

CONFIDENTIAL

November 2, 2020

TARGET POS

Dear Shareholders:

On behalf of x fund L.P. and related entities we are pleased to submit this Letter of Intent LOI for a control investment in TARGET POS.

X Investors Value-Add

X has a strong track record of partnering with founders and is typically the first institutional investor in each of its businesses. Founded in 2007, X Investors is a leader among middle market private equity investment firms, with offices in both Austin, TX and Oakland, CA. Our principals have invested over \$6 billion of equity capital and we currently manage 5 portfolio companies, with significant dry powder from our fund and our existing Limited Partner base.

X specializes in investments in entrepreneurially-led companies. Our investment team has direct operating and investment experience in the financial services industry, and we have helped a number of businesses expand their market share and accelerate organic growth and growth through M&A included 1) a regional bank that is one of the best growth stories in the middle market banking sector, 2) a digital supply chain finance marketplace that provides flexible working capital to small and medium sized businesses, 3) a litigation finance business that enables personal injury victims to receive patient care, and 4) a leading title insurance underwriter. Our value-add will focus on the following areas:

1. **Support the continued growth of TARGET as an innovator in the Blockchain Payments Space:** X will support the existing management team to establish TARGET as one of the leaders by transaction volume in the fledgling Blockchain Payment Space. X has deep experience in the financial services and digital finance industries, including an investment in IFG (The Interface Financial Group) a Digital Supply Chain Finance and Digital Invoice Finance Marketplace. We will look to identify value-add advisors and board members to the Company with blockchain or payments expertise.
2. **Accelerate organic growth and growth through M&A:** We will work closely with the Company to develop a long-term business plan to evaluate and improve marketing initiatives to grow organically, acquire portfolios, and identify and execute on additional investments to drive capabilities and offerings. We believe TARGET can serve as a strong platform company for acquisitions and X is highly supportive of future portfolio additions and activities that enhance complementarity and growth. We will help the company secure additional debt capital for future acquisitions and explore other strategic initiatives to create shareholder value
3. **Portfolio and board keiretsu:** X works very closely with its portfolio companies, and if there are ways for any of these companies to work together, or if there are contacts that one company has that can benefit another, we will help facilitate that. In addition, there are opportunities to leverage expertise and find additional synergies. We encourage management to potentially serve in advisory or Board roles for other X investments
4. **Position the company for an exit or public listing to maximize value for all shareholders:** X will work with management to position the Company for a successful near-term up-listing to NASDAQ and/or an exit to a strategic long-term.

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Proposal

Set forth below are the preliminary principal non-binding terms and conditions under which X Investors LLC, its affiliates, or any of its designees proposes to invest in the Company he T a ac i .

1.	Target	TARGET
2.	Investor	
3.	Structure	<p>Subject to diligence and subject to the sole discretion of the Investor, the Transaction will be structured as a purchase of a working interest in TARGET through participating preferred shares. Categories requiring further diligence include:</p> <ul style="list-style-type: none">- Governance and incentive plans- Institutional public equity investor view on investing in a holding company- Anticipated public market valuation of equity- Company valuation of investment in working interest- Ownership of Company shareholders in working interest- Exit alternatives - Legal exposure <p>In parallel, X shall contemplate a going private transaction to facilitate the investment in the Company.</p> <p>To the extent possible, both Investor and Target agree to structure the Transaction in a tax-efficient manner.</p>
4.	Security	<ul style="list-style-type: none">- participating preferred shares, convertible into common shares of the Company. Upon a liquidity event (to be defined in the definitive agreements), the holders of the preferred shares will be entitled to receive the original purchase price of the preferred shares, which amount shall increase by 12% (compounded annually) per year (pro-rated based on a 360-day year) plus any authorized but unpaid distributions (liquidation preference) plus participation based on a conversion of preferred shares into common shares immediately prior to the liquidity event.
5.	Valuation	<p>Based on our limited diligence and discussions to date, including projections contained in the September 2020 rolling budget, our pre-money equity valuation as a PIPE is \$30.0 million and assumes ~\$4.7 million of EBITDA for full-year 2020. Further diligence shall need to be conducted in order to determine enterprise value.</p> <p>The purchase price assumes ordinary course levels of working capital (to be determined upon further diligence) and the assumption of only liabilities related to the ongoing operations of the business.</p>

