

For personal use only

EZEATM LIMITED

ACN 151 155 734

(to be renamed "EZA Corporation Limited")

NOTICE OF GENERAL MEETING

The General Meeting of the Company will be held at the offices of BDO, 38 Station Street, Subiaco, Western Australia 6008 on Wednesday, 29 October 2014 at 10:00am (AWST).

This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 8 9208 6336.

EZEATM LIMITED

ACN 151 155 734

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of shareholders of Ezeatm Limited will be held at the offices of BDO, 38 Station Street, Subiaco, Western Australia 6008 on Wednesday, 29 October 2014 at 10:00am (AWST) ("**Meeting**").

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and Proxy Form are part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Monday, 27 October 2014 at 10:00am (AWST).

Terms and abbreviations used in this Notice are defined in Schedule 1.

AGENDA

1. Resolution 1 – Approval of the Sale

To consider, and if thought fit, to pass with or without amendment as an **ordinary resolution** the following:

"That subject to the passing of Resolutions 2 and 3, for the purposes of Listing Rules 10.1 and 11.2, and for all other purposes, Shareholders approve and authorise the Company to dispose of the Sale Assets and Sale Shares pursuant to the Sale Agreement and otherwise on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by DC Australasia, DC or a person who might obtain a benefit (except a benefit solely in their capacity as a holder of Shares) if the Resolution is passed, or any Associates of such a person.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. Resolution 2 – Approval of the Selective Buy-Back

To consider, and if thought fit, to pass with or without amendment as a **special resolution** the following:

"That subject to the passing of Resolutions 1 and 3, for the purposes of section 257D(1)(a) of the Corporations Act and Listing Rule 10.1 and for all other purposes, approval be given for the Company to conduct a selective share buy-back of 14,681,211 Shares (DC Ezeatm Shares) from DC Australasia on the terms and conditions detailed in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by DC Australasia, DC or any of their Associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. Resolution 3 – Change of Company Name

To consider, and if thought fit, to pass with or without amendment as a **special resolution** the following:

"That, subject to the passing of Resolutions 1 and 2, for the purposes of and in accordance with section 157(1) of the Corporations Act, and for all other purposes, Shareholders adopt "EZA Corporation Limited" as the new name of the Company."

BY ORDER OF THE BOARD

J Lodge

Tracey Lodge
Company Secretary
Dated: 26 September 2014

EZEATM LIMITED

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EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the offices of BDO, 38 Station Street, Subiaco, Western Australia 6008 on Wednesday, 29 October 2014 at 10:00am (AWST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions.

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice, including this Explanatory Memorandum, carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is located at the end of this Explanatory Memorandum. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Returning the Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 10:00am (AWST) on Monday, 27 October 2014, being at least 48 hours before the Meeting

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

3. Overview

3.1 Introduction – what is the Sale?

Sale of the Business

Pursuant to the Sale, the Company will sell the business of supplying, installing and operating ATMs, which is conducted by the Ezeatm Group (**Business**), to DC Australasia for:

- (a) the purchase price of A\$10,261,694.13, subject to adjustments post-Completion (**Purchase Price**);
- (b) the Hire Purchase Payout Amount, being not more than A\$1,350,000; and
- (c) the cancellation of the DC Ezeatm Shares held by DC Australasia by way of a selective buy-back (**Selective Buy-Back**).

The Sale will be effected by the Company:

- (a) assigning and selling the Sale Assets to DC Australasia;
- (b) selling the Sale Shares to DC Australasia; and
- (c) undertaking the Selective Buy-Back from DC Australasia.

Selective Buy-Back

The DC Group currently holds a 19.64% interest in the Company. The buy-back of DC Group's 19.64% shareholding in the Company will be effected by way of the Selective Buy-Back. The Selective Buy-Back involves the purchase and immediate cancellation of all the DC Ezeatm Shares as part consideration for the sale of the Sale Shares and the assignment and sale of the Sale Assets.

The Sale, including the Selective Buy-Back, will not cancel or otherwise deal with any Shares held by Shareholders, other than those Shares held by DC Group.

3.2 Why has the Company proposed the Sale?

The Board believes that the Sale represents an opportunity to unlock the value contained within the Business at an attractive premium to the recent Share price. The Sale represents a cash price of A\$0.17 per Share, which is an 84.8% premium to the last closing price of Shares (of A\$0.092), prior to the announcement of the Sale on 18 September 2014.

Despite the fact the Business has experienced an improvement in earnings in the 2014 financial year, the Board believes that the Business, on a standalone basis, does not have the economies of scale to provide a satisfactory return on Shareholders' funds.

The cash consideration and Selective Buy-Back present an exciting opportunity to invest in (and develop) higher growth opportunities that the Board believes are more appropriate for a company of the size of Ezeatm Limited and, consequently, have the potential to deliver greater returns to Shareholders.

3.3 Effect of the Sale on the structure of the Ezeatm Group

A corporate structure chart for the Ezeatm Group is set out in Schedule 3, indicating the structure of the Ezeatm Group as at the date of this Explanatory Memorandum and the corporate structure, assuming the Sale proceeds.

3.4 Financial effect of the Sale on the Company

The Company will, subject to certain adjustments for working capital and the Hire Purchase Payout Amount, receive approximately A\$10.2 million in cash proceeds from the Sale which will provide working capital for the Company as it investigates new business and acquisition opportunities.

The Sale provides value certainty for Shareholders, but will result in the Company no longer being exposed to any financial benefit that might be realised from the Business.

A pro-forma statement of financial position of the Company, that has been prepared to enable Shareholders to make an assessment of the likely effect of the Sale on the financial position of the Company, is set out in Schedule 2.

3.5 Sale of the Business to DC Australasia

The main assets of the Ezeatm Group are the Sale Assets and the Sale Shares.

The effect of the Sale Agreement on the Company, including the Selective Buy-Back, is outlined in the Independent Expert's Report and this Notice.

3.6 Sale Agreement and Conditions

On 18 September 2014, the Company announced that it had entered into the Sale Agreement. The material terms of the Sale Agreement are as follows:

- (a) the Company will sell and assign the Sale Assets to DC Australasia;.
- (b) the Company, through its wholly owned subsidiary Transact, will sell the Sale Shares to DC Australasia.
- (c) the consideration for the sale and assignment consists of the following:
 - (i) payment of the Purchase Price in cash, subject to certain adjustments post-Completion, to the Company;
 - (ii) payment of the Hire Purchase Payout Amount; and
 - (iii) a cashless buy-back and cancellation of the DC Ezeatm Shares by way of the Selective Buy-Back.
- (d) DC has agreed to guarantee the obligations of DC Australasia under the Sale Agreement.
- (e) the Sale Agreement is conditional on, among other things:
 - (i) the Ezeatm Board (with the exception of Doug Rose who has abstained from making a recommendation due to a material personal interest in the outcome of the Sale (the details of which are described in Section 3.12)) unanimously recommending the Sale;

- (ii) the Company obtaining all necessary Shareholder approvals for the Sale, including in relation to the Selective Buy-Back;
- (iii) the Company changing its name, so that it does not include the word "Ezeatm";
- (iv) the Company entering into the Service Contract; and
- (v) the Independent Expert concluding that the Sale (including the Selective Buy-Back) is fair and reasonable,

together, the **Conditions**).

- (f) Completion of the Sale Agreement is to occur on the last Business Day of the calendar month during which the satisfaction (or waiver) of the last of the Conditions occurs. The Conditions in Section 3.6(e)(i) and 3.6(e)(iv) may be waived by DC Australasia. The other conditions may not be waived by either party.

A detailed summary of the Sale Agreement is set out in Schedule 4.

3.7 Use of funds

If the Sale is completed, the proceeds from the Sale, being approximately A\$10.26 million, subject to certain adjustments for working capital and the Hire Purchase Payout Amount, will be used by the Company for the assessment and development of high growth opportunities.

3.8 Independent Expert's Report

As required by Listing Rule 10.1, the Directors commissioned the Independent Expert, BDO Corporate Finance (WA) Pty Ltd, to prepare a report on the Sale (including the Selective Buy-Back) to ascertain whether it is fair and reasonable to Shareholders (other than DC Australasia and its Associates).

The Independent Expert has concluded that the Sale (including the Selective Buy-Back) is fair and reasonable for Shareholders (other than DC Australasia and its Associates).

Schedule 5 contains a complete copy of the Independent Expert's Report. Shareholders are urged to read the Independent Expert's Report in full.

BDO Corporate Finance (WA) Pty Ltd has given, and has not withdrawn, its consent to the inclusion of its report in the Notice in the form and context in which it appears.

As DC Australasia is the Purchaser, it is expected that DC Australasia will make its own determination of the fairness and reasonableness of the Sale.

3.9 Advantages and disadvantages of the Sale and the Selective Buy-Back

The advantages and disadvantages of the Sale and the Selective Buy-Back are as follows:

- (a) Advantages:
 - (i) upon Completion, the Sale will add approximately A\$10.26 million, subject to certain adjustments for working capital and the Hire Purchase Payout Amount, to the cash reserves of the Company;

- (ii) the Sale provides value certainty for Shareholders at a significant premium to the Share price prior to announcement of the Sale;
- (iii) the Directors are of the view that better opportunities exist elsewhere for the Company. The disposal of the Business will allow the Company and Directors to focus on early stage growth prospects;
- (iv) the Independent Expert has concluded that the Sale is fair and reasonable;
- (v) as at the date of the Notice and this Explanatory Memorandum, no superior proposal to acquire the Business or the Company has emerged;
- (vi) if the Sale is not approved, the Share price may trade below the price per Share which the consideration payable for the Sale represents;
- (vii) the Sale means that the Company will cease to have the burden of the financial obligations it would otherwise have in relation to running the Business; and
- (viii) the Selective Buy-Back:
 - (A) is an integral part of the Sale and will result in Shares having a greater level of cash backing; and
 - (B) will reduce the issued share capital of the Company by 19.64% potentially providing for better per Share growth and cash flow opportunities for future investments.

(b) Disadvantages

- (i) upon Completion of the Sale, the Company's only assets will be cash, and it may be subject to additional Listing Rule requirements (see Section 3.10);
- (ii) the Company will no longer own the Business and, therefore, Shareholders will not participate in any potential future value created by the Business;
- (iii) as a result of the Sale, the Company will not generate positive cash flows for the foreseeable future; and
- (iv) there is a risk that the Company may not be able to locate and acquire suitable investment opportunities.

3.10 Strategy of the Company going forward

After Completion:

- (a) the Company will no longer have a main business undertaking; and
- (b) the Company's only asset will comprise cash, totalling approximately A\$10.26 million subject to certain adjustments for working capital and the Hire Purchase Payout Amount.

The Directors intend to investigate opportunities primarily in the technology sector and, in particular, the electronic payments space (excluding ATMs). The Directors have developed strong relationships with key players in the payments industry.

Shareholders should note that, pursuant to Chapter 12 of the Listing Rules, ASX's policy is to allow companies that have disposed of their main undertaking a period of six months within which to satisfy ASX that the company has a sufficient level of operation to justify the continued quotation of the company's securities on ASX.

ASX has confirmed that it will apply this policy to the Company. Consequently, if following a period of six months after Completion, the Company has not been able to acquire a suitable new business or project, ASX may suspend the quotation of the Shares on ASX.

In addition, if following Completion, the Company makes a significant acquisition, ASX may require the Company to "re-comply" with the requirements for listing in Chapters 1 and 2 of the Listing Rules. This may involve significant costs, the lengthy suspension of Shares from trading on ASX and a potentially dilutive capital raising.

3.11 Plans for the Company if the Sale does not proceed

If the Sale does not proceed, the Sale Agreement will be terminated and the Company will continue to conduct the Business. The Directors make no representation in relation to the future financial performance of the Business.

3.12 Directors' interests and recommendation

Other than Doug Rose, Managing Director, who is entitled to a performance bonus of A\$150,000 pursuant to his contract of employment, if the Sale completes, no Director has a material interest in the outcome of the Sale, other than as a result of any interest arising solely in their capacity as a Shareholder.

The Directors, excluding Doug Rose who has abstained from making a recommendation due to the interest noted above, consider, having reviewed the Independent Expert's Report, that the terms of the Sale (including the Selective Buy-Back) are fair and reasonable insofar as the Shareholders are concerned, and **RECOMMEND that Shareholders (in the absence of a Superior Proposal) vote IN FAVOUR of the Sale by voting IN FAVOUR of ALL Resolutions, as the Directors intend to do in respect of the Shares they hold at the time of the Meeting.**

3.13 Inter-conditional Resolutions

Resolutions 1, 2 and 3 are inter-conditional. Consequently, if any of Resolutions 1 (Approval of Sale), 2 (Approval of Selective Buy-Back) or 3 (Change of Name) is not approved by Shareholders, the Sale will not be completed.

For information relating to the Company's intentions if the Sale does not proceed, refer to Section 3.11.

3.14 Indicative timetable

The anticipated timetable for completion of the Sale and Selective Buy-Back is as follows:

Event	Date
Latest date and time for receipt of Proxy Forms	27 October 2014, 10:00am (AWST)
Date and time for determining eligibility to vote	27 October 2014, 10:00am (AWST)
Meeting	29 October 2014, 10:00am

Event	Date
	(AWST)
Satisfaction of Conditions	By 31 October 2014
Completion of Sale and Selective Buy-Back	31 October 2014

These dates are indicative only and are subject to change. Subject to the Corporations Act and Listing Rules, the above dates may be varied. Any changes to the above timetable will be announced to ASX. The Company reserves the right to amend or withdraw from the Sale, subject to the terms of the Sale Agreement and applicable legal requirements.

Unless otherwise stated, all references to time in this document are references to AWST.

4. Resolution 1 – Approval of the Sale

4.1 Reason for Resolution 1

Resolution 1 seeks Shareholder approval pursuant to Listing Rules 10.1 and 11.2 for the Company to complete the Sale, under which it will dispose of the Business to DC Australasia.

4.2 Listings Rules 10.1 and 11.2

Listing Rule 10.1 prevents a company from disposing of a "substantial asset" to certain persons identified in Listing Rule 10.1, including a "substantial holder" who alone, or together with its Associates, has a Relevant Interest in at least 10% of the votes attaching to the voting securities in the company.

As DC Australasia holds an interest in 19.64% of the Shares, DC Australasia is a "substantial holder" for the purposes of Listing Rule 10.1. In addition, the Sale Assets and Sale Shares account for more than 5% of the equity interests of the Company as set out in its last annual report, meaning that the Sale Assets and Sale Shares, together, constitute a "substantial asset" for the purposes of the Listing Rules.

Listing Rule 11.2 restricts the Company's ability to dispose of its main undertaking without Shareholder approval. The Business, which the Company proposes to sell to DC Australasia pursuant to the Sale Agreement, constitutes the main undertaking of the Company.

The effect of passing Resolution 1 will be to allow the Company to dispose of its main undertaking and a substantial asset to DC Australasia (a substantial holder by reason of its 19.64% interest in the Company) by completing the Sale Agreement without breaching Listing Rules 10.1 or 11.2.

4.3 Independent Expert's Report

As required by Listing Rule 10.10.2, the Company has appointed BDO Corporate Finance (WA) Pty Ltd as an Independent Expert to report on the terms of the Sale. See Section 3.8 for further detail.

4.4 Specific information required Listing Rules 10.1, 10.10 and 11.2

For the purposes of Listing Rules 10.1, 10.10 and 11.2, the following information regarding the Sale is provided:

- (a) an Independent Expert's Report has been included as Schedule 5 and sets out:
 - (i) the effect of the Sale on the Company; and
 - (ii) whether the Sale is fair and reasonable to Shareholders (other than DC Australasia and its Associates); and
- (b) a voting exclusion statement in relation to Resolution 1 is included in the Notice.

4.5 Additional information

A detailed summary of the Sale Agreement is set out in Schedule 4.

4.6 Inter-conditional Resolutions

As noted in Section 3.13, Resolutions 1, 2 and 3 are inter-conditional. If Resolution 1 is not approved by Shareholders, neither of Resolutions 2 or 3 will become effective and none of the Sale, the Selective-Buy-Back, or the change of the Company's name will proceed.

4.7 Directors' interests and recommendation

Refer to Section 3.12.

The Chairperson intends to exercise all available proxies in favour of Resolution 1.

5. Resolution 2 – Approval of Selective Buy-Back

5.1 Background

As at the date of this Explanatory Memorandum, the Company has 74,750,000 Shares on issue. Part of the consideration to be received by the Company on completion of the Sale Agreement is the cancellation of the DC Ezeatm Shares (being 14,681,211 Shares) pursuant the Selective Buy-Back.

5.2 Reason for the Resolution 2

Resolution 2 seeks Shareholder approval pursuant to section 257D(1)(a) and Listing Rule 10.1 for the Selective Buy-Back.

5.3 Independent Expert's Report

As required by Listing Rule 10.10.2 and as recommended in ASIC Regulatory Guide 110, the Company has appointed BDO Corporate Finance (WA) Pty Ltd as the Independent Expert to report on the terms of the Selective Buy-Back. See Section 3.8 for further detail.

