




WHAT IS QALIZE?

'How' matters more than 'what'

- Qalize empowers the consumer through unifying payments, funding sources, loyalty, gift cards, promotions & other services into a single, frictionless, truly contactless transaction
- Qalize uses beacon technology, which gets customer experience with where mobile experience should have been a while ago
- The first several waves of mobile checkout were a relative success: it is time for a real breakthrough
- It is a crowded market but the devil is always in the detail

[ON RADAR FOR INDUSTRY MAJORS SINCE A VERY EARLY STAGE](#)

Samsung Pay - Money 20/20 meeting request 

Mika Kossmann <hit-reply Wed, 19 Oct 2016, 21:55 ☆ ↩ ⋮ to me ▾

Hello Victor,
I would like to learn more about Qualize and your electronic receipt solution. At Samsung Pay we are continuously looking for innovative partners and a better payment/invoicing experience is definitely high on our priority list.

Would you or someone from your team be available for a quick chat during Money 20/20 next week?
Thanks



Mika Kossmann • 1st

Director, Samsung Pay - Global Partnerships and Business Development

Gangnam-gu, Seoul, Korea

WHY QALIZE?

- Payments, gift cards and loyalty must be combined. This is the underlying failure of usability. **Qalize eliminates friction** through smooth automation
- Swipe/Scan/Tap are antiquated. **Qalize is truly contactless**
- Qalize covers a **multitude of use-cases** with the same technology and interface: from restaurant and store payments to automating payments at hotels, gas stations, automatic vending machines
- Bringing **low-cost bank-to-bank transfers** to day-to-day consumer payments
- Digital wallets linked **directly to bank accounts** open up countless partnership and product opportunities
- Qalize captures a **detailed breakdown of each purchase**, which provides access to valuable data and simplifies reporting in a number of important use-cases, such as corporate expenses

THE MARKET

- Mobile payment solutions in high demand with no consolidated market
 - **55% US and UK adults want mobile payment functionality**
 - **60%+ want loyalty and coupons combined with payments (MasterCard)**
- \$314 billion in mobile payments volume by 2020
- 50.8 million mobile payment users in the U.S. by the end of 2017
- Adoption delays in EMV (chip cards) and card security issues, including NFC (tap cards)
- Apple and Google still running their payments on a suboptimal technology which they were initially not part of
- US\$130bn market for gift cards in the US alone (still relying largely on legacy tech)

HOW DID WE GET HERE?



VICTOR DONOV
Founder

Working on the first credit card securitizations and banking M&A in Russia provided many useful insights on the challenges and untapped opportunities in consumer finance

Nearly a decade of angel investment experience created a nuanced understanding of mobile, product lifecycles and core trends.

Expected, and observed how the first wave of mobile financial solutions demonstrated their limitations.

