



Payfare Enters into Definitive Agreement to be Acquired by Fiserv

Toronto, Ontario – December 23, 2024 – **Payfare Inc.** ("**Payfare**" or the "**Company**") (**TSX: PAY, OTCQX: PYFRF**), a leading international Earned Wage Access ("**EWA**") company powering instant access to earnings and digital banking solutions for workforces, is pleased to announce that it has entered into a definitive arrangement agreement (the "**Arrangement Agreement**") with 1517452 B.C. Ltd. the "**Purchaser**"), an affiliate of Fiserv, Inc. (**NYSE: FI, "Fiserv"**) a leading global provider of payments and financial services technology, whereby the Purchaser will acquire the Company, subject to obtaining shareholder and other customary approvals (the "**Transaction**"). Under the terms of the Arrangement Agreement, the Purchaser will acquire all of the issued and outstanding common shares of the Company for CA\$4.00 in cash per share (the "**Purchase Price**"), for total consideration of approximately CA\$201.5 million.

The Purchase Price represents a premium of approximately 90% to the closing price on the Toronto Stock Exchange (the "**TSX**") of the common shares on December 20, 2024, the last trading day prior to the announcement of the Transaction, and a premium of approximately 92% to the 60-day volume weighted average trading price of common shares as at that date.

"Our Board conducted a thorough strategic review process together with our financial advisors, having evaluated numerous acquisition, commercial partnership, and other opportunities, and concluded that the Transaction is in the best interests of the Company, its various stakeholders and its shareholders with certainty of value with an all-cash offer," said Marco Margiotta, Payfare CEO, and Founding Partner. "This Transaction represents tangible recognition of the value and strength of what Payfare has built as we embark on this exciting new chapter."

"Payfare has built a reputation as an innovator in workforce payments for gig-economy companies," said Frank Bisignano, Chairman, President and Chief Executive Officer of Fiserv. "Together, we can accelerate the delivery of embedded finance solutions for all of our clients, empowering their next chapter of success. We look forward to welcoming the talented Payfare team to Fiserv."

Transaction Details

The Company's board of directors (with conflicted directors abstaining) (the "**Board**"), after receiving the unanimous recommendation of a committee of independent directors (the "**Special Committee**"), has unanimously determined that the Transaction is in the best interests of the Company. The Arrangement Agreement was the result of a comprehensive negotiation process that was undertaken with the oversight and participation of the Special Committee advised by legal and independent financial advisors.

The Transaction will be implemented by way of a court-approved plan of arrangement under the *Business Corporations Act* (British Columbia) and will require the approval of 66 2/3% of the votes cast by shareholders, and, in accordance with Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), the approval of a majority of votes cast by shareholders, excluding certain directors and officers, at a special meeting of shareholders of the Company. In addition, the Transaction is subject to the receipt of court approval, certain third-party approvals, and other customary closing conditions for transactions of this nature.

The Arrangement Agreement includes customary non-solicitation provisions applicable to the Company and provides for the payment of an approximately CA\$10 million termination fee to the Purchaser if the

Transaction is terminated in certain circumstances. The Arrangement Agreement also provides for reimbursement of the expenses of the Purchaser in certain circumstances.

The Company intends to hold a special meeting of its shareholders (the “**Shareholders’ Meeting**”), where the Transaction will be considered and voted upon by shareholders of record.

The Transaction is not subject to a financing condition and is expected to close in the first half of 2025. Upon closing of the Transaction, the Purchaser intends to cause the issued and outstanding shares of the Company to cease to be listed on the TSX and the OTCQX, and to cause the Company to submit an application to cease to be a reporting issuer under applicable Canadian securities laws.

In addition, all of the directors and senior officers of the Company have entered into voting support agreements, pursuant to which they have agreed to, among other things, vote in favour of the Transaction.

Unanimous Board Approval

The Board, upon the recommendation of the Special Committee, unanimously recommends that shareholders of the Company vote in favour of the Transaction. In making its determination to unanimously recommend approval of the Transaction to the Board, the Special Committee, and in the Board’s determination to approve the Transaction and recommend that shareholders of the Company vote in favour of the Transaction, considered, among other things, the following reasons for the Transaction:

- *Significant Premium* - the Purchase Price represents a premium of approximately 90% to the closing price on the TSX of the common shares on December 20, 2024, the last trading day prior to the announcement of the Transaction, and a premium of approximately 92% to the 60-day volume weighted average trading price of common shares as at that date;
- *Strategic Review Process* – subsequent to the press release disseminated September 29, 2024 announcing the initiation of a strategic review process, the Company, with the assistance of its financial advisor Keefe, Bruyette, & Woods Inc. (“**KBW**”), evaluated several acquisition, commercial partnership, and sale opportunities, that did not result in any proposal that was superior to the Transaction;
- *Fairness Opinions* – the Special Committee received a fairness opinion from Blair Franklin Capital Partners Inc. (“**Blair Franklin**”), acting as independent financial advisor to the Special Committee, and the Board received a fairness opinion from KBW, each concluding that, based upon and subject to the assumptions, limitations and qualifications set out in their respective opinions, the consideration to be received by shareholders pursuant to the Transaction is fair, from a financial point of view, to shareholders;
- *Arrangement Agreement Terms* – the Arrangement Agreement is the result of a comprehensive negotiation process that was undertaken at arm’s length with the oversight and participation of the Special Committee;
- *All-Cash Consideration* – the all-cash consideration provides shareholders with certainty of value;

