

July 14, 2015

# FINANCIAL TECHNOLOGY PARTNERS

*is pleased to announce its exclusive role as sole strategic and financial advisor to*



*in its sale to*



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TECHNOLOGY  
PARTNERS

***The Only Investment Bank  
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# TIO Networks Acquires Softgate Systems

## FT Partners Advises Softgate in its Sale to TIO

### Transaction Overview and Rationale

#### Overview of Transaction

- On July 14, 2015, Softgate Systems (“Softgate”) announced its sale to TIO Networks (TSX – V:TNC) (“TIO”)
- Softgate provides an open electronic exchange connecting product and service providers to cash-preferred customers
- The Company has grown to operate one of the largest networks of independent retail-based payment centers in the US
- TIO will pay up to USD\$5 million cash to Softgate, issue a promissory note of USD\$5 million to Softgate Shareholders, assume approximately \$2.5 million of Softgate debt and issue Softgate Shareholders a total of 25 million TIO shares <sup>(1)</sup>
- In addition, TIO has agreed to appoint Joe Allegra from Edison Partners and Steve Piaker from Napier Park Global Capital to its board upon the closing of the transaction

#### Significance of Transaction

- The transaction is transformational and positions TIO as the largest North American provider of walk-in bill payment services
- TIO will have a national platform to provide extensive non-bank financial services to the unbanked and under-banked population
- Transaction expected to add USD\$37 million in incremental revenue and USD\$5 million in incremental EBITDA to TIO’s business

#### FT Partners’ Role

- FT Partners served as exclusive strategic and financial advisor to Softgate and its Board of Directors
- FT Partners leveraged its deep knowledge, extensive experience and broad industry relationships to help achieve a highly favorable outcome for stakeholders
- Transaction demonstrates FT Partners’ continued success advising top-tier financial technology companies

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(1) Value of the transaction consists of: (i) a cash component of up to USD\$5 million; (ii) a USD\$5 million promissory note (subject to adjustment); (iii) issuance of 25 million TIO shares to the Softgate Shareholders; and (iv) assumption of approximately USD\$2.5 million of net debt based on balance sheet at signing.

# TIO Networks Acquires Softgate Systems

## Overview of Softgate Systems

**Softgate operates the largest national network of independent neighborhood-based payment centers in the country, providing reliable bill payment and prepaid services to cash-preferred customers**

### Softgate Summary

- CEO:** Rick Auletta
- Headquarters:** Fairfield, NJ
- Founded:** 1993
- Locations:** Approximately 21,000
- Softgate provides reliable walk-in bill payment, domestic and international prepaid wireless, prepaid long distance, gift cards, international top-ups and international bill payments through its PayXchange service
    - Softgate is a fully licensed money transmitter in all 47 states and jurisdictions that require such licenses
  - Large base of over 21,000 retail locations in the U.S. – more than half of which operate as PayXchange payment centers
  - The Company previously received financing from Edison Ventures and Napier Park Capital

### Softgate Product Overview

#### Bill Payment

- Softgate offers easy to use platform, outstanding customer service, and a vast distribution network to reach cash-preferred consumers
- Bill payment platform can be integrated with virtually any system, streamlining all front-end and back-end processes

#### Prepaid Wireless & Long Distance

- Provides access to prepaid wireless and long distance for all major providers – Verizon, AT&T, T-Mobile and Tracfone – plus dozens of other providers at substantial discounts

#### Prepaid Products

- Softgate distributes stored value cards and prepaid debit cards through its Retail Payments Exchange – offerings that increase revenue and overall value of the merchant and retail locations

