reasons for the Takeovers Panel to object to the Scheme.

Pushpay is a Code company under the Code. Although the provisions of the Code do not apply to schemes of arrangement once the final orders are issued by the High Court, the practice of the Takeovers Panel (which is responsible for administering and enforcing the Code) is to conduct a review to establish whether it considers appropriate information is placed before a Code company's shareholders when they are being asked to consider granting a no-objection statement in respect of a proposed scheme of arrangement. Although there is no legal requirement under the Companies Act or the Code for an Independent Adviser's Report as a result of the Scheme, the practice of the Takeovers Panel (except in very limited circumstances) is to require the preparation of an Independent Adviser's Report (similar to a Code Rule 21 report) before it will consider issuing a final no-objection statement. Pushpay has requested that the Takeovers Panel issue a no-objection statement in relation to the Scheme to present to the High Court to assist with its deliberations.

Rule 21 of the Code requires the Independent Adviser to report on **the merits of an offer**. The term "merits" has no definition either in the Code itself or in any statute dealing with securities or commercial law in New Zealand. While the Code does not prescribe a meaning of the term "merit", the Takeovers Panel has interpreted the word "merits" include both positives and negatives in respect of a transaction.

A copy of this report will accompany the Scheme Booklet and it will be sent to all of Pushpay's shareholders. This report is for the benefit of the shareholders of Pushpay and for the benefit of the High Court.¹³ The report should not be used for any purpose other than as an expression of Grant Samuel's opinion as to the merits of the Scheme. This report should be read in conjunction with the Qualifications, Declarations and Consents outlined in Appendix A.

This report has been prepared without taking into account the objectives, financial situation or needs of individual Pushpay shareholders. Accordingly, before acting in relation to their investment, shareholders should consider the appropriateness of the advice having regard to their own objectives, financial situation or needs. Shareholders should read the Scheme Booklet issued by Pushpay in relation to the Scheme.

Voting for or against the Scheme is a matter for individual shareholders based on their views as to value and business strategy, their expectations about future economic and market conditions and their particular circumstances including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. Shareholders who are in doubt as to the action they should take in relation to the Scheme should consult their own professional adviser.

¹³ Under section 236(2)(c) of the Companies Act.



Similarly, it is a matter for individual shareholders as to whether to buy, hold or sell securities in Pushpay. These are investment decisions upon which Grant Samuel does not offer an opinion and are independent of a decision on whether to vote for or against the Scheme. Shareholders should consult their own professional adviser in this regard.

2.2 Basis of Evaluation

Grant Samuel has evaluated the Scheme by reviewing the following factors:

- the terms of the Scheme;
- the potential impact of the Scheme on the ownership and control of Pushpay;
- the estimated value range of Pushpay and the price of the Scheme when compared to the estimated value range;
- the likelihood of an alternative offer and alternative transactions that could realise fair value for Pushpay shareholders;
- the likely market price and liquidity of Pushpay shares in the absence of the Scheme;
- any advantages or disadvantages for Pushpay shareholders of accepting or rejecting the Scheme;
- the current trading conditions for Pushpay;
- the timing and circumstances surrounding the Scheme; and
- the attractions and risks of Pushpay's business.

Grant Samuel's opinion is to be considered as a whole. Selecting portions of the analyses or factors considered by it, without considering all the factors and analyses together, could create a misleading view of the process underlying the opinion. The preparation of an opinion is a complex process and is not necessarily susceptible to partial analysis or summary.

2.3 Approach to Valuation

In Grant Samuel's opinion the price to be paid under a full takeover or scheme of arrangement has the same economic intention and effect and should reflect the full underlying value of the company. Grant Samuel believes that the appropriate assessment of value under a full or partial takeover offer or scheme of arrangement where the offeror will gain control is the full underlying value, prorated across all shares.

If the Scheme is approved by Pushpay's shareholders and if all other conditions are satisfied or waived (to the extent capable of waiver) and the SIA is not otherwise terminated, the Scheme will be implemented and 100% of the shares in Pushpay would be acquired by Pegasus Bidco. Pushpay would be delisted in that circumstance. The Scheme therefore is similar to a full takeover in that it represents a potential change of control event. Consistent with the valuation principles Grant Samuel applies to the assessment of a full or partial takeover offer, the value assessment under a scheme of arrangement where control of the company could change, should also be of the full underlying value of the company.



3 Overview of the US Faith Giving Market

3.1 Pushpay's Market Positioning

Pushpay primarily operates in the US faith market through the provision of software. It enables payments to churches such as donations and offers the administration of key church functions (e.g. church management). Within this market Pushpay's focus has historically been on medium and large Protestant churches through its *ChurchStaq* software suite (see section 4.2 for an overview of Pushpay's product suite). A similar software suite, *ParishStaq* was launched in FY22 and is targeting medium to large Catholic parishes and dioceses. There are a total of approximately 290,000 Protestant and Catholic churches in the US.¹⁴ An overview of the market by church size and Pushpay's market position is outlined below:

SEGMENTATION OF US CHURCHES BY SIZE AND PUSHPAY'S MARKET POSITION

	GROWTH OPPORTUNITY	PUSHPAY TARGET MARKET		TOTAL
	SMALL	MEDIUM	LARGE	
Number of members (#)	0-199	200-1,099	1,100+	
Estimated number of churches in the US	237,000	44,000	9,000	290,000
% of total	82%	15%	3%	100%
Number of Pushpay customers as at 31 March 2022	5,513	6,825	2,170	14,508
Pushpay implied share of total churches	2.3%	16%	24%	5%

Source: Pushpay analysis. Grant Samuel analysis.

- **Small churches.** These represent more than 80% of Protestant and Catholic churches in the US. This market segment represents approximately 38% of Pushpay's total customers. Pushpay serves less than 3% of total small churches in the US which presents a growth opportunity for the business.
- **Medium sized churches.** There are estimated to be approximately 44,000 medium sized Protestant and Catholic churches in the US, representing 15% of total churches. Pushpay has more than 6,800 medium sized churches, which represents approximately 47% of its total customers. Pushpay serves approximately 16% of medium sized churches in the US.
- **Large churches.** There are approximately 9,000 large churches in the US, representing just 3% of total churches. Pushpay had 2,170 large churches as customers as at 31 March 2022, representing approximately 24% of all large churches in the US. 90 out of the top 100 largest churches use at least one of Pushpay's products.¹⁵ The number of large churches in the US has increased over time as donations have been used to fund further expansion and outreach. Large churches have been early adopters of software as they are able to derive the greatest benefit from Pushpay's solutions.

¹⁴ Estimated church numbers in the US are based on Pushpay management analysis in 2020

¹⁵ Outreach Magazine's 100 largest churches in America in 2021

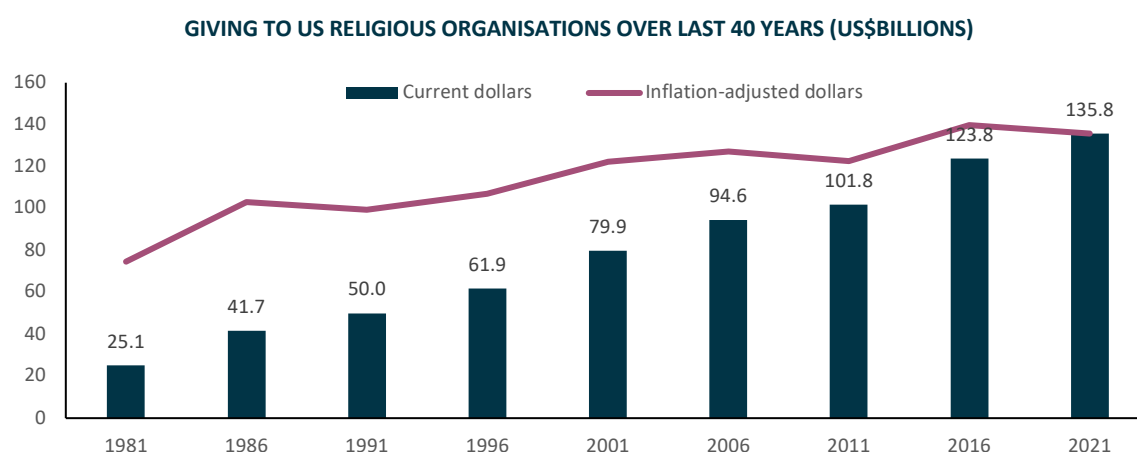


3.2 Pushpay's Addressable Market

Pushpay estimates that the total addressable market (TAM) for donor and church management products in the US is approximately US\$2.4-2.5 billion p.a.¹⁶ This compares to Pushpay's FY22 revenues of US\$202.8 million, implying an overall market share of approximately 8%. The TAM for the Catholic segment is estimated at between US\$600-700 million p.a.,¹⁷ representing approximately one quarter of the TAM for donor and church management products of US\$2.4-2.5 billion p.a. In FY22 Pushpay processed US\$7.6 billion of donations, representing just 6% of all faith based giving in the US.

3.3 Faith Based Giving in the US

Giving to the US faith sector totalled US\$135.8 billion in 2021.¹⁸ This represented 27% of giving to all charitable public-social benefit organisations in the US. Giving to the US faith sector has grown steadily with average annual growth rates of 4.3% p.a. over the last 40 years (between 1981 and 2021) in nominal terms and 1.5% p.a. in real (i.e. inflation-adjusted) terms. Annual giving to Protestant churches is estimated at approximately US\$65 billion p.a. while giving to Catholic churches is estimated at approximately US\$40 billion. The following graph shows the historical trend in giving to the US faith sector in five year increments since 1981:



Source: *Giving USA (2022) Annual Report*

Online donations to the faith sector are increasing both in popularity and frequency. The shift to digital giving has been accelerated by COVID-19 as churches sought out tools to facilitate online giving when in person church gatherings were unable to be held during the height of the pandemic. In early 2021, 60% of members were attending church services in person. This increased to 73% in the fall of 2021. Once COVID-19 is no longer considered an active public health threat then in-church attendance is expected to return to approximately 90%. While in person church attendance has been increasing following the height of the pandemic, online giving via platforms such as Pushpay's has not reduced to pre-pandemic levels.

The following graph shows the percentage of fundraising from online giving as a percentage of total giving for US faith-based organisations.¹⁹ Digital giving for the US faith sector as a whole increased from ~10% before the COVID-19 pandemic (2019) to nearly 18% in 2020. This percentage has decreased slightly in 2021 to ~17% but remains well above pre-pandemic levels.

¹⁶ Global third-party consultancy.

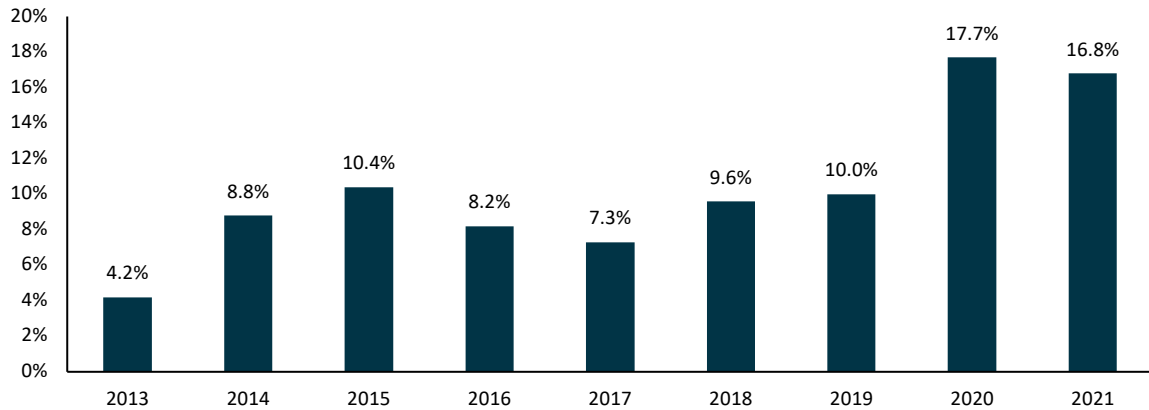
¹⁷ Global third-party consultancy.

¹⁸ Giving USA (2022) Annual Report.

¹⁹ Blackbaud's Charitable Giving Reports 2013 – 2021.



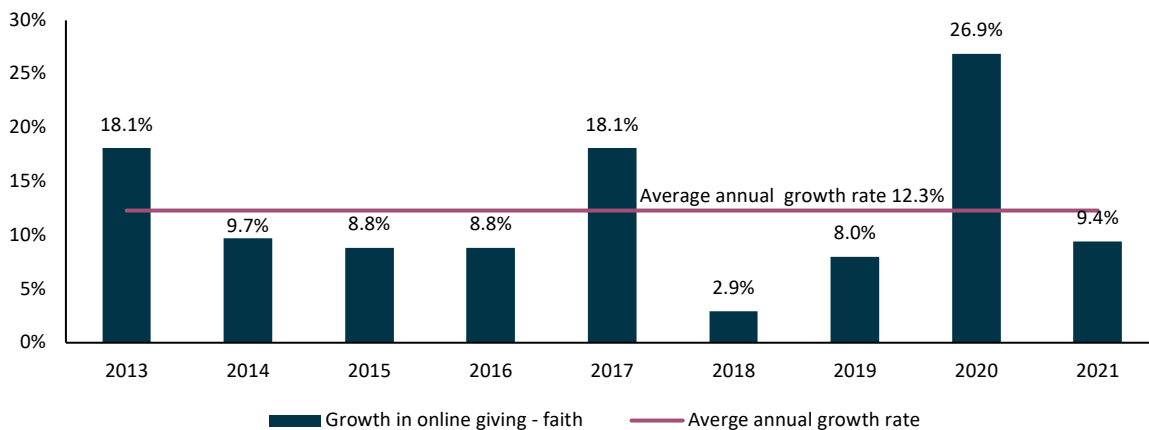
PERCENTAGE OF FUNDRAISING FROM ONLINE GIVING – FAITH BASED ORGANISATIONS²⁰



Source: Blackbaud Charitable Giving Reports 2013 – 2021.

The following graph shows the annual increases in digital giving for US faith based organisations.²¹ The average annual growth rate has been ~12% p.a. and compares to an average annual growth rate for total giving of 3% p.a. (i.e. online and offline giving). The growth rate in 2020 was nearly 27% which represents a significant increase in the adoption of digital giving. Digital giving growth is expected to continue to outpace growth in total giving as more churches adopt digital giving tools and as the percentage of church members using digital giving increases over time.

ANNUAL PERCENTAGE CHANGE IN ONLINE GIVING – FAITH BASED ORGANISATIONS²²



Source: Blackbaud Charitable Giving Reports 2013 – 2021.

Mobile devices have become increasingly important for digital giving. In 2021, 28% of all digital giving was made using a mobile device compared to 9% in 2014. The proportion of digital giving through mobile devices largely remained the same in 2021 compared with 2020. Mobile giving is expected to continue to be an important means of digital giving for US churches in the future. The following graph depicts the percentage of online contributions from a mobile device from 2014 to 2021:

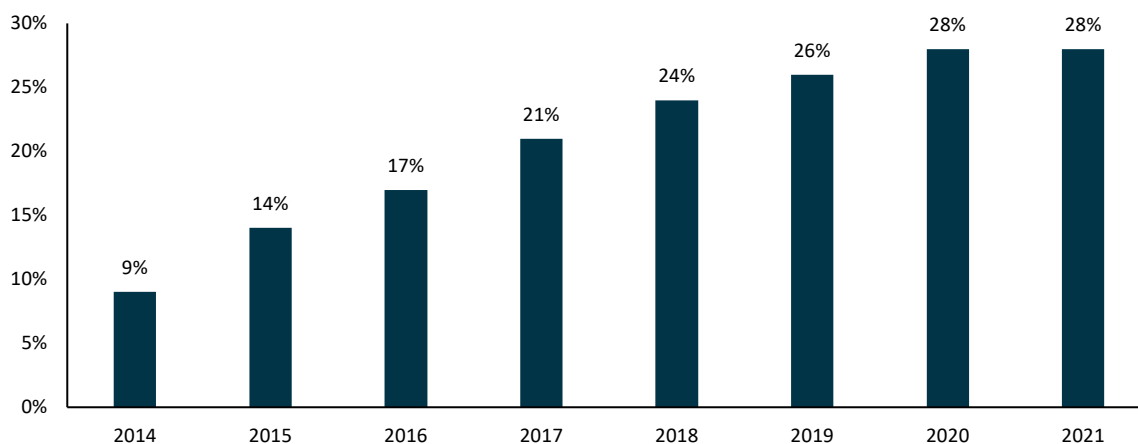
²⁰ Blackbaud Charitable Giving Reports 2013 – 2021.

²¹ Blackbaud Charitable Giving Reports 2013 – 2021.

²² Blackbaud Charitable Giving Reports 2013 – 2021.



PERCENTAGE OF ONLINE CONTRIBUTIONS FROM A MOBILE DEVICE²³



Source: Blackbaud Charitable Giving Reports 2013 – 2021.

3.4 Pushpay's Competitive Position²⁴

Pushpay provides a broad solution set to primarily Protestant and Catholic churches of varying sizes with a focus on medium and large sized churches. Descriptions of Pushpay's largest competitors are provided below:

- Ministry Brands** provides a range of software solutions that together support more than 95,000 faith based organisations in North America. The company has a wide range of brands/product offerings that have been acquired over time. *EasyTithe* is its primary online giving software with more than 15,000 customers. Its church management systems include *ParishSoft*, which has more than 9,000 Catholic parish customers, *Fellowship One*, which has more than 4,000 church customers and *Shelby Systems* which has more than 3,000 church customers. Ministry Brands' customer base spans small to large churches, with a focus on the small and medium sized church segment.
- ACS Technologies** provides a range of software solutions to more than 50,000 churches. Its main products are *ACS*, *Parish Data System*, *Ministry Platform* and *Realm*. The company was founded in 1978 and primarily serves the US market. ACS Technologies is privately owned and has approximately 400 staff. The *Parish Data Systems* product primarily serves small and medium sized Catholic churches. *ACS*, *Realm* and *Ministry Platform* serve Catholic and Protestant churches with *Realm* focusing on small and medium sized churches and *Ministry Platform* on large churches.

In the large customer segment Pushpay also competes against *Vanco Faith*. Vanco Faith has donor management and streaming solutions but does not have a church management system or community app offering. Vanco has approximately 25,000 church customers. The company also serves community and educational organisations and employs more than 350 people.

Within the small and medium customer segments (i.e. churches with up to 1,099 members) in the Protestant segment there are a broader set of competitors comprising both established and early growth stage companies. Some of the primary competitors in the small-medium segment include:

- Tithe.ly** provides a broad product set and has over 37,000 church customers. Tithe.ly employs approximately 120 people. In 2021 Tithe.ly acquired church management company *Breeze*, which provided an additional 9,000 small and medium sized churches and broadened its product set.
- Planning Centre** provides donor management, church management and community app products. The company has approximately 100 staff. Planning Centre's flagship product is a module called 'Services' which is used by teams and volunteers to plan and execute weekend worship services.

²³ Blackbaud Charitable Giving Reports 2013-2021.

²⁴ Where customer numbers are referenced in this section, this has been sourced from the websites of the respective companies.



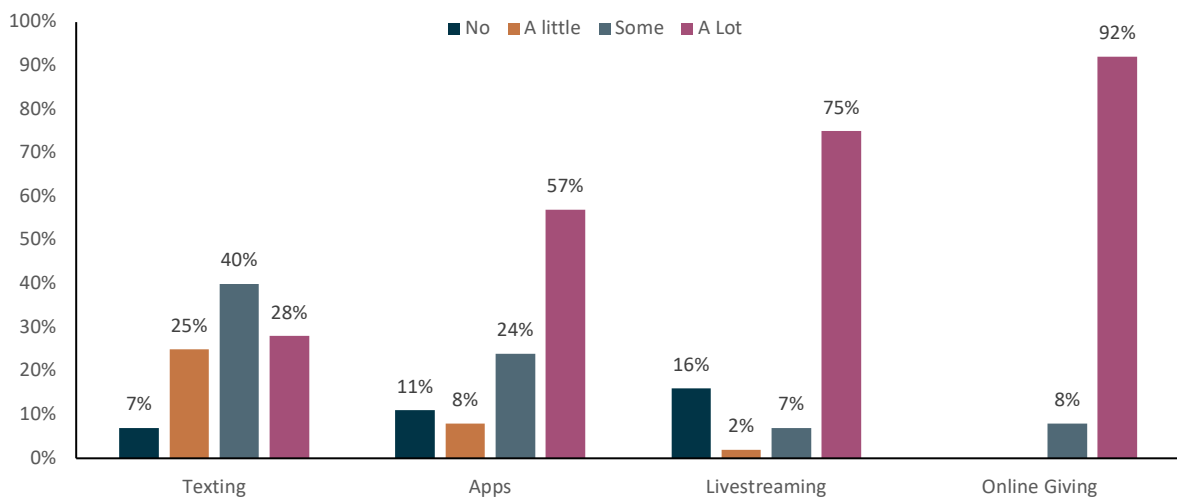
- **Subsplash** provides a broad product set and has over 14,000 church customers. Subsplash employs approximately 250 people. In 2019 Subsplash acquired *Custom Church Apps* and in 2020 it acquired *Steampot*, a content delivery platform that provides live-streaming.

RaisersEdge is a product sold by listed company Blackbaud to the Catholic and non-profit market as a fundraising and donor management software platform. This product is not commonly used in the Protestant market and is not considered to be a key competing product to Pushpay.

3.5 US Megachurches

Studies show church attendance in the US has been in long term decline. The modern Megachurch, which is defined as Protestant churches with regular attendances of 2,000 or more adults and children, has been an exception to this trend.²⁵ There are approximately 1,750 Megachurches in the US. This is a key target market for Pushpay. Based on a 2020 Survey of 582 Megachurches by the Hartford Research Institute, the average Megachurch has average weekly attendance of approximately 4,100, and the average total number of regular participants was approximately 6,000. Megachurches have moved away from traditional formats and towards more informal, entertainment-driven gatherings and typically have a charismatic, authoritative senior minister. The largest gatherings have regular average weekly attendance of approximately 50,000 people. The following graph shows the responses from US Megachurches regarding their use of technology:

USE OF TECHNOLOGY BY US MEGACHURCHES – 2020 SURVEY RESULTS



Source: The Hartford Institute for Religious Research 2020 Survey Results for US Megachurches

The following observations are relevant when reviewing the graph above:

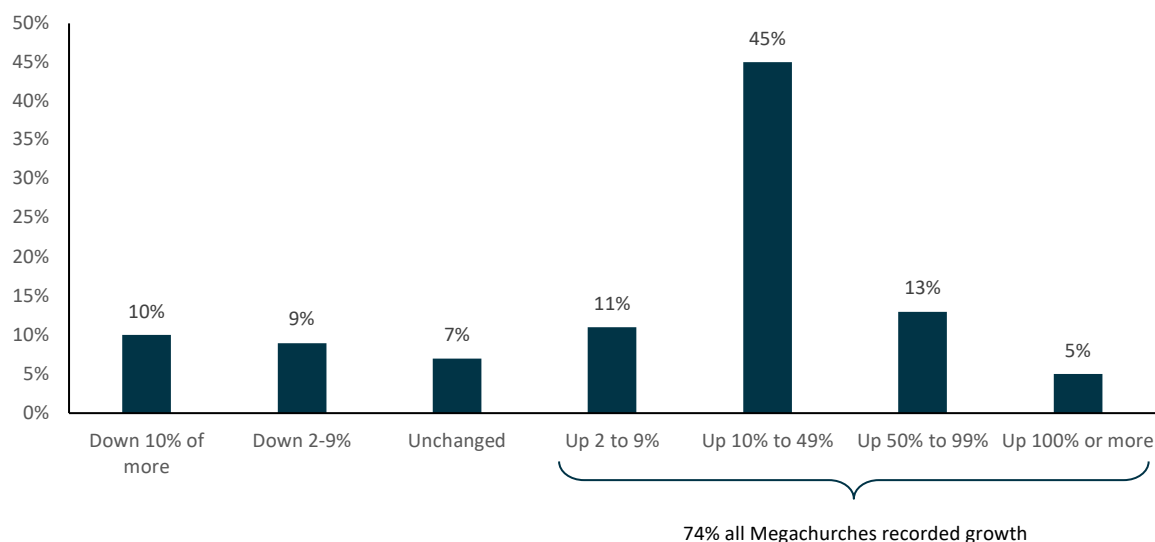
- All respondents to the 2020 Megachurch Survey said that they use online giving. 92% said they use it a lot and 8% said they use it some of the time. Megachurches also responded in this survey that, on average, they receive half of their giving through online channels.
- Three quarters of respondents said that they use live streaming a lot. Only 16% of respondents said that they do not provide live streaming.
- Approximately 90% of Megachurches use App products to engage with their members. Texting is also used widely but not as extensively.
- Megachurches also use social media tools such as Facebook, Twitter and blogging. Facebook is the predominant social media tool that is used by Megachurches. The social media survey responses have not been shown in the graph above but are available in the Hartford Research Report.

²⁵ As defined by The Hartford Institute for Religion Research Survey.



US Megachurches, on average, achieved 34% growth in their number of regular attendees between 2015 and 2020. This equates to an average annual growth rate of nearly 7% p.a. The following graph shows the percentage of Megachurches whose attendances declined or grew between 2015 and 2020. Approximately three quarters of Megachurches recorded growth, with nearly half of all Megachurches growing between 10% to 49%.

PERCENT OF MEGACHURCHES WHOSE ATTENDANCES DECLINED OR GREW OVER 5 YEARS



Source: The Hartford Institute for Religious Research 2020 Survey Results for US Megachurches

3.6 Trends in the Payments Facilitation Industry

Pushpay generated approximately 68% of its FY22 revenues through payment processing fees. The Company also competes against payment facilitators that serve the US faith market. Competitors include large diversified online payment companies such as *Paypal* and smaller providers focused on the faith market such as *EasyTithe* and *Kindred* (which are both owned by *Ministry Brands*), *SecureGive* and *Vanco*.

The payments facilitation industry continues to grow as a consequence of increased use of debit and credit cards, advances in payment processing technologies and the adoption of ecommerce, omnichannel and contactless payment options. In particular, the adoption of digital payment solutions has been accelerated as a consequence of the global pandemic. Over the past three years many businesses have had to expand their payment options to meet customer preferences for digital payments in part due to lockdowns and increased buying online. Now, more transaction volumes are occurring through digital options than ever before, with 50% of US consumers expecting to shop online more in the next six months than previously (as at June 2022).²⁶ In 2021 39% of US consumers shopped from a smartphone on a daily or weekly basis and 23% reported that they shop online at least daily.²⁷

²⁶ PWC June 2022, Global Consumer Insights Pulse Survey.

²⁷ PWC June 2021, Global Consumer Insights Pulse Survey.



4 Profile of Pushpay

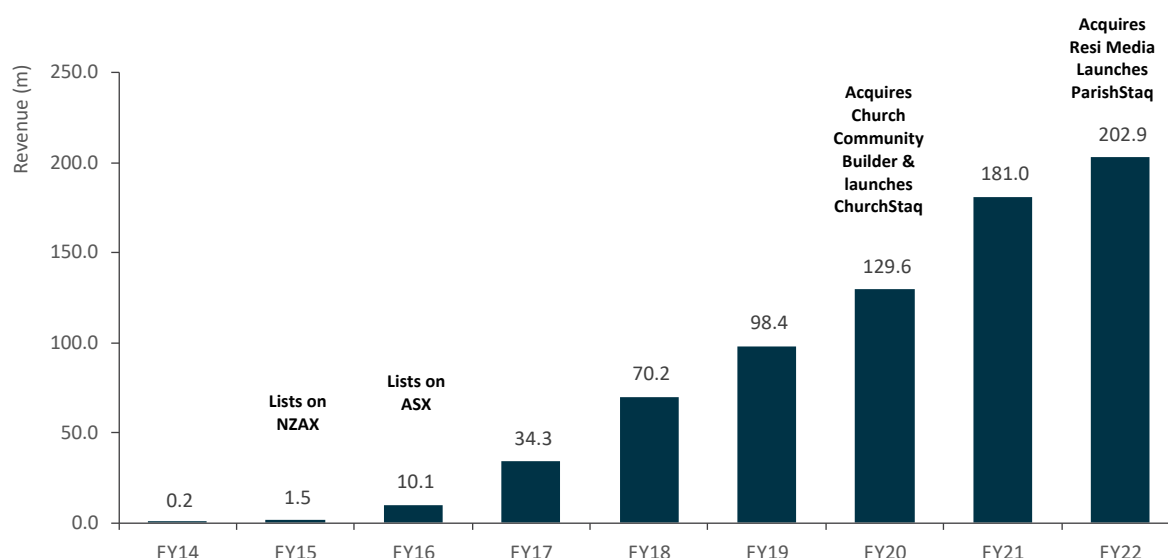
4.1 Introduction

Pushpay is a vertical Software as a Service (SaaS) payments and technology company. It provides mobile-first software tools including a donor management system, a custom community app, a church management system (ChMS) and video streaming solutions primarily to the faith sector and to a lesser extent non-profit organisations, sports events and education providers. Pushpay acquired its ChMS solution through the acquisition of Church Community Builder in December 2019 and its video streaming platform through the acquisition of Resi Media in August 2021.

Pushpay’s solutions simplify engagement, payments and administration, enabling its customers to increase participation and build stronger relationships and engagement with their communities. Pushpay primarily generates revenue through processing fees, which are generated from payment transaction volumes. Another key source of revenue is software subscription fees. The Company’s mission and strategic goal is to be the preferred provider of mission critical software to the faith sector.

Pushpay was founded in 2011 in Auckland, New Zealand by Eliot Crowther and Chris Heaslip. Since FY15, when it listed on the NZX Alternative Market (NZAX), Pushpay has achieved average annual revenue growth of approximately 102%.

HISTORICAL REVENUE GROWTH AND KEY MILESTONES



4.2 Pushpay Product Suite

Pushpay’s mobile-first end-to-end range of solutions are now primarily sold under a brand architecture which was developed in 2021:



Comprehensive church software built to grow community, generosity and engagement



Fully integrated diocesan and parish software to increase stewardship and evangelisation



Reliable live video streaming to reach and grow an audience



A summary of the key features of each solution is summarised below:



Comprehensive church software built to grow community, generosity and engagement

Simplified Giving Tools	Centralised Church Management	Customisable Church App
<p>Makes it easier for anyone to support the church with simplified giving tools to donate, record, recognise, and encourage generosity.</p> <ul style="list-style-type: none"> Three Second Online Giving Simple payment processing via the website and mobile application for one time and recurring gifts. Donor Development Provides insights from the giving solution to assist in increasing donations. Donor Management Keeps a record of contributions and provides annual giving statements to households via email. 	<p>Software that enables churches to track, reach, and grow the number of engaged families.</p> <ul style="list-style-type: none"> People Engagement Information that enables churches to understand how families are engaging with the relevant church. Ministry Empowerment Features that enable churches to engage with families including check-in, groups, events management, forms, communication tools and people workflows. Church Metrics Provides centralised data metrics and reports to enable churches to manage performance. 	<p>Creates a digital church experience via an application that brings information and media together in one place.</p> <ul style="list-style-type: none"> Custom Branding Manage the look and feel of the application with flexible customisation. Media and Content Centralise content including live feeds, sermon library, podcasts, and event promotions. Connection Features Integration with Centralised Church Management features enables strong and informed relationships.