5.4 Rationale for the Selective Buy-Back

The Directors believe the Selective Buy-Back is in the best interests of the Company and those Shareholders entitled to vote on the Resolution (i.e. Shareholders other than DC Australasia and its Associates) for the following reasons:

- (a) **Part of the disposal of the Sale Assets and Sale Shares:** as detailed in Section 3, the Selective Buy-Back is an integral part of the Sale. The Sale is conditional upon the approval of Resolution 2. Upon Completion, DC Australasia will acquire the Sale Assets and the Sale Shares, and the Shares held by DC Australasia will be cancelled resulting in the DC Group ceasing to have any interest in the Company. The consideration for the Sale has been structured so that while no cash shall be payable by the Company to DC Australasia to effect the Selective Buy-Back, the DC Ezeatm Shares will be bought back at a deemed price of A\$0.12 per DC Ezeatm Share.
- (b) **Anti-dilution:** as a result of the Selective Buy-Back, each Shareholder (other than DC Australasia) will have their percentage interest in the entire issued share capital of the Company increased.
- (c) **Cash-backing:** the cash-backing per Share will increase from 0.52 cents per Share to 17.08 cents per Share;
- (d) **Fair and Reasonable:** the Independent Expert also considers that the Selective Buy-Back is fair and reasonable to the Shareholders (excluding DC Australasia). Schedule 5 contains a complete copy of the Independent Expert's Report. Shareholders are urged to read the Independent Expert's Report in full.

5.5 Summary of the terms of the Selective Buy-Back

The terms of the Selective Buy-Back are contained in the Sale Agreement. The principal terms of the Selective Buy-Back are as follows:

- (a) subject to obtaining the necessary corporate approvals, in part consideration for the transfer of the Sale Assets and Sale Shares to DC Australasia, the DC Ezeatm Shares will be bought back from DC Australasia and cancelled;
- (b) while no cash consideration will be payable to DC Australasia in respect of the buy-back and cancellation of the DC Ezeatm Shares, the DC Ezeatm Shares will be bought back at a deemed price of A\$0.12 per DC Ezeatm Share,
- (c) the Company shall convene a meeting of Shareholders to consider the approval of the Selective Buy-Back; and
- (d) the Selective Buy-Back will, subject to the satisfaction of the Conditions (outlined in section 3.6(e)), take place on the Completion Date.

A detailed summary of the Sale Agreement is set out in Schedule 4.

5.6 Effect of the Selective Buy-Back on the Company

If Shareholders approve the Selective Buy-Back, no cash will be paid by the Company to DC Australasia and the DC Ezeatm Shares will be cancelled upon completion of the Sale. This will reduce the total number of Shares on issue from 74,750,000 Shares to 60,068,789 Shares.

The Completion of the Selective Buy-Back will occur on the Completion Date, although it should be noted that as the Selective Buy-Back is part of the Sale completion mechanics, it will not occur if the other Conditions have not been satisfied or waived (see Section 3.6).

The Securities on issue, before and after the Selective Buy-Back, are as follows:

Total Securities pre Selective Buy Back		Total Securities post Selective Buy Back	
Shares	Options	Shares	Options
74,750,000	-	60,068,789	-

The cash backing per Share before and after the proposed Selective Buy-Back, is as follows:

	Before the Selective Buy-Back	Following the Selective Buy-Back
Total number of shares in issue	74,750,000	60,068,789
Cash balance of the Company (A\$)	387,739 ¹	10,261,694 ²
Cash backing per Share (cents per Share)	0.52	17.08

Notes:

1. Balance as per audited financial statements as at 30 June 2014.

2. This includes the payment of the Purchase Price to the Company.

5.7 Impact on control

The Selective Buy-Back and subsequent cancellation of the DC Ezeatm Shares will not result in a material change to the control of the Company. The Selective Buy-Back and cancellation of the DC Ezeatm Shares will not trigger any person, whether an existing Shareholder or not, to acquire a relevant interest in Shares exceeding 20%.

5.8 What if the Selective Buy-Back does not proceed?

The Selective Buy-Back requires Shareholders (except DC Australasia and its Associates) to approve it by way of special resolution. Resolution 2 seeks this approval. If Resolution 2 is not approved by Shareholders, neither the Sale nor the Selective Buy-Back will be completed.

5.9 Corporations Act requirements

A company incorporated under, and subject to the provisions of, the Corporations Act may buy back its own shares if the buy-back does not materially prejudice the company's ability to pay its creditors and the company follows the procedures in Division 2 of Part 2J.1 of the Corporations Act.

Section 257D of the Corporations Act requires that the terms of the Selective Buy-Back be approved by a special resolution passed at a general meeting of the Company, with no votes being cast in favour of the resolution by any person whose Shares are proposed to be bought back or by their Associates.

Accordingly, Resolution 2 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative). Neither DC Australasia (as the party whose Shares are proposed to be bought back) nor any of its Associates are permitted to vote on Resolution 2.

5.10 Listing Rule 10.1 requirements

As noted in Section 4.2, Listing Rule 10.1 requires a company to obtain the approval of shareholders for an acquisition of a "substantial asset" from a "substantial holder". As DC Australasia is a substantial holder for the purposes of Listing Rule 10.1 (see Section 3.6) and the DC Ezeatm Shares constitute more than 5% of equity interests of the Company and are, therefore, a substantial asset, the Selective Buy-Back requires the approval of Shareholders. Such approval is sought under Resolution 2.

5.11 Additional information

A detailed summary of the Sale Agreement is set out in Schedule 4.

5.12 Inter-conditional Resolutions

As noted in Section 3.13, Resolutions 1, 2 and 3 are inter-conditional. If Resolution 2 is not approved by Shareholders, neither of Resolutions 1 or 3 will become effective and none of the Sale, the Selective Buy-Back, or the change of the Company's name will proceed.

5.13 Directors' recommendation

Refer to Section 3.12.

The Chairperson intends to exercise all available proxies in favour of Resolution 2.

6. Resolution 3 – Change of Name

6.1 General

As noted in Section 3.6(e)(iii), it is a Condition of the Sale, that the Company changes its name to a name that does not include the word "Ezeatm".

In accordance with section 157 of the Corporations Act, if a company wants to change its name, it must pass a special resolution adopting a new name.

Resolution 3 seeks Shareholder approval for the change of the name of the Company to "EZA Corporation Limited".

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The change of name will take effect on the date that ASIC alters the details of the Company's registration.

6.2 Inter-conditional Resolutions

As noted in Section 3.13, Resolutions 1, 2 and 3 are inter-conditional. If Resolution 3 is not approved by Shareholders, neither of Resolutions 1 or 2 will become effective and none of the Sale, the Selective Buy-Back or the Company's change of name will proceed.

6.3 Directors' recommendation

Refer to Section 3.12.

The Chairperson intends to exercise all available proxies in favour of Resolution 3.

Schedule 1 – Definitions

In this Explanatory Memorandum and Notice of General Meeting:

A\$ means Australian dollars, being the lawful currency of Australia.

Adjustments has the meaning given in Schedule 4.

ASIC means Australian Securities and Investments Commission.

Associates has the meaning given by section 12 of the Corporations Act.

ASX means ASX Limited ACN 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX.

ATM means automatic teller machine.

AWST means Australian Western Standard Time, as observed in Perth Western Australia.

Board means Directors of the Company.

Business has the meaning given in Section 3.1.

Business Day means a day on which the ASX is open for trading.

Capital Reduction means a selective reduction of the Company's share capital to be effected by the cancellation of 14,681,211 Shares held by the DC Group.

Chair means the person appointed to chair the Meeting of the Company convened by this Notice.

Company and **Ezeatm** means Ezeatm Limited ACN 151 155 734.

Competing Proposal means any proposal or offer received by the Company, or any member of the Ezeatm Group, from a third party (other than a member of the DC Group) to evaluate or enter into any transaction that is similar to the Sale or under which (other than as required or contemplated by the Sale):

- (a) other than with respect to on-market purchases of Shares with no involvement by any member of the Ezeatm Group, a person would acquire a relevant interest or voting power in 20% or more of Shares or of the securities of any member of the Ezeatm Group;
- (b) a person would enter into, buy, dispose of, terminate or otherwise deal with any cash settled equity swap or other synthetic, economic or derivative transaction connected with or relating to 20% or more of Shares or of the securities of any member of the Ezeatm Group;
- (c) a person would directly or indirectly acquire or obtain an interest (including an economic interest) in all or a substantial part or material part of the Business or the Assets or any member of the Ezeatm Group;
- (d) a person would acquire Control of the Company or any member of the Ezeatm Group;
- (e) a person may otherwise acquire, or merge with, the Company or any member of the Ezeatm Group (including by way of takeover bid, scheme of arrangement, capital reduction, sale of assets, sale of securities, strategic alliance, dual listed company structure or joint venture); or

- (f) the Company will issue, on a fully diluted basis, 20% or more of its capital as consideration for the assets or share capital of another person,

or any proposal by the Company to implement any material reorganisation of capital. The variation of a proposal or offer constitutes a proposal or offer for the purposes of this definition.

Completion means completion of the Sale Agreement in accordance with its terms.

Completion Date means the date on which Completion occurs.

Control has the meaning given by section 50AA of the Corporations Act and **Controlled** has a corresponding meaning.

Constitution means the Constitution of the Company.

Corporate Chart means the corporate chart in Schedule 2.

Corporations Act means the Corporations Act 2001 (Cth).

DC means DirectCash Payments, Inc.

DC Australasia means DC Payments Australasia Pty Limited ACN 097 550 519.

DC Ezeatm Shares has the meaning given in Resolution 2.

DC Group means DC and its Related Entities.

Directors mean the directors of the Company.

Excluded Assets means any contracts of insurance held in the name of, or for the benefit of, the Company.

Exclusivity Period means the period commencing on 18 September 2014 and ending on the earlier of the termination of the Sale Agreement, the Completion Date or 31 December 2014.

Explanatory Memorandum means the explanatory memorandum to the Notice.

Ezeatm Group means the Company and its Related Entities.

Ezeatm Services means Ezeatm Services Pty Ltd ACN 096 946 548.

Hire Purchase Payout Amount means the amount, not exceeding A\$1,350,000, to be advised by National Australia Bank Limited, and to be paid at Completion, in respect of the discharge of the hire purchase facilities between National Australia Bank Limited and Ezeatm.

Independent Expert means BDO Corporate Finance (WA) Pty Ltd.

Independent Expert's Report means the Independent Expert's report, as set out in Schedule 5.

Listing Rules means the Listing Rules of ASX.

Meeting has the meaning given in the introductory paragraph of the Notice.

Notice means this Notice of General Meeting.

Proxy Form means the proxy form attached to the Notice.

Purchase Price has the meaning given in Section 3.1.

Related Entities means in relation to a party, any entity that is related to that party within the meaning of section 50 of the Corporations Act or which is an economic entity (as defined in any approved Australian accounting standard) that is Controlled by that party.

Relevant Interest has the meaning given in sections 608-609 of the Corporations Act.

Resolution means a resolution referred to in this Notice.

Sale Agreement means the share and asset sale agreement between the Company, Transact, DC Australasia and DC, dated 18 September 2014.

Sale Assets means all assets of the Business, other than those held by Ezeatm Services and excluding the Excluded Assets.

Sale means the sale of the Sale Assets and the Sale Shares by the Company to DC Australasia pursuant to the terms of the Sale Agreement.

Sale Shares means 4,000 fully paid ordinary shares in the capital of Ezeatm Services, which constitutes the entire issued capital of Ezeatm Services.

Section means a section of this Explanatory Memorandum.

Selective Buy-Back has the meaning given in Section 3.1.

Service Contract means an agreement between the Company and DC Australasia in respect of the provision of the services of Doug Rose, following Completion.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Superior Proposal means a bona fide Competing Proposal that the Board, acting reasonably and in good faith, and after taking advice from its legal and financial advisors, determines:

- (a) is reasonably capable of being valued and completed on a timely basis, taking into account all aspects of the Competing Proposal and the person making it, including without limitation having regard to legal, regulatory and financial matters and any conditions precedent; and
- (b) would or would be reasonably likely, if completed in accordance with its terms, be more favourable to Shareholders than the Sale, after taking into account all of the terms and conditions of, and the identity, reputation and standing of the person making, the Competing Proposal.

Transact means Transact Pty Ltd ACN 108 282 408.

Vendors means the Company and Transact.

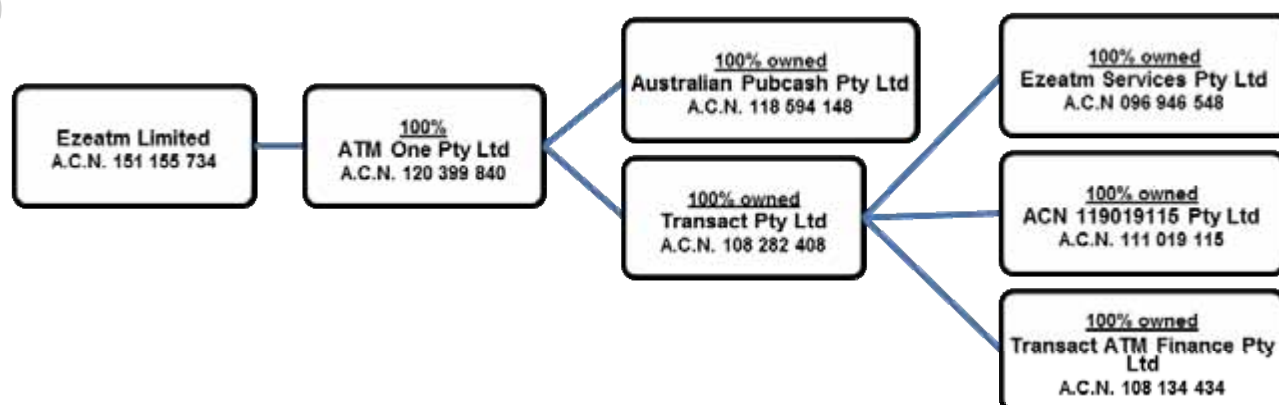
In this Notice, words importing the singular include the plural and vice versa.

Schedule 2 – Pro forma Statement of Financial Position

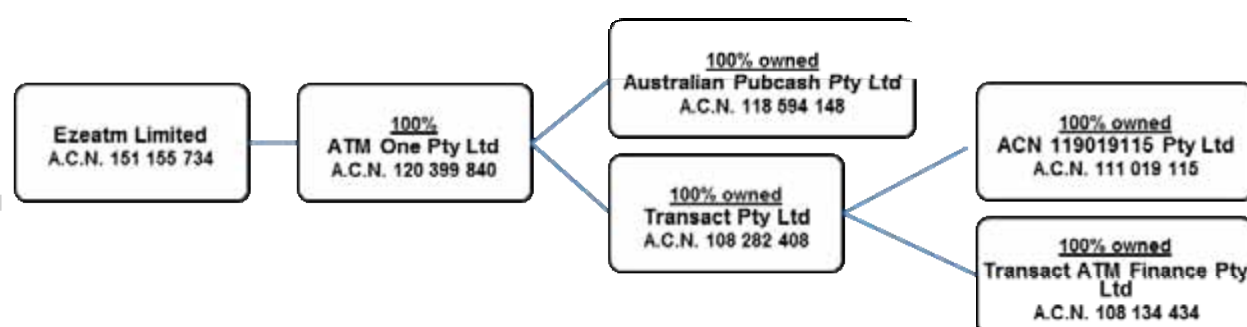
	30 June 2014, as reported \$	Adjustments \$	Proforma \$
Assets			
Current Assets			
Cash and cash equivalents	387,739	9,873,955	10,261,694
Trade and other receivables	333,303	(333,303)	-
Inventories	365,724	(365,724)	-
Other financial assets	91,266	(91,266)	-
Current tax asset	28,639	-	28,639
Total Current Assets	1,206,671	9,083,662	10,290,333
Non-Current Assets			
Property, plant and equipment	4,359,297	(4,359,297)	-
Deferred tax assets	65,425	(65,425)	-
Intangible assets	1,607,844	(1,607,844)	-
Total Non-Current Assets	6,032,566	(6,032,566)	-
Total Assets	7,239,237	3,051,096	10,290,333
Liabilities			
Current Liabilities			
Trade and other payables	1,642,422	(1,003,613)	638,809
Borrowings	1,154,087	(1,154,087)	-
Employee benefits liability	60,021	(47,832)	12,189
Total Current Liabilities	2,856,530	(2,205,532)	650,998
Total Liabilities	2,856,530	(2,205,532)	650,998
Net Assets	4,382,707	5,256,628	9,639,335
Equity			
Share capital	18,047,607	(1,761,745)	16,285,862
Accumulated losses	(13,664,900)	7,018,373	(6,646,527)
Total Equity	4,382,707	5,256,628	9,639,335

Schedule 3 – Corporate Structure Chart

Pre-Sale Corporate Structure



Post-Sale Corporate Structure



Schedule 4 – Summary of Sale Agreement

The Company, and its subsidiary, Transact (together, the **Vendors**) entered into the Sale Agreement with DC Australasia and DC on 18 September 2014.

1. Sale

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

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

2. Conditions

The Sale is conditional upon:

- (a) the Directors unanimously recommending the Sale;
 - (b) the Company obtaining all necessary regulatory and shareholder approvals required to complete the Sale, including:
 - (i) disposing of a substantial asset to a substantial shareholder in accordance with ASX Listing Rule 10.1;
 - (ii) disposing of its main undertaking in accordance with ASX Listing Rule 11.2;
 - (iii) changing the Company's name to a name that does not include the word Ezeatm; and
 - (iv) conducting the Selective Buy-Back in accordance with section 257B of the Corporations Act;
 - (c) the Company entering into the Service Contract; and
 - (d) 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, the Company or DC Australasia may terminate the Sale Agreement.

