



Acquisition of Resi Media LLC

Investor Presentation | 23 August 2021

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Executive summary

Transaction overview

- Pushpay has entered into a definitive agreement to acquire 100% of the ownership interests in Resi Media LLC (“Resi”) for US\$150 million (subject to customary adjustments to the cash portion of the consideration) representing 8.8x FY21 revenue
- The purchase price will be paid by the issue of US\$40 million of new Pushpay shares, with the balance paid in cash. The cash component will be funded by a combination of cash on hand and a debt facility of US\$90 million
- The transaction is expected to close by the end of August subject to satisfaction of customary closing conditions

Overview of Resi

- Resi is an end-to-end live streaming provider with top tier technology, delivering superior streaming quality and reliability
- It offers a rapidly growing SaaS solution which includes live and multisite streaming software, enabled by hardware encoders and decoders
- Resi has a strong foothold in the US faith sector with over 70% of the Outreach 100 churches using Resi products⁽¹⁾

Acquisition highlights

- Strategically compelling acquisition of a core vertical solution in the faith sector, with streaming services becoming a critical aspect of church engagement with their communities
- Resi provides a leading product offering for the faith sector, which will strengthen Pushpay’s value proposition to its Customers
- Strong cross-sell opportunities between both Resi and Pushpay customers

(1) Outreach Magazine’s 100 largest churches in America in 2020

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Transaction highlights



Transaction highlights

- ✓ Strategically compelling acquisition of a market-leading faith focused streaming platform to broaden Pushpay's core product offering
- ✓ Enhances Pushpay's value proposition to customers, advancing its digital technology strategy and maintaining its position at the forefront of innovation in the faith sector
- ✓ Acceleration of front book growth, adding a further stream of high growth and high margin SaaS revenue
- ✓ Large total addressable market across all church segments, nonprofit organisations and other verticals
- ✓ Material synergy opportunities through product cross-sell and integration with Pushpay's sales and marketing engine
- ✓ Builds on Pushpay's successful track record of inorganic growth through the acquisition and integration of Church Community Builder

Resi Media LLC



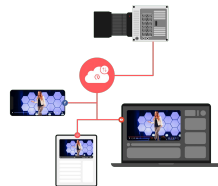
Resi offers resilient video streaming solutions



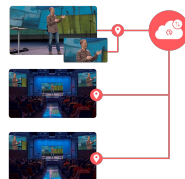
- Resi is a high growth SaaS company specialising in **high-quality transmission for web and multisite streaming** offering end-to-end solutions to customers
- Resi has a **strong foothold in the US faith sector** with over 70% of the Outreach 100 churches using Resi products⁽²⁾
- Resi also has **expanding customers outside the faith sector**, including in the corporate, education, sports and live event streaming markets
- **Founded in 2016** the company has **124 employees** and operates out of offices in Westminster, Colorado, US and Plano, Texas, US

Key products

Live streaming



Multisite streaming



Hardware – encoders & decoders



FY21 key metrics⁽¹⁾

\$12.9m

Annual recurring revenue (ARR)

101%

Revenue growth vs FY20

3,374

Total customers

314%

Customer growth vs FY20

>100%

Net revenue retention

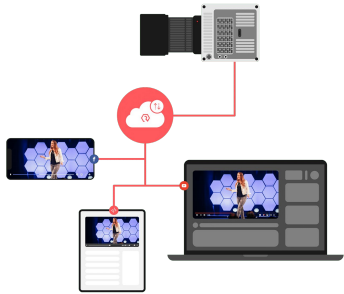
(1) As at 31 March 2021

(2) Outreach Magazine's 100 largest churches in America in 2020



Live streaming

Solution overview



- Live streaming solutions to web, social media, mobile apps and other locations
- Offers high video quality and uninterrupted viewing even during variable bandwidth conditions

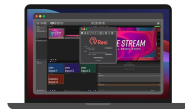
Ways to stream

Hardware encoder



Very high reliability option for “mission critical” applications

Software encoder



Lower cost live stream solution using ProPresenter software solution

Upload and Automate



Upload pre-produced videos and schedule stream time

Key features

- ✓ Resilient Streaming Protocol⁽¹⁾



- ✓ Platform integration



- ✓ 1080p Facebook & YouTube streaming



- ✓ Adaptive bitrate streaming



- ✓ Automate everything

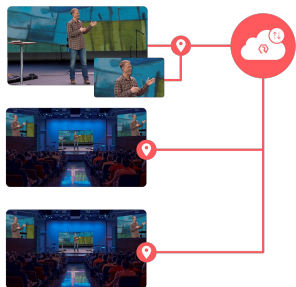


- ✓ Multiple languages



Multisite offering

Solution overview



- Multisite platform is a turnkey streaming solution that delivers video to remote locations
- Offering includes Multisite encoders and realtime video capture, LAN and cloud distribution for scalable delivery, and Multisite decoders for live/DVR playback

