

Wirecard AG
Analyst Day 2014

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Wirecard in Asia Pacific

Introduction

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Wirecard's Presence in Asia Pacific



Singapore

(Head Office Asia Pacific)

- WD Asia Pte Ltd
- Systems@Work
- Trans Infotech
- PaymentLink

Indonesia

- PT Prima Vista Solusi
- PT Aprisma Indonesia

Vietnam

- Trans Infotech Vietnam

Malaysia

- WD Malaysia
- Systems@Work
- Korvac Malaysia

Myanmar

- WD Myanmar Ltd (in setup)

Australia

- Wirecard Sales Int.
Australia Branch (in setup)

Portfolio Overview

PAYMENT SERVICE PROVIDER	MERCHANT SERVICES PROVIDER	ACQUIRING AND ISSUING PROCESSOR	PAYMENT TECHNOLOGY & OUTSOURCING SERVICE PROVIDER
<ul style="list-style-type: none"> Multi-channel payment processing platform Support for dozens of payment methods on a single platform Integrated fraud and risk management Comprehensive reporting and analytics functionality 	<ul style="list-style-type: none"> ISO/MSP agreements with leading Acquirers in Singapore Merchant Recruiting & Merchant Management 	<ul style="list-style-type: none"> State-of-the-art acquiring & issuing processing SaaS platform Comprehensive Managed Services Offering (merchant statement generation, merchant settlement, dispute management, ...) ATM driving, terminal management, network operations,... 	<ul style="list-style-type: none"> Multi-channel white label payment gateway & switching solutions Transaction & Internet Banking Software Solutions Cash Management Software Solutions Point-of-Sale Software & Infrastructure Solutions Mobile payment platform and smartphone apps Mobile acceptance solutions incl. hard-/software

Key Markets & Innovative Market Solution Highlights

Singapore (1/2)

CONNECTED & COSMOPOLITAN	PRO BUSINESS HUB ENVIRONMENT	STRONG ECONOMIC PERFORMANCE	PAYMENT INNOVATIONS ENVIRONMENT
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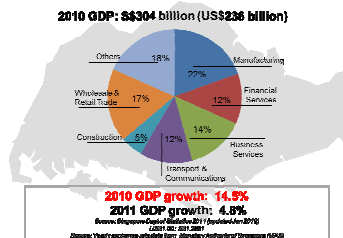
- 5.5 million population, 1.25 million foreigners, high standards of living
- 156% mobile penetration,
- 79% homes with computers
- 70% Internet users (adults)

- No. 1 country “Ease of Doing Business”
Doing Business 2013, World Bank
- World’s No. 2 and Asia’s No.1 for best intellectual property protection
Global Competitiveness Report 2012 – 2013, the World Economic Forum
- > 7,000 Multi-national Corporations
60% with regional responsibilities
- >37,000 International Companies

- No. 1 city with the best investment potential
BERI Report 2011-II
- Top 2 most competitive city in the world
Global Competitiveness Report 2012 – 2013 by the World Economic Forum
- Top 3 in the world for foreign trade and investment
Globalisation Index 2012
- 2013 GDP: US\$295 billion

- ~ 4m debit, > 5m credit cards, > 12m prepaid cards issued
- ~ 80k PoS for credit cards, ~ 80k PoS for debit/prepaid cards
- Cashless (& contactless) Public Transportation Payments Ecosystem
- Significant „online“ (eCommerce & mobile) affinity & adoption
- Numerous Mobile & Contactless Payments Initiatives

“Singapore’s ... **#1 position in the MasterCard Mobile Payments Readiness Index** is a testament to the country’s strengths ...”



Key Markets & Innovative Market Solution Highlights

Singapore (2/2)



Singapore Toll Collection



MasterCard Moneysend



Self Service Payment Kiosk



Contactless Card & Loyalty programs



Multi-lane Retail



Topup stored value card with NFC phone

Key Markets & Innovative Market Solution Highlights

Indonesia (1/2)

ARCHIPELAGO



18,307 islands

POPULATION

Indonesia Population 2014

250,585,668

Population Rank: 4
% of World Pop: 3.49%

250,585,668 people

INTERNET USERS

Social Network Users and Penetration in Indonesia, 2011-2014

	2011	2012	2013	2014
Social network users (millions)	34.4	52.1	67.1	79.2
—% change	51.4%	51.6%	28.8%	18.0
—% of internet users	80.0%	87.5%	92.3%	94.8
—% of population	14.0%	21.0%	26.8%	31.3

Note: internet users who use a social network site via any device at least once per month
Source: eMarketer, Feb 2012

95M internet users

- Mobile subscribers ~ 285 million
- Credit card issued ~ 14.5 million
- Debit / ATM card issued ~ 20.8 million
- No of ATM >20,000
- No of POS ~ 500,000

- Emerging country, growing middle-class work-force
- Government & banks initiatives towards cashless society
- Continued growth in POS, mobile & internet banking
- Opportunities in ecommerce, mobile payment & security

