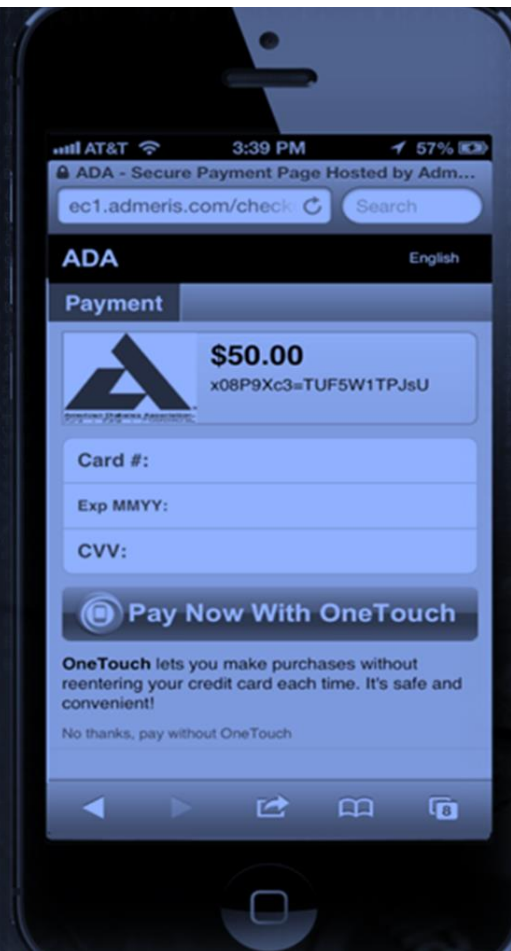


**Mobile Text Donation and  
Digital Commerce Solutions**  
*Financial Technology Software*  
**May 2016**

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# Executive Overview of GTSG

***Global Transaction Services Group, Inc. (GTSG) has created a Digital Commerce solution (e-TXT) that enables real-time donations or purchases made by text (SMS). Our solution seamlessly joins several major elements:***

- ***Cellular*** – The e-TXT solution is agnostic to the cell carrier, requires no special app on the phone and is integrated with Social Media
- ***Payment Clearing*** – GTSG has established contracts with four major payment processors and has implemented a Secure/PCI Compliant payment gateway. The result is rapid payment processing with receiver deposit in 48 hours
- ***Cloud Storage*** – GTSG has developed a proprietary Mobile Interface that captures User data and stores it in the Amazon Cloud. User Data, Client Data and our Data Engine are part of the Client Data Environment
- ***Client Data and Data Analytics*** – GTSG has developed, and will continue to expand, its Client Portal which includes relationship management, reporting, analytics and administration. In the near future, GTSG will develop a Data Analytics product to capture and provide media campaign analytics

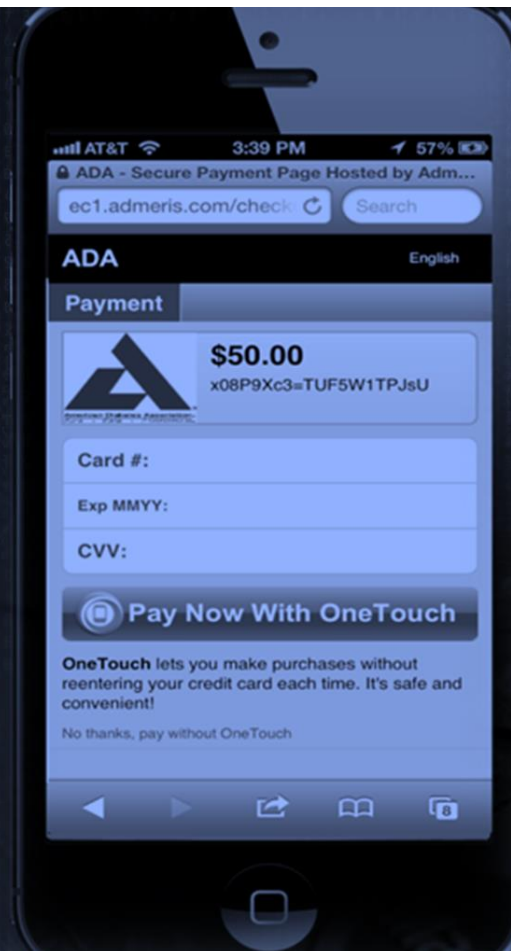
# Executive Overview of GTSG (cont.)

