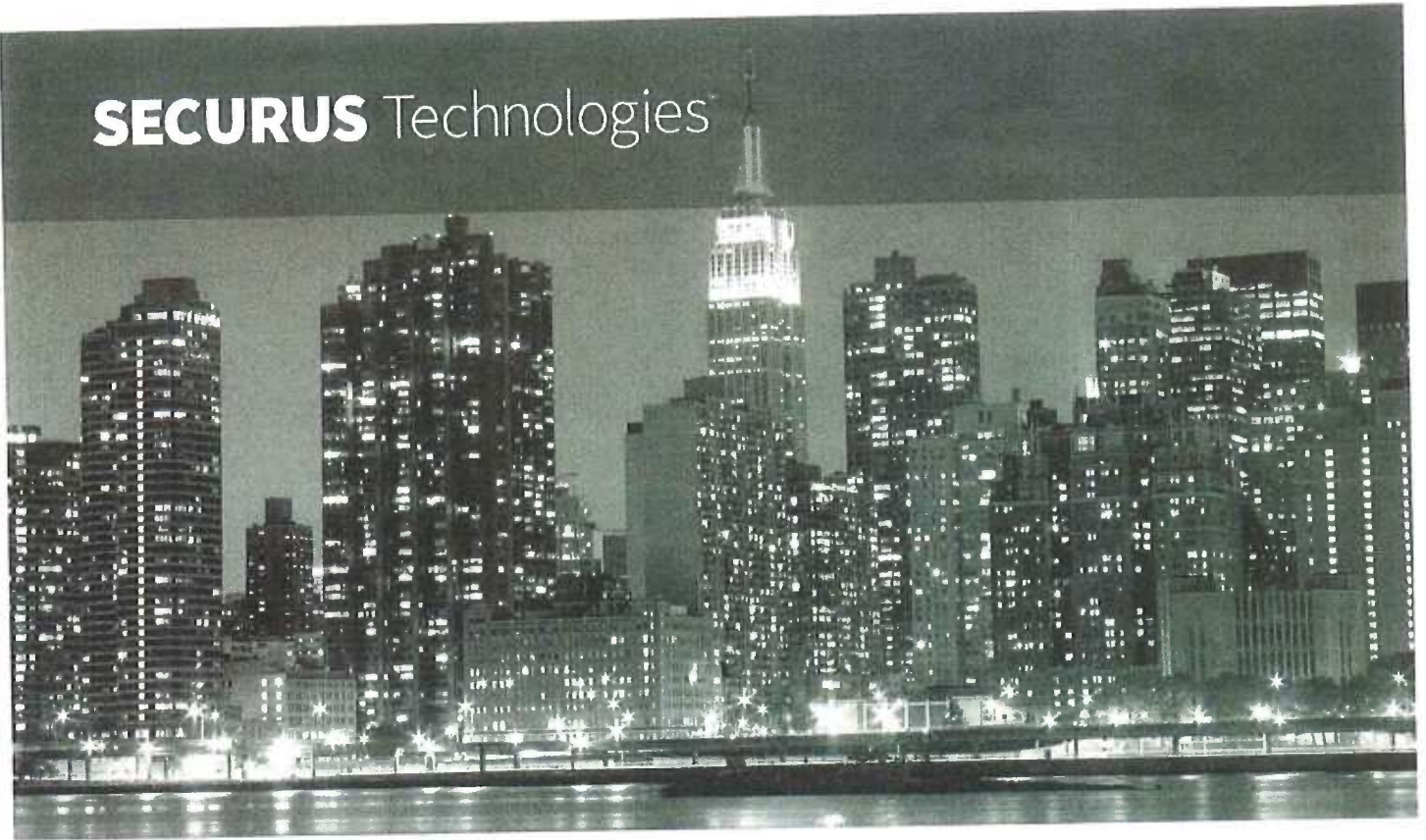



SECURUS Technologies



Public Lender Presentation

April 15, 2015



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Presenters

Securus Technologies Inc.