Key Markets & Innovative Market Solution Highlights

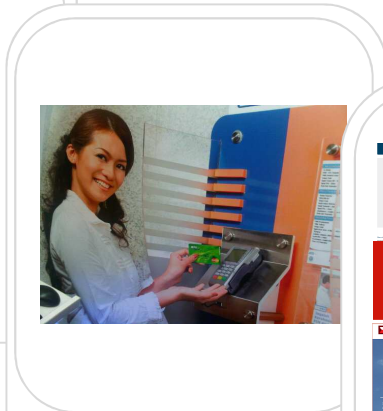
Indonesia (2/2)



Network Controller, Encryption & Key Management



Biometric Microbanking Solution



Mini ATM & Bill Payment on POS



Cash Management & Internet Banking



Mobile Banking

Key Markets & Innovative Market Solution Highlights

Vietnam (1/2)

POPULATION	MOBILE PHONE & SMARTPHONE SUBSCRIBERS	3G SUBSCRIBERS	INTERNET PENETRATION
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89.7 million (2013)
14th largest population

- GDP Growth
- Domestic card issued
- International cards
- No of ATMs
- No of EDCs

MOBILE PHONE & SMARTPHONE SUBSCRIBERS



Mobile Phone: 121.1 million
Smartphones: 37 million
8th highest number of mobile subscribers

- 5.25%
- ~ 55 million
- ~ 5 million
- ~ 18,980 units
- ~ 149,000 units

3G SUBSCRIBERS



24 million
(25.4% growth)

- Advancement in e-banking services
- Opportunities for e-commerce & m-commerce: Emerging trend of online shopping and new media + significant investment in communications infrastructure
- Mobile growth fueled by domestic telcos who incurred infrastructure costs to keep prices low for users
- State Bank of Vietnam's goal to increase number of POS terminals and mPOS

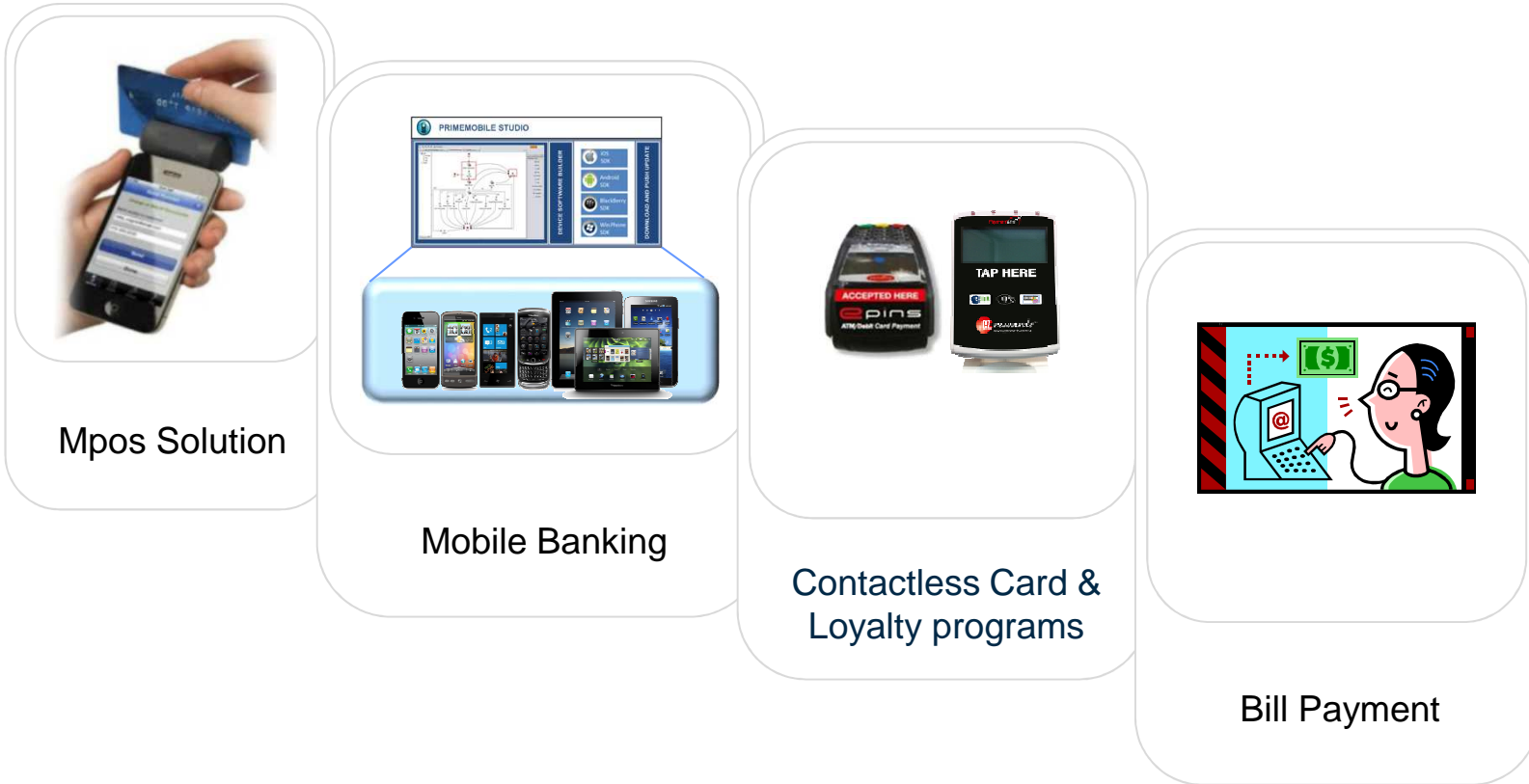
INTERNET PENETRATION



40 million (2014)
- 40% of online population aged 15 to 24
5th highest Internet Penetration in SEA