Fully integrated diocesan and parish software to increase stewardship and evangelisation

Simplified Giving Tools	Centralised Church Management	Customisable Parish App
<p>Enables donors to give quickly and safely on any device.</p> <ul style="list-style-type: none"> Three Second Online Giving Simple payment processing via the website and mobile application for one time and recurring gifts. Donor Development Provides insights from the giving solution to assist in increasing gifts. Donor Management Keeps a record of gifts and provides annual giving statements to households via email. 	<p>A consolidated ChMS that enables the church to follow parishioners on their journey.</p> <ul style="list-style-type: none"> People Engagement & Ministry Empowerment Ministry leaders can access group management tools and parishioner profiles. They can also track every sacramental milestone with customisable forms and view them in individual profiles. Reports Provides centralised data metrics and reports to enable a parish to manage performance. 	<p>Creates a digital parish experience via an application that brings information and media together in one place.</p> <ul style="list-style-type: none"> Custom Branding Manage the look and feel of the application with flexible customisation. Media and Content Centralise content including live feeds, homily library, daily readings, bulletins podcasts, and event promotions. Connection Features Integrated with the ChMS, parishioners can sign up for ministries and classes so ministries can capture that data and create automated processes.



Reliable live video streaming to reach and grow an audience.

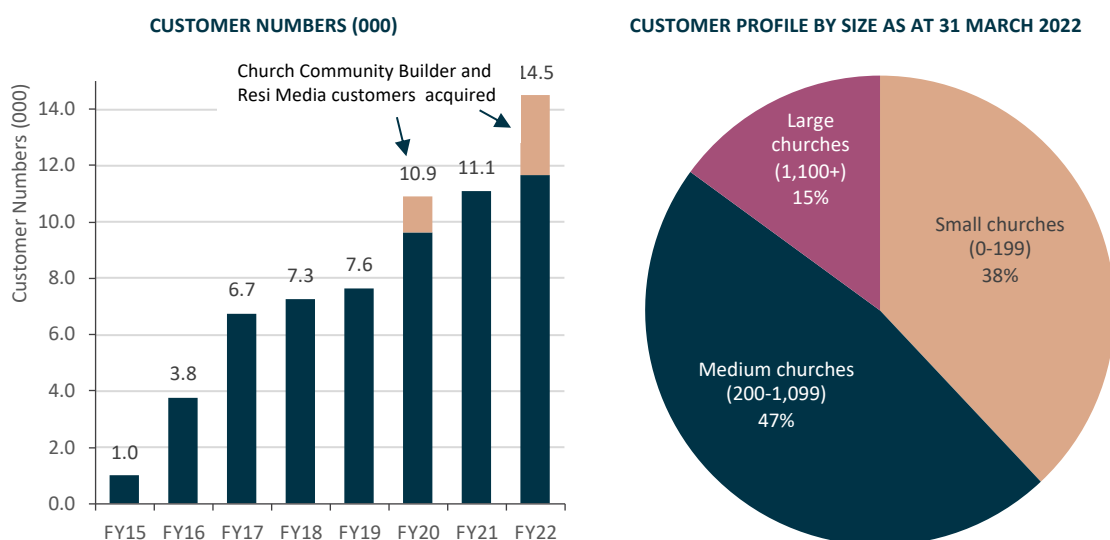
Live Streaming	Multisite Offering
<ul style="list-style-type: none"> Live streaming solutions to web, social media, mobile apps and other locations. Offers high quality video and uninterrupted viewing even during variable bandwidth conditions. Online real time donations. 	<ul style="list-style-type: none"> A turnkey streaming solution that delivers video to remote locations. Offering includes multisite encoders and real time video capture, LAN and cloud distribution for scalable delivery, and multisite decoders for live playback. Content library and media storage.



Pushpay has also developed technology to enable integration with other software providers. This has allowed the Company to further extend its offering. Pushpay has over 7,000 churches using its integration technology and it integrates with over 80 software companies and their products. Accounting software products that Pushpay integrates with include Sage Intacct and Quickbooks where Pushpay is able to share financial information and provide a more streamlined end-to-end solution for church finance teams.

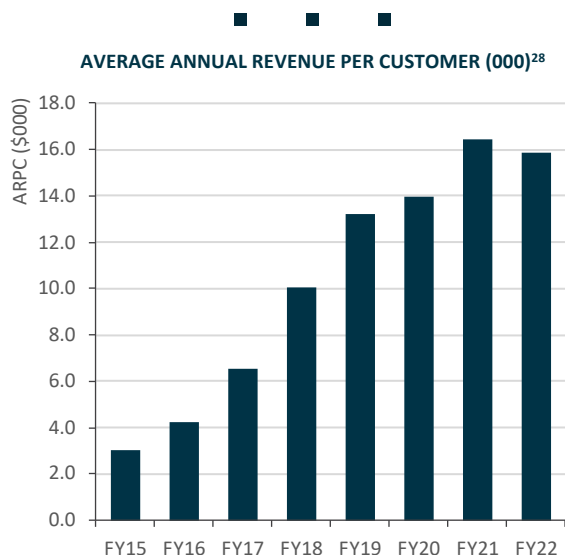
4.3 Customer Profile

Pushpay’s customer base is primarily medium to large churches based in North America. These churches represent approximately 60% of its total customer base. As at 31 March 2022, 97% of Pushpay’s customers were based in North America and Pushpay is a leading provider of church management and payment solutions in that market. Pushpay’s customer concentration is very low, with the top 10 customers representing approximately 5% of revenue in FY22. Maintaining and building market share in the Protestant segment remains a key priority for Pushpay and it is focused on increasing the number of customers in the medium sized church segment. Pushpay considers this segment to comprise churches which have between 200 - 1,099 average weekly attendees, along with the large sized churches, which have average weekly attendees of 1,100 and over.



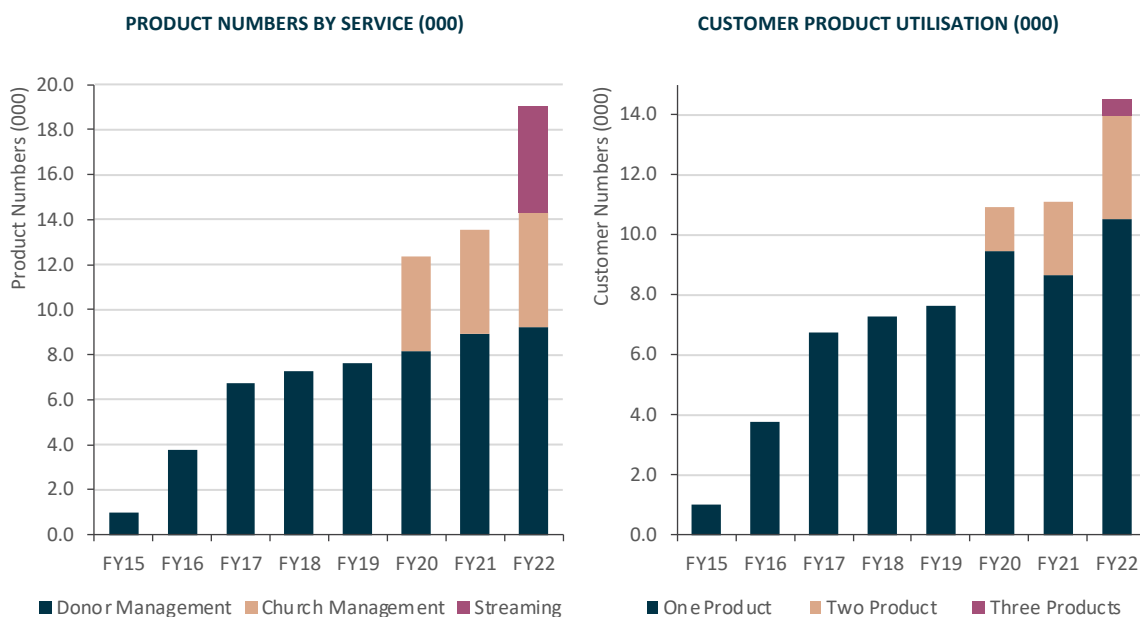
Pushpay has a very loyal customer base with an average retention rate of approximately 92% over the 12 month period to 31 March 2022. The retention rate in medium and large segments improved on FY21, while the small segment retention remained flat. Average revenue per church/customer (ARPC) has increased every year since FY16 (excluding the impacts from the recent acquisitions of Resi Media and Church Community Builder) through improved product utilisation (see section 4.4), due to new product development and the successful integration of the Church Community Builder platform. In FY20, ARPC was impacted by the acquisition of Church Community Builder. In FY22 ARPC declined due to the Resi Media acquisition, which added approximately 2,900 customers with a lower ARPC than Pushpay’s ARPC prior to the acquisition.

Large and medium sized customers have a higher ARPC due to the number of Pushpay’s services that are used and the level of processing fees generated from higher church attendance levels.



4.4 Product Utilisation

A key driver of revenue is monthly recurring product sales growth and the number of products sold per customer, which increases ARPC. The following graphs depict product numbers by service and customer product utilisation:



The following comments are relevant when reviewing the graphs above:

- Donor Management was Pushpay’s foundation product and remains its core product today with 9,218 individual customers as at 31 March 2022. The average growth rate in processing customer numbers since FY17 is 6.5% per annum.
- The acquisition of Church Community Builder in FY20 added over 4,000 products and added a ChMS solution to Pushpay’s product portfolio.
- The Resi Media acquisition added approximately 3,900 products in August 2021.
- By March 2022, the number of streaming customers had grown to 4,735. Resi Media added a third strategic product to Pushpay’s suite of solutions. At the time of the acquisition, approximately 75% of

²⁸ The total revenue in the financial year divided by the average of the starting customer numbers and the closing customer numbers.

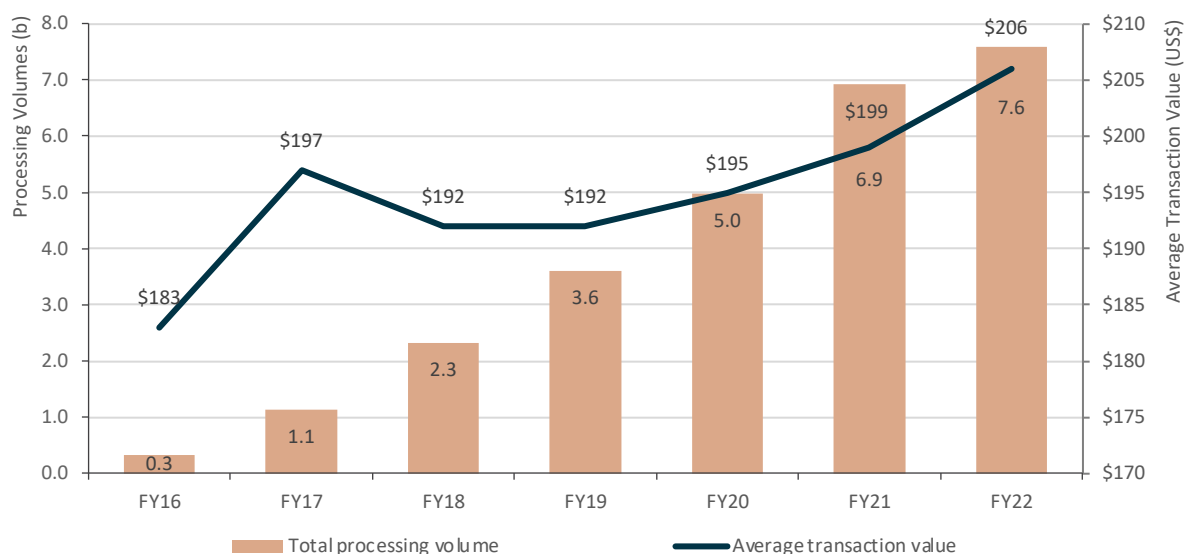


Resi Media’s customer base did not subscribe to an existing Pushpay product. This presents a significant opportunity to introduce Pushpay’s solutions to these customers.

4.5 Processing Revenues

Processing revenues accounted for approximately 68% of Pushpay’s operating revenue in FY22. Processing revenues are generated from the use of Pushpay’s simplified giving tools, which can be used to process a wide range of payment methods including cheques, automated clearing house payments and debit and credit card payments. The following graph depicts Pushpay’s processing volume and average transaction values:

HISTORICAL PROCESSING VOLUMES AND AVERAGE TRANSACTION VALUES



The key processing financial metrics since FY16 is summarised below:

PROCESSING FINANCIAL METRICS SINCE FY16

YEAR END 31 MARCH	2016	2017	2018	2019	2020	2021	2022
Processing revenue (US\$m)	6.9	23.2	47.9	69.3	92.0	128.9	137.7
Processing costs (US\$m)	(4.2)	(13.8)	(27.7)	(34.8)	(40.7)	(53.4)	(57.7)
Gross margin from processing (US\$m)	2.7	9.4	20.2	34.5	51.3	75.5	80.0
Gross margin %	38.9%	40.6%	42.2%	49.8%	55.8%	58.6%	58.1%
Revenue % of average transaction value	2.2%	2.0%	2.1%	1.9%	1.8%	1.9%	1.8%
Cost % of average transaction value	1.3%	1.2%	1.2%	1.0%	0.8%	0.8%	0.8%

The following comments are relevant when reviewing the graph and table above:

- Processing volumes have increased from US\$1.1 billion in FY17 to US\$7.6 billion in FY22 (an average annual growth rate of 46.1%). This has been driven by the growth of donor management products with sales to existing and new customers and the enhancement of the products over the years which has driven higher adoption and usage.
- The increase in processing volumes achieved in FY21 and FY22 also reflects a significant shift to digital giving which can be attributed to product innovation and the impact of COVID-19. Prior to COVID-19, in 2019, Pushpay’s management estimated that it was processing approximately 40% of a customers’ total giving to a church (**Share of Wallet**). During FY21 the Share of Wallet increased to approximately 55% and this level was maintained in FY22.
- Average transaction values have increased each year since FY19.



- Pushpay's processing gross margin percentage has steadily increased over the last eight years due to a reduction in the average cost per transaction. This resulted from lower credit card fees and a shift towards bank transfers and debit card transactions which has a higher margin for Pushpay.

4.6 Financial Performance

The historical financial performance of Pushpay for the years ended 31 March 2020 (FY20), 2021 (FY21) and 2022 (FY22) is summarised below:

FINANCIAL PERFORMANCE (US\$ MILLIONS)

YEAR END 31 MARCH	2020	2021	2022
Subscription	35.3	49.3	61.2
Processing	92.0	128.9	137.7
Other operating income	0.2	0.9	4.0
Operating revenue	127.5	179.1	202.9
Processing costs	(40.7)	(53.4)	(57.7)
Platform hosting costs	(2.9)	(3.8)	(4.9)
Other third party direct costs	(1.2)	-	(1.9)
Direct costs	(44.8)	(57.2)	(64.5)
Gross profit	82.7	121.9	138.4
Other income	2.1	2.0	-
Product design and development	(13.6)	(16.7)	(24.7)
Sales and marketing	(26.3)	(25.2)	(28.8)
Customer success	(6.9)	(8.4)	(9.7)
General and administration	(12.8)	(14.7)	(20.2)
Operating expenses	(59.6)	(65.0)	(83.4)
EBITDA	25.2	58.9	55.0
Depreciation and amortisation	(5.1)	(7.1)	(10.0)
EBIT	20.1	51.8	45.0
Finance expenses, net	(0.9)	(1.6)	(1.5)
Net foreign exchange gains/(losses)	2.5	(5.8)	0.5
Net profit before income tax	21.7	44.4	43.9
Income tax expense	(5.7)	(13.2)	(10.5)
Net profit	16.0	31.2	33.4
<i>Revenue Growth</i>	<i>32.9%</i>	<i>40.5%</i>	<i>13.3%</i>
<i>Subscription Revenue Growth</i>	<i>32.5%</i>	<i>39.6%</i>	<i>24.1%</i>
<i>Processing Revenue Growth</i>	<i>32.8%</i>	<i>40.2%</i>	<i>6.8%</i>
<i>Gross margin %</i>	<i>64.9%</i>	<i>68.1%</i>	<i>68.2%</i>
<i>Reported EBITDA margin %</i>	<i>19.7%</i>	<i>32.9%</i>	<i>27.1%</i>
<i>Reported EBIT margin %</i>	<i>15.7%</i>	<i>28.9%</i>	<i>22.2%</i>

Source: Pushpay Financial Statements



The following comments are relevant when reviewing the table above:

- Subscription revenue includes recurring monthly and annual fees for donor and church management software and streaming solutions. Invoices paid in advance of the service being provided are recognised as unearned income on the balance sheet and the revenue is recognised over the term of the invoice period.
- Processing revenue consists of fees that are primarily based on a percentage of the value of payments processed.
- Other operating income primarily includes revenue from data integration, training, hardware sales and other implementation costs.
- Church Community Builder was acquired in December 2019 and it contributed revenue of approximately US\$5.4 million over the four month period prior to the end of that financial year (excluding a fair value discount on acquired unearned revenue). If the acquisition had occurred on 1 April 2019 (the start of that financial year), the revenue and net profit after tax for Pushpay is estimated to have been US\$139.9 million and US\$12.9 million, respectively.
- Particularly during the outbreak of COVID-19, Pushpay benefited from an increase in customer numbers and an industry-wide increase in the adoption of digital giving penetration which drove higher processing volumes and earnings for Pushpay.
- Pushpay achieved significant growth in FY21. Several factors led to this growth including the successful integration of Church Community Builder, improved product utilisation and by Pushpay's Share of Wallet increasing from approximately 40% pre-pandemic to approximately 55%. These factors together contributed to a 39% increase in processing volumes. Pushpay Share of Wallet has remained steady since FY22A
- Resi Media was acquired in August 2021. The financial performance for FY22 includes seven months of revenue and expenses from Resi Media. Resi Media's revenue represented US\$13.4 million of Pushpay's total revenue (excluding a fair value discount on acquired unearned revenue) growth achieved in FY22. Pushpay achieved US\$11.5 million of organic revenue growth which was attained through new customer additions, improved product utilisation and increased processing volumes. In FY22 Resi Media broke even at an underlying EBITDAF level and is expected to do so again in FY23. In FY24 Resi Media is expected to achieve a positive underlying EBITDAF.
- Approximately 99% of Pushpay's operating revenue is generated in North America and over time there has been a progressive shift in the location of the senior management team and support functions to the US. This fundamental shift has required Pushpay to review its international transfer pricing arrangements and, as a result of this review Pushpay is intending to undertake a corporate restructure which will involve transferring its intellectual property from a New Zealand Pushpay subsidiary to a Pushpay subsidiary in the US. The proposed corporate restructure is expected to result in an average reduction in the income tax expense of at least US\$7 million annually for up to 15 years.
- Gross margin % remained relatively flat in FY22 and Pushpay's management believe that the current gross margin % is sustainable.
- In FY22, operating expenses increased by US\$18.5 million, primarily due to the inclusion of Resi Media's operating expenses (US\$13.7 million including the amortisation of the cost of vendor restricted shares) and transaction costs of US\$2.3 million. Excluding the impact of the Resi Media transaction, Pushpay's operating expenses only increased by US\$2.5 million in FY22, a ~4% increase on FY21.
- The foreign exchange gain and loss primarily relates to the difference in the closing exchange rate prevailing at the time of consolidation of the financial statements and the average exchange rate for the 12 month period which is used to translate foreign currency profit and loss into US dollars in the financial statements.



- Pushpay reports Underlying EBITDAF in its financial statements as it believes that this measure provides a more appropriate representation of the Company's performance. Pushpay's historical Underlying EBITDAF is summarised below:

UNDERLYING EARNINGS (US\$ MILLIONS)

YEAR END 31 MARCH	2020	2021	2022
Reported EBITDA	25.2	58.9	55.0
Transactions costs	2.0	-	2.3
Fair value discount on unearned revenue acquired	1.1	0.8	1.2
Impact of vendor restricted shares on employee benefits	-	-	3.9
Government grants (research and development)	(1.9)	(1.9)	-
Underlying EBITDAF	26.4	57.8	62.4
Lease payments	(1.3)	(1.7)	(1.7)
Underlying EBITDAF (Pre IFRS 16)	25.1	56.1	60.7
Share based payments (excluding Resi Media) ²⁹	0.8	2.8	2.2
Underlying EBITDAF (Pre IFRS 16) excluding share based payments	26.0	58.9	62.9

- Transaction costs primarily relate to the abnormal one off expenses associated with the acquisitions Pushpay has undertaken and advice associated with the potential corporate restructure.
- The revenue recognition adjustment for Church Community Builder and Resi Media results from an accounting standard requirement to value the deferred revenue acquired upon acquisition on a fair value basis in order to reflect the estimated future costs required to deliver the performance obligation to earn the revenue that has already been received.
- The consideration paid for Resi Media included the issue of US\$9 million of equity under a restricted share agreement. The amortisation of the vendor restricted share reserve has been excluded from Normalised EBITDA.
- In FY20 and FY21 Pushpay received a \$1.9 million Callaghan Innovation growth grant. This has been replaced by the Research and Development Tax Incentive in FY22. This incentive is now recognised as a credit against income tax expense as opposed to other revenue under the Callaghan Grant. The impact of this change is expected to be net profit and cash neutral. The adjustment in the table above removes the grant income received in FY20 and FY21 to be consistent with the accounting treatment in FY22.
- In FY20 Pushpay adopted NZ IFRS 16 where operating lease assets and liabilities are recognised on the balance sheet (both the leased asset and the liability associated with the future lease payment obligations). Underlying EBITDAF (Pre IFRS 16) has been adjusted in FY20, FY21 and FY22 to remove the impact of NZ IFRS 16 by including Pushpay's actual lease payments within Underlying EBITDAF during each of these financial years. This allows Pushpay to be compared with the US companies that are not required to apply NZ IFRS 16.
- After adjusting for abnormal items, Underlying EBITDAF (Pre IFRS 16) increased by US\$4.6 million (c.7.8%) in FY22.

²⁹ Share based payments have been excluded from earnings for the purposes underlying EBITDA in order to be consistent with the methodology used to calculate implied forecast multiples provided by brokers for listed comparable companies as set out in section 5.4.3.



4.7 Financial Position

The financial position of Pushpay as at 31 March 2020, 2021 and 2022 and 30 September 2022 is summarised below:

FINANCIAL POSITION (US\$ MILLIONS)				
	AS AT 31 MARCH			AS AT 30 SEPTEMBER
	2020	2021	2022	2022
Trade and other receivables	15.9	19.1	21.5	19.0
Derivative financial asset/liability	0.1	0.4	-	(0.6)
Deferred acquisition costs	1.8	1.7	1.0	0.7
Inventory	-	-	0.5	0.9
Income tax receivable	0.7	1.2	-	-
Total current assets	18.5	22.4	23.0	20.0
Trade and other payables	(4.6)	(3.5)	(7.3)	(7.6)
Unearned revenue	(14.3)	(14.1)	(17.0)	(16.9)
Employee entitlements	(2.2)	(3.0)	(3.0)	(3.7)
Income tax payable	-	-	(10.5)	(3.4)
Total current liabilities	(21.1)	(20.6)	(37.8)	(31.6)
Working capital	(2.6)	1.8	(14.8)	(11.6)
Property, plant and equipment	1.1	0.8	0.9	0.8
Intangible assets	22.1	17.2	33.7	31.0
Goodwill	66.8	66.8	185.2	185.2
Deferred acquisition costs	1.1	0.7	0.3	0.4
Deferred tax asset	13.3	1.8	3.2	4.5
Restricted cash balances	1.1	0.5	0.2	0.2
Other receivables	0.4	0.1	1.3	1.0
Total non current assets	105.9	87.9	224.8	223.1
Right of use assets (net of liabilities)	(0.8)	(0.6)	(0.5)	(0.6)
Net operating assets	102.5	89.1	209.5	210.9
Cash and cash equivalents	7.2	4.8	6.8	4.9
Borrowings	(56.9)	-	(54.0)	(40.0)
Net debt	(49.7)	4.8	(47.2)	(35.1)
Net assets	52.8	93.9	162.2	175.8

Source: Pushpay Financial Statements and Management Accounts

The following comments are relevant when reviewing the table above:

- Deferred acquisition costs are capitalised costs of customer acquisitions. These costs are amortised in equal instalments over the duration of the associated contract, from the date the customer is acquired.
- Unearned subscription revenue is a proportion of revenue that is invoiced in advance of the services being provided.
- The right-of-use asset and lease liability relates to the adoption of NZ IFRS 16.
- The acquisition of Church Community Builder in December 2019 and Resi Media in August 2021 led to an increase in net debt and goodwill in the respective periods.
- Pushpay utilised its strong operating cash flow to reduce debt in FY21 and FY22. Pushpay partially funded the Resi Media acquisition with a US\$90 million acquisition debt facility. This facility was reduced to US\$54 million over the seven month period to 31 March 2022.



- Restricted cash balances represent bonds, processing reserve and lease arrangements that Pushpay entered into.
- In FY22 Pushpay utilised all its tax losses and is now a tax paying entity hence the increase in tax liabilities as part of working capital.

4.8 Cash Flow

Pushpay's cash flows from FY20 to FY22 are summarised below:

CASH FLOW (US\$ MILLIONS)

YEAR END 31 MARCH	2020	2021	2022
Net profit for the year	16.0	31.2	33.4
Depreciation and amortisation	5.1	7.1	10.0
Share-based payment expense	0.8	2.8	6.1
Deferred tax benefit	5.6	13.2	(1.3)
Net foreign exchange (gains)	(2.4)	5.8	(0.5)
Capitalised development costs	-	-	(1.1)
Other non-cash items	(0.3)	0.2	0.1
Non cash items	8.8	29.0	13.3
Movements in working capital (excluding acquisitions)	(1.3)	(2.6)	16.5
Working capital acquired	-	-	(1.7)
Net operating cash flow	23.5	57.6	61.5
Purchase of property, plant and equipment	(0.4)	(0.4)	(0.4)
Business acquisitions, net of cash acquired	(84.4)	-	(110.0)
Other investing activities	-	0.7	0.4
Net cash flows from investing activities	(84.8)	0.3	(110.0)
Net movement in borrowings	56.9	(57.0)	54.0
Payment of lease liability	(1.3)	(1.7)	(1.7)
Interest on borrowings	(0.6)	(0.9)	(0.9)
Financing costs	-	-	(1.0)
Share issue costs	-	-	(0.1)
Net cash flows from financing activities	55.0	(59.6)	50.3
Net cash flow	(6.3)	(1.7)	1.8

Source: Pushpay Financial Statements

The following comments are relevant when reviewing the table above:

- The positive working capital movement (excluding acquisitions) in FY22 is the result of a decrease in working capital which primarily relates to income tax that was payable at 31 March 2022.
- Business acquisitions, working capital acquired and the increase in borrowings in FY20 and FY22 relates to the acquisition of Church Community Builder in December 2019 and subsequent full repayment of that loan and then the funding for the acquisition of Resi Media in August 2021.



4.9 Strategy Overview and Financial Forecast

Pushpay's growth strategy is summarised below:

PUSHPAY'S FUTURE GROWTH PATHWAYS

GROWTH DRIVERS	Grow Customer Numbers	Increase Production Utilisation	Expand the Product Suite	Increase Share of Wallet
STRATEGIC PRIORITIES	<ul style="list-style-type: none"> Expand the mid-market presence Continued focus on large customers Expand in the Catholic segment 	<ul style="list-style-type: none"> Integrate Resi Media Cross referral and integration of Pushpay solutions ChMS + Donor Management + Video Streaming 	<ul style="list-style-type: none"> New Product Development Enhanced Features Innovation M&A opportunities 	<ul style="list-style-type: none"> Increase digital adoption Encourage update of Donor Management Upsell customers Expand donation/payment integrations

Source: FY22 Results Presentation

The historical and forecast financial performance of Pushpay for the years ended 31 March 2022 and 2023 (FY23) is summarised below:

FINANCIAL PERFORMANCE (US\$ MILLIONS)

YEAR END 31 MARCH	2022A	2023F
Subscription	61.2	72.3
Processing	137.7	138.2
Other income	4.0	5.0
Total Revenue	202.9	215.5
Normalised direct costs & operating expenses	(140.5)	(159.3)
Underlying EBITDAF	62.4	56.2
Lease payments	(1.7)	(1.7)
Underlying EBITDAF (Pre IFRS 16)	60.7	54.5
Share based payments (excluding Resi Media)	2.2	3.6
Underlying EBITDAF (Pre IFRS 16) excluding share based payments	62.9	58.1
Revenue Growth	13.3%	6.3%
Subscription Revenue Growth	24.1%	18.1%
Processing Revenue Growth	6.8%	0.5%
Underlying EBITDAF (Pre IFRS 16) margin %	30.0%	25.3%

Source: Pushpay Financial Statements and Pushpay Management Forecast

- Underlying EBITDAF is expected to decrease from 30.0% in FY22 to 25.3% in FY23F. The expected decrease in Underlying EBITDAF margin % in FY23 is largely due to the impact of:
 - the investment in human resource in FY22/FY23 to support future growth initiatives with new personnel being onboarded throughout FY23;
 - macroeconomic headwinds including wage inflation and increased cost of living affecting customers;
 - the annualised impact of the Resi Media acquisition (which has contributed incremental revenue and is expected to be breakeven at an Underlying EBITDAF level for FY23);
 - the investment in the Catholic segment growth strategy (which has contributed incremental revenue and is expected to be breakeven at Underlying EBITDAF for FY23); and



- investment in a revised go-to-market strategy which includes recruitment of a new and experienced sales and marketing team and an expanded customer support team. The sales process has been optimised to focus on sales into medium and large customers and to drive product utilisation.

The forecast financial performance of Pushpay, reflecting its growth strategy for the years ended 31 March 2022 to 2027 (**FY22-FY27**) is summarised below. FY22-FY25 growth rates reflect the continued implementation of Pushpay’s existing strategic growth initiatives, in particular completion of the initial three-year development roadmaps for the Catholic segment and Resi Media growth strategies that are in the early stages. Following this, greater growth rates from FY25 onwards are expected as the benefits of these strategies are realised. The following table sets out the compound annual growth rate (**CAGR**)³⁰ for some of Pushpay’s performance drivers:

FORECAST AND OPERATING PERFORMANCE DRIVERS

YEAR END 31 MARCH	2022A – 2025F	2025F -2027F
Financial Drivers		
Processing revenue CAGR	6%	15%
Subscription revenue CAGR	18%	19%
Underlying EBITDAF CAGR	11%	19%
Operating Drivers		
Number of customers	12%	22%
Number of products utilised	19%	26%

Source: Pushpay Financial Statements and Management Forecast

The following comments are relevant when reviewing the table above:

- Pushpay is focused on diversifying its customer base. There is a focus on growing large and medium customers in the Company’s core Protestant segment. In addition, the Company has developed strategies to build its market share in the Catholic and non-profit segments, grow the number of small customers and increase utilisation of all products, including Resi Media. These represent a significant opportunity for Pushpay due to the size of the addressable market and Pushpay’s relatively low market share in key market segments:
 - In FY22, Pushpay’s go-to-market strategy was reviewed to better target customers. Pushpay’s *ChurchStaq* and *ParishStaq* offerings are well positioned to serve Catholic and Protestant customers with an all-in-one solution.
 - Pushpay has an ongoing review of the small church segment and how best to service these customers. Pushpay forecasts that development of a product well suited to the needs of the small church segment would lead to an approximate doubling of small customer numbers over a five-year period (there were 5,644 small customers as at 30 September 2022), with approximately 70% of the additional small customers being added in FY25-FY27.
 - Pushpay is 18 months into its three-year development roadmap for the Catholic segment with the goal of completing full product development, expanding product integrations with Catholic vendors and generating positive Underlying EBITDAF by the end of year three (FY24). Due to further processing volumes following the addition of new customers, the full impacts of this initiative will start to be realised in the FY25E-27E forecast period. It takes time for the full benefit of new customer acquisitions to be realised.
- The overall Catholic services market generated US\$40 billion in donations in 2021, representing approximately 29% of US faith giving. It is estimated that there are 17,000 parishes in the US, skewed more heavily to medium and large churches. The estimated TAM is US\$600 million to US\$700 million

³⁰ CAGR is the annualised average rate of growth between two given years, assuming growth takes place at an exponentially compounded rate.