BAKER & MCKENZIE



SENIOR MANAGEMENT TEAM



STEPHEN BROOKS
Senior Advisor

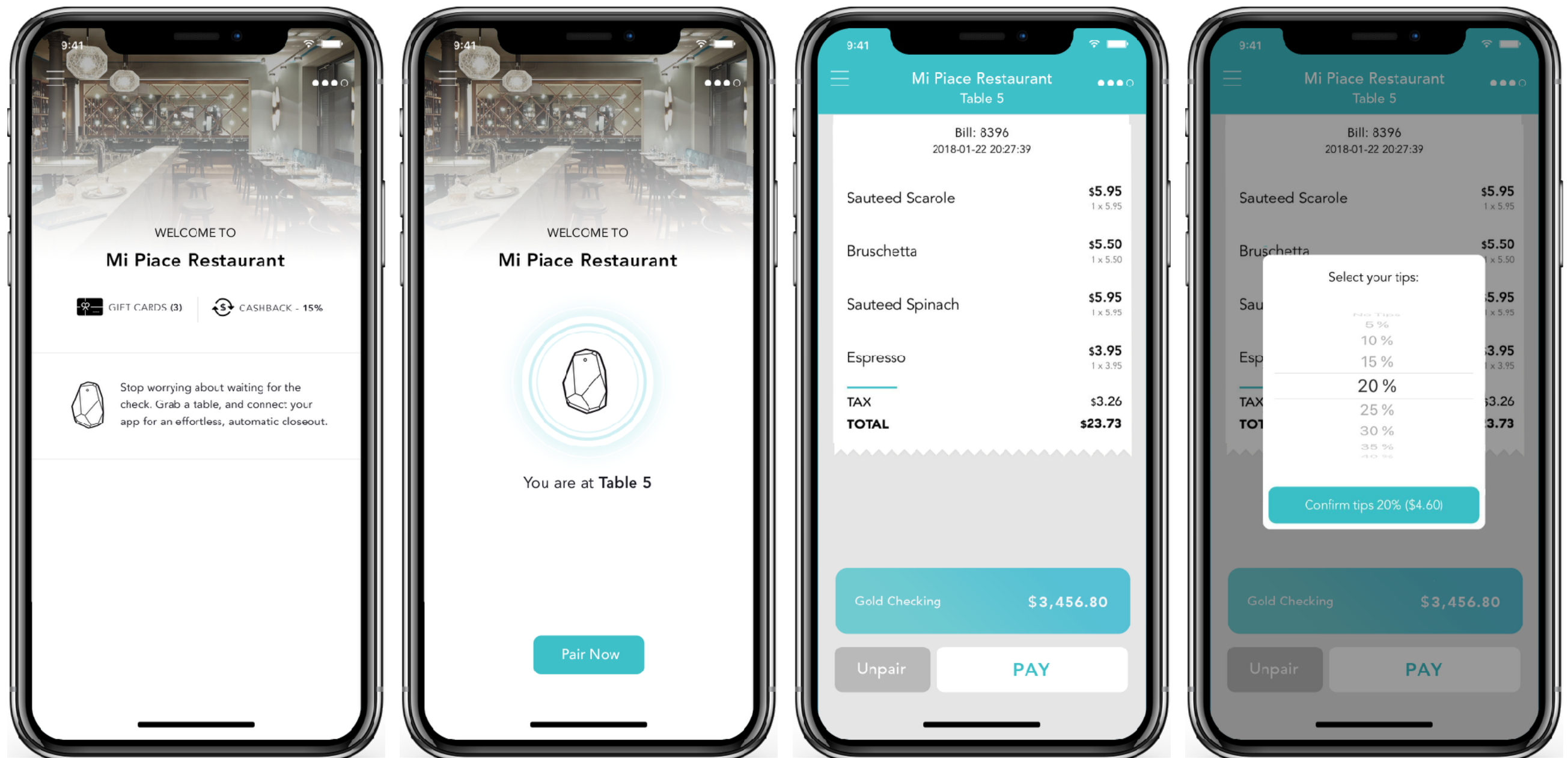
Steve has over 35 years experience in international retailing and the shopping center industry. He has worked with retailers and mall owners across the world, including Westfield, JLL and Simon Malls. Steve is a business coach, international speaker and author of several books. A serial entrepreneur, Steve has created and sold several businesses in both retail and consulting.



