

Paragon and Mosaic Software Sign Referral Agreement

(Holly Springs, NC-July 20, 2004) Paragon Application Systems, a premier provider of ATM and EFT configuration, simulation, and testing software announced today that it has signed a referral agreement with Mosaic Software, the global EFT software company offering Postilion, a Microsoft Windows-based EFT transaction delivery system. Under the agreement, Mosaic will recommend Paragon's ATM/EFT simulation and testing tools to its Postilion users worldwide.

Since 2002, Mosaic Software technicians have used Paragon tools for desktop ATM simulation and development of ATM screens and states. Recently Mosaic worked with Paragon to validate Europay/MasterCard/Visa (EMV) test capabilities in Paragon's ATMulator and ConfigBuilder for use with Postilion. The companies share a number of mutual customers, as well as an anniversary—both celebrating 10 years in business in 2004.

"This agreement formalizes a solid collaborative relationship we've had with Mosaic. Paragon's tools enable Postilion users to quickly test their new offerings and cut time-to-market," says Kathy Cameron, Paragon's Director of Sales and Marketing. "It is especially gratifying when a company's experience using our products leads them to promote those products to their customers."

"We are always looking for the best partners and the best products to help our Postilion clients simplify their processes and improve their operational efficiency," stated Johann Dreyer, CEO of Mosaic Software. "Our positive experience with Paragon and their ATM/EFT simulation and testing tools has made it an easy decision for us to recommend them to our customers."

About Mosaic Software

Mosaic Software is a global EFT software company with offices in the United States, the United Kingdom, South Africa, and Australia. The company has over 500 installations in more than 40 countries, providing leading-edge software solutions to financial institutions, retailers, network processors, mobile operators, and portals.

Mosaic Software's product, Postilion, is at the forefront of next-generation payment processing software. Postilion drives payments and other financial transactions through ATMs, POS terminals, phones, and Internet access points. This multi-channel architecture provides consistent cross-channel branding and integration, consolidated management information, integrated debit/gift card management, EMV enablement, and loyalty software solutions.

Postilion reduces transaction processing costs, speeds time to market for new products and offerings, improves analysis of customer transactions and business opportunities, and increases profitability.

For more information, please visit www.mosaicsoftware.com.

About Paragon Application Systems

More than 150 financial institutions in over 25 countries use Paragon's productivity empowering software to improve quality and reduce time-to-market. From its founding in 1994, Paragon has dedicated its efforts to providing ATM and EFT professionals with tools to improve the reach and quality of their institution's transactions. The Paragon tools configure ATMs for graphics and audio, simulate ATMs including Triple DES (TDES) and fault testing, and perform regression testing for ATM and ISO 8583 transactions. Other Paragon offerings measure and test system capacity and performance, and provide Web-enabled QA and development testing to remote users worldwide. Since 1998, Paragon has been a member of the Diebold Partner Information Xchange and an NCR Strategic Business Partner, and counts both Diebold and NCR among its customers. Paragon has been a member of the Interactive Financial eXchange (IFX) Forum since 2002 and the MasterCard Vendor Program (MVP) since 2003. Visit Paragon Application Systems at www.parappsys.com.