## *What Does This Really Mean?*

- **Immediate Action** – e-TXT can be used in virtually any transaction environment – we have proven applications in non-profit and political donations, infomercials, retail sales and impulse purchasing. Users/customers can decide to act and complete a transaction via e-TXT in about a minute using their cell phone
- **SMS Text Expansion** – e-TXT will enable GTSG customers to greatly expand text messaging as a method to communicate with their clients and customers. Examples are: update status and alerts, loyalty messaging, promotions, recurring transactions and much more. All on any phone, regardless of carrier
- **Knowledge** - Combine all of this with extensive data analytics and our clients will be intelligently communicating in a real-time world with their business base
- **Broaden Market Reach** – e-TXT squarely meets the Gen-X and Millennial mobile market demands for real-time transactions and communications. Millennial's make up 27% of the U.S. population and 21% of total spending (Source: *Barrons*). Plus, 96% use texting, sending and/or receiving an average of 87 texts per day (Source: *Mobile Marketer*)

***THIS IS A HIGH REVENUE, HIGH MARGIN, HIGH PROFIT PRODUCT  
WITH LIMITLESS MARKET APPLICATIONS***

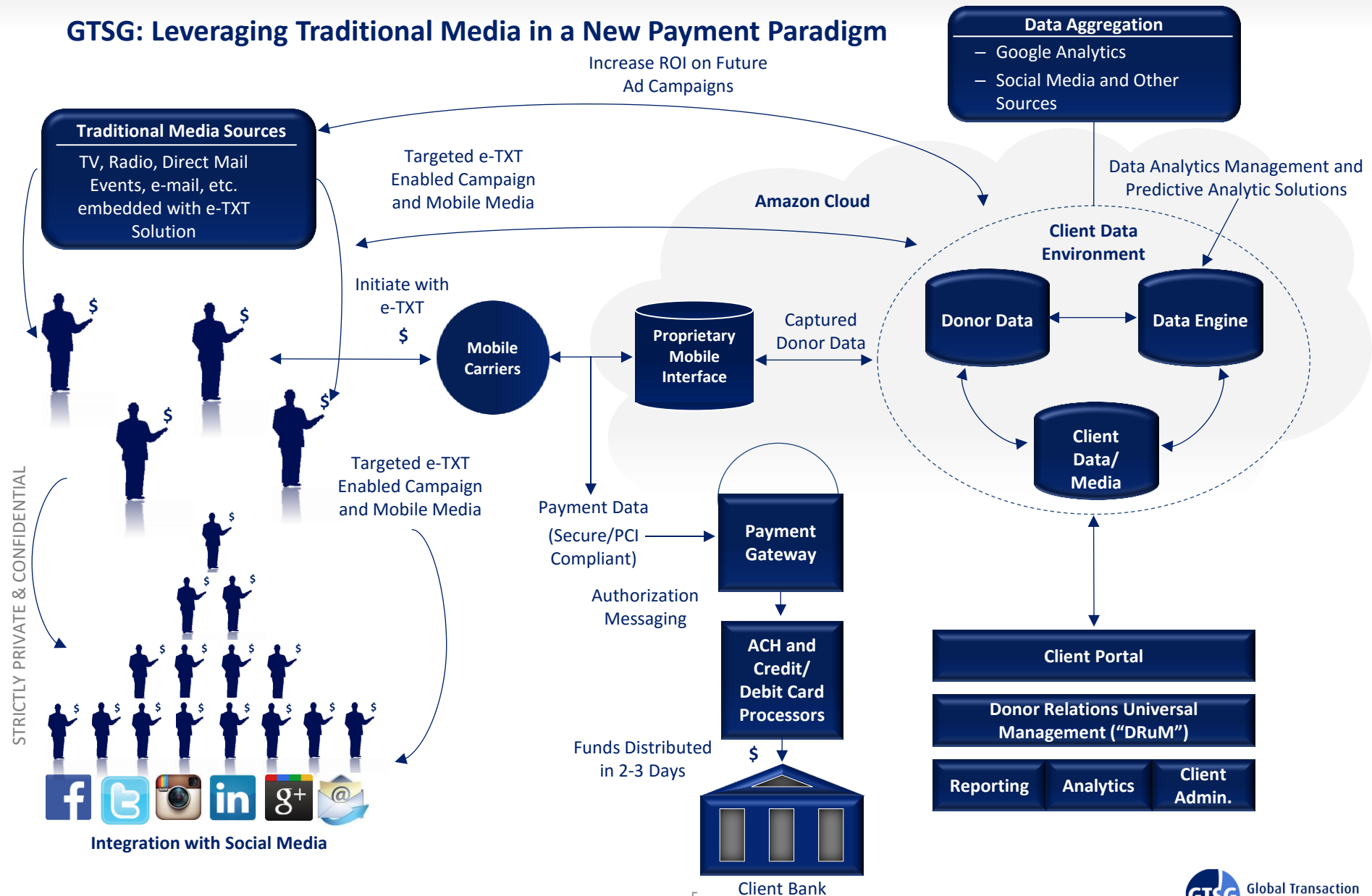
# Solution and Market Overview



# Solution Overview

## GTSG: Leveraging Traditional Media in a New Payment Paradigm

Increase ROI on Future Ad Campaigns



# Solution Overview: Key Benefits

## Overview

- The e-TXT solution can be used for fulfillment with traditional media forms (e.g. TV, radio, print, direct mail, events etc.) to facilitate real-time monetization of donor outreach programs or targeted advertisements
- The e-TXT solution provides immediate and secure authorization of funds, enabling organizations and companies to receive donations and payments within 2-3 days, versus 60-90 days associated with alternative mobile carrier-based pledge/payment offerings
  - The features of the e-TXT solution mitigate the constraints embedded in carrier-based solutions, which are typically limited to \$10 donations

## Technology Highlights

- Our solution does not require a downloadable app or any physical add-on devices at the point of transaction
  - e-TXT is phone agnostic and will work on any phone that has browser capabilities irrespective of carrier