- p.a. in revenue with an estimated 50/50 split between software and processing revenue. Pushpay launched its first product into the Catholic segment in April 2021. Pushpay commenced its expansion into the Catholic segment in April 2021. ParishStaq, the Catholic product brand for the Pushpay suite of solutions, was introduced to the market in September 2021 and formally launched in January 2022. Pushpay's long-term target is to have a 25% share of Catholic parishes (equivalent to 4,250 parishes based on current market size). The forecast has estimated that Pushpay will serve approximately 2,800 parishes by FY27 compared to 326 Catholic parishes as at 30 September 2022, with the majority of this growth anticipated in FY25-FY27 following the completion of the three-year development roadmap.
- The increase in customer numbers is forecast to be supported by a decline in churn in the core Protestant segment as a result of:
 - uptake of Pushpay's bundled solution by customers which is expected to increase stickiness; and
 - an increase in focus on customer support following the investment being made in this area in FY23. Churn is expected to decline from 8% (FY22) to approximately 4% of opening customers by FY27E.
 - Pushpay's focus is on driving adoption and increasing the average number of products utilised by customers through time. This is anticipated to lead to the number of products utilised growing faster than the number of customers as customers are encouraged to use more than one product. The acquisition of Resi Media expanded the range of products and provides new product bundling opportunities for existing Pushpay customers to utilise Resi Media's solutions and vice-versa. Pushpay expects to increase the number of products utilised by both new and existing customers with management forecasting a 13% CAGR in the number of products utilised over the period FY22-FY25F and a 28% CAGR over the period FY25-FY27F.
 - Growth in processing revenue is driven by customer growth, an increase in digital adoption (i.e. Share of Wallet) and a greater proportion of giving passing through the Pushpay platform. Growth in processing revenue trails new customer growth due to the time required to implement and increase adoption within the customer's community.
 - Pushpay expects its Underlying EBITDAF margin % to increase to approximately 32% by FY27 driven by:
 - execution of new and existing growth opportunities, including the completion of the three-year development roadmaps for the Catholic segment and Resi Media growth strategies;
 - benefits of the go-to-market strategy reset;
 - expected long-term improvements in macroeconomic conditions;
 - growth of market share supported by Pushpay's leadership position and premier offering; and
 - improved operating efficiencies.

Pushpay's management believe an Underlying EBITDAF margin of 30-32% represents a sustainable long-term margin for the business.
 - Excluding capitalised labour related to specific projects, the average capital expenditure over the past four years has been c.US\$0.5 million per annum. Pushpay expects minimal capital expenditure to deliver its existing business plan with forecast capex of US\$10.7 million over the period FY22-FY27F (of which US\$7.5 million relates to specific projects such as the completion of the three-year development plan for Pushpay's Catholic segment offering completing in FY24F). Outside of this, ongoing product design and development is forecast to continue to be expensed.
 - Pushpay's forecasts are consistent with the Company's current medium-term guidance of US\$10 billion processing volume and over 20,000 customers which are expected to be achieved 12-18 months after the originally communicated FY25F target, subject to current trends in the business improving.



4.10 Capital Structure and Ownership

Pushpay has 1,141,144,570 ordinary shares on issue as at 4 November 2022 and had approximately 3,160 registered shareholders on the NZX and approximately 10,659 registered shareholders on the ASX. The top 10 shareholders³¹ own approximately half of the ordinary shares on issue:

PUSHPAY – MAJOR SHAREHOLDERS AS AT 4 NOVEMBER 2022

	NUMBER OF SHARES (000S)	PERCENTAGE
The Consortium	232,052	20.34%
Accident Compensation Corporation	71,048	6.23%
Brown Capital Management	63,114	5.53%
Capital Research Global Investors	41,008	3.59%
NZ Superannuation fund	34,144	2.99%
Clients of Craig's Investment Partners	27,729	2.43%
ANZ New Zealand Investments	27,414	2.40%
Blackrock Investment Management	26,755	2.34%
Fisher Funds Management	26,207	2.30%
Vanguard Group	24,826	2.18%
Subtotal – Top 10 shareholders	574,297	50.33%
Other shareholders	566,847	49.67%
Total	1,141,145	100.00%

Source: NZX Research.

Sixth Street controls 196.2 million or 17.19% of the ordinary shares in Pushpay. BGH Capital controls 35.89 million shares (or 3.15% of the total shares) which were acquired on-market on the NZX and ASX for aggregate consideration of approximately NZ\$47.1 million. BGH Capital and Sixth Street have a cooperation agreement in respect of their combined 20.34% shareholding.

Substantial product holders as at 4 November 2022 include:

- The Consortium entities – 20.34%;
- Accident Compensation Corporation – 6.23%; and
- Brown Capital Management, LLC – 5.53%.

4.11 Share Price Performance

4.11.1 Liquidity

The following table shows the volume of Pushpay shares traded on the New Zealand Stock Exchange (NZX) in the 12 months to 22 April 2022, being the last full trading day prior to the announcement of the receipt of the non-binding expressions of interest for the acquisition of Pushpay on 26 April 2022:

PUSHPAY – SHARE PRICE HISTORY TO 22 APRIL 2022

TIME PERIOD	LOW	HIGH	VWAP ³²	VOLUME (000S)
1 month	\$1.01	\$1.17	\$1.08	16,041
3 months	\$0.90	\$1.20	\$1.06	77,417
6 months	\$0.90	\$1.92	\$1.27	169,005
12 months	\$0.90	\$1.97	\$1.49	312,720

Source: NZX Company Research

³¹ For this purpose, the term “shareholder” refers to a person who beneficially owns or controls shares, rather than registered shareholders. New Zealand Central Securities Depository Limited holds more than 50% of Pushpay’s shares on behalf of various individuals and entities.

³² Volume weighted average share price.



The following table shows the volume of Pushpay shares traded on the NZX in the 12 months to 27 October 2022, being the last full trading day prior to the announcement of the entry into the SIA.

PUSHPAY – SHARE PRICE HISTORY TO 27 OCTOBER 2022

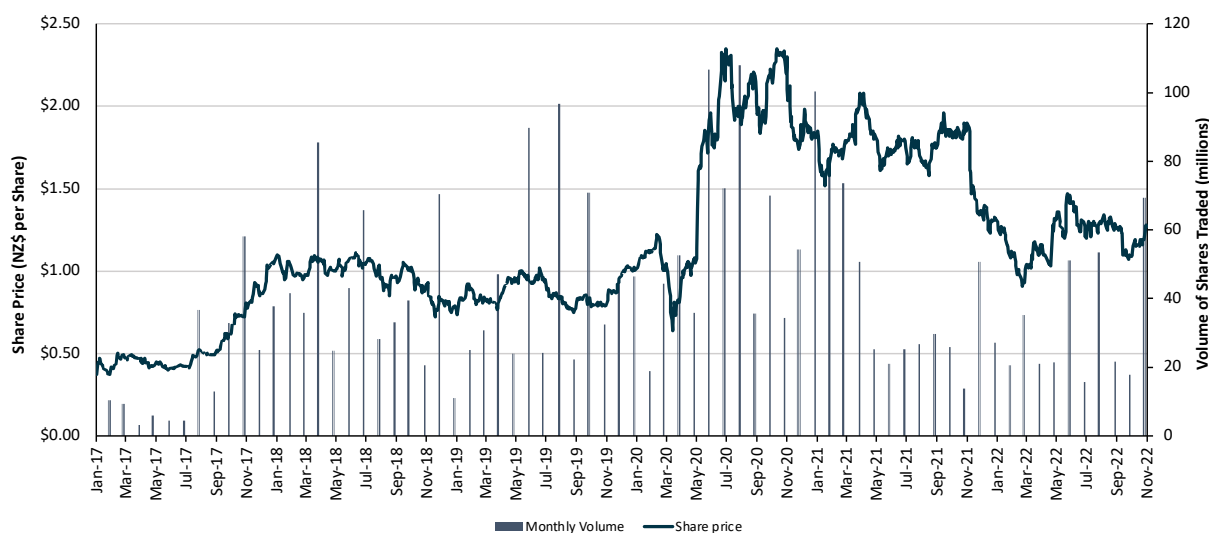
TIME PERIOD	LOW	HIGH	VWAP	VOLUME (000S)
1 month	\$1.06	\$1.23	\$1.14	13,800
3 months	\$1.05	\$1.34	\$1.22	58,549
6 months	\$1.05	\$1.50	\$1.38	166,363
12 months	\$0.90	\$1.92	\$1.27	347,749

Source: NZX Company Research

4.11.2 Share Price Performance

The share price and trading volume history of Pushpay shares since the beginning of 2017 until 4 November 2022 is depicted below:

PUSHPAY SHARE PRICE PERFORMANCE SINCE THE BEGINNING OF 2017 (NZ\$)



Source: NZX Research. Grant Samuel analysis

The major share trading events that have occurred since January 2017 have included:

- In June 2018 Deutsche Craigs completed the NZ\$100 million bookbuild for the sell down of all ordinary shares in Pushpay held by interests associated with Eliot Crowther at the clearing price of NZ\$4.04 per share which is equivalent to NZ\$1.01 per share following the 4 for 1 share split).
- A 4 for 1 share split occurred on 25 November 2020. Pushpay's share price and the volume of shares traded have been adjusted for the share split.
- On 16 December 2020 Craigs Investment Partners completed the NZ\$97.9 million bookbuild for the sell down of Pushpay shares held by interests associated with Chris Heaslip and Chris Fowler. 54.68 million shares held by Mr Heaslip's and Mr Fowler's respective associated interests were sold, at a clearing price of NZ\$1.79 per share.
- In March 2021, Sixth Street acquired a 17.8% shareholding in Pushpay at a price of NZ\$1.85 per share through the acquisition of the shares owned by Christopher & Banks V Limited, the investment vehicle associated with Peter Huljich and Christopher Huljich.



- On 26 April 2022 Pushpay announced it had received unsolicited, non-binding and conditional expressions of interest or approaches from third parties looking to acquire the Company.
- On 28 October 2022 Pushpay announced it had entered into a SIA with Pegasus Bidco, under which Pegasus Bidco planned to acquire all the Pushpay shares at a price of NZ\$1.34 per share.

The performance of Pushpay shares relative to the NZX Capital Index from the beginning of 2017 to 4 November 2022 is depicted below:

PUSHPAY SHARE PRICE PERFORMANCE VERSUS NZX50 CAPITAL INDEX



Source: Capital IQ

Pushpay has significantly outperformed the NZX Capital Index since the beginning of 2017 with a return of approximately 240% versus the return of the Capital Index of approximately 34.4% over the same time period. Pushpay experienced a period of strong share price outperformance at the start of the COVID-19 pandemic as Pushpay benefited from an increase in customer numbers and an increase in the adoption of digital giving which drove higher processing volumes and earnings for Pushpay.



5 Valuation of Pushpay

5.1 Methodology

5.1.1 Overview

Grant Samuel's valuation of Pushpay has been estimated on the basis of fair market value as a going concern, defined as the estimated price that could be realised in an open market over a reasonable period of time assuming that potential buyers have full information. The valuation of Pushpay is appropriate for the acquisition of the company as a whole and accordingly incorporates a premium for control. The value is in excess of the level at which, under current market conditions, shares in Pushpay could be expected to trade on the share market in the absence of a takeover offer or proposal similar to the Scheme. Shares in a listed company normally trade at a discount of 15 – 25% to the underlying value of the company as a whole, but the extent of the discount (if any) depends on the specific circumstances of each company.

The most reliable evidence as to the value of a business is the price at which the business or a comparable business has been bought and sold in an arm's length transaction. In the absence of direct market evidence of value, estimates of value are made using methodologies that infer value from other available evidence. There are four primary valuation methodologies commonly used for valuing businesses:

- capitalisation of earnings or cash flows;
- discounting of projected cash flows (DCF);
- industry rules of thumb; and
- estimation of the aggregate proceeds from an orderly realisation of assets.

Each of these valuation methodologies has application in different circumstances. The primary criterion for determining which methodology is appropriate is the actual practice adopted by purchasers of the type of business involved. A detailed description of each of these methodologies is outlined in Appendix D.

5.2 Summary

Grant Samuel has valued the equity in Pushpay in the range of US\$931 – US\$1,068 million, which corresponds to a value of NZ\$1.33 to NZ\$1.53 per share. The valuation is summarised below:

PUSHPAY - VALUATION SUMMARY (MILLIONS)

	VALUE RANGE	
	LOW	HIGH
Enterprise value (US\$)	900	1,020
Estimated net debt at 31 March 2022 for valuation purposes ³³	(13)	(13)
Intellectual Property Tax Value	44	61
Equity value (US\$)	931	1,068
Fully diluted shares on issue (millions)	1,145	1,145
Value per share (US\$)	\$0.81	\$0.93
Exchange rate NZD/USD	0.61	0.61
Value per share (NZ\$)	\$1.33	\$1.53

³³ Forecast net debt at 31 March 2023 has been adopted as described in section 5.2.2.



A value range of US\$931 - US\$1,068 million has been attributed to Pushpay's business operations. This valuation range is an overall judgement having regard to:

- net present value (**NPV**) outcomes from DCF analysis under a number of scenarios that adopt a range of different assumptions (refer section 5.3.2);
- the multiples implied by the acquisition prices of transactions involving other comparable companies (refer section 5.4.2); and
- the multiples implied by the share market ratings of comparable companies (refer section 5.4.3).

The valuation reflects the strengths and weaknesses of Pushpay and takes into account the following factors:

- Pushpay has transformed from a challenger church donation platform to one of the largest church engagement platforms in the US, with a wide offering including donor management, church management, a custom mobile application and streaming services. It now has a more diversified offering, with over 30% of revenues being on a subscription basis.³⁴ Pushpay is considered by many to offer a best in class product, with its all-in-one bundle having few comparable competitors. This has created a barrier to entry for competitors to take market share.
- Pushpay operates a highly recurring revenue model. While giving to churches is discretionary, it is a principle in the bible and is treated by many as an essential part of their faith and being part of a church community. Research indicates that 83% of American churchgoers believe that tithing is a biblical command that still applies today.³⁵ As a consequence Pushpay's processing revenue may have some resistance to changes in economic conditions. Pushpay's platform also offers tools that make it easy to give, such as recurring giving functions through its application.

However, the economic outlook in the US is currently uncertain and as a consequence there are several market risks. These risks could adversely impact Pushpay's performance and include:

- lower levels of switching among churches which may make achieving customer growth forecasts challenging in the near term;
 - an increase in price sensitivity, leading to an increase in churn or lower subscription fees;
 - lower growth in processing revenue due to inflationary pressures; and
 - an increase in operating expenses due to inflationary pressures and competitive labour markets.
- There have been several key trends in the faith based sector. While the number of church attendees has been trending downward in the US, megachurches have been growing in number and size. US megachurches have been contributing a growing proportion of total church donations over time and are generally more likely to embrace digital giving than traditional churches. Pushpay provides services to 90 of the top 100 largest churches in the US and is one of the dominant providers of solutions to large Protestant churches generally.³⁶ Given its market position Pushpay is well positioned to benefit from the continued attendance growth of the large church segment in the US.
 - Pushpay is targeting customer growth in different customer segments. These include the small and medium sized church and the Catholic church market segments. Management is confident it can grow in these markets, with forecasted growth subject to the current trends improving. Management has a roadmap to expand into these areas. There is a large total addressable market that Pushpay is well positioned to obtain a greater share of given its product position relative to other solutions that are being used by churches, which is often a combination of multiple solutions including an outsourced payment processor such as Paypal.
 - Pushpay has significant scale in the US Protestant market segment and is now using this experience to enter the Catholic market segment. Management believes the Company can replicate the growth and

³⁴ Based on Pushpay's FY22 revenue.

³⁵ Lifeway Research, 2018.

³⁶ Based on Outreach Magazine's 100 largest churches in America in 2021.



scale it has achieved in the Protestant market segment in the Catholic market segment. Catholic churches have generally been slower to embrace technology than Protestant churches. Most of Pushpay's competitors are legacy operators and have a far more limited offering which may make it difficult for them to obtain a significant share of the Catholic market segment. For example, few competitors offer streaming services, a community app and serve large churches. Some other competitors offer outdated software architecture.

- There is a possibility that expansion into other markets or the growth initiatives (including Resi Media, Catholic and the planned development of a product for the small church segment) take longer than expected or are not successful due to slower growth, challenging customer retention or requiring more investment than currently expected. In other words there is execution risk involved with management's strategy. If Pushpay's strategy can be executed and the Scheme proceeds then the Consortium will reap the benefits of this. If the scheme proceeds and the strategy is not implemented successfully or there are significant hurdles along the way then the Consortium will bear the costs of this.
- While the Catholic church segment has some similarities to the Protestant church segment there are differences between the two. For example, Pushpay engages with some churches at different levels of the church leadership structure e.g. individual church level or diocese. In addition, Blackbaud has more of a presence in the Catholic church segment than the Protestant church segment. There is a possibility that Blackbaud could develop its offering further in this segment or engage in pricing competition if Pushpay expanded further.
- While Pushpay has scale and a strong platform there is a risk that new competitors enter the market or existing competitors try to more aggressively target Pushpay's customers. Competition primarily stems from internal church solutions such as traditional non-digital giving, basic digital options and companies that typically offer a church management platform that includes payment functions. Pushpay offers a premium product which is generally priced higher relative to other platforms. There is a risk that improved competitor products could result in Pushpay being forced to charge lower subscription fees or lower fees per transaction. In addition, many competitors have grown by acquisition (as discussed in sections 3.4 and 5.4.2) and further consolidation in the industry could result in more credible competition emerging.
- Pushpay's revenue growth since FY19 has primarily been generated from acquisitions and an increase in processing volumes. Organic growth from new donor management customers has slowed in the last two years. Pushpay's future revenue growth is highly dependent on the successful execution of its revised go to market strategy. This strategy is focused on driving net new customer sales in the medium to large customer segments and expanding into the Catholic segment. The development of a tailored product for small churches, with a self service functionality, is key to Pushpay obtaining market share in this segment in a cost effective way. This is also one of the drivers of future earnings growth.
- As a digital solution Pushpay is highly exposed to cyber security risks. Pushpay holds a significant amount of individual end user data. Pushpay has systems and processes in place to ensure it offers the highest level of security and data encryption for sensitive information such as credit card or bank account numbers. Pushpay is PCI-DSS Level 1 Compliant (the highest security certification available) which requires it to be independently audited and certified. A cyber security incident could materially impact Pushpay's brand reputation and future growth prospects. Such a breach occurred with Blackbaud between February and May 2020 with sensitive client data being accessed. The result was Blackbaud had to pay a ransom to cyber criminals and legal action was taken against Blackbaud.
- COVID-19 has accelerated digital adoption by churches and this has resulted in a transformational shift to digital donations. Pushpay's Share of Wallet has increased significantly from pre-COVID levels. While in person church services have largely resumed in the United States, people are continuing to use platforms such as Pushpay and Pushpay expects its Share of Wallet to continue to grow. Digital donations are now a permanent feature of church giving.
- Pushpay has made two material acquisitions recently and has integrated these into its platform. The acquisitions are Church Community Builder and Resi Media. Both of these have broadened Pushpay's

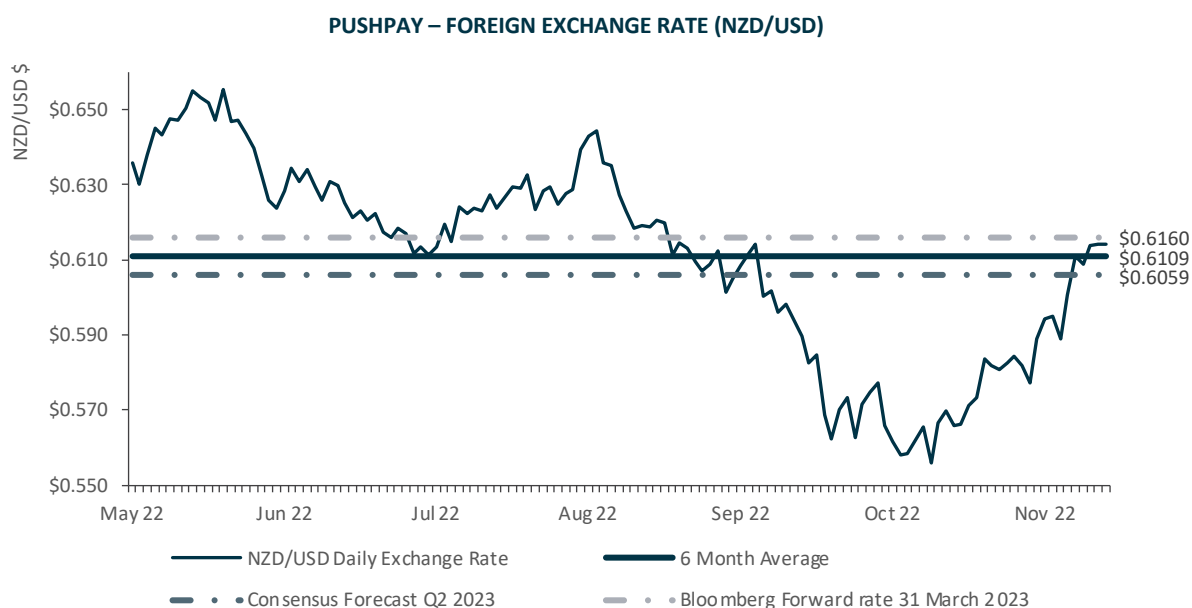


offering, have allowed the Company to obtain scale and are expected to generate further cross selling opportunities. In addition, the Resi Media acquisition has allowed Pushpay to further extend its customer base of non-profits, businesses and educational organisations. Grant Samuel's valuation reflects the potential value uplift from these acquisitions.

- Pushpay first achieved positive free cash flow in FY20 and over the last two years its free cash flow (before acquisitions) has grown materially due to economies of scale and continued sales growth. Pushpay is expecting to generate increasing free cash flows as it has now reached sufficient scale, it has high EBITDA margins, minimal working capital requirements and a relatively low level of capital expenditure.
- There is a strong correlation between religious giving in the US as a percentage of GDP and lower donations during economic downturns. US GDP declined in the first half of 2022 and the economic outlook remains uncertain. There is some risk that an economic contraction and the current high levels of inflation could reduce processing volumes as customers re-evaluate buying decisions and have less disposable wealth. Ultimately these factors could negatively impact Pushpay's profitability in the short to medium term.

5.2.1 Currency

The New Zealand dollar has been volatile over the last six months with the exchange rate reaching a 13 year low in October 2022. More recently the New Zealand dollar has strengthened against the US dollar. The following graph depicts the NZD/USD foreign exchange rates over the last six months,³⁷ the six month average, the consensus forecast from registered banks and the Bloomberg forward rate for 31 March 2023.³⁸



Pushpay's reporting currency is US dollars, while its shares trade on the NZX in New Zealand dollars and it is domiciled in New Zealand.³⁹ **Grant Samuel has valued Pushpay in US dollars.** Given the spot rate is volatile in the current environment for the purposes of the valuation US dollar amounts have been converted to New Zealand dollars at an exchange rate of NZ\$1 = US\$0.61 to enable comparison with the Scheme price. The selected foreign exchange rate is relatively consistent with the consensus forecasts, forward rates and the six month average summarised in the graph above. Grant Samuel has used forecast and forward rates to 31 March 2023 to assess an appropriate exchange rate as this aligns with an estimated implementation date if the Proposed Scheme is approved.

Grant Samuel has carried out several sensitivities on the \$NZ/\$US foreign exchange rate to observe how potential movements in currency could impact Pushpay's New Zealand dollar value per share. As can be

³⁷ Reserve Bank of New Zealand 18 November 2022.

³⁸ Bloomberg 18 November 2022.

³⁹ Pushpay also trades on the ASX.



observed from the table below, the New Zealand dollar value of Pushpay is very sensitive to changes in foreign exchange rates:

PUSHPAY – SHARE PRICE SENSITIVITIES - NZD/USD EXCHANGE RATE (NZ\$ PER SHARE)

Value range	NZD/USD EXCHANGE RATE		
	0.5800	0.6100	0.6400
Low	\$1.40	\$1.33	\$1.27
High	\$1.61	\$1.53	\$1.46

5.2.2 Net Debt for Valuation Purposes

Grant Samuel has adopted forecast net debt for valuation purposes of US\$13.3 million as at 31 March 2023. The balance date for the forecast net debt position is the month end prior to the expected implementation date of the Scheme. In this way the net debt for valuation captures the earnings generated prior to implementation, which may not be distributed to Pushpay's shareholders under the Scheme. If the Scheme is implemented in Q2 of 2023 (i.e. after 31 March 2022) net debt is likely to be lower. The Scheme does not provide for any adjustment to the purchase price to reflect the potential lower net debt.

5.2.3 Number of shares used to calculate value per share

Grant Samuel has adopted the number of ordinary shares that are likely to be on issue if the Scheme is implemented. These have been added to the number of restricted share units (**RSUs**) that will be in existence immediately prior to the time the Scheme is implemented. Together, these figures have been used to calculate Pushpay's fully diluted value per share. This figure includes RSUs that will be cancelled where Pushpay expects to make an RSU cancellation payment. The cancellation payment has not been included in net debt. Grant Samuel has assumed that eligible RSUs will vest in the event of a change of control of Pushpay and as a consequence the proceeds will be paid to RSU holders based on Grant Samuel's value range. Grant Samuel understands this approach is consistent with Pushpay's share incentive plan. The total ordinary shares outstanding used to calculate Pushpay's value per share is set out below:

NUMBER OF SHARES USED TO CALCULATE PUSHPAY'S VALUE PER SHARE (000)

	NUMBER OF SHARES (000)
Total Ordinary Shares on Issue (estimated as at 31 March 2023)	1,142,348
RSUs (estimated as at 31 March 2023)	2,823
Total Shares used to calculate value per share	1,145,171

5.2.4 Intellectual Property Tax Valuation

On 11 May 2022 Pushpay announced it was undertaking an internal restructure to transfer intellectual property from a New Zealand Pushpay subsidiary (Pushpay IP Limited) to a US Pushpay subsidiary (Pushpay USA Inc.) in light of Pushpay's progressive shift of operating revenues and the location of management and support functions from New Zealand to the US. Due to the difference in the tax treatment of intellectual property in the United States this transaction is expected to result in a reduction of Pushpay's cash income tax expense annually for 15 years. Grant Samuel has applied a discount rate to these future cash flows of between 10.0% - 11.0% in order to determine the present value of this tax saving. This reflects the assumptions used as part of the DCF analysis in section 5.3.2.

Grant Samuel has derived the value of the intellectual property from the valuation attributed to Pushpay as a whole adjusted for tangible assets, current and interest bearing liabilities and goodwill arising from acquisitions. The value of the tax asset has been calculated by discounting the future cash flow benefits arising from the reduction of Pushpay's cash income tax expense over the 15 year period. The value attributed to the tax asset is in the range of US\$44 to US\$61 million. These amounts have been added to Pushpay's enterprise value in section 5.2 in order to obtain Pushpay's equity value. The Intellectual Property Tax Value is dependent on verifying the valuation of the Intellectual Property inferred from the top end of the valuation range, which may require transactional evidence at that level to support this value.



The value of this tax asset has been included as part of the enterprise value in the sensitivity analysis in section 5.3.2 as the present value of this amount changes when the discount rate is increased upward and downward.

5.3 DCF Valuation, Sensitivity Analysis and Assumptions

A DCF valuation involves calculating the NPV of expected future cash flows. The cash flows are discounted using a discount rate that reflects the time value of money and the risks associated with the cash flow stream. Grant Samuel has used a DCF analysis for the following reasons:

- Pushpay's financial model has been made available which sets out forecast cash flows to 31 March 2027. This financial model includes a number of key future assumptions which are able to be assessed in detail.
- A DCF approach allows the future revenue and earnings to be modelled explicitly and captures the potential valuation impacts of key future assumptions, which may not be available through other methods.
- A DCF approach provides the ability to undertake sensitivity analysis. This allows for the assessment of risks associated with Pushpay's future cash flows.

It should be noted that any projections contained in any forward-looking model are inherently uncertain. For Pushpay this uncertainty is exacerbated by a number of factors including:

- the nature of giving and changes that are occurring in the US faith based giving and software industries;
- technological change and the speed of adoption of platforms such as Pushpay's;
- the unique nature of Pushpay's underlying business; and
- the extent Pushpay can successfully develop its market share in the Catholic segment as well as other targeted segments.

5.3.1 The discount rate and terminal growth applied to determine Pushpay's NPV

Grant Samuel has calculated a weighted average cost of capital (**WACC**) using the Capital Asset Pricing Model (**CAPM**) and referencing comparable benchmarks to estimate a cost of equity for Pushpay. CAPM is probably the most widely accepted and used methodology for determining the cost of equity capital. While the theory underlying CAPM is logical, the practical application is subject to substantial shortcoming and limitations. Results from the CAPM should only be regarded as a general guide.

Based on Grant Samuel's analysis it has applied a WACC of between 10.0% - 11.0% to discount Pushpay's forecast cash flows. As part of determining a WACC to apply Grant Samuel has referenced comparable benchmarks to estimate a cost of equity for Pushpay.

Grant Samuel has used a terminal growth rate of 2.5%, which is consistent with the average US GDP growth over the last 30 years and within the range used in Pushpay's broker research during 2022.

5.3.2 Model Overview and Scenarios

The DCF model has been developed by Grant Samuel using Pushpay's management's forecast nominal ungeared after tax cash flows for the years ending 31 March 2024 to 31 March 2027, a period of four years beyond the current FY23 forecast period. A terminal value has been calculated in order to represent Pushpay's remaining cash flows beyond this period in perpetuity.

Grant Samuel has analysed a number of scenarios that represent differing combinations of key assumptions. A brief description of each of the scenarios is set out below:



Scenario A - represents management's financial projections based on the assumptions outlined in section 4.9. It is assumed that under this scenario:

- Pushpay will successfully execute on its strategy to expand and grow its market share in the Protestant segment;
- Pushpay will successfully execute on its strategy to expand into the Catholic segment;
- Resi Media will be successfully integrated and grow its customer numbers;
- product utilisation will increase and improve ARPC in each customer segment;
- processing revenues will grow due to customer acquisition and an increase in the Share of Wallet; and
- a corporate tax rate of 23.9% applies, which reflects a weighted average tax rate between Pushpay's US federal and state tax rates together with Pushpay's New Zealand tax rate.

Scenario B – Assumes management successfully executes on its Catholic strategy and it achieves planned Resi Media growth but it does not achieve the same number of new church customers in the Protestant segment. This scenario assumes that new church customers are 10% lower than forecast in each year for the Protestant segment (e.g. if 100 was management's forecast additional Protestant church customers in a given year this scenario decreases this to 90). While significant growth is expected in the Catholic segment the value outcomes are generally less impacted by variables for the Catholic segment than the Protestant segment. This is due to the Protestant segment (and related processing volume revenue) continuing to be the largest contributor to revenue and profitability over the forecast period examined.