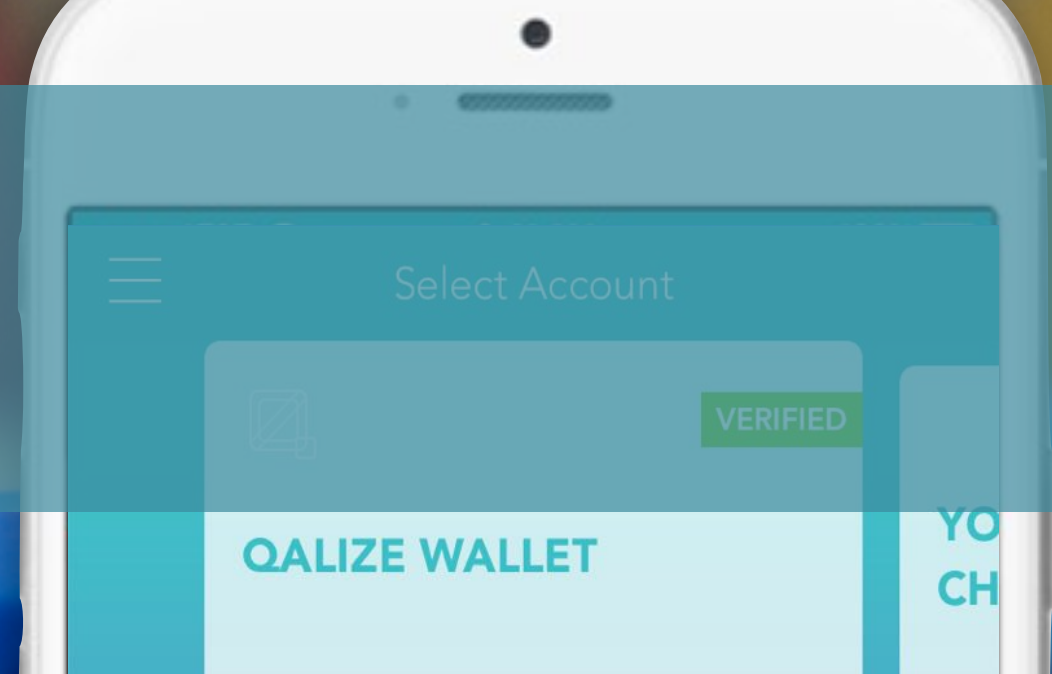
DAN FEDOTCHENKO
Co-Founder & CTO

Extensive experience in iOS and Android app development, digital signage, face and gesture recognition and multi-touch solutions. Chief developer for Stino.com. Extensive experience in cyber-security, and system architecture.

HOW QALIZE WORKS



UNDER THE HOOD



- Using **Beacon Technology** for payments enables a truly seamless, automated experience
- An “Amazon Go without Amazon”
- Security beats any existing solution
- **Automatic loyalty** and **automated gift card redemption** as part of a single payment transaction
- **Data:** capturing customer behavior and highly detailed data across multiple merchant types and use-cases
- **Disruptively low transaction fees** through enabling bank-to-bank transfers in retail payments that ensure
- **Payment source agnostic** designed to cater for any payment source, current or future
- **Future-proof** the Qalize workflow is not limited to smartphones

USE-CASES

- **Restaurants:** ordering at the table and automated payments on walking out (streamlining restaurant operations, dealing with dine & dash risks, easy tipping)
- **Stores:** easy check-out (no swiping/tapping, automatic loyalty)
- **Hotels:** automated booking recognition, checkin and payment through beacon technology: skip the line
- **Gift cards:** a full-blown built-in gift card store, with automatic gift card redemption functionality, combining gift cards with payments
- **Gas stations:** automated careless and truly contactless payments through beacons.
- **Corporate expenses:** a fully digital wallet linked to company account - all inside of the Qalize app. Automatic receipt records. No need to administer a card program, renew business credit and debit cards. Saving on transaction fees through bypassing card processing
- **Consumer credit:** fully digital credit wallets allowing lower origination costs, passing on more benefits to the consumer and / or saving retailers' costs on interchange and card processing fees
- **Crypto etc:** an ideal, consumer oriented last-mile solution for any prospective funding source, such as cryptocurrencies

GIFT CARD PURCHASE AND REDEMPTION

- Implemented APIs with InComm, one of the Top-3 gift card distributors in the United States
- Sales + automatic redemption of gift cards, seamlessly combining gift cards with payments to increase spend
- Launching with 70+ gift card brands, with average **7% commissions** available for Qalze - Certification Completed in February 2018, going live in October 2018
- Qalze payment workflow ensures automatic redemption