Key Markets & Innovative Market Solution Highlights

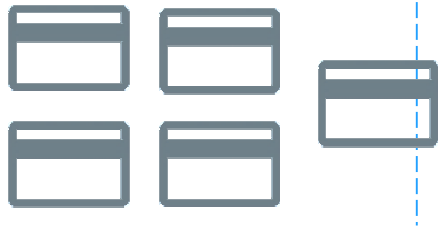
Vietnam (2/2)



Key Markets & Innovative Market Solution Highlights

Malaysia (1/2)

CARD PENETRATION **TOTAL ASSETS OF DOMESTIC & FOREIGN BANKS** **SMARTPHONE USERS**



4.9 cards per individual (Country with highest card penetration)

- Population ~ 29 Million
- Internet Users ~ 66%
- GDP Growth - 4.7% (2013)
- Mobile penetration ~ 140% (47% Malaysians own >1 mobile)
- Payment cards ~ 50.5 mil (2013)
- Debit card ~ 15m to 18m
- Credit card ~ > 10m



~ \$615 billion

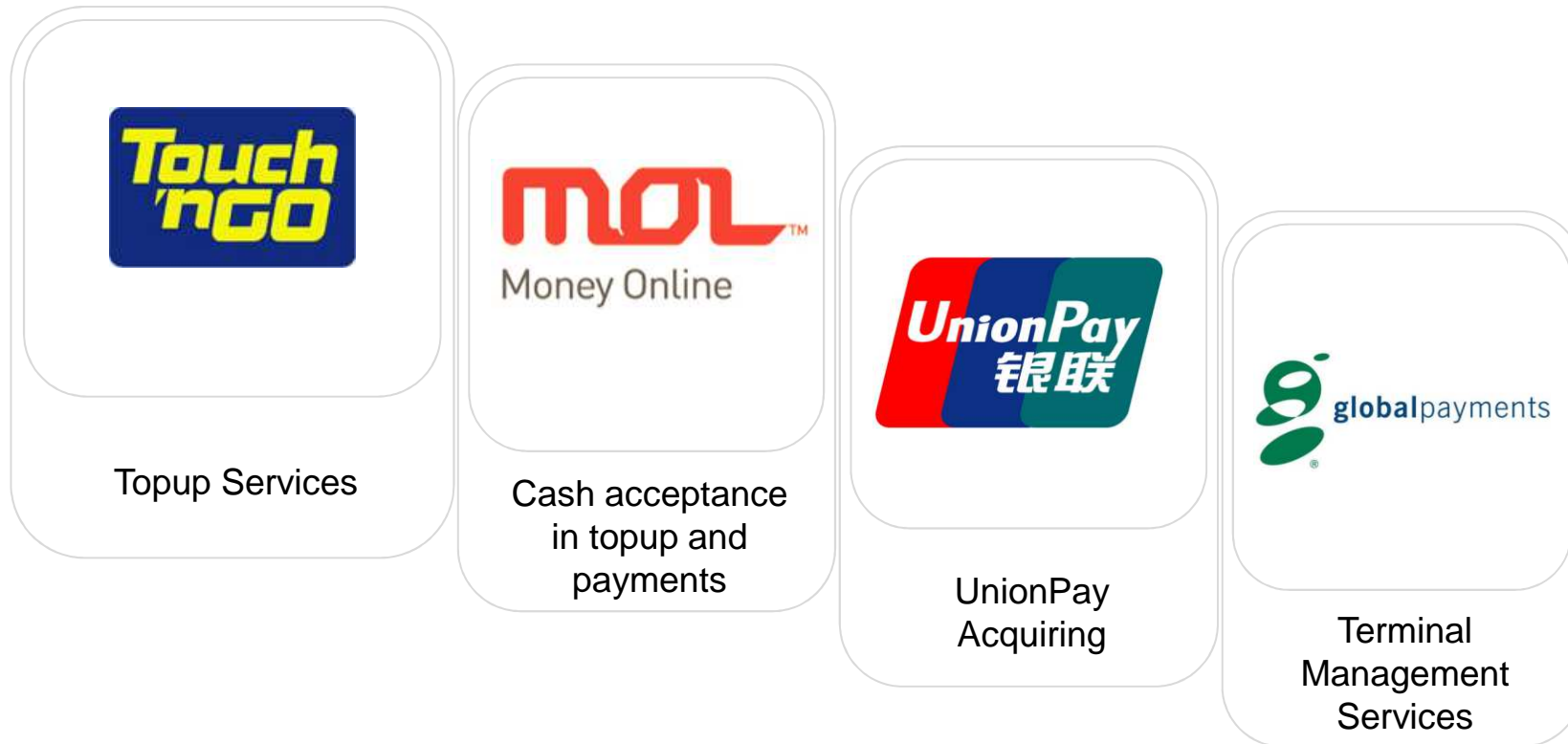


>10 million (3G subscription)

