



ASX RELEASE: 18th July 2014

ACQUIRES STAKE IN USA TELCO BACKED PAY2DAY SOLUTIONS INC.

HIGHLIGHTS

- **Applabs invests a combination of cash and securities to acquire a 4.48% stake in PAY2DAY Solutions Inc. (PAY2DAY)**

www.pay2daysolutions.com provides Electronic Notification, Bill Presentment and Payments via a proprietary SMS Text message system.

- **PAY2DAY's advisory board includes Senior Executives from industry leaders such as Apple, PayPal and Bank of America**
- **PAY2DAY is an easy, subscription-based tool that allows customers to pay bills using SMS technology. The system is capable of reducing average invoice processing costs by as much as 500%.**
- **PAY2DAY is partnering with Telescope Inc., a cross-channel SaaS platform that manages over 1.5 billion consumer mobile and digital interactions every year for clients including American Idol, NBC Universal, CBS, Scripps, Cricket Wireless and Sprint.**
- **The market potential for text-based billing is enormous - over 21 billion consumer bills are processed every year in the USA alone.**

Applabs Technologies Ltd ("Applabs or the "Company") (ASX Code: ALA) is pleased to announce that it has executed agreements to acquire a 4.48% interest in PAY2DAY Solutions, Inc. The transaction involves a combination of cash plus a stock swap component.

Through the use of text messaging, PAY2DAY's billing and payment solutions aims to transform the conventional process into a more efficient, timely and consumer-friendly experience. Operating on top of an industry-leading platform that has powered billions of SMS, PAY2DAY's proprietary system was designed to make payments simple and easy for users resulting in enhanced customer satisfaction and loyalty.

APPLABS TECHNOLOGIES LTD

SUITE 5, LEVEL 1, 12-20 RAILWAY ROAD, SUBIACO WA 6008

+61 8 9388 9968 | WWW.APPLABS.COM.AU | ACN 139 977 772

For personal use only



The initial interest shown by aggregate bill handling companies in the USA has been very encouraging. These experienced customers have begun to embrace the benefits of offering an SMS payment channel to improve cash-flow by settling funds sooner, reducing payment processing fees and decreasing the number of customer service calls and related expenses.



PAY2DAY Solutions Inc. CEO Christopher Brunner commented:

“Most corporations today realise with paper invoicing it is not just the direct costs of paper, printing, ink and postage, but they also incur indirect costs such as customer service manpower to handle invoice calls, account reconciliation manpower, costs of lost invoices, undeliverable bills and overall bill query handling time.

Then there are the hidden costs businesses face such as payment processing errors, increased time spent on billing means less opportunity to focus staff elsewhere, cash flow drain and higher audit/compliance costs.

Studies have shown that the industry average cost to process a single invoice is around \$18.20, an astounding number eating into the profits of corporations today. Deploying the PAY2DAY system offers the potential to reduce this expense and can significantly improve on the 14.2 day cycle-time it takes to process a single invoice”.
(Source Aberdeen Group)

Telescope Inc. in Partnership with PAY2DAY Solutions Inc.

Telescope Inc. is considered the market leader in managing over 1.5 billion SMS interactions each year in the audience participation, consumer engagements and mobile technology markets. It is a portfolio company of H.I.G Capital a leading global private investment firm with over \$13 billion under management. H.I.G aligns their efforts with committed management terms and entrepreneurs then helps build businesses of significant value.

APPLABS TECHNOLOGIES LTD

SUITE 5, LEVEL 1, 12-20 RAILWAY ROAD, SUBIACO WA 6008

+61 8 9388 9968 | WWW.APPLABS.COM.AU | ACN 139 977 772

For personal use only



To date, Telescope has contributed their platform, technology, management and physical infrastructure to assist in PAY2DAY's launch, and plans to continue providing ongoing technical guidance going forward.

Mr Christopher Brunner (CEO)

Mr Brunner has been a leader in the mobile/digital space for over 17 years, gaining valuable experience while building new businesses via software and digital platforms. He founded the mobile division at Univision Communications where he grew revenue through a variety of channels and the mobile group contributed roughly 21% of EBITDA across the interactive group. He is also responsible for launching the largest Retail POS SMS program in the USA with Walmart Pharmacy as President of SITO. He has held senior level executive positions across Fortune 500 and start-ups such as PRIMEDIA, CBS Interactive, Qualcomm Internet Services Group, and Univision Interactive Media.

PAY2DAY Solutions Inc. SMS Screens –



PIN Assignment Screen



Notification/Payment

APPLABS TECHNOLOGIES LTD

SUITE 5, LEVEL 1, 12-20 RAILWAY ROAD, SUBIACO WA 6008

+61 8 9388 9968 | WWW.APPLABS.COM.AU | ACN 139 977 772

For personal use only



Consumer Registration Screens

Board of Advisors

PAY2DAY's advisory board includes current and former executives from some of the top Fortune 500 companies, including Apple, Paypal and Bank of America.

Applabs Executive Director Stuart Kidd commented:

The process is extremely simple and will take the user on average 5 seconds to pay a bill, by simply replying to a text message with a PIN, and the transaction is complete. We believe the potential to apply this technology on a global scale is enormous, especially with the backing of Telescope, who handle all the SMS interactions with viewers of American Idol and X-Factor". The combination of USD 150,000 cash and USD 100,000 stock swap is consistent with our investment strategy.

For further information, please contact

Damon Sweeny - Company Secretary damon@ampereltd.com.au

APPLABS TECHNOLOGIES LTD

SUITE 5, LEVEL 1, 12-20 RAILWAY ROAD, SUBIACO WA 6008
+61 8 9388 9968 | WWW.APPLABS.COM.AU | ACN 139 977 772

For personal use only