3. Consideration

The consideration payable under the Sale Agreement comprises:

- (a) cash consideration of A\$10,261,694.13, subject to the Adjustments post Completion;
- (b) payment of an amount, being not more than A\$1,350,000 in respect of hire purchase liabilities of the Company; and
- (c) cancellation of 14,681,211 shares in the Company held by the DC group.

4. Adjustments to Purchase Price

The Purchase Price will be adjusted after Completion in respect of the following:

- (a) in respect of any adjustment required to ensure that the working capital position of Ezeatm Services (**Working Capital Position**) is nil. If, at Completion, the Working Capital Position is less than nil, an adjustment shall be payable by the Vendors to DC Australasia in respect of the amount by which the Working Capital Position is less than nil. If, at Completion, the Working Capital Position is greater than nil, an adjustment shall be payable by DC Australasia to the Vendors in respect of the amount by which the Working Capital Position is greater than nil; and
- (b) in respect of any amount required to ensure that the Hire Purchase Payout Amount is A\$1,350,000. If, at Completion, the Hire Purchase Debt Amount is less than A\$1,350,000, the Vendors shall be entitled to a credit from DC Australasia in respect of the amount by which the Hire Purchase Payout Amount is less than A\$1,350,000. If, at Completion, the Hire Purchase Debt Amount is greater than A\$1,350,000, DC Australasia shall be entitled to a corresponding reduction in the Purchase Price in respect of the amount by which the Hire Purchase Payout Amount is more than A\$1,350,000,

(together, the **Adjustments**)

5. Employees

No later than 20 Business Days prior to the Completion Date, DC Australasia is required to send an offer letter to each employee of the Business (**Employee**) in an agreed form offering to employ the Employee. Each Employee who accepts such offer will become a transferring employee (**Transferring Employee**).

From the Completion Date, DC Australasia must:

- (a) be responsible for all wages, salary, commissions and bonuses payable to Transferring Employees in respect of the period after the Completion Date;
- (b) be responsible for all employer superannuation contributions in respect of Transferring Employees; and
- (c) treat the period of service which each Transferring Employee had with the Company as continuous services with DC Australasia for all service related benefits.

6. Pre-Completion Constraints

The Sale Agreement contains usual pre-Completion restraints that the Business is conducted in the ordinary course, unless otherwise agreed to by DC Australasia.

7. Completion

Completion is scheduled to occur on the last Business Day of the calendar month during which the satisfaction (or waiver) of the last of the Conditions occurs, unless otherwise agreed by the parties.

8. Post-Completion Restraints

The Vendors must not, and must procure that the Directors do not during a restraint period, being 24 months (or such lesser amount of time as may be permitted) within Australia, engage in certain activities in relation to a business which:

- (a) competes directly or indirectly with the Business;
- (b) is involved in the processing or acquiring or issuing transactions for ATM terminals or owning, leasing or operating white label ATMs; or
- (c) is otherwise associated with the provision, supply and maintenance of ATMs.

9. Termination

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

- (a) a Condition is not satisfied prior to 31 December 2014 or the Sale has not been implemented other than by a breach by the terminating party of its obligations under the Agreement;
- (b) there is a 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;
- (c) if Shareholders do not approve the Sale or the Buy-Back;
- (d) a Takeover Bid is made in relation to the Company;
- (e) the Company is in breach of its exclusivity obligations in relation to DC Australasia;
- (f) there is a material breach of the Company's warranties or DC Payment's warranties;
- (g) one of the Directors (other than Doug Rose) fails to recommend the Sale or withdraws his recommendation that Shareholders should vote in favour of the Sale; or
- (h) a material adverse change occurs in relation to the Company.

10. Warranties

DC Australasia has provided certain warranties with respect to its corporate power to enter into the Sale Agreement and complete the transactions contemplated by it, and in relation to the ownership of the DC Ezeatm Shares.

The Vendors have given customary warranties for vendors in relation to such a transaction, including in relation to: the status of the Vendors, the Sale Shares, the Assets, disclosure materials, the Business, contracts, employees, accounts, taxation matters, litigation and compliance with applicable laws.

11. Indemnity

The Vendors have agreed to indemnify DC Australasia in relation to all loss suffered or incurred by DC Australasia (or, in certain circumstances, members of the DC Group) in relation to:

- (a) breach of the Vendors' warranties; and
- (b) certain taxation matters.

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

12. Warranty & Indemnity Insurance

The Company has procured for DC Australasia a warranty and indemnity insurance policy (**W&I Policy**). Pursuant to the Sale Agreement, DC Australasia has agreed that it will not be entitled to make any claim against the Vendors in relation to a Vendors' warranty or an insured indemnity, except:

- (a) to the extent that a claim arises out of a fraudulent act by the Vendors;
- (b) in respect of a claim that in aggregate exceeds A\$140,575, but in which case the Vendors will only be liable for A\$140,575;
- (c) in respect of a claim which relates to a Vendors' warranty which related to tax in excess of A\$14,057,000, in which case the Vendors will be liable for any amounts in excess of A\$14,057,000; or
- (d) to the extent to permit a claim against the W&I Insurer under the W&I Policy, but only on the basis that the Vendors will have no liability whatsoever and will suffer no loss in respect of such claim and that DC Payment's sole and only recourse and remedy will be against the W&I Insurer under the W&I Policy.

13. Guarantee

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

14. Exclusivity and Reimbursement Fee

No shop and no talk

During the Exclusivity Period, the Vendors must ensure that no member of the Vendor Group or any of its, or their, Representatives directly or indirectly:

- (a) solicits, invites, facilitates, encourages or initiates any enquiries, negotiations, discussions or proposals;
- (b) subject to a carve-out in relation to fiduciary duties, provides or makes available any information (including by way of providing information and access to perform due diligence on the Vendor Group);
- (c) subject to a carve-out in relation to fiduciary duties, enter into any agreement, arrangement or understanding (whether or not in writing and whether or not legally binding); or
- (d) communicates any intention to do any of these things,

regarding a Competing Proposal.

During the Exclusivity Period, but subject to a carve out in relation to fiduciary duties, the Vendors must ensure that no member of the Ezeatm Group or any of its, or their, representatives directly or indirectly:

- (a) initiates, negotiates or enters into or participates in negotiations or discussions with any person; or
- (b) communicates any intention to do any of these things, in relation to, or which may reasonably be expected to lead to:
 - (i) a Competing Proposal, even if that person's Competing Proposal was not directly or indirectly solicited, encouraged or initiated by the Vendors

or any of its representatives or the person has publicly announced the Competing Proposal; or

- (ii) the Sale not completing.

Matching Right

Within 5 Business Days of being provided with notice of a Competing Proposal by the Company, and which the Directors regard as a Superior Proposal, DC Australasia shall have the right, but not the obligations to:

- (a) offer to amend the terms of the Sale;
- (b) make a takeover bid for the Company; or
- (c) propose any other form of transaction,

which the Company and the Directors must review in good faith.

Reimbursement Fee

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

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

if, among other things:

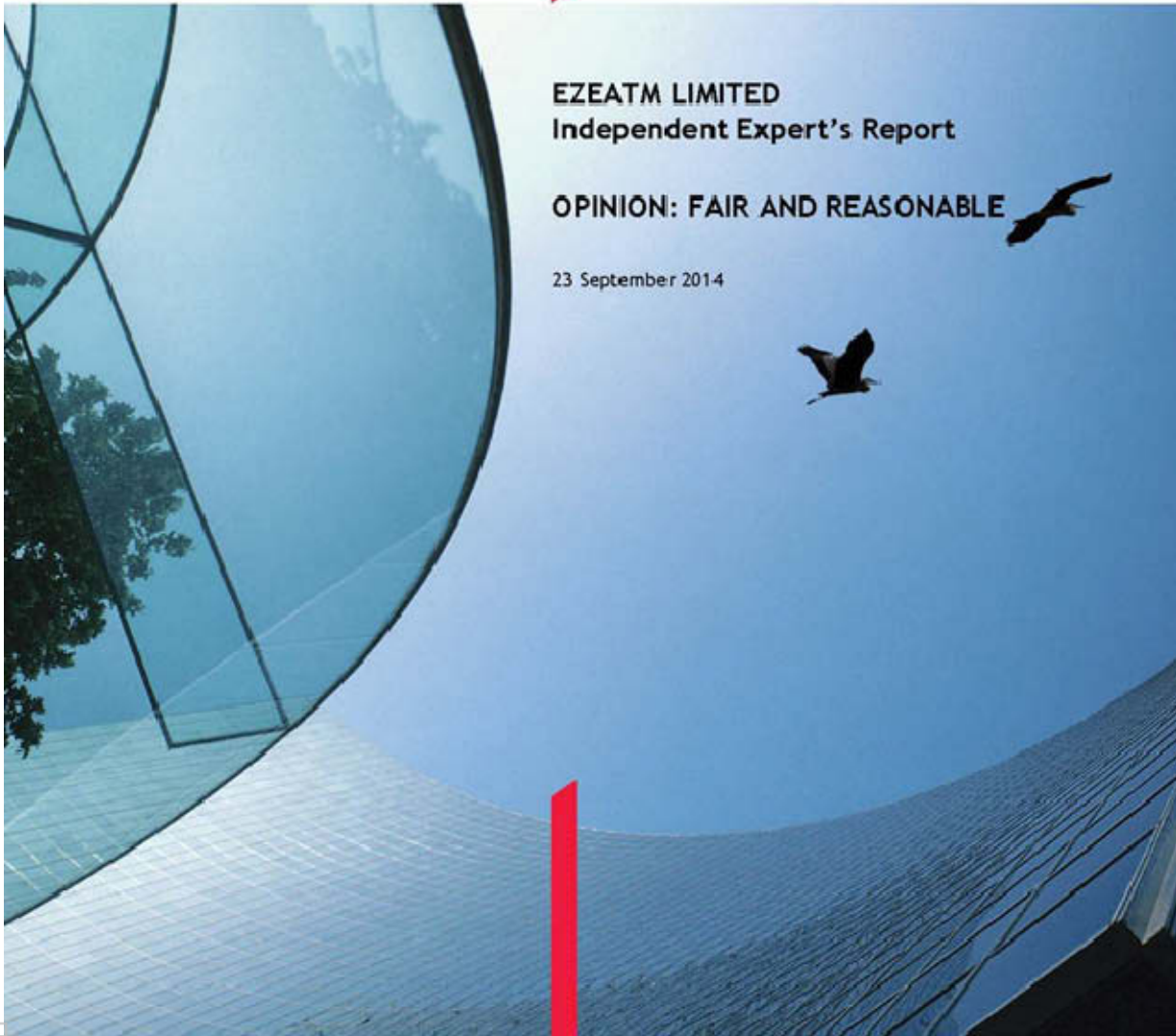
- (c) there is a material breach of the Sale Agreement by the Company;
- (d) any Director publicly recommends, promotes or endorses a competing proposal or withdraws their recommendation in relation to the Sale; and
- (e) a material adverse change in relation to the Company occurs and is continuing.

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

- (a) 1% of the consideration payable under the Sale Agreement; and
- (b) The Company'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.

Schedule 5 – Independent Expert's Report





Financial Services Guide

23 September 2014

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Ezeatm Limited ('Ezeatm') to provide an independent expert's report on the proposal to dispose of its existing interest in its ATM business, including Ezeatm Services Pty Ltd, to DC Payments Australasia Pty Limited ('DC Payments Australasia'). You will be provided with a copy of our report as a retail client because you are a shareholder of Ezeatm.

Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ('FSG'). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- Who we are and how we can be contacted;
- The services we are authorised to provide under our Australian Financial Services Licence, Licence No. 316158;
- Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- Any relevant associations or relationships we have; and
- Our internal and external complaints handling procedures and how you may access them.

Information about us

BDO Corporate Finance (WA) Pty Ltd is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients.

When we provide the authorised financial services we are engaged to provide expert reports in connection with the financial product of another person. Our reports indicate who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice.

BDO CORPORATE FINANCE (WA) PTY LTD

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$35,000.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Ezeatm for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution***Internal complaints resolution process***

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, PO Box 700 West Perth WA 6872.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service ('FOS'). FOS is an independent organisation that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial service industry. FOS will be able to advise you as to whether or not they can be of assistance in this matter.

Our FOS Membership Number is 12561. Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Toll free: 1300 78 08 08
Facsimile: (03) 9613 6399
Email: info@fos.org.au

Contact details

You may contact us using the details set out on page 1 of the accompanying report.

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Appendix 1 - Glossary

Appendix 2 - Valuation Methodologies

Appendix 3 - Comparable companies



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38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

23 September 2014

The Directors
Ezeatm Limited
Unit 2, 321 Great Eastern Highway
Redcliffe, WA, 6104

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 18 September 2014, Ezeatm Limited ('Ezeatm' or 'the Company') announced that it had signed a Share Sale Agreement whereby the Company will dispose of its ATM business, Ezeatm Services Pty Ltd ('Ezeatm Services'), being all of the issued shares in Ezeatm Services and the sale and assignment of all of the ATM business not already owned by Ezeatm Services ('the Business'), to DC Payments Australasia Pty Limited ('DC Payments Australasia'). DC Payments Australasia is a related party of DirectCash Payments Inc ('DC'). DC, together with its related entities ('DC Group') is a substantial shareholder of Ezeatm. The consideration to be received by the Company for the proposed sale of the Business comprises the following:

- a cash payment of \$10,261,694, adjusted after completion in accordance with the Agreement ('Cash Consideration');
 - the cancellation of the Company's hire purchase liabilities at the time of completion to a maximum of \$1,350,000. In the event hire purchase liabilities at the completion date exceed this cap, the Cash Consideration will be reduced by the amount of this excess. In the event the hire purchase liabilities are less than this cap, the Cash Consideration will increase by the amount of this shortfall ('Debt Cancellation'); and
 - the cancellation of the 14,681,211 shares in Ezeatm held by DC by way of a selective Buy-Back. While no cash consideration shall be payable by the Company to DC, the shares in Ezeatm are deemed to be purchased back at a price of \$0.12 per share ('Buy-Back').
- collectively 'the Consideration'.

The proposed sale of the Business is referred to as 'the Transaction'.

2. Summary and Opinion

2.1 Purpose of the report

The directors of Ezeatm have requested that BDO Corporate Finance (WA) Pty Ltd ('BDO') prepare an independent expert's report ('our Report') to express an opinion as to whether or not the proposed

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 AFS Licence No 316158 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Corporate Finance (WA) Pty Ltd and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees) in each State or Territory other than Tasmania.



disposal of the Company's ATM business ('the Transaction') is fair and reasonable to the non associated shareholders of Ezeatm ('Shareholders').

Our Report is prepared pursuant to Australian Securities Exchange ('ASX') listing rule 10.1 and is to be included in the Notice of Meeting for Ezeatm in order to assist the Shareholders in their decision whether to approve the Transaction.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ('ASIC') Regulatory Guide 111 'Content of Expert's Reports' ('RG 111') and Regulatory Guide 112 'Independence of Experts' ('RG 112').

In arriving at our opinion, we have assessed the terms of the Transaction as outlined in the body of this report. We have considered:

- How the value of an Ezeatm share prior to the Transaction compares to the value of an Ezeatm share following the Transaction;
- The likelihood of a superior alternative offer being available to Ezeatm;
- Other factors which we consider to be relevant to the Shareholders in their assessment of the Transaction; and
- The position of Shareholders should the Transaction not proceed.

2.3 Opinion

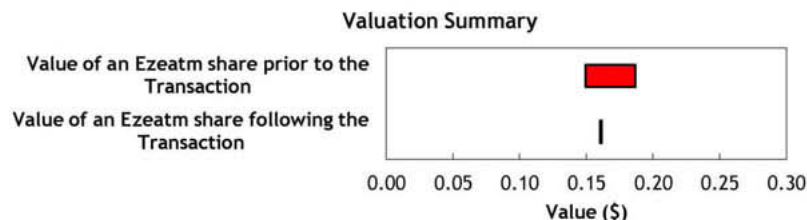
We have considered the terms of the Transaction as outlined in the body of this report and have concluded that, the Transaction is fair and reasonable to Shareholders.

2.4 Fairness

In section 11, we have considered how the value of a share in Ezeatm prior to the Transaction compares with the value of a share in Ezeatm following the Transaction, as detailed below.

	Ref	Low \$	Midpoint \$	High \$
Value of an Ezeatm share prior to the Transaction	9	0.149	0.168	0.186
Value of an Ezeatm share following the Transaction	10	0.160	0.160	0.160

The above valuation ranges are graphically presented below.



We note from the table above that the value of an Ezeatm share following the Transaction is within the range of values of an Ezeatm share prior to the Transaction. We also note that the value of a share in Ezeatm prior to the Transaction was assessed using the FME methodology, which captures the future earnings potential of the Business. Our valuation of an Ezeatm share following the Transaction was assessed on a NAV basis, which represents a cash backing value. Therefore, our valuation of an Ezeatm share following the Transaction does not capture any potential returns that may be generated from any potential acquisitions or investments that may be made in the future.

The above pricing indicates that, in the absence of any other relevant information, the Transaction is fair for Shareholders.

2.5 Reasonableness

We have considered the analysis in section 12 of this report, in terms of both:

- advantages and disadvantages of the Transaction; and
- other considerations, including the position of Shareholders if the Transaction does not proceed and the consequences of not approving the Transaction.