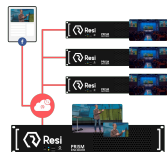
Steps to Multisite streaming

1. Video capture & encode



Resi's encoders capture content and can stream multiple channels and audio

2. Video distribution



Data uploaded to global content delivery network or directly to decoders

3. Video playback



Decoders allow for playback and pausing of live videos without content loss

Key features

- ✓ 4K HDMI and SDI



- ✓ End-to-end Video Resiliency



- ✓ Live / DVR / Simulated Playback



- ✓ Simple operation



- ✓ Weekend Phone Support

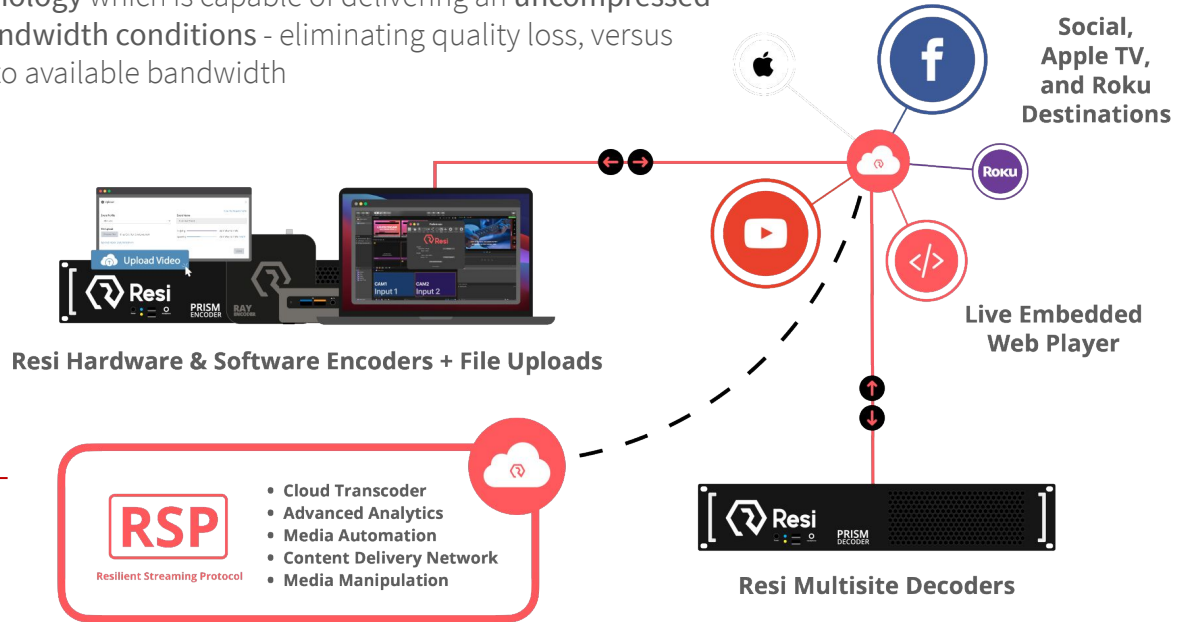


- ✓ Multiple languages



Products supported by award winning technology

- Resi's product offerings utilise streaming technology with excellent quality and reliability supported through Resi's Resilient Streaming Protocol (RSP)
- RSP is an industry exclusive technology which is capable of delivering an uncompressed copy of video even in variable bandwidth conditions - eliminating quality loss, versus other solutions that scale quality to available bandwidth

