



Enabling Mobile Proximity Commerce

Innovators & Investors Forum

Neil Garner, Chief Executive and Founder

About Proxama

Proxama PLC (LSE: PROX) is a global mobile **proximity commerce** platform company.

Proxama's CardGateway® platform allows banks and FIs to securely transition their card portfolio onto mobile for **NFC contactless payments**. The acquisition of **Aconite** creates an **end-to-end solution** set including chip and PIN migration, tokenization and card issuance management.

Proxama's award-winning TapPoint® **proximity marketing platform** connects physical and digital assets via mobile to increase consumer engagement, retail sales and loyalty across a network of **high footfall locations**.



INSPIRING LOYALTY

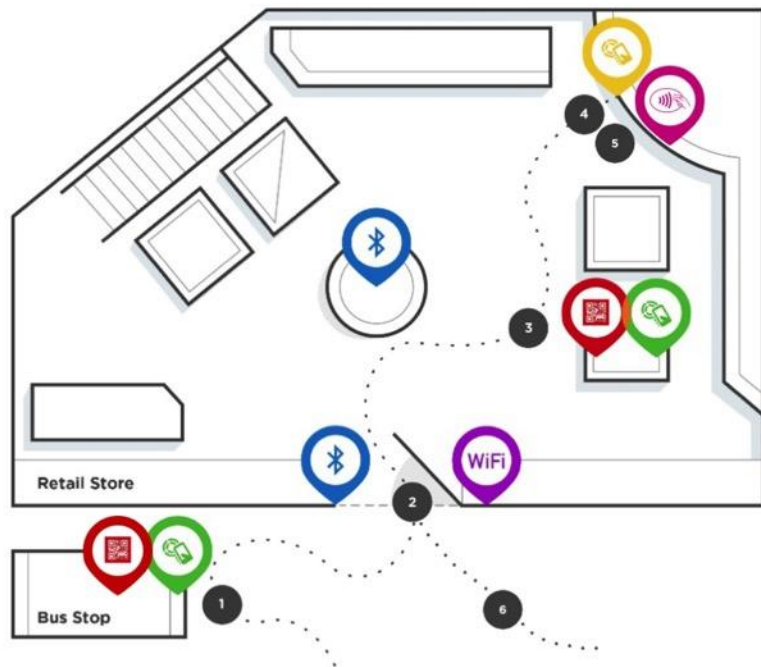


The Royal Bank of Scotland



What is Mobile Proximity Commerce?

