



Aug. 10, 2015

3PEA Reports Second Quarter 2015 Financial Results

Q2 2015 Revenue Up 87% to \$2.3M; Drives Net Income of \$0.5M and Diluted EPS of \$0.01

HENDERSON, Nev.--([BUSINESS WIRE](#))-- 3PEA International, Inc. ("3PEA" or the "Company") (OTCQB:TPNL), a vertically integrated provider of innovative prepaid card programs and processing services for corporate, consumer and government applications, reported financial results for the second quarter ended June 30, 2015.

Q2 2015 Highlights

- Revenues increased 87% to \$2.3 million compared to \$1.2 million in the same year-ago quarter.
- Gross profit increased to \$1.3 million, or 57.6% of total revenue, compared to \$0.5 million, or 43.0% of total revenue in the same year-ago quarter.
- Net income increased to \$0.5 million, or \$0.01 per diluted share, compared to a net loss of \$(0.1) million, or \$(0.00) per diluted share in the same year-ago quarter.
- Increased presence in the plasma donation payments space by adding four new centers in the quarter. Currently, the Company provides payment services to 88 plasma donation centers. 3PEA expects revenues from these centers to increase as they mature.

Management Commentary

"The increases in both revenue and net income in the second quarter was a primarily a result of growth in our corporate incentive prepaid solutions, particularly in plasma donation payment services," said Arthur De Joya, Chief Financial Officer of 3PEA International. "More importantly, we grew our overall margins as a result of continued traction in plasma, our move to an internal sales force and successfully transitioning our programs onto the PaySign platform. As a result, we expect margins to improve year-over-year, as we add new corporate incentive programs with more profitable and predictable revenue streams in our targeted verticals including plasma donation, automotive and hospitality."

"We have also developed the most robust sales pipeline in our company's history and remain focused on expanding our product offerings. Looking ahead, we anticipate an acceleration in our business, while ultimately increasing shareholder value."

Q2 2015 Financial Results

Total revenues in the second quarter of 2015 increased 87% to \$2.3 million, compared to \$1.2 million in the same year-ago quarter. This increase was primarily due to growth and maturation in corporate incentive reward programs for plasma centers, and to a lesser extent, revenues associated with specific program life cycle events.

Gross profit in the second quarter of 2015 increased to \$1.3 million, or 57.6% of total revenues, compared to \$0.5 million, or 43.0% of total revenues in the year-ago quarter. This improvement was attributable to continued growth in plasma card programs, which carry a higher gross margin than pharmaceutical programs, in addition to higher margin revenue as a result of the Company successfully transitioning 100% of its programs onto the PaySign platform.

Total operating expenses in the second quarter of 2015 were \$0.9 million, compared to \$0.6 million in the year-ago quarter. The increase was primarily due to the Company's planned expansion into the European Union, as well as increased investments in compliance and customer service personnel.

Net income in the second quarter of 2015 was \$0.5 million, or \$0.01 per diluted share, compared to a net loss of \$(0.1) million, or \$(0.00) per diluted share in the year-ago quarter.

At June 30, 2015, the company's cash balance totalled \$2.8 million, compared to \$3.9 million at December 31, 2014. At June 30, 2014, the Company had \$0.7 million in total debt.

About 3PEA International

3PEA International (OTCQB:TPNL) is an experienced and trusted prepaid debit card payment solutions provider as well as an integrated payment processor that has millions of prepaid debit cards in its portfolio. Through its PaySign brand, 3PEA designs and develops payment solutions, prepaid card programs, and customized payment services. 3PEA's corporate incentive prepaid cards are changing the way corporations reward, motivate, and engage their current and potential customers, employees, and agents. 3PEA's customizable prepaid solutions offer significant cost savings while improving brand recognition and customer loyalty. 3PEA's customers include healthcare companies, major pharmaceutical companies and source plasma providers, large multinationals, prestigious universities, and social media companies. PaySign is a registered trademark of 3PEA Technologies, Inc. in the United States and other countries. For more information visit us at www.3pea.com or follow us on [LinkedIn](#), [Twitter](#) and [Facebook](#).

Forward-Looking Statements

Certain statements in this news release may contain forward-looking information within the meaning of Rule 175 under the Securities Act of 1933 and Rule 3b-6 under the Securities Exchange Act of 1934, and are subject to the safe harbor created by those rules. All statements, other than statements of fact, included in this release, including, without limitation, statements regarding potential future plans and objectives of the companies, are forward-looking statements that involve risks and uncertainties. There is no assurance that such statements will prove to be accurate, and actual results and future events could differ materially. 3PEA undertakes no obligation to publicly update or revise any statements in this release, whether as a result of new information, future events, or otherwise.