- Our solution will soon be integrated with data mining and analytic tools that will track m-commerce usage patterns, enabling clients to launch more focused and higher yielding fundraising/sales campaigns
- GTSG has developed an innovative and highly configurable mobile interface for e-TXT to handle both one-time and recurring payments and to capture donor data according to client requirements
- e-TXT is at the center of a business process patent that GTSG has applied for and which it believes will afford it protection across several key elements of the mobile and e-commerce value chain, potentially forestalling future competitive encroachment

# Solution Overview

## e-TXT: Illustrative User Experience

### Initial Cycle (~1 Minute)



Text FS to '313131' and click on web link in message reply.



Enter donation amount, team/rider name in event and email address to receive a receipt. Press Proceed.



Enter card #, expiration date and CVV. Card information is not stored on phone. Press "Donate Now".

### Subsequent Cycles (~15 Seconds)\*



#### Text Reply

Text FS to '313131' and click on web link in message reply.



#### Donation Screen

Enter donation amount, team/rider name in event and email address to receive a receipt. Press Proceed.



#### Confirm CCV

Press "Donate Now".

Source: Management estimates.

\*Once an individual is registered in the system.

# Market Overview – Political and Non-Profit

## Overview

GTSG brings a unique, needed solution, developed and with contracts, to the massive non-profit and political donation segments and commercial markets. We seek Investment capital to quickly grow our market advantage and expand to our customer needs.

## Addressing Highly Attractive Immediately Monetizable Markets

### Political Segment - \$8 - \$12 Billion

- To date, GTSG is the only vendor to have received a favorable opinion from the Federal Election Commission (“FEC”) covering mobile donations via credit/debit card networks for the political campaign fundraising market
- In political campaigns, mobile donations are an accepted and increasingly important fund raising tool
  - Political fund raising at all levels reaches \$5-8 Bn during national level election cycles
  - Last presidential cycle raised approximately \$1.0 Bn by individuals
- 10% of donors used a mobile device in the 2012 Presidential campaign to make a donation
  - Significant increase in adoption of mobile donation is expected in future campaign cycles