- **Richard A. Smith**
 - *Chief Executive Officer*
- **Geoff Boyd**
 - *Chief Financial Officer*

Deutsche Bank


Agenda

Transaction Overview

Securus

JPay

Public Q&A



Transaction Overview

- On April 2, 2015, Securus signed a definitive agreement to acquire JPay, Inc. for \$250mm in cash (excluding potential earn-outs), representing an 11.9x TEV / EBITDA purchase multiple on ~\$21mm of preliminary LTM 3/31/2015 PF Adj. EBITDA
- JPay is a leading provider of technology products used to provide inmate banking, communication services, and digital media consumption, servicing more than one million inmates in 29 states
- The combination of JPay and Securus will provide for material cross-sell / up-sell opportunities (alongside combination cost-savings), will further accelerate Securus growth and broaden its revenue base
- The transaction is expected to be funded through a mix of debt and equity, and result in pro forma Net 1st Lien and Net Total Leverage of ~4.3x⁽¹⁾ / ~5.4x⁽¹⁾, respectively:
 - \$205mm Incremental Term Loan B-2
 - \$50mm additional common equity contribution from ABRY Partners

(1) LTM 3/31/2015 PF Adj. EBITDA is preliminary Securus LTM 3/31/2015 EBITDA of \$121mm, plus preliminary JPay LTM 3/31/2015 PF Adj. EBITDA of \$21mm

Sources & Uses and Pro Forma Capitalization

(\$ in millions)

Sources		Uses	
Add-on first lien term loan	\$205	Purchase equity	\$250
Sponsor equity proceeds ^(a)	50	Estimated fees, expenses and OID	7
Cash from balance sheet	2		
Total sources	\$257	Total uses	\$257

	At LBO				Adjustments	Pro Forma	
	3/31/13	xEBITDA	Current	xEBITDA		Pro Forma	xEBITDA
Cash	\$4		\$18		(\$2)	\$16	
Revolver (\$50.0 million)	5		--			--	
Existing Term Loan B-1	350		419			419	
Incremental Term Loan B-2	--		--		205	205	
Total first lien debt	\$355	4.2x	\$419	3.5x		\$624	4.4x
Net first lien debt	\$351	4.1x	\$401	3.3x		\$608	4.3x
2nd lien term loan	140		165			165	
Total debt	\$495	5.8x	\$584	4.8x		\$789	5.6x
Net debt	\$491	5.8x	\$566	4.7x		\$773	5.4x
Sponsor and management cash equity	170		197		50 ^(b)	247	
Total capitalization	\$665	7.8x	\$781			\$1,036	
LTM Adj. EBITDA	\$85		\$121		21	\$142 ^(b)	
PF Interest expense	30		35		12	47	
Adj. EBITDA / interest expense	2.9x		3.5x			3.0x	

(a) Sponsor equity can be reduced to \$40mm in lieu of company cash at closing

(b) LTM 3/31/2015 PF Adj. EBITDA is preliminary Securus LTM 3/31/2015 EBITDA of \$121mm, plus preliminary JPay LTM 3/31/2015 PF Adj. EBITDA of \$21mm

Summary of Incremental Term Loan B-2

Facility:	Incremental Term Loan B-2
Amount:	\$205 million
Coupon:	TBD
LIBOR floor:	1.00%
OID:	TBD
Maturity:	April 2020 (Same as Existing Term Loan B-1)
Amortization:	1% per year
Optional redemption:	101 soft-call for 6 months
Mandatory prepayments:	Same as Existing Term Loan B-1
Financial covenants:	None
Other covenants:	Same as Existing Term Loan B-1

