

SECURITIES & EXCHANGE COMMISSION EDGAR FILING

Paysign, Inc.

Form: 8-K

Date Filed: 2020-08-07

Corporate Issuer CIK: 1496443

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **August 7, 2020**

PAYSIGN, INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation)

001-38623

(Commission file number)

95-4550154

(I.R.S. Employer Identification Number)

**2615 St. Rose Parkway
Henderson, Nevada 89052**

(Address of principal executive offices) (Zip Code)

(702) 453-2221

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 par value per share	PAYS	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company x

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. "

Item 7.01 Regulation FD Disclosure

On August 7, 2020, Paysign, Inc. (the "Company") posted an investor presentation on the Investor Relations section of its website, which is located at <https://paysign.com/investors/>. A copy of the investor presentation is attached as Exhibit 99.1 to this Current Report on Form 8-K ("Investor Presentation").

The Investor Presentation includes financial information not prepared in accordance with generally accepted accounting principles ("Non-GAAP Financial Measures"). The Company believes that the Non-GAAP Financial Measures provide investors additional ways to view our operations, when considered with both our GAAP results and the reconciliation to net income and net cash provided by operating activities, which we believe provide a more complete understanding of our business than could be obtained absent this disclosure. We believe the Non-GAAP Financial Measures also provide investors a useful tool to assess shareholder value.

By filing this Current Report on Form 8-K and furnishing the information contained herein, the Company makes no admission as to the materiality of any information in this report that is required to be disclosed solely by reason of Regulation FD.

The information contained in the Investor Presentation is summary information that is intended to be considered in the context of the Company's filings with the Securities and Exchange Commission (the "SEC") and other public announcements that the Company may make by press release or otherwise from time to time. The Company undertakes no duty or obligation to publicly update or revise the information contained in this report, although it may do so from time to time as its management believes is warranted. Any such updating may be made through the filing of other reports or documents with the SEC, through press releases or through other public disclosure.

In accordance with General Instruction B-2 of Form 8-K, the information set forth in or incorporated by reference into this Item 7.01 shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits.*

<u>Exhibit No.</u>	<u>Description</u>
99.1	Investor Presentation dated July 2020

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PAYSIGN, INC.

Date: August 7, 2020

By: /s/ Mark Newcomer
Mark Newcomer, Chief Executive Officer



Investor Presentation

July 2020

NASDAQ: PAYS



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Important Notices

Forward-Looking Statements and Use of Non-GAAP Financial Information

This presentation may include "forward-looking statements." To the extent that the information presented in this presentation discusses financial projections, information, or expectations about the Company's business plans, results of operations, the impact of Covid-19, returns on equity, expected gross margins, markets, or otherwise makes statements about future events, such statements are forward-looking. Such forward-looking statements can be identified by the use of words such as "should," "may," "intends," "anticipates," "believes," "estimates," "projects," "forecasts," "expects," "plans," and "proposes."

Although the Company believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions, there are a number of risks and uncertainties that could cause actual results to differ materially from such forward-looking statements. You are urged to carefully review and consider any cautionary statements and other disclosures, including the statements made under the heading "Risk Factors" and elsewhere in our 2019 Form 10-K.

Forward-looking statements speak only as of the date of the document in which they are contained, and the Company does not undertake any duty to update any forward-looking statements except as may be required by law. This presentation also includes adjusted EBITDA, a non-GAAP financial measure, that is not prepared in accordance with, nor an alternative to, financial measures prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). In addition, adjusted EBITDA is not based on any standardized methodology prescribed by GAAP and is not necessarily comparable to similarly-titled measures presented by other companies.



Topics

- Company Overview
- Investment Highlights
- Company Milestones
- Growth Strategy & Markets
- Technology Platform
- Competitive Advantages
- Business Drivers
- Investment by the Numbers
- Financial Highlights
- Leadership and Directors



Paysign®: A Reliable Payments Partner

Paysign provides **innovative payment products** intended to **reward** consumers, clients or productive employees, delivers **patient affordability** solutions to the pharmaceutical industry, and offers a mobile-first **digital banking** solution to businesses and their consumers.

Paysign is dedicated to creating payment solutions designed to help our clients **lower their administrative costs, streamline operations, and drive revenue**





Company Overview

- Incorporated in 2001 and headquartered in Henderson, Nevada.
- Experienced and trusted prepaid debit card payment solutions provider and an integrated payment processor with millions of prepaid debit cards.
- We design and develop custom prepaid and debit card payment solutions, both physical and digital, for the healthcare, pharmaceutical, corporate incentive, retail, hospitality, and other industries.
- As a full-service partner, we manage programs for many of the world's largest pharmaceutical manufacturers and corporations, offering card payment solutions designed to maximize customer acquisition, retention, and loyalty.
- Our customizable solutions offer significant cost savings while improving brand recognition and customer loyalty.