In our opinion, the position of Shareholders if the Transaction is approved is more advantageous than the position if the Transaction is not approved. Accordingly, in the absence of any other relevant information and/or a superior proposal we believe that the Transaction is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
12.3	The Transaction is fair	12.4	The Transaction may change the risk profile of Shareholders
12.3	The Transaction provides the Company with the opportunity to exit a declining industry	12.4	Potential suspension of the Company's shares
12.3	The Transaction provides the cash required to pursue alternate investment opportunities		

12.3	The Transaction provides value certainty to Shareholders
12.3	The Transaction strengthens the Company's balance sheet and improves the likelihood of a takeover offer
12.3	The Transaction removes the presence of a large shareholder which may improve liquidity

Other key matters we have considered include:

Section	Description
12.5	If the Company breaches certain provisions under the Agreement, it will be liable to pay a break fee equal to the higher of 1% of the net sale price and actual costs up to a maximum of \$400,000 to DC Payments Australasia.

3. Scope of the Report

3.1 Purpose of the Report

ASX Listing Rule 10.1 requires that a listed entity must obtain shareholders' approval before it acquires or disposes of a substantial asset, when the consideration to be paid for the asset or the value of the asset being disposed of constitutes more than 5% of the equity interest of that entity at the date of the last audited accounts. Based on the audited accounts as at 30 June 2014, 5% of the equity interest in the Company is approximately \$0.22 million. We consider the value of the Business being disposed of, to be greater than this.

Listing Rule 10.1 applies where the vendor or acquirer of the relevant assets is a related party of the listed entity. Prior to the Transaction, DC holds approximately 19.61% of the shares in Ezeatm. This means DC is considered a substantial shareholder and is therefore classified as a related party.

Listing Rule 10.10.2 requires the Notice of Meeting for shareholders' approval to be accompanied by a report by an independent expert expressing their opinion as to whether the transaction is fair and reasonable to the shareholders whose votes are not to be disregarded in respect of the transaction.

Accordingly, an independent experts' report is required for the Transaction. The report should provide an opinion by the expert stating whether or not the terms and conditions in relation thereto are fair and reasonable to non-associated shareholders of Ezeatm.

3.2 Regulatory guidance

Neither the ASX listing rules nor the Corporations Act 2001 (Cth) ('the Act') defines the meaning of 'fair and reasonable'. In determining whether the Transaction is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an

independent expert should consider to assist security holders to make informed decisions about transactions.

This regulatory guide suggests that, where an expert assesses whether a related party transaction is 'fair and reasonable' for the purposes of ASX Listing Rule 10.1, this should not be applied as a composite test—that is, there should be a separate assessment of whether the transaction is 'fair' and 'reasonable', as in a control transaction. An expert should not assess whether the transaction is 'fair and reasonable' based simply on a consideration of the advantages and disadvantages of the proposal.

We do not consider the Transaction to be a control transaction. As such, we have used RG 111 as a guide for our analysis but have considered the Transaction as if it were not a control transaction.

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is greater than the value of the securities, the subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length.

RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if, despite being 'not fair', the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Having regard to the above, BDO has completed this comparison in two parts:

- A comparison between the value of a share in Ezeatm prior to the Transaction and the value of a share in Ezeatm following the Transaction (fairness - see Section 11 'Is the Transaction Fair?'); and
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the resolution, after reference to the value derived above (reasonableness - see Section 12 'Is the Transaction Reasonable?').

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

A Valuation Engagement is defined by APES 225 as follows:

'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Transaction

On 18 September 2014, Ezeatm announced it had signed a Share Sale Agreement whereby the Company will dispose of its ATM business to DC Payments Australasia, a related party of DC. The DC Group is a substantial shareholder of the Company.

Under the terms of the Share Sale Agreement ('the Agreement') consideration for the sale of the ATM Business will be:

- the Cash Consideration of \$10,261,694, adjusted after completion in accordance with the Agreement;
- the cancellation of the Company's hire purchase liabilities at the time of completion to a maximum of \$1,350,000. In the event hire purchase liabilities at the completion date exceed this cap, the Cash Consideration will be reduced by the amount of this excess. In the event the hire purchase liabilities are less than this cap, the Cash Consideration will increase by the amount of this shortfall; and
- cancellation of the 14,681,211 shares in Ezeatm held by DC by way of a selective Buy-Back. While no cash consideration shall be payable by the Company to DC, the shares in Ezeatm are deemed to be purchased back at a price of \$0.12 per share.

The Agreement is conditional upon, among other things:

- the directors of Ezeatm unanimously recommending the Transaction;
- Ezeatm obtaining all necessary regulatory and shareholder approvals required to complete the Transaction; and
- Our Report concluding that the Transaction (including the Buy-Back) is fair and reasonable.

The Agreement may be terminated if, among other things:

- there is a 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 Agreement or the Buy-Back;
- a takeover bid is made in relation to Ezeatm;
- Ezeatm is in breach of its exclusivity obligations in relation to DC Payments Australasia;
- there is material breach of Ezeatm's warranties or DC Payments Australasia's warranties
- one of the Ezeatm directors (other than Doug Rose) fails to recommend the Agreement or withdraws their recommendation that Ezeatm's shareholders should vote in favour of the Agreement; or
- a material adverse change occurs in relation to Ezeatm.

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

- 1% of the consideration payable under the Agreement; and
- Actual costs incurred by DC Payments Australasia up to a cap of \$400,000.

If among other things;

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

If the Transaction is approved, the Company will change its name to EZA Corporation Limited.

Ezeatm is required to pay Mr Doug Rose a performance bonus of \$150,000 under his contract of employment if the sale completes.

5. Profile of Ezeatm

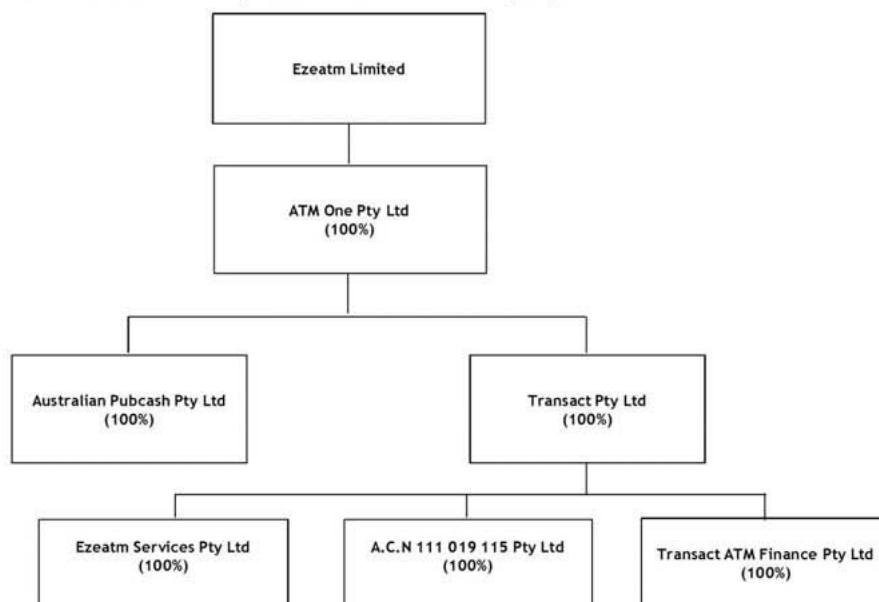
5.1 History

Ezeatm formerly known as Oakajee Investments Limited was incorporated on 27 May 2011 and listed on the ASX on 7 October 2011. The Company is focused on the deployment of ATMs in small to medium sized businesses in Australia. The current directors and senior management of Ezeatm are:

- Mr Mark Jones, Non-executive Chairman;
- Mr Douglas Rose, Managing Director;
- Mr Robert Kelly, Non-executive Director; and
- Mrs Tracey Lodge, Company Secretary

On 4 November 2013, the Company announced the cancellation of its four year agreement to supply ATMs and ATM-related products, parts and software to a Jakarta based company, ASEAN ATMs. The Company's current corporate structure is as follows:

Set out below is the corporate structure of the Company:



Source: Ezeatm Management

5.1 Products and Services

Set out below is a brief description of the Company's products and services:

5.1.1 Cost-Free ATM Leasing Service

As at 30 June 2014, Ezeatm had 1,153 of its own ATMs deployed across Australia. The Company currently provides cost-free ATM leasing whereby Ezeatm owns and installs each ATM at no additional cost to the business hosting the ATM. This is undertaken under the following two methods:

- **Self-Funded ATM Installations**

Under the Self-Funded ATM Installation service, an ATM is installed by Ezeatm at no cost to the business hosting the ATM. Ezeatm is responsible for the maintenance of the ATM, with the business providing the cash float for use in the ATM. Income from the ATM is shared between Ezeatm and the host business on a per transaction basis, at a pre-determined rate.

- **Fully Funded ATM Service**

Similar to the Self-Funded ATM Installation Service, Ezeatm installs ATMs in businesses at no cost, however under the fully funded service, the Company maintains the ATM along with the full cash float for the ATM.

5.1.2 Markets

Ezeatm provides its services to the retail industry, mine sites and remote areas, sporting clubs and memorial clubs.

5.2 Historical Statement of Financial Position

Statement of Financial Position	Audited as at 30-Jun-14 \$	Audited as at 30-Jun-13 \$	Audited as at 30-Jun-12 \$
CURRENT ASSETS			
Cash and cash equivalents	387,739	443,911	1,547,950
Trade and other receivables	333,303	240,463	452,106
Inventories	365,724	371,268	450,188
Other financial assets	91,266	99,301	121,929
Current tax assets	28,639	-	-
TOTAL CURRENT ASSETS	1,206,671	1,154,943	2,572,173
NON-CURRENT ASSETS			
Property, plant and equipment	4,359,297	6,127,689	5,751,292
Investments	-	71,606	-
Intangible assets	1,607,844	4,123,691	7,143,822
Deferred tax assets	65,425	-	-
TOTAL NON-CURRENT ASSETS	6,032,566	10,322,986	12,895,114
TOTAL ASSETS	7,239,237	11,477,929	15,467,287
CURRENT LIABILITIES			
Trade and other payables	1,642,422	2,704,865	2,586,925
Borrowings	1,154,087	3,223,979	1,331,337
Employee benefits liability	60,021	68,956	57,794
Current tax payable	-	191,255	191,255
TOTAL CURRENT LIABILITIES	2,856,530	6,189,055	4,167,311
NON-CURRENT LIABILITIES			
Borrowings	-	-	2,092,311
TOTAL NON-CURRENT LIABILITIES	-	-	2,092,311
TOTAL LIABILITIES	2,856,530	6,189,055	6,259,622
NET ASSETS	4,382,707	5,288,874	9,207,665
EQUITY			
Share capital	18,047,607	17,267,607	17,267,607
Accumulated losses	(13,664,900)	(11,978,733)	(8,218,023)
Reserves	-	-	158,081
TOTAL EQUITY	4,382,707	5,288,874	9,207,665

Source: Audited financial statements for the years ended 30 June 2012, 30 June 2013 and 30 June 2014.

We note that Ezeatm's auditor issued an unmodified opinion in the audited report in the financial statements for the year ended 30 June 2014.

We note the following in relation to Ezeatm's historical statement of financial position:

- Cash and cash equivalents decreased from \$1.55 million at 30 June 2012 to \$0.44 million at 30 June 2013 as a result of the Company incurring higher payments to suppliers, the purchase of non-current assets and the repayment of borrowings as the Company aimed to reduce its net working capital deficit.

- Inventory of \$0.45 million at 30 June 2012 was adjusted for parts written off at a cost of \$0.34 million from Tidel and Hyosung machines that subsequently were no longer being installed.
- Property, plant and equipment decreased from \$6.13 million at 30 June 2013 to \$4.36 million at 30 June 2014. This decrease was a result of the Company reducing the number of ATMs deployed and the annual depreciation charge. This was part of an asset restructure which was implemented in order to have a more stringent and profit focused deployment model.
- Intangible assets decreased from \$7.14 million at 30 June 2012 to \$4.12 million at 30 June 2013 and to \$1.61 million at 30 June 2014 as a result of amortisation expenses.
- Investments of \$0.07 million at 30 June 2013 relates to Ezeatm's joint venture with Muzz Buzz ('MuzEze Joint Venture'), which involved the establishment and operation of drive through ATMs at Muzz Buzz outlets throughout Australia.
- Borrowings mainly comprise a master asset finance agreement with National Australia Bank which was used as part of the payment of the cash consideration in relation to the purchase of iCash Payment Systems Limited ('iCash') and to purchase other ATMs.
- Share capital increased from \$17.27 million at 30 June 2013 to \$18.05 million at 30 June 2014 as a result of the Company issuing 9.75 million shares at \$0.08 per share on 22 November 2013.

5.3 Historical Statement of Profit or Loss and Other Comprehensive Income

Statement of Profit or Loss and Other Comprehensive Income	Audited for the year ended 30-Jun-14 \$	Audited for the year ended 30-Jun-13 \$	Audited for the year ended 30-Jun-12 \$
Revenue			
ATM revenue	18,678,793	18,117,685	8,401,775
Finance Income	4,854	40,647	169,631
Other income	-	-	817,536
Expenses			
ATM network expense	(11,718,302)	(10,790,832)	(4,409,813)
Employee benefits expense	(1,878,430)	(2,732,458)	(1,767,554)
Share of loss of Joint Venture	(39,976)	(43,505)	-
Impairment of intangibles	-	-	(820,177)
Impairment of goodwill	-	-	(4,745,799)
Finance costs	(182,632)	(247,786)	(153,068)
Other expenses	(2,367,574)	(3,660,385)	(3,209,548)
Amortisation of intangibles	(2,515,852)	(3,029,247)	(1,515,492)
Depreciation expense	(1,647,732)	(1,414,829)	(794,259)
Loss before income tax expense	(1,666,851)	(3,760,710)	(8,026,768)
Income tax expense	(19,316)	-	(191,255)
Net loss after tax	(1,686,167)	(3,760,710)	(8,218,023)

Source: Audited financial statements for the years ended 30 June 2012, 30 June 2013 and 30 June 2014.

We note the following in relation to Ezeatm's historical statement of profit or loss and other comprehensive income:

- Revenue increased from \$8.40 million for the year ended 30 June 2012 to \$18.68 million for the year ended 30 June 2014. The increase in revenue is predominantly due to the revenue derived from the acquisition of iCash.
- Other income of \$0.82 million for the year ended 30 June 2012 mainly comprises a net gain of approximately \$0.60 million on the termination of contracts. The contracts that were terminated were between iCash and My ATM Pty Ltd for an agreed lease payment. During the contract term, My ATM Pty Ltd was placed into administration and under the terms of the agreement, the Company was discharged from any liabilities owed.
- ATM network expense increased from \$4.41 million for the year ended 30 June 2012 to \$11.72 million for the year ended 30 June 2014. The increase is primarily driven by the Company operating additional ATMs acquired from the acquisition of the Australian ATM network from iCash.
- Employee benefits expenses have decreased from \$2.73 million for the year ended 30 June 2013 to \$1.88 million for the year ended 30 June 2014. The decrease is primarily due to the Company reducing the number of staff employed as part of their cost cutting measures.

- The share in the loss of the joint venture of \$0.04 million for the year ended 30 June 2014 relates to the Ezeatm's share of the loss in the MuzEze Joint Venture. On 30 April 2014, the Company announced the termination of the MuzEze Joint Venture.
- Impairment of intangibles of \$0.82 million for the year ended 30 June 2012 relates to the impairment of iCash contracts.
- Impairment of goodwill of \$4.75 million for the year ended 30 June 2012 relates primarily to the impairment of iCash. Impairment to goodwill resulted from the Company obtaining new information on the facts and circumstances that existed at acquisition date. The Company amended the accounting of the purchase price to reflect this, which resulted in an impairment of the goodwill.
- Other expenses decreased from \$3.66 million for the year ended 30 June 2013 to \$2.37 million for the year ended 30 June 2014. The higher amount for the year ended 30 June 2013 is predominantly due to the Company incurring one-off bailment funds expense of \$0.42 million and \$0.90 million worth of assets scrapped as part of the Company's fixed asset reconstruction exercise.
- For the year ended 30 June 2014, other expenses included legal fees and special audit fees of \$0.53 million relating to the legal proceedings against former CEO Mr Todd Zani. On 26 June 2013, the Company announced that it had received a notification of legal action from Mr Todd Zani seeking to reinstate him as a director. On 16 June 2014, the Company announced the settlement of all legal proceedings by and against Mr Todd Zani in the Supreme and Magistrates Courts of Western Australia.
- For the year ended 30 June 2012, other expenses mainly comprise the adjustment and decommission of a number of ATMs to Ezeatm property, plant and equipment and iCash property, plant and equipment.

5.4 Capital Structure

The share structure of Ezeatm as at 7 August 2014 is outlined below:

	Number
Total ordinary shares on issue	74,750,000
Top 20 shareholders	59,796,116
Top 20 shareholders - % of shares on issue	79.99%

Source: Share registry information

The range of shares held in Ezeatm as at 7 August 2014 is as follows:

Range of Shares Held	Number of Ordinary Shareholders	Number of Ordinary Shares	Percentage of Issued Shares (%)
1 - 1,000	9	364	0.00%
1,001 - 5,000	18	58,900	0.08%
5,001 - 10,000	175	1,715,831	2.30%
10,001 - 100,000	83	3,311,026	4.43%
100,001 - and over	57	69,663,879	93.20%
TOTAL	342	74,750,000	100.00%

Source: Share registry information

The ordinary shares held by the most significant shareholders as at 7 August 2014 are detailed below:

Name	Number of Ordinary Shares Held	Percentage of Issued Shares (%)
Direct Cash Management	14,681,211	19.64%
Oakajee Corporation Limited	11,000,000	14.72%
Asian Star Investments Ltd	4,750,000	6.35%
Success Concept Investment Ltd	4,500,000	6.02%
Subtotal	34,931,211	46.73%
Others	39,818,789	53.27%
Total ordinary shares on Issue	74,750,000	100.00%

Source: Share registry information

6. Economic analysis

Growth in the global economy is continuing at a moderate pace. China's growth remains generally in line with policymakers' objectives, with weakening property markets a challenge in the near term. Commodity prices in historical terms remain high, but some of those important to Australia have declined this year.