*Major opportunities in foreign elections*

### Non-Profit Segment - \$220 Billion

- Technology is increasingly relevant to fund raising activities for non-profits and event-driven causes
  - Approximately 30% of US adults have made charitable donations online or via mobile applications
- The non-profit donation market has been variously estimated at 2-3% of GDP per annum
  - Individuals account for the majority of the total; estimated at \$135 Bn donations to non-profits in 2012
  - Very large market: approximately 75,000 public charities alone accounting for approximately \$170 Bn in donations annually
- Highly attractive market due to continual fund raising and client persistency



# Solution Overview - Advantages

## GTSG Mitigates a Number of Non-Profit and Political Campaign Fund Raising Issues

- **Uneconomical solutions**
  - Existing providers typically retain as much as 45%-55% of the donation for the mobile carrier and marketing firm
- **Unable to directly monetize advertising and fundraising messages**
  - e-TXT enables quick and impulsive response to targeted campaign messages
  - Data Analytics allows campaigns to monetize and measure the results of any message in virtually real time
    - 70% of offers viewed on a mobile device via text message result in an action within 1 hour
- **Do not have access to funds immediately**
  - Funds are available within 2-3 days vs. donations made through cell phone carriers which can be as long as 60-90 days
  - 100% of transactions are collected; no “pledges” to chase down
- **Lack of fully validated mobile payment options**
  - To date , GTSG is the only vendor to have received a favorable opinion from the Federal Election Commission (“FEC”) covering mobile donations via credit/debit card networks for the political campaign fundraising market
  - Matrix configuration to meet national, state and local donation requirements
- **Lack of flexibility in other mobile solutions**
  - Mobile donation solution can be embedded in all media formats (print, radio, TV, website, mobile, events)
  - Donation amounts are unlimited and set by donor; innovative recurring donation/billing features embedded in the e-TXT solution
  - Client can configure specific donor data capture elements within a campaign

Source: Management estimates.

# Market Overview – Digital Commerce

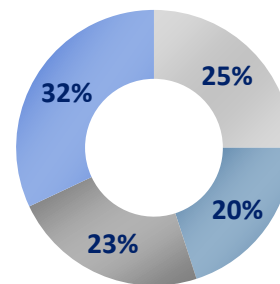
## Extendibility to Large e-Commerce Retail Markets - \$70 Billion

- The e-TXT solution can be easily applied to a wide range of commerce activities, extending from impulse based buying to more traditional retail transactions
  - By 2017, mobile payments for merchandise sales are expected to reach \$166 B and \$26 B respectively in the global and North American markets

## Potential Retail Configurations

- Publishing Verticals
  - Subscription purchase/renewals
- Home Shopping/Infomercials
- Event-Based Selling
  - Cinema/Sports/Entertainment events
- Agent Selling Programs
  - Use as payment page vs. Square or other devices

## Positive Adoption Trends



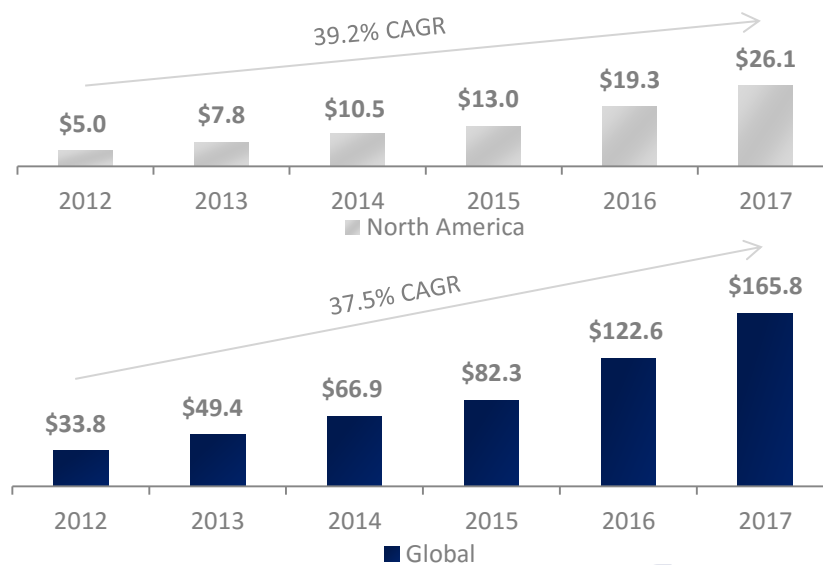
More than two-thirds of companies are at least considering mobile payments

Source: PYMNTS eBook

- Plan to deploy within next 12 months
- Considering but not definite time frame
- Already deployed
- Not deployed and no plans

\$ Billions

## Projected Mobile Payments for Merchandise



Source: PYMNTSeBook, Gartner Group, IEA Estimates and publicly available information.

