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PayPal to Acquire TIO Networks

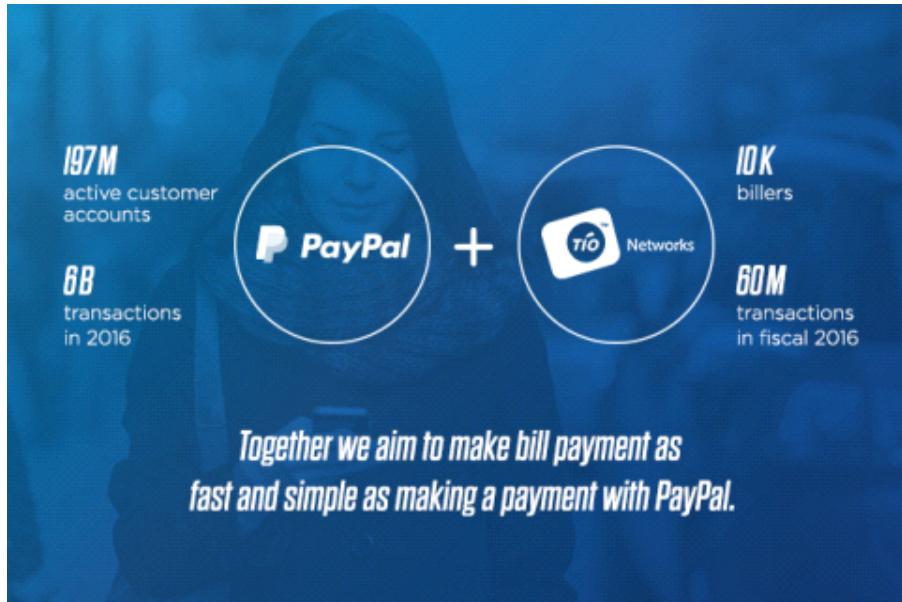
Expands PayPal's Reach Into the U.S. Bill Payment Channel with More Than 10,000 Supported Billers, 65,000 Over-the-Counter Locations and 900 Operated Kiosks

Supports PayPal's Mission to Advance Financial Inclusion and Addresses a Key Need of Underserved Consumers

SAN JOSE, Calif. & VANCOUVER, British Columbia--(BUSINESS WIRE)-- PayPal Holdings, Inc. (Nasdaq: PYPL) and TIO Networks Corp. (TSXV: TNC), a cloud-based multi-channel bill payment processing and receivables management company, today announced a definitive agreement under which PayPal will acquire TIO for \$3.35 CAD (\$2.56 USD) per share in cash or an approximate \$304 million CAD (\$233 million USD) equity value. The purchase price represents a premium of 25.2% to TIO's 90-trading day volume-weighted average price as of February 13, 2017, and 22.6% to the 20-trading day volume-weighted average price as of January 9, 2017, the trading day immediately preceding the date TIO entered into exclusive negotiations with PayPal.

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TIO is a leading multi-channel bill payment processor in North America and processed more than \$7 billion USD in consumer bill payments in fiscal 2016. TIO serves 14 million consumer bill pay accounts* and offers convenient solutions for expedited bill payment services to financially underserved consumers. The company has more than 10,000 supported billers and numerous direct relationships with billers, which enable TIO to quickly process telecom, wireless, cable and utility bill payments for TIO's customers. Using TIO's approximately 900 operated self-service kiosks, approximately 65,000 retail walk-in locations, and mobile and web solutions, customers can conveniently pay their bills while avoiding the service interruptions and financial penalties associated with missed payment deadlines.

PayPal, said, "By acquiring TIO and integrating bill payment into our global payments platform, PayPal adds another key service in our efforts to become a part of a consumer's everyday financial life. Worldwide, more than 2 billion** people do not have affordable access to basic financial services, making it difficult and expensive for consumers to carry out basic financial tasks, including bill payment. TIO's digital platform, and physical network of agent locations make paying bills simpler, faster, and more affordable. We are excited by the opportunity to extend this valuable service to our existing customers and welcome new billers and customers to PayPal."