Financial conditions overall remain very accommodative. Long-term interest rates and risk spreads remain very low. Volatility in many financial prices is currently unusually low. Markets appear to be attaching a very low probability to any rise in global interest rates or other adverse event over the period ahead.

In Australia, the most recent survey data indicate gradually improving business conditions and some recovery in household sentiment after a weaker period around mid year, suggesting moderate growth in the economy is occurring. Resources sector investment spending is starting to decline significantly. Investment intentions in some other sectors continue to improve, though these areas of capital spending are expected to see only moderate growth in the near term. Public spending is scheduled to be subdued. Overall, the Bank still expects growth to be a little below trend over the year ahead.

The recorded rate of unemployment has increased recently, despite some improvement in most other indicators for the labour market this year. The Bank's assessment remains that the labour market has a degree of spare capacity and that it will probably be some time yet before unemployment declines consistently. Growth in wages has declined noticeably and is expected to remain relatively modest over the period ahead, which should keep inflation consistent with the target even with lower levels of the exchange rate.

Monetary policy remains accommodative. Interest rates are very low and have continued to edge lower over recent months as competition to lend has increased. Investors continue to look for higher returns in response to low rates on safe instruments. Credit growth has picked up a little, including most recently to businesses. The increase in dwelling prices continues. The exchange rate, on the other hand, remains above most estimates of its fundamental value, particularly given the declines in key commodity prices. It is offering less assistance than would normally be expected in achieving balanced growth in the economy.

Looking ahead, continued accommodative monetary policy should provide support to demand and help growth to strengthen over time. Inflation is expected to be consistent with the 2-3 per cent target over the next two years.

Source: www.rba.gov.au Statement by Glenn Stevens, Governor: Monetary Policy Decision 2 September 2014

7. Industry analysis

Overview of the Australian ATM Industry

ATMs were first introduced in Australia in 1977. Growth in the number of ATMs was slow at first, and did not reach 8,000 until 1997. During this period, ATMs were exclusively deployed, owned and operated by financial institutions. By 2004, the number of ATM's in Australia reached over 21,000 with the rapid growth in the deployment of ATMs led by the introduction of non-bank and independent companies ('Independent Deployers'). Much of the growth reflects an increase in the number of ATMs operated by Independent Deployers that specialise in placing ATMs in convenient locations. There are currently over 30 ATM deployers which all vary in size. The larger market participants operate a network of up to 6,000 ATMs, with some of the smaller Independent Deployers operating only a few ATM's.

Structure of the ATM network

The structure of the ATM network is often referred as being a 'four-party system' as up to four parties are involved in a single transaction. These parties are:

- The cardholder;
- The issuer of the cardholder's card which is always a financial institution;
- The acquirer of the ATM owner/operator who processes the transaction; and
- The ATM owner/operator.

A domestic transaction occurs where the cardholder withdraws cash from their own financial institution's ATMs. Where the second and third parties are not the same institution or company, it is then considered to be a foreign transaction. When cardholders transact via foreign ATMs, the cardholder's institution pays an interchange fee to the acquirer of the ATM owner.

Current Market

Customers of Authorised Deposit-taking Institutions ('ADIs') access cash using three methods:

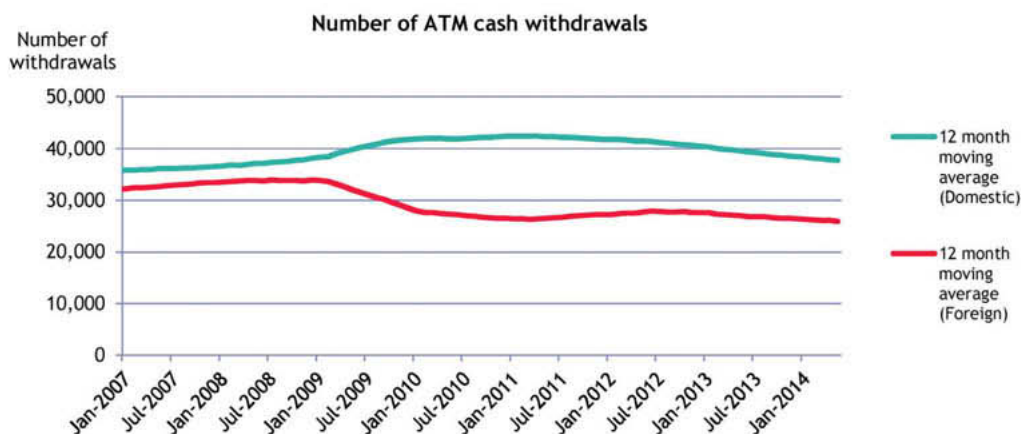
- Cash advances using a credit card;
- Cash-out at an EFTPOS terminal; and
- ATM cash withdrawal.

According to market data released by the Australian Bankers' Association Inc ('ABAI'), customers of ADIs conducted 1.1 billion cash withdrawals with a value of \$173.7 billion using their credit card, an EFTPOS terminal or an ATM for the year ended 30 June 2013. ATM withdrawals accounted for approximately 84.3% or \$146.5 billion of cash taken out by customers, representing a fall of \$4.2 billion compared to the year ended 30 June 2012.

For the year ended 30 June 2013, there were 29,989 ATMs across Australia with banks owning 14,984 of these ATMs. There are now 2.5 times more ATMs than in 2000; however for the year ended 30 June 2013, the number of ATMs declined by 1.7% compared to the year ended 30 June 2012.

Since 2009, the number of foreign ATM withdrawals have declined due to the implementation of ATM reforms introduced by the Reserve Bank of Australia ('RBA') and the increased use of electronic funds

transfer at point of sale ('EFTPOS') over cash as a means of payment. The number of ATM withdrawals over the last seven years is illustrated below:



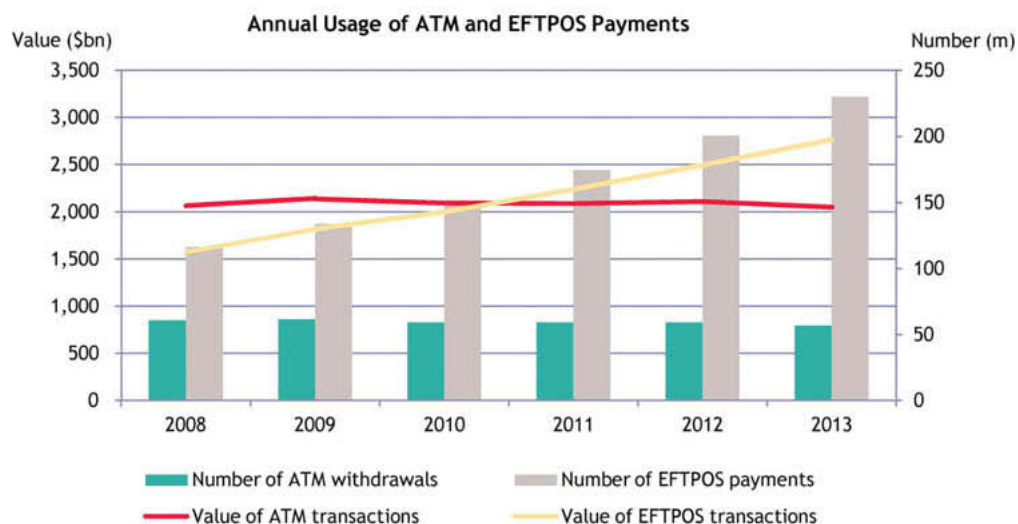
Source: RBA Payments Data, 14 July 2014

On 3 March 2009, a number of reforms came into effect, with the most publicised being the introduction of 'direct charging' at ATMs. Under the reform, the owners of foreign ATMs charge the cardholder a fee which is displayed to customers prior to them completing the transaction. This gives the cardholder the opportunity to cancel the transaction if they do not wish to proceed. The reforms also involved the elimination of the interchange fee, which was a fee paid by the cardholder's bank to the owner of the ATM, whenever a foreign transaction was undertaken. The cardholder's bank would often pass the fee on to the cardholder, plus an additional margin, in the form of a 'foreign ATM fee'.

As a result of these reforms, competition amongst financial institutions has intensified with many making arrangements with other providers to allow their own customers' access to more fee-free ATMs. Furthermore, the reforms were designed to increase the flexibility in the ATM system, which has led to the increase in the number of ATMs, particularly in locations that might not have been financially viable in the past. The abolishment of the interchange fees allowed ATM owners to charge customers directly for the use of the ATM at the time of the transaction whereby the pricing of the transaction reflected the cost of deployment and allowed ATM owners to set competitive fees to attract ATM transactions.

The most significant factors contributing to a decline in the number of ATM withdrawals are changing consumer preferences toward using EFTPOS or credit cards rather than cash. This trend is exacerbated by the recent introduction of 'Pay-Pass', which allows customers to swipe their EFTPOS or credit card without signing or entering a Personal Identification Number ('PIN'). This technology is typically implemented by businesses with low value and high volume type transactions.

The number and value of ATM withdrawals and EFTPOS transactions are illustrated below:



Source: ABAI, 'Usage of Payments Systems', September 2013

Over the past five years, the number of ATM withdrawals has fallen on average by 1.4% per year while the number of EFTPOS transactions has increased by an average of 14.6%. In 2003, EFTPOS comprised approximately 21% of total transactions, whereas by 2013, this had increased to 36.4%. The table below details the transition away from ATMs and Cheques to EFTPOS as a preferred payment option.

Financial Year	Credit card (%)	ATM (%)	EFTPOS (%)	Cheque (%)	Direct entry (%)
Jun-2003	22.6	15.1	21.0	12.8	28.5
Jun-2004	22.8	15.1	21.3	11.3	29.5
Jun-2005	22.6	14.7	21.7	9.6	31.4
Jun-2006	22.8	14.4	23.0	8.3	31.5
Jun-2007	22.6	14.0	24.0	7.4	32.0
Jun-2008	22.4	13.3	25.6	6.2	32.5
Jun-2009	21.7	12.7	27.6	5.2	32.8
Jun-2010	21.6	11.5	29.5	4.3	33.1
Jun-2011	21.3	10.7	31.6	3.5	32.9
Jun-2012	21.0	10.0	33.9	2.9	32.2
Jun-2013	21.0	9.0	36.4	2.4	31.2

Source: ABAI, 'Usage of Payments Systems', September 2013

Also contributing to the decline in the number of ATM withdrawals is the economising of transactions whereby cardholders withdraw larger amounts of cash per transaction, which typically does not attract a higher fee.

8. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME')
- Discounted cash flow ('DCF')
- Quoted market price basis ('QMP')
- Net asset value ('NAV')

A summary of each of these methodologies is outlined in Appendix 2.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information.

We have used the following approach in assessing the fairness of the Transaction:

- The value of a share in Ezeatm prior to the Transaction compared with the value of a share in Ezeatm following the Transaction. We consider that this approach is the most appropriate as it best captures the impact of the Buy-Back and the cancellation of the hire purchase debt on existing Shareholders' interests following the Transaction.

8.1 Valuation of Ezeatm prior to the Transaction

In our assessment of the value of an Ezeatm share prior to the Transaction, we have chosen to employ the following methodologies:

- FME (primary valuation methodology);
- QMP (secondary valuation methodology); and
- NAV (tertiary valuation methodology).

We have chosen these methodologies for the following reasons:

- An FME valuation is appropriate for a business with a track record of profitability. From our review of the historical financial performance of Ezeatm the Company has a normalised record of profitability and therefore we consider this to be our primary method. We have conducted our FME valuation based on an earnings before interest, taxes, depreciation and amortisation ('EBITDA') basis;
- The QMP basis is a relevant methodology to consider because Ezeatm shares are listed on the ASX. This means there is a regulated and observable market where Ezeatm shares can be traded. However, in order for QMP to be considered appropriate, the Company's shares should be liquid and the market should be fully informed of the Company's activities. We have considered these factors in section 9.3 of our Report; and
- NAV represents the lowest value a vendor would accept for the business, we have selected this as a cross check to the low end of our FME valuation.

8.2 Valuation of Ezeatm following the Transaction

In our assessment of the value of an Ezeatm share following the Transaction we have chosen to employ the NAV methodology for the following reasons:

- The NAV methodology is the most appropriate methodology to use to value the Company following the Transaction because the Company is proposing to dispose of its operating business. This means the Company will effectively become a listed shell company;
- We do not consider the FME valuation to be appropriate as the Company is disposing of its ATM Business and therefore will effectively become a listed shell company with no operating business; and

- The QMP methodology is not appropriate to value a share in Ezeatm following the Transaction. The QMP value is primarily based on the market's expectations of the future returns of the Company. If the Transaction is approved, the Company will undergo a significant change in the nature of its operations as it will go from being an ATM deployment operating business to effectively becoming a shell company. Therefore, we do not consider Ezeatm's historical share price to truly reflect the value of the Company following the Transaction.

9. Valuation of Ezeatm prior to the Transaction

9.1 Future Maintainable Earnings Value

When performing an FME valuation we must determine what the future maintainable earnings of the business is and then determine an appropriate capitalisation multiple to apply to these earnings.

In assessing future maintainable earnings, the figure selected should represent what is currently sustainable. Any anticipated growth in earnings is accounted for via the capitalisation rate. We have reviewed the historical accounts of Ezeatm for the financial years ended 30 June 2012 ('FY2012'), 30 June 2013 ('FY2013') and 30 June 2014 ('FY2014'). We have made adjustments to the Business' EBITDA for the following items:

- Non-recurring or one-off items such as profit on sale of assets;
- Non-operating revenues and expenses;
- Unrecorded items; and
- Abnormal or non-commercial transactions.

In addition to the historical financial accounts we have been provided with management's budgeted financial performance for the financial year ending 30 June 2015 ('FY2015'). We have not relied on the FY2015 budget as we do not have reasonable grounds, in accordance with the requirements of RG 170, to include the forward-looking information. However, we have reviewed the budget for FY2015 and note that the EBITDA is consistent with the normalised FY2014 EBITDA.

Our unadjusted EBITDA is derived by making the following adjustments to the total comprehensive loss per the Statement of Profit or Loss and Other Comprehensive Income included in section 5.3 of our Report. These adjustments are detailed below.

	Audited for the year ended 30-Jun-14 \$	Audited for the year ended 30-Jun-13 \$	Audited for the year ended 30-Jun-12 \$
Total comprehensive loss for the year	(1,661,331)	(3,760,710)	(8,218,023)
Net interest expense (revenue)	177,778	207,139	(16,563)
Income tax expense	19,316	-	191,255
Depreciation expense	1,647,732	1,414,829	794,259
Amortisation of intangibles	2,515,852	3,029,247	1,515,492
Unadjusted EBITDA	2,699,347	890,505	(5,733,580)



Normalised Earnings

The objective of normalising earnings is to determine the underlying profitability expected to be maintained by Ezeatm. Our adjustments are limited to those adjustments obvious from a review of the detailed financial statements and those provided by the management of Ezeatm.

Our normalisation adjustments are set out below:

Normalisation adjustments	Actual FY2014 \$	Actual FY2013 \$	Actual FY2012 \$
Unadjusted EBITDA	2,699,347	890,505	(5,733,580)
Impairment of intangibles	-	-	820,177
Impairment of goodwill	-	-	4,745,799
Legal fees	444,198	-	-
Special audit expenses	78,661	-	-
Consultant fees relating to CFO duties	220,932	-	-
Net loss from disposal of ATMs	163,634	-	-
Share of loss from joint venture	46,605	43,505	-
Misappropriation of bailment funds	-	415,458	-
Assets written off as a result of restructure	-	903,872	-
Staff redundancy expenses	-	55,769	-
Obsolete inventory written off	-	-	336,204
Employee share based payments	-	(158,081)	158,081
Gain on extinguishment of debt	-	-	(213,337)
Gain on termination of contracts	-	-	(599,220)
Acquisition costs expensed	-	-	245,925
Net adjustments relating to acquisition of Ezeatm Limited and iCash Limited	-	-	2,094,173
Normalised EBITDA	3,653,377	2,151,028	1,854,222

Source: BDO analysis

The following normalisation adjustments were made to the EBITDA for Ezeatm.

Adjustment a) Impairment of intangibles

The impairment of intangibles relates to the value of contracts held by iCash on initial acquisition. The net adjustment to earnings is set out below.

Impairment of intangibles	Actual FY2014 \$	Actual FY2013 \$	Actual FY2012 \$
Actual impairment of intangibles	-	-	820,177
Normalised impairment of intangibles	-	-	-
Net normalisation adjustment to earnings	-	-	820,177

Adjustment b) Impairment of goodwill

The impairment of goodwill for the year ended 30 June 2012 relates to an impairment of the goodwill generated from the initial acquisition of the Company's operating businesses, both Ezeatm Limited and iCash. The goodwill relating to these acquisitions was fully impaired at 30 June 2012. We consider the impairment to be an abnormal cost and not a recurring cost of the Business. As such, in assessing future maintainable earnings, we have normalised the impairment expense. The net adjustment to earnings is set out below.