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6.	Sources & Uses	Sources and Uses			
		Sources		Uses	
		<hr/>		<hr/>	
		X preferred equity investment	\$42,000,000	Cash reserve, staff, LOC costs, R&D	\$18,000,000
		Equity rollover (common)	\$27,000,000	Pay down negative working capital & debt	\$11,000,000
		Debt financing for portfolio purchase	\$20,000,000	Buy out shares from existing management	\$3,000,000
				Portfolio purchase	\$30,000,000
				Equity rollover	\$27,000,000
		<hr/>		<hr/>	
		Total Sources	\$89,000,000	Total Uses	\$89,000,000
Note that debt financing shall be pursued in parallel with diligence of TARGET and diligence of potential acquisitions. Subject to X and lender approval, portfolios may be purchased in advance, in escrow, simultaneous with, or-the Company.					

		In addition, X may invest an additional amount of cash onto the balance sheet to enable the Company to retire its most recent round of ~\$3.5 million of bridge financing, in order to minimize dilution from the bridge financing round.																		
7.	Capitalization Table	<p>Proforma for the investment, the ownership of the working interest shall be split between X and the existing public company shareholders of TARGET.</p> <table> <tr> <th colspan="3">Cap Table</th></tr> <tr> <th colspan="3">(in '000 except for share prices)</th></tr> <tr> <th></th><th>Shares*</th><th>% Total</th></tr> <tr> <td>X preferred equity</td><td>42,000</td><td>60.9%</td></tr> <tr> <td>TARGET equity rollover (comm</td><td>27,000</td><td>39.1%</td></tr> <tr> <td>Total</td><td>69,000</td><td>100.0%</td></tr> </table> <p>For illustrative purposes, assumes all shares @ \$1.00</p>	Cap Table			(in '000 except for share prices)				Shares*	% Total	X preferred equity	42,000	60.9%	TARGET equity rollover (comm	27,000	39.1%	Total	69,000	100.0%
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8.	Compensation Aligned with Growth	- TARGET management shall be eligible for an earn-out in the form of options and in an amount subject to agreement during the next stage of diligence.																		

9.	Diligence	<p>X shall commence preliminary diligence upon execution of this term sheet. Preliminary diligence shall include review of detailed business plan, review of detailed analyses performed on any potential portfolio purchases including detailed 3rd party analyses, and preliminary review of historical financial statements.</p> <p>X shall commence more comprehensive operational diligence - upon the Company generating \$30 million of processing volume during a calendar month, subject to generating a minimum of \$400 thousand of EBITDA during that calendar month.</p> <p>X shall commence confirmatory and structure diligence upon the Company generating EBITDA of ~\$2.0 million over the prior four-month period -. As a point of reference, TARGET is currently projected to generate ~\$2.0 million of EBITDA for the period of July through October 2020.</p> <p>The diligence process shall include:</p> <ul style="list-style-type: none"> a. Operations: industries served (subject to ESG review), engineering team, marketing needs, staffing needs / infrastructure, quality of earnings, financing to-date (including PPP loan) and a better understanding of the ordinary course of working capital necessary for the operations of the business b. Organic growth: customer review, business development, regional opportunities (US, Canada, Europe including Wirecard), blockchain roll-out and long-term plan, R&D roadmap c. M&A: portfolio reviews, other acquisition opportunities d. Structure: assessment of up-listing and going private alternatives
10.	Supplemental Management Options Aligned with Growth	<p>- New management and board members shall be eligible for up to 15% of Company's fully diluted common shares. The strike price for the options shall be set based on the post-money valuation of the Company. The vesting period (typically 4 years) and terms shall be time and performance-based and determined during the confirmatory diligence period. X will seek guidance from TARGET's senior management to properly allocate these management options between existing and incoming management.</p>

		MOIC*	Vested Management Options
		Less than 3.0x	9.0%
		3.0x or greater, less than 4.0x	12.0%
		4.0x or greater	15.0%
		* Subject to minimum IRR of 10%	