MORTON'S
THE STEAKHOUSE

FOREVER 21

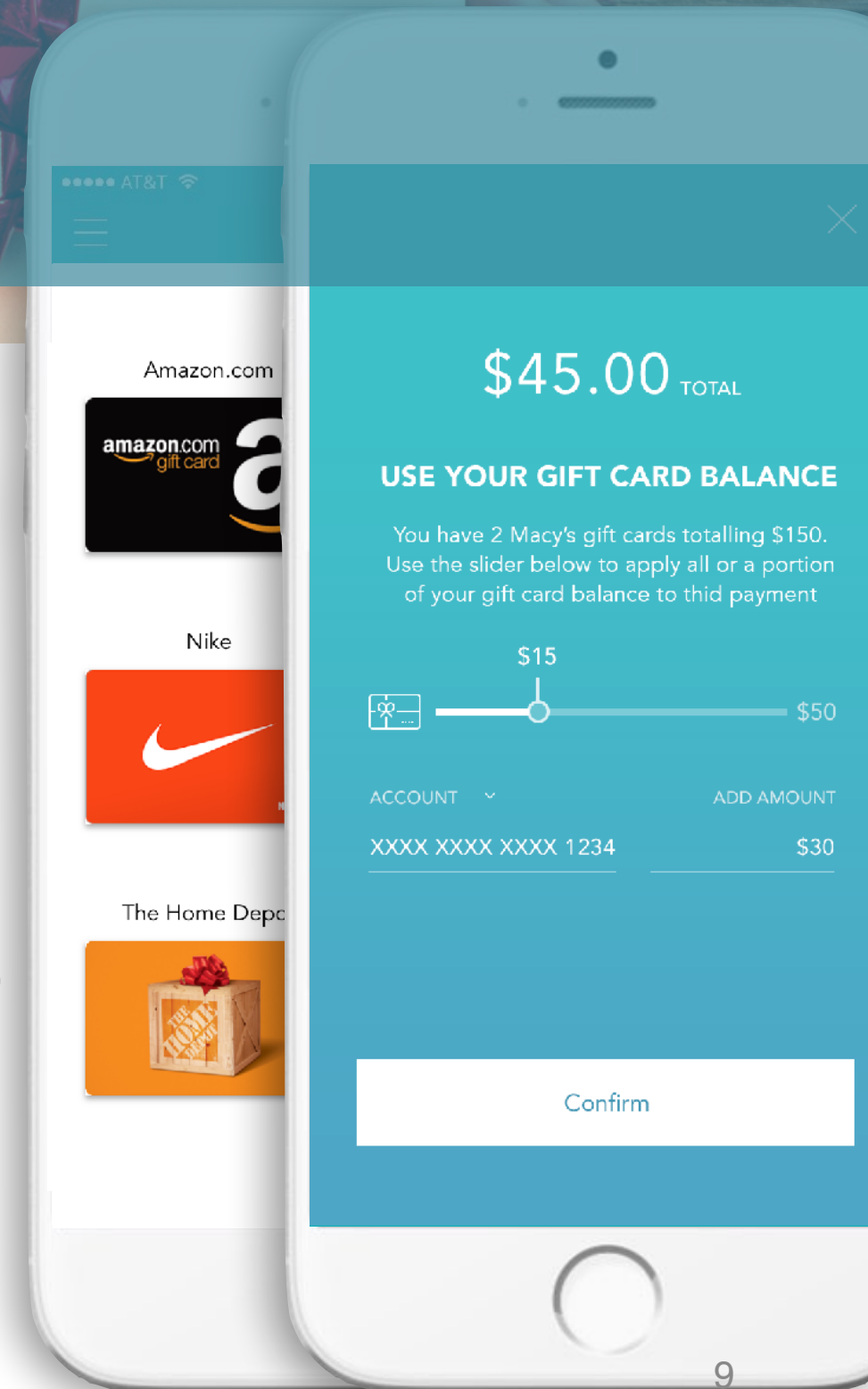
Hotels.com

BED BATH & BEYOND
Beyond any store of its kind.


LANDRY'S
DINING • HOSPITALITY • ENTERTAINMENT • GAMING

Fannie May
Fine Chocolates Since 1920

and more...