# Op40 Operations

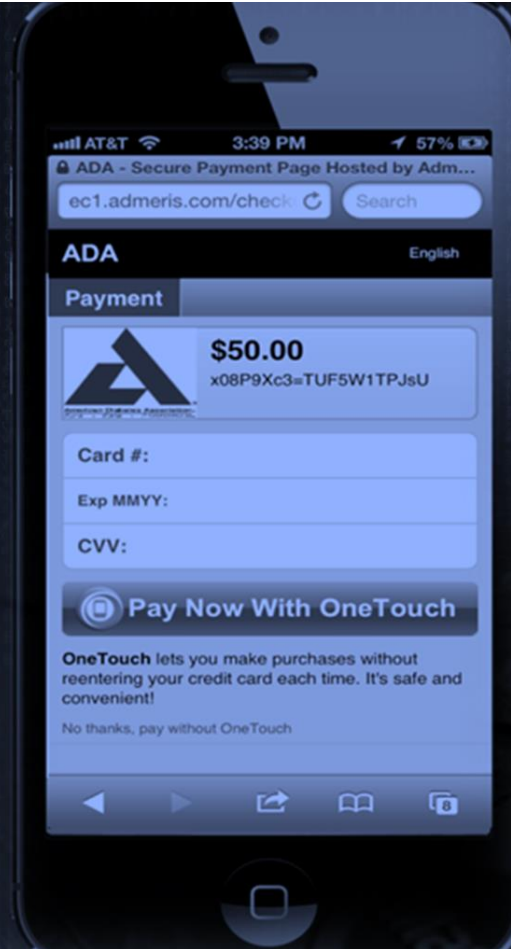
- GTSG has the Initial Licensing rights to the Op40 Technology for North and South America
- Op40 has developed a complete solution using Digital Internet Services (DIS) as its core technology
- DIS distributes and manages system applications, data, and content for large geographically dispersed enterprise systems
- DIS increases Internet speed, security, and reliability
- Op40 Holdings has 20 issued patents and is sponsored with IBM in Asia
- Op40 is currently being employed to integrate and upgrade the practices of independent bus line/terminal operations in China
- The Op40 system combines numerous independent and antiquated systems, that are not networked, into one integrated mobile system
- The Op40 system manages reservations, e-ticketing, customer interaction, in-transit Internet and more
- The area where Op40 is being employed has approximately 500 million bus trips per year (total bus trips in China are 35 billion)

# GTSG Opportunity With Op40

- GTSG has identified an opportunity in the United States with needs similar to what Op40 has addressed in China
- The U.S. opportunity is significant and requires revised systems in reservations, e-ticketing, customer interaction, in-transit Internet, and more
- GTSG has known relationships on this project and initial discussions have shown a high degree of interest
- Formal presentations are being scheduled for early Q1-2016
- We believe that, at a minimum, we will be pursuing licensing of the Op40 technology as the core system
- We see a number of other opportunities in transportation applications in both North and South America in air, bus and rail operations
- GTSG has the contacts and experience to capitalize on these opportunities
- Op40 also addresses needs in communications, satellite and other large enterprise information structures

**Op40 Represents A Significant Revenue Opportunity For GTSG To License Op40 And Manage Projects**

# Financials



# Investment Requirements Summary

## Licensing of Free Range Data Software and Other Licensing \$400,000

- GTSG has purchased the proprietary software developed by Free Range Data (“FRD”); Initially, a \$200,000 purchase price, 1% royalty and \$800,000 of GTSG stock with a \$400,000 buy-back
- Other Licensing is anticipated in the range of \$400,000