Scenario C – Assumes management's customer numbers are too aggressive and Pushpay does not achieve the quantity of new customers in the Catholic segment. This scenario assumes that net new customer additions are 10% lower than forecast in each year in the Catholic segment.

Scenario D – Assumes management's customer numbers forecast in Scenario A. It also assumes that Pushpay's Share of Wallet improves as digital payment adoption increases at a faster rate than anticipated. As a consequence this scenario assumes 5% more processing volume in each year (e.g. if \$100 was management's processing volume in a given year this scenario increases this volume to \$105).

Scenario E – Assumes management's customer numbers are achieved but its product utilisation is not achieved or it is achieved but at lower price points than forecast. The scenario assumes 10% less subscription ARPC⁴⁰ than forecast in each year for both the Catholic and Protestant segment (e.g. if \$100 was management's subscription ARPC in a given year this scenario reduces this subscription ARPC to \$90).

Scenario F – Assumes management successfully executes its strategy, but the cost of achieving the growth is higher than anticipated leading to a reduction in EBITDA margins. Scenario F assumes EBITDA margin % is 2% lower through the forecast to FY27.

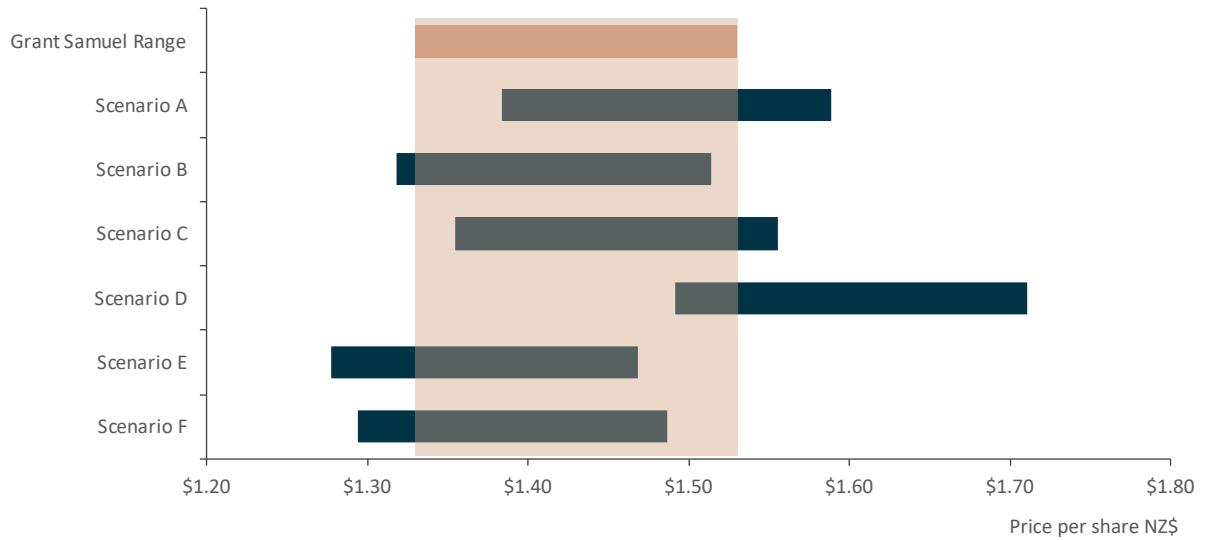
⁴⁰ Excluding processing revenue.

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The DCF valuations from each of the scenarios listed above are summarised below:

PUSHPAY – DCF VALUATION ANALYSIS RESULTS (NZ\$ PER SHARE)

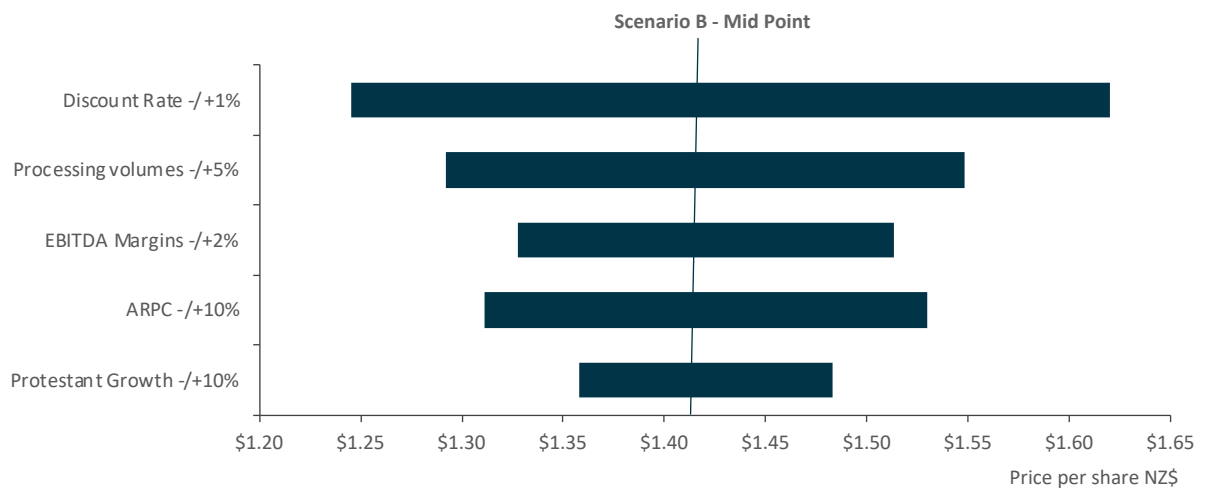


In addition to considering the NPV outcomes from the different scenarios, Grant Samuel has undertaken sensitivity analysis based on Scenario B. This analysis examines the sensitivity of the value outcomes under Scenario B to changes in the following key variables using a discount rate of 10.5% unless stated (the midpoint of Grant Samuel’s discount rate):

- Customer growth for new church customers being 10% higher or lower than forecast in each year for the Protestant segment;
- ARPC being 10% higher or lower than forecast in each year;
- 5% more or less processing volume in each year for the Protestant and Catholic segments;
- EBITDA margins 2% higher or lower than forecast; and
- 1% higher or lower discount rate.

The difference in DCF valuations based on the sensitivity assumptions listed above are summarised in the chart below:

PUSHPAY – DCF SENSITIVITY ANALYSIS (NZ\$ PER SHARE)

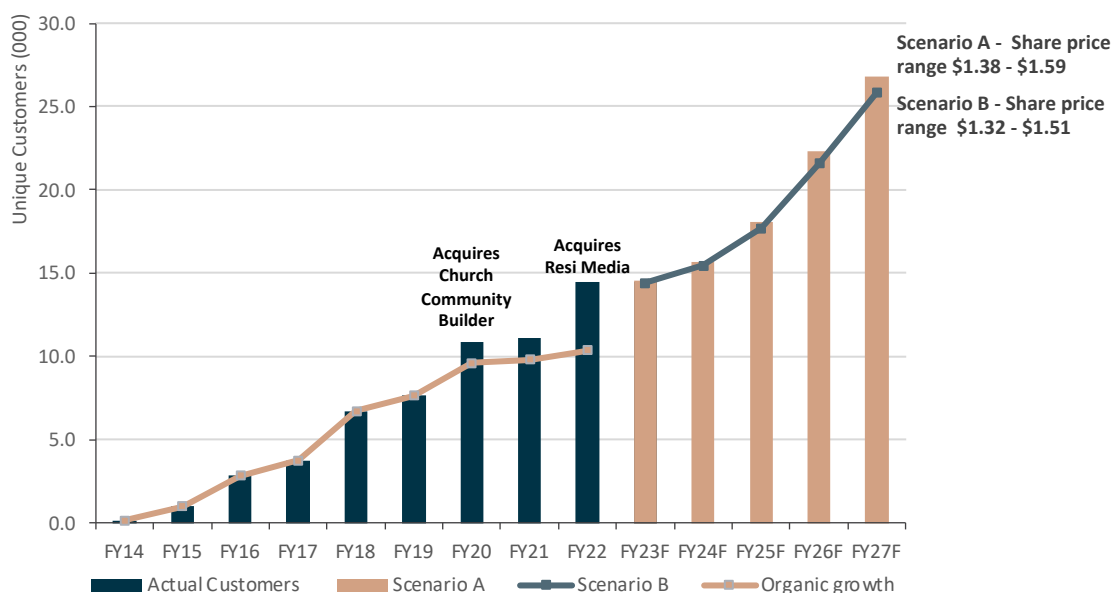




Grant Samuel has considered the outcome of all the scenarios examined in determining its value range for Pushpay as well as the comparable company and transaction evidence in sections 5.4.2 and 5.4.3 respectively. As highlighted in the analysis above NPV outcomes are sensitive to relatively small changes in assumptions. As a consequence the range of NPV outcomes determined using assumptions which are in isolation considered quite reasonable can be very wide. It is therefore necessary to overlay commercial judgement to reflect the risks and to determine a value range that is narrow enough to be meaningful.

One of the key drivers of value is customer growth. Over the last three financial years the majority of Pushpay’s customer growth has been achieved through the acquisition of Community Church Builder and Resi Media. Pushpay’s management forecast to 31 March 2027 as analysed under Scenario A and the DCF sensitivity analysis above assumes customer numbers grow by 84% over a four year period (by over 12,000 new customers). Based on the low level of organic growth achieved in the last two years (i.e. growth not achieved by acquisitions) this appears optimistic. The following graph illustrates the level of customer growth required to achieve the valuation outcomes summarised in Scenario A and Scenario B. Both of which assume a high level of growth. Scenario B is the closest scenario to Grant Samuel’s selected valuation range:

PUSHPAY – CUSTOMER GROWTH AND DCF ANALYSIS OUTCOMES (NZ\$ PER SHARE)



Grant Samuel’s assessment of the value of Pushpay is in the lower to middle end of the range of NPV outcomes produced by undertaking a DCF analysis. Grant Samuel considers the valuation range selected reflects a balance between the risks associated with Pushpay’s business and the potential earnings growth that may be achieved if Pushpay successfully executes on its strategic plan.



5.4 Earnings Multiple Analysis

5.4.1 Implied multiples

Grant Samuel has examined the implied multiples of the valuation against the earnings of multiples implied from comparable listed companies and transactions. A capitalisation of earnings methodology is more applicable when there are several listed companies and comparable transactions that closely resemble the target company. In Pushpay's case there are limited directly comparable companies and transactions.

Grant Samuel's valuation of Pushpay implies the following multiples:

PUSHPAY – IMPLIED VALUATION MULTIPLES

DATE	(US\$ MILLION)	RANGE OF MULTIPLES	
		LOW	HIGH
Enterprise Value (including tax benefit) range (US\$ million)		944	1,081
Multiple of Revenue (times)			
Year ended 31 March 2022 - Actual	202.9	4.7	5.3
Year ending 31 March 2023 - Forecast	215.5	4.4	5.0
Multiple of Underlying EBITDAF (Pre IFRS 16) excluding share based payments (times)⁴¹			
Year ended 31 March 2022 - Actual	62.9	15.0	17.2
Year ending 31 March 2023 - Forecast	58.1	16.2	18.6

Average earnings multiples implied by the share prices of comparable listed companies and the multiples implied by the transaction price of successful transactions are summarised below:

MARKET MULTIPLES

	HISTORIC	FORECAST
Average revenue multiples from transaction evidence	4.9	5.0
Average revenue multiples for comparable companies	3.8	3.6
Average EBITDA multiples from transaction evidence	17.3	17.1
Average EBITDA multiples for comparable companies	13.7	12.5

While none of the listed companies or transactions examined are directly comparable with Pushpay, the implied Revenue and EBITDA multiples provide a framework to assess the valuation of Pushpay.

The implied Underlying EBITDA multiples from Grant Samuel's valuation of Pushpay are between the multiples implied by the share prices of comparable companies and the multiples implied by recent transaction evidence examined. When comparing the implied multiples of Grant Samuel's valuation of Pushpay with market evidence it is important to consider the following:

- Within the faith and community software market transactions have occurred at an average EV/Revenue multiple of approximately 5.0 times. Larger transactions such as Blackbaud's acquisition of EverFi and Heartland Payment Systems' acquisition of Touchnet Information Systems have tended to be at revenue multiples of ~6.0 times or higher.
- Grant Samuel considers Blackbaud and Global Payments are useful comparators to Pushpay, with Blackbaud being a broadly similar listed company to Pushpay in terms of offering and Global Payments being similar in terms of generating revenue primarily through processing fees:

⁴¹ Share based payments have been excluded from earnings for the purposes of calculating implied multiples. This is to be consistent with the methodology used to calculate implied forecast multiples provided by brokers for listed comparable companies.



- **Blackbaud** is a competitor in the Catholic segment and offers a broad suite of cloud-based fundraising and financial applications solutions to non-profit organisations. It is a well established company that services a wider range of markets than Pushpay. It has acquired a significant number of companies (as described in section 5.4.2). Its 2022 free cash flow guidance implied flat growth year on year, which largely relates to the acquisition and integration expenses of EverFi. Blackbaud has been improving its cost structure in recent years by having a work from anywhere strategy which has reduced employee attrition and reduced office costs. It has also begun to reduce its data centre footprint and is progressing its data storage to the cloud, further reducing costs. At the time of writing Blackbaud was trading at 15.1 times historical adjusted EBITDA and 12.6 times forecast EBITDA. Blackbaud's share price, and therefore the multiples, do not include a premium for control. Shares in a listed company normally trade at a discount to the underlying value of the company as a whole.
- **Global Payments** offers a wide range of payment technologies and related solutions to a broad range of industries including retail, restaurants, education as well as not for profits. A substantial source of revenue for Global payments is payment processing fees earned on transactions, which are either a percentage of the transaction value or a specified fee per transaction. The business is exposed to some cyclical risks – in particular reduced consumer spending would likely result in reduced earnings. However, approximately 50-60% of its revenue stems from non-discretionary spending and as a consequence may have some resistance to economic downturns. Global Payments also offers a donation based platform, known as the Greater Giving Suite of software solutions which allow for simple event management, mobile donations and bidding. Within this area it has over 10,000 active clients and has facilitated raises of over US\$6 billion since 2002. At the time of writing Global Payments is trading at 10.2 times historical EBITDA and 9.0 times forecast EBITDA. These represent relatively low multiples compared to Grant Samuel's valuation for Pushpay. Global Payments has seen its EBITDA multiples compress since 2020. During 2020 and 2021 Global Payments was typically trading at 20 times EBITDA or higher. Despite growing earnings and generally meeting earnings expectations for the first quarter of FY22 Global Payments' share price has fallen significantly from US\$219 per share on 21 November 2021 to US\$96 at 21 November 2022. Factors that may have caused this margin compression include concerns about a potential recession and the end of COVID-19 stimulus payments resulting in lower consumer transaction volumes.

Having regard to the strengths and weaknesses of Pushpay as summarised in section 5.2 and the comparable evidence, Grant Samuel considers that multiples implied by the valuation range to be appropriate.



5.4.2 Transaction Evidence

The valuation of Pushpay has been considered having regard to the earnings multiples implied by the price at which broadly comparable companies and businesses have changed hands. A selection of relevant transactions involving payments facilitation businesses is outlined below. The subsequent page sets out transactions involving faith and community software businesses:

PUSHPAY – COMPARABLE TRANSACTION EVIDENCE – PAYMENTS FACILITATION

DATE	TARGET	ACQUIRER	IMPLIED ENTERPRISE VALUE (NZ\$ MILLIONS) ⁴²	REVENUE MULTIPLE (TIMES)		EBITDA MULTIPLE (TIMES)	
				HISTORIC	FORECAST	HISTORIC	FORECAST
PAYMENTS FACILITATION							
Sep-22	Pay360	Access PaySuite	287	3.3	n.a.	14.3	n.a.
Aug-22	EVO Payments	Global Payments	5,494	7.0	6.1	19.6	16.6
Dec-21	Bottomline Technologies	Thoma Bravo	3,821	5.5	4.9	25.8	24.4
Aug-21	Western Union Business Solutions	Goldfinch Partners & The Baupost Group	1,293	2.4	n.a.	14.2	n.a.
Feb-21	NIC	Tyler Technologies	2,898	4.5	4.6	20.6	18.4
Feb-20	Ingenico	Worldline	16,008	2.8	2.7	16.3	14.5
May-19	SafeCharge International	Nuvei Corporation	1,188	5.6	4.8	20.7	18.6
May-19	Total System Services	Global Payments	39,647	6.4	6.3	18.9	17.3
Mar-19	Worldpay	FIS	63,258	11.0	10.2	25.8	20.2
Feb-19	SpeedPay	ACI Worldwide	1,101	2.1	n.a.	8.3	n.a.
Jan-19	First Data	Fiserv	60,715	4.7	4.7	12.2	12.4
Dec-18	MINDBODY	Vista Equity Partners	2,702	9.9	6.4	n.m	n.a.
Mar-18	Booker Software	MINDBODY	206	6.1	n.a.	n.m.	n.a.
Aug-17	Paysafe	Blackstone/CVC	5,398	3.1	3.6	10.3	12.2
Feb-17	TIO Networks	PayPal	258	3.2	2.3	22.8	13.8
Dec-15	Heartland Payment Systems	Global Payments	6,522	1.9	5.0	16.7	18.3
Mar-15	Skrill Holdings	Netinvest	1,705	3.6	n.a.	13.5	n.a.
Oct-14	DIBS Payment Services	Nets	127	4.6	3.8	20.1	14.2
Group Average				4.9	5.0	17.5	16.7
Group Median				4.6	4.8	17.8	16.9

Source: Grant Samuel analysis;⁴³ Capital IQ, n.a means not available, n.m means not meaningful

⁴² The implied enterprise value of transactions has been converted to New Zealand dollars using the spot exchange rate on the date the transaction was announced.

⁴³ Grant Samuel's analysis is based on company announcements and, in the absence of company published financial forecasts, brokers' reports. Where company financial forecasts are not available, the median of the financial forecasts prepared by a range of brokers has generally been used to derive relevant forecast value parameters. The source, date and number of broker reports utilised for each company depends on analyst coverage, availability and recent corporate activity.



PUSHPAY – COMPARABLE TRANSACTION EVIDENCE – FAITH AND COMMUNITY SOFTWARE

DATE	TARGET	ACQUIRER	IMPLIED ENTERPRISE VALUE (NZ\$ MILLIONS) ⁴⁴	REVENUE MULTIPLE (TIMES)		EBITDA MULTIPLE (TIMES)	
				HISTORIC	FORECAST	HISTORIC	FORECAST
FAITH AND COMMUNITY SOFTWARE							
Jan-22	EverFi	Blackbaud	750	n.a.	6.3	n.a.	n.a.
Aug-21	Resi Media	Pushpay	218	8.8	n.a.	n.a.	n.a.
Dec-19	Church Community Builder	Pushpay	133	5.1	n.a.	n.a.	n.a.
Dec-19	M&V Software	Vitec Software Group	9	2.9	n.a.	12.1	n.a.
Jun-17	JustGiving	Blackbaud	166	3.9	n.a.	n.m.	n.a.
Sep-14	MicroEdge	Blackbaud	192	4.8	n.a.	13.2	n.a.
Jul-14	Touchnet Information Systems	Heartland Payment Systems	428	5.8	n.a.	13.7	n.a.
Jan-12	Convio	Blackbaud	343	3.4	3.1	27.4	21.2
Group Average				5.0	4.7	16.6	n.m.
Group Median				4.8	4.7	13.5	n.m.
Average (all transactions)				4.9	5.0	17.3	17.1
Median (all transactions)				4.6	4.8	16.5	17.3

Source: Grant Samuel analysis, Capital IQ, n.a means not available, n.m means not meaningful

Further details on these transactions are set out in Appendix B. When observing the tables above the following points should be noted:

- Grant Samuel has grouped the transaction evidence based on two broad areas being payments facilitation and faith and community software. There is overlap between the two categories where a company facilitates payments and operates as a software provider that targets a specific group or community (such as MINDBODY).
- There are a limited number of transactions where data is available in the faith and community software market and even fewer that are relevant for Pushpay. Most transactions are between private companies and key financial metrics are usually not disclosed. Where there is transaction data available for the faith and community software transactions most of the relevant parties did not disclose the relevant EBITDA figures.
- Due to the lack of directly relevant transaction data available Grant Samuel has focussed on payments facilitation transactions and in section 5.4.3 listed payments facilitation companies. The majority of payments facilitation transactions examined involve target companies that have a significant proportion of their revenue generated either from processing/transaction based fees. Grant Samuel has focussed on these companies as Pushpay derives approximately ~68% of its revenue⁴⁵ from processing fees and this will continue to be Pushpay’s major source of revenue in the foreseeable future. Other companies observed in this category are broadly related to enabling payments or offering payments platforms.
- The differences in the implied earnings multiples of the transactions are in part due to the differences in the levels of growth of the target companies. Companies achieving higher growth tend to transact at higher multiples of revenue and EBITDA.
- Multiples of forecast EBITDA are generally more useful than historical multiples for assessing the transactions. Historical multiples can be distorted if earnings are demonstrating strong growth. The average multiple of forecast EBITDA for the transactions is 17.1 times.

⁴⁴ The implied enterprise value of transactions has been converted to New Zealand dollars using the spot exchange rate on the date the transaction was announced.

⁴⁵ Based on Pushpay’s FY22 revenue.



- There has been a trend within the payments facilitation market where large operators have been acquiring other large operators or have been merging. Two examples are Global Payments' merger with Total System Services and FIS' merger with Worldpay.
 - **Total System Services / Global Payments.** In May 2019 Global Payments and Total System Services announced they were to merge in an all-stock transaction. Upon closing, Global Payments shareholders owned 52% of the combined company, and Total Systems Services shareholders owned 48% on a fully diluted basis. Global payments is described in Appendix C. Total System Services provides payment processing, merchant, and related payment services. The transaction implied a forecast multiple of 17.3 times EBITDA.
 - **Worldpay / FIS.** FIS announced in March 2019 that it had entered into an agreement and plan of merger to acquire Worldpay. The transaction was structured as a 90% stock/10% cash merger. Worldpay offers global merchant acquiring and payment processing services, such as authorisation and settlement, customer service, chargeback and retrieval processing, and interchange management. The transaction implied a forecast multiple of 20.2 times EBITDA.
- MINDBODY was a listed company that was acquired by Vista Equity Partners in 2019. The transaction represented a 9.9 times historic revenue multiple and a 6.4 times forecast revenue multiple. MINDBODY is a similar company to Pushpay in that it was offering a platform for making payments and related services to a specific sector. In the case of MINDBODY it was operating a payments platform and cloud based business management software for small to medium size businesses in the wellness industry, primarily gyms. At the time of the transaction MINDBODY was making significant losses (approximately US\$15 million for the year ended 31 December 2017), hence EBITDA multiples for this transaction are not meaningful.
- Prior to being acquired by Vista Equity Partners, MINDBODY acquired Booker Software for approximately \$150 million in cash and the assumption of unvested option awards. Booker Software is a cloud-based business management platform for salons and spas that allows the booking of appointments, processing of payments and management of employees. The transaction implied a historical revenue multiple of 6.1 times.
- There have been a number of trends involving church management software providers and companies operating in the broader faith and community software market. Several companies have been carrying out a high number of transactions. Some operators are acquiring competing businesses or businesses that offer complementary aspects. Two of the key operators who have been rolling up companies are Ministry Brands and Blackbaud:
 - **Ministry Brands** was founded in 2012 as a point solution provider of church websites and digital donations. More than 95,000 faith-based organisations use its suite of software solutions, which includes church management, online giving, financial accounting and digital engagement. Ministry Brands has adopted a strategy of acquiring a significant number of companies in the faith-based software market. To date it has acquired over 30+ brands/companies. Ministry Brands was part of Community Brands until late December 2021, when it was announced that Reverence Capital Partners (an investment firm) had made a majority investment in Ministry Brands. Details of the transaction were not disclosed. The transaction was said to allow both Ministry Brands and Community Brands to focus even more on their unique visions.
 - **Blackbaud** has also engaged in a strategy of growing by acquiring businesses that operate in similar or complementary areas to its own. To date it has carried out 20+ acquisitions, several of which are detailed in the previous table. A recent transaction was Blackbaud's acquisition of digital learning and education business EverFi. The business was acquired by Blackbaud in early 2022 and was its largest transaction to date at ~US\$750 million. The acquisition also doubled Blackbaud's total addressable market.⁴⁶ While the EBITDA multiples were not disclosed it was reported that EverFi is expected to contribute ~US\$120 million of revenue to Blackbaud in the next financial year, which represents a revenue multiple of ~6.3 times. Another relevant transaction was Blackbaud's

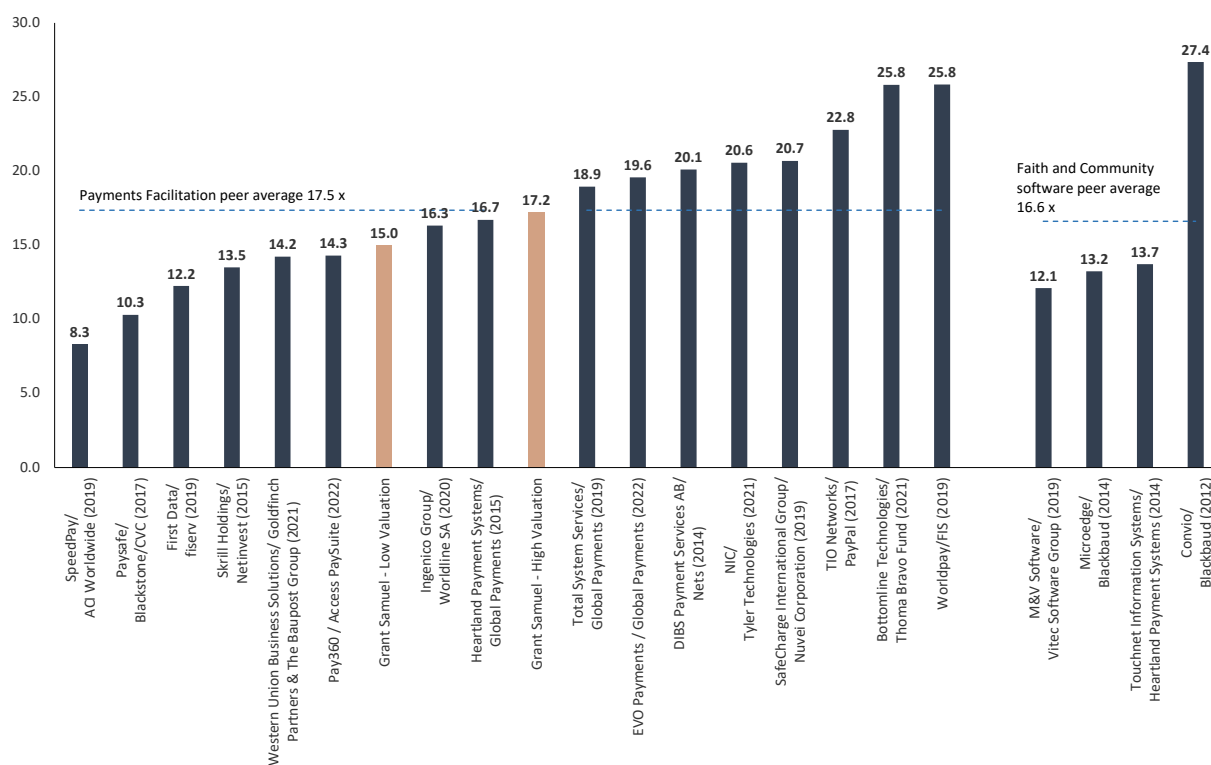
⁴⁶ Blackbaud Annual Report 2021, page 5.



acquisition of Convio. Convio develops software and services, specifically constituent engagement solutions that enable non-profit organisations to raise funds, advocate for change, and cultivate relationships with donors, activists, volunteers, alumni, and other constituents in North America. Convio was acquired for a forecast revenue multiple of 3.1 times and a forecast EBITDA multiple of 21.2 times. Blackbaud is described in Appendix C.