3PEA International, Inc. Consolidated Balance Sheets

	<u>June 30, 2015</u> (Un-audited)	<u>December 31, 2014</u> (Audited)
ASSETS		
Current assets		
Cash	\$ 2,817,562	\$ 3,886,968
Cash Restricted	4,692,409	7,792,255
Accounts Receivable	25,329	86,658
Prepaid Expenses	175,039	214,502
Total current assets	7,710,339	11,980,383
Fixed assets, net	223,075	206,929
Intangible and other assets		
Deposits	4,451	4,451
Intangible assets, net	1,019,251	765,719
Total assets	\$ 8,957,116	\$ 12,957,482

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current liabilities			
Accounts payable and accrued liabilities	\$	512,899	\$ 680,159
Customer card funding		4,692,409	7,792,255
Stocks payable-related parties		-	680,000
Notes payable- related parties		--	700,440
Notes payable		181,597	325,446
Total current liabilities		<u>5,386,905</u>	<u>10,178,300</u>
Total liabilities		5,386,905	10,178,300
Stockholders' equity			
Common stock; \$0.001 par value; 150,000,000 shares authorized, 41,925,765 and 36,669,106 issued and outstanding at March 31, 2015 and December 31, 2014, respectively		41,926	36,669
Additional paid-in capital		6,387,477	5,634,886
Treasury stock at cost, 303,450 shares		(150,000)	(150,000)
Accumulated deficit		<u>(2,724,316)</u>	<u>(2,790,075)</u>
Total 3Pea International, Inc.'s stockholders' deficit		3,555,087	2,731,480
Noncontrolling interest		15,124	47,702
Total stockholders' equity		<u>3,570,211</u>	<u>2,779,182</u>
Total liabilities and stockholders' equity	\$	<u>8,957,116</u>	\$ <u>12,957,482</u>

3PEA International, Inc.
Consolidated Statements of Income

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues	\$ 2,311,208	\$ 1,233,109	\$ 3,909,617	\$ 3,640,783
Cost of revenues	<u>980,606</u>	<u>703,217</u>	<u>2,025,864</u>	<u>2,632,484</u>
Gross profit	<u>1,330,602</u>	<u>529,892</u>	<u>1,883,753</u>	<u>1,008,299</u>
Operating expenses				
Depreciation and amortization	74,298	35,625	146,058	69,572
Selling, general and administrative	<u>786,798</u>	<u>580,531</u>	<u>1,694,666</u>	<u>1,089,408</u>
Total operating expenses	<u>861,096</u>	<u>616,156</u>	<u>1,840,724</u>	<u>1,158,980</u>
Income (loss) from operations	<u>469,506</u>	<u>(86,264)</u>	<u>43,029</u>	<u>(150,681)</u>
Other income (expense)				
Interest expense	(4,399)	(16,244)	(21,185)	(32,058)
Gain on debt extinguishment	<u>--</u>	<u>--</u>	<u>11,337</u>	<u>--</u>
Total other income (expense)	<u>(4,399)</u>	<u>(16,244)</u>	<u>(9,848)</u>	<u>(32,058)</u>

Income (loss) before provision for income taxes and noncontrolling interest	465,107	(102,508)	33,181	(182,739)
Provision for income taxes	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>
Net income (loss) before noncontrolling interest	465,107	(102,508)	33,181	(182,739)
Net (income) loss attributable to the noncontrolling interest	<u>(42,448)</u>	<u>(84)</u>	<u>(32,578)</u>	<u>(242)</u>
Net income (loss) attributable to 3Pea International, Inc.	<u>\$ 507,555</u>	<u>\$ (102,424)</u>	<u>\$ 65,759</u>	<u>\$ (182,497)</u>
Net income per common share - basic	<u>\$ 0.01</u>	<u>\$ (0.00)</u>	<u>\$ 0.00</u>	<u>\$ (0.00)</u>
Net income per common share - fully diluted	<u>\$ 0.01</u>	<u>N/A</u>	<u>\$ 0.00</u>	<u>N/A</u>
Weighted average common shares outstanding - basic	<u>36,977,571</u>	<u>38,959,183</u>	<u>39,907,106</u>	<u>38,949,293</u>
Weighted average common shares outstanding - fully diluted	<u>38,178,696</u>	<u>N/A</u>	<u>41,108,231</u>	<u>N/A</u>

Contacts

Company Contact:

3PEA International, Inc.
Brian Polan, 1-702-749-7234
VP Corporate Finance
bpolan@3pea.com
www.3pea.com

or

Investor Relations:

MZ North America
Greg Falesnik, 1-949-385-6449
Senior Vice President
Greg.Falesnik@mzgroup.us
www.mzgroup.us

Source: 3PEA International, Inc.