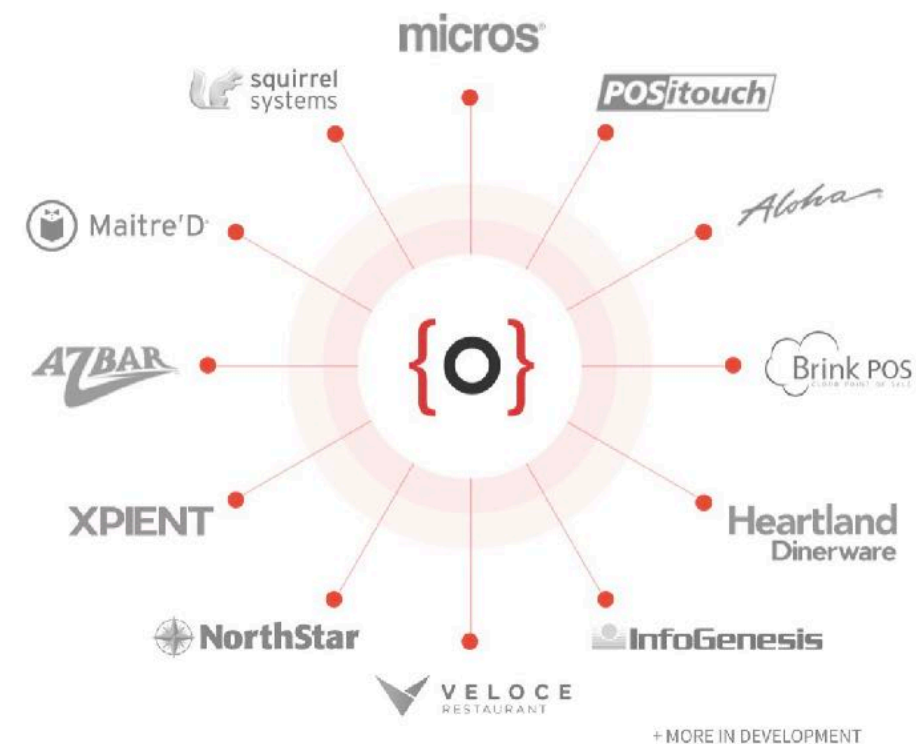


INDUSTRY PARTNERSHIPS ARE KEY TO SCALING

- Partnership with **InComm**, one of the Top 3 US gift card distributors, going live with sales of digital (in-app) gift cards for 70+ national U.S. brands. Gift card redemption provides leverage for signing those brands up for Qalize as a checkout option
- **Oracle** certification under way, full certification with Oracle Banking API and Micros Retail systems expected in June 2018. Access to Micros Retail Systems provides a seamless integration roadmap with hundreds of thousands of retailers and restaurants worldwide
- Interest from major local and nation-wide chains, including a chain covering **1600+** restaurants, with \$8bn annual revenue - **industry feedback proves that Qalize adds value to businesses, which ensures fast merchant adoption, subject to adequate roll-out resources**
- Combining gift card redemption with payments solves a huge pain point on the merchants' end.

TECHNICAL PARTNERSHIPS = INFINITE SCALABILITY

- Numerous overnight POS integrations
- VeriFone certification in final phase, access to 80% US payment terminals
- Integration with Clover POS, a leading tablet based SME solution, used in over 300,000 US Merchants