11.	Employees and Current Target Shareholders	<p>All key TARGET management team members will continue to fill their current role at the Company. Current key employees will be required to execute employment contracts that include severance, nondisclosure, non-compete and non-solicit provisions upon the closing.</p> <p>Investor will require Target to execute non-compete and non-solicitation agreements commencing at the -two years thereafter, subject to a minimum of two total years.</p> <p>Upon consummation of the Transaction X will appoint 3 members out of 5 on the TARGET board with the existing shareholders and CEO occupying the remaining 2 seats. X shall also have the ability to add two more directors over time, potentially in the categories of blockchain, fintech, or marketing.</p>
12.	Representations and Warranties	<p>The definitive agreement will contain customary representations, warranties, indemnities and terms and conditions typical of transactions of the Transaction type among X, Target - Company, including, without limitation, ownership of assets, financial statements, validity of intellectual property and non-infringement, no undisclosed liabilities, and no non-ordinary course litigation. The indemnification liability of the Target -dame al representations, which would typically include title, taxes, enforceability, ERISA, fraud, and other customary exceptions) will expire after 24 months, except for the fundamental representations, which will expire in accordance with their applicable statutory periods.</p> <p><u>Cap</u></p> <p>All claims for indemnification for breach of representations and warranties will be subject to a cap equal to 15% of the capital invested by Investor- for breaches of fundamental representations and covenants, the liability for which will be capped at the amount invested by Investor. Indemnification due to fraud shall not be subject to the foregoing limitations.</p> <p><u>Basket</u></p> <p>No claim for indemnification for breaches of representations and warranties (other than representations and warranties relating to tax matters) may be made by an indemnified party until the aggregate amount of losses incurred by such party in respect of all such indemnifiable claims exceeds 0.50% of the Purchase Price. Once the Basket is surpassed, the Investor shall be entitled to indemnification for all such losses from the first dollar of losses. Indemnification due to fraud shall not be subject to the foregoing limitations.</p> <p><u>Determination of Breach</u></p> <p>Investor and Target will negotiate qualifications included in the representations and warranties relating to -</p>
13.	Covenants	<p>The parties will agree to customary Target covenants, including, among others, covenants (i) conducting business in the ordinary course consistent with past practice (including certain specified restrictions) during the interim period between signing and closing (ii) maintaining confidentiality, limiting access to</p>
		<p>information and the taking of certain actions required to satisfy closing conditions, and (iii) using commercially reasonable efforts to complete the Transaction.</p>

14.	Confidentiality	Investor and Target mutually agree that all information and/or documents reviewed by the recipient or provided to the recipient belong to the discloser of such information and are to be treated as highly confidential. The parties agree that they shall at all times do everything necessary to safeguard this confidentiality and shall not divulge the confidential information to any third party (other than those specified and permitted under the terms of the agreement) in any manner whatsoever, be it directly or indirectly, in the event that a transaction is not concluded. Neither TARGET nor its management team, nor any other employees or representatives who are already aware of discussions with X, shall disclose this term sheet and/or any discussions with X to any other shareholders, employees, or regulatory bodies without the prior written notification to X and without the written consent of X.
15.	Publicity	Neither Investor nor Target shall make, and will cause their respective representatives or shareholders not to make, any public disclosure of or statement concerning the Transaction or this letter of intent without prior consultation with, and the written consent of the Company (in the case of a potential disclosure by Investor or any of its representatives) or X (in the case of a potential disclosure by the Company or any of its representatives or shareholders), except where such disclosure is required by applicable law or litigation or arbitration process.
16.	Governing Law	This term sheet and definitive Agreement will be governed by and construed under the laws of the State of Delaware without regard to conflict of laws principles.
17.	Termination	<p>This letter of intent may be terminated only as follows:</p> <ul style="list-style-type: none"> a) at any time, by mutual written agreement of X and TARGET; b) at any time, by X advising TARGET in writing that X is terminating all negotiations regarding a Transaction; c) at any time after the termination of the Exclusivity Period, by written notice delivered by either X or TARGET to the other parties hereto if the parties hereto shall not have entered into a definitive agreement.
18.	Closing Conditions	<p>Any obligation on the part of either party to complete the Transaction is subject to the following conditions:</p> <ul style="list-style-type: none"> 1. Completion of the definitive agreement; 2. Satisfactory completion of accounting, tax, legal, structural, environmental, and business due diligence by X, including discussions with FISV and discussions with Visa or any potential material business development partner of the Company; 3. The Company successfully listing on the NASDAQ as of January 31, 2021, or a date to be agreed upon during the next stage of diligence; 4. Approval by TARGET shareholders as necessary as a public company; 5. Compliance of the Transaction hereby with all laws and regulations applicable thereto, including obtaining all necessary governmental and third-party approvals and consents.
19.	Exclusivity	Target will agree to enter into exclusivity upon execution of this term sheet AND board approval by TARGET. For a period of the longer of 90 days upon board approval and upon commencement of Business Diligence, or 60 days upon commencement of Confirmatory Diligence, Target shall not permit any of its directors, officers, members, employees, financial advisors, accountants, representatives, agents, or counsel (collectively 'Representatives') to either directly or indirectly solicit, encourage, respond to, or discuss any

