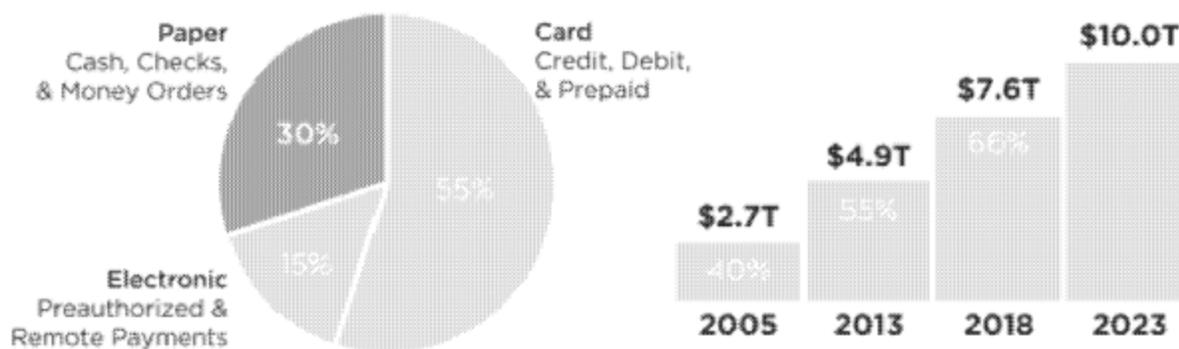


Table of Contents**30% of U.S. purchases are made with paper payments**

(Percentage of U.S. Consumer Purchase Volume, 2013)

Source:  
The Nilson Report**The transition to card payments is occurring rapidly**

(U.S. Card Payment Volume &amp; Percentage of Consumer Purchase Volume)

Source:  
The Nilson Report

The rapid growth of mobile devices and associated app stores has provided freedom and accessibility to sellers and buyers, who can now engage in commerce anywhere. An estimated 438 million mobile devices in the United States accessed the internet in 2013, and this is expected to grow to over 690 million devices in 2018.

***The Shift to Authenticated Payments Technologies Creates Opportunities for Disruption***

The shift to both EMV and contactless payments creates an opportunity for providers of more modern and lower cost POS solutions to displace legacy systems, as sellers upgrade to take advantage of increased security, lower financial loss, and an improved buyer experience.

U.S. credit card companies set October 1, 2015, as the date for the national adoption of EMV or chip cards. While this technology is not new globally, and in fact is widely used in most countries, the United States is currently in the process of migrating to EMV technology. Businesses that cannot process chip cards are now held financially responsible for certain fraudulent transactions previously covered by the cardholder's issuing bank, effectively shifting the liability to sellers. In order to mitigate this liability shift, sellers must upgrade their payment card terminals to EMV compliant hardware. According to the Congressional Research Service 2015 report, as of July 1, 2015, the EMV Migration Forum estimated that only 25% of retailers will be in compliance with the October 1, 2015, transition deadline.

Another developing technology shift is the growing popularity of contactless payments from mobile devices with biometric authentication standards, such as Apple Pay and Android Pay. Contactless payments are a faster, safer, and more convenient experience on both sides of the counter. Accepting contactless payments also requires new technology for most businesses.

Table of Contents***Businesses of All Sizes Need Innovative Solutions to Thrive***

As technology and the regulatory environment evolve, sellers of all types and sizes face a continuous need for new solutions. Historically, payments and POS services (across hardware and software), financial services, and marketing services have been limited or nonexistent for many businesses for the following reasons:

- *Lack of access.* Traditional payments solutions are often prohibitively expensive and difficult to use, and sellers are often denied service by traditional providers. We believe approximately 20 million sellers in the United States do not accept card payments today.