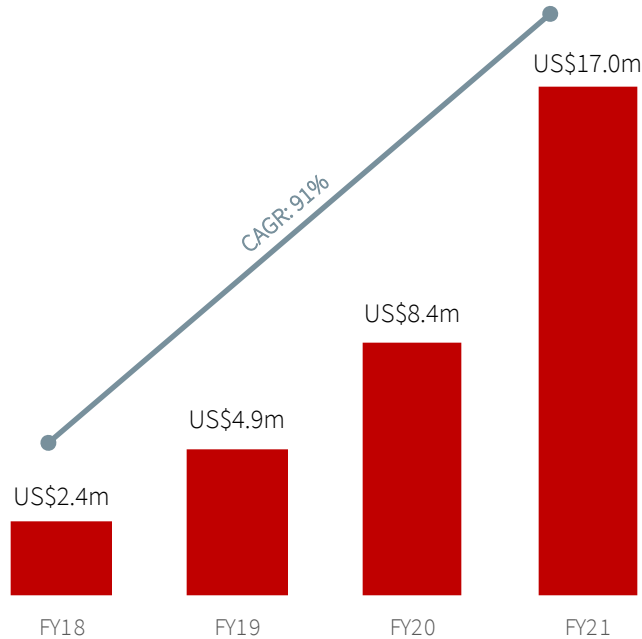


Selected awards

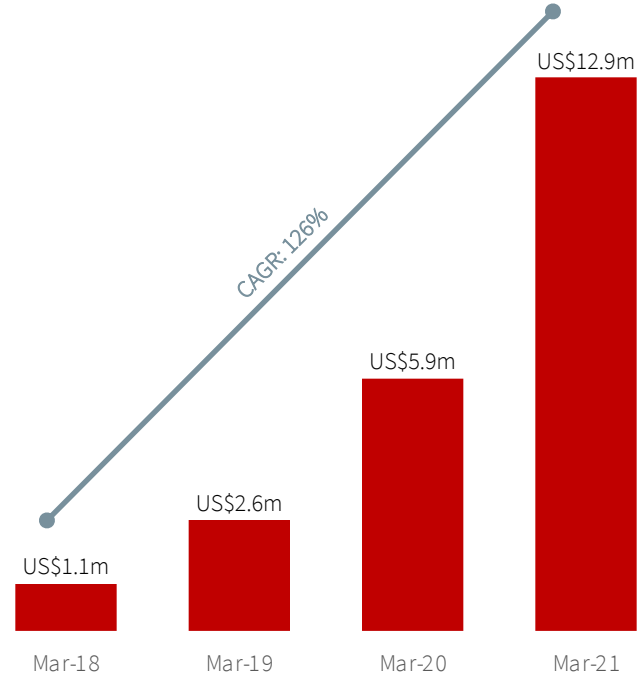


Historical financial performance

Revenue by year (US\$m)

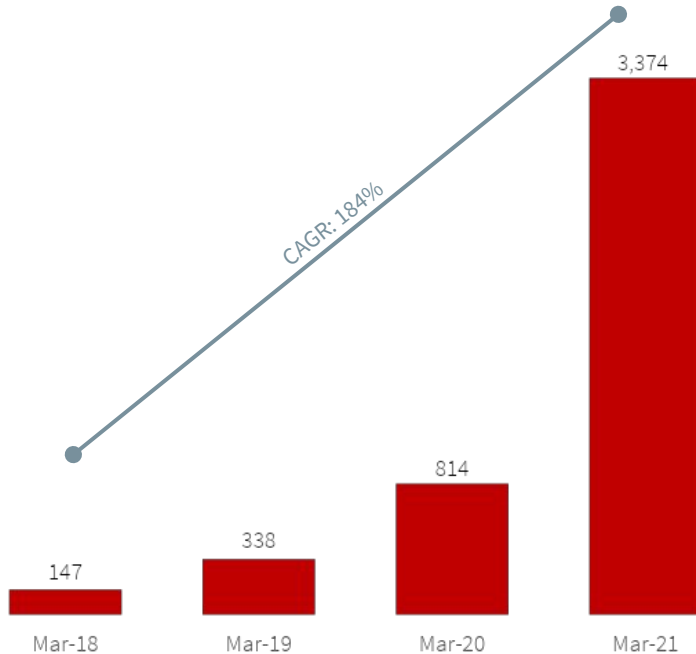


Annual recurring revenue (ARR) (US\$m)



Customer growth and testimonials

Customer growth



Testimonials

“it just works. The reliability has been amazing, and the tickets that we receive of ‘hey, this buffered,’ or ‘hey, this went down’ has been greatly reduced. It’s just opened us up to saying, if it really is this easy to stream to all these platforms, I think we’re just in the beginning phases of getting a wide a net as possible with our online services.”



Frank Grand
Web Director, Newspring Church

“We were in a position where we had to figure out how to deliver a live signal over the public internet and have it be reliable and still create the same experience that we wanted people to have, and we weren’t always successful with that.

What Resi has built and the ability to deliver a high quality feed with great playout has really stepped in and helped where we were having challenges.”



Nick Dooley
IT Director, Elevation Church

Selected customers



Executive team



Paul Martel

Chief Executive Officer

- Paul was a founding member of Resi and has led the company's product initiatives since inception. Paul has first-hand experience with customers streaming needs, bringing his background in broadcast engineering for enterprise organisations (Hewlett Packard) and technical directing for his local multi-location church.