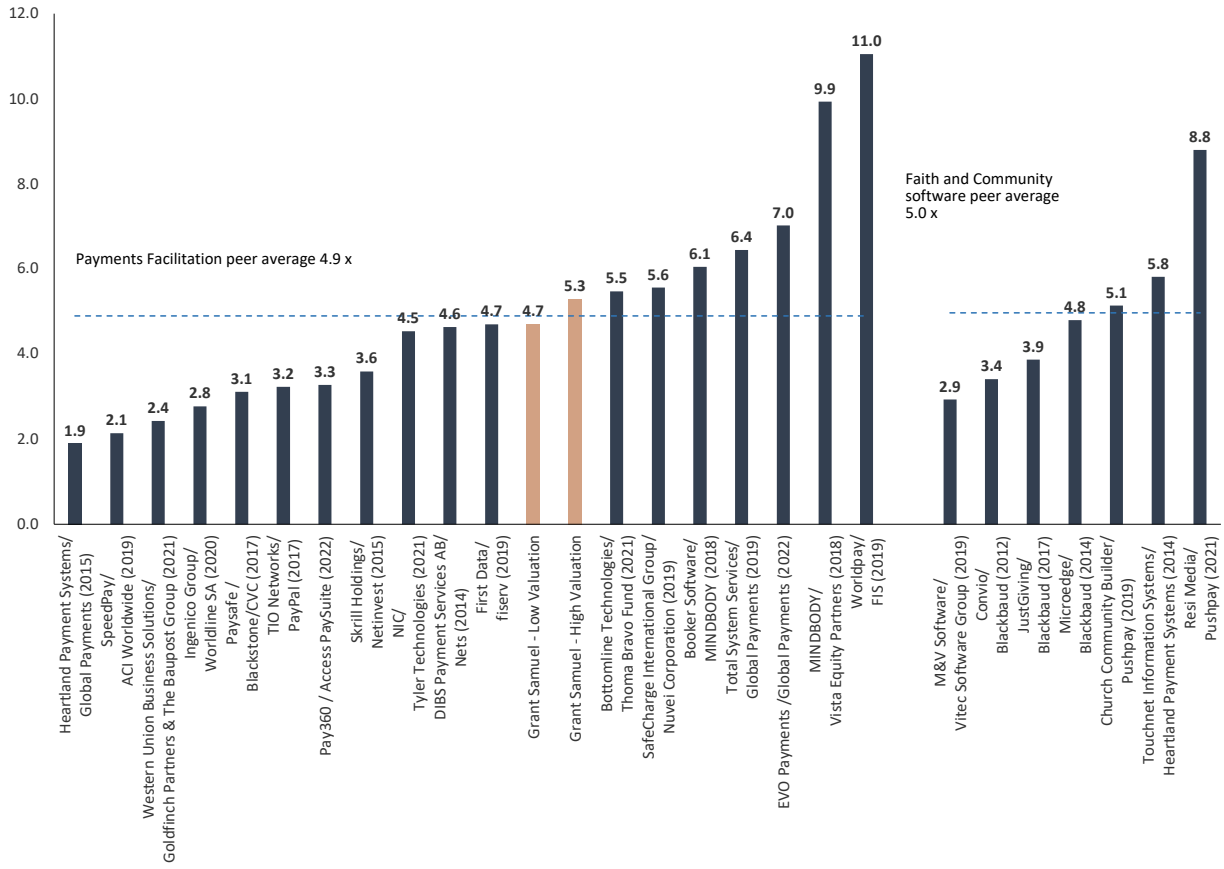
- Other smaller operators in the non-profit/community software market have also been engaging in acquisitions. For example, Subsplash, Inc. acquired Maximum Media LLC (a live streaming platform for churches, synagogues and events) in March 2020 and Custom Church Apps LLC (a church based app development business) in September 2019. ACS Technologies, a faith based community software provider acquired MissionInsite (a data driven church decision making tool) in 2019, By the Book (church management software) in 2019 and Helpmate Technology Solutions, LLC (church management software) in 2016. Financial details of these transactions were not disclosed.
- The following graphs illustrate the multiples of Historical EBITDA and revenue implied by the enterprise values for the selected group of transactions:

PUSHPAY – HISTORICAL EBITDA MULTIPLES FROM TRANSACTION EVIDENCE





PUSHPAY – HISTORICAL REVENUE MULTIPLES FROM TRANSACTION EVIDENCE





5.4.3 Share Market Evidence

The valuation of Pushpay has been considered in the context of the multiples implied by the share market prices of listed companies in the payments facilitation and faith and community software industries:

SHARE MARKET RATINGS OF COMPARABLE COMPANIES⁴⁷

ENTITY	MARKET CAP. (NZ\$ MILLIONS)	REVENUE MULTIPLE		EBITDA MULTIPLE (TIMES) ⁴⁸	
		HISTORIC	FORECAST	HISTORIC	FORECAST
Pushpay (pre-offer price, 22 April 2022) ⁴⁹	1,180	3.8	3.6	12.2	13.1
Pushpay (offer price, 28 October 2022) ⁵⁰	1,534	4.8	4.5	15.4	16.7
PAYMENTS FACILITATION					
ACI Worldwide	3,793	2.3	2.3	7.8	8.2
EverCommerce	2,090	3.0	2.5	14.3	12.3
EVO Payments	2,669	5.1	4.3	14.9	11.6
Fiserv	103,958	4.9	4.6	13.9	10.6
Global Payments	43,446	4.2	4.4	10.2	9.0
i3 Verticals	863	3.0	2.5	12.1	9.3
Nuvei	6,908	6.7	5.5	15.4	12.9
Paya Holdings	1,699	4.2	3.6	16.0	13.5
Paypal	158,707	3.7	3.2	16.3	12.9
Priority Technology Holdings	723	2.1	1.7	10.1	7.6
Repay	1,164	4.4	3.6	10.6	8.4
Shift4	4,509	2.1	1.3	21.3	9.6
FAITH AND COMMUNITY SOFTWARE					
Blackbaud	4,882	3.9	3.5	15.1	12.6
Average		3.8	3.3	13.7	10.7
Median		3.9	3.5	14.3	10.6

Source: Grant Samuel analysis, Capital IQ n.m. means not meaningful * denotes outliers

A description of each of the companies above is set out in Appendix C. When observing the table above the following points should be noted:

- Grant Samuel has examined payments facilitation companies and provided the details in the previous table. In total Grant Samuel has selected 12 payments facilitation companies. Grant Samuel also examined Blackbaud as part of its analysis. The average implied EBITDA multiple for these companies was 10.7 times forecast EBITDA.
- In addition, Grant Samuel examined six United States based Software as a Service companies but these have not been included in the table above.⁵¹ There is significant variation in the trading multiples of the software as a service companies examined. In Grant Samuel's opinion the variation in multiples and lack

⁴⁷ All of the comparable companies examined above have a 31 December financial year end, except for I3 Verticals, which has a 30 September financial year end. To align the earnings for the comparable listed companies, multiples have been calculated based on the 12 months to 30 June 2022. To obtain the 30 June 2022 results Grant Samuel has summed the half-yearly results for the comparable companies (except for I3 Verticals). For I3 Verticals full year results to 30 September 2021 plus nine months of results to 30 June 2022, less the nine months of results to 30 June 2021 have been used to determine the most recent earnings. The forecast column corresponds to the forecast for the next financial year end i.e. the 2023 financial year end for each company.

⁴⁸ Represents gross capitalisation (that is, the sum of the market capitalisation adjusted for minorities, plus borrowings less cash as at the latest balance date) divided by EBITDA. EBITDA is earnings before net interest, tax, investment income, depreciation, amortisation and significant non-recurring items.

⁴⁹ The pre offer and offer price analysis is based on the number of shares on issue used for the valuation and the net debt position available at the time of the announcement or offer.

⁵⁰ The offer price is the New Zealand dollar price offered by Pegasus Bidco of NZ\$1.34 per share as set out in the Scheme document dated 28 October 2022.

⁵¹ The US software as a service companies examined are 2U, Inc. (NasdaqGS:TWO), Paycom Software, Inc. (NYSE:PAYC), Paylocity Holding Corporation (NasdaqGS:PCTY), Tyler Technologies, Inc. (NYSE:TYL), Veeva Systems Inc. (NYSE:VEEV) and Workday, Inc. (NasdaqGS:WDAY).



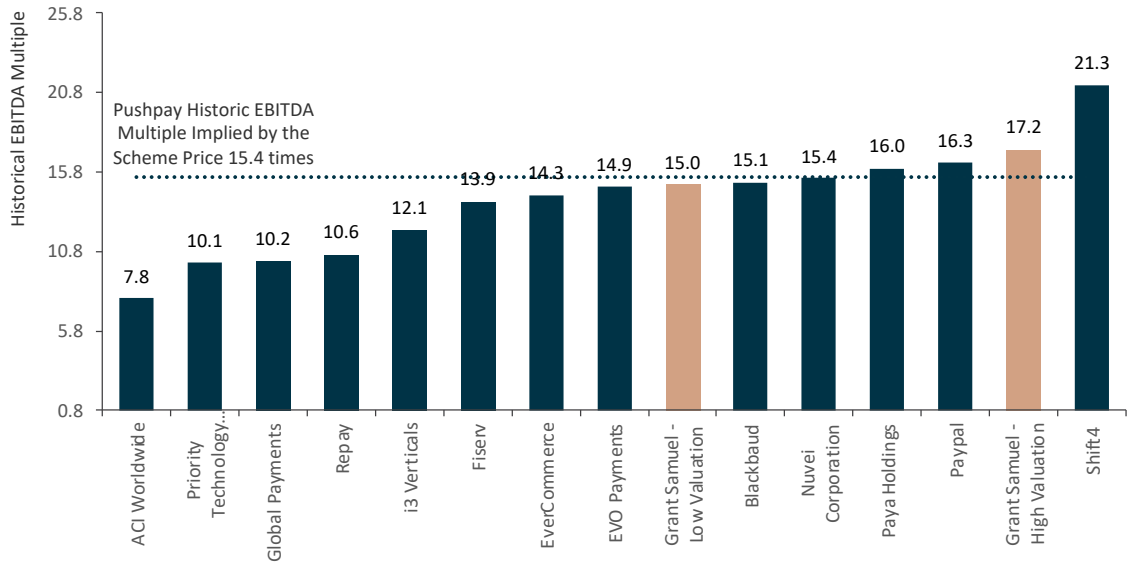
of close comparability in functions to Pushpay makes them a less useful set of companies to benchmark Pushpay against.

- Grant Samuel has also examined a selection of software companies listed on the Australian and New Zealand stock exchanges as a further reference point. These have not been included in the listed company analysis on the previous page as Pushpay generates revenue from, and primarily operates in, the United States. Like the US software as a service companies mentioned previously there is significant variation in the trading multiples of these companies. The listed New Zealand and Australian software companies examined are on average trading at ~17 times forecast EBITDA.⁵²
- ACI Worldwide is trading at a relatively low multiples of 7.8 times historical EBITDA and 8.2 times forecast EBITDA. This is well below the average EBITDA multiple of 10.7 times forecast EBITDA. ACI Worldwide has seen its share price decrease by approximately 41% over the year to 22 November 2022, while at the same time its earnings have increased. ACI Worldwide relies on the signing on new license agreements in addition to renewals of existing agreements (with new features) in order to drive growth. Much of ACI Worldwide's licence renewals occur in Q4 of each financial year. Management provided weaker than expected Q3 guidance and has affirmed its full year guidance for FY22 which means a significant focus will be on Q4 performance as to whether it will be able to achieve its full year guidance. This uncertainty, in addition to other factors, may be causing ACI Worldwide's trading multiples to be low.
- Grant Samuel notes that Global Payments is currently in the process of acquiring EVO Payments. At the time of writing the transaction has been approved by each company's Board of Directors and remains subject to EVO shareholder approval, regulatory approvals and other closing conditions. Prior to the announcement of the transaction, on Friday 29 July 2022, EVO Payments was trading at US\$27.34. Subsequently following the announcement on Monday 1 August 2022 the stock was trading at US\$33.71. As a consequence of the transaction EVO Payments has been trading at a higher level than it was prior to the announcement of the transaction, which accordingly has led to EVO Payments trading multiples being higher than what they would otherwise have been.
- There are considerable differences between the operations and scale of the comparable companies when compared with Pushpay. Companies such as Paypal and Fiserv are significantly larger than Pushpay. In addition, care needs to be exercised when comparing multiples of companies based in different countries. Differences in regulatory environments, share market and broader economic conditions, taxation systems and accounting standards hinder comparisons.
- The multiples have been calculated using the latest closing share prices as at 21 November 2022. The share prices, and therefore the multiples, do not include a premium for control. Shares in a listed company normally trade at a discount to the underlying value of the company as a whole.
- The following chart compares the multiples of historic and forecast EBITDA implied by the multiple derived from Pegasus Bidco's offer to acquire Pushpay (from 28 October 2022) with the multiples implied by the share market ratings of comparable companies:

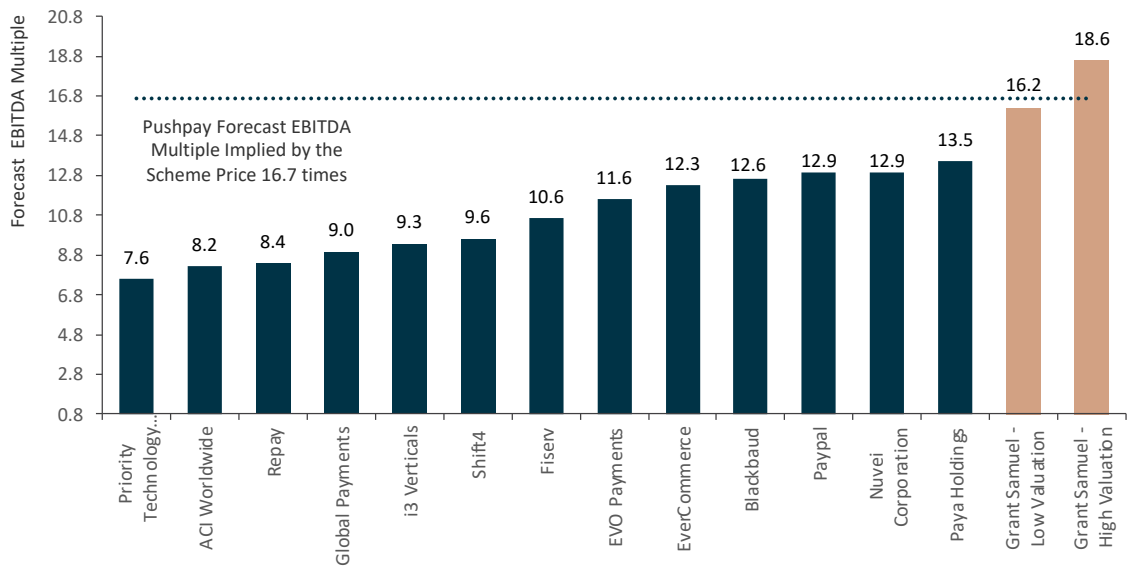
⁵² Grant Samuel examined the following New Zealand and Australian software companies: Altium Limited (ASX:ALU), Gentrack Group Limited (NZX:GTK), EML Payments Limited (ASX:EML), Infomedia Limited (ASX:IFM), Integrated Research Limited (ASX:IRI), Iress Limited (ASX:IRE), Task Group Holdings Limited (ASX:TSK), Technology One Limited (ASX:TNE) and Xero Limited (ASX:XRO).



PUSHPAY – COMPARABLE COMPANY HISTORICAL EBITDA MULTIPLES



PUSHPAY – COMPARABLE COMPANY FORECAST EBITDA MULTIPLES





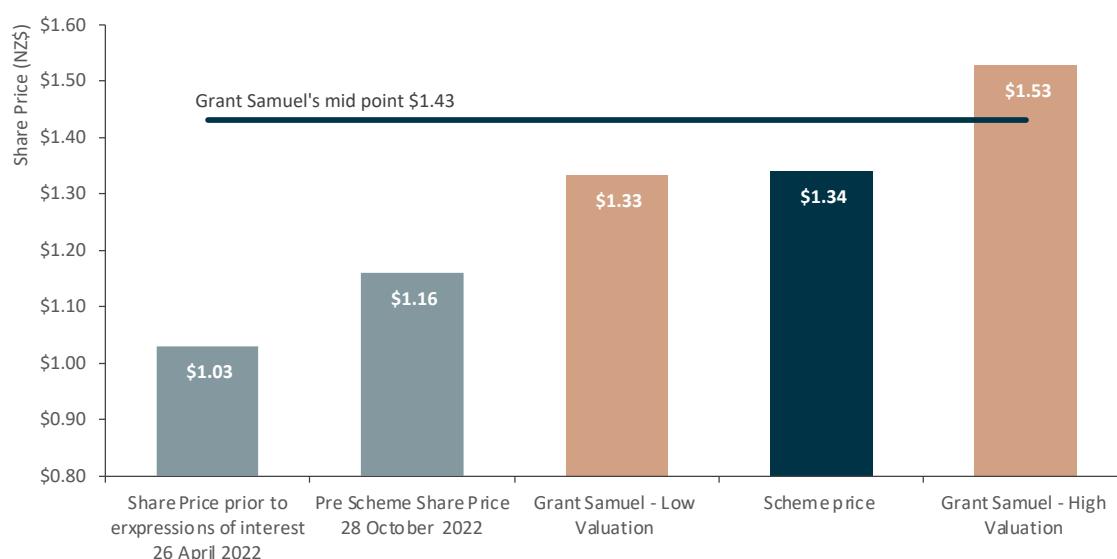
6 Merits of the Scheme

6.1 The value of the Scheme

The value of the Scheme can be assessed with reference to a number of factors:

- Grant Samuel's assessment of the value of Pushpay.** In Grant Samuel's opinion the full underlying value of Pushpay shares is in the range of NZ\$1.33 to NZ\$1.53 per share as set out in Section 5.2. This value represents the value of acquiring 100% of the equity in Pushpay and therefore includes a premium for control. In Grant Samuel's opinion the offer price under a takeover offer or scheme of arrangement where the offeror will gain control should be within, or exceed, the pro-rated full underlying valuation range of the company. **The Scheme price of NZ\$1.34 per share is within Grant Samuel's assessed value range for Pushpay shares, albeit at the low end of the range.** The chart below compares the Scheme price with Grant Samuel's assessed value range for Pushpay shares and Pushpay's share price immediately prior to the announcement that Pushpay had received expressions of interest in acquiring the Company and the share price the day before the Scheme was agreed.

GRANT SAMUEL VALUATION RANGE VERSUS THE SCHEME PRICE AND PRE SCHEME SHARE PRICE (NZ\$ PER SHARE)



- The premium implied by the Scheme.** Pushpay advised the share market on 26 April 2022 that it had received expressions of interest in acquiring the Company. The last day of trading before the announcement was Friday 22 April 2022. The closing share price that day was NZ\$1.03 per share. The share price at the end of the next trading day, 26 April 2022 was NZ\$1.28 per share. Subsequently, Pushpay was placed in a trading halt before the NZX market opening on 28 October 2022 (the day the Scheme was agreed). The closing share price on the previous trading day (27 October) was NZ\$1.19 per share. The offer price of NZ\$1.34 per share represents a 12.6% premium to the 27 October 2022 share price and a 30.1% premium to the 22 April 2022 share price. The volume weighted average share price (VWAP) over the 30 trading days prior to 28 October 2022 was NZ\$1.14 per share. The Scheme price of NZ\$1.34 represents a 17.5% premium to this 30 day VWAP. A considerable amount of time has passed from the announcement of the receipt of non-binding expressions of interest on 26 April 2022 to the date the SIA was signed on 28 October 2022. During this period Pushpay has publicly disclosed lower earnings guidance and the internal sale of IP, the share market has been volatile and there have been various announcements as well as media speculation in regard to the potential divestment process. These factors make the assessment of market premiums challenging.
- Comparable company and comparable transaction data.** The Scheme implies multiples of 15.4 times normalised historical EBITDAF and 16.7 times normalised EBITDAF for FY23F. Grant Samuel's analysis suggests the historical EBITDAF multiple implied by the Scheme is relatively in line with multiples paid for controlling shareholdings in comparable companies, given Pushpay's size and primary operating location



of the US. In addition the historical and forecast EBITDA multiples implied by the Scheme are above the implied multiples of share market prices of listed companies examined in the payments facilitation and faith and community software industries.

6.2 The timing and circumstances surrounding the Scheme

In April 2022 Pushpay announced it had received unsolicited, non-binding and conditional expressions of interest or approaches looking to acquire all the shares in Pushpay from multiple parties. An independent committee of Directors was established and undertook a process to explore opportunities to enhance shareholder value. The process attracted interest from a number of parties and a select group were invited to undertake due diligence.

There was significant media coverage surrounding the process. In particular, on 10 October 2022 it was reported in the Australian Financial Review (**AFR**) that a revised indicative and non-binding proposal had been submitted to Pushpay. The reporting in the AFR also speculated as to the price of the offer. Pushpay subsequently responded the same day via an NZX announcement that it was aware of media speculation and confirmed that a shareholder consortium had submitted a revised proposal to acquire Pushpay at a premium to the previous Friday's closing share price. That closing price from Friday, 7 October 2022 was NZ\$1.15. The closing price on Monday 10 October 2022 following the reporting and announcement was NZ\$1.19. Subsequently on 19 October 2022 the AFR reported that several new entities had been established by BGH Capital in New Zealand under the "Pegasus" moniker. It was implied that BGH Capital was close to signing a transaction in New Zealand, likely being with Pushpay.

As a result of the process carried out a Scheme Implementation Agreement was signed on 28 October 2022.

6.3 Possible outcomes of the Scheme

The Scheme needs the support of:

- at least 75% of the shares voted by interest class to be voted in favour of the Scheme; and
- more than 50% of the total number of voting securities in the company to be voted in favour of the Scheme.

The 75% approval threshold for approving the Scheme is measured by reference to the number of votes actually cast. Given it is unlikely that 100% of Pushpay shareholders will vote their shares in relation to the Scheme, then a lesser number of shares will be required to reach the 75% approval threshold in each class.

In this instance it is expected that there will be two interest classes of ordinary shares in respect of the Scheme. The two interest classes are:

- 1) Interests associated with Sixth Street and BGH Capital who hold Pushpay shares; and
- 2) the remaining shareholders not associated with Sixth Street and BGH Capital.

The two interest classes are only relevant to the resolution requiring at least 75% of the votes cast to be in favour for the Scheme to proceed. If more than 25% of the shares voted that are not associated with Sixth Street and BGH Capital are against the Scheme then the Scheme will not proceed and the status quo remain in place. The Consortium has agreed to vote all their shares in favour of the Scheme. This means that at least 75% of the votes cast by remaining shareholders not associated with Sixth Street and BGH Capital must be voted in favour of the Scheme for it to proceed (in addition to more than 50% of the total shares outstanding being voted in favour). If for example 500,000,000 shares were voted by non-associated shareholders in relation to the Scheme, then at least 75% of these, or at least 375,000,000 shares, would need to be voted in favour of the Scheme to meet the 75% threshold. In addition, more 50% of the total shares on issue (including the shares held or controlled by BGH Capital and the Sixth Street Entities) would need to be voted in favour of the Scheme.



As interests associated with BGH Capital and the Sixth Street Entities have agreed to vote 232,052,324 shares in favour of the Scheme a minimum of 339,121,430⁵³ additional votes will need to be cast in favour of the resolution by non-associated shareholders to satisfy the requirement that more than 50% of all shares be voted in favour of the Scheme.

Pushpay shareholders will vote to approve or reject the implementation of the Scheme. To be passed, more than 50% of the total number of voting securities in Pushpay must be voted in favour and at least 75% of the shares voted by shareholders not associated with the Consortium must be in favour of the Scheme. If the two tests are satisfied and the High Court approves the Scheme, the other conditions (including obtaining OIO consent) are satisfied or waived (to the extent capable of waiver) and the SIA is not otherwise terminated, the Scheme will proceed and all the shares in Pushpay will be acquired by Pegasus Bidco.

The possible outcomes of the Scheme are a function of Pushpay shareholders' approval (or not) of the Scheme and are summarised below:

- **The voting thresholds to approve the Scheme are not achieved.**

If either of the voting thresholds to approve the Scheme are not achieved, the Scheme will not proceed, and no shares in Pushpay will be acquired by Pegasus Bidco. Pushpay will remain a listed company and will have no further obligation to Pegasus Bidco.

- **The voting thresholds to approve the Scheme are achieved.**

If the voting thresholds to approve the Scheme are achieved, all other conditions are satisfied or waived (to the extent capable of waiver) and the SIA is not otherwise terminated, the Scheme will be implemented. In that circumstance all shareholders in Pushpay will have their shares acquired and all shareholders (other than associates of Sixth Street and BGH Capital) will be paid NZ\$1.34 per share. Voting in favour of the Scheme will only realise cash for Pushpay shareholders if the voting thresholds are achieved, the other conditions are satisfied or waived (to the extent capable of waiver), the SIA is not otherwise terminated, and the transaction is therefore implemented. If the transaction is implemented Pushpay will be delisted.

The outcome of the shareholder vote on the Scheme is binary – either the voting thresholds are achieved in which case the Scheme will be effected in its entirety (provided all other conditions are satisfied or waived (to the extent capable of waiver) and the SIA is not otherwise terminated), or the voting thresholds are not achieved in which case the Scheme will not be implemented. It is important that shareholders exercise their right to vote for or against the Scheme.

6.4 Factors affecting the outcome of the Scheme

The following factors may impact the outcome of the Scheme:

- Approximately 50% of the issued shares in Pushpay are held or controlled by the top 10 shareholders including the shares held or controlled by the Consortium.⁵⁴ The support or otherwise of the larger non-Consortium shareholders in relation to the Scheme is likely to be material in determining whether or not Pushpay achieves the voting thresholds. In particular, the top 2-10 largest shareholders (i.e. those excluding the Consortium),⁵⁵ hold or control approximately 30% of all Pushpay shares on issue. These shareholders will have an impact on the outcome of the Scheme under both the 50% of all shares on issue threshold and the 75% interest class threshold. This is especially so if these shareholders all vote and if there is a low turnout of other shareholders voting.
- Many takeovers or schemes of arrangement feature lock-up or voting commitment arrangements whereby certain larger shareholders are approached as part of the proposal and agree to accept the

⁵³ The shares on issue at the time of the voting is estimated to be 1,142,347,508. The increase reflects the number of Restricted Share Units that will vest between 1 December 2022 and the date of the Scheme meeting.

⁵⁴ For this purpose, use the term “shareholder” refers to a person who beneficially owns or controls shares, rather than registered shareholders.

⁵⁵ For this purpose, the term “shareholder” refers to a person who beneficially owns or controls shares, rather than registered shareholders.



agreed offer when it is made or vote in favour of the scheme, thereby providing the proposed transaction with momentum with a significant head start, and thereby improving the probability of success. The Scheme does not feature any voting commitment arrangements from shareholders outside the Consortium.⁵⁶ The support or rejection of the larger shareholders (excluding the Consortium) to the proposed transaction will therefore be instrumental to the success of the Scheme.

- Pushpay has traded slightly below the Scheme price since the Scheme was announced, potentially indicating the market is expecting the Scheme to be successfully implemented. However, the market may also in part be reacting to a better understanding of the future prospects for Pushpay as a consequence of the approaches received and the announcement of the Scheme, which itself may have contributed to an increase in Pushpay's share price.
- The Scheme is conditional on Pegasus Bidco receiving approval from the OIO in the "significant business assets" category. Pushpay does not own sensitive land. In order to obtain that consent, Pegasus Bidco must meet investor character and capability criteria under the OIO legislation. Grant Samuel understands Pushpay's Non-Conflicted Directors have no reason to believe that this consent will not be forthcoming. The last date for the conditions to be satisfied or waived (to the extent capable of waiver), including obtaining OIO consent, is 18 May 2023, unless otherwise extended by agreement by Pegasus Bidco and Pushpay. If OIO consent is not obtained, the Scheme will lapse and Pegasus Bidco will not acquire any shares in Pushpay. The scheme of arrangement process being pursued by Pegasus Bidco will result in it acquiring either no shares or 100% of the shares in Pushpay.

6.5 Other merits of the Scheme

- The Scheme restricts Pushpay's conduct of business from the signing of the Scheme until the date the Scheme is implemented or is terminated. The restrictions are common for transactions of this nature and its purpose is to ensure that, from the date the Scheme is signed, Pushpay carries on its business in the ordinary course and, it does not make any significant change to the nature or scale of its business without the approval of Pegasus Bidco. Under the Scheme Pushpay is subject to certain obligations in respect of the business including positive obligations such as carrying on the business in the normal course and maintaining the assets of the business, and negative obligations such as not incurring any more debt, not providing any guarantees, or acquiring or disposing of any material assets.
- The SIA includes restrictions on the payment of dividends. Pushpay has never paid a dividend. As there is a restriction on the payment of dividends under the Scheme the value of the Scheme remains unchanged at NZ\$1.34 per share regardless of when the transaction is ultimately implemented (if it is approved). Delays in implementing the Scheme caused by a delay in satisfying the conditions, such as OIO consent would therefore arguably be beneficial to Pegasus Bidco and detrimental to Pushpay's shareholders. The restriction on dividends prevents Pushpay's shareholders from sharing in any profits of the company since the announcement of the Scheme.
- The Scheme specifies an end date of 30 May 2023, seven months from the date of signing the Scheme (unless extended by agreement between Pushpay and Pegasus Bidco). The transaction timetable set out in the Scheme Booklet provides for the Scheme to be put to shareholders in early 2023. If shareholders approve the Scheme and provided OIO approval is received, the transaction timetable anticipates the Final Orders from the court to be received about mid March 2023, with the Implementation Date for the Scheme occurring shortly thereafter in approximately late March 2023 to mid-April 2023.
- In some takeovers and share transactions there are factors that suggest that even if the price of a proposed takeover or scheme transaction is below the assessed value range shareholders should consider accepting the offer or voting in favour of the offer or scheme. In this instance there does not appear to be any compelling reason for shareholders to support any proposal that is below full underlying value, unless shareholders form a view that they believe there are risks associated with delivering

⁵⁶ Interests controlled by BGH Capital and the Sixth Street Entities have entered into voting deed polls under which they have agreed to vote in favour of the Scheme.



Management's forecasts that could result in lower outcomes, as illustrated in some of the scenarios at section 5.3.2.

- The Scheme includes a Material Adverse Change condition which is common in transactions of this nature. Under this condition, Pegasus Bidco may cancel the Scheme if there are events or circumstances which occur between the signing of the Scheme and the implementation which has or is reasonably likely to (individually or in aggregate) have the effect of reducing the underlying EBITDAF of Pushpay by at least US\$9 million against what the underlying EBITDAF would have reasonably been expected to have been but for the specified event or events. The period during which the Material Adverse Change condition applies is the financial years ending 31 March 2023 or 31 March 2024 or, where the event occurs, is announced or discovered after 31 March 2023 and before the implementation date of the Scheme, the 12 month period commencing on the date of the event.
- The Scheme details a range of circumstances or events that are excluded when determining a Material Adverse Change (i.e. Pegasus Bidco may not cancel the Scheme if the Material Adverse Change is caused by excluded events). The excluded events include any matter or event disclosed in due diligence, certain events disclosed to the NZX or ASX by Pushpay, changes resulting from any change in general economic or political conditions (if the condition does not have a materially disproportionate effect on the Pushpay) and changes in generally accepted accounting principles or the judicial interpretation of them. The excluded events reduce the likelihood of the Material Adverse Change condition being triggered.
- The break fee structure agreed between Pegasus Bidco and Pushpay provides for Pushpay to pay a fee to Pegasus Bidco of \$15.3 million (inclusive of GST, if any) if (amongst other things) a Non-Conflicted Director of Pushpay does not recommend the Scheme or if a competing transaction is announced and completed within a certain time period or if Pushpay breaches the SIA and Pegasus Bidco terminates. The existence of the break fee structure has implications. First, it provides Pushpay and its Directors with an incentive to promote the Scheme. Secondly, it implies that the Directors have formed the view that the Scheme is priced fairly. The break fee would make it marginally more expensive for another bidder to make a successful equivalently priced offer or engage in a competing transaction.
- A break fee of the same amount (inclusive of GST, if any) is payable by Pegasus Bidco to Pushpay (the reverse break fee) where Pegasus Bidco breaches certain material obligations under the SIA. Neither the break fee nor the reverse break fee is payable if the Scheme becomes effective.
- If the voting thresholds are not achieved at the Scheme Meeting, theoretically Pegasus Bidco could elect to increase the price it is prepared to pay for Pushpay. In this situation any price increase would require a revised scheme of arrangement proposal and the timetable to be extended to facilitate a further meeting of shareholders to consider the revised scheme. However, there is no certainty that a revised proposal would be tabled.
- The use of a scheme of arrangement mechanism provides the acquirer with the absolute certainty that, if the resolutions are passed and the Court orders approved, all other conditions are satisfied or waived (to the extent capable of waiver) and the Scheme is not otherwise terminated, it will secure 100% of the shares on issue. Pegasus Bidco has demonstrated a desire to own 100% of Pushpay. While the scheme of arrangement structure is likely to be preferred by Pegasus Bidco by virtue of the lower acceptance levels to be able to successfully acquire 100% of Pushpay, it may elect to launch a conventional takeover offer under the Code if the Scheme does not proceed.
- Pushpay shareholders who choose not to vote in favour of the Scheme have either decided they want to retain their investment in Pushpay for the longer term or may be expecting that Pegasus Bidco or another bidder may make another offer or transaction proposal at a higher price. There is no certainty regarding the ongoing performance of Pushpay or that a subsequent offer or scheme proposal from Pegasus Bidco will be forthcoming if the Scheme is rejected by Pushpay's shareholders. The risks and benefits associated with an investment in Pushpay are outlined at Section 6.6 below. Shareholders should note that if the Scheme is implemented, Pegasus Bidco will acquire all of the Pushpay shares, including the shares of those shareholders who voted against the Scheme.