Impairment of goodwill	Actual FY2014 \$	Actual FY2013 \$	Actual FY2012 \$
Actual impairment of goodwill	-	-	4,745,799
Normalised impairment of goodwill	-	-	-
Net normalisation adjustment to earnings	-	-	4,745,799

Adjustment c) Legal fees

We have normalised earnings for the legal fees incurred in relation to the matter brought by the Company against Mr Todd Zani. We consider the legal fees relating to this matter to be an abnormal expense that is not expected to be an ongoing cost of the Business. The normalised level of legal fees incurred relate to other commercial matters which we consider to be a necessary part of the business going forward. The net adjustments to earnings are set out below.

Legal fees	Actual FY2014 \$	Actual FY2013 \$	Actual FY2012 \$
Actual legal fees	546,203	133,022	72,670
Normalised legal fees	102,005	133,022	72,670
Net normalisation adjustment to earnings	444,198	-	-

Adjustment d) Special audit expenses

The special audit expenses relate to the costs incurred by the Company in auditing certain accounting matters. We consider these expenses to be abnormal and have therefore normalised earnings accordingly. The net adjustment to earnings is set out below.

Special audit expenses	Actual FY2014 \$	Actual FY2013 \$	Actual FY2012 \$
Actual special audit expenses	78,661	-	-
Normalised special audit expenses	-	-	-
Net normalisation adjustment to earnings	78,661	-	-

Adjustment e) Consultant fees relating to CFO duties

The Company has incurred additional consultant fees than what we would reasonably expect to be incurred going forward. Chief Financial Officer duties were previously outsourced to consultants, whereas going forward, we expect the Company to have this role permanently filled. The normalised level of consultant fees is based on our assessment of a market salary for a Chief Financial Officer for a comparable business. The net adjustment to earnings is set out below.

Consultant fees relating to CFO duties	Actual FY2014 \$	Actual FY2013 \$	Actual FY2012 \$
Actual consultant fees relating to CFO duties	384,807	-	-
Normalised consultant fees relating to CFO duties	163,875	-	-
Net normalisation adjustment to earnings	220,932	-	-

Adjustment f) Net loss from disposal of ATMs

We consider the loss incurred on the disposal of ATMs to be non-recurring in nature and have normalised earnings accordingly. The net adjustment to earnings is set out below.

Net loss from disposal of ATMs	Actual FY2014 \$	Actual FY2013 \$	Actual FY2012 \$
Actual loss from disposal of ATMs	163,634	-	-
Normalised loss from disposal of ATMs	-	-	-
Net normalisation adjustment to earnings	163,634	-	-

Adjustment g) Share of loss from joint venture

On 24 April 2014, Ezeatm and Muzz Buzz mutually agreed to terminate the Muzeze Joint Venture. The joint venture was loss making in the two years it was operating, therefore we have normalised these losses as they will not be incurred by the Business going forward. The net adjustments to earnings are set out below.

Share of loss from joint venture	Actual FY2014 \$	Actual FY2013 \$	Actual FY2012 \$
Actual loss from sale of joint venture	46,605	43,505	-
Normalised loss from sale of joint venture	-	-	-
Net normalisation adjustment to earnings	46,605	43,505	-

Adjustment h) Misappropriation of bailment funds

The misappropriation of bailment funds relates to cash (owned by iCash) delivered to 17 ATMs by a third party cash in transit services provider. On 17 January 2012, Ezeatm acquired iCash and continued to use the third party for the servicing of the ATMs. In late 2012, management became aware of discrepancies between the cash loaded figures and the cash that should have been on hand in the machines. Following these discoveries, Ezeatm conducted an investigation and discovered an amount of funds missing. This was not covered by the insurance cover held by Ezeatm and as such the losses were not recovered. Following the incident, Ezeatm improved the controls around the handling of cash by employing Armaguard to perform the loading functions. With the improved controls we consider these expenses to be non-recurring and have therefore adjusted earnings accordingly. The net adjustment to earnings is set out below.

Misappropriation of bailment funds	Actual FY2014 \$	Actual FY2013 \$	Actual FY2012 \$
Actual misappropriation of bailment funds	-	415,458	-
Normalised misappropriation of bailment funds	-	-	-
Net normalisation adjustment to earnings	-	415,458	-

Adjustment i) Assets written off as a result of fixed asset restructure

During FY2013 and FY2014 the Company restructured its fixed assets. The most significant part of the restructure were the adjustments to the book value of ATMs, but it also included write-off of leasehold improvements, motor vehicles and other plant and equipment. The restructure also included corrections to prior year accounting entries relating to the Company's fixed assets. Management advise that they have adopted conservative accounting estimates relating to the fixed assets, therefore we consider it unlikely that these costs will continue going forward. The net adjustment to earnings is set out below.

	Actual FY2014 \$	Actual FY2013 \$	Actual FY2012 \$
Assets written off as a result of restructure			
Actual write-off expense	-	903,872	-
Normalised write-off expense	-	-	-
Net normalisation adjustment to earnings	-	903,872	-

Adjustment j) Staff redundancy expenses

Staff restructuring occurred in June 2013 with management personnel replaced and redundancies implemented. We have normalised these redundancy expenses as we consider them to be non-recurring. The net adjustment to earnings is set out below.

	Actual FY2014 \$	Actual FY2013 \$	Actual FY2012 \$
Staff redundancy expenses			
Actual staff redundancy expenses	-	55,769	-
Normalised staff redundancy expenses	-	-	-
Net normalisation adjustment to earnings	-	55,769	-

Adjustment k) Obsolete inventory written off

On acquisition of ATM One Pty Ltd, the Company recorded parts inventory relating to the Tidel and Hyosung machines. Subsequent to the acquisition these machines were no longer deployed, therefore the Company wrote off the inventory. We do not consider this to be an ongoing expense of the Business, therefore we have adjusted earnings accordingly. This net adjustment is set out below.

	Actual FY2014 \$	Actual FY2013 \$	Actual FY2012 \$
Obsolete inventory written off			
Actual write-off of inventory	-	-	336,204
Normalised write-off of inventory	-	-	-
Net normalisation adjustment to earnings	-	-	336,204

Adjustment l) Employee share based payments

The Company issued options in 2012 which then lapsed unexercised in 2013. The expense was reversed in 2013. We have normalised the initial expense recorded and the subsequent reversal of this expense. The net adjustment to earnings is set out below.

Employee share based payments	Actual FY2014 \$	Actual FY2013 \$	Actual FY2012 \$
Actual employee share based payments expense	-	(158,081)	158,081
Normalised employee share based payments	-	-	-
Net normalisation adjustment to earnings	-	(158,081)	158,081

Adjustment m) Gain on extinguishment of debt

The Company recorded a gain from extinguishing a debt during the year ended 30 June 2012. This debt related to a reduction in the value of hire purchase liabilities which was mutually agreed by the Company and the vendors as part of the acquisition of ATM One Pty Ltd. We consider this to be an abnormal revenue item and have therefore normalised earnings accordingly. The net adjustment to earnings is set out below.

Gain on extinguishment of debt	Actual FY2014 \$	Actual FY2013 \$	Actual FY2012 \$
Actual gain on extinguishment of debt	-	-	213,337
Normalised gain on extinguishment of debt	-	-	-
Net normalisation adjustment to earnings	-	-	(213,337)

Adjustment n) Gain on termination of contracts

iCash had contracts with My ATM Pty Ltd to supply ATM sites for an agreed lease payment. During the term of the contract, My ATM Pty Ltd was placed into administration and under the terms of the agreement, the Company was discharged from any liabilities. As such, the Company recorded a gain on terminating this contract. We consider this an abnormal and non-recurring event and have adjusted earnings accordingly. The net adjustment to earnings is set out below.

Gain on termination of contracts	Actual FY2014 \$	Actual FY2013 \$	Actual FY2012 \$
Actual gain on termination of contracts	-	-	599,220
Normalised gain on termination of contracts	-	-	-
Net normalisation adjustment to earnings	-	-	(599,220)

Adjustment o) Acquisition costs expensed

We consider the costs relating to the acquisition of iCash which was finalised in January 2012 to be an abnormal expense. We have therefore normalised earnings to remove the effect of these costs, with the net adjustment to earnings set out below.

Acquisition costs expensed	Actual FY2014 \$	Actual FY2013 \$	Actual FY2012 \$
Actual acquisition costs expensed	-	-	245,925
Normalised acquisition costs expensed	-	-	-
Net normalisation adjustment to earnings	-	-	245,925

Adjustment p) Net adjustments relating to acquisition of Ezeatm Limited and iCash

We have normalised earnings to remove the effect of the adjustments which arose as a result of the acquisition of Ezeatm Limited and iCash. The FY2012 financials were restated at 30 June 2013 as a result of new information obtained after the acquisition date, with assets and liabilities adjusted to reflect this new information. We consider this to be a one off expense and have therefore normalised earnings accordingly. The net adjustment to earnings is set below.

Net adjustments relating to acquisition of Ezeatm Limited and iCash Limited	Actual FY2014 \$	Actual FY2013 \$	Actual FY2012 \$
Actual adjustments made	-	-	2,094,173
Normalised level of adjustments	-	-	-
Net normalisation adjustment to earnings	-	-	2,094,173

The above net normalisation of earnings comprises the following adjustments:

Item	\$
Adjustment to property plant and equipment of Ezeatm	2,918,346
Adjustment to property plant and equipment of iCash	2,623,067
Decommissioned assets of Ezeatm	151,759
Decommissioned assets of iCash	159,188
Adjustment to iCash original purchase price	(1,399,076)
Reversal of bargain on acquisition	(1,753,984)
Reversal of tax on bargain on acquisition	(456,111)
Reversal of other income adjustment	(149,016)
Net normalisation adjustment to earnings	2,094,173

Assessing Future Maintainable Earnings

In assessing future maintainable earnings, we have considered the historical levels of normalised earnings to determine an estimated future maintainable earnings position for the Business. The purpose of this is to derive a sustainable level of profitability that we consider to be achievable in the future. Our assessment is set out below:

Future Maintainable Earnings	Financial year ended 30-Jun-14 \$'000	Financial year ended 30-Jun-13 \$'000	Financial year ended 30-Jun-12 \$'000
Normalised EBITDA	3,653	2,151	1,854

Based on the above analysis we consider the Business' future maintainable earnings figure to be approximately \$3.5 million. We do not consider the earnings for FY2012 to be representative of the expected future performance of the Business. In FY2012 the Business was in its start up phase, with the Business growing significantly in FY2013 as a result of the acquisition of iCash. We consider FY2014 to be most representative of the future performance of the Business, given that the Business has been operating with an established network of ATMs across Australia for the entire period. Therefore, we have weighted our assessment of the future maintainable earnings of the Business toward the earnings in FY2014. However, in light of the industry analysis in section 7 of this report, our assessment of FME is lower than the normalised EBITDA in FY2014. We also note that the FY2015 budget EBITDA is consistent with the FY2014 normalised EBITDA. We have not included the FY2015 budget in the above assessment of future maintainable earnings as under RG 170 we do not have reasonable grounds to rely on the prospective financial information.

Calculation and Application of an Earnings Multiple

The standard FME methodology guides us to derive our capitalisation multiple from the multiples which apply to comparable companies. However in practice it is accepted that because there is no identical company from which to derive the capitalisation multiple, it will comprise a multiple derived from the most comparable companies for which information is publicly available, adjusted to take account of the various ways in which the most comparable companies are different to the company being valued.

We selected a group of public listed companies considered to be comparable due to activity or exposure to a similar end user market and risks to Ezeatm to determine an appropriate earnings multiple. The comparable companies are detailed in Appendix Three. In determining an appropriate earnings multiple to apply to Ezeatm, the following factors were considered:

- economic factors (e.g. economic growth, inflation, interest rates) affecting the market in which Ezeatm operates;
- strategic attractions of Ezeatm - its particular strengths and weaknesses, market position, strength of competition and barriers to entry;
- nature and size of the Business;
- industry cycle considerations;
- relationship with and dependence on key clients;
- stability and quality of earnings;
- the asset backing of the underlying business;
- dependence on suppliers, customers and key personnel;
- the future prospects for the operations of Ezeatm;
- the structural and regulatory framework; and
- share market conditions.



We have reviewed the resultant multiples (observable for publicly listed companies) and adjusted these for:

- variations in the factors above between Ezeatm and the comparable companies; and
- a control premium.

The table below sets out the earnings multiples of the comparable companies.

Company Name	Market Cap (A\$m)	Net Debt (A\$m)	Enterprise Value (\$Am)	Trailing 12 month revenue	Trailing 12 month EBITDA	Revenue Multiple	EBITDA Multiple
Ezeatm Limited	6.88	0.72	7.60	18.68	2.88	0.41	2.64
Diebold, Incorporated	2,755.73	188.43	2,944.16	3,115.96	252.52	0.94	11.66
Global Cash Access Holdings, Inc	550.17	(69.98)	480.19	617.20	66.90	0.78	7.18
Internet Initiative Japan Inc	1,054.25	(20.93)	1,033.32	1,207.94	144.00	0.86	7.18
NCR Corp	6,507.11	3,657.15	10,164.26	6,737.46	1,033.84	1.51	9.83
E-Debit Global Corporation	0.32	2.13	2.45	1.41	(1.13)	1.74	NA
Global Access Corp	0.02	13.26	13.28	28.74	1.76	0.46	7.55
						Mean	7.67
						Median	7.37

Source: Capital IQ

A description of the comparable companies used in our analysis is set out in Appendix Three. The EBITDA multiples included in the table above have been calculated using the twelve month trailing EBITDA from the comparable company's most recent reporting date. The enterprise value of the comparable companies used in the calculation of an EBITDA multiple was based on the market capitalisation of the comparable companies as at 17 September 2014, being the last trading day prior to the announcement of the Transaction. We have then adjusted the market capitalisation for the company's net debt position at the most recent reporting date. We have selected an earnings multiple of between 7.0 and 8.0 for the Business.

The main factors which we consider must be applied to adjust the multiple derived from the comparable listed multiple to determine a multiple for the Business are set out in the paragraphs below.

Control Premium

It should be noted that observed market prices for publicly listed companies relate to marketable parcels of shares, actively traded in a free and open market but which are minority interests. Generally, the value attributable to a 100% shareholding in a company, which provides the acquirer with the ability to exert full control of all the operational and financial aspects, is higher than a marketable parcel of shares.

To acquire a 100% shareholding and the benefits that come with this, the acquirer will have to pay a "premium for control". The premium for control reflects the additional value that attaches to a controlling interest compared to the value of a minority interest as demonstrated in normal share market trading. The advantages of holding a controlling interest in a business include the following:

- control over decision making and strategic direction;
- access to underlying cash flows;
- control over dividend policies; and

- access to potential tax losses.

A market based multiple is calculated using the market capitalisation which is based on the company's share price. A share price is reflective of a minority interest in a company. Therefore, we must add a premium for control to any FME valuation that is calculated using a market based multiple.

We have reviewed the control premia paid by acquirers of ASX listed companies. We have summarised our findings below:

Year	Number of Transactions	Average Deal Value (AU\$m)	Average Control Premium (%)
2014	16	632.80	20.04
2013	39	194.10	47.97
2012	49	357.36	40.41
2011	66	777.45	45.82
2010	67	756.42	37.33
2009	65	317.39	44.63
2008	43	753.31	39.47
2007	84	1008.24	21.79
2006	96	647.74	22.95
Mean		604.98	35.60
Median		647.74	39.47

Source: Bloomberg

The table above indicates that there has been an increasing trend of control premiums paid by acquirers of all ASX listed companies since 2006, with the average control premium peaking in 2013. The long term average of announced control premiums paid by acquirers of ASX listed companies is approximately 36%.

However, we consider the control premium that an acquirer would be likely to pay for this Company is lower than the historical average control premium observed on the ASX. We have based this assumption on the declining state of the ATM industry in Australia, as supported by our industry analysis in section 7 of this Report. Based on the above analysis, we consider an appropriate control premium to apply to our valuation of the Business is in the range of 20% to 30%.

Smaller size and lack of diversification

A significant difference exists between the Business and the most comparable publicly listed companies in terms of size, scale and diversification. We consider it appropriate to apply a further discount due to the smaller size of the Business and its lack of diversification compared with the comparable companies.

Different markets in which the Business operates

As a result of the specialised nature of the Business' activities, we have also considered international participants in the ATM deployment industry. These international comparables are listed on different exchanges and therefore are exposed to different market risk factors. We have given consideration to this in our assessment of the discount to apply to the above multiples.

Declining Industry

We consider the ATM deployment industry in Australia to be a mature market with limited growth opportunities. The number of ATM transactions in Australia has on average fallen by 1.4% per year, whilst

the number of EFTPOS transactions has increased by an average of approximately 14.6% per year over this period. Further analysis of the Australian ATM market can be found in section 7 of this report. We have considered the limited growth opportunities in the Australian ATM deployment industry in applying a discount to the multiples observed in the market.

Multiple Adopted

In consideration of all the above factors we consider that an appropriate earnings multiple to apply to the earnings of the Business is in the range from 3.4 to 4.2. This is derived as set out in the table below.