Collin Jones

President

- Collin is an entrepreneur focused on scaling product-led SaaS businesses and is a thought leader on leveraging video to connect with your audience and empower your mission. Collin previously led digital marketing and sales across multiple industries.



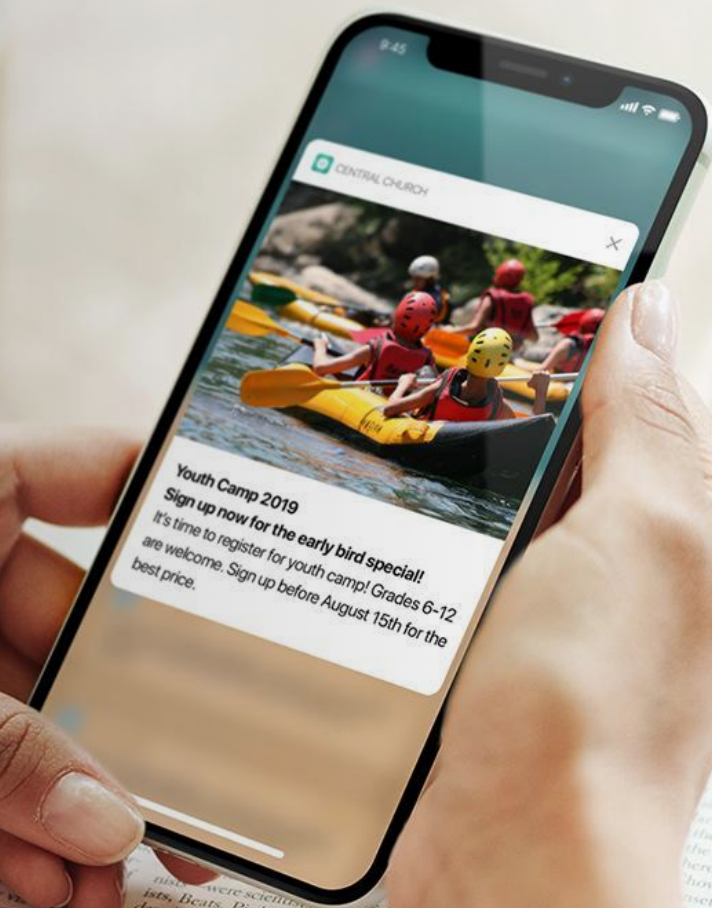
Brad Reitmeyer

Chief Technology Officer

- Brad co-founded Resi after experiencing problems as a volunteer and realising the market need for a better streaming solution. While working on his Computer Engineering degree at Texas A&M, Brad was on the team that won the 2007 National Collegiate Cyber Defense Competition. With a master's in Computer Science and over 12 years' experience in digital media streaming at Cisco and Resi, Brad continues to innovate scalable cloud solutions.

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Strategic rationale



Strategic rationale



Streaming is becoming a crucial vertical in the faith sector

- Streaming services are now a critical aspect of church engagement with their communities, as they become increasingly focused on building a digital presence



Supports Pushpay's position as a market leader of innovative solutions for the faith sector

- Adding a streaming solution to its ChurchStaq product suite enhances Pushpay's ability to meet the technology needs of churches and reinforces its position at the forefront of innovation for church technology trends



Resi provides a leading product offering for the faith sector

- Resi's philosophy of offering premium, market leading technology is aligned with Pushpay's philosophy and its strong foothold in the faith sector displays it is 'fit for purpose' for Pushpay's customer base



Opportunity to increase engagement and provide data touchpoints enhances value proposition to customers

- Adding Resi's streaming product will strengthen Pushpay's value proposition to customers, providing an additional vertical solution and in the future may be used to increase churches' holistic view of community participation and engagement

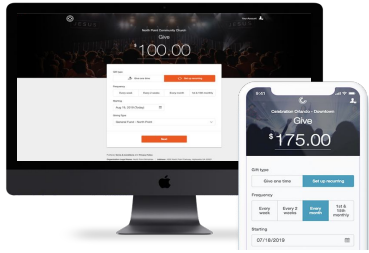


Addition of a streaming service will help drive expansion into other markets

- A key objective for Pushpay is to gain market share in Protestant and Catholic segments and expand into other markets, which will be supported by a streaming solution offering