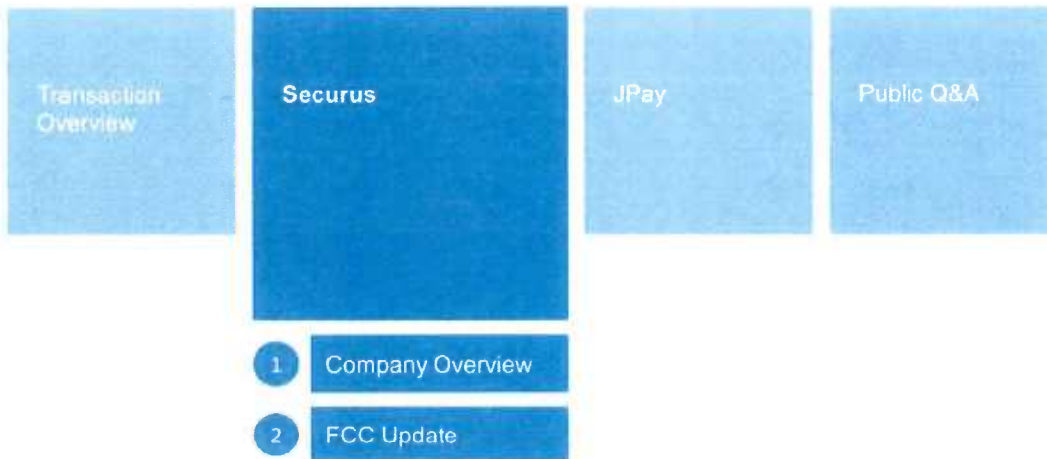
Indicative Transaction Timeline

April 2015						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

Denotes Holiday
 Denotes Key Date

Date	Activity
April 15 th	Host Lenders Call
April 24 th	Expected Pricing
Early / Late July	Close & Fund

Agenda



Company Overview

Situation Update

2015 YTD March, 2015 Financial Results

	<u>Q1 2014 vs. Q1 2015</u>		<u>Q12015 vs. Equity Budget</u>		<u>Q12015 vs. Bank Model</u>	
	<u>Percent</u>	<u>Performance</u>	<u>Percent</u>	<u>Performance</u>	<u>Percent</u>	<u>Performance</u>
Revenue	+10.1%	Good	+7.2%	Good	+6.5%	Good
Adjusted EBITDA	+23.1%	Good	+20.8%	Good	+16.6%	Good
Free Cash Flow	+9.3%	Good	+26.2%	Good	+19.6%	Good

Comments:

- Record High Q12015 Revenue, EBITDA, and Free Cash Flow
- Record High Prepaid Percent = 96.3%
- Q12015 EBITDA Annualized = \$133M > 2015 Equity Budget
- Project Initiatives +27.0% vs. Budget
- Same Store Call Volume Variance vs. 2014 = +15%
- Q12015 YTD Bad Debt = .6%
- Q12015 Annualized Net Wins = Record High

JPay Transaction

- Known JPay Team for +5 years, Past Partnering on RFPs
- Have Attempted to Purchase Them for Last Four (4) Years
- Purchase for \$250M + Earn Out
- EBITDA Forecast (Smith) of \$40M in 4 Years Without Growth ≈ 6.3X EBITDA Multiple
- High DOC Penetration + Low County Penetration
- Fits Acquisition Filter
 - Government Services
 - High Tech/Software Focused
 - Revenue and EBITDA Growth +10%
 - Corrections Sector
 - Good Management
 - High Integrity
 - Positive NPV and Good IRR

Performance code:

- Green = Good (> better than 3.0%)
- Yellow = OK (+/- 3.0%)
- Red = Poor (> worse than 3.0%)

Securus at a Glance

Company Highlights

- Leading provider of advanced inmate communications, investigative technologies and information management solutions to the corrections industry in the U.S. and Canada
- Stable and recurring revenue model supported by long-term, multi-year customer contracts
- Executive Team Average 14 Years Working Together
- 68 Sales Team Associates
 - +70K Contacts with Facility Customers Annually
- 143 United States Patents Approved, 87 Pending
 - Collected \$60M in License Agreements
 - 3X As Many Patents as the Entire Industry
- Private Equity Sponsored: ABRY Partners
- Key Financial Metrics (LTM March 2015)
 - \$415M Revenue
 - \$121M Adj. EBITDA
 - \$84M Free Cash Flow⁽¹⁾

(1) Free Cash Flow defined as Adj. EBITDA less Capital Expenditures

Business Snapshot

Founded:	1987	Facilities:	2,600
Headquarters:	Dallas, TX	Number of states:	47
Associates:	1,000+	IT Development Associates:	200

