



Top Image Systems

Top Image Systems Announces Sale of Convertible Notes to Hale Capital Partners LP

Tel Aviv/ Plano, TX – December 7, 2016 (GLOBE NEWSWIRE) -- [Top Image Systems, Ltd.](#) (NASDAQ: TISA), a global innovator of intelligent content processing solutions, announced today the closing of the sale of \$5 million of convertible notes to Hale Capital Partners LP. The sale was completed on December 5, 2016. The notes are convertible into Top Image Ordinary Shares at a price of \$1.776 per share, which was 120% of the closing price for the Ordinary Shares on Nasdaq on the day prior to closing.

The convertible notes are to be exchanged for newly created preferred stock of Top Image once approval of Top Image's stockholders is obtained. The preferred stock will also be convertible into Ordinary Shares.

The notes bear interest at the prime rate plus 2.5% - 3% per annum and the preferred stock, if issued, will be entitled to dividends at the same rate. If not converted, the notes will mature in December 2020. The notes and preferred stock have certain approval rights and Top Image Systems will register the underlying Ordinary Shares with the SEC. Top Image Systems will be entitled to force the conversion of the notes or preferred stock if the Ordinary Shares trade at 250% of the conversion price. Hale will have the right to demand that the preferred stock be redeemed after December 5, 2020.

“We are very excited to be partnering with Hale Capital and believe that this investment will enable Top Image Systems to grow more rapidly and realize its potential,” commented Izhak Nakar, Founder and Active Chairman, Top Image Systems. “Hale has a proven track record in investing in companies and providing guidance to promote growth, and we are looking forward to their involvement”.

Under the agreements regarding the investment, Martin Hale will be joining the Top Image Board of Directors and serve on its compensation committee.

“We look forward to partnering with Top Image Systems to achieve its strategic vision,” said Martin Hale, CEO and Portfolio Manager, Hale Capital Partners. “We believe that the Company has the ability to be a premier participant in its industry and are eager to join their team to help them deliver the value that we are confident is achievable.”

The proceeds from the sale will be used by the Company for general working capital purposes, including accelerating the company's transformation to a cloud-based provider of innovative financial process automation solutions.

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About Hale Capital Partners

Hale Capital Partners is a private growth equity fund focused on partnering with talented management teams to achieve remarkable corporate transformations that benefit all stakeholders including employees, customers, and our investors. In everything we do, we commit to making a positive difference in the lives of those we touch, and in doing so, to generating compelling investment returns. We focus on transformational opportunities with

small and microcap public companies because we believe the market to be inefficient, poorly understood, and under-penetrated by professional investment firms.

About Top Image Systems

Top Image Systems™ (TIS™) Ltd. is a global innovator of on premise and cloud-based applications that optimize content-driven business processes such as procure to pay operations, remittance processing, integrated receivables, customer response management and more. Whether originating from mobile, electronic, paper or other sources, TIS solutions automatically capture, process and deliver content across enterprise applications, transforming information entering an organization into useful and accessible electronic data, delivering it directly and efficiently to the relevant business system or person for action with as little manual handling as possible. TIS' solutions are marketed in more than 40 countries through a multi-tier network of distributors, system integrators, value-added resellers and strategic partners. Visit the company's website at <http://www.TopImageSystems.com> for more information.

Caution Concerning Forward-Looking Statements

Certain matters discussed in this news release are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results to be materially different from any future results expressed or implied in those forward looking statements. Words such as "will," "expects," "anticipates," "estimates," and words and terms of similar substance in connection with any discussion of future operating or financial performance identify forward-looking statements. These statements are based on management's current expectations or beliefs and are subject to a number of risks and uncertainties that could cause actual results to differ materially including, but not limited to, risks in product development, approval and introduction plans and schedules, rapid technological change, customer acceptance of new products, the impact of competitive products and pricing, the lengthy sales cycle, proprietary rights of TIS and its competitors, risk of operations in Israel, government regulation, litigation, general economic conditions and other risk factors detailed in the Company's most recent annual report on Form 20-F and other subsequent filings with the United States Securities and Exchange Commission. We are under no obligation to, and expressly disclaim any obligation to, update or alter our forward-looking statements, whether as a result of new information, future events or otherwise.

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