## Strategic Technology Support and Development; Market Development \$2,100,000

- Data Analytics / DRuM for customer data analysis
- Key Licenses rather than build, where practical
- Customer Portal, Customer Marketing Tools, Web Site, Equipment
- Patent Commercialization and Royalty

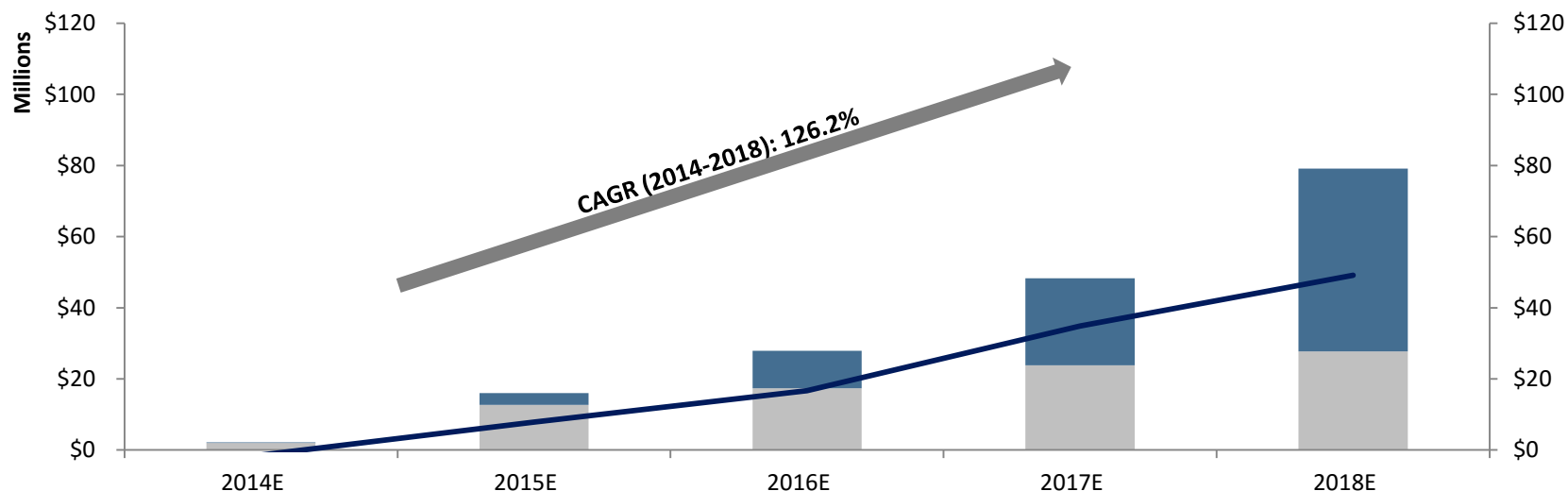
## Operating Capital, Prior Expenses and Deal Costs \$2,500,000

- GTSG will need to fund operating losses and support the build-out of its sales, operations, and technology resources (6 to 12 months to profitability)
- Staffing, systems, marketing, sales management are key expenses
- Accrued expenses will be settled and kept current for FY 2013 – 15
- Deal Costs for Funding

***GTSG seeks to raise \$5 Million to complete the above goals - complete Licensing and Operations to Profitability, Strategic Technology, Market Development, and continued growth expansion***

# Summary Proforma Financials

## Segment Revenue & Firm-wide EBITDA



(\$ Millions)

	2015A	2016E	2017E	2018E	2019E
Political and Non-Profit Processing	\$0.0	\$4.5	\$12.7	\$19.8	\$23.4
Digital Commerce Processing	0.0	1.1	6.2	11.0	14.0
Software Licensing & Support (w/o FRD)	0.0	.9	6.0	12.3	15.3
International Processing & Other	0.0	1.2	5.3	9.9	12.5
Op40 Operations	0.0	1.0	3.0	5.0	15.0
<b>Total Revenue*</b>	<b>\$0.00</b>	<b>\$8.7</b>	<b>\$33.2</b>	<b>\$58.0</b>	<b>\$80.3</b>
<i>Revenue Growth</i>	-			91.8%	46.2%
<b>Total Cost of Sales</b>	\$0.0	\$4.0	\$14.7	\$25.2	\$34.5
<b>Gross Profit</b>	\$0.0	\$4.7	\$18.5	\$32.8	\$45.8
<i>Gross Margin %</i>	-	47.7%	51.0%	52.0%	53.0%
<b>Total S, G, &amp; A Expenses</b>	\$0.6	\$4.6	\$8.8	\$12.4	\$15.2
<b>EBITDA</b>	<b>-\$0.6</b>	<b>\$0.1</b>	<b>\$9.7</b>	<b>\$20.4</b>	<b>\$30.6</b>
<i>EBITDA Margin %</i>		.7%	29.2%	35.2%	38.1%