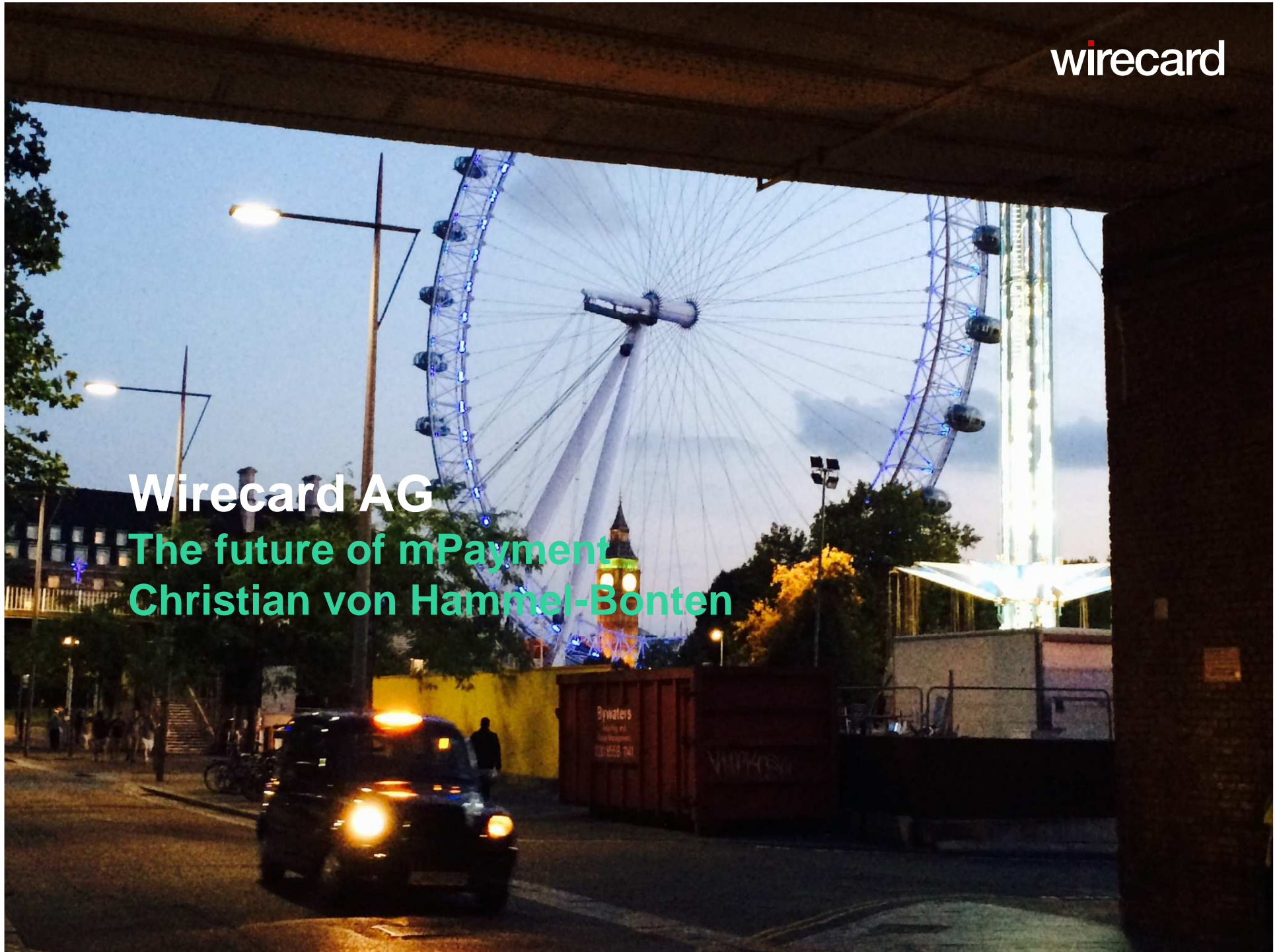
- 3rd largest economy in SEA.
- Newly industrialised market economy, relatively open
- Increasing transaction values at POS terminals & ATMS – Rising consumer preference for cashless transactions
- Opportunities for contactless technology

Key Markets & Innovative Market Solution Highlights

Malaysia (2/2)