#### International Top-Ups

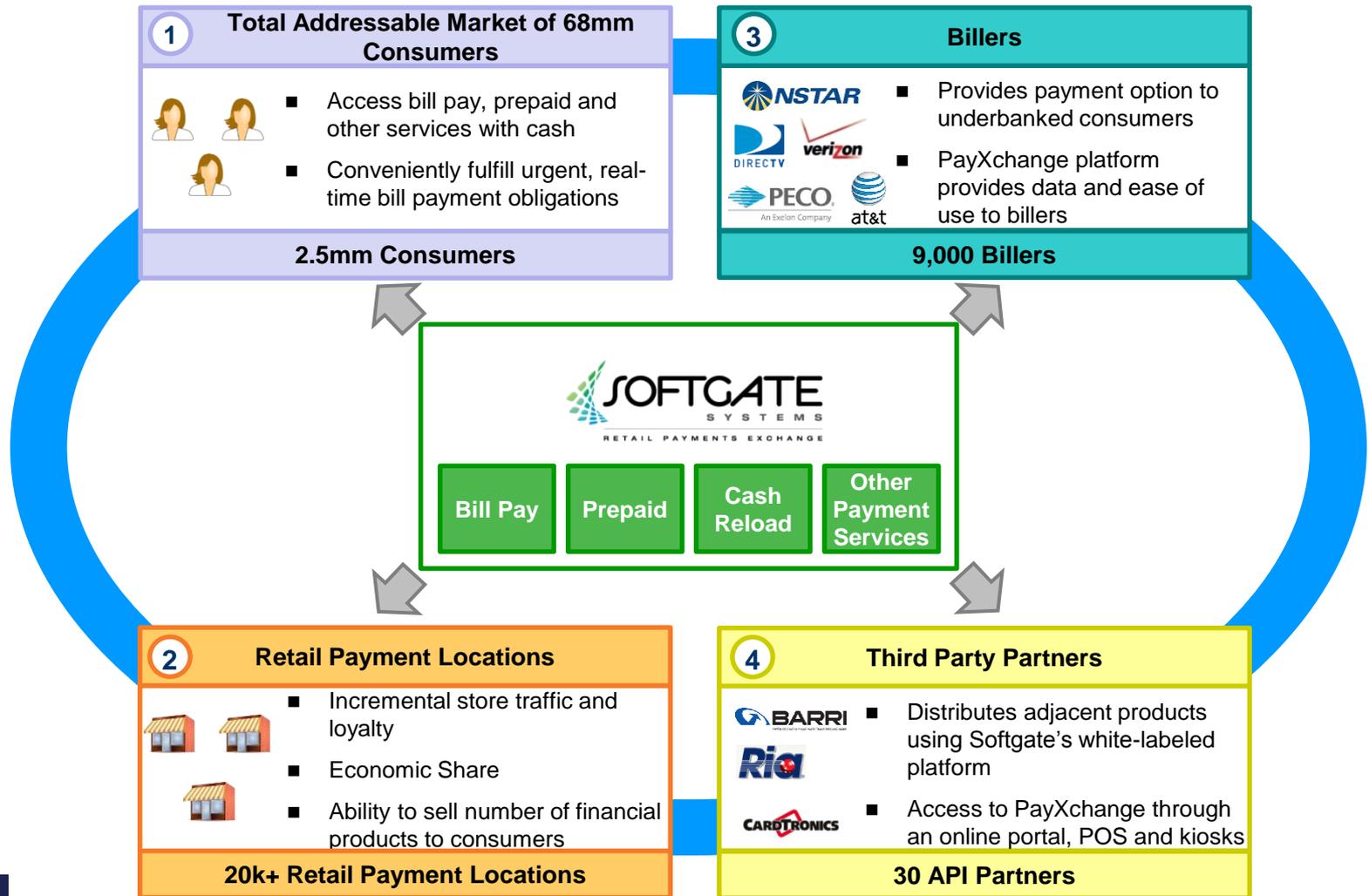
- Softgate Systems provides international top-ups for every major wireless carrier in over 70 countries – largest selection in the industry
- Minutes can be added to phones all over the world, real-time processing only requires a cell phone number

#### PayXchange

- PayXchange delivers a single platform to supply essential product offerings at kiosks, point-of-sale terminals, and online
- Equipped with a range of products and services, PayXchange enables cash-preferred customers to pay bills, purchase prepaid and long distance, among other financial products