Product Overview

- Provides High-Tech Products and Services to Law Enforcement and Corrections Sector
 - Audio Outbound Inmate Calling
 - Video Visitation
 - Parolee GPS Monitoring
 - Voice Biometrics
 - Inmate Tablets
 - Data Analytics
 - Jail Management Systems
 - Interactive Voice Response Systems
 - Managed Access Service (wireless contraband)
 - Location Based Services
 - Mobile Marketing Services

Securus Management Team

Name	Position	Years with Securus	Years Working Together
Richard A. Smith	Chief Executive Officer	7	3 - 20
Robert E. Pickens	President	7	16
Geoffrey M. Boyd	Chief Financial Officer	2	9
Dennis Reinhold	General Counsel	10	7
Patrick Broisma	Vice President, Corporate Development	7	15
Joshua Conklin	Vice President, Sales	5	16
Daniel de Hoyos	Vice President, Service and Technical Operations	7	12
Larry Ehlers	Vice President, Application	6	11
Arlin Goldberg	Chief Information Officer	7	16
David Kunde	Vice President, Network Operations	4	20
Kathryn Lengyel	Vice President, Human Resources	8	7
Russell Roberts	Vice President, Marketing and Corporate Strategy	7	7
Jon Secrest	Vice President, New Growth Opportunities	< 1	9
Dan Wigger	Vice President and Managing Director, Managed Access Systems	< 1	3

- Executive Team averages 11 years working together.
- Has built the most advanced and comprehensive platform of technology solutions serving the corrections industry.

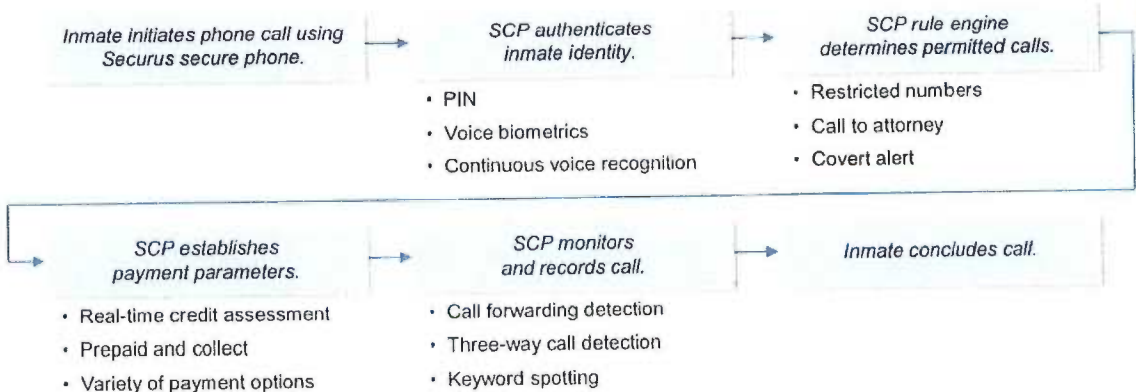
Inmate Telecommunications Overview

Key Functions

- Enable Calls
- Ensure Security of Calls
- Monitor Credit Risk
- Billing & Customer Care