Hamed Shahbazi, Chairman and CEO of TIO, remarked, "We founded TIO to make speed and access part of the bill payment experience for the underserved, and we believe that we have created affordable products to serve the needs of all customers. Our mission fits perfectly with PayPal's vision to democratize money. As part of the PayPal team, we believe we will accelerate our growth through expanded distribution and continue increasing access to more billers and services."

Expected Strategic Benefits of the TIO Acquisition

- **Aligned with PayPal's Vision:** TIO supports PayPal's vision of democratizing money by giving consumers more convenient and affordable ways to pay their bills.
- **Expands Market Opportunity:** TIO accelerates PayPal's entry into bill payments with 14 million consumer bill pay

accounts*, approximately 60 million transactions processed in TIO's fiscal 2016 and a processing network that includes more than 10,000 billers.

- Extends Consumer Value Proposition:** PayPal's intention is to offer TIO's valuable service to PayPal's customers within its online and mobile experiences.

Upon closing of the acquisition, TIO will operate as a service within PayPal.

Financial Highlights of Acquisition

PayPal intends to fund the transaction with cash on its balance sheet. There will be no change to PayPal's previously communicated fiscal 2017 guidance and three-year outlook based on the acquisition of TIO. For the fiscal year ended July 31, 2016, TIO generated \$74.7 million CAD in revenue (\$57.1 million USD) and \$10.6 million CAD in adjusted EBITDA (\$8.1 million USD). TIO defines EBITDA as earnings before interest, tax, depreciation and amortization and adjusted EBITDA as EBITDA plus stock-based compensation, non-recurring transaction and restructuring expenses.

Transaction Details

The acquisition is expected to close in the second half of 2017, and will be completed by way of a plan of arrangement under the *Business Corporations Act* (British Columbia).

The completion of the transaction will be subject to the approval of at least two-thirds of the votes cast at a special meeting of TIO shareholders and optionholders present in person or represented by proxy at the meeting, by: (i) TIO shareholders; (ii) by TIO shareholders and optionholders, voting together as a single class; and (iii) a majority of the votes cast by TIO shareholders present in person or represented by proxy at the meeting, excluding for this purpose votes attached to the TIO common shares held by persons described in items (a) through (d) of Section 8.1(2) of Multilateral Instrument 61-101 - *Take-Over Bids and Special Transactions*.

The meeting of shareholders and optionholders is expected to take place in April, 2017. In addition to TIO securityholder approvals, the transaction is also subject to other closing conditions, including the receipt of approvals relating to TIO's money transmitter licenses, the expiration or early termination of the applicable pre-merger waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, and court approval in British Columbia, Canada.

The transaction has been approved by the boards of directors of each of TIO and PayPal, and the TIO Board recommends that TIO shareholders and optionholders vote in favor of the Arrangement. The recommendation of the TIO Board was based on the recommendation of a special committee of independent directors of TIO. The financial advisor to TIO, Raymond James Ltd., has provided a fairness opinion to the special committee and board of directors of TIO that, subject to the assumptions, limitations and qualifications set out in such fairness opinion, the consideration to be received by TIO shareholders pursuant to the plan of arrangement is fair, from a financial point of view, to the TIO shareholders.

In addition, TIO shareholders, directors and officers, including funds managed by Core Innovation Capital, Napier Park Financial Partners, Edison Partners, Inter-Atlantic Advisors and Inductive Capital, representing approximately 50.4% of the issued and outstanding common shares have agreed to vote their shares in favor of the transaction. The transaction includes customary deal protection provisions, including non-solicitation of an alternative transaction and a termination fee payable to PayPal under certain circumstances.

Further information regarding the transaction will be contained in the management information circular which is expected to be mailed to TIO shareholders in March in connection with the special meeting of TIO shareholders to be held to consider the transaction. Copies of the definitive agreement and the management information circular will also be available under TIO's SEDAR profile at www.sedar.com. In addition, free copies of the documents may be obtained from TIO's investor relations website at <http://corporate.tionetworks.com/> or by contacting TIO investor relations at investor@tio.com. All TIO shareholders are urged to read the management information circular as it will contain additional important information concerning the transaction.