Wirecard AG
The future of mPayment
Christian von Hammel-Bonten

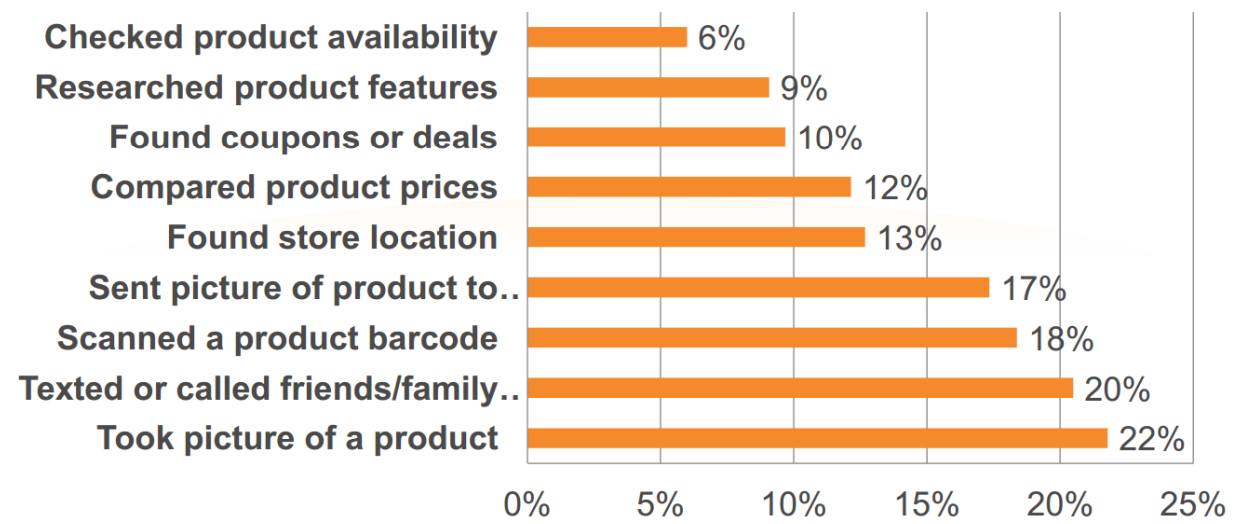


The mobile is converging the channels

... AND CHANGING THE IN-STORE EXPERIENCE

% Smartphone Owners Performing Task in Physical Retail Store

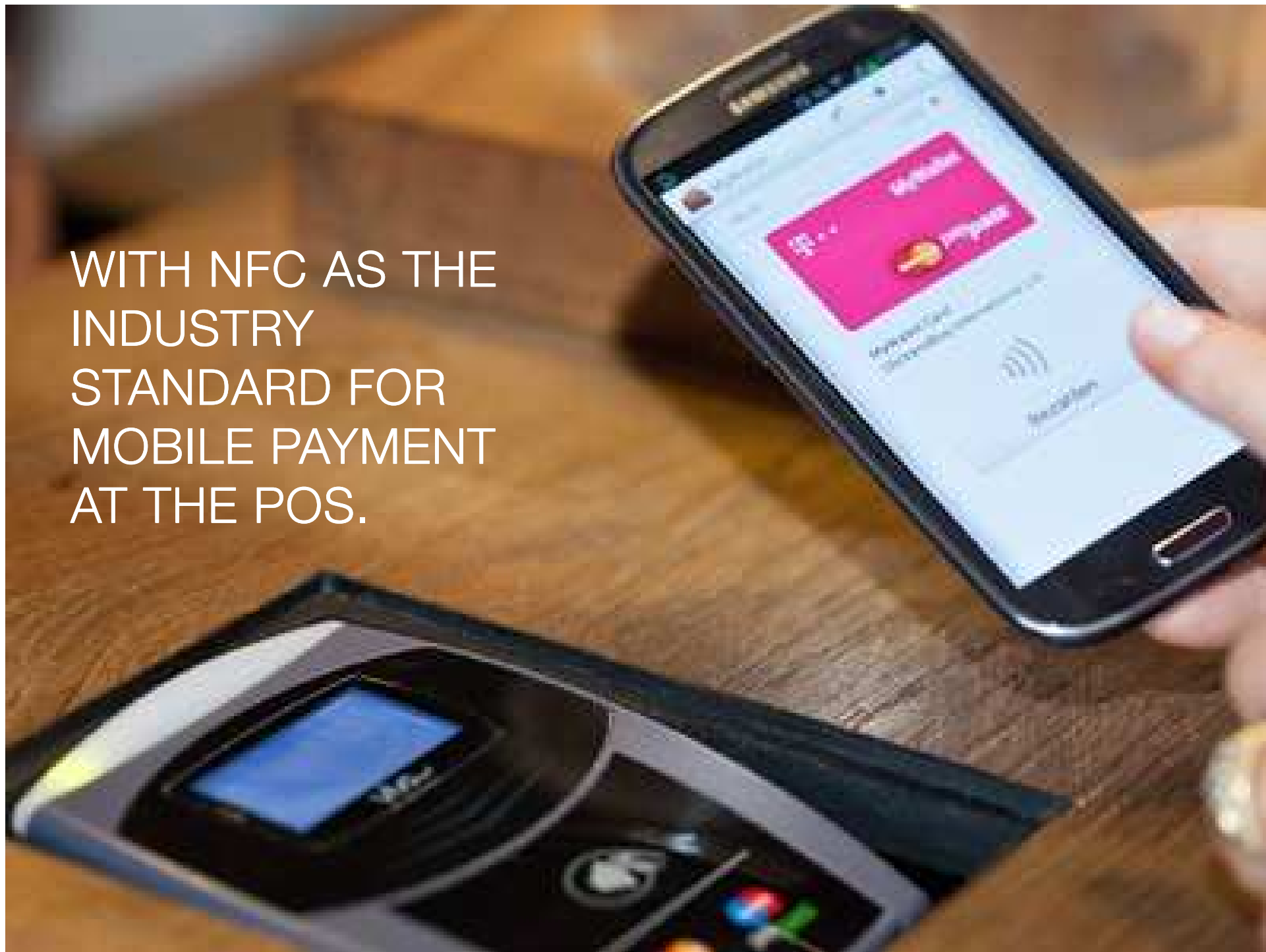
Source: comScore MobiLens, US, 3mo Avg ending Dec 2011