Financial Snapshot

Stock Price (6/30/20)	\$9.71
52 Week Range	\$3.63 – \$18.67
Market Cap	\$477.4M
Shares Outstanding	49.4M
TTM Revenue	\$38.0M
Cash	\$9.4M/ \$54.8M
Debt	\$0

REVENUE





Investment Highlights

Revenue Growth

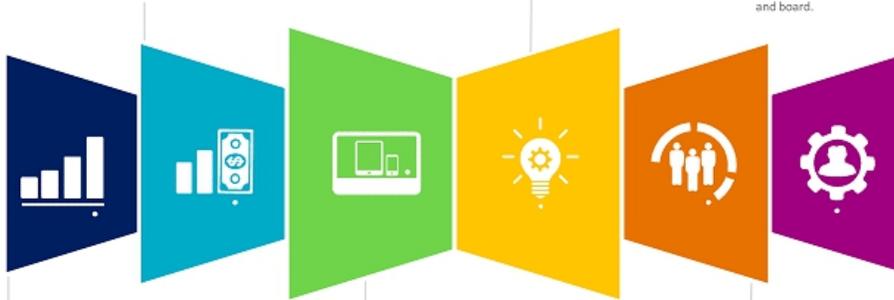
Fast growing, high margin, profitable business with predictable recurring revenues.

Products & Solution

Large market opportunity in Corporate Incentive, Consumer Incentives and digital bank account with high barriers to entry.

Leadership

Highly accomplished and experienced management team and board.



Financials

Strong cashflow and no debit.

Technology

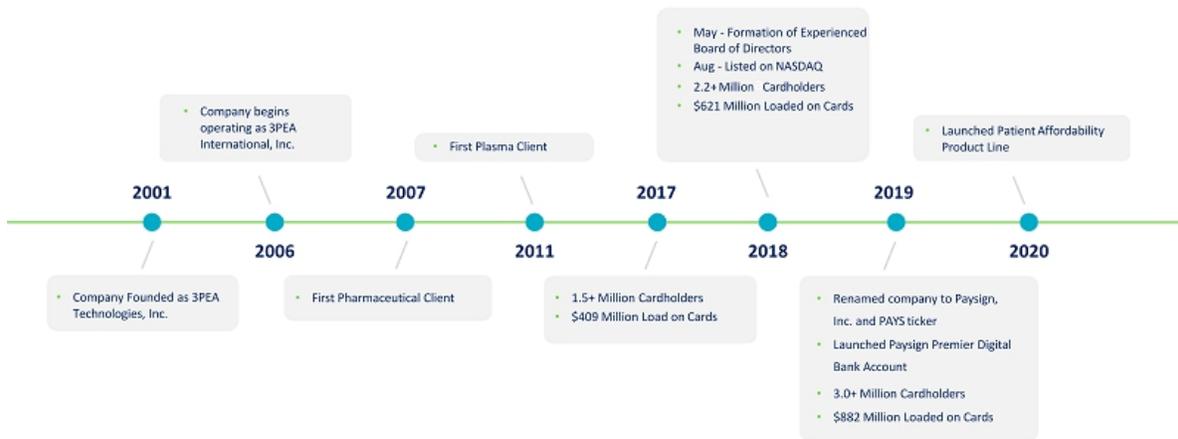
Leading proprietary cloud-based payments platform

Service & Delivery

Superior client retention and service quality



Company Milestones





Growth Strategy

Driving Profitable Growth



GROW

- Protect & Grow Core Plasma Business
- Partner with Pharma industry by providing Co-Pay Assistance Programs, Buy and Bill Programs and Pharmaceutical Rebates



DIVERSIFY

- New Products
 - Paysign Premier
 - Paysign Rewards
 - Paysign Business
- New Industry Segments
- New Geographies