Advisors

Perella Weinberg Partners LP is acting as financial adviser to PayPal, and Sidley Austin LLP and Blake, Cassells & Graydon LLP are acting as legal advisers on the transaction. Raymond James Ltd. is acting as financial adviser to TIO, and Davies Ward Phillips & Vineberg LLP, and Fasken Martineau DuMoulin LLP and Morrison & Foerster LLP, are acting as legal advisers for the TIO Special Committee and TIO, respectively.

NOTES:

\$1 CAD = \$0.764 USD

* Consumer bill pay accounts represent the total number of accounts between consumers and billers. A consumer may have a relationship with more than one biller and may have more than one account.

** Source: World Bank Global Findex 2014.

About PayPal

Fueled by a fundamental belief that having access to financial services creates opportunity, PayPal (Nasdaq: PYPL) is committed to democratizing financial services and empowering people and businesses to join and thrive in the global economy. Our open digital payments platform gives PayPal's nearly 200 million active account holders the confidence to connect and transact in new and powerful ways, whether they are online, on a mobile device, in an app, or in person. Through a combination of technological innovation and strategic partnerships, PayPal creates better ways to manage and move money, and offers choice and flexibility when sending payments, paying or getting paid. Available in more than 200 markets around the world, the PayPal platform, including Braintree, Venmo and Xoom, enables consumers and merchants to receive money in more than 100 currencies, withdraw funds in 56 currencies and hold balances in their PayPal accounts in 25 currencies. For more information on PayPal, visit <https://www.paypal.com/about>. For PYPL financial information, visit <https://investor.PayPal-corp.com>.

About TIO Networks

TIO is a cloud-based multi-channel bill payment processing and receivables management provider, serving the largest telecom, wireless, cable, and utility bill issuers in North America. TIO integrates with the back office of billing systems to accept, validate, and collect payments via self-service kiosk, retail walk-in, mobile, and web solutions. With approximately 60 million transactions processed in fiscal 2016 and a processing network that serves more than 10,000 billers, TIO symbolizes fast, convenient, and secure access to expedited bill payment services.

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Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward Looking Statements

This announcement contains "forward-looking" statements within the meaning of applicable securities laws. Forward-looking statements and information relate to future events and future performance and reflect PayPal's and TIO's expectations regarding the impact of this transaction on PayPal's and TIO's financial and operating results and business, the operation and management of TIO after the acquisition, the anticipated funding for the transaction, and the timing of the closing of the acquisition. Forward-looking statements may be identified by words such as "seek", "believe", "plan", "estimate", "anticipate", "expect", "intend", and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and any other similar expressions.

Forward-looking statements involve risks and uncertainties which may cause actual results to differ materially from the statements made. Factors that could cause or contribute to such differences include, but are not limited to, the timing and possible outcome of securityholder, regulatory and court approvals in connection with the transaction, the possibility that the transaction may not close, the reaction to the transaction of TIO's customers and business partners, the reaction of competitors to the transaction, the retention of TIO employees, PayPal's plans for TIO, economic and political conditions in the global markets in which PayPal and TIO operate, the future growth of PayPal's and TIO's businesses and the possibility that integration following the transaction may be more difficult than expected. More information about these and other factors can be found in PayPal Holdings, Inc.'s most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other filings with the Securities and Exchange Commission (the "SEC"), and its future filings with the SEC, and in TIO's Management's Discussion and Analysis for the quarter ended October 31, 2016 filed under TIO's SEDAR profile at www.sedar.com.

There are no assurances PayPal and TIO can fulfill forward-looking statements and information. Such forward-looking statements and information are only predictions based on current information available to the respective management teams as of the date that such predictions are made; actual events or results may differ materially as a result of risks facing PayPal and TIO, some of which are beyond PayPal's and TIO's control. Although PayPal and TIO believe that any forward-looking statements and information contained in this press release are based on reasonable assumptions, readers cannot be assured that actual outcomes or results will be consistent with such statements. Accordingly, readers should not place undue reliance on forward-looking statements and information.

Neither PayPal nor TIO accept any responsibility for any financial or operational information contained in this press release relating to the business, results of operations or financial condition of the other. Each of PayPal and TIO expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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