	Low	High
Comparable company EBITDA multiple selected	7.0	8.0
Premium for control	20%	30%
Comparable company EBITDA multiple selected (controlling interest basis)	8.4	10.4
Discounts for the above factors	60%	60%
Adjusted EBITDA multiple	3.4	4.2

Summary of Future Maintainable Earnings Value

We consider that an appropriate multiple to apply to the earnings of the Business is between 3.4 and 4.2. The application of this multiple results in the values shown below:

	Low Value \$'000	Midpoint value \$'000	High Value \$'000
Future Maintainable EBITDA	3,500	3,500	3,500
EBITDA Multiple	3.4	3.8	4.2
Enterprise Value of the Business	11,900	13,300	14,700

Source: BDO analysis

Assessing the equity value of the Company

Our analysis has assessed the enterprise value of the Business. There are two steps to convert this to an equity value of the Company:

- Converting the enterprise value of the Business to an equity value of the Business by deducting debt and adding cash; and
- Converting the equity value for the Business to an equity value of the Company by adding assets and liabilities in the Company which are surplus to the operations of the Business.

We have deducted debt and added back cash and cash equivalents based on the balance sheet at 30 June 2014 as set out below.

	Low Value \$'000	Midpoint value \$'000	High Value \$'000
Enterprise Value of the Business	11,900	13,300	14,700
Add: Cash	388	388	388
Less: Debt	1,154	1,154	1,154
Equity Value of the Business	11,134	12,534	13,934

Once the equity value of the Business has been determined we need to add any surplus assets and deduct any surplus liabilities. This is because the balance sheet of a company includes all the assets and liabilities required to generate income. However, if there are surplus assets or liabilities then these can be considered additional to the FME value because they are not required to generate income and would have been excluded from the normalised future maintainable earnings.

We do not consider there to be any surplus assets or liabilities in the financial statements of Ezeatm.

Ezeatm currently has 74,750,000 shares on issue. Therefore, we have assessed the value of an Ezeatm share to be between \$0.149 and \$0.186, with a midpoint value of \$0.168.

9.2 Net Asset Valuation of Ezeatm

The value of the Company's net tangible assets on a going concern basis is reflected in our valuation below:

NAV prior to the Transaction	Unadjusted NAV 30-Jun-14 \$	Adjustments \$	Adjusted NAV \$
Cash and cash equivalents	387,739	-	387,739
Trade and other receivables	333,303	-	333,303
Inventories	365,724	-	365,724
Other financial assets	91,266	-	91,266
Other current assets	28,639	-	28,639
TOTAL CURRENT ASSETS	1,206,671	-	1,206,671
NON-CURRENT ASSETS			
Property, plant and equipment	4,359,297	-	4,359,297
Intangible assets	1,607,844	(1,607,844)	-
Deferred tax assets	65,425	-	65,425
TOTAL NON-CURRENT ASSETS	6,032,566	(1,607,844)	4,424,722
TOTAL ASSETS	7,239,237	(1,607,844)	5,631,393
CURRENT LIABILITIES			
Trade and other payables	1,642,422	-	1,642,422
Borrowings	1,154,087	-	1,154,087
Employee benefits liability	60,021	-	60,021
TOTAL CURRENT LIABILITIES	2,856,530	-	2,856,530
TOTAL LIABILITIES	2,856,530	-	2,856,530
NET ASSETS	4,382,707	(1,607,844)	2,774,863
Number of shares on issue			74,750,000
Net Tangible Asset Value per share			\$ 0.037

Source: BDO analysis

We have been advised that there has not been a significant change in the net assets of Ezeatm since 30 June 2014. The table above indicates the net asset value of an Ezeatm share is \$0.037.

We are satisfied that the market value of Ezeatm's assets and liabilities do not materially differ from the book values.

9.3 Quoted Market Prices for Ezeatm Securities

To provide a comparison to the valuation of Ezeatm in Section 9.1 and 9.2, we have also assessed the quoted market price for an Ezeatm share.

The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

Our primary valuation methodology in Section 9.1 applies a capitalisation multiple, on a controlling interest basis to the future maintainable earnings of the Business, which yields the enterprise value of the Business on a controlling interest basis. Similarly, our NAV valuation is assessed on a controlling interest basis. In order to compare the results of our QMP valuation with the results of the FME and NAV valuations we have also expressed our FME valuation on a controlling interest basis. A control premium arises when an acquirer could be expected to pay a premium for control due to the advantages they will receive should they obtain 100% control of another company. These advantages include the following:

- control over decision making and strategic direction;
- access to underlying cash flows;
- control over dividend policies; and
- access to potential tax losses.

RG 111.13 states that the expert can then consider an acquirer's practical level of control when considering reasonableness. Reasonableness has been considered in Section 12.

Therefore, our calculation of the quoted market price of an Ezeatm share including a premium for control has been prepared in two parts. The first part is to calculate the quoted market price on a minority interest basis. The second part is to add a premium for control to the minority interest value to arrive at a quoted market price value that includes a premium for control.

Minority interest value

Our analysis of the quoted market price of an Ezeatm share is based on the pricing prior to the announcement of the Transaction. This is because the value of an Ezeatm share after the announcement may include the effects of any change in value as a result of the Transaction. However, we have considered the value of an Ezeatm share following the announcement of the Transaction when we have considered reasonableness in Section 12.

Information on the Transaction was announced to the market on 18 September 2014 however, Ezeatm's shares had been in a trading halt from 18 September 2014. Therefore, the following chart provides a summary of the share price movement over the 12 months to 17 September 2014 which was the last full day of trading prior to the announcement of the Transaction.



Source: Bloomberg

The daily price of Ezeatm shares for the 12 months to 17 September 2014 has ranged from a low of \$0.051 on 4 June 2014 to a high of \$0.285 on 18 September 2013. From September to January 2013 the share price showed a downward trend, with many periods of no trades noted. The most significant trading volumes were experienced in the three months between January and March 2014 with the highest single day of trading on 7 March 2014, where 168,825 shares were traded.

During this period a number of announcements were made to the market. The key announcements are set out below:

Date	Announcement	Closing Share Price Following Announcement		Closing Share Price Three Days After Announcement	
		\$ (movement)	\$ (movement)	\$ (movement)	\$ (movement)
29/08/2014	Appendix 4E and Annual Financial Report 30 June 2014	0.092	▸ 0.0%	0.092	▸ 0.0%
31/07/2014	Appendix 4C - quarterly	0.080	▲ 9.6%	0.095	▲ 18.8%
16/06/2014	Update	0.066	▸ 0.0%	0.066	▸ 0.0%
30/04/2014	Market Update and Appendix 4C	0.081	▸ 0.0%	0.081	▸ 0.0%
20/02/2014	Appendix 4D and Interim Financial Statements	0.095	▸ 0.0%	0.095	▸ 0.0%
31/01/2014	Market Update and Appendix 4C	0.085	▸ 0.0%	0.085	▸ 0.0%
04/12/2013	Discontinuance of legal proceedings by Todd Zani	0.130	▸ 0.0%	0.130	▸ 0.0%
05/11/2013	Cancellation of ASEAN Agreement	0.130	▸ 0.0%	0.130	▸ 0.0%
31/10/2013	Appendix 4C - quarterly	0.130	▲ 8.3%	0.130	▸ 0.0%
08/10/2013	Board Changes / NeolCP Update	0.180	▼ 36.8%	0.180	▸ 0.0%
27/09/2013	Annual Report to Shareholders	0.285	▸ 0.0%	0.285	▸ 0.0%



On 8 October 2013, the Company announced that the distribution agreement between Ezeatm and NeolCP Korea Inc had been terminated. On the day of the announcement, Ezeatm's share price closed 36.8% lower to \$0.180 and remained unchanged in the three days subsequent.

On 31 October 2013, the Company released the Quarterly report for the September 2013 quarter. The Company's cash balance at 30 September 2013 was \$0.244 million, a 44.9% decline from cash of \$0.443 million at 30 June 2013. On the day of the release, the Company's share price closed 8.3% higher to \$0.130 and remained unchanged in the following three days. We do not consider this announcement to explain the price movement on this day.

On 31 July 2014, the Company released the Quarterly report for the June 2014 quarter. The report outlined the Company's disposal of the Muzeze Joint Venture which involved the establishment and operation of Muzz Buzz branded drive through ATM's. On the day of the release, the Company's share price increased by 9.6% to \$0.080 and continued to increase by 18.8% to \$0.095 in the following three days.

To provide further analysis of the market prices for an Ezeatm share, we have also considered the weighted average market price for 10, 30, 60 and 90 day periods to 17 September 2014.

Share Price per unit	17-Sep-14	10 Days	30 Days	60 Days	90 Days
Closing price	\$0.092				
Weighted average price		\$0.092	\$0.092	\$0.079	\$0.076

Source: Bloomberg, BDO analysis

The above weighted average prices are prior to the date of the announcement of the Transaction to avoid the influence of any increase in price of Ezeatm shares that has occurred since the Transaction was announced.

An analysis of the volume of trading in Ezeatm shares for the twelve months to 17 September 2014 is set out below:

Trading days	Share price low	Share price high	Cumulative volume traded	As a % of Issued capital
1 Day	\$0.092	\$0.092	-	0.00%
10 Days	\$0.092	\$0.092	36,500	0.05%
30 Days	\$0.092	\$0.095	56,500	0.08%
60 Days	\$0.065	\$0.095	263,500	0.35%
90 Days	\$0.051	\$0.095	324,600	0.43%
180 Days	\$0.051	\$0.130	972,509	1.30%
1 Year	\$0.051	\$0.285	1,099,009	1.47%

Source: Bloomberg, BDO analysis

This table indicates that Ezeatm's shares display a low level of liquidity, with 1.47% of the Company's current issued capital being traded in a twelve month period. For the quoted market price methodology to be reliable there needs to be a 'deep' market in the shares. RG 111.69 indicates that a 'deep' market should reflect a liquid and active market. We consider the following characteristics to be representative of a deep market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;

- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'deep', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of Ezeatm, we do not consider there to be a deep market for the Company's shares as a result of only 1.47% of the Company's current issued capital being traded over the twelve months prior to the announcement of the Transaction. We also note the high level of volatility in the Company's share price, which has varied from a low of \$0.051 to a high of \$0.285 over the year to 17 September 2014.

Our assessment is that a range of values for an Ezeatm share based on market pricing is between \$0.075 and \$0.095.

Control Premium

Based on our control premium analysis used in our FME valuation we consider an appropriate control premium to apply to the Company's shares to be in the range of 20% to 30%.

Quoted market price including control premium

Applying a control premium to Ezeatm's quoted market share price results in the following quoted market price value including a premium for control:

	Low	Midpoint	High
	\$	\$	\$
Quoted market price value	0.075	0.085	0.095
Control premium	20%	25%	30%
Quoted market price valuation including a premium for control	0.090	0.106	0.123

Source: BDO analysis

Therefore, our valuation of an Ezeatm share based on the quoted market price method and including a premium for control is between \$0.090 and \$0.123, with a midpoint value of \$0.106.

9.4 Assessment of the value of an Ezeatm share prior to the Transaction

The results of the valuations performed are summarised in the table below:

	Low	Midpoint	High
	\$	\$	\$
Future maintainable earnings (Section 9.1)	0.149	0.168	0.186
Net tangible assets value (Section 9.2)	0.037	0.037	0.037
Quoted market price value (Section 9.3)	0.090	0.106	0.123

Source: BDO analysis

The FME valuation methodology yields a higher value than the QMP methodology and the NAV methodology for the following reasons:

- The QMP methodology represents the market's expectations of future returns. In a perfect market, for a liquid stock, this would be the most appropriate valuation methodology. However, our analysis in Section 9.3 indicates there is not a deep market for the Company's shares. This can explain part of the differential between the two methodologies.
- The NAV represents the lowest value a vendor would accept for the business. It represents the value of the Business' assets in the event the business operations are discontinued, therefore we expect the value to be lower than those values derived from the FME and QMP methodologies.
- The difference between the FME valuation and the NAV valuation of Ezeatm is attributable to the value of implied goodwill in the Business.

Given Ezeatm has a track record of normalised profits, if the Transaction is not completed, the Company would continue to operate its ATM Business. Therefore, we consider the FME methodology to be most appropriate in valuing the Company prior to the Transaction. We have not relied on the QMP methodology as our analysis in Section 9.3 indicates that the shares display a low level of liquidity, a high level of volatility and that there is not a deep market for the Company's shares. As such, we have relied on the QMP as a cross check only to our FME value. The NAV represents a floor value, which ignores the value of goodwill in the Business, therefore we have not relied on this methodology in valuing the Company prior to the Transaction.

Based on the results above we consider the value of an Ezeatm share to be between \$0.149 and \$0.186, with a midpoint value of \$0.168.

10. Valuation of Ezeatm following the Transaction

The value of Ezeatm's assets on a going concern basis is set out in our valuation below.

NAV following the Transaction	Note	NAV	Consideration	Assets and	Financial	NAV
		Pre-Transaction	to be received	liabilities disposed	adjustments	Following the Transaction
		\$	\$			\$
Cash and cash equivalents	a	387,739	10,261,694	387,739	-	10,261,694
Trade and other receivables	b	333,303	-	333,303	-	-
Inventories	b	365,724	-	365,724	-	-
Other financial assets	b	91,266	-	91,266	-	-
Current tax assets	c	28,639	-	-	-	28,639
TOTAL CURRENT ASSETS		1,206,671	10,261,694	1,178,032	-	10,290,333
NON-CURRENT ASSETS						
Property, plant and equipment	b	4,359,297	-	4,359,297	-	-
Deferred tax assets	c	65,425	-	65,425	-	-
TOTAL NON-CURRENT ASSETS		4,424,722	-	4,424,722	-	-
TOTAL ASSETS		5,631,393	10,261,694	5,602,754	-	10,290,333
CURRENT LIABILITIES						
Trade and other payables	d	1,642,422	-	1,628,812	625,199	638,809
Borrowings	e	1,154,087	(1,154,087)	-	-	-
Employee benefits liability	f	60,021	-	47,832	-	12,189
TOTAL CURRENT LIABILITIES		2,856,530	-	1,676,644	625,199	650,998
TOTAL LIABILITIES		2,856,530	-	1,676,644	625,199	650,998
NET ASSETS		2,774,863	11,415,781	3,926,110	(625,199)	9,639,335
Number of shares on issue	g					60,068,789
Net Tangible Asset Value per share						\$ 0.160

Source: BDO analysis

The table above indicates the net asset value of an Ezeatm share following the Transaction is \$0.160. The NAV and the financial adjustments above are based on the Company's balance sheet at 30 June 2014.

We have not specifically attributed any value to the listed shell of the Company itself. This has an additional value to Shareholders as it will be attractive to those who may seek a vehicle for a backdoor listing opportunity.

We note the following in relation to the valuation above:

Note a) Cash and cash equivalents

Management advise cash and equivalents at 30 June 2014 is part of working capital and will be transferred to DC Payments Australasia. If the Transaction is approved, the Company will receive Cash Consideration of \$10,261,694. We have therefore adjusted cash and cash equivalents accordingly.

Note b) Operating assets transferred

As part of the Transaction, all of the Company's assets which are used in the ATM Business are to be transferred to DC Payments Australasia. This includes trade and other receivables, inventories, other financial assets and property, plant and equipment.

Note c) Tax assets

The current tax assets of Ezeatm are being retained by the Company following the Transaction. The deferred tax assets of the Company are extinguished as they are not transferred to DC Payments Australasia, nor are they retained by the Company.

Note d) Trade and other payables

Following the Transaction, the Company's trade and other payables will comprise:

Trade and other payables	\$
Net current liabilities of the Company not forming part of the Business being disposed	13,610
Working capital adjustment	498,612
Hire purchase adjustment	(195,913)
Liability in respect of warranty and insurance	150,000
Completion bonus for Managing Director*	172,500
Total trade and other payables following the Transaction	638,809

*includes on-costs

Note e) Borrowings

The Agreement stipulates that the Company's hire purchase liabilities at the time of completion will be cancelled up to a maximum of \$1,350,000. Therefore, in assessing the value of an Ezeatm share following the Transaction, we have removed the hire purchase liability from the balance sheet.

Note f) Employee benefits liability

The total employee benefits liability will be transferred to DC Payments Australasia, excluding the accrued leave liability of \$12,189 for Mr Doug Rose, who will remain an employee of the Company.

Note g) Number of shares on issue

We have reduced the number of shares on issue as a result of the Buy-Back. This adjustment is set out in the table below.

Number of shares on issue	\$
Number of shares on issue prior to the Transaction	74,750,000
Existing interest held by DC, subject of the Buy-Back	14,681,211
Number of shares on issue following the Transaction	60,068,789



11. Is the Transaction fair?

We have compared the value of an Ezeatm share prior to the Transaction to the value of an Ezeatm share following the Transaction as detailed below:

	Ref	Low \$	Midpoint \$	High \$
Value of a share in Ezeatm prior to the Transaction	9.4	0.149	0.168	0.186
Value of a share in Ezeatm following the Transaction	10	0.160	0.160	0.160

We note from the table above that the value of an Ezeatm share following the Transaction is within the range of values of an Ezeatm share prior to the Transaction. We also note that the value of a share in Ezeatm prior to the Transaction was assessed using the FME methodology, which captures the future earnings potential of the Business. Our valuation of an Ezeatm share following the Transaction was assessed on a NAV basis, which represents a cash backing value. Therefore, our valuation of an Ezeatm share following the Transaction does not capture any potential returns that may be generated from any potential acquisitions or investments.

Given the above, we consider that the Transaction is fair.