		<p>proposal for a transaction that would conflict with or impede the Transaction in any material respect, or provide any non-public information to any third party in connection with such a proposal, and Target will immediately inform X of any such proposal that it or any Representative may receive as well as the terms of any such proposal. Target further agrees that the Exclusivity Period shall be automatically extended by 30 days once the Investor provides a draft of the stock purchase agreement to the Target. In addition, upon execution of this agreement, Target and its Representatives shall not actively pursue other negotiations or discussions with respect to an acquisition, business combination, debt or equity financing or a purchase of all or any portion of the stock or assets of TARGET, with the exception of financings (Bridge financing of up to \$5 million in total working capital deemed reasonable by the Company to execute in concordance with Fine FISV), pay off existing debt obligations, and release Gen3 of its product. X, at its sole discretion, may consider allowing investors in the Bridge to co-invest and participate alongside X. If an economic arrangement is formed between X and a Bridge investor for this Transaction, Target shareholders shall share in the economics in an amount to be agreed to between X and Target shareholders. From the execution of this term sheet, Target agrees to work in good faith with the Investor on all aspects of its due diligence review and negotiation of the definitive agreement. If the Investor and Target are negotiating the definitive agreement in good faith, the Exclusivity Period shall be extended until the definitive Agreement has been executed. Upon commencement of Confirmatory Diligence, Investor shall work in good faith with Target to close within 45 days of such date.</p>
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20.	Non-Binding Agreement	The materials set forth in this term sheet are for informational purposes only and do not constitute a binding agreement among the parties with respect to the Transaction (or any other proposed transaction) or otherwise impose any obligations on the parties. Any such obligation shall only arise upon execution and delivery by the parties of a definitive agreement with respect to the Transaction, and only to the extent provided therein. No party may bring any claim or action against any other party as a result of a failure to agree on or enter into a definitive agreement as contemplated hereby. Without limiting the foregoing, the provisions of this term sheet are subject to completion of due diligence. Except with respect to Paragraphs 18 & 19, which are intended to be binding between the parties, this term sheet is a non-binding overview of the anticipated terms and does not create legally binding obligations between the parties..
21.	Counterparts	This term sheet may be executed in one or more counterparts which may be delivered by facsimile transmission, each of which will be deemed to be an original and all of which, taken together, will constitute one and the same agreement. The term 'including' shall have the inclusive meaning of 'including without limitation' within this letter.

Process

Prior to closing a transaction, it is our intent to work with management to refine the go-forward business plan. We would like to evaluate growth initiatives including the evaluation of new end markets, expansion into new geographies, and potential M&A opportunities. We have relationships with executives and industry experts in the financial services, cryptocurrency and payments industries and will work with management to review board composition and identify areas of need. We would also like to discuss other potential strategic initiatives in order to further differentiate TARGET from competitors in the industry.

We at X are dedicated to excellence and stand behind our firm's reputation as an innovative financial partner. At the appropriate time, we would recommend that you contact management of past or present portfolio companies for reference checks

We look forward to expeditiously consummating a transaction and to cultivating an ongoing relationship with you and the Company's employees. If the foregoing checks out and you agree with the terms of the agreement, please sign and return the enclosed copy of this letter in the space provided below

X Investors LLC

By: _____

Name:

Title: Managing Director

ACKNOWLEDGED AND AGREED:

TARGET