

# Digital River: Summary Transaction Overview at Entry

Overview	Transaction Structure
<b>Business Description</b> <ul style="list-style-type: none"> <li>Provides end-to-end outsourced eCommerce, payments and marketing solutions to companies across many regions and verticals</li> </ul>	
<b>Closing Date</b> <ul style="list-style-type: none"> <li>Acquisition: February 12, 2015</li> </ul>	
<b>Capital Structure at Entry</b> <ul style="list-style-type: none"> <li>Total Equity &amp; Debt: \$712mm               <ul style="list-style-type: none"> <li>Total Equity: \$377mm</li> <li>Total Debt: \$335mm</li> </ul> </li> </ul>	
<b>Co-Investors</b> <ul style="list-style-type: none"> <li>LPs co-invested \$234mm (62% of equity)</li> </ul>	
<b>Executive Partners</b> <ul style="list-style-type: none"> <li>Dan Moloney, Bob Aquilina, Rick Mace</li> </ul>	

Entry Valuation & Liquidity/Leverage	Entry Summary Financials (FY December 2014A)																
<b>Valuation</b> <ul style="list-style-type: none"> <li>TEV<sup>(1)</sup> / PF2014 Bond EBITDA: 6.6x</li> </ul>	<table border="1"> <thead> <tr> <th>\$ in millions</th> <th>Total<sup>(3)</sup></th> <th>Projected Cost Savings</th> <th>PF Total</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>\$372</td> <td></td> <td>\$372</td> </tr> <tr> <td>PF EBITDA<sup>(4)</sup></td> <td>\$49</td> <td>\$26<sup>(4)</sup></td> <td>\$75</td> </tr> <tr> <td>% Margin</td> <td>13%</td> <td></td> <td>20%</td> </tr> </tbody> </table>	\$ in millions	Total <sup>(3)</sup>	Projected Cost Savings	PF Total	Revenue	\$372		\$372	PF EBITDA <sup>(4)</sup>	\$49	\$26 <sup>(4)</sup>	\$75	% Margin	13%		20%
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<b>Liquidity/Leverage</b> <ul style="list-style-type: none"> <li>\$2 mm of minimum cash on balance sheet</li> <li>Net Debt<sup>(2)</sup> / PF2014 Bond EBITDA: 3.4x</li> </ul>																	

Note: Please see Appendix--Footnotes" and "Siris Disclaimer" and "Case Studies" for important information, additional considerations and definitions.

(1) The Call Option division reported negative EBITDA at the time of acquisition. No cash was left on the balance sheet to fund the Call Option division losses in this case as the company's negative working capital position was more than sufficient to fund the losses. TEV is divided by the legacy Bond division EBITDA to arrive at the purchase multiple. Total Enterprise Value ("TEV") = \$377.3mm total equity + \$335.0mm total debt - \$58.4mm of transaction expenses - \$1.8mm of minimum cash = \$652.0mm / \$98.8mm PF2014 Bond EBITDA = 6.6x.

(2) Net Debt = \$335.0mm total debt - \$1.8mm minimum cash = \$333.2mm net debt / \$98.8mm PF 2014 Bond EBITDA = 3.4x.

(3) Includes BlueHornet marketing business (\$19mm revenue) and LML payment gateway (\$24mm revenue). Both divisions were divested in 2015.

(4) Pro Forma EBITDA represents inclusion of Siris' projected cost savings (opex+capex) over initial two years, primarily attributable to Bond division, as if realized at entry. There can be no assurance such cost savings will be achieved.



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