

Response to press article

Smartpay Holdings Limited (Smartpay) refers to the article in the *Australian Financial Review* yesterday in relation to a possible control transaction relating to Smartpay.

Smartpay confirms that it has received two separate conditional, non-binding and indicative proposals (the Proposals). One of the Proposals is from Tyro Payments Limited (Tyro) and the other Proposal is from an international strategic (the Other Party).

The Tyro indicative proposal is to acquire 100% of the issued ordinary shares of Smartpay by way of scheme of arrangement for a price of NZ\$1.00 (approximately A\$0.90) per share, comprising a majority of Tyro shares as well as cash consideration.

The indicative proposal from the Other Party is to acquire 100% of the issued ordinary shares of Smartpay.

Both of the Proposals are preliminary only and highly conditional, including (but not limited to), satisfactory completion of respective due diligence and execution of definitive transaction documentation.

As part of its review of the Proposals, the Smartpay Board has decided to allow both Tyro the Other Party to conduct an initial limited period of commercial due diligence on a non-exclusive basis. This will allow Smartpay to better assess the relative merits of each Proposal and give each party an opportunity to further improve their respective Proposals based on the information received. Reciprocal due diligence will be conducted by Smartpay on Tyro given the majority of the proposed consideration is to be satisfied by the issue of Tyro shares.

The provision of limited due diligence does not guarantee that either of the Proposals will result in a binding offer or one that is capable of being recommended by the Smartpay Board. There is no certainty that any transaction will arise.

Smartpay shareholders do not need to take any action at this time. Smartpay will continue to keep shareholders informed by market announcement in accordance with its continuous disclosure obligations. Smartpay will not otherwise be providing further comment at this time.

Smartpay has appointed Morgan Stanley and Bell Gully as financial and legal advisers respectively.

ENDS

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SHARE INFORMATION

Issued Shares: 241,943,464

BOARD OF DIRECTORS

Independent Chair:

Gregor Barclay

Managing Director:

Martyn Pomeroy

Independent:

Matthew Turnbull

Independent:

Geoffrey Carrick

Independent:

Shelley Ruha

Non-Executive:

Carlos Gil

REGISTERED AND PRINCIPAL OFFICES

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