12. Is the Transaction reasonable?

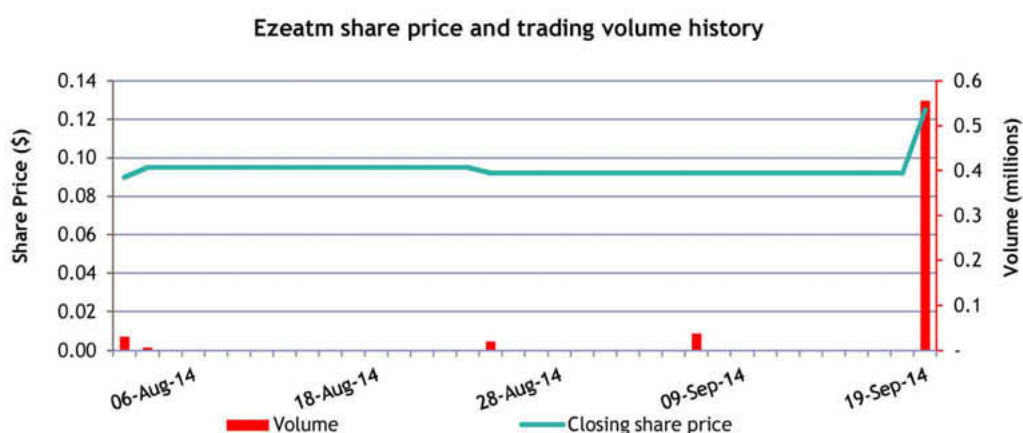
12.1 Alternative Proposal

We are unaware of any alternative proposal that might offer the Shareholders of Ezeatm a premium over the value ascribed to, resulting from the Transaction.

12.2 Consequences of not Approving the Transaction

Potential decline in share price

We have analysed movements in Ezeatm's share price since the Transaction was announced. A graph of Ezeatm's share price prior to and following the announcement is set out below.



Source: Bloomberg

The Company's shares closed at \$0.092 on 17 September 2014, the last trading day prior to the announcement of the Transaction. On 19 September 2014, the Company's shares closed at \$0.125, a 35.9% increase from its pre-announcement price.

Given the above analysis it is possible that if the Transaction is not approved then Ezeatm's share price may decline to its pre-announcement level.

12.3 Advantages of Approving the Transaction

We have considered the following advantages when assessing whether the Transaction is reasonable.

Advantage	Description
The Transaction is fair	As set out in Section 11 the Transaction is fair. RG 111 states that an offer is reasonable if it is fair.
The Transaction provides the Company with the opportunity to exit a declining industry	The ATM deployment industry in Australia is a mature market, with limited growth available to its participants. Our industry analysis in Section 7 outlines the reasons behind the recent decline in the industry. If the Transaction is approved it allows the Company to shift its focus, potentially to a higher growth industry.
The Transaction provides the cash required to pursue alternate investment opportunities	Management advise that if the Transaction is approved they will pursue alternate investment opportunities. These alternate investment opportunities may provide Shareholders with an opportunity to earn greater returns than those generated by the ATM Business. Management advise the Company will be seeking alternative opportunities in the technology sector, and in particular the electronic payments space (excluding ATMs). This may allow the Company to leverage off the relationships and experience in the payments industry.
The Transaction provides value certainty to Shareholders	The Transaction provides value certainty to Shareholders. The cash backed value of the Company following the Transaction of \$0.16 is greater than our assessed quoted market price value of \$0.085 per share.
The Transaction strengthens the Company's balance sheet and improves the likelihood of a takeover offer	If the Transaction is approved, DC Payments Australasia will assume all operating assets and liabilities of the Company. The Company's hire purchase debt will also be cancelled under the Transaction. This strengthening of the Company's cash holding is likely to improve the likelihood of a takeover offer, which may provide a premium to Shareholders.
The Transaction removes the presence of a large shareholder which may improve liquidity	If the Transaction is approved, the Company will buy back DC's existing 19.6% interest in the Company. Without the presence of a major shareholder, the shares will have a materially higher free float on a proportional basis. This may improve the liquidity of the Company's shares.

12.4 Disadvantages of Approving the Transaction

If the Transaction is approved, in our opinion, the potential disadvantages to Shareholders include those listed in the table below:

Disadvantage	Description
The Transaction may change the risk profile of Shareholders	Shareholders invested in Ezeatm on the basis that the Company is an ATM deployment and network operating company in Australia. If the Transaction is approved, the Company will effectively become a listed shell company. Management advise that following the Transaction the Company intend on exploring new investment opportunities. Regardless of whether Ezeatm continues to operate as a shell or acquires a different business or project, it will alter the risk profile of Shareholders' investments. This change in direction of the Company may not suit Shareholders' risk preferences.
Potential suspension of the Company's shares	If the Transaction is approved, the Company's shares may be suspended from trading in the event a substantial undertaking is not acquired within six months of the disposal of the ATM Business. As such, Shareholders may not be able to dispose of their shares in the Company.

12.5 Other considerations

Under the Share Sale Agreement the Company is liable to pay a break fee to DC Payments Australasia equal to the higher of the net sale price and actual costs, up to a maximum of \$400,000 if any of the following occur:

- There is a material breach of the Share Sale Agreement;
- Any Ezeatm Director publicly recommends, promotes or endorses a competing proposal;
- Any Ezeatm Director changes or withdraws their recommendation in relation to the Transaction; and
- If a competing proposal is put to Shareholders or announced to the market.

13. Conclusion

We have considered the terms of the Transaction as outlined in the body of this report and have concluded that the Transaction is fair and reasonable to the Shareholders of Ezeatm.

14. Sources of information

This report has been based on the following information:

- Draft Notice of General Meeting and Explanatory Statement on or about the date of this report;
- Share Sale Agreement between Ezeatm Limited, DC Payments Australasia Pty Limited and DirectCash Payments Inc;
- Audited financial statements of Ezeatm for the years ended 30 June 2012, 30 June 2013 and 30 June 2014;
- Forecast financial information for the year ended 30 June 2015;
- Share registry information;
- Information in the public domain; and
- Discussions with Directors and Management of Ezeatm.

15. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$35,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Ezeatm Limited in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by the Ezeatm Limited, including the non provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Ezeatm Limited and Direct Cash Payments Inc and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of Ezeatm Limited and Direct Cash Payments Inc and their respective associates.

Neither the two signatories to this report nor BDO Corporate Finance (WA) Pty Ltd, have had within the past two years any professional relationship with Ezeatm Limited, or their associates, other than in connection with the preparation of this report.

A draft of this report was provided to Ezeatm Limited and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

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BDO (Australia) Ltd, an Australian company limited by guarantee, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of Independent Member Firms. BDO in Australia, is a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International).



16. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investment Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Member of the Institute of Chartered Accountants in Australia. He has over twenty five years experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 250 public company independent expert's reports under the Corporations Act or ASX Listing Rules. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Chairman of BDO in Western Australia, Corporate Finance Practice Group Leader of BDO in Western Australia and the Natural Resources Leader for BDO in Australia.

Adam Myers is a member of the Australian Institute of Chartered Accountants. Adam's career spans 16 years in the Audit and Assurance and Corporate Finance areas. Adam has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

17. Disclaimers and consents

This report has been prepared at the request of Ezeatm Limited for inclusion in the Notice of Meeting which will be sent to all Ezeatm Limited Shareholders. Ezeatm Limited engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider the proposed disposal of its ATM business to Direct Cash Payments Inc, a related party of the Company.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Notice of Meeting. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Notice of Meeting other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to the Transaction. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.



The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

The forecasts provided to BDO Corporate Finance (WA) Pty Ltd by Ezeatm Limited and its advisers are based upon assumptions about events and circumstances that have not yet occurred. Accordingly, BDO Corporate Finance (WA) Pty Ltd cannot provide any assurance that the forecasts will be representative of results that will actually be achieved. BDO Corporate Finance (WA) Pty Ltd disclaims any possible liability in respect of these forecasts. We note that the forecasts provided do not include estimates as to the effect of any future emissions trading scheme should it be introduced as it is unable to estimate the effects of such a scheme at this time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Transaction, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Ezeatm Limited, or any other party.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd has no obligation to update this report for events occurring subsequent to the date of this report.

Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD

A handwritten signature in black ink, appearing to read 'Sherif Andrewes'.

Sherif Andrewes
Director

A handwritten signature in blue ink, appearing to read 'Adam Myers'.

Adam Myers
Director

Appendix 1 - Glossary of Terms

Reference	Definition
The Act	The Corporations Act 2001 (Cth)
ABAI	Australian Bankers' Association Inc
ADI	Authorised Deposit-taking Institutions
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
BDO	BDO Corporate Finance (WA) Pty Ltd
Buy-Back	The Company will buy back DC's existing holding in Ezeatm. The Buy-Back comprises 14,681,211 ordinary shares at a deemed price of \$0.12 per share.
Cash Consideration	A cash payment of \$10,261,694 to be made to Ezeatm as part of the Consideration
The Consideration	The total consideration to be received for the disposal of the ATM business, comprising the Cash Consideration, the Buy-Back and the Debt Cancellation.
The Company	Ezeatm Limited
DC	DirectCash Payments Inc.
DC Group	DC and its related entities
DC Payments Australasia	DC Payments Australasia Pty Limited
DCF	Discounted Future Cash Flows
Debt Cancellation	The cancellation of the Company's hire purchase debt of \$1,350,000
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EFTPOS	Electronic Funds Transfer at Point of Sale
Ezeatm	Ezeatm Limited



Ezeatm Services	Ezeatm Services Pty Ltd
FME	Future Maintainable Earnings
FSG	Financial Services Guide
iCash	iCash Payment Systems Limited
Independent Deployers	Non- bank and other independent deployers of ATMs
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
MuzEze Joint Venture	A joint venture between Ezeatm and Muzz Buzz which involved the establishment and operation of drive through ATMs at Muzz Buzz outlets throughout Australia.
NAV	Net Asset Value
Our Report	This Independent Expert's Report prepared by BDO
PIN	Personal Identification Number
RBA	Reserve Bank of Australia
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
The Transaction	The proposal to dispose of Ezeatm's ATM business to DC Payments Australasia, a member of the DC Group, which is a substantial shareholder of Ezeatm
Shareholders	Shareholders of Ezeatm not associated with DC
Valuation Engagement	An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.

Appendix 2 - Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 **Net asset value ('NAV')**

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 **Quoted Market Price Basis ('QMP')**

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a 'deep' market in that security.

3 **Capitalisation of future maintainable earnings ('FME')**

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ('EBIT') or earnings before interest, tax, depreciation and amortisation ('EBITDA'). The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

4 Discounted future cash flows ('DCF')

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start up phase, or experience irregular cash flows.

5 Market Based Assessment

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

Appendix 3 - Comparable Companies

Set out below is a description of the comparable companies used in our assessment of an appropriate earnings multiple to apply to Ezeatm.

Diebold, Incorporated: Provides integrated self-service delivery and security systems and services primarily to the financial, commercial and retail markets worldwide. It offers self-service technologies and services, including ATM outsourcing, ATM security, deposit automation, recycling and payment terminals and software. The company also provides support services comprising installation and ongoing maintenance of products, remote services, availability management, branch transformation and distribution channel consulting. It also offers security solutions, which include physical security and facility products, such as vaults, safes, depositories, bullet-resistant items, and under-counter equipment, as well as electronic security products, such as camera and video surveillance equipment, alarms and access control systems. The company sells its products through its sales personnel, manufacturers' representatives and distributors. The company was founded in 1859, is headquartered in North Canton, Ohio and is listed on the New York Stock Exchange.

Global Cash Access Holdings Inc: Provides cash access services and related equipment and services to the gaming industry. The company operates in the fields of cash advances, ATMs and cheque services. Its main cash access product is a cash-dispensing machine that allows patrons to access cash through ATM cash withdrawals, point-of-sale debit card transactions, and credit card cash access transactions. These allow gaming establishments to manage and reduce risks on patron checks that they cash. Global Cash Access Holdings Inc sells its products and services to casinos and other gaming properties in the United States, Europe, Canada, the Caribbean, Central America, and Asia. The company was founded in 1998, is headquartered in Las Vegas, Nevada and is listed on the New York Stock Exchange.

Internet Initiative Japan Inc: Offers internet connectivity, outsourcing, and systems integration services primarily in Japan. The company has two operating businesses, a network services and systems integration business, and an ATM operation business. In addition, the company provides systems integration services, which include consulting, project planning, systems design, and development of network systems, which primarily focuses on internet business systems, and Intranet and Extranet corporate information systems. Further, it sells routers, iPads, and other equipment, as well as provides ATM services. As of 7 February 2014, the company operates 785 ATMs. The company was founded in 1992, is headquartered in Tokyo, Japan and is listed on the NASDAQ Global Select Market.

NCR Corporation: Provides products and services that enable businesses to connect, interact, and transact with their customers worldwide. It operates in four segments; financial services, retail solutions, hospitality and emerging Industries. The company's financial-oriented self-service technologies include ATMs, cash dispensers and software solutions, such as the APTRA ATM software application suite, and cash management and video banking software, as well as professional services related to ATM security, software, and bank branch optimization. The company also provides retail and hospitality oriented technologies comprising point of sale terminals and software, bar-code scanners, and other retail-oriented software and services. In addition, the company offers hardware, software, professional, and support services relating to paper rolls for receipts in ATMs and point of sale devices solutions, inkjet and laser printer supplies, thermal transfer and ink ribbons. Further, it provides maintenance and support services, site assessment and preparation, staging, installation and implementation and complete managed services. Additionally, the company resells third-party networking products and related service offerings



in the telecommunications and technology sectors. It primarily serves financial services, retail and hospitality, travel and gaming, and the transportation and manufacturing industries. The company was founded in 1884, is headquartered in Duluth, Georgia and is listed on the New York Stock Exchange.

E-Debit Global Corporation: Operates in the non-conventional banking industry in Canada. It sells and operates cash vending and point of sale machines. The company offers a suite of ATM management services, including ATM deployment, maintenance, transaction processing, reporting, and settlement services. As of 30 September 2013, it had a network of 128 ATMs. The company also provides pre-paid debit cards, cheque cashing, corporate registry and filing, and other related services, as well as short-term cash advance loan agreements under the brand name of Cash Direct Advance. In addition, it offers web sites hosting, server space leasing, and network services. E-Debit Global Corporation was incorporated in 1998, is based in Calgary, Canada and is listed on the OTC PK Stock Exchange.

Global Access Corp: Provides self-service kiosk services in the United States. The company offers ATMs which provide debit and credit cardholders with access to cash, account information, and other services; and DVD rental kiosks that enable consumers to rent or purchase movies or games. It also provides ATM branding and processing services for financial institutions that have branded sites and network processing services. The company owns and operates a network of ATMs located at grocery stores, convenience stores, combination convenience stores and gas stations, regional and national retailers, hotels, shopping malls, airports, colleges, amusement parks, sports arenas, bars/clubs and theaters, as well as offers ATM and DVD kiosk management and support services to merchants, grocers, retailers, and financial institutions. As of 31 March 2013, its network included approximately 4,550 ATMs and 350 DVD kiosks. Global Access Corp was founded in 1984, is headquartered in Jacksonville, Florida and is listed on the OTC PK Stock Exchange.

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EZEATM LIMITED

ACN 151 155 734

PROXY FORM

The Company Secretary
Ezeatm Limited

By delivery:

Unit 2
321 Great Eastern Highway
REDCLIFFE WA 6104

By post:

PO Box 3099
Belmont East WA 6104

By facsimile:

+61 8 9277 8914

I/We ¹ _____
of _____

being a Shareholder/Shareholders of the Company and entitled to
_____ votes in the Company, hereby appoint ²

or failing such appointment the chairman of the General Meeting as my/our proxy to vote for me/us on my/our behalf at the General Meeting of the Company to be held at 10:00am (AWST) on Wednesday, 29 October 2014 at the offices of BDO, 38 Station Street, Subiaco, Western Australia 6008 and at any adjournment thereof in the manner indicated below or, in the absence of indication, as he thinks fit. If 2 proxies are appointed, the proportion or number of votes of this proxy is authorised to exercise is * []% of the Shareholder's votes*/ [] of the Shareholder's votes. (An additional Proxy Form will be supplied by the Company, on request).

INSTRUCTIONS AS TO VOTING ON RESOLUTIONS**IMPORTANT:**☐

If the chairman of the general meeting is to be your proxy and you have not directed your proxy how to vote on Resolutions 1 to 3 please tick this box. By marking this box you acknowledge that the chairman of the general meeting may exercise your proxy even if he has an interest in the outcome of Resolutions 1 to 3 and that votes cast by him, other than as proxy holder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the chairman of the general meeting will not cast your votes on Resolutions 1 to 3 and your votes will not be counted in computing the required majority if a poll is called on these Resolutions.

The chairman of the general meeting intends to vote undirected proxies in favour of each Resolution.

The proxy is to vote for or against the Resolution referred to in the Notice as follows:

		For	Against	Abstain
Resolution 1	Approval of Sale	☐	☐	☐
Resolution 2	Approval of Selective Buy-Back	☐	☐	☐
Resolution 3	Change of Company Name	☐	☐	☐

Authorised signature/s This section **must** be signed in accordance with the instructions overleaf to enable your voting instructions to be implemented.

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

¹Insert name and address of Shareholder

²Insert name and address of proxy

*Omit if not applicable

Proxy Notes:

A Shareholder entitled to attend and vote at the General Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that General Meeting. If the Shareholder is entitled to cast 2 or more votes at the General Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that General Meeting, the representative of the body corporate to attend the General Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the General Meeting the appropriate Certificate of Appointment of Representative should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the Perth office of the Company Unit 2, 321 Great Eastern Highway, Redcliffe 6104, Western Australia or Facsimile (08) 9277 8914 if faxed from within Australia or +61 8 9277 8914 if faxed from outside Australia) not less than 48 hours prior to the time of commencement of the General Meeting.