PAYING WITH THE
MOBILE WILL
BECOME THE
STANDARD

WITH NFC AS THE
INDUSTRY
STANDARD FOR
MOBILE PAYMENT
AT THE POS.



Mobile payment solutions enable merchants to generate significant value throughout the purchase journey:

before, during, and after payment

The future of retail is bright

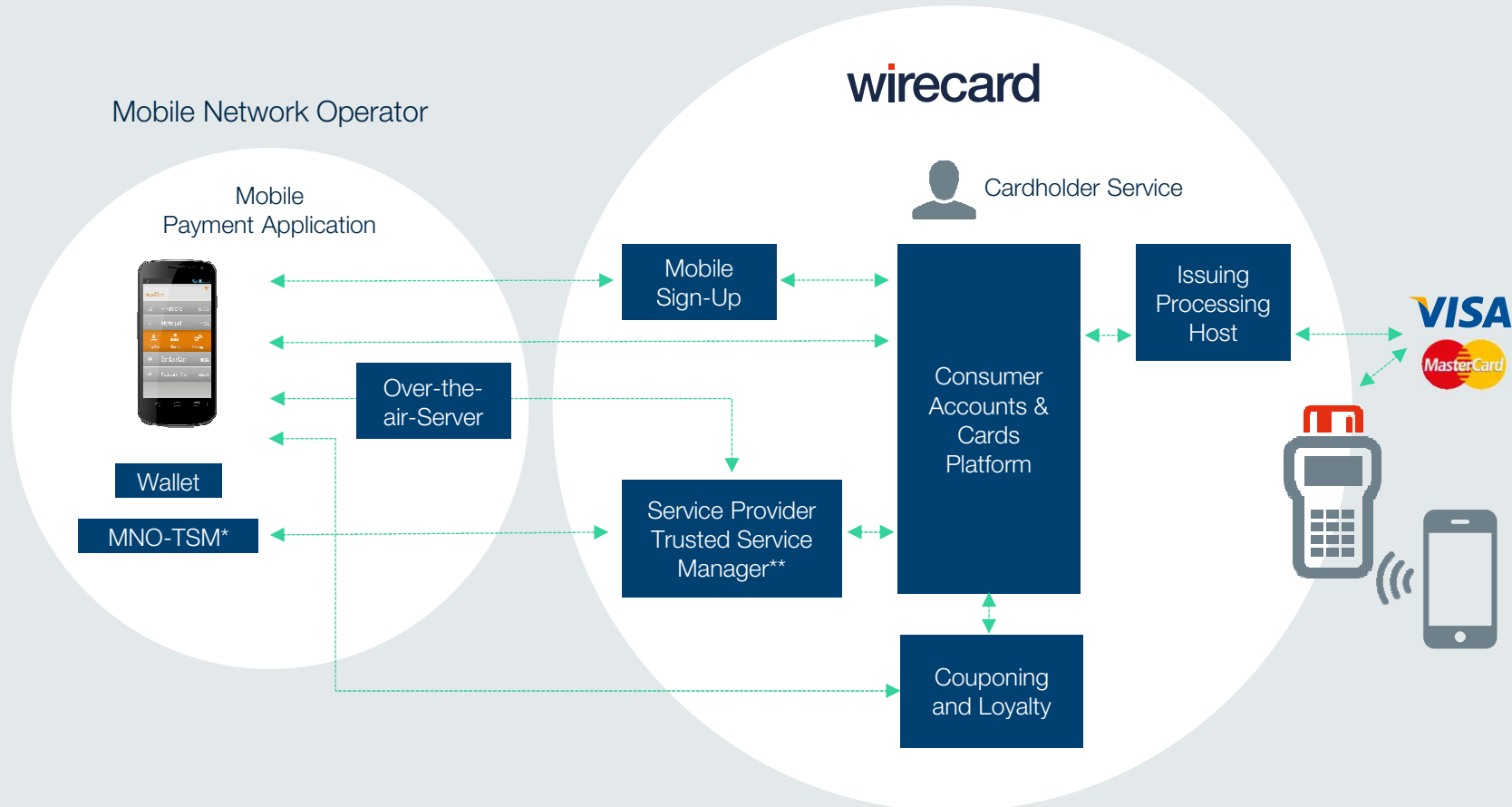
Value Added Services are key to drive adoption and usage:

- Loyalty and Couponing
- Online Payment Interfaces + Virtual cards for secure e-commerce shopping
- Request money from friends and relatives
- Person-to-Person transfers
- and more to come ...