# TIO Networks Acquires Softgate Systems

## The Softgate Network Serves Multiple Constituents

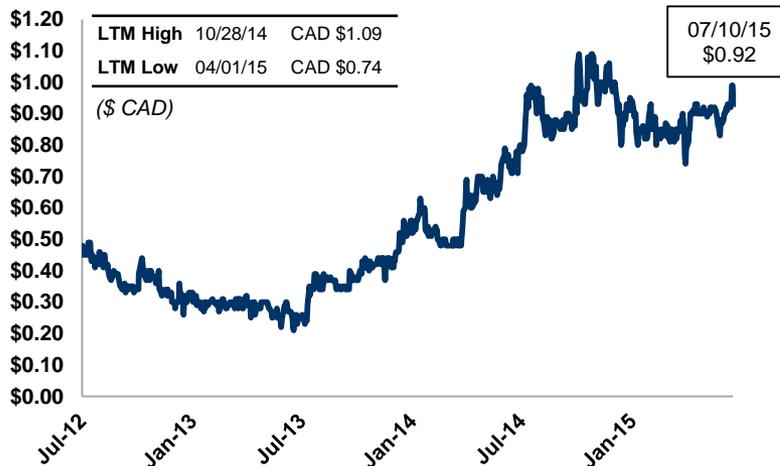


# TIO Networks Acquires Softgate Systems

## TIO Overview

<b>CEO:</b>	Hamed Shahbazi
<b>Headquarters:</b>	Vancouver, BC
<b>Founded:</b>	1997
<b>Employees:</b>	150
<b>Share Price</b>	
<b>Close (07/10/15):</b>	CAD \$0.92
<b>LTM High (10/28/14):</b>	CAD \$1.09
<b>LTM Low (04/01/15):</b>	CAD \$0.74
<b>Market Capitalization:</b>	CAD \$52 mm

### TIO Stock Price Performance



### Product / Channel Overview

- **Kiosks:**
  - Provides self-service Financial Services Kiosks that enable convenience stores to provide their customers with bill payment services
- **Clerk Assisted / POS:**
  - Provides bill payment solutions via TIO's own over-the-counter POS technology or direct integration (APIs) into TIO's processing systems
- **Mobile:**
  - Mobile bill pay application for iPhone, Android and BlackBerry phones and tablets; enables retailers to provide users with detailed bill presentment, payment history, usage monitor and other bill payment features
- **Web:**
  - Enables billers to white label an online billing solution
- **Prepaid Services:**
  - Provides Prepaid Services through Global Express acquisition
  - Enables retailers to offer customers a variety of ways to input more minutes onto their wireless phone
- **Money Orders**
  - Provides money orders through Global Express acquisition
  - Enables retailers to sell money orders to their customers
- **Select Partners:**



...among others

# TIO Networks Acquires Softgate Systems

## TIO Overview (cont.)

### TIO Network – Key Facts

*TIO serves the “cash-preferred,” underbanked user community and has a significant portfolio amongst the largest wireless and utility companies in North America*

Revenue Run-Rate (Q3)	CAD\$54 million / Year
Unique End-User Customers	3 mm / Month 8 mm / Year
Gross Margin % (Q3)	47%
Gross Profit Run-Rate (Q3)	CAD \$25.3 mm / Year
# of Employees	~150
# of Over the Counter Locations	69,087
# of Self-Service Kiosks Serviced	2,200
# of Devices owned by TIO	1,203
# of TIO Consumer Accounts (incl. ChargeSmart)	~1 mm
# of Billers Supported by TIO	10,000
# of “Expedited” or “Same Day” Billers	700

### TIO Networks – Historical Acquisitions



- On July 12, 2013, TIO announced the acquisition of Globex Financial Services, Inc.
- Globex is a bill payment services provider with an established walk-in bill payment network throughout the eastern United States
- The acquisition strengthened TIO's position in the bill payment industry and provided TIO with a national footprint in the US bill payment and underbanked financial services industry



- On August 5, 2014, TIO announced the acquisition of VeriFone Commerce Solutions Inc. (formerly ChargeSmart Inc.)
- Chargesmart.com is a leading provider of bill payment services for US consumers who wish to pay bills online with a credit or debit card
- TIO leveraged ChargeSmart's search engine technology to profitably and efficiently acquire new customers while giving end customers an online alternative to pay their bills

# Overview of FT Partners

## FT Partners Advises KUBRA in its Sale to Hearst

### Transaction Overview and Rationale

#### Overview of Transaction

- On September 3, 2014, KUBRA announced its 80% sale to the Hearst Corporation (“Hearst”)
- Backed by Clairvest, KUBRA provides billing and payment solutions to customers across multiple industry verticals via electronic and physical channels
- The Company has grown to be a leader in the emerging Customer Interaction Management industry

#### Significance of Transaction

- The acquisition increases Hearst’s presence in both the billing and payments space (already owning CDS Global), while strengthening its foothold in the utilities vertical
- CDS Global provides customer relationship management solutions to publishers, direct marketing firms, etc.
- Clairvest realized proceeds equal to 13.5x invested capital and an internal rate of return (“IRR”) of over 40% over eight years

#### FT Partners’ Role

- FT Partners served as exclusive strategic and financial advisor to KUBRA and its Board of Directors
- FT Partners leveraged its deep knowledge, extensive experience (understanding all the unique aspects of the Company’s billing, payments, outsourcing, customer interaction and electronic commerce businesses) and broad industry relationships to help achieve a highly favorable outcome for stakeholders
- Successfully helped find a unique acquirer
- Transaction demonstrates FT Partners’ continued success advising top-tier financial technology companies

