
CASE STUDY

# How Kingsdale Facilitated the Successful Shareholder Approval for Payfare's Acquisition by Fiserv

## BACKGROUND

In December 2024, Payfare, a Toronto-based financial technology company specializing in digital banking solutions for workforces, entered into a definitive agreement to be acquired by Fiserv, a leading global provider of payments and financial services technology. The all-cash transaction valued Payfare at approximately $201.5 million, offering shareholders $4.00 per issued and outstanding share.

## CHALLENGES

The company faced two significant challenges.

**Influential Opposition:** Despite the ~92% premium to the 60-day VWAP, the company's largest shareholder holding over 10% of the company's stock ran a Vote NO campaign, calling the premium "misleading", the stock price "deeply distressed", and the value "nearly equal to the aggregate of the company's cash and cash equivalents, investments and loan receivables". Given their size, the shareholder had the means to immediately impact the transaction.

**Limited Shareholder Value:** The visibility into the company's shareholder base was limited due to objecting beneficial shareholders and scattered retail investors with small positions. This compounded the risk of failing to secure shareholder approval given the three-year historical average turnout for shareholder meetings.

Under these circumstances, receiving more than 2/3 of the shareholder votes in favour of the transaction – after excluding certain votes as per Rule MI 61-101 – would be a difficult task, but a situation Kingsdale thrives on.

## KINGSDALE'S STRATEGIC INVOLVEMENT

### ADVISING COMPANY LEADERSHIP

Kingsdale's proxy solicitation team advised company leadership on potential challenges to be expected and provided real-time vote intelligence as well as shareholder sentiment. This included running daily projections using real-time data and providing multiple outcome scenarios with back-up strategies for each.

### DATA-DRIVEN APPROACH

Kingsdale's data and research team increased visibility into the shareholder base by over 130% using public sources and strategies perfected over 22 years.

### COMPELLING COMMUNICATION STRATEGY

Kingsdale's communications specialists crafted clear, persuasive messaging outlining the advantages of the transaction, the risks of non-approval, and endorsements from ISS and Glass Lewis. Strategic public statements ensured Payfare controlled the narrative.

### INTENSIVE SHAREHOLDER ENGAGEMENT

Kingsdale's engagement centre managed inbound inquiries and conducted targeted outreach using pre-approved messaging to educate shareholders on the transaction's benefits, addressing concerns and emphasizing the immediate value of the allcash offer. **Every small retail shareholder vote mattered** for a successful outcome.

### ONE KINGSDALE APPROACH

Leveraging its **complementary expertise under one roof,** Kingsdale managed the end-to-end shareholder engagement process and worked with third-party advisors as well as Fiserv, the acquiring company. Kingsdale had a single point of contact for all communication, making the process seamless and efficient for Payfare.

## SUCCESSFULLY CLOSED IN Q1 2025

The combined efforts of Kingsdale led to a significant **30% increase in shareholder turnout** compared to the historical average. The transaction received overwhelming support, with over 80% of voting shareholders approving the acquisition.

Planning an M&A Transaction? Email strategy@kingsdaleadvisors.com