



SoPayMe, Inc.
1650 West 82nd Street
Suite 700
Minneapolis, MN 55431

Randolph Pentel - Founder, Chairman, CEO
randy@sopayme.com
612-910-6868

Overview:

- SoPayMe is a FinTech company seeking capital to develop and deploy its proprietary platform and integrated solutions for payments, shopping, retailing, advertising and banking. Unlike many FinTech startups, we have 4 decades of financial services industry experience and understand the legal, compliance and regulatory aspects of this business. With 3 decades of retail industry experience across all distribution channels, we also understand the needs of suppliers, merchants and consumers.

The Problems:

- Incremental innovation and lack of cross-industry collaboration have created a disorderly, muddled payments solutions marketplace.
- Nearly all payments solution providers use third party processors, subjecting themselves to added expense and reliance on others to process their transactions in a timely manner and maintain the security of their data.
- All competitors have failed to unify solutions for payments, shopping, retailing, advertising and banking.

The Solution: An End-to-End Shopping, Advertising and Payments Application Platform

- The back end of the SoPayMe platform is built upon an in-house, proprietary “real-time” payments processing platform that securely processes transfers of collected funds in real-time, even on an interbank basis.
- The front end of the platform is a mobile wallet and optional smart card utilizing tokenization, encryption and multi-factor authentication security features so secure payments can be made anywhere, on any POS and on any device.
- The SoPayMe platform provides the foundation for unifying SoPayMe’s comprehensive solutions for payments, shopping, retailing, advertising and banking.

Features and Benefits of SoPayMe’s Platform and Applications:

Payments

- Back-end processing is secure, real-time and conducted on an in-house, isolated platform.
- Front-end processing is tokenized using multi-factor authentication.
- Transactions are interoperable with all POS, banks and payment methods.
- Transactions \$10 and above cost a flat ten cents; transactions under \$10 are FREE.

Shopping

- Shopping is made easier, shoppers save time and money, and the shopping experience is improved.
- Shoppers can route their trips, quickly find and scan items, view a running basket total and conduct self-checkout.
- The banking application provides notifications and auto-transfers to avoid overdraft/insufficient funds at checkout.

- Ads, specials and coupons are delivered based on shopper preferences.
- Shopper financial data is secure and is never shared with retailers.

Retailing

- Shopper transactions are paid instantly, with retailers immediately receiving collected funds.
- Checkouts are faster; digital coupon settlement is instantaneous.
- Costly data breaches are eliminated, reducing retailer exposure and insurance costs.
- Retailers' benefits include meaningful increases in customer loyalty, basket spend and net earnings.
- Retailers enjoy significantly reduced transaction fees; on average SoPayMe's processing fees are at least 50% less than other processors.

Advertising

- Beacon-free locationing means ads are deliverable to all retailers.
- Shopper decision-making and return on ad spend is accurate and transparent.
- Actionable intelligence is provided to advertisers as shopper data and ad campaign metrics can be delivered in real-time.
- Ads are shopper-specific, utilizing predictive analytics.

Banking

- Account holders can make mobile deposits, account transfers, check balances, etc.
- Automated cash-back deals with merchant partners foster bank customer loyalty and goodwill.
- Notifications for low balances, settlements, etc., can be set up and managed.
- Cardless ATM withdrawals, deposits and balance checks are possible.

Behind the Curtain: Industry Innovators Creating Industry-Standard Products

1968: Randy Pentel's father, Irwin Pentel, leaves the grocery industry and invents the first portable POS MICR reader for checks.

1971: ChexSystems, the industry standard in verification services, is founded by Irwin. Two of his sons, Dan and Randy, join the family business.

1984: ChexSystems grows quickly, providing data from 9,000+ financial institutions at 100,000+ locations, and is acquired by Deluxe. Today, ChexSystems is owned by FIS, one of the current leaders dedicated to banking and payments technologies. ChexSystems remains the industry standard in verification services.

1987: Randy Pentel and his brother form Notification Systems, Inc., marketing their Electronic Advance Return Notification System (EARNNS). Today, nearly every major bank uses EARNNS, the industry standard in return notifications.

2012: Randy Pentel, now an accomplished veteran of the financial services industry, founds SoPayMe after recognizing the need for a secure, cost-effective and real-time payments processing.

2015: SoPayMe expands its real-time payments processing business model to include shopping, retailing, advertising, banking and data solutions.