- *Minority Vote and Court Approval* – the Transaction must be approved by two-thirds of the votes cast by shareholders of the Company and by a majority of shareholders of the Company, excluding certain directors and officers, in accordance with MI 61-101, and by the Supreme Court of British Columbia; and
- *Support for the Transaction* – all of the directors and senior officers of the Company have entered into voting support agreements, pursuant to which they have agreed to, among other things, vote in favour of the Transaction at the Shareholders' Meeting, unless the Arrangement Agreement is terminated. The Shares represented by the parties to the voting support agreements represent approximately 11.3% of the issued and outstanding shares of the Company.

Opinions

In connection with their review and consideration of the Transaction, the Company engaged KBW as its financial advisor, and the Special Committee engaged Blair Franklin as its independent financial advisor in respect of the Transaction. KBW provided an opinion to the Board, and Blair Franklin provided an opinion to the Special Committee that, based upon and subject to the assumptions, limitations and qualifications set out in their respective opinions, the consideration to be received by shareholders pursuant to the Transaction is fair, from a financial point of view, to shareholders.

Filings and Proxy Materials

Further information regarding the Transaction, the Arrangement Agreement and the Shareholders' Meeting, including a copy of Blair Franklin's and KBW's fairness opinions, will be included in the management information circular expected to be mailed to shareholders of record. Copies of the Arrangement Agreement, the forms of voting support agreements and proxy materials in respect of the Shareholders' Meeting will be available on SEDAR+ at www.sedarplus.ca.

Advisors

Keefe, Bruyette, & Woods Inc. acted as financial advisor to the Company. Blair Franklin Capital Partners Inc. acted as financial advisor to the Special Committee. Borden Ladner Gervais LLP and Dentons acted as legal advisors to the Company. Blake, Cassels & Graydon LLP and Foley & Lardner LLP acted as external legal advisors to Fiserv.

Conference Call

Management will be hosting a conference call on December 23, 2024, at 9:00AM ET to discuss the Transaction. To access the conference call, please dial (289) 514-5100 or 1-800-717-1738.

An archived recording of the conference call will be available until January 20, 2025. To listen to the recording, call (289) 819-1325 or 1-888-660-6264 and enter passcode 79248#.

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About Payfare (TSX:PAY, OTCQX: PYFRF)

Payfare is a leading, international Earned Wage Access (“EWA”) company powering instant access to earnings through an award-winning digital banking platform for today’s workforce. Payfare partners with leading e-commerce marketplaces, payroll platforms, and employers to provide financial security and inclusion for all workers.

For further information please visit www.payfare.com or contact:

Cihan Tuncay, Head of Investor Relations and Corporate Development

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About Fiserv

Fiserv, Inc. (NYSE: FI), a Fortune 500™ company, aspires to move money and information in a way that moves the world. As a global leader in payments and financial technology, the company helps clients achieve best-in-class results through a commitment to innovation and excellence in areas including account processing and digital banking solutions; card issuer processing and network services; payments; e-commerce; merchant acquiring and processing; and the Clover® cloud-based point-of-sale and business management platform. Fiserv is a member of the S&P 500® Index and has been recognized as one of Fortune® World’s Most Admired Companies™ for 9 of the last 10 years. Visit fiserv.com and follow on social media for more information and the latest company news.

Forward Looking Statements

Information in this release contains forward-looking statements within the meaning of securities legislation. Forward-looking statements are generally identifiable by use of the words “expect”, “anticipate”, “continue”, “estimate”, “may”, “will”, “project”, “should”, “believe”, “plans”, “intends” or the negative of these words or other variations on these words or comparable terminology. Forward-looking statements are based on assumptions of future events that the Company believes are reasonable based upon information currently available. More particularly, and without limitation, this news release contains forward-looking statements and information concerning the consideration to be paid to shareholders pursuant to the transaction, the ability of the Company and the Purchaser to consummate the transaction on the terms and in the manner contemplated thereby, the anticipated benefits of the transaction, and the anticipated timing of the transaction. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, the time required to prepare and mail meeting materials to shareholders, the ability of the parties to receive, in a timely manner and on satisfactory terms, the necessary court, shareholder and other approvals and the ability of the parties to satisfy, in a timely manner, the conditions to the closing of the transaction, as well as other uncertainties and risk factors set out in filings made from time to time by the Company with the Canadian securities regulators, which are available on SEDAR+ at <https://www.sedarplus.ca>. Actual results, developments and timetables could vary significantly from the estimates presented. Readers are cautioned not to put undue reliance on forward-looking statements. The Company assumes no obligation to update or revise any forward-looking statement, except as required by applicable securities law.