6.6 Consequences if the Scheme is rejected

If the Scheme is rejected by Pushpay's shareholders Pushpay will remain as a listed company with no shares acquired by Pegasus Bidco as a consequence of the Scheme. The status quo scenario is therefore very relevant to Pushpay shareholders in deciding whether to support or reject the Scheme. In respect of the status quo scenario:

- Pushpay has many strengths, several of which have been outlined in section 5.2 of this report.
- Pushpay is forecasting continued growth in revenue and earnings. It has expanded its offering via acquisitions in recent years which have been key drivers of growth. These acquisitions have allowed it to build a digital eco-system for faith based organisations. Pushpay has the opportunity to expand in the future either organically or via acquisition activity. In particular, there is potential for further growth in the medium sized Protestant church and Catholic church segments. On the other hand there is increased competition from other organisations that are building (or acquiring) similar functionality to Pushpay. As noted in sections 3.4 and 5.4.2 several competitors have been doing this including Tithe.ly, ACS Technologies and Subsplash. If these companies, and others, continue to expand then they may diminish Pushpay's market share in the future.
- Pushpay has a strong understanding of the church markets it operates in. The digital eco-system Pushpay has developed provides a strong platform to increase app functionality and increase revenues. There is the opportunity to create new revenue streams that are complementary to Pushpay's existing offering.
- The expansion into the Catholic church segment is relatively recent. This segment represents a significant opportunity for Pushpay, especially if the expansion is similar to what it has achieved in the Protestant church segment. Pushpay has recently obtained several significant Catholic church customers, including the Archdiocese of Seattle in July 2022. It plans to continue obtaining large Catholic church customers in the future.
- Pushpay has begun to generate strong operating cash flows but has never paid a dividend as it has undertaken a number of acquisitions to provide additional functionality to its product offering. Pushpay's platform is well established and it now has a proven ability to generate strong cash flows. If the Scheme does not proceed then Pushpay may pay a dividend in the future.
- Any decision to reject the Scheme is likely to result in a reversal of some or all of the share price appreciation that followed the announcement of the Scheme.

A consideration for Pushpay's shareholders is whether, in time, an investment in Pushpay will yield a higher value outcome than the Scheme. If Pushpay can deliver on its initiatives and achieve the earnings growth it anticipates in future years, then higher value outcomes may eventuate.

As with any equity investment there are risks associated with the market in which the Company operates. The risks associated with an investment in Pushpay include the following:

- Pushpay relies on its strong brand and the confidence of its customers and their congregants. Any material event which had an adverse impact on customer trust and brand reputation would likely have a detrimental effect on the Company. Examples of such events include a significant data security breach that would result in personal information being released and Churchstaq or Parishstaq not operating during critical periods such as Christmas when a significant proportion of church giving occurs.
- A failure to execute on its current strategy and growth initiatives (including Resi Media, Catholic church segment and the planned development of a product for the small church segment). There is a risk that the strategy takes longer than expected or is not successful due to slower growth, challenging customer retention or requiring more investment than currently expected.
- An increase in competitive activity which reduces Pushpay's market share and lowers margins. Pushpay operates in markets that are becoming increasingly competitive. While some consider Pushpay's product suite functionality to be best in class, others consider it to be too expensive. There is no certainty that Pushpay will maintain its current strong position in its core offerings. In addition, just as Pushpay has had



a significant impact on faith based donations, new platforms may emerge quickly which change the competitive landscape.

- Pushpay operates primarily in the US and reports in US dollars but is listed on the NZX and ASX. As a consequence the share price of Pushpay in either New Zealand or Australian dollars is exposed to foreign currency movements between those currencies and the US dollar.
- An investment in Pushpay provides exposure primarily to faith based giving in the US. Changes in giving behaviours, church attendance or church organisations in the US could impact the prospects and value of Pushpay.
- In addition, other risks have been described in section 5.2 of this report.

6.7 Likelihood of alternative offers

- The prospect of an acquisition of Pushpay was announced on 26 April 2022, which noted it had received interest from third parties looking to acquire the Company. This and the subsequent analyst and media coverage of this interest made it publicly known that there was a potential acquisition opportunity.
- Grant Samuel understands that Pushpay did not solicit the approach from the Consortium but did undertake a competitive process once it had received expressions of interest. The Proposed Transaction represents the outcome of a comprehensive process run by Goldman Sachs on behalf of the Non-Conflicted Directors. Interest in Pushpay was solicited from a wide range of domestic and international industry and financial market participants. There has been an active expression of interest and bidding process.
- Pushpay is subject to an exclusivity period with Pegasus Bidco from 28 October 2022 until:
 - the end date being 30 May 2023 (unless extended by agreement between Pegasus Bidco and Pushpay); or
 - the Scheme is terminated or implemented; or
 - a superior competing proposal is received and accepted by Pushpay's Non-Conflicted Directors (and Pegasus Bidco has not subsequently matched or provided a better proposal).

Pushpay is only able to address a competing proposal if the Non-Conflicted Directors have determined that the competing proposal is or is reasonably likely to become a superior proposal and that it is necessary to respond to such a proposal in order to fulfil the Non-Conflicted Directors' fiduciary duties. Before the Non-Conflicted Directors can agree to implement a competing proposal, they must first offer Pegasus Bidco an opportunity to match it. The restrictions imposed on Pushpay under the Scheme lower the probability of Pushpay receiving a competing proposal.

- The Scheme between Pegasus Bidco and Pushpay provides a typical exclusivity framework in favour of Pegasus Bidco such that Pushpay has agreed to "no shop, no talk, no due diligence" restrictions. Under this framework, Pushpay is prohibited from engaging on any competing proposals unless the Pushpay Board has, after taking external advice, determined that the competing proposal is or is reasonably likely to become a superior proposal. In addition, Pegasus Bidco must be notified of any competing proposal and has the opportunity to match a proposal that the Pushpay Board considers to be a superior proposal to the Scheme. If there is such a proposal, Pushpay is prohibited from entering into any binding documentation and no recommendation or endorsement can be made by Pushpay or the Directors unless Pegasus Bidco has been given at least five business days to match the competing proposal. If Pegasus Bidco does make another proposal within this timeframe and it is, as a whole, no less favourable to shareholders than the competing proposal then Pushpay must use its best endeavours to enter into documentation to give effect and to implement the revised Pegasus Bidco proposal as soon as possible and Pushpay's Non-Conflicted Directors must recommend Pegasus Bidco's revised proposal to shareholders. If Pegasus Bidco does not make a counter-proposal or the Pushpay Board determines Pegasus Bidco's revised proposal is, as a whole, less favourable to shareholders, the matching right will



end in respect of that competing proposal. Conceptually in those circumstances, the Pushpay Board would be recommending the competing proposal to shareholders.

- At the time of writing the Consortium holds or controls 20.34% of the shares on issue in Pushpay. This shareholding is sufficiently large to deter another potential bidder who is likely to want to acquire 100% of the Company. If a potential third party bidder could negotiate for the Consortium to accept an offer, if made, then the chances of a competing offer succeeding are greatly increased.
- The more time that elapses from the announcement of the Scheme, the less likely a competing proposal will emerge as Pushpay can only provide due diligence to bona fide proposals that have not been encouraged, solicited or invited, and that are reasonably capable of becoming superior to the Pegasus Bidco Proposal. In this regard, Grant Samuel notes that Pushpay has advised that, as at the date of this report, there are no current alternative proposals. It should be noted that Pushpay announced that it had been approached about a potential acquisition by interested parties on 22 April 2022. A significant amount of time has elapsed since then, during which time a wide ranging process has been run to identify and obtain an offer that maximises shareholder value. On this basis it is unlikely a superior competing offer will emerge at the present time.
- Any competing proposal, whilst unlikely given the advanced state of the Scheme, may come by way of a traditional takeover offer with potentially lower acceptance thresholds (e.g. a takeover for 100% of the Company, conditional on 50.01% acceptance), or a partial offer for less than 100% of the shares.
- The Pegasus Bidco break fee of NZ\$15.3 million will be payable if Pushpay completes a competing proposal within 12 months of announcing the competing proposal.

6.8 Voting for or against the Scheme

Voting for or against the Scheme is a matter for individual shareholders based on their own view as to value and future market conditions, risk profile, liquidity preference, portfolio strategy, tax position and other factors. In particular, taxation consequences will vary widely across shareholders. Shareholders will need to consider these consequences and, if appropriate, consult their own professional adviser(s).

GRANT SAMUEL & ASSOCIATES LIMITED

9 DECEMBER 2022



APPENDIX A - QUALIFICATIONS, DECLARATIONS AND CONSENTS

1. *Qualifications*

The Grant Samuel group of companies provides corporate advisory services in relation to mergers and acquisitions, capital raisings, corporate restructuring and financial matters generally. One of the primary activities of Grant Samuel is the preparation of corporate and business valuations and the provision of independent advice and expert's reports in connection with mergers and acquisitions, takeovers and capital reconstructions. Since inception in 1988, Grant Samuel and its related companies have prepared more than 400 public expert and appraisal reports.

The persons responsible for preparing this report on behalf of Grant Samuel are Michael Lorimer, BCA, Christopher Smith, BCom, PGDipFin, MAppFin, Jake Sheehan, BCom (Hons) and Myles Snaddon, LLB, BCom, CFA. Each has a significant number of years of experience in relevant corporate advisory matters.

2. *Limitations and Reliance on Information*

Grant Samuel's opinion is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time. The report is based upon financial and other information provided by the directors, management and advisers of Pushpay. Grant Samuel has considered and relied upon this information. Grant Samuel believes that the information provided was reliable, complete and not misleading and has no reason to believe that any material facts have been withheld.

The information provided has been evaluated through analysis, enquiry, and review for the purposes of forming an opinion as to the underlying value of Pushpay. However, in such assignments time is limited and Grant Samuel does not warrant that these inquiries have identified or verified all of the matters which an audit, extensive examination or "due diligence" investigation might disclose.

In any event, an analysis of the merits of the Scheme is in the nature of an overall opinion rather than an audit or detailed investigation. In addition, preparation of this report does not imply that Grant Samuel has audited in any way the management accounts or other records of Pushpay. It is understood that, where appropriate, the accounting information provided to Grant Samuel was prepared in accordance with generally accepted accounting practice and in a manner consistent with methods of accounting used in previous years.

An important part of the information base used in forming an opinion of the kind expressed in this report is the opinions and judgement of the management of the relevant enterprise. That information was also evaluated through analysis, enquiry and review to the extent practicable. However, it must be recognised that such information is not always capable of external verification or validation.

The information provided to Grant Samuel included projections of future revenues, expenditures, profits and cash flows of Pushpay prepared by the management of Pushpay. Grant Samuel has used these projections for the purpose of its analysis. Grant Samuel has assumed that these projections were prepared accurately, fairly and honestly based on information available to management at the time and within the practical constraints and limitations of such projections. It is assumed that the projections do not reflect any material bias, either positive or negative. Grant Samuel has no reason to believe otherwise.

However, Grant Samuel in no way guarantees or otherwise warrants the achievability of the projections of future profits and cash flows for Pushpay. Projections are inherently uncertain. Projections are predictions of future events that cannot be assured and are necessarily based on assumptions, many of which are beyond the control of management. The actual future results may be significantly more or less favourable.



To the extent that there are legal issues relating to assets, properties, or business interests or issues relating to compliance with applicable laws, regulations, and policies, Grant Samuel assumes no responsibility and offers no legal opinion or interpretation on any issue. In forming its opinion, Grant Samuel has assumed, except as specifically advised to it, that:

- the title to all such assets, properties, or business interests purportedly owned by Pushpay is good and marketable in all material respects, and there are no material adverse interests, encumbrances, engineering, environmental, zoning, planning or related issues associated with these interests, and that the subject assets, properties, or business interests are free and clear of any and all material liens, encumbrances or encroachments;
- there is compliance in all material respects with all applicable national and local regulations and laws, as well as the policies of all applicable regulators other than as publicly disclosed, and that all required licences, rights, consents, or legislative or administrative authorities from any government, private entity, regulatory agency or organisation have been or can be obtained or renewed for the operation of the business of Pushpay, other than as publicly disclosed;
- various contracts in place and their respective contractual terms will continue and will not be materially and adversely influenced by potential changes in control; and
- there are no material legal proceedings regarding the business, assets or affairs of Pushpay, other than as publicly disclosed.

3. Disclaimers

It is not intended that this report should be used or relied upon for any purpose other than as an expression of Grant Samuel's opinion as to the merits of the Scheme. Grant Samuel expressly disclaims any liability to any Pushpay security holder who relies or purports to rely on the report for any other purpose and to any other party who relies or purports to rely on the report for any purpose whatsoever.

This report has been prepared by Grant Samuel with care and diligence and the statements and opinions given by Grant Samuel in this report are given in good faith and in the belief on reasonable grounds that such statements and opinions are correct and not misleading. However, no responsibility is accepted by Grant Samuel or any of its officers or employees to the extent allowed by law for errors or omissions however arising in the preparation of this report, provided that this shall not absolve Grant Samuel from liability arising from an opinion expressed recklessly or in bad faith.

Grant Samuel has had no involvement in the preparation of the Scheme Booklet issued by Pushpay and has not verified or approved any of the contents of the Scheme Booklet. Grant Samuel does not accept any responsibility for the contents of the Scheme Booklet (except for this report).

4. Independence

Grant Samuel and its related entities do not have any shareholding in or other relationship or conflict of interest with Pushpay or Pushpay that could affect its ability to provide an unbiased opinion in relation to the Scheme. Grant Samuel had no part in the formulation of the Scheme. Its only role has been the preparation of this report. Grant Samuel will receive a fixed fee for the preparation of this report. This fee is not contingent on the outcome of the Scheme. Grant Samuel will receive no other benefit for the preparation of this report. Grant Samuel considers itself to be independent for the purposes of the Code.

5. Information

Grant Samuel has obtained all the information that it believes is desirable for the purposes of preparing this report, including all relevant information which is or should have been known to any Director of Pushpay and made available to the Directors. Grant Samuel confirms that in its opinion the information provided by Pushpay and contained within this report is sufficient to enable Pushpay security holders to understand all relevant factors and make an informed decision in respect of the Scheme. The following information was used and relied upon in preparing this report:



5.1 Publicly Available Information

- Scheme Implementation Agreement between Pegasus Bidco and Pushpay;
- Pushpay's Annual Reports for the financial years ended 31 March 2020 to 2022
- Broker research, industry reports and press articles.

5.2 Non Public Information

- Pushpay's management presentation used as part of the due diligence process;
- Pushpay's information memorandum;
- Pushpay's management forecast model to 31 March 2027; and
- Historical information on Pushpay's key operational metrics.

6. Declarations

Pushpay has agreed that it will indemnify Grant Samuel and its employees and officers in respect of any liability suffered or incurred as a result of or in connection with the preparation of the report. This indemnity will not apply in respect of the proportion of any liability found by a Court to be primarily caused by any conduct involving gross negligence or wilful misconduct by Grant Samuel. Pushpay has also agreed to indemnify Grant Samuel and its employees and officers for time spent and reasonable legal costs and expenses incurred in relation to any inquiry or proceeding initiated by any person. Where Grant Samuel or its employees and officers are found to have been grossly negligent or engaged in wilful misconduct Grant Samuel shall bear the proportion of such costs caused by its action. Any claims by Pushpay are limited to an amount equal to the fees paid to Grant Samuel.

Advance drafts of this report were provided to the directors and executive management of Pushpay. Certain changes were made to the drafting of the report as a result of the circulation of the draft report. There was no alteration to the methodology, evaluation or conclusions as a result of issuing the drafts.

7. Consents

Grant Samuel consents to the issuing of this report in the form and context in which it is to be included in the Scheme Booklet to be sent to security holders of Pushpay. Neither the whole nor any part of this report nor any reference thereto may be included in any other document without the prior written consent of Grant Samuel as to the form and context in which it appears.



APPENDIX B – COMPARABLE TRANSACTIONS

PAYMENTS FACILITATION:

Pay360 / Access PaySuite

On 16 September 2022 Access PaySuite Limited (**Access PaySuite**) announced it had entered into a binding agreement to acquire Pay360 Limited (**Pay360**) for approximately £160 million from Capital Plc (LSE:CPI). Pay360 provides credit card and payments facilitation services to public and private sector entities in the United Kingdom. Its services include debit and credit card processing, payment gateway functions and fraud prevention. Access PaySuite is part of the Access Group which provides business management software primarily to small and mid-sized organisations in the United Kingdom, Ireland and in the Asia-Pacific region. At the time of writing the acquisition has not reached completion as it is subject to approval by the UK Financial Conduct Authority and Capita Plc shareholders. The acquisition is expected to strengthen Access PaySuite's payments processing capabilities to its existing payments solutions. The transaction represents a historical revenue multiple of 3.3 times and a historical EBITDA multiple of 14.3 times.

EVO Payments / Global Payments

On 1 August 2022 Global Payments Inc. (**Global Payments**) announced it had entered into an agreement to acquire EVO Payments Inc. (**EVO Payments**) for approximately US\$3.5 billion. Under the terms of the transaction Global Payments shall acquire EVO Payments for US\$34 per share in an all cash transaction. The purchase price represents a premium of approximately 24% and 40% to EVO Payments' last closing price and to its 60-day average price, respectively, as of 29 July 2022. The transaction is expected to result in a combined customer base of more than 4.5 million merchant locations and over 1,500 financial institutions. The transaction was expected to further increase Global Payments scale and enhance its exposure to faster growth markets. Global Payments and EVO Payments are described in Appendix C. The offer price implies multiples of 19.6 times historical EBITDA and 16.6 times forecast EBITDA. At the time of writing the transaction has not reached completion.

Bottomline Technologies / Thoma Bravo

On 17 December 2021, it was announced that private equity firm Thoma Bravo, L.P. (**Thoma Bravo**) had acquired Bottomline Technologies, Inc. (**Bottomline Technologies**) from Clearfield Capital Management L.P. and others for approximately US\$2.6 billion. Under the terms of agreement, Bottomline shareholders received US\$57 in cash for each share held, which represented a premium of approximately 42% to Bottomline's closing stock price on the last full trading day prior to the announcement of the formation of the Bottomline Board of Directors' Strategy Committee. Bottomline Technologies provides financial payment technologies for a wide range of industries. It operates through four segments: Cloud Solutions, Banking Solutions, Payments and Documents, and Other. Bottomline's products and services include *PTX*, a payment platform that offers various ways to pay and get paid to organisations and *Digital Banking IQ*, an intelligent engagement platform for banking and payments as well as legal spend management solutions, which integrate with claims management, and time and billing systems to automate legal invoice management processes. The offer price implied multiples of 25.8 times historical EBITDA and 24.4 times forecast EBITDA.

Western Union Business Solutions / Goldfinch Partners & The Baupost Group

On August 4, 2021 The Baupost Group, LLC (**The Baupost Group**) and Goldfinch Partners LLC (**Goldfinch Partners**) entered into an agreement to acquire Western Union Business Solutions (n.k.a. Convera Holdings, LLC) from The Western Union Company (NYSE:WU) for approximately US\$910 million. Convera Holdings is a B2B global payments company, develops and provides cross-border payments and foreign exchange solutions. It serves small and medium-sized businesses, educational institutions, financial institutions, law firms, and NGOs. During the 12 months ended June 30, 2021, the Business Solution segment generated US\$374 million of revenue, US\$64 million of EBITDA, and US\$33 million of EBIT. The purchase price implied a multiple of 14.2 times historical EBITDA.

***NIC / Tyler Technologies***

On 10 February 2021 it was announced that Tyler Technologies, Inc. (NYSE: TYL) (**Tyler Technologies**) was to acquire NIC, Inc (NASDAQ:EGOV) (**NIC**). NIC is a digital government solutions and payments company, serving more than 7,100 federal, state, and local government agencies in the US. NIC delivers user-friendly digital services that make it easier and more efficient for citizens and businesses to interact with government – providing valuable conveniences like applying for unemployment insurance, submitting business filings, renewing licenses, accessing information, and making secure payments without visiting a government office. Under the terms of the transaction, which was unanimously approved by the boards of directors of both companies, NIC stockholders received US\$34.00 per share in cash, which represents a premium of approximately 22% to NIC's 30-day volume weighted average price as of February 9, 2021. The purchase price implied a multiple of 18.4 times forecast EBITDA.

Ingenico / Worldline

On 3 February 2020 Worldline S.A. (ENXTPA:WLN) (**Worldline**) agreed to acquire Ingenico Group - GCS (ENXTPA:ING) (**Ingenico**) for €7.7 billion. Ingenico Group provides payment solutions through in-store, mobile, and online channels worldwide. In addition it provides online payment services for small and medium sized merchants as well as payment services for large multinational companies with approximately 150 local and international payment methods to allow merchants to manage and secure their online payment processes and digital transactions. The company markets its products and solutions under the *Ingenico Smart Terminals*, *Ingenico Payment Services*, and *Ingenico ePayments* brands. Under the terms of the transaction, Ingenico Group shareholders were to receive through a primary offer 11 Worldline shares and €160 in cash for every seven shares tendered. The offer represented a premium of 24% based on the last one-month respective volume weighted average share prices. The purchase price implied a multiple of 14.5 times forecast EBITDA.

SafeCharge International / Nuvei Corporation

On 22 May 2019 Nuvei Corporation (TSX:NVEI) entered into an agreement to acquire SafeCharge International Group Limited (**SafeCharge**) from Northenstar Investments Limited and other shareholders. Under the terms of the acquisition SafeCharge shareholders were entitled to US\$5.55 in cash per share. The consideration represented a premium of approximately 25% to the closing price on 21 May 2019 (being the last business day before the date of the announcement). SafeCharge is a payment service partner that provides omni-channel payment solutions. It offers various products. The acquisition strengthened Nuvei's payment technology and increased its worldwide presence. While Nuvei Corporation traditionally operated in the US and Canada focusing on the SMB market, SafeCharge primarily operates across European, Asian and Latin-American territories, servicing large scale merchants in both revenues and size. Nuvei Corporation provides payment technology solutions to merchants and partners in North America, Europe, the Middle East and Africa, Latin America, and the Asia Pacific. It provides a suite of payment solutions to support lifecycle of a transaction across mobile or in-app, online, unattended, and in-store channels. The transaction implied a forecast multiple of 18.6 times EBITDA.

Total System Services / Global Payments

On 28 May 2019 Global Payments Inc. (**Global Payments**) and Total System Services, Inc (**Total System Services**) announced they were to merge in an all-stock transaction. Under the terms Total Systems Services shareholders would receive 0.8101 Global Payments shares for each share of Total System Services common stock. Upon closing, Global Payments shareholders owned 52% of the combined company, and Total Systems Services shareholders owned 48% on a fully diluted basis. Global payments is described in Appendix C. Total System Services provides payment processing, merchant, and related payment services. It operates through three segments: Issuer Solutions, Merchant Solutions, and Consumer Solutions. It offers general purpose reloadable prepaid and payroll cards, demand deposit accounts, and other financial service solutions to the underbanked and other consumers and businesses. The transaction implied a forecast multiple of 17.3 times EBITDA.

***Worldpay / FIS***

On 18 March 2019 Fidelity National Information Services, Inc. (NYSE:FIS) (**FIS**) announced it had entered into an agreement and plan of merger to acquire Worldpay, Inc. (NYSE:WP) (**Worldpay**). The transaction was structured as a 90% stock/10% cash merger. The pro forma fully diluted resulting ownership was 53% FIS shareholders and 47% Worldpay shareholders. The transaction represented a US\$35.5 billion implied equity value for Worldpay and represented a 14% premium to the 15 March 2019 closing price. Worldpay offers global merchant acquiring and payment processing services, such as authorisation and settlement, customer service, chargeback and retrieval processing, and interchange management. Worldpay also provides reporting and analytics, treasury, ATM, and other value added services. FIS is a global fintech provider that offers technology solutions for merchants, banks, and capital markets firms worldwide. It offers software-led small-to medium-sized businesses acquiring, and global e-commerce solutions, payment processing and solutions. The transaction implied a forecast multiple of 20.2 times EBITDA.

Speedpay / ACI Worldwide

On 28 February 2019 ACI Worldwide, Inc (NASDAQ:ACIW) (**ACI Worldwide**) agreed to acquire Speedpay, Inc. (**Speedpay**), the U.S. bill pay business of the Western Union Company. SpeedPay develops and offers electronic bill presentment and payment solutions for utilities, auto finance companies, financial service providers, government agencies, and other businesses. The acquisition of Speedpay was expected to increase the scale of ACI Worldwide's On Demand platform business and accelerate platform innovation through increased R&D spend and investments in ACI Worldwide's On Demand's platform infrastructure. Speedpay generated more than US\$350 million in revenues, operating income of US\$100 million and US\$90 million in adjusted EBITDA in 2018. The consideration implies a 2.1 times historical revenue and 8.3 times historical EBITDA multiple. ACI Worldwide is described in Appendix C.

First Data / Fiserv

On 16 January 2019 Fiserv, Inc. (NasdaqGS:FISV) (**Fiserv**) announced that it was to combine with First Data Corporation (**First Data**) in an all-stock transaction for an equity value of approximately US\$22 billion. Under the terms of the agreement, First Data shareholders received a fixed exchange ratio of 0.303 Fiserv shares for each share of First Data common stock they owned. This represented a price of US\$22.74 based on closing prices as of January 15 2019, and a premium of 29% to the five day volume weighted average price as of that date. First Data provides electronics payment solutions. It offers mobile payments, helps financial institutions issue credit, debit and prepaid cards, and assists in routing secure transactions between merchants and customers. Fiserv provides integrated information management and electronic commerce systems and services. Its solutions include transaction processing, electronic bill payment and presentment, business process outsourcing, document distribution services, and software and systems solutions. The transaction represented a forecast multiple of 12.4 times EBITDA.

MINDBODY / Vista Equity Partners

On 24 December 2018 MINDBODY (NASDAQ:MB) (**MINDBODY**) announced it had entered into a definitive agreement to be acquired by Vista Equity Partners (**Vista**). Vista acquired all the common stock for a total value of approximately US\$1.9 billion. This represented US\$36.50 per share and a premium of 68% to MINDBODY's closing price as of 21 December 2018. MINDBODY is a technology platform for the fitness, beauty and wellness services industries. Its platform enables businesses to carry out a range of functions including marketing, scheduling and online booking, performance tracking, staff management, client relationship management, integrated payment processing, retail point-of-sale, purchase tracking. The company offers its software platform to its subscribers as a subscription-based service. It also connects consumers with businesses through its MINDBODY app, a consumer-facing mobile application that allows consumers to discover, evaluate, book, and pay for services. Vista is an investment firm focused on software, data and technology enabled solutions. The consideration implied a 6.4 times forecast revenue multiple.

**Booker Software / MINDBODY**

On 12 March 2018 MINDBODY announced it had acquired Booker Software, Inc (**Booker Software**) for approximately \$150 million in cash and the assumption of unvested option awards. Booker Software is a cloud-based business management platform for salons and spas that allows the booking of appointments, processing of payments and management of employees. Booker software also offers Frederick, a fast-growing, automated marketing software for wellness businesses. The transaction implied a historical revenue multiple of 6.1 times.

Paysafe / Blackstone & CVC

On 21 July 2017 it was announced that Paysafe Group Plc (**Paysafe**) had received a proposal from funds managed by Blackstone and CVC Capital Partners (together, the **Blackstone/CVC**) regarding an all cash offer for the entire issued share capital of Paysafe. Under the terms of the offer, the Blackstone/CVC paid £5.9 in cash for each Paysafe share. The transaction was financed from a combination of equity provided by Blackstone/CVC members on a 50:50 basis and debt. Paysafe provides alternative payments methods to individuals and businesses as well as online processing of debit and credit cards primarily in North America and Europe. The company offers solutions from online to in-store payments, merchant acquiring to payment gateways as well as alternative payments to omnichannel and secure cross-border e-commerce. Its products include card payments, digital wallets, platform services, bank transfers, cash online, pay later, point of sale, and issuing prepaid and e-cash products. It offers Paysafecash, an alternative payment method for consumers who want to pay online using cash. The transaction implied multiples of 3.6 times forecast revenue and 12.2 times forecast EBITDA.

TIO Networks / PayPal

On 14 February 2017 PayPal announced it had entered into a definitive agreement to acquire TIO Networks Corp. (TSXV:TNC) (**TIO Networks**) for CAD\$3.35 (US\$2.56) per share in cash or an approximate CAD\$304 million (US\$233 million) equity value. The purchase price represented a premium of approximately 25% to TIO Network's 90-trading day volume-weighted average price as of 13 February 2017. TIO Networks engages in processing bill payment transactions through an Internet enabled platform. The company integrates its transaction processing system to the accounting back-office of its billers to post payments to the appropriate customer accounts. The company primarily serves the telecom, wireless, cable, and utility bill issuers in North America. PayPal is described in Appendix C. The transaction implied a forecast EBITDA multiple of 13.8.

Heartland Payment Systems / Global Payments

On 15 December 2015 Global Payments announced it was to acquire Heartland Payment Systems, Inc. (NYSE:HPY) (**Heartland Payment Systems**) in a cash-and-stock transaction for US\$100 per share, representing a transaction value of approximately US\$4.3 billion. Heartland Payment Systems is one of the largest payment processors in the United States. It delivers credit/debit/prepaid card processing and security technology, point of sale, mobile commerce, e-commerce, marketing solutions, payroll solutions, and related business solutions and services to more than 300,000 business and educational locations nationwide. Global Payments is described in Appendix C. The transaction represents a forecast EBITDA multiple of 18.3 times.

Skrill Holdings / Netinvest

On 23 March 2015 Optimal Payments Plc (LSA:AI:OPAY) (n.k.a. Paysafe Group Limited) announced its subsidiary Netinvest Limited (n.k.a. Paysafe Holdings UK Limited) (**Netinvest**) was to acquire the entire issued share capital of Skrill Holdings Limited (**Skrill**) in exchange for €720 million (\$781 million) cash and 37,493,053 new ordinary Optimal Payments shares. Skrill Holdings provides digital payment and electronic money transfer solutions worldwide. The company offers Digital Wallet service, which enables to pay with bank account and debit or credit cards or send money internationally. It also provides various business payment solutions that include *Skrill Digital Wallet*, which enables businesses to accept payments in various currencies from people worldwide; local and alternative payment solutions that allow customers to pay with their preferred local payment alternatives; and credit and debit card processing services. Paysafe is



an investment holding company that through its subsidiaries, engages in Internet credit card processing and online payment businesses. The transaction implied an historical EBITDA multiple of 13.5 times.

DIBS Payment Services / Nets

On 29 October 2014 Nets Holding A/S (**Nets**) announced it would acquire DIBS Payment Services AB (publ.) (OM:DIBS) (**DIBS Payment Services**) for approximately SEK 790 million. The offer was for SEK 82.50 per share in DIBS Payment Services and represented a premium of 45% compared to the closing share price of SEK 57.00 on 28 October 2014 (being the last trading day before the announcement of the offer). DIBS Payment Services provides online payment services in the Nordic countries. Its payments solutions include card payments, invoice payments, bank payments, mobile payments, stored-card payments, and call-centre payments. Nets provides digital payment processing solutions. Nets offers card payment, invoice handling, credit transfer transactions, and merchant services. The transaction implied a forecast EBITDA multiple of 14.2 times.

FAITH AND COMMUNITY SOFTWARE:

EverFi / Blackbaud

On 3 January 2022 Blackbaud announced it had signed an agreement to acquire EverFi, Inc. (**EverFi**) from a group of shareholders for approximately US\$750 million. The consideration for the transaction was approximately US\$450 million in cash and 3.84 million shares of Blackbaud's common stock. EverFi operates a digital learning and education platform that offers a range of digital courses in a wide range of areas including financial literacy, science/technology/engineering/math and health and wellness. The company offers evidence-based online programs, data, and advisory services. EverFi primarily serves K-12, higher education, and adult education markets. EverFi was expected to add approximately US\$120 million in revenue to Blackbaud. Blackbaud is described in Appendix C. The transaction implies a forecast revenue multiple of 6.3 times.