BUILD

- New Payment Capabilities and Product Features
- Acquire New Business Lines

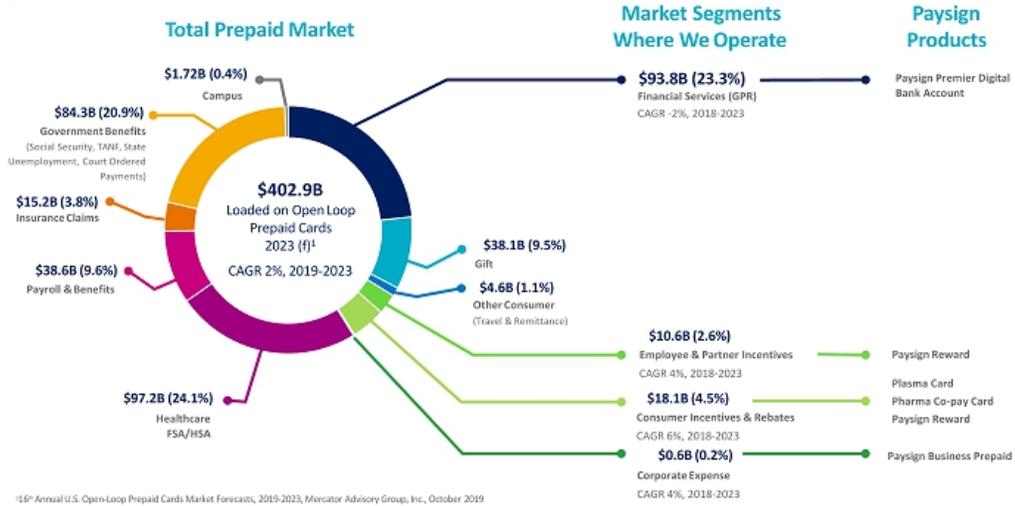


DELIVER

- Deliver Operational Excellence
- Make Data Driven Decisions with Comprehensive Data Analytics Capabilities



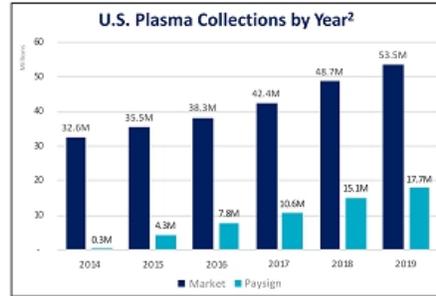
2023 U.S. Open-Loop Prepaid Market Forecast





Providing Donor Compensation Solutions since 2011

Paysign processed over 17M Donor Compensation Payments in 2019



We delivered card programs to our first Plasma industry client in 2011. This client remains Paysign's largest client to-date. The company now has over 12 Plasma clients and operates in over 290 card program centers.

¹<https://www.donatingplasma.org/Donation/find-a-donor-center>
²Plasma Protein Therapeutics Association, Total Collection in U.S. https://www.sptgkibol.org/images/Data/Plasma_Collection/Total_Yearly_Collections_2008-2019.pdf



Patient Affordability Solutions

Helping Patients Offset their Out-of-Pocket Rx Costs

Paysign's **Patient Affordability Solutions** help pharmaceutical brands deploy coupon programs that are used by commercially-insured patients to offset their out-of-pocket costs.

- **Co-Pay Solutions** – Pharmacy-based solution which acts as a voucher funding the full cost of a drug or as a secondary payor, paying all or part of a patient's OOP responsibility.
- **Medical Benefit Solutions** – Works like our Co-pay programs but utilize the medical billing and payment systems of hospitals, doctor's offices and providers.
- **Buy & Bill Solutions** – For certain therapies, providers choose to stock and dispense the product in-office. Once a patient is registered for the program we will deliver a physical or digital open-loop prepaid card to the treatment location to assist in the payment of the therapy.
- **Centralized Billing Solutions** – This suite of services enable brands to address affordability concerns beyond the cost of the drug and assist in getting patients to the therapy covering travel, lodging and per diem costs.

19%

Percent of commercially-insured patients on branded medications that used coupons to reduce their out-of-pocket costs in 2018

OOP COSTS OFFSET BY COUPONS¹

\$13B

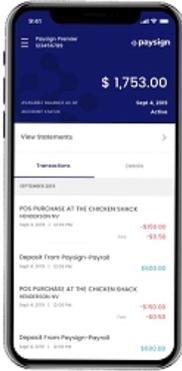
As out-of-pocket costs have risen, coupons for commercially-insured patients have reach on all-time high in 2018.