Connecting the physical with mobile to drive commerce

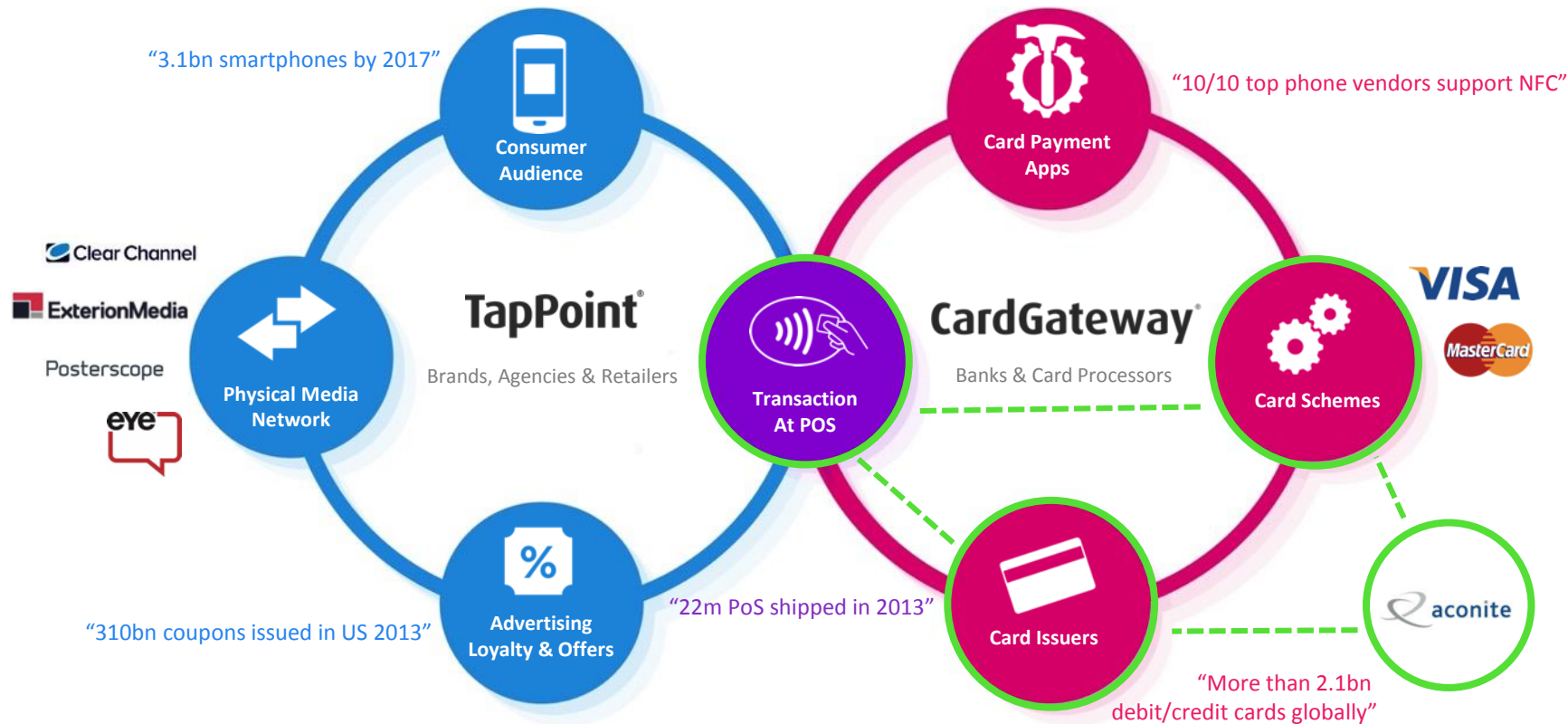


Many global brands are **working with our platforms**

Connecting physical assets with mobile consumers to drive commerce



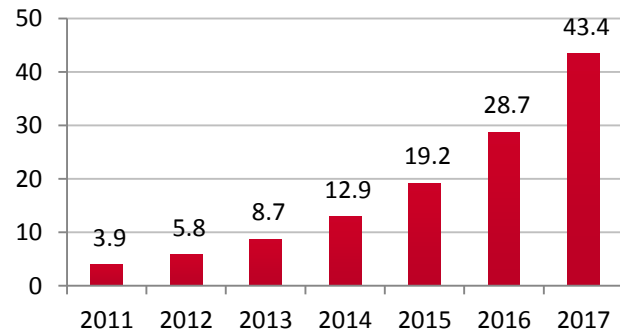
Proxama's Proximity Commerce **eco-system**



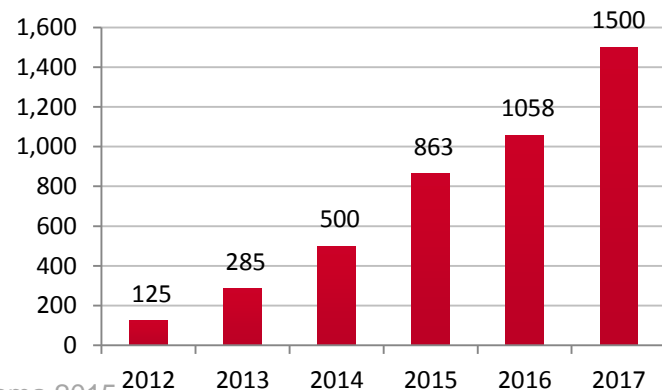
Key industry elements falling into place

- ✓ **3.1 billion** people around the world will own a smart phone by **2017**
Finextra.com
- ✓ **60m** BLE beacons to ship by **2019**
NFC World
- ✓ **1.6bn** NFC handsets by **2018**
NFC World, January 2014
- ✓ **100%** contactless EU POS saturation by 2020
MasterCard, September 2014
- ✓ Mobile advertising market to be worth **€19.7 billion** in **2017**
M&C Saatchi Mobile, Berg Insight 2013
- ✓ **22m** POS terminals shipped globally in 2013
(>50% NFC enabled)
Nilson, June 2014

Predicted Growth of NFC POS (millions)