# Summary of GTSG Investment Opportunity

**GTSG offers a unique investment opportunity with minimum risk and extremely high upside returns:**

- Initial product developed and in use
- GTSG vertical markets are massive
- No consumer behavior change required – just normal texting
- Proprietary technology with patent pending
- Business model is simple and achievable
- Major prospects currently in the sales pipeline
- High margins – Very low working capital – Capital expended to growth requirements
- Experienced Management team in all aspects of the business

**Downside** – What is the risk of losing your money? Offering Preferred Stock or Convertible Debt to secure your investment. First money out with conversion rights.

**Upside** – Rapid growth in large scale, high margin, SaaS business segments. Investors at this stage have high upside.

***This Is A Business That Can Be Worth Upwards Of \$300 Million In 4-5 Years  
(2019 EBITDA is \$30 Million – at 10X = \$300M - at 20X = \$600M)***



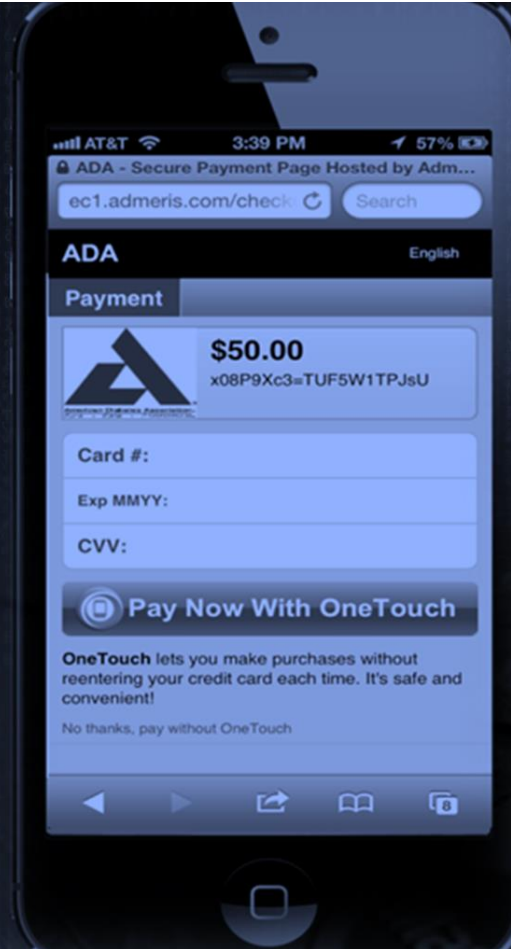
# Summary Investment Highlights

## Investment Highlights-Positioned for Growth



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# Executive Team



# Executive Team

*Our Executive Team is highly experienced with an average of over 30 years of experience in numerous industries:*

- We have been involved in six successful start-ups, with exit through subsequent sales, mergers, or IPO
- We have been involved in over 20 growth acquisitions/divestitures with successful integration of operations
- Both our CEO and CFO have significant Public Company and International world-wide experience
- We have Initial Public Offering and numerous types of financial funding experience
- We have been involved in raising Venture Capital and working in Venture Capital

*The Following Are Our Summary Biographies:*

# Executive Team

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## **Mike Wofford, Chairman & Chief Executive Officer**

- 35 year career executive with extensive domestic and international payment technology expertise
  - Industries include financial transactions (FDR, ACI, Planet); broadband/telecom billing (CSG/Keenan/ICMS)
  - Experience includes sales and implementation of large scale payment platforms for bankcards, e-commerce, and mobile commerce
  - Founded the Planet Group in 1996 and grew the Company to 250 employees, including 11 acquisitions
  - Founded GTSG in 2009 to develop and promote spontaneous mobile payments for commercial and non-profit enterprises
- 

