

Payment Data Systems is a **next-generation integrated, custom payment solutions** provider for merchants, billers, banks, service bureaus and card issuers.

### Stock Information

NASDAQ: PYDS  
 Recent Price (11/15/16): \$1.74  
 Market Cap: \$22.6MM  
 52-Week Range: \$1.00 - \$3.80  
 Shares Outstanding: 12.0 MM  
 Insider Ownership: 61.8%

### Investment Highlights

- Leading provider of ACH and credit card payment processing in niche verticals
- Booming online and mobile payment space
- Sustainable competitive advantages by leading with technology and customized solutions
- First prepaid card integrated with Apple Pay
- Positive EBITDA YTD
- No debt
- Clean capital structure
- Blue chip customers

Payment Data Systems is a leading integrated payment solutions provider, offering a wide range of payment solutions to merchants, billers, banks, service bureaus, and card issuers. We operate credit, debit/prepaid and ACH payment processing platforms to deliver convenient, world-class payment solutions and service to our clients. Our strength lies in our ability to provide tailored solutions for card issuance, payment acceptance, and bill payments as well as in our unique technology in the prepaid sector. Payment Data is headquartered in San Antonio, Texas.



**Prepaid Card Processor & Program Manager**



**Payment Processing Credit, Debit and ACH**



**Social Payment Provider & Prepaid Card Program Manager**

Transactions Processed per Year:

**35% CAGR**  
2011 - 2015

Dollars Processed per Year:

**101% CAGR**  
2011 - 2015



## Competitive Advantages

- Substantial management expertise with over 80 years of combined experience in the payments sector
- Long-standing bank relationships including Fifth-Third Bank, Sunrise and Wells Fargo
- Ability to offer customers speed and mobility, anytime, anywhere, through prepaid card offerings, which are becoming increasingly virtual
- Customized solutions and high service level that builds customer loyalty

## Strategies for Long-term Value Creation

### Organic Growth:

- Continue to expand payment processing business through resellers and integrators
- Increase prepaid product sales by leveraging the powerful Akimbo tools and user interface

### Growth through Acquisition:

- Evaluate strategic acquisitions that enhance or bring additional products and services to current model, with the goals of increasing customer satisfaction, generating additional opportunities to cross-sell, and creating opportunities to engage new clients
- Evaluate portfolio acquisitions at immediately accretive multiples

### \$ in millions, except per share

Income Statement Highlights	9/30/16	12/31/15	12/31/14
Revenue	\$9.2	\$14.4	\$13.4
Net income (loss)	(1.0)	1.1	3.8
Earnings (loss) per share, diluted	(0.12)	0.08	0.41
Adjusted EBITDA <sup>1</sup>	0.4	2.9	2.6
Balance Sheet Highlights	9/30/16	12/31/15	12/31/14
Cash on hand	\$4.3	\$4.1	\$2.8
Debt	-	-	-

<sup>1</sup>See Third Quarter 2016 results release for reconciliation of Adjusted EBITDA to GAAP Operating Income

#### Forward looking statements disclosure

Except for historical information, the matters discussed herein include certain forward-looking statements, which are intended to be covered by safe harbors. Those statements include, but may not be limited to, all statements regarding our management's intent, belief and expectations, such as statements concerning our future and our operating and growth strategy. Investors are cautioned that all forward-looking statements involve risks and uncertainties including, without limitation, the factors detailed from time to time in our filings with the Securities and Exchange Commission. One or more of these factors have affected, and in the future could affect our businesses and financial results in the future and could cause actual results to differ materially from plans and projections. We believe that the assumptions underlying the forward-looking statements included herein will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by us or any other person that our objectives and plans will be achieved. All forward-looking statements made herein are based on information presently available to our management. We assume no obligation to update any forward-looking statements, except as required by law.