Predicted Growth of NFC Handsets by year (millions)



Growing market appetite from **major ecosystem players**



Apple Pay allows you to pay at the counter with your iPhone 6
The Verge, 9th September 2014



Visa to increase contactless spend limit to £30 in 2015
FS Tech, 26th January 2015



MasterCard Speeds London Transport with Contactless Cards
Forbes, 20th January 2015



About 30M phones will be used for contactless payments by end 2015
Deloitte, 22nd January 2015



Google Wallet Moves to HCE for NFC Payments
Mobile Payments Today, 18th March 2014



MasterCard Reports Contactless Surge; Forecasts Boom in Mobile Payments
Finextra, 8th April 2014



Everyone a winner with airport beacons
Warc, 15th January 2015



Starbucks Shows Google and Apple How to Do Mobile Payment
Forbes, 22nd January 2015



PayPal Takes Another Look at NFC
NFC World, 22nd April 2014

2014 Update **Highlights**

- 2014 Income £0.8million with EBITDA loss of £5.6million, better than management expectations.
- Cash balances of **£5.5million** at 31st December 2014.
- Global **interest in contactless** (NFC) payment cards, POS terminals & compatible smartphones accelerated after launch of iPhone 6.
- **Aconite acquisition** completed providing new cash generative products with existing customers and revenues.
- Significant growth opportunity in **North American Market** in 2015.
- Proven **media owner partnerships** with Proximity Marketing activities in malls, stores, public transport, stadia and venues.
- Development & deployment of LOKA consumer proposition for **city-wide deployments**.
- **Strengthened Exec Team** with Mike Woods (CEO of Aconite) joining board and **John Kennedy** replacing Coen Van Breda as **(CFO)**.



Payments Division: **End-End solution for card issuers moving to mobile**

One stop shop software solution for card issuers migrating to chip cards and mobile contactless cards



- US Chip migration mandate and **Apple Pay** will drive market consumer adoption of contactless payments.
- A great opportunity to grow in the USA as payment schemes are **driving EMV migration with a deadline of October 2015** for 'liability shift'.
- **NFC Host Card Emulation (HCE)** is now supported by all latest Android phones opening up software-only enablement of card issuers mobile Apps.
- **Aconite acquisition** provides **new profitable revenue streams** from existing customers migrating from mag-stripe cards, securely managing chip cards and reducing costs of managing card PINs.
- Significant cost synergies of no less than £1.5m.
- Aconite gives **additional technology capability**, trusted bank relationships eg Fiserv and new channels to market for HCE products.



Magstripe Cards



EMV Cards



NFC Mobile



Proximity Marketing: **Connecting physical locations with mobile audiences**

The Market Leader in building a Proximity Marketing Network with Media Owner partners

- All new smartphones include support for **Bluetooth Beacons** and Proxama has proven consumer engagement through a number of **deployments**.
- Apple now support **NFC in iPhone 6**
- Active partnerships with tier 1 Media Owners and agencies using our TapPoint® platform including Exterion Media.
- Deployed **consumer services** across Stores, Malls, Stadia, Public Transport and City Centre locations enabling retailers and brands to market directly to consumers via their mobile phone, in a **sophisticated and targeted manner, in and out of store**.
- **Consumer brand LOKA app** created for first city wide deployment, providing model for growth in other cities. Targeted beacon messaging, encouraging consumers to the high street shops and local businesses.
- 2014 has **proven the technology**, the consumer proposition and business model to allow significant sales growth and scaling in 2015.
- We believe we are market leader in this space.



Looking Forward into **2015**

- **Much reduced losses** and cash positive anticipated by year end
- **Significantly increased revenues** across both Payments and Marketing Divisions.
- **Integration synergies** delivering material annualised savings
- **Investment in sales and marketing** across both Payments and Marketing Divisions.
- Marketing Proximity Division goals:
 - Growing proximity media network asset across UK cities to over **10,000 locations**
 - Enabling over **20 new brand Apps**
 - Further **media owner partnerships** delivering **recurring highly scalable revenues** as the market develops.
- Payments Division goals:
 - **Significant recurring revenue growth**, across all markets, with sizable opportunities in US
 - **New products** and **new geographic territories**
 - Achieving divisional **profitability for 2015**



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Thanks for listening.

Any Questions?

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