Seamless mobile customer experience

The future of mPayment

Mobile Payment Solution: Behind the Scenes



*MNO-TSM Management of the SIM-Card – includes a secure access management

**SP-TSM Guarantees a secure and smooth connection between the Issuer and the NFC-Smartphone

What will drive usage?

Use cases, use cases, use cases....

Transport for London and Vodafone SmartPass*

* fully enabled by Wirecard
technology and issuing
services



The future of mPayment

“PAYMENT IS AT YOUR FINGERTIPS”



An aerial photograph of a coastal city, likely San Francisco, showing a large body of water (the bay) and a prominent bridge (the Golden Gate Bridge) crossing it. The city is visible in the background under a cloudy sky. The image has a blue tint.

Internet technologies will increasingly determine payment functionalities in specific sales channels in the future. Wirecard is driving this trend.

– Dr. Markus Braun, CEO, Wirecard AG

Wirecard AG
The Future of Retail
Jörn Leogrande



The status quo

New technologies are changing the ways of Point of Sale-business:

- mPOS
- Tokenization
- Bluetooth Low Energy
- Big Data

1. mPOS

A new level for worldwide merchants



Wirecard Card Reader Solution

customer case study: bijlipay



2. Tokenization

Pay-by-App by Wirecard



Pay-by-App

Merchant and customer are identified via different technologies (Server, WIFI, QR, BLE). Payment is proceeded by tokens of credit card data or bank account details.

Pay-by-App

Concept

- To pay by smartphone, customers simply have to download the app to their phone free of charge, register and provide details of their preferred credit card.
- The payment page securely logs the credit card data and stores it in a PCI-compliant way with tokenization services. This guarantees maximum security for both the customer and the merchant..
- The customer is able to easily pay at the merchant location via QR-Code, BLE, Wi-Fi. The customer simply confirms the fare on their smartphone with their personal PIN.

3. Bluetooth Low Energy A new contactless standard



BLE Beacon

- Beacon - small, inexpensive device transmitting Bluetooth signal (up to 30m)
- Smartphone with dedicated app can seamlessly connect with beacon when within range
- One beacon works approximately 2 years on one battery. Beacons can be also connected to power outlets or even build into them
- Major enabler not only for payment technology, but also proximity marketing and in-store analytics

Range:

