

18 September 2014

ASX Limited
Company Announcements Platform

- **Ezeatm Limited has today executed an agreement to sell its ATM business to DirectCash Payments Inc..**
- **The proposed transaction values the ATM business at \$14.1m.**
- **Consideration includes \$10.26 million cash, payout of Ezeatm Limited's hire purchase liabilities and the cancellation of the shares held in Ezeatm Limited by the DirectCash Payments Group.**
- **The transaction is subject to shareholder approval.**
- **The Directors of Ezeatm Limited unanimously recommend the transaction.**

Ezeatm Limited (**ASX:EZA**) (**Ezeatm**) is pleased to announce that it has signed a share and asset sale agreement (**Sale Agreement**) with DirectCash Payments Inc. (**DC**). The Sale is subject to a number of conditions, including approval by Ezeatm shareholders. A summary of the key terms of the Sale Agreement are set out in the annexure to this announcement.

Completion of the sale will result in the transfer of the shares in Ezeatm Services Pty Ltd (**Ezeatm Services**), Ezeatm's main operating subsidiary, and the the ATM business assets and contracts of Ezeatm, to DC Australasia Pty Ltd (**DC Australasia**), DC's main operating subsidiary in Australia.

The consideration to be received by Ezeatm upon completion of the transaction will comprise:

- cash consideration of \$10,261,694, subject to certain adjustments in respect of hire purchase liabilities and working capital requirements (**Adjustments**);
- cancellation by way of selective buy-back of DC Australasia's 14,681,211 shares in Ezeatm (**Selective Buy-Back**); and
- payment in full of all Ezeatm's hire purchase liabilities.

Upon completion of the Sale, Ezeatm will have 60,068,789 ordinary shares on issue and net cash holdings of \$10.26m, subject to the Adjustments.

The Ezeatm Board is excited by the opportunity to unlock the value in the business at a significant premium to the current share price. Pending successful completion of the sale, the Ezeatm Board will focus on the assessment of advanced, high growth opportunities.

A notice of general meeting, together with an Independent Expert's Report, in relation to the shareholder approvals required for the Sale is currently being prepared. Both documents will be sent to all shareholders in the coming weeks.

Head Office

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Ezeatm Limited ABN 59 151 155 734

24/7 Support: **1300 886 391**
www.ezeatm.com.au

About Ezeatm Limited

Ezeatm is listed on the Australian Securities Exchange (ASX:EZA) and operates one of the largest national fleets of ATMs in Australia. The company operates ATMs across a diverse portfolio of ATM locations, which are contracted to merchants.

For further information, please visit www.ezeatm.com.au.

About DirectCash Payments Inc. (TSX:DCI)

DC is the largest branded ATM provider in Canada and Australia, and the third largest branded ATM provider in the United Kingdom. It also offers ATM services in Mexico and New Zealand. The Company is one of the leading providers of credit union and other financial institution processing and outsourcing, branded non-financial institution debit terminals and pre-paid card products in Canada. Additional information about the Company is available on SEDAR (www.sedar.com) and on the Company's website at www.directcash.net.

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Annexure – Key Terms of Sale Agreement

Ezeatm and its subsidiary Transact Pty Ltd (**Transact**), entered into the Sale Agreement with DC Australasia and DC on 18 September 2014.

Pursuant to the Sale Agreement, and subject to the Conditions, Ezeatm will sell its business of supplying, installing and operating ATMs to DC Australasia through:

- the sale and transfer of the shares of Ezeatm Services; and
- the sale and assignment of all of the assets of the Business, which are not already owned by Ezeatm Services.

Conditions

The Sale is conditional upon, among other things:

- the directors of Ezeatm unanimously recommending the Sale;
- Ezeatm obtaining all necessary regulatory and shareholder approvals required to complete the Sale, including:
 - disposing of a substantial asset to a substantial shareholder in accordance with ASX Listing Rule 10.1;
 - disposing of its main undertaking in accordance with ASX Listing Rule 11.2;
 - changing its name to a name that does not include the word "Ezeatm"; and
 - conducting the Selective Buy-Back in accordance with section 257B of the Corporations Act; and
- the Independent Expert providing a report which concludes that the Sale (including the Selective Buy-Back) is fair and reasonable

(collectively, the **Conditions**).

If the Conditions are not satisfied on or before 31 December 2014, Ezeatm or DC Australasia may terminate the Sale Agreement.

Consideration

The consideration payable under the Sale Agreement comprises:

- cash consideration of \$10,261,694.13, subject to the Adjustments post completion;
- payment by DC Australasia of an amount, being not more than \$1,350,000 in respect of hire purchase liabilities of Ezeatm; and
- cancellation of 14,681,211 shares in Ezeatm held by the DC group.

Representations and Warranties

Under the Sale Agreement, DC Australasia has given certain representations and warranties which are customary for a purchaser to give in relation to such an agreement.

Under the Sale Agreement, Ezeatm and Transact have given certain representations and warranties which are customary for vendors to give in relation to such an agreement.

Indemnities

Ezeatm has agreed to indemnify DC Australasia in relation to all loss suffered or incurred by the Purchaser (or, in certain circumstances, members of the DC group) in relation to:

- breach of the Ezeatm warranties; and

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- certain taxation matters.

DC Australasia has agreed to indemnify Ezeatm in relation to all loss suffered or incurred by Ezeatm in relation to breach of DC Australasia's warranties.

Guarantee

DC has agreed to guarantee the performance of DC Australasia's obligations under the Sale Agreement.

Termination

The Sale Agreement may be terminated if, among other things:

- there is breach by a party of a material provision of the Agreement, notice of such breach has been given, and the breach continues for a period of 5 Business Days from the date of such notice;
- if Ezeatm's shareholders do not approve the Sale or the Selective Buy-Back;
- a takeover bid is made in relation to Ezeatm;
- Ezeatm is in breach of its exclusivity obligations in relation to DC Australasia;
- there is a material breach of Ezeatm's warranties or DC Australasia's warranties;
- one of the Ezeatm directors (other than Doug Rose) fails to recommend the sale or withdraws their recommendation that Ezeatm's shareholders should vote in favour of the sale; or
- a material adverse change occurs in relation to Ezeatm.

Reimbursement Fee

Ezeatm is required to pay DC Australasia a reimbursement fee, being the greater of:

- 1% of the consideration payable under the Sale Agreement; and
- DC Australasia's actual costs up to a cap of A\$400,000,

if, among other things:

- there is a material breach of the Sale Agreement by Ezeatm;
- any director of Ezeatm publicly recommends, promotes or endorses a competing proposal or withdraws their recommendation in relation to the Sale; and
- a material adverse change in relation to Ezeatm occurs and is continuing.

DC Australasia is required to pay Ezeatm a reimbursement fee, being the greater of:

- 1% of the consideration payable under the Sale Agreement; and
- Ezeatm's actual costs up to a cap of A\$400,000,

if, among other things, there is a material breach of the Sale Agreement by DC Australasia.

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