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*in its 80% majority sale to*

**H E A R S T** *corporation*

**~\$ 350,000,000**

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# Overview of FT Partners

## FT Partners Advises on Jack Henry's \$300 Million Acquisition of iPay

### Transaction Overview and Rationale

#### Overview of Transaction

- Jack Henry & Associates ("Jack Henry"; NASDAQ: JKHY) announced the completion of its acquisition of iPay Technologies ("iPay") for \$300 million in cash
- iPay provides turnkey, SaaS-based bill pay solutions to over 3,600 financial institutions across the country
- Jack Henry provides integrated technology solutions and data processing services to financial institutions including commercial banks and credit unions; the Company had a ~\$2 billion market cap at the time of the transaction
- iPay represented Jack Henry's largest acquisition to-date

#### Significance of Transaction

- iPay's industry-leading, proven solutions complement Jack Henry's existing offerings, providing significant cross-sell opportunities and extending Jack Henry's reach outside of its core client base
- iPay's compelling financial profile increases Jack Henry's transaction-based and recurring revenue streams
- The acquisition enables Jack Henry to better serve customers and channel partners through availability of enhanced products and services

#### FT Partners' Role

- FT Partners has worked closely with Jack Henry and its management team for several years and has advised on its two largest acquisitions
- FT Partners leveraged its extensive transactional experience in the payments and banking sector to provide guidance on appropriate deal structure and support during key negotiations

### Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its exclusive role as  
sole debt capital advisor*

**jack henry**  
& ASSOCIATES INC.®

*in its acquisition of*



*for total consideration of approximately*

**\$ 300,000,000**

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# Overview of FT Partners

## FT Partners Advises OzForex on its A\$480 Million Sale & IPO

### Transaction Overview and Rationale

#### Overview of Transaction

- OzForex Group (“OzForex”) completed its Sale & Initial Public Offering and began to trade on the Australian Stock Exchange (“ASX”) under the ticker symbol OFX
  - Stock closed first day of trading up ~30%
- OzForex is an online, global payments provider that offers individuals and SMBs a platform to purchase foreign currency to facilitate international transactions
- Prior to the offering, OzForex was owned by Accel Partners, The Carlyle Group, Macquarie Bank and other founder / private investors

#### Significance of Transaction

- Transaction was a sale of ~100% of the equity of the company to a “club” of institutional investors, followed by an IPO (one of the largest IPOs of an Australian company)
  - Highly innovative “club-deal” structure allowed for reduced risk and certainty for existing investors
- Investors given the ability to sell ~100% of their interests in the Company; certain investors chose to retain a small portion of their ownership

#### FT Partners’ Role

- FT Partners served as exclusive Financial, Strategic and IPO Advisor to OzForex and its Board of Directors
- FT Partners managed the very unique dual-track M&A / sale and IPO process, effectively achieving an “M&A” outcome for shareholders in the public markets (~100% liquidity)
- FT Partners’ advisory role simplified and expedited the “time-to-market” period due to the significant amount of up-front work completed prior to the engagement of potential M&A sale buyers and underwriters

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*in its*

### ***Initial Public Offering***

*valuing the equity at*

**A\$ 480,000,000**



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# Overview of FT Partners

## Selected FT Partners Transactions

Financial Technology Partners LP  
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is pleased to announce its exclusive role as sole strategic and financial advisor to



YAPSTONE™  
ePayments as a Service

in its minority investment led by



ACCEL  
PARTNERS

for total consideration of approximately

**\$ 50,000,000**



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Financial Technology Partners LP  
FTP Securities LLC

is pleased to announce its exclusive role as sole strategic and financial advisor to



azimo

in its Series B financing led by



frog  
capital

for approximately

**\$20,000,000**



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FTP Securities LLC

is pleased to announce its role as strategic and financial advisor to



MERCURY®

in its cash sale to



vantiv

for total consideration of

**\$ 1,650,000,000**



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Financial Technology Partners LP  
FTP Securities LLC

is pleased to announce its exclusive role as sole strategic and financial advisor to



CUSTOM  
HOUSE

in its sale to



WESTERN  
UNION

for cash consideration of approximately

**\$ 370,000,000**



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Financial Technology Partners LP  
FTP Securities LLC

is pleased to announce its exclusive role as strategic advisor to



TRANSFIRST

in its sale to



Vista Equity Partners

from



WCAS

for approximately

**\$ 1,500,000,000**



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Financial Technology Partners LP  
FTP Securities LLC

is pleased to announce its exclusive role as sole strategic and financial advisor to



MERCURY®

in its approximately 60% majority sale to



SILVERLAKE

for aggregate consideration of approx.