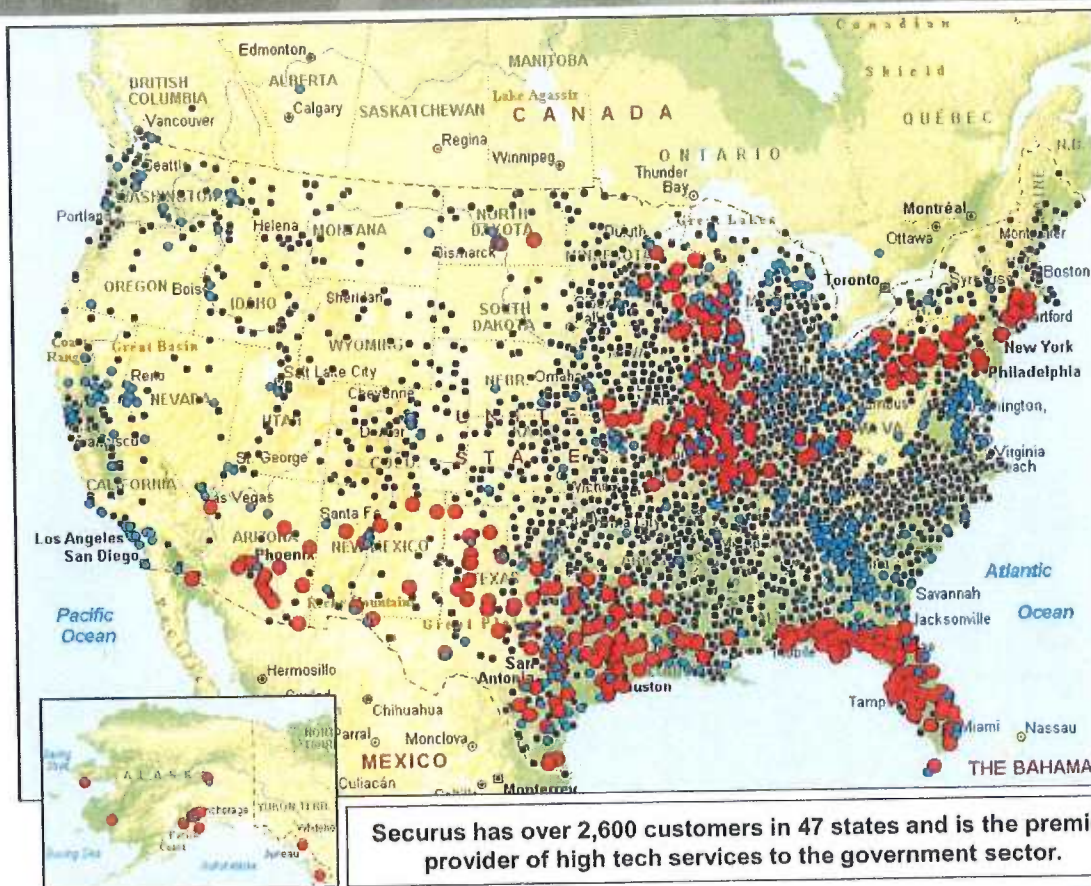
Summary of Outbound Inmate Call



- Securus bills inmates for the calls they make and the technology services they use
- Nearly 95% of the Company's total direct provisioning revenue are "pre-paid"
- Securus pays a negotiated commission to the correctional facility based upon actual usage of services by inmates

Specialized Systems And Technology Create High Barriers To Entry

Securus Sites



Sites Under Contract

- State DOC Sites
- County/Regional/City Accounts
- STOP Inmate Monitoring Customers

Securus has over 2,600 customers in 47 states and is the premier provider of high tech services to the government sector.

Historical Adj. EBITDA



Eschelon EBITDA, 1996 to 2007 (Competitive Local Exchange Carrier)



The Executive Team at Securus has a long history of good operating and financial performance including at Eschelon, for nine (9) years.

Key Credit Highlights

Securus Represents an Attractive Credit Investment

Recurring Revenue Model With Long Term Contracts



- Average revenue retention of 94% over the last 5 years
- 3 to 5 year contracts with majority on automatic renewals without RFP

Diverse Customer Base With Minimal Customer Concentration



- 2,600 facilities across 47 states, D.C and Canada
- Top 10 customers account for ~32% of revenue, long standing relationships with average tenure of ~10 years

Industry Leading Technology Platform



- Patented, proprietary technology platform
- Efficient centralized technology model is CapEx and OpEx efficient

Large, Stable And Growing Corrections Industry



- ~\$75B corrections industry represents a large, recession-resistant and stable market
- Inmate population and corrections expenditures have grown steadily for 3 decades
- The acquisition of JPay results in a comprehensive communication and tech-enabled solution provider

Diversified Service Offering in Highly Attractive Segments



- Well positioned for organic growth through numerous initiatives currently underway

Exceptional Financial Performance Since 2008



- Quality of revenue significantly improved: Higher prepaid revenue, lower bad debt expense, low wholesale revenue
- Increased Adj. EBITDA by 272% from 2007 to 2014
- Number of recent wins against GTL proves Securus' superior operating model

Experienced Management Team



- Experienced, cohesive team with 16 year track record of value creation
- Implemented numerous initiatives to double EBITDA from 2007 to 2014
- Continuous operational improvement and margin expansion