Enhancing our ChurchStaq offering

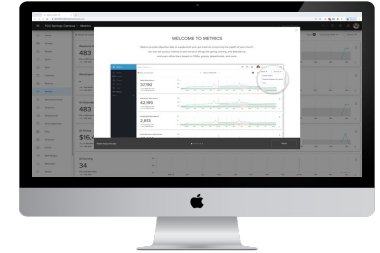
Giving and donor management



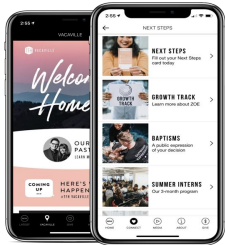
- Engage new donors
- Increase recurring giving
- Remove barriers to generosity
- Web, mobile, text, cash/check

Church management

- Comprehensive church management system
- Groups, Events, Check-in, Service Planning and Processes
- Giving dashboards and analytics



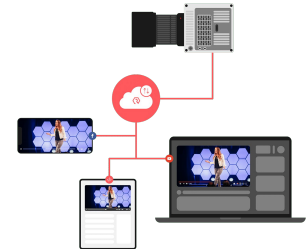
Church App



- Increase participation
- Access church media
- Targeted communication
- Groups and calendar
- Pre-check

Streaming services

- Digitalisation of church communities
- Enhanced engagement
- Data touchpoints



Transaction information



Transaction information

Purchase price

- Pushpay has agreed to acquire 100% of the ownership interests in Resi Media LLC (“Resi”) for US\$150 million (subject to customary adjustments to the cash portion of the consideration), representing a multiple of 8.8x to FY21 revenue

Consideration

- The consideration will comprise US\$110 million in cash and US\$40 million of Pushpay shares (the “Shares”)
- The cash component of the consideration will be funded by a combination of cash on hand and a senior secured debt facility of US\$90 million
- All of the Shares will be subject to a lock-up deed which prohibits the transfer or sale of the Shares during the restricted period, with customary exceptions. 50% of the Shares are restricted for 12 months from closing, 25% for 18 months from closing and the remaining 25% for 24 months from closing
- US\$9 million in aggregate of the Shares (the “Founder Restricted Shares”) will be treated as if they had been received by one of the sellers as consideration for a portion of such seller’s ownership interests in Resi and immediately distributed by such seller to trusts associated with each of the Resi founders as a pro rata distribution with respect to the membership units of such seller held by such founder trusts
- The Founder Restricted Shares will be subject to a Restricted Share Agreement with each founder which prohibits the transfer or sale of the Founder Restricted Shares. 50 percent of such Founder Restricted Shares will become unrestricted 12 months from closing and the remaining Founder Restricted Shares will become unrestricted 24 months from closing. If during the restricted period the relevant founder’s employment is terminated by Pushpay for cause, or by such founder without good reason, then Pushpay has the right to require the trust associated with such founder to sell its Founder Restricted Shares back to the company or to a person nominated by the company for nominal consideration
- The US\$40 million of Pushpay stock will be issued at a price of NZ\$1.6599 per share, based on the 20-day VWAP to 20 August 2021

Patent litigation

- Resi is the defendant in an action filed on June 16, 2021 in the US District Court for the Eastern District of Texas alleging infringement of two patents that the plaintiff BoxCast asserts relate to autonomous broadcasting. (“BoxCast litigation”)
- Patent litigation is not atypical in the US, as there are thousands of new cases filed every year
- Here, Resi respects the intellectual property rights of others but does not believe that the asserted patent claims are valid and infringed
- While litigation is inherently uncertain, Pushpay’s legal counsel has conducted due diligence on the BoxCast litigation and we believe that the matter will be resolved in due course and that the escrow amount under the purchase agreement will be sufficient to cover the costs of any defence, settlement, or liability from the BoxCast litigation
- Further, the sellers have agreed to indemnify Pushpay for up to the full amount of the purchase price for any losses or damages relating to the BoxCast litigation

Impact on FY22 EBITDAFI^{*}

- The acquisition of Resi is not expected to contribute materially to EBITDAFI in FY22 (excluding one-off items such as those noted below) as Resi's headcount levels have increased this year to support future growth
- One-off items in relation to the transaction in the FY22 year are expected to include:
 - transaction costs, which are estimated to be US\$2.2 million; and
 - a non-cash, non-recurring accounting adjustment for deferred revenue which is estimated to be US\$1.9 million

^{*} Earnings before Interest, Tax, Depreciation, Amortisation, Foreign Currency (gains)/losses and Impairments (EBITDAFI) – is a non-GAAP financial measure calculated by adjusting interest, depreciation and amortisation, income taxes, net foreign currency gains/losses and impairments to net profit

Thank You



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CHURCH
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