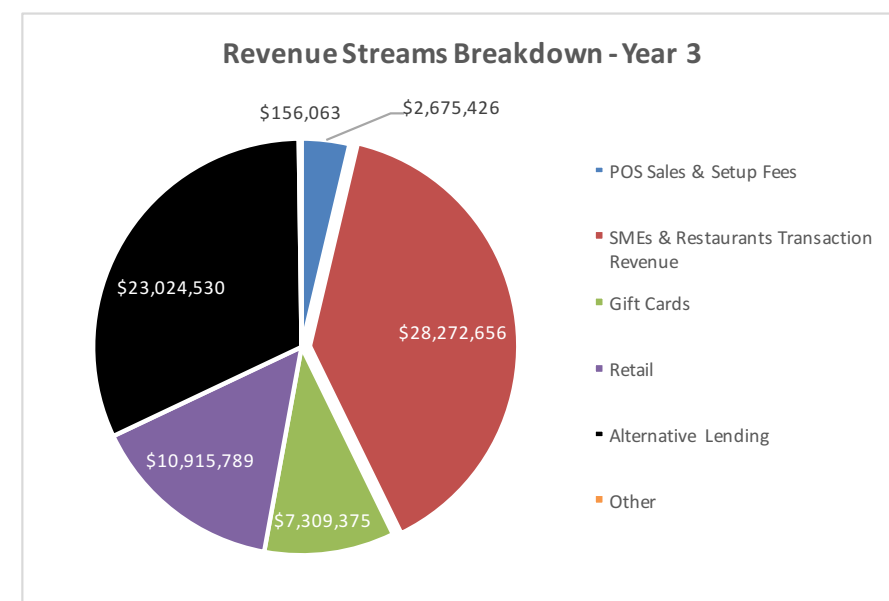
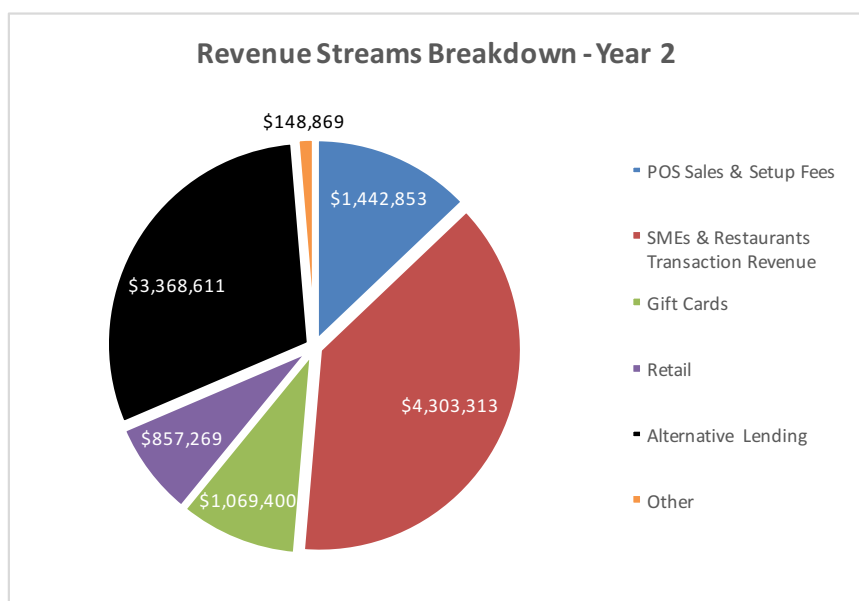
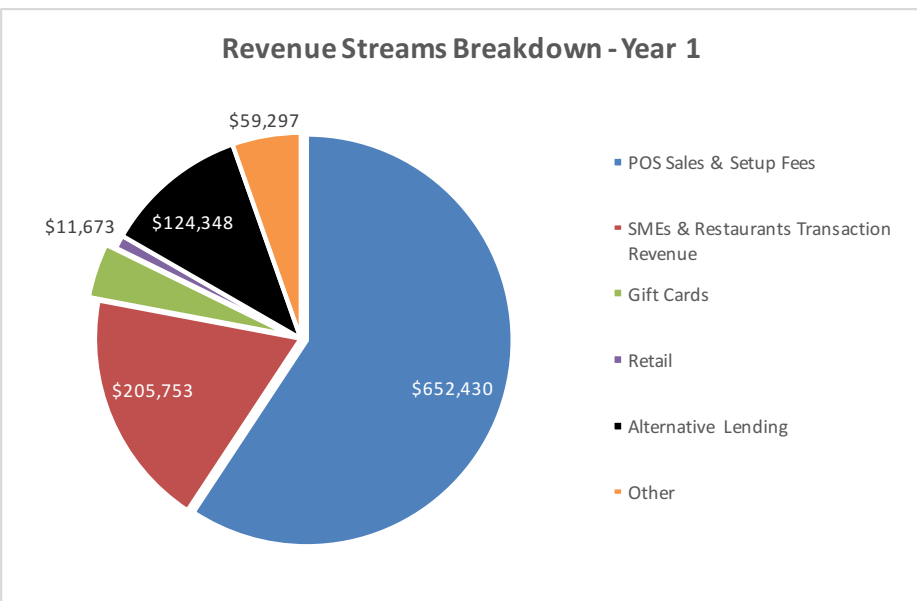
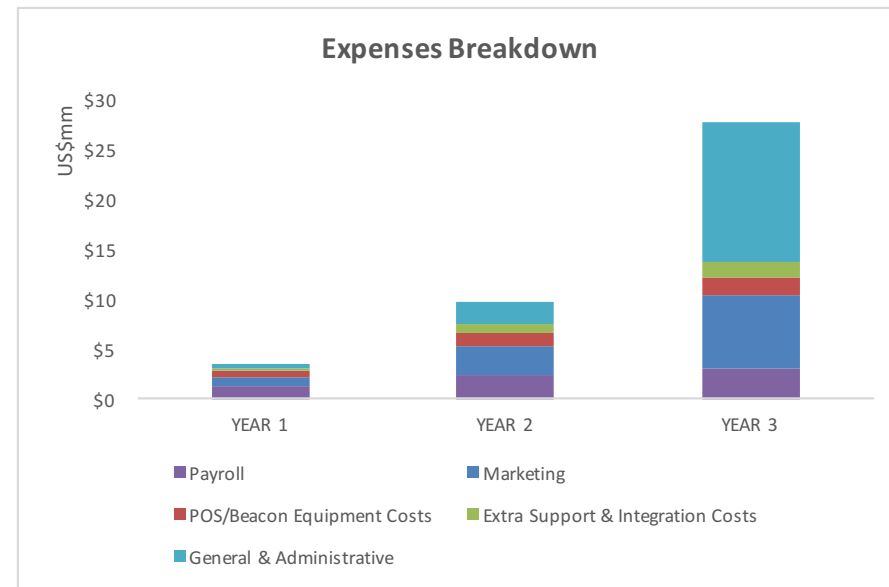