30m

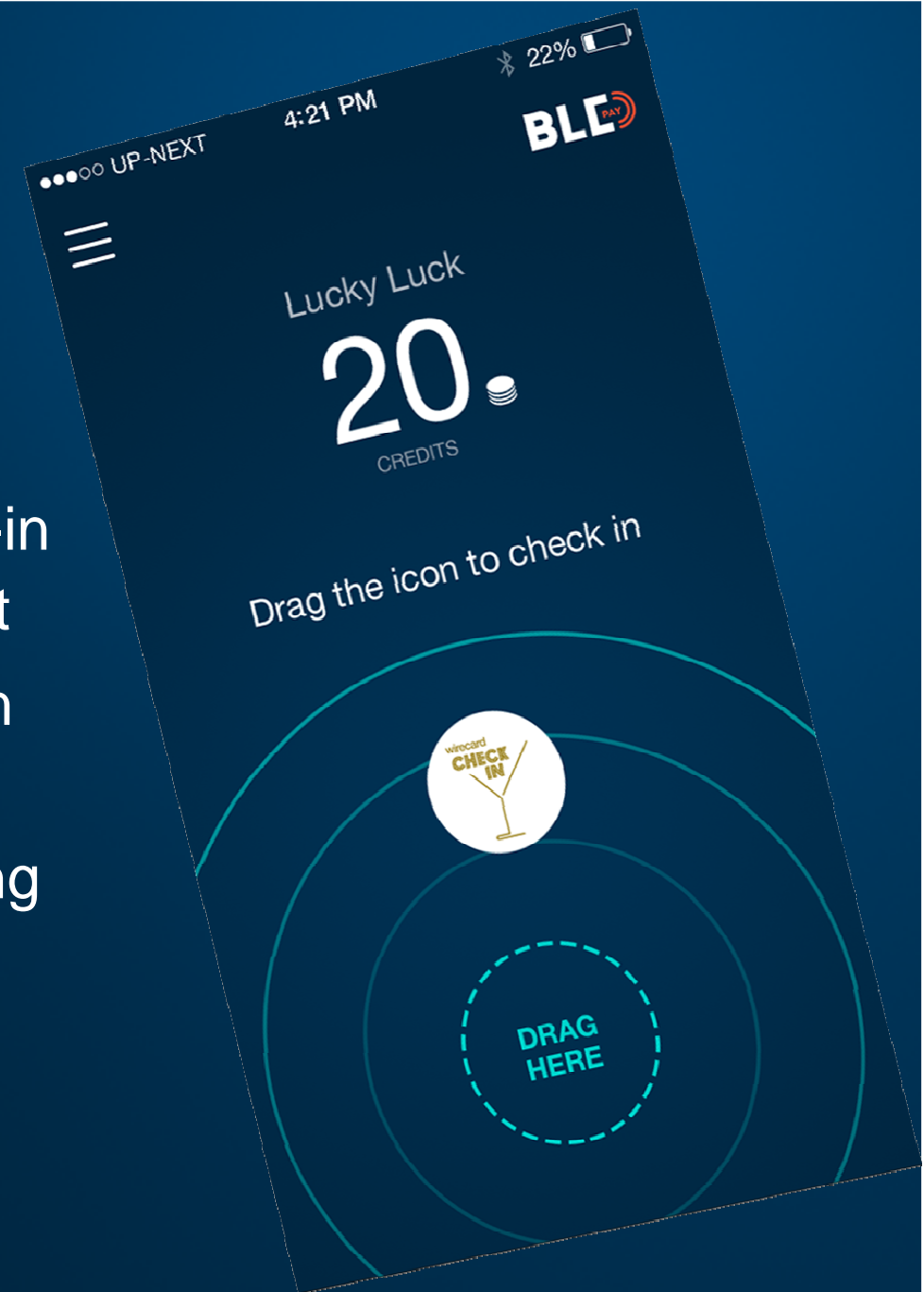


Runs on battery for:

2 years

BLEpay app

- App shows nearby stores on “radar” screen
- Customer needs to check-in in store to enable payment
- Proximity notification when user approaches a store
- Push notification requesting payment authorization
- Auto check-in option for returning customers



4. Big data The Future of Retail

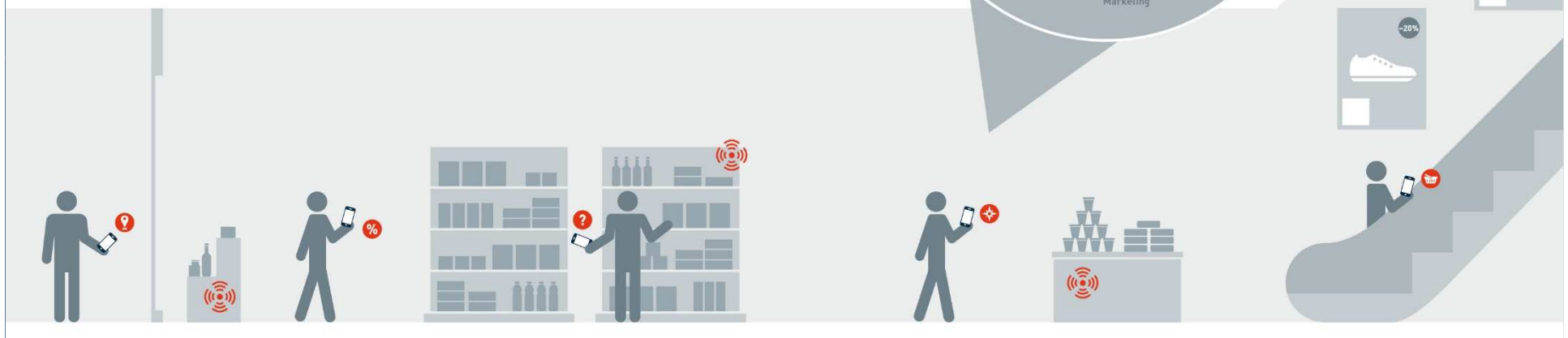
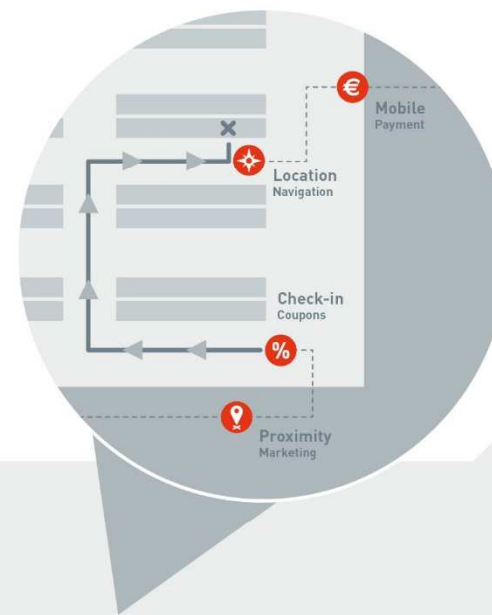


POS goes eCommerce



Wirecard ePOS Platform

- Central platform & data warehouse
- POS connector for item-level shopping information
- Beacon platform
- Couponing & Loyalty
- Payment integration



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