Resi Media / Pushpay

On 23 August 2021 Pushpay announced it had entered into a definitive agreement to acquire 100% of the ownership interests in Resi Media LLC (**Resi Media**) for US\$150 million. Resi Media is an end-to-end live streaming provider that offers a software as a service solution which includes live and multisite stream software. Resi Media has a particular foothold in the US faith sector. At the time of the transaction Pushpay reported it had over 70% of the Outreach 100 largest churches using Resi Media products.⁵⁷ The transaction represented a multiple of 8.8 times FY21 revenue.

Church Community Builder / Pushpay

On 12 December 2019 Pushpay announced it had acquired Church Community Builder, Inc. (**CCB**). CCB designs and develops web-based church management software. It offers church management system solution to over 4,000 churches in the US faith sector. Its services include data migration, software training, and implementation coaching. The purchase price was US\$87.5 million. The purchase price implied a multiple of 5.1 times historical revenue.

M&V Software / Vitec Software Group

On 12 December 2019 Vitec Software Group AB (**Vitec Software Group**) announced it was acquiring Finnish software company, M&V Software OY (**M&V Software**). M&V Software's products are aimed at parishes in Finland and include parish calendar management and parish room booking. Its Katrina software is used by almost 70 percent of Finland's Evangelical Lutheran congregations. The company was expecting sales of SEK 19 million, with an adjusted EBITDA of SEK 4.6 million for the 2019 financial year. Vitec Software Group is a vertical market software provider from the Nordic region that delivers niche software. The acquisition was expected to result in a direct increase in earnings for Vitec Software Group. The transaction implies a historical revenue multiple of 2.9 times and a historical EBITDA multiple of 12.1 times.

⁵⁷ Outreach 100 is the largest participating churches study and is a collaboration between Outreach magazine and Lifeway Research.

***JustGiving / Blackbaud***

On 26 June 2017 Blackbaud announced it had signed a definitive agreement to acquire Giving.com Limited (**JustGiving**) for £95 million. JustGiving operates an online fundraising platform for supporting charity and personal causes. It operates through online and mobile platforms and assists in supporting causes including art and culture, education, international aid, disability, local community, sports, and health and medical activities. The company primarily serves customers in the United Kingdom. The transaction implied a historical revenue multiple of 3.9 times.

MicroEdge, LLC / Blackbaud

On 2 September 2014 Blackbaud announced it had signed an agreement to acquire MicroEdge, LLC (**MicroEdge**) for US\$160 million from Vista Equity Partners. MicroEdge is a provider of software and services to the giving community worldwide. MicroEdge solutions deliver a powerful, integrated, and open framework for efficient and effective charitable giving. The company provides a technology toolset for foundations, corporations, government agencies, donors, advisors and financial institutions. Together, these tools help organisations to work with one another to raise, invest, manage and award charitable currency. The transaction implied a historical EBITDA multiple of 13.2 times.

TouchNet / Heartland Payment Systems

On 30 July 2014 Heartland Payment Systems announced it had entered into an agreement to acquire TouchNet Information Systems (**TouchNet**) for US\$375 million. TouchNet provides campus commerce solutions for higher education institutions worldwide. It offers U.Commerce, a suite of software, services, and strategies for the control of campus transactions, costs, compliance, and constituent satisfaction. Its solutions include dashboards to monitor transactions campus wide and view summary reports, payment method, and processing alerts, *Payment Center*, a payment system functionality for colleges and universities and *Payment Gateway* to process campus payment transactions. The company also offers *Bill+Payment* that enables students to view account balances online, online bill presentment, and bill payments. As of year ended 31 December 2013, TouchNet generated revenues of US\$64.48 million, income from operations of US\$24.91 million and net income of US\$25.83 million. The transaction implied a historical EBITDA multiple of 13.7 times.

Convio Inc. / Blackbaud

On 17 January 2012 Blackbaud announced it had entered into a definitive agreement to acquire Convio, Inc (NasdaqGS:CNVO) (**Convio**) for approximately US\$300 million. Under the terms of the agreement, Blackbaud acquired all outstanding shares of common stock of Convio for US\$16 per share, representing a premium of 49% compared to Convio's recent closing share price. Convio is a provider of on-demand constituent engagement solutions that enable non-profit organisations to maximise the value of every relationship. With Convio constituent engagement solutions, non-profits can raise funds, advocate for change and cultivate relationships with donors, activists, volunteers, event participants, alumni and other constituents. Convio offers two open, cloud-based constituent engagement solutions: *Convio Common Ground CRM™* for small- and mid-sized non-profits and *Convio Luminare™* for enterprise non-profits. Blackbaud is described in Appendix C. The transaction represents a forecast EBITDA multiple of 21.2 times.



APPENDIX C – COMPARABLE COMPANIES

PAYMENTS FACILITATION:

ACI Worldwide

ACI Worldwide, Inc (NasdaqGS: ACIW) (**ACI Worldwide**) is a global software company that provides mission-critical real-time payment solutions to corporations. It develops, markets, installs, and supports a range of software products and solutions for facilitating digital payments to banks, merchants, and billers worldwide. The portfolio of the brand is extensive, covering card transactions, settlement, clearing and fraud detection. ACI Worldwide has significantly improved profitability in recent years, with net income rising from US\$67 million in FY19 to US\$128 million in FY21. The company was founded in 1975 and is based in Florida, US.

EverCommerce

EverCommerce Inc. (NasdaqGS:EVCM) (**EverCommerce**) provides software as a solutions for service based small and medium sized businesses. It serves three core verticals being Home Services, Health Services and Fitness & Wellness Services. EverCommerce offers business management software, billing & payment solutions and customer engagement applications. A key source of revenue is its billing and payment solutions offering that comprises e-invoicing, mobile payments, and integrated payment processing. EverCommerce earns transaction fees for payment transactions initiated on its platform. Its payment and revenue volumes grow as more customers process more transactions on its platform. The company was incorporated in 2016 and is headquartered in Colorado, US.

EVO Payments

EVO Payments, Inc. (NasdaqGm:EVOP) (**EVO Payments**) is a payment technology and service provider in the United States and Europe. Its payment and commerce solutions consist of POS terminals, virtual POS terminals for desktops, mobile acceptance and mPOS solutions, online hosted payments. It also offers value added solutions, such as gateway solutions, online hosted payments page capabilities prevention and management reporting and mobile-based SMS integrated payment collection services. The company also offers processing capabilities for specific industries and provides merchants with recurring billing, multi-currency authorisation and settlement, and cross-border processing and settlement. The company offers its services to approximately 550,000 merchants. EVO Payments had significant losses historically, for example in FY17 it had a net loss of US\$40 million. The losses have been reducing each year since and EVO payments generated net income of US\$8.6 million in FY21. EVO Payments primary source of revenue consists of fees for payment processing services and revenue from the sale and rental of electronic POS equipment. EVO Payments was founded in 1989 and is headquartered in Georgia, US.

Fiserv

Fiserv, Inc. (NasdaqGS:FISV) (**Fiserv**) offers integrated information management and electronic commerce systems and related services. It operates through three segment, being Acceptance, Fintech, and Payments. The Acceptance segment offering includes point-of-sale merchant acquiring and digital commerce services, mobile payment services, security and fraud protection products, *Carat*, an omnichannel commerce solution and *Clover*, a cloud-based point-of-sale and business management platform. The Fintech segment provides customer deposit and loan accounts, as well as manages an institution's general ledger and central information files. This segment also provides digital banking, financial and risk management and professional services. The Payments segment offers card transactions, such as debit, credit, and prepaid card processing and services and non-card digital payment software and services. In 2021 processing and services revenue represented 82% of Fiserv's total revenue. Fiserv was incorporated in 1984 and is headquartered in Wisconsin, US.

Global Payments

Global Payments Inc. (NYSE:GPN) (**Global Payments**) provides payment technology and software solutions for card, electronic, check, and digital-based payments in the Americas, Europe, and the Asia-Pacific. It operates through three segments: Merchant Solutions, Issuer Solutions, and Business and Consumer Solutions. The Merchant Solutions segment offering includes authorisation services, settlement and funding



services terminal rental, sales and deployment, payment security services, consolidated billing and statements, and on-line reporting services. The Issuer Solutions segment offers solutions that enable financial institutions and retailers to manage their card portfolios through a platform and commercial payments and ePayables solutions for businesses and governments. The Business and Consumer Solutions segment provides general-purpose reloadable prepaid debit and payroll cards, demand deposit accounts, and other financial service solutions. Global Payments net income has risen from US\$430 million in FY19 to US\$933 million in FY21. Global Payments was founded in 1967 and is headquartered in Georgia, US.

i3 Verticals

i3 Verticals, LLC (NasdaqGS:IIIV) (**i3 Verticals**) provides integrated payment and software solutions to education, non-profit, public sector, property management, and health care industries. It operates in two segments, Merchant Services, and Proprietary Software and Payments. The company offers payment processing services that enables clients to accept electronic payments, facilitating the exchange of funds and transaction data between clients, financial institutions, and payment networks. The company also licenses software and provides other point of sale-related solutions. In FY21 i3 Verticals generated a net loss of US\$7.8 million. i3 Verticals was founded in 2012 and is headquartered in Tennessee, US.

Nuvei Corporation

Nuvei Corporation (TSX:NVEI) is a global payment company providing payment technology solutions to merchants and partners in North America, Europe, Asia Pacific and Latin America. It provides a suite of payment solutions to support lifecycle of a transaction across mobile or in-app, online, unattended, and in-store channels. Its platform is purpose-built for high-growth eCommerce and mobile commerce markets and enables customers to accept payments worldwide regardless of customer location, device or payment method. Nuvei Corporation's largest source of revenue is merchant transaction and processing fees, which comprise 99% of FY21 revenue. Nuvei Corporation was founded in 2003 and is headquartered in Montreal, Canada.

Paya Holdings

Paya Holdings Inc. (NasdaqCM:PAYA) (**Paya Holdings**) is a provider of integrated payment and frictionless commerce solutions. It operates through two segments, Integrated Solutions and Payment Services. Paya processes payments through credit and debit card, automated clearing house, and cheque payments. It serves customers through distribution partners with a focus on targeted verticals, such as B2B goods and services, healthcare, faith-based and non-profit, government and utilities, and education markets. Of its end market revenues 35% was generated from B2B Goods and Services, 14% was generated from Non-Profit and Education, 11% was generated from Healthcare and 10% from Government & Utilities. It offers its faith-based and non-profit customers payments technology for donation collection and fundraising. Its platform offers unique feature requirements including recurring billing, event management, and integrated e-Commerce. Paya Holdings is headquartered in Georgia, US.

PayPal

PayPal Holdings, Inc. (NasdaqGS:PYPL) (**PayPal**) provides financial transaction processing services. The Company offers electronic payment processing services such as mobile payments and online invoicing. It provides payment solutions under the *PayPal*, *PayPal Credit*, *Braintree*, *Venmo*, *Xoom*, *Zettle*, *Hyperwallet*, *Honey*, and *Paidy* brand names. The company's payments platform allows consumers to send and receive payments in approximately 200 markets and in approximately 100 currencies, withdraw funds to their bank accounts in 56 currencies, and hold balances in their PayPal accounts in 25 currencies. PayPal's revenue and EBITDA has grown strongly in recent years, with revenues growing from US\$13 billion in FY17 to US\$25 billion in FY21. PayPal was founded in 1998 and is headquartered in California, US.

Priority Technology Holdings

Priority Technology Holdings, Inc. (NasdaqCM:PRTH) (**Priority Technology Holdings**) is a payments technology company that leverages a purpose-built platform to enable clients to collect, store and send money. It operates through three segments: Small and Medium-Sized Businesses Payments, Business-To-Business Payments and Enterprise Payments. The company offers a range of platforms including curated



managed services and a suite of integrated accounts payable automation solutions to various financial institutions and card networks. It is the sixth largest non-bank merchant acquirer in the United States by volume. The company serves SMB, and enterprises, as well as distribution partners, including retail and wholesale independent sales organisations, financial institutions, and independent software vendors. In FY18 and FY19 the company made significant losses of ~US\$18 million and ~US\$34 million respectively. Subsequently it has been operating at close to a breakeven level with net income of US\$1.4 million in FY21. The company was founded in 2005 and is headquartered in Georgia, US.

Repay

Repay Holdings Corporation (NasdaqCM:RPAY) (**Repay**) provides financial technology and payment processing solutions such as credit and debit processing, automated clearing house processing and instant funding. It offers processing solutions through its proprietary payment channels, such as web-based, mobile application, text-to-pay, interactive voice response, and point of sale. Its primary source of revenue is volume-based processing fees. In 2021 Repay processed approximately US\$20.5 billion of total card payment volume. Its year-over-year volume growth was approximately 35% in 2021 and 42% in 2020. The company was founded in 2006 and is headquartered in Georgia, US.

Shift4

Shift4 Payments, Inc. (NYSE:FOUR) (**Shift4**) provides software for transaction and money transfer activities. It offers a payments platform that offers a full suite of integrated payment products and services that can be used across multiple channels and verticals including: end-to-end payment processing, merchant acquiring, proprietary omni-channel gateway capable of multiple methods of mobile and contactless based payments, complementary software integrations and point of sale solutions. Payments based revenue comprised 92% of revenue in FY21. The company was founded in 1999 and is headquartered in Pennsylvania, US.

FAITH AND COMMUNITY SOFTWARE:

Blackbaud

Blackbaud, Inc (NasdaqGS: BLKB) (**Blackbaud**) is a provider of software and services designed for non-profit organisations, foundations, corporations, education institutions, healthcare and religious organisations. Blackbaud offers comprehensive solutions for fundraising and relationship management, marketing, advocacy, peer-to-peer fundraising, corporate social responsibility and environmental, social and governance (ESG), school management, ticketing, grant making, financial management, payment processing and analytics. The company offers fundraising and relationship management solutions, such as *Blackbaud Raiser's Edge NXT* and *Blackbaud CRM*, *Blackbaud eTapestry*, *Blackbaud TeamRaiser*, *JustGiving*, and Blackbaud Guided Fundraising and Blackbaud Volunteer Network Fundraising; marketing and engagement solutions, including *Blackbaud Luminare Online*, *Blackbaud Online Express*, and *Blackbaud School Website System*; and financial management solutions comprising *Blackbaud Financial Edge NXT*, *Blackbaud Tuition Management*, and *Blackbaud Financial Aid Management*. Blackbaud's profitability has been declining in recent years, with net income declining from US\$11.9 million for the year ended 31 December 2019 to US\$5.7 million for the year ended 31 December 2021. Blackbaud was founded in 1981 and is headquartered in South Carolina, US.



APPENDIX D – VALUATION METHODOLOGY DESCRIPTIONS

Capitalisation of Earnings

Capitalisation of earnings or cash flows is most appropriate for businesses with a substantial operating history and a consistent earnings trend that is sufficiently stable to be indicative of ongoing earnings potential. This methodology is not particularly suitable for start-up businesses, businesses with an erratic earnings pattern or businesses that have unusual expenditure requirements. This methodology involves capitalising the earnings or cash flows of a business at a multiple that reflects the risks of the business and the stream of income that it generates. These multiples can be applied to a number of different earnings or cash flow measures including EBITDA, EBITA, EBIT or net profit after tax. These are referred to respectively as EBITDA multiples, EBITA multiples, EBIT multiples and price earnings multiples. Price earnings multiples are commonly used in the context of the share market. EBITDA, EBITA and EBIT multiples are more commonly used in valuing whole businesses for acquisition purposes where gearing is in the control of the acquirer.

Where an ongoing business with relatively stable and predictable earnings is being valued Grant Samuel uses capitalised earnings or operating cash flows as a primary reference point. Application of this valuation methodology involves:

- estimation of earnings or cash flow levels that a purchaser would utilise for valuation purposes having regard to historical and forecast operating results, non-recurring items of income and expenditure and known factors likely to impact on operating performance; and
- consideration of an appropriate capitalisation multiple having regard to the market rating of comparable businesses, the extent and nature of competition, the time period of earnings used, the quality of earnings, growth prospects and relative business risk.

The choice between the parameters is usually not critical and should give a similar result. All are commonly used in the valuation of industrial businesses. EBITDA can be preferable if depreciation or non-cash charges distort earnings or make comparisons between companies difficult, but care needs to be exercised to ensure that proper account is taken of factors such as the level of capital expenditure needed for the business and whether or not any amortisation costs also relate to ongoing cash costs. EBITA avoids the distortions of intangible amortisation. EBIT can better adjust for differences in relative capital intensity.

Determination of the appropriate earnings multiple is usually the most judgemental element of a valuation. Definitive or even indicative offers for a particular asset or business can provide the most reliable support for selection of an appropriate earnings multiple. In the absence of meaningful offers, it is necessary to infer the appropriate multiple from other evidence.

The primary approach used by valuers is to determine the multiple that other buyers have been prepared to pay for similar businesses in the recent past. However, each transaction will be the product of a unique combination of factors, including:

- economic factors (e.g. economic growth, inflation, interest rates) affecting the markets in which the company operates;
- strategic attractions of the business - its particular strengths and weaknesses, market position of the business, strength of competition and barriers to entry;
- rationalisation or synergy benefits available to the acquirer;
- the structural and regulatory framework;
- investment and share market conditions at the time; and
- the number of competing buyers for a business.



A pattern may emerge from transactions involving similar businesses with sales typically taking place at prices corresponding to earnings multiples within a particular range. While averages or medians can be determined it is not appropriate to simply apply such measures to the business being valued. The range will generally reflect the growth prospects and risks of those businesses. Mature, low growth businesses will, in the absence of other factors, attract lower multiples than those businesses with potential for significant growth in earnings. The most important part of valuation is to evaluate the attributes of the specific business being valued and to distinguish it from its peers so as to form a judgement as to where on the spectrum it appropriately belongs.

An alternative approach in valuing businesses is to review the multiples at which shares in listed companies in the same industry sector trade on the share market. This gives an indication of the price levels at which portfolio investors are prepared to invest in these businesses. Share prices reflect trades in small parcels of shares (portfolio interests) rather than whole companies and it is necessary to adjust for this factor. To convert share market data to meaningful information on the valuation of companies as a whole, it is market practice to add a “premium for control” to allow for the premium which is normally paid to obtain control through a takeover offer. This premium is typically in the range 20-35%.

The premium for control paid in takeovers is observable but caution must be exercised in assessing the value of a company or business based on the market rating of comparable companies or businesses. The premium for control is an outcome of the valuation process, not a determinant of value. Premiums are paid for reasons that vary from case to case and may be substantial due to synergy or other benefits available to the acquirer. In other situations premiums may be minimal or even zero. It is inappropriate to apply an average premium of 20-35% without having regard to the circumstances of each case. In some situations there is no premium. There are transactions where no corporate buyer is prepared to pay a price in excess of the prices paid by institutional investors through an initial public offering.

Acquisitions of listed companies in different countries can be analysed for comparative purposes, but it is necessary to give consideration to differences in overall share market levels and ratings between countries, economic factors (economic growth, inflation, interest rates) and market structures (competition etc.) and the regulatory framework. It is not appropriate to adjust multiples in a mechanistic way for differences in interest rates or share market levels.

The analysis of comparable transactions and share market prices for comparable companies will not always lead to an obvious conclusion as to which multiple or range of multiples will apply. There will often be a wide spread of multiples and the application of judgement becomes critical. Moreover, it is necessary to consider the particular attributes of the business being valued and decide whether it warrants a higher or lower multiple than the comparable companies. This assessment is essentially a judgement.

Discounted Cash Flow

Discounting of projected cash flows has a strong theoretical basis. It is the most commonly used method for valuation in a number of industries, and for the valuation of start-up projects where earnings during the first few years can be negative. DCF valuations involve calculating the net present value of projected cash flows. This methodology is able to explicitly capture the effect of a turnaround in the business, the ramp up to maturity or significant changes expected in capital expenditure patterns. The cash flows are discounted using a discount rate, which reflects the risk associated with the cash flow stream. Considerable judgement is required in estimating future cash flows and it is generally necessary to place great reliance on medium to long-term projections prepared by management. The discount rate is also not an observable number and must be inferred from other data (usually only historical). None of this data is particularly reliable so estimates of the discount rate necessarily involve a substantial element of judgment. In addition, even where cash flow forecasts are available the terminal or continuing value is usually a high proportion of value. Accordingly, the multiple used in assessing this terminal value becomes the critical determinant in the valuation (i.e. it is a “de facto” cash flow capitalisation valuation). The net present value is typically extremely sensitive to relatively small changes in underlying assumptions, few of which are capable of being predicted



with accuracy, particularly beyond the first two or three years. The arbitrary assumptions that need to be made and the width of any value range mean the results are often not meaningful or reliable. Notwithstanding these limitations, DCF valuations are commonly used and can at least play a role in providing a check on alternative methodologies, not least because explicit and relatively detailed assumptions need to be made as to the expected future performance of the business operations.

Industry Rules of Thumb

Industry rules of thumb are commonly used in some industries. These are generally used by a valuer as a “cross check” of the result determined by a capitalised earnings valuation or by discounting cash flows, but in some industries rules of thumb can be the primary basis on which buyers determine prices. Grant Samuel is not aware of any commonly used rules of thumb that would be appropriate to value Pushpay. In any event, it should be recognised that rules of thumb are usually relatively crude and prone to misinterpretation.

Realisation of Assets

Valuations based on an estimate of the aggregate proceeds from an orderly realisation of assets are commonly applied to businesses that are not going concerns. They effectively reflect liquidation values and typically attribute no value to any goodwill associated with ongoing trading. Such an approach is not appropriate in Pushpay’s case.



APPENDIX E – INTERPRETATION OF MULTIPLES

Earnings multiples are normally benchmarked against two primary sets of reference points:

- the multiples implied by the share prices of listed peer group companies; and
- the multiples implied by the prices paid in acquisitions of other companies in the same industry.

In interpreting and evaluating such data it is necessary to recognise that:

- multiples based on listed company share prices do not include a premium for control and are therefore often (but not always) less than multiples that would apply to acquisitions of controlling interests in similar companies. However, while the premium paid to obtain control in takeovers is observable (typically in the range 20-35%) it is inappropriate to simply add a premium to listed multiples. The premium for control is an outcome of the valuation process, not a determinant of value. Premiums are paid for reasons that vary from case to case and may be substantial due to synergy or other benefits available to the acquirer. In other situations premiums may be minimal or even zero. There are transactions where no corporate buyer is prepared to pay a price in excess of the prices paid by share market investors;
- acquisition multiples from comparable transactions are therefore usually seen as a better guide when valuing 100% of a business but the data tends to be less transparent and information on forecast earnings is often unavailable;
- the analysis will give a range of outcomes from which averages or medians can be determined but it is not appropriate to simply apply such measures to the company being valued. The most important part of valuation is to evaluate the attributes of the specific company being valued and to distinguish it from its peers so as to form a judgement as to where on the spectrum it belongs;
- acquisition multiples are a product of the economic and other circumstances at the time of the transaction. However, each transaction will be the product of a unique combination of factors, including:
 - economic factors (e.g. economic growth, inflation, interest rates) affecting the markets in which the company operates;
 - strategic attractions of the business – its particular strengths and weaknesses, market position of the business, strength of competition and barriers to entry;
 - the company's own performance and growth trajectory;
 - rationalisation or synergy benefits available to the acquirer;
 - the structural and regulatory framework;
 - investment and share market conditions at the time, and
 - the number of competing buyers for a business;
- acquisitions and listed companies in different countries can be analysed for comparative purposes, but it is necessary to give consideration to differences in overall share market levels and rating between countries, economic factors (economic growth, inflation, interest rates), market structure (competition etc.) and the regulatory framework. It is not appropriate to adjust multiples in a mechanistic way for differences in interest rates or share market levels;
- acquisition multiples are based on the target's earnings but the price paid normally reflects the fact that there were cost reduction opportunities or synergies available to the acquirer (at least if the acquirer is a "trade buyer" with existing businesses in the same or a related industry). If the target's earnings were adjusted for these cost reductions and/or synergies the effective multiple paid by the acquirer would be lower than that calculated on the target's earnings;



- while EBITDA multiples are commonly used benchmarks they are an incomplete measure of cash flow. The appropriate multiple is affected by, among other things, the level of capital expenditure (and working capital investment) relative to EBITDA. In this respect:
 - EBIT multiples can in some circumstances be a better guide because (assuming depreciation is a reasonable proxy for capital expenditure) they effectively adjust for relative capital intensity and present a better approximation of free cash flow. However, capital expenditure is lumpy and depreciation expense may not be a reliable guide. In addition, there can be differences between companies in the basis of calculation of depreciation; and
 - businesses that generate higher EBITDA margins than their peer group companies will, all other things being equal, warrant higher EBITDA multiples because free cash flow will, in relative terms, be higher as capital expenditure.

Annexure B. Scheme Plan

SCHEME OF ARRANGEMENT PURSUANT TO PART 15 OF THE COMPANIES ACT 1993

Parties

PUSHPAY HOLDINGS LIMITED (“Pushpay”)

PEGASUS BIDCO LIMITED (“Bidder”)

Each person who is registered in the Register as the holder of one or more Scheme Shares (together, the **“Scheme Shareholders”**)

OCEANIA EQUITY INVESTMENTS PTY LTD AS TRUSTEE FOR OCEANIA TRUST (“Oceania”)

BGH CAPITAL PTY LTD ABN 59 617 386 982 IN ITS CAPACITY AS INVESTMENT MANAGER OR ADVISER TO BGH CAPITAL FUND I (“BGH”)

PEGASUS HOLDINGS NZ LIMITED (“Topco”)

PEGASUS MIDCO I LIMITED (“Midco I”)

PEGASUS MIDCO II LIMITED (“Midco II”)

SCHRASSIG FUNDAMENTAL S.À R.L. (“Schrassig”)

CONSDORF ADJACENT HOLDCO S.À R.L. (“Consdorf”)

BERDORF S.À R.L. (“Berdorf”)

BERTRANGE S.À R.L. (“Bertrange”)

Agreed Terms

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions: In this Scheme Plan:

“Business Day” means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Auckland, New Zealand, Melbourne, Australia and Los Angeles, California, United States of America and excluding any day between 24 December 2022 and 3 January 2023 (both dates inclusive).

“Companies Act” means the Companies Act 1993.

“Conditions” means the conditions precedent set out in the first column of the table of clause 3.1 of the Scheme Implementation Agreement.

“Consideration” means \$1.34 in cash in respect of each Scheme Share held by a Scheme Shareholder or such other amount notified to Pushpay by the Bidder in accordance with clause 7.1.

“Court” means the High Court of New Zealand, Auckland Registry.

“Deed Poll” means the deed poll entered into by the Bidder in favour of the Scheme Shareholders dated 15 November 2022.

“Encumbrance” means any security interest (within the meaning of section 17(1)(a) of the Personal Property Securities Act 1999) and any option, right to acquire, right of pre-emption, assignment by way of security, trust arrangement for the purpose of providing security, retention arrangement or other security interest of any kind, and any agreement to create any of the foregoing.

“End Date” has the meaning given to that term in the Scheme Implementation Agreement.

“Escrow Agreement” means the escrow agreement dated [] between the Bidder, Pushpay and LINK.

“**Final Orders**” means orders of the Court on application of Pushpay, that the Scheme be binding on Pushpay, the Bidder, the Shareholders and such other persons or class of persons as the Court may specify, in accordance with section 236(1) (and section 237, if applicable) of the Companies Act.

“**Final Orders Date**” means the day on which the Final Orders are granted by the Court.

“**Government Agency**” means any foreign or New Zealand government, any department, officer or minister of any government, and any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial agency, authority, board, commission, supervisor, tribunal or entity, and any court or any minister of the Crown in right of New Zealand or a foreign government.

“**HSR Condition**” has the meaning given to that term in the Scheme Implementation Agreement.

“**Initial Orders**” means, on application by Pushpay, orders by the Court for the purposes of section 236(2) of the Companies Act.

“**Implementation Date**” means the date on which the Scheme is to be implemented, being:

- (a) at the election of the Bidder, any date during the period beginning on the date that is three Business Days after the Record Date and ending on (and including) the date that is 10 Business Days after the Record Date, provided that such election is made by the Bidder before 11.59 pm on the day which is the later of:
 - (i) the Final Orders Date; and
 - (ii) the date on which the last of the OIO Condition and the HSR Condition is satisfied; or
- (b) such other date agreed between Pushpay and the Bidder.

“**LINK**” means Link Market Services Limited.

“**NZX**” means NZX Limited and, where the context requires, the main board financial market that it operates.

“**OIO Condition**” has the meaning given to that term in the Scheme Implementation Agreement.

“**Record Date**” means 7.00pm on the date which is four Business Days after the later of:

- (a) the Final Orders Date; and
- (b) the date on which the last of the OIO Condition and the HSR Condition are satisfied,

or such other date agreed between Pushpay and the Bidder in writing.

“**Register**” means the register of Shares maintained by LINK on behalf of Pushpay.

“**Registered Address**” means, in relation to a Shareholder, the address shown in the Register as at the Record Date.

“**Registrar**” has the meaning given to that term in the Companies Act.

“**Scheme**” means this scheme of arrangement, subject to any alterations or conditions made or required by the Court under Part 15 of the Companies Act and approved by the Bidder and Pushpay in writing.

“**Scheme Implementation Agreement**” means the scheme implementation agreement between the Bidder and Pushpay dated 28 October 2022.

“**Scheme Meeting**” means the meeting of Shareholders which (as applicable) is to be, or has been, ordered by the Court to be convened pursuant to the Initial Orders in respect of the Scheme and includes any adjournment of that meeting.

“**Scheme Shareholder**” means a person who is registered in the Register as the holder of one or more Scheme Shares as at the Record Date.

“**Scheme Shares**” means all of the Shares on issue at 7.00pm on the Record Date other than the Excluded Shares.

“**Share**” means a fully paid ordinary share in the capital of Pushpay.

“**Shareholder**” means a person who is registered in the Register as the holder of one or more Shares from time to time.

“**Takeovers Code**” means the takeovers code set out in the schedule to the Takeovers Regulations 2000 (SR 2000/210), as amended by any applicable exemption granted by the Takeovers Panel under the Takeovers Act 1993.

“**Trading Halt Date**” means the date which is two Business Days after the later of:

- (a) the Final Orders Date; and
- (b) the date on which the last of the OIO Condition and the HSR Condition are satisfied,

or such other date as Pushpay and the Bidder agree in writing.

“**Trust Account**” has the meaning given to that term in clause 3.1.

“**Unconditional**” means the satisfaction or, if capable of waiver, waiver of each of the conditions in clause 2.

1.2 Interpretation: In this Scheme Plan, unless the context otherwise requires, or specifically stated otherwise:

- (a) any reference, express or implied, to any legislation in any jurisdiction includes:
 - (i) that legislation as amended, extended or applied by or under any other legislation made before or after execution of this Scheme Plan;
 - (ii) any legislation which that legislation re-enacts with or without modification; and
 - (iii) any subordinate legislation made before or after execution of this Scheme Plan under that legislation, including (where applicable) that legislation as amended, extended or applied as described in clause 1.2(a)(i), or under any legislation which it re-enacts as described in clause 1.2(a)(ii);
- (b) a reference to the NZX Listing Rules or the ASX Listing Rules includes any variation, consolidation or replacement of those rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party;
- (c) references to persons or entities include natural persons, bodies corporate, partnerships, trusts and unincorporated associations of persons;
- (d) references to an individual or a natural person include his, her or its estate and personal representatives;
- (e) a reference to a clause, schedule or annexure is a reference to a clause, schedule or annexure of or to this Scheme Plan (and the schedules and annexes form part of this Scheme Plan);
- (f) subject to clause 21.2 of the Scheme Implementation Agreement, references to a party to this Scheme Plan include the successors or assigns (immediate or otherwise) of that party;
- (g) a reference to any instrument or document includes any variation or replacement of it;
- (h) unless otherwise indicated, a reference to any time is, a reference to that time in New Zealand;
- (i) unless otherwise stated, a reference to \$, or dollars is to New Zealand currency;
- (j) singular words include the plural and vice versa;
- (k) a word of any gender includes the corresponding words of any other gender;
- (l) if a word or phrase is defined, other grammatical forms of that word have a corresponding meaning;
- (m) general words must not be given a restrictive meaning just because they are followed by particular examples intended to be embraced by the general words;
- (n) nothing is to be construed adversely to a party just because that party put forward this Scheme Plan or the relevant part of this Scheme Plan; and
- (o) the headings do not affect interpretation.