Payments Market (Global):

Global Transactions Revenue reached \$425 billion in 2013.¹ Global Payments Revenue exceeded \$1 trillion in 2013 and is projected to exceed \$2.1 trillion in 2023.² SoPayMe is projecting Net Cash Flow to reach \$715 million in Year 5 of the Pro Forma.

¹ https://www.bcgperspectives.com/Images/Global_Payments_2014_Next_Level_Value_Sep_2014_tcm80-171913.pdf
("Global Payments 2014", Boston Consulting Group)

² Ibid

Market Strategy:

To quickly build its customer base and transaction revenues, SoPayMe will initially target U.S. retail merchants as they are subject to excessive transaction fees, incur massive costs due to hacker attacks and have very large existing payment transactions volume. As SoPayMe enters into the P2P transactions business segment, we will seek to form strategic relationships with in-vogue chat messaging companies.

SoPayMe will provide U.S. retailers a secure, low-cost payments solution that eliminates the disclosure of consumer financial data, thereby reducing the attractiveness of merchants as fruitful targets for hackers. The tie-in with consumer package goods manufacturers (CPG's) solves merchants' coupon settlement problems, and the banking application speeds up checkout. Most importantly, by adding infrastructure-free locationing capabilities to its platform, SoPayMe is able to offer merchants and CPG's beneficial shopping and advertising solutions. The end result is a unified shopping, advertising and payments platform, a comprehensive solution that provides benefits to the merchant and its suppliers and customers.

U.S. merchant targets include big-box, convenience, pharmacy, fuel, grocery, dining and other retail and retail service companies. To illustrate the potential payments' transaction volume, consider Walmart[®] has over 11,000 stores where 260 million customers shop ever week.³ Even relatively small supermarket chains have significant transaction volume. ShopRite[®], with only 250 supermarkets, has over 238 million annual customer transactions.⁴

Financial Highlights (Payments and Ad Model)⁵:

The Financial Highlights table illustrates the financial goals of the Company during the next five years.

 SoPayMe Real Money. Real Time. [™]		FINANCIAL HIGHLIGHTS				
		Year 1	Year 2	Year 3	Year 4	Year 5
FINANCIAL HIGHLIGHTS	Total Revenue (Adjusted)	\$387,000	\$25,013,938	\$133,830,825	\$622,269,125	\$2,346,128,600
	Total Direct Cost of Revenue	\$90,300	\$14,558,112	\$77,889,540	\$362,160,631	\$1,365,446,845
	Gross Margin	\$296,700	\$10,455,826	\$55,941,285	\$260,108,494	\$980,681,755
	Total Op. Expenses	\$2,890,600	\$5,090,934	\$11,331,946	\$26,607,701	\$45,918,384
	Profit Before Int. & Tax	(\$2,593,900)	\$5,364,892	\$44,609,339	\$233,500,793	\$934,763,370
	Taxes Incurred	\$0	\$0	\$15,613,269	\$81,725,278	\$327,167,180
	Net Profit	(\$2,593,900)	\$4,828,403	\$26,096,463	\$136,597,964	\$546,836,572
	EBITDA	(\$2,440,050)	\$5,526,392	\$44,775,339	\$233,672,193	\$934,937,770
	Gross Margin/Revenue	76.7%	41.8%	41.8%	41.8%	41.8%
	EBITDA/Revenue	-630.5%	22.1%	33.5%	37.6%	39.9%
	Net Profit/Revenue	-670.3%	19.3%	19.5%	22.0%	23.3%
	Total Debt/Total Assets	10.2%	25.2%	32.1%	28.7%	24.8%
	Revenue/Employee	\$55,286	\$1,389,663	\$5,353,233	\$18,302,033	\$60,157,144
	Net Cash Flow	(\$2,064,742)	\$7,370,600	\$39,692,833	\$189,394,036	\$715,418,797
	Cash Balance - Ending	\$3,263,758	\$10,634,358	\$50,327,191	\$239,721,227	\$955,140,024

Fundraising:

The Company has opened a \$9M Series A financing round to accredited investors.

³ http://stock.walmart.com/files/doc_financials/2015/annual/2015-annual-report.pdf ("Walmart 2015 Annual Report", Wal-Mart Stores, Inc.)

⁴ <http://wakefern.shoprite.com/retail/shoprite/> ("ShopRite Facts", Wakefern Food Corp.)

⁵ Total Revenue does not include Data Revenue or Third-Party Processing Fee Revenue