**\$ 700,000,000**



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FTP Securities LLC

is pleased to announce its role as exclusive strategic and financial advisor to



NMI  
NETWORK MERCHANTS INC.

in its growth investment by



BregalSagemount

for a total valuation of approximately

**\$200,000,000**



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FTP Securities LLC

is pleased to announce its role as exclusive strategic and financial advisor to



FLEET ONE

in its cash sale to



WEX

for total consideration of approximately

**\$369,000,000**



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Financial Technology Partners LP  
FTP Securities LLC

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jack henry  
& ASSOCIATES INC.®

in its acquisition of



iPay Technologies

for total consideration of approximately

**\$ 300,000,000**



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Financial Technology Partners LP  
FTP Securities LLC

is pleased to announce its exclusive role as Capital Markets and IPO advisor to



VeriFone®  
THE WAY TO PAY™

in its

**\$ 177,000,000**  
Initial Public Offering

valuing the equity at approximately

**\$ 650,000,000**



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# Overview of FT Partners

## Selected FT Partners' Research (click to view)



Research Report: Global Money Transfer



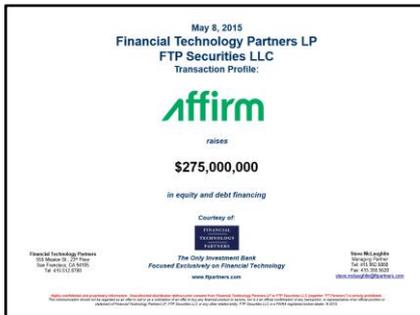
PayPal Acquires Xoom for \$890 mm



Credit Karma Raises \$175 mm in Series D Financing from Tiger Global, Valinor and Viking Global Investors



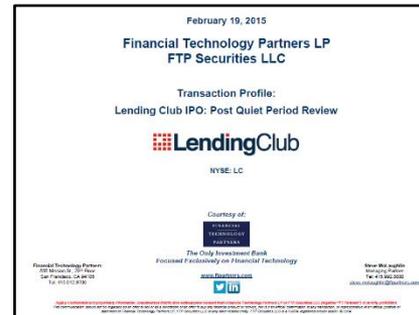
WePay Raises \$40 mm in Series D Financing Led by FTV Capital



Affirm Raises \$275 mm in Equity and Debt Financing



Optimal Payments Acquires Skril for \$1.2 bn



Lending Club IPO: Post Quiet Period Review



Avant Credit Raises \$225 mm in Series D Financing Led by Tiger Global

FT Partners regularly publishes research highlighting the most important transactions, trends and insights impacting the global Financial Technology landscape. Our unique insight into FinTech is a direct result of executing hundreds of transactions in the sector combined with over 13 years of exclusive focus on Financial Technology. Please visit our [subscription form](#) to subscribe to our exclusive monthly newsletter and receive our research reports.

# Overview of FT Partners

## Award-Winning Franchise Focused on Financial Technology

FT Partners has been recognized as Investment Banking Firm of the Year and regularly achieves Merger and Financing Deal of the Year recognition



- 2014
  - **Equity Financing Deal of the Year**
  - Professional Services Deal of the Year, Above \$100mm
- 2012
  - **Dealmaker of the Year**
  - Professional Services Deal of the Year, Above \$100 mm
- 2011
  - **Boutique Investment Bank of the Year**
  - Deal of the Decade
  - *10 Deal of the Year Nominations Across 9 Categories*
- 2010
  - **Upper Middle Market Deal of the Year, Above \$500 mm**
  - IT Services Deal of the Year, Below \$500mm
  - Cross-Border Deal of the Year, Below \$500mm
- 2007
  - **Dealmaker of the Year – Steve McLaughlin**
  - Business to Business Services Deal of the Year
  - Computer and Information Technology Deal of the Year, Above \$100mm
  - Financial Services Deal of the Year, Above \$100mm



- 2006-2008 ■ Steve McLaughlin consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology



- 2008
  - **Equity Financing Dealmaker of the Year – Steve McLaughlin**
  - **Information Technology Deal of the Year**
  - **Financial Services Deal of the Year**
- 2006
  - **Financing Professional of the Year – Steve McLaughlin**
  - *Financing Deal of the Year - Equity*
  - *Financing Deal of the Year - Debt*