1.3 Business Days: Unless otherwise indicated, if the day on or by which any act, matter or thing is to be done is a day other than a Business Day, that act, matter or thing must be done on or by the next Business Day.

2. **CONDITIONS**

2.1 **Conditions:** The implementation of the Scheme is conditional in all respects on:

- (a) all of the Conditions having been satisfied or, if capable of waiver, waived in accordance with the terms of the Scheme Implementation Agreement by 8.00am on the Implementation Date;
- (b) neither the Scheme Implementation Agreement nor the Deed Poll having been terminated in accordance with their respective terms before 8.00am on the Implementation Date; and
- (c) such other conditions made or required by the Court under section 236(l) and 237 of the Companies Act and agreed to in writing by Pushpay and the Bidder in accordance with clause 3.2 of the Scheme Implementation Agreement having been satisfied or waived (to the extent capable of waiver) before 8.00am on the Implementation Date.

3. **PAYMENT OF CONSIDERATION INTO TRUST ACCOUNT**

3.1 **Obligation to pay Consideration into Trust Account:** Subject to:

- (a) the Scheme Implementation Agreement not having been terminated; and
- (b) the Scheme having become Unconditional (except for the Conditions set out in clauses 3.1(f), 3.1(g) and 3.1(h) of the Scheme Implementation Agreement),

the Bidder must deposit, or procure the deposit of, in immediately available cleared funds an amount equal to the aggregate amount of the Consideration payable to the Scheme Shareholders in a New Zealand dollar denominated trust account operated by LINK and notified to the Bidder at least five Business Days prior to the Implementation Date (that account the “**Trust Account**”), by no later than 5.00pm on the Business Day before the Implementation Date.

3.2 **Trust Account:**

- (a) The Trust Account will be established and operated by LINK in accordance with the Escrow Agreement.
- (b) Prior to payment of the Consideration in accordance with clause 4.1(i) and clause 5, LINK will hold all amounts deposited by the Bidder into the Trust Account on trust for the Bidder under the Escrow Agreement.

3.3 **Interest:** Any interest earned on the amounts deposited by the Bidder into the Trust Account is payable to the Bidder, less any bank fees or other third party costs or withholdings or deductions required by law, in accordance with the Bidder’s written instructions to LINK.

3.4 **Scheme not implemented:** If:

- (a) the Scheme is not implemented for any reason by 5.00pm on the Implementation Date; or
- (b) this Scheme becomes void under clause 7.5,

LINK must, on written request by Bidder in accordance with the Escrow Agreement, immediately repay all amounts in the Trust Account, less any bank fees or other third party costs or withholdings or deductions required by law, to the Bidder in accordance with the Bidder’s written instructions to LINK.

4. **IMPLEMENTATION OF THE SCHEME**

4.1 **Implementation obligations:** Subject to:

- (a) the Scheme becoming Unconditional (to be confirmed to LINK by written notice from the Bidder and Pushpay in accordance with the Escrow Agreement); and
- (b) the Consideration having been deposited into the Trust Account in accordance with clause 3.1 and LINK confirming in writing to Pushpay and the Bidder that this has occurred,

commencing at 9.00am on the Implementation Date the following steps will occur sequentially:

Transfer of Shares held by BGH and Sixth Street entities

- (c) first, without any further act or formality, 35,890,537 Shares, together with all rights and entitlements attaching to them as at the Implementation Date, will be transferred from Oceania to Topco, and Pushpay must enter, or procure that LINK enters, the name of Topco in the Register in respect of those Shares;
- (d) second, without any further act or formality:
 - (i) 46,956,131 Shares, together with all rights and entitlements attaching to them as at the Implementation Date, will be transferred from Schrassig to Topco;
 - (ii) 58,350,422 Shares, together with all rights and entitlements attaching to them as at the Implementation Date, will be transferred from Consdorf to Topco;
 - (iii) 42,398,766 Shares, together with all rights and entitlements attaching to them as at the Implementation Date, will be transferred from Berdorf to Topco; and
 - (iv) 48,456,468 Shares, together with all rights and entitlements attaching to them as at the Implementation Date, will be transferred from Bertrange to Topco,
 and Pushpay must enter, or procure that LINK enters, the name of Topco in the Register in respect of those Shares;
- (e) third, without any further act or formality, 232,052,324 Shares, together with all rights and entitlements attaching to them as at the Implementation Date, will be transferred from Topco to Midco I, and Pushpay must enter, or procure that LINK enters, the name of Midco I in the Register in respect of those Shares;
- (f) fourth, without any further act or formality, 232,052,324 Shares, together with all rights and entitlements attaching to them as at the Implementation Date, will be transferred from Midco I to Midco II, and Pushpay must enter, or procure that LINK enters, the name of Midco II in the Register in respect of those Shares;
- (g) fifth, without any further act or formality, 232,052,324 Shares, together with all rights and entitlements attaching to them as at the Implementation Date, will be transferred from Midco II to the Bidder, and Pushpay must enter, or procure that LINK enters, the name of the Bidder in the Register in respect of those Shares;

Transfer of Scheme Shares

- (h) sixth, without any further act or formality all the Scheme Shares, together with all rights and entitlements attaching to them as at the Implementation Date, will be transferred to the Bidder, and Pushpay must enter, or procure that LINK enters, the name of the Bidder in the Register in respect of all of the Scheme Shares; and
- (i) seventh, subject to compliance in full with clause 4.1(h), the Bidder is deemed to have irrevocably authorised and instructed LINK to pay from the Trust Account the Consideration to each Scheme Shareholder based on the number of Scheme Shares held by such Scheme Shareholder as set out in the Register on the Record Date in accordance with clause 5.

4.2 Agreed terms: The respective parties to each of the Share transfers contemplated by clauses 4.1(c), 4.1(d)(i), 4.1(d)(ii), 4.1(d)(iii), 4.1(d)(iv), 4.1(e), 4.1(f) and 4.1(g) may agree the terms of the transfer between themselves.

4.3 Transfers:

- (a) A reference in clause 4.1(c) and clauses 4.1(d)(i) to 4.1(d)(iv) to a transfer of Shares from the transferee named in each such clause (“**Transferee**”) to Topco means a transfer from the person who holds those Shares as registered holder, directly or indirectly, on behalf of that Transferee (“**Trustee**”).
- (b) The Bidder must, prior to 9.00am on the Implementation Date, notify LINK in writing of the full name of the Trustee which holds Shares for each Transferee.

5. PAYMENT OF THE CONSIDERATION

5.1 Method of payment: The payment under clause 4.1(i) will be satisfied by:

- (a) where a Scheme Shareholder has, prior to the Record Date, provided bank account details to enable LINK and Pushpay to make payments of New Zealand dollars by electronic funds transfer, LINK must pay the Consideration in New Zealand dollars to the Scheme Shareholder by electronic funds transfer of the relevant amount to the bank account nominated by that Scheme Shareholder;
- (b) where a Scheme Shareholder has not, prior to the Record Date, provided bank account details to enable LINK and Pushpay to make payments of New Zealand dollars by electronic funds transfer, the following provisions and clause 5.7 will apply:
 - (i) where a Scheme Shareholder has, prior to the Record Date, provided bank account details to enable LINK and Pushpay to make payments of Australian dollars by electronic funds transfer, LINK must pay the Consideration (less any applicable costs, exchange rate spread and fees) to the Scheme Shareholder by electronic funds transfer of the relevant amount in Australian dollars to the bank account nominated by that Scheme Shareholder; and
 - (ii) where a Scheme Shareholder with a Registered Address outside of New Zealand and Australia has, prior to the Record Date, provided sufficient written instructions (to LINK's satisfaction) to enable LINK to make payment in a currency other than New Zealand dollars or Australian dollars (and LINK is able to make payment in that currency), LINK must pay the Consideration (less any applicable costs, exchange rate spread and fees) to the Scheme Shareholder by electronic funds transfer of the relevant amount in the applicable currency to the bank account nominated by that Scheme Shareholder; or
- (c) where a Scheme Shareholder has not provided the information and/or taken the steps contemplated by clauses 5.1(a) or 5.1(b) to enable payment to be made to such Scheme Shareholder in a manner contemplated by one of those clauses (or if an electronic payment to such Scheme Shareholder is rejected by the recipient bank) LINK must retain the Consideration owed to that Scheme Shareholder in the Trust Account to be claimed by the Scheme Shareholder in accordance with clause 5.5.

If a Shareholder has given more than one payment direction, then the later direction in time of receipt will be followed.

5.2 Joint holders: In the case of Scheme Shares held in joint names:

- (a) the Consideration is payable to the bank account nominated by the joint holders or, at the sole discretion of Pushpay, nominated by the holder whose name appears first in the Register as at the Record Date; and
- (b) any other document required to be sent under this Scheme Plan will be sent to either, at the sole discretion of Pushpay, the holder whose name appears first in the Register as at the Record Date or to the joint holders.

5.3 Surplus in Trust Account: To the extent that, following satisfaction of the obligations under clause 4.1(i), there is a surplus in the Trust Account, LINK must pay that surplus, less:

- (a) any amount retained under clauses 5.1(c) or 5.6(b); and
- (b) any bank fees or other third party costs or withholdings or deductions required by law,

to the Bidder in accordance with the Bidder's written instructions to LINK.

5.4 Holding on trust: Pushpay must, in respect of any monies retained by LINK pursuant to clauses 5.1(c) or 5.6(b), instruct LINK to hold such monies in the Trust Account on trust for the relevant Scheme Shareholders for a period of 24 months and thereafter, subject to clause 5.5, to pay any remaining money in the Trust Account to Pushpay.

5.5 Unclaimed monies: During the period of 24 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder that has not received payment of the Consideration in accordance with clause 5.1(a) or 5.1(b), LINK must, if such Scheme Shareholder has taken the necessary steps required to effect payment to such Scheme Shareholder in a manner contemplated by clause 5.1(a) or 5.1(b), pay to that Scheme Shareholder the Consideration held on trust for that Scheme Shareholder in a manner contemplated by clause 5.1(a) or 5.1(b) (or in any other

manner approved by LINK and agreed to by that Scheme Shareholder).

5.6 Orders of a court or Government Agency: Notwithstanding any other provision of this Scheme Plan, if written notice is given to Pushpay on or prior to the Record Date of an order or direction made by a court of competent jurisdiction or a Government Agency that:

- (a) requires Consideration to be provided to a third party in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable to that Scheme Shareholder in accordance with clause 4.1(i), Pushpay will be entitled to procure, and the Bidder will be deemed to have instructed LINK to ensure, that provision of that Consideration is made in accordance with that order or direction; or
- (b) prevents the Consideration from being provided to any particular Scheme Shareholder in accordance with clause 4.1(i), or the payment of such Consideration is otherwise prohibited by applicable law, the payment (equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Consideration) will be retained in the Trust Account until such time as provision of the Consideration to the Scheme Shareholder in accordance with clause 4.1(i) or clause 5.5 (as applicable) is permitted by that order or direction or otherwise by law,

and such provision or retention (as the case may be) will constitute the full discharge of the Bidder's and Pushpay's obligations under clause 4.1(i) with respect to the amount so provided or retained.

5.7 Exchange rate: If a Scheme Shareholder elects to be paid in Australian dollars (as contemplated by clause 5.1(b)(i)) or in a currency other than New Zealand dollars or Australian dollars (as contemplated by clause 5.1(b)(ii)), the conversion of the Consideration from New Zealand dollars into the relevant currency will be undertaken in a manner and at an exchange rate determined by LINK (in LINK's discretion) and neither the Bidder or Pushpay will be responsible for, or have any liability of any nature, in connection with that conversion.

6. DEALING IN SHARES

6.1 Recognition of dealings:

- (a) Following the sealing of the Final Orders, Pushpay will advise NZX and ASX of the grant of the Final Orders and, once known, the Trading Halt Date and Record Date and use its reasonable endeavours to procure that the NZX and ASX suspend trading in the Shares from the close of trading on the Trading Halt Date.
- (b) Pushpay must not accept for registration, nor recognise for any purpose (except a transfer pursuant to this Scheme Plan and any subsequent transfer by the Bidder or its successors in title), any Share transfer or Share transmission application or other similar request received after 7.00pm on the Record Date or received prior to such time but not in registrable or actionable forms.

6.2 Register:

- (a) Pushpay must register registrable transmission applications or registrable transfers of Shares received prior to the close of trading on the Trading Halt Date before 7.00pm on the Record Date provided that, for the avoidance of doubt, nothing in this clause 6.2(a) requires Pushpay to register a transfer that relates to a transfer of Shares on which Pushpay has a lien.
- (b) A holder of Scheme Shares (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them, after 7.00pm on the Trading Halt Date otherwise than pursuant to this Scheme Plan, and any attempt to do so will have no effect and Pushpay and the Bidder are entitled to disregard any such disposal.
- (c) For the purpose of determining entitlements to the Consideration, but subject to the requirements of the NZX Listing Rules, Pushpay must maintain the Register in accordance with the provisions of this clause 6.2 until the Consideration has been paid to the Scheme Shareholders. The Register in this form will solely determine entitlements to the Consideration.
- (d) From 7.00pm on the Record Date, each entry that is current on the Register (other than entries on the Register in respect of Excluded Shares), will cease to have effect except as evidence of entitlement to the Consideration in respect of the Scheme Shares relating to that entry.

- (e) As soon as possible on the first Business Day after the Record Date and in any event by 7.00pm on that day, Pushpay must make available to the Bidder in the form the Bidder reasonably requires, details of the names, Registered Addresses and holdings of Pushpay Shares for each Scheme Shareholder as shown in the Register on the Record Date.

7. GENERAL PROVISIONS

7.1 Amendments to Consideration: The Bidder may increase the Consideration by written notice at any time to Pushpay prior to the Scheme Meeting, provided that the Scheme Implementation Agreement has not been terminated in accordance with its terms prior to the date on which the Bidder is required to deposit the aggregate Consideration in the Trust Account under clause 3.1.

7.2 Title to and rights in Scheme Shares:

- (a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme Plan to the Bidder will, at the time of transfer of them to the Bidder, vest in the Bidder free from all Encumbrances and free from any restrictions on transfer of any kind.
- (b) Each Scheme Shareholder is taken to have warranted to the Bidder on the Implementation Date that all their Scheme Shares (including any rights and entitlements attaching to those Shares) which are transferred under this Scheme Plan will, at the time of transfer, be fully paid and free from all Encumbrances and restrictions on transfer of any kind, and that the Scheme Shareholder has full power and capacity to transfer the Scheme Shareholder's Shares to the Bidder together with any rights and entitlements attaching to those Shares.

7.3 Authority given to Pushpay: Each Scheme Shareholder, without the need for any further act:

- (a) on the Final Orders Date irrevocably appoints Pushpay as the Scheme Shareholder's attorney and agent for the purpose of enforcing the Deed Poll against the Bidder (but without limiting each Scheme Shareholder's right to itself enforce the Deed Poll); and
- (b) on the Implementation Date, irrevocably appoints Pushpay as the Scheme Shareholder's attorney and agent for the purpose of executing any document or doing or taking any other act necessary, desirable or expedient to give effect to the Scheme and the transactions contemplated by it,

and Pushpay, for itself and on behalf of each of its directors, accepts each such appointment. Each such attorney and agent, may sub-delegate its functions, authorities or powers under this clause 7.3 to one or more of Pushpay's directors or senior executives.

7.4 Binding effect of Scheme:

- (a) The Scheme binds:
 - (i) Pushpay;
 - (ii) the Bidder;
 - (iii) all of the Scheme Shareholders (including those who did not attend the Scheme Meeting to vote on this Scheme, did not vote at the Scheme Meeting, or voted against this Scheme at the Scheme Meeting);
 - (iv) Oceania;
 - (v) BGH;
 - (vi) Topco;
 - (vii) Midco I;
 - (viii) Midco II;

- (ix) Schrassig;
- (x) Consdorf;
- (xi) Berdorf; and
- (xii) Bertrange.

(b) In the event of any inconsistency, this Scheme Plan overrides the constitution of Pushpay.

- 7.5 When this Scheme becomes void:** If the Scheme has not become Unconditional on or before the End Date, or if the Scheme Implementation Agreement is terminated in accordance with its terms at any time, this Scheme Plan is immediately void and of no further force or effect (other than clauses 3.3 and 3.4).
- 7.6 No liability when acting in good faith:** Each Scheme Shareholder agrees that none of the directors, officers, employees or advisers of Pushpay or the Bidder will be liable for anything done or omitted to be done in the performance of the Scheme in good faith.
- 7.7 Governing law:** This Scheme Plan and any non-contractual obligations arising out of or in connection with it is governed by the law applying in New Zealand.
- 7.8 Jurisdiction:** The courts having jurisdiction in New Zealand have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this Scheme Plan (including a dispute relating to any non-contractual obligations arising out of or in connection with this Scheme Plan) and each party irrevocably submits to the non-exclusive jurisdiction of the courts having jurisdiction in New Zealand.
- 7.9 Successor obligations:** To the extent that any provision of the Scheme or this Scheme Plan imposes any obligation on the Bidder or Pushpay that continues or arises after the implementation of the Scheme, such obligation may instead be performed by any successor or related company of the Bidder or Pushpay (as applicable) in which case the obligation will be satisfied as if performed by the Bidder or Pushpay (as applicable).

Annexure C. Deed Poll

DEED POLL

**SCHEME OF ARRANGEMENT RELATING TO PUSHPAY
HOLDINGS LIMITED**

Dated

15 November 2022

BY:**PEGASUS BIDCO LIMITED (“Bidder”)****IN FAVOUR OF:****SCHEME SHAREHOLDERS** (as defined below)**Introduction**

- A. Pushpay Holdings Limited (“**Pushpay**”) and the Bidder are parties to the Scheme Implementation Agreement.
- B. Pushpay has agreed in the Scheme Implementation Agreement to propose a scheme of arrangement between Pushpay, the Bidder and the Scheme Shareholders, the effect of which will be that all Scheme Shares will be transferred to the Bidder and the Bidder will provide or procure the provision of the Consideration to the Scheme Shareholders.
- C. The Bidder is entering into this Deed Poll for the purpose of undertaking in favour of the Scheme Shareholders to pay the Consideration to the Scheme Shareholders in accordance with the terms of the Scheme Plan.

This Deed Records**1. DEFINITIONS AND INTERPRETATION****1.1 Defined terms:** In this Deed, unless the context requires otherwise:

“**Final Orders**” means orders of the Court on application of Pushpay, that the Scheme shall be binding on Pushpay, the Bidder, the Scheme Shareholders and/or such other class of persons as the Court may specify, in accordance with section 236(1) (and section 237, if applicable) of the Companies Act.

“**Scheme Implementation Agreement**” means the scheme implementation agreement between Pushpay and the Bidder dated 28 October 2022 whereby Pushpay has agreed to propose a scheme of arrangement under which all of the Scheme Shares held by Scheme Shareholders will be transferred to the Bidder and the Bidder will pay the Consideration to the Scheme Shareholders.

“**Scheme Plan**” means the scheme plan attached as Schedule Five to the Scheme Implementation Agreement, subject to any alterations or conditions approved by the Bidder and Pushpay in writing or

any amendments by the Bidder under clause 5.5 of the Scheme Implementation Agreement, and in each case which are disclosed to the Court prior to the Court making the Final Orders.

“**Scheme Shareholder**” means a person who is registered in the Register as the holder of one or more Scheme Shares as at the Record Date.

“**Unconditional**” means the satisfaction or, where capable of waiver, waiver of each of the conditions in clause 2 of the Scheme Plan.

1.2 **Other defined terms:** Words defined in the Scheme Plan which are not separately defined in this Deed Poll have the same meaning when used in this Deed Poll.

1.3 **Interpretation:** Clauses 1.2 and 1.3 of the Scheme Plan apply to the interpretation of this Deed Poll, except that references to “this Scheme Plan” are to be read as reference to “this Deed Poll”.

2. NATURE OF THIS DEED POLL

2.1 **Third party rights and appointment of attorney:** The Bidder acknowledges and agrees that:

- (a) this Deed Poll is intended to, and does, confer a benefit on, and therefore may be relied on and enforced by, any Scheme Shareholder in accordance with its terms under Part 2, Subpart 1 of the Contract and Commercial Law Act 2017 (but not otherwise), even though the Scheme Shareholders are not party to it; and
- (b) under the Scheme Plan each Scheme Shareholder appoints Pushpay as the Scheme Shareholder’s attorney and agent to enforce this Deed Poll against the Bidder with effect on and from the date prescribed for such appointment in the Scheme Plan (but without limiting each Scheme Shareholder’s right to itself enforce this Deed Poll).

Notwithstanding clauses 2.1(a) and 2.1(b) this Deed Poll may be varied by agreement between Pushpay and the Bidder in accordance with clause 9.2 without the approval of any Scheme Shareholder.

2.2 **Continuing obligations:** This Deed Poll is irrevocable and, subject to clause 3, remains in full force and effect until either:

- (a) the Bidder has fully performed its obligations under it; or
- (b) it is terminated under clause 4.1.

3. CONDITIONS

3.1 The Bidder’s obligations under clause 5.2 are conditional on the Scheme becoming Unconditional.

4. TERMINATION

4.1 **Termination:** The obligations of the Bidder under this Deed Poll will automatically terminate, and the terms of this Deed Poll will be of no force or effect, if the Scheme Implementation Agreement is validly terminated in accordance with its terms before the Scheme becomes Unconditional unless the Bidder and Pushpay otherwise agree in writing.

4.2 **Consequences of termination:** If this Deed Poll is terminated under clause 4.1, then the Bidder is released from its obligations to further perform this Deed Poll.

5. SCHEME CONSIDERATION

5.1 **Deposit of Consideration:** Subject to:

- (a) the Scheme Implementation Agreement not being terminated; and
- (b) the Scheme having become Unconditional (except for the Conditions set out in clauses 3.1(f), 3.1(g) and 3.1(h) of the Scheme Implementation Agreement),

the Bidder undertakes in favour of each Scheme Shareholder to deposit, or procure the deposit of, in immediately available cleared funds, by no later than 5.00pm on the Business Day before the Implementation Date, an amount equal to the aggregate amount of the Consideration payable to all Scheme Shareholders as set out in the Scheme Plan, such deposit to be made into the Trust Account to be held and dealt with by LINK in accordance with the Scheme Plan and the Escrow Agreement.

5.2 **Payment of Consideration:** The Bidder irrevocably acknowledges and agrees that, subject to:

- (a) the Scheme becoming Unconditional; and
- (b) compliance in full by Pushpay with its obligations under clauses 4.1(c) to 4.1(h) of the Scheme Plan,

the Consideration deposited into the trust account referred to in clause 5.1 must be, and will be, paid in accordance with clauses 3.1, 4.1(i) and 5 of the Scheme Plan in satisfaction of the Scheme Shareholders' respective entitlements to receive the Consideration under the Scheme in accordance with the Scheme Plan.

6. WARRANTIES

6.1 The Bidder warrants in favour of each Scheme Shareholder that:

- (a) it is a company or other body corporate validly incorporated under the laws of New Zealand;
- (b) it has the corporate power to enter into, and perform its obligations under, this Deed Poll and to carry out the transactions contemplated by this Deed Poll;
- (c) it has taken all necessary corporate action to authorise its entry into this Deed Poll and has taken, or will prior to the Implementation Date take, all necessary corporate action to authorise the performance of this Deed Poll and to carry out the transactions contemplated by this Deed Poll;
- (d) this Deed Poll is valid and binding on it and enforceable against it in accordance with its terms; and
- (e) this Deed Poll does not conflict with, or result in the breach of or default under, any provision of its constitution, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject or by which it is bound.

7. MAXIMUM LIABILITY OF BIDDER

Notwithstanding any other provision of this Deed Poll but without limiting clause 15.10 of the Scheme Implementation Agreement (which provides that Pushpay may bring proceedings for specific performance), the maximum aggregate liability of the Bidder to:

- (a) all Scheme Shareholders under this Deed and the Scheme Implementation Agreement; and
- (b) Pushpay under the Scheme Implementation Agreement,

or at law (including negligence), under any statute or regulation, in equity or otherwise, in respect of:

- (c) any or all breaches of this Deed Poll and/or the Scheme Implementation Agreement by the Bidder where the relevant act or omission was made or not taken (as the case may be) for the deliberate intention or purpose of not completing the Transaction, will not exceed, in aggregate, NZ\$45.9 million (inclusive of GST, if any) (being the amount equal to three times the amount of the Reverse Break Fee); or
- (d) any or all other breaches of this Deed Poll and/or the Scheme Implementation Agreement not captured by clause 7(c) above by the Bidder will not exceed, in aggregate, NZ\$15.3 million (inclusive of GST, if any) (being the amount of the Reverse Break Fee).

8. NOTICES

8.1 Manner of giving notice: Any notice or other communication to be given under this Deed Poll must be in writing and may be physically delivered or sent by email to the Bidder as follows:

Address: Level 26, 101 Collins Street
Melbourne VIC 3000
Australia
Attention: David Brooks
Email: james.cooney@bellgully.com

with a copy (which will not constitute notice) to:

Address: Bell Gully, Level 22, Vero Centre, 48 Shortland Street,
Auckland New Zealand
Attention: James Cooney / Amon Nunns
Email: james.cooney@bellgully.com / amon.nunns@bellgully.com

and

Address: Willkie Farr & Gallagher LLP, 787 Seventh Avenue New York, NY, USA
Attention: Matthew Guercio / Jonathan Kubek
Email: mguercio@willkie.com / jkubek@willkie.com

or at any such other address or email address notified for this purpose to the other parties under this clause. Any notice or other communication sent by post must be sent by prepaid ordinary post (if the country of destination is the same as the country of origin) or by airmail (if the country of destination is not the same as the country of origin).

8.2 **When notice given:** In the absence of earlier receipt, any notice or other communication is deemed to have been given:

- (a) if delivered, on the date of delivery; or
- (b) if sent by email, four business hours (being the hours between 9am and 5pm on a Business Day in the jurisdiction of the recipient) after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered (excluding an “out of office” automated message),

but if the notice or other communication would otherwise be taken to be received after 5.00pm or on a Saturday, Sunday or public holiday in the place of receipt then the notice or communication is taken to be received at 9.00am on the next day that is not a Saturday, Sunday or public holiday in the place of receipt.

8.3 **Email notice required:** If at the time a notice is to be given under this Agreement New Zealand is on any alert level notified by the New Zealand Government in relation to COVID-19, or there is any other public emergency, which materially restricts movement within New Zealand, any notice given under this Agreement must be given by email (except to the extent that the notice is required by law to be given by another means, in which case it must also be provided by email).

8.4 **Proof of service:** In proving service of a notice or other communication, it is sufficient to prove that delivery was made or that the e-mail was properly addressed and transmitted by the sender’s server into the network and there was no apparent error in the operation of the sender’s e-mail system, as the case may be.

8.5 **Documents relating to legal proceedings:** This clause 8 does not apply in relation to the service of any claim form, notice, order, judgment or other document relating to or in connection with any proceedings, suit or action arising out of or in connection with this Deed Poll.

9. GENERAL

9.1 Waiver:

- (a) The Bidder may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right in respect of the Scheme unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver.
- (b) For the purposes of clause 9.1(a):
 - (i) conduct includes a delay in exercising a right;
 - (ii) right means any right arising under or in connection with this Deed Poll and includes the right to rely on this clause; and
 - (iii) waiver includes an election between rights and remedies, and conduct which might otherwise give rise to an estoppel.

9.2 Variation:

- (a) Subject to clauses 9.2(b) and 9.2(c), this Deed Poll may not be varied.

- (b) Before the date on which the Final Orders are made, this Deed Poll may be varied by agreement in writing between the Bidder and Pushpay, in which event the Bidder will enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation.
- (c) If the Court orders that it is a condition of the Scheme that the Bidder enter into a new deed poll which has the effect of reversing any variation under clause 9.2(b), then, if the Bidder so agrees, the Bidder must promptly enter into a further deed poll in favour of the Scheme Shareholders to give effect to the reversal of that variation.

9.3 **Cumulative rights:** The rights, powers and remedies of the Bidder and the Scheme Shareholders under this Deed Poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this Deed Poll.

9.4 **Assignment:** The rights and obligations of the Bidder and each Scheme Shareholder under this Deed Poll are personal. They cannot be assigned, charged or otherwise dealt with at law or in equity. Any purported dealing in contravention of this clause 9.4 is invalid.

9.5 **Governing law and jurisdiction:**

- (a) This Deed Poll and any non-contractual obligations arising out of or in connection with it is governed by the law applying in New Zealand.
- (b) The courts having jurisdiction in New Zealand have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed Poll (including a dispute relating to any non-contractual obligations arising out of or in connection with this Deed Poll) and the Bidder irrevocably submits to the non-exclusive jurisdiction of the courts having jurisdiction in New Zealand in respect of any proceedings arising out of or in connection with this Deed Poll, and irrevocably waives any objection to the venue of any legal process in those courts on the basis that the proceeding has been brought in an inconvenient forum.

Executed and delivered as a deed poll:

PEGASUS BIDCO LIMITED by:



Signature of director

David Brooks

Name of director



Signature of director

RALPH JAMES NOAR

Name of director

Directory

DIRECTORS OF PUSHPAY

Graham Shaw (Chair)
Lorraine Witten (Chair of the Independent Committee)
Lovina McMurchy
Sumita Pandit
Christopher Fowler
John Connolly

LEGAL ADVISERS TO PUSHPAY

Harmos Horton Lusk Limited (New Zealand)
Shearman & Sterling (United States)

FINANCIAL ADVISER TO PUSHPAY

Goldman Sachs New Zealand Limited

INDEPENDENT ADVISER

Grant Samuel & Associates Limited

SHARE REGISTRAR

Link Market Services Limited
Level 30, PwC Tower
15 Customs Street West
Auckland 1010
Telephone: +64 9 375 5998
Email: enquiries@linkmarketservices.co.nz
Website: <https://www.linkmarketservices.co.nz/>

SHAREHOLDER INFORMATION LINE

Between 9:00 am and 7:30 pm, Monday to Friday
(New Zealand Time)

Telephone NZ: 0800 408 312

Telephone Australia: 1300 188 463

REGISTERED OFFICE AND ADDRESS FOR SERVICE

Pushpay Holdings Limited

Level 6, Building D
167 Victoria Street West
Auckland 1010

Telephone: +64 9 377 7720

Email: investors@pushpay.com

Website: <https://pushpay.com/>

Pegasus Bidco Limited

C/- Bell Gully
Level 22, Vero Centre
48 Shortland Street
Auckland 1010

Email: contact@bghcapital.com



www.pushpay.com