## **Dennis Altbrandt, Chief Financial Officer**

- 40 year career in technology-driven growth companies. Extensive experience in private and public companies, including strategic planning, mergers and acquisitions, venture and bank financings, foreign operations, public company reporting and investor relations
  - Prior roles: Founder/CEO - USA Self Employed; Founder/COO - Real Image Digital; CEO - Voice it Worldwide; Founder/CEO - Sunward Technologies; Partner - Avalon Ventures; CFO - Material Sciences, Inc.; Group VP/GM - Intel Corp.; Group Controller - Fairchild Semiconductor; Manager – Price Waterhouse &Co.
  - Additional – CPA; Army Officer; BS – Syracuse; MBA - University of San Francisco
- 

## **Bill Coffey, Chief Sales Officer**

- 30 year career in international sales for large technology solutions
- Experience includes sales and marketing for Latin America with ACI and Planet Group
- Focus has been with large banks, national switches, large retailers and associations
- Has a vast experience in the industry, having sold Data Transaction Engine Solutions (Core360), EDD (Electronic Document Delivery), SEC (Secure Electronic Communications), and BPM (Workpoint, a Business Process Management tool) solutions

# Executive Team

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## **Michael Benson, Chief Technology Officer**

- 40 year career in software development, licensing and executive management; Extensive expertise in payment systems and business process management
  - Prior work experience: President/Board Member – Workpoint; V.P. Enterprise Automation, Insession Division, ACI Worldwide; Founder/CMO – Grapevine Systems, Inc.; Director – Financial Systems (BASE24), ACI Worldwide
- 

## **Jan Kneib, Chief Marketing Officer**

- Over 30 years of experience in telecommunications, both wireless and wireline services, with MCI and Sprint in both the business and customer markets
  - Sales and Marketing executive who grew market share in all segments; Ran large call centers with nation-wide scope
  - Involved in several start-ups in technology and healthcare
- 

## **Teresa Brookshire, Chief Legal Officer**

- Over 30 years of legal contract expertise (Berkshire Hathaway, ConAgra, The Nielsen Company, America First Companies n/k/a The Burlington Capital Group, and Planet Group)
- Manages every aspect of legal and corporate documentation, compliance, due diligence of acquisitions and standardization of procedures
- Prior to co-founding GTSG, Ms. Brookshire held the senior legal position at Planet Group Inc. from 2003 to 2009 and was responsible for drafting and maintaining corporate legal contracts and documentation and standardized processes and procedures

# Advisory/Board Team

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## **Steve Hutchinson, Board Member/Advisor**

- Private equity and venture capital investor for over 35 years, and been responsible for investments in approximately 50 companies
  - Former VP and Director at the Hillman Company, a large privately owned investment company, and was responsible for private equity and venture capital investments
  - Co-founded three new ventures over the past fifteen years: Op40 Holdings, an internet software company, Armstrong Mining, a \$400 million coal mining company, and GenPhar, a biotech company
- 

## **Gregory J. Duman, Advisor**

- Held positions of Controller, CFO, and Executive Vice President at TSA over 17 years
  - Chairman of Applied Communications' Board in 2001
  - Former CFO and EVP of Artios, Inc., a privately held provider or electronic transaction exchange between businesses
  - Former CFO of Transgenomics, Inc., a publicly traded bio-tech company from 2001-2003, and remained on Board of Directors until 2009
  - Founder and President of Prism Technologies LLC, a privately held patent licensing company since 2003
- 

## **Robert Ostronic, Board Member**

- Chief Financial Officer at Presto-X LLC from 2005 to 2012
- Former Chief Financial Officer at eOneGroup, LLC, a startup software development company with products to integrate web sites with backend systems
- Named to the Association for Financial Professionals Top 100 Professionals in 2008



**Global Transaction  
Services Group, Inc.**

*For Further Information and Supporting Data Contact:*

Michael Wofford, CEO – 402-250-8900

Dennis Altbrandt, Consulting CFO – 303-809-4242