



Digital banking | Toronto, ON | Founded: 2014 | Employees: 50 | <https://www.payfare.com/>

PHONE: 1 800-719-2685

BLOOMBERG: <https://www.bloomberg.com/research/stocks/private/snapshot.asp?privcapid=402482593>

LINKEDIN: <https://www.linkedin.com/company/payfare/>

COMPANY OVERVIEW

Payfare Inc. is a financial technology company that provides mobile banking and micro-lending solutions for rideshare drivers in North America. The company develops a mobile application that allows users to access their account and see their deposits, balance, transactions, and more. It provides a MasterCard that allow users to pay bills or send money via Interac e-Transfer. Payfare has divisions in the United States, United Kingdom, and Mexico.

SENIOR MANAGEMENT

Keith McKenzie: Co-Founder and Director (Oct 2014-Present). Previously: CEO, SelectCore Ltd. (2006-2015); President, Local Fone Service (1998-2006).

Ryan Deslippe: Co-Founder (Oct 2014). Previously: Co-Founder, Prepaid Telecom & Payments Co. (1999-2015).

Chris Seip: Chairman and CEO (May 2018-Present). Previously: Global COO, RBC (2013-2016); Managing Director, RBC (1999-2013); Branch Manager, TD Bank Group (1992-1997). Education: Bachelor of Arts, Economics (1992), Western University; MBA, Finance (1999), McGill University.

John Power: COO (Jan 2018-Present). Previously: CEO, Longview Solutions (2008-2017); Vice President, Business Development & Sales, Longview Solutions (2005-207); Vice President, Client Services (1996-2004); Director, Strategic Technology Planning, Southam Inc. (1994-1996); Senior Manager, Accenture (1986-1994). Education: Bachelor of Commerce and Finance (1986), University of Toronto.

Brian Miller: CIO (Apr 2018-Present). Previously: Chief Technology Officer, Berkeley Payment Solutions (2015-2018); Chief Technology and Privacy Officer, Securefact Transaction Services Inc. (2014-2015); CIO, Points International (2006-2009); Product Management, Algorithmics Inc. (1996-2000); Software Development, IBM (1984-1996). Education: BSc., Honours Computer Science, University of British Columbia; MBA, Ivey Business School.

HISTORY

Co-Founders Keith McKenzie and Ryan Deslippe were industry pioneers as co-founders of one of Canada's leading prepaid financial services companies in 1999, SelectCore Ltd.¹, a seller of prepaid phone cards. Selectore was awarded a multi-year government contract with the City of Toronto in 2012². The business has shifted its focus and is now known as Fintech Select³. McKenzie and Deslippe partnered once again to launch Payfare in 2014.

FUNDING

Payfare received a \$50,000 initial investment from Gunpowder Capital Corp. on September 22, 2016. On July 27, 2018, Payfare closed an offering of 7,850,878 Subscription Receipts for approximately \$5.10 million⁴. Approximately \$2.01 million of the Subscription Receipts was sold in the Brokered Offering with a syndicate led by Mackie Research Capital Corp. and including Haywood Securities Inc. and Canaccord Genuity Corp.

KEY CORPORATE DEVELOPMENTS

September 22, 2016: <https://ceo.ca/@newsfile/gunpowder-capital-corp-engaged-by-payfare-inc>

¹ <https://www.pressreader.com/canada/stockwatch-daily/20171122/282200831224660>

² <https://www.newswire.ca/news-releases/selectcore-awarded-multi-year-government-contract-with-the-city-of-toronto-510488741.html>

³ <http://www.fintechselect.com/>

⁴ <https://www.nasdaq.com/press-release/hope-well-enters-into-definitive-agreement-with-payfare-inc-and-payfare-closes-51-million-20180802-01765>

January 30, 2018: <https://markets.businessinsider.com/news/stocks/i2c-partners-with-payfare-to-deliver-payment-solutions-for-on-demand-drivers-and-truckers-1014560016>

July 27, 2018: https://web.tmxmoney.com/article.php?newsid=7743385874707875&qm_symbol=HOPE.P:APH

BUSINESS HIGHLIGHTS

STRATEGY

Payfare operates under two lines of business⁵:

- 1) Mobile Banking** – Payfare enables transportation and ridesharing companies to pay drivers by loading their salaries on a prepaid Mastercard. Earnings are automatically deposited to Payfare Mastercards every day, and earnings can be cashed anytime with access to their account 24/7 online or in-app via their iOS or Android device.
- 2) Micro-Lending** – With a Payfare Mastercard, Driver Partners can shop in-store or online anywhere Mastercard is accepted. They can also withdraw cash from ATM's, send money, pay bills & more.

SERVICES / PRICING

- **Immediate Earnings:** Payfare allows end-users to receive their earnings immediately deposited into their account. There is a \$0.50 earnings load fee each time to the Payfare Mastercard if earnings exceed \$20.
- **ATM Cash Withdrawals:** Payfare allows Driver Partners to perform ATM cash withdrawals. A \$2.50 ATM owner surcharge may apply, but Driver Partners will have access to thousands of surcharge-free ATMs.
- **Online Money Transfers:** Like any other digital banking platform, Driver Partners can send Interac e-Transfers to anyone with a bank account in Canada for a fee of \$1.50 per transaction.
- **Foreign Exchange Transactions:** Transactions completed in a foreign currency with the Payfare Mastercard will face a 2.5% foreign exchange fee.

TECHNOLOGY

Payfare partnered with i2c, using the Agile Processing payments platform to serve their global prepaid solutions⁶. This payment platform enables transportation and ridesharing companies to pay drivers by loading their salaries on a prepaid Mastercard. Through the mobile app, Payfare users experience ease with on-demand banking.

DISTRIBUTION / LOGISTICS

Payfare serves drivers of transportation and ridesharing companies in 12 countries globally, including Canada and the United States. Drivers are accessed through partnerships with transportation and ridesharing companies on a mobile banking application that works on iPhone (iOS) and Android smartphones.

MARKETING

Payfare has collaborated with XTM Inc., a Toronto-based marketing for all Payfare Social marketing⁷. XTM was integral for the design of the Payfare app and technological build of the website and payment portals.

COMPETITORS

While Payfare is the first platform that enables companies to load salaries on a prepaid Mastercard, Payfare faces competition in the instant earnings mobile banking space:

- 1) INSTANT Financial** – (Toronto, ON) Instant gives verified employees daily access to their earned wages and/or tips. Employers, however, must offer Instant as a pay disbursement option.
- 2) DailyPay** – (New York, NY) DailyPay partners with companies to offer employees the ability to control when they get paid. This empowers financial wellness, but also acts as a tool to recruit, retain, and engage the workforce.

⁵ <https://uber-developers.news/uber-and-payfare-partner-to-pay-driver-partners-right-away-eec7a1f5335c>

⁶ https://www.bizjournals.com/losangeles/prnewswire/press_releases/California/2018/01/30/SF00815

⁷ <https://xtminc.com/payfare-case-study/>