¹IQVIA Institute for Human Data Science. "Medicines Use and Spending in the U.S.: A Review of 2018 and Outlook to 2023 (May 2019)"

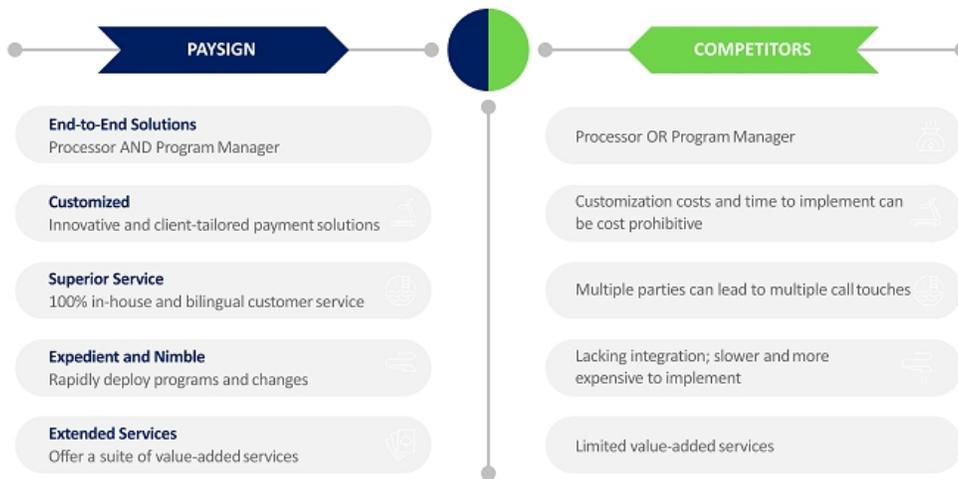


A Full-Service Provider





Competitive Advantages





Business Drivers

CUMMULATIVE
CARDS ISSUED
4.4M



CUMMULATIVE
CARDHOLDERS
3.2M



FUNDS LOADED
ON CARDS
\$882M

2019 Total Funds Loaded
on Cards

143%

CAGR 2016-2019



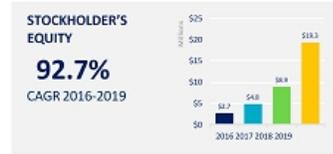
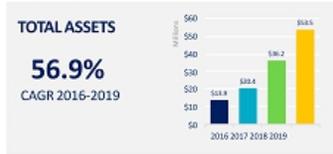
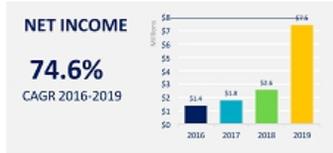


Investment by the Numbers





Financial Highlights





Financial Highlights

Income Statement Summary

Revenue and Reconciliation of Net Income to
Adjusted EBITDA

	2019	2018	2017
Revenues	\$34,666,653	\$23,423,675	\$15,234,091
Net Income (loss)	7,454,319	2,588,054	1,791,141
Income tax benefit	(909,976)	-	6,000
Interest income	(441,116)	(139,738)	(7,603)
Depreciation and Amortization	1,483,140	1,089,521	876,191
EBITDA	7,586,367	3,537,837	2,665,729
Stock-based compensation	2,528,613	1,366,944	308,696
Adjusted EBITDA	\$10,114,980	4,904,781	2,974,425



Leadership Team



Mark Newcomer

Co-Founder, Vice Chairman, President & CEO

Mark Newcomer has been the face, voice, and backbone of Paysign since 2006.

For nearly 20 years, Newcomer has also served as chairman and CEO of 3PEA Technologies, Inc. (a subsidiary of Paysign Inc.), the payment solutions company he co-founded in 2001 with Dan Spence.

He attended Cal-Poly San Luis Obispo where he majored in Biochemistry.



Mark Attinger

CFO and Treasurer

Mark Attinger joined Paysign in 2018, bringing 30 years of leadership, finance, and operations experience to the organization.

He began his career at American Express, spending 12 years in various positions in finance, performance and quality management, and operations. Attinger then held positions as VP of operations at NextCard, COO at Prudential, and CEO of Allfina, a business process outsourcer. More recently, Attinger served as both CEO and CFO of the start-up Zwerex.

Attinger earned a bachelor's degree in Finance, a minor in Accounting and an MBA from Brigham Young University.



Joan Herman

Director and COO

Joan joined Paysign in 2017 and was appointed to the Board of Directors just a year later.

She has nearly 20 years experience in payments, holding various management positions in operations, product development, sales, and marketing on both the issuing and acquiring sides of the card business. Most recently she served as the SVP in the payments division of Sunrise Banks.

She is a member of the board of directors of the Innovative Payments Association (IPA) and currently serves as treasurer. She received her undergraduate and graduate degrees from Webster University.



Leadership Team



Matt Lanford

Chief Product Officer

Matt Lanford joined Paysign in 2015. He has 30+ years of experience in the payments industry. Prior to joining, he was the SVP/GM of the financial services division of iCann.

Matt was with Mastercard for over 10 years in a variety of roles including investor relations, the Global Prepaid Product & Solutions Group, and as the Prepaid Product Lead for Europe based in London. Earlier in his career, he worked for Citigroup in the U.S. and internationally with Euronet Worldwide, Inc.

He has a Bachelor of Science in Computer Science from the University of Arkansas at Little Rock.



Robert Strobo

General Counsel, CLO and Secretary

Before joining Paysign in 2018, Robert served as deputy general counsel and vice president for Republic Bank & Trust Company.

He specializes in prepaid card issuance and non-traditional banking, which includes small-dollar consumer lending, commercial lending, payments, and tax-related financial products.

He received his bachelor's degree from the University of Kentucky, and his J.D. from DePaul University College of Law.



Daniel Spence

Co-Founder, Director and EVP, Enterprise Architect

Dan Spence has served in senior IT roles for over 30 years, with more than a decade of experience in payments processing.

Prior to co-founding 3PEA Technologies, Inc. (a subsidiary of Paysign, Inc.) with business partner Mark Newcomer, Spence served as the director of technology planning at The Associated Press, the world's largest news-gathering organization.

He is responsible for the design and architecture of the Paysign payments platform. He's also designed and developed EFTPOS terminals, Secure Key Injection systems, EFT processing systems, card management systems, and web services for the company.



Leadership Team



David Hooker

Chief Technology Officer

David Hooker joined Paysign in 2020. He brings more than 30 years experience as a technology professional across a variety of industries. Throughout his career he has built and lead high performing IT teams and delivered complex software products to customers.

Most recently, David was with Cisco Systems and led teams delivering their cloud infrastructure. Previously he was a co-founder of Garant Technologies, a payments company, where he built and led the engineering team and created an end-to-end financial transaction processing platform, infrastructure, and services. David has also held positions at American Airlines, Sabre, FedEx Kinkos, and other innovative high-tech companies.

As an avid technologist, he leads programming meet-up groups, and is referenced and quoted in the world's leading textbook in software engineering.



Eric Trudeau

Chief Compliance Officer

Eric Trudeau joined Paysign in 2018. Prior, he was with Global Cash Card, Inc., Sunrise Banks, and Meta Payment Systems.

Eric is responsible for leading the internal processes for promoting and ensuring the company's compliance with laws, regulations, and company policies and oversees the company's compliance risk management function. He has over 20 years of experience working in the card industry, focusing on prepaid and credit products.

He has an undergraduate degree from South Dakota State University and is a certified member of the Association of Certified Anti-Money-Laundering Specialists (CAAMS)



Al Negrón

EVP, Channel Strategy & Sales Growth

Al is an influential relationship-builder with a widespread network of contacts. A veteran of the biopharmaceutical services industry, he boasts more than 25 years of success and achievement in accelerating revenue growth, increasing profitability, and expanding market footprint for his clients.

Al's leadership experience includes military service as a logistician and detachment commander, along with positions in manufacturing, quality, marketing, and sales. He's consulted on the successful launch of a variety of products manufactured by leading pharma companies, including Alcon, Allergan, Eli Lilly, Novartis, Mylan, and Pfizer.



Independent Directors

Dan Henry

Chairman of the Board,
Compensation Committee Chair

- Current CEO and President of Green Dot Corporation.
- Former CEO of NetSpend (2008-2013). Grew annual revenue from \$129M to \$351M, with over 2.4 million cardholder accounts. NetSpend acquired by Total System Services (NYSE: TSS) for \$1.4B
- Co-founder, Former President and Chief Operations Officer and Director at Euronet Worldwide (NASDAQ: EFFT). A leader in secure electronic financial transaction processing. Current market cap: \$5.4B

Quinn Williams

Director, Nominating Committee
Chair

- 30+ years of legal experience focusing on mergers and acquisitions, public and private securities offerings, and venture capital transaction
- Serves as corporate counsel for numerous public/private companies and was formerly general counsel and board member of Swensen's Inc.
- Mr. Williams is a shareholder with Greenberg Traurig LLP and admitted to the Bar in New York and Arizona

Bruce A. Mina

Director, Audit Committee Chair

- 30+ years of experience as a Certified Public accountant
- Founder and Managing member of Mina Llano Higgins Group, LLP
- Former CFO of Coal Brick Oven Pizzeria, Inc.
- Currently CFO for Academy of Aviation in Long Island, NY

Dennis Triplett

Director

- 35+ years in the banking industry including serving as the President and CEO of two banks in the Midwest
- Former CEO of Healthcare Services at UMB Bank, N.A. a leading provider of healthcare payment solutions including health savings account (HSAs), health care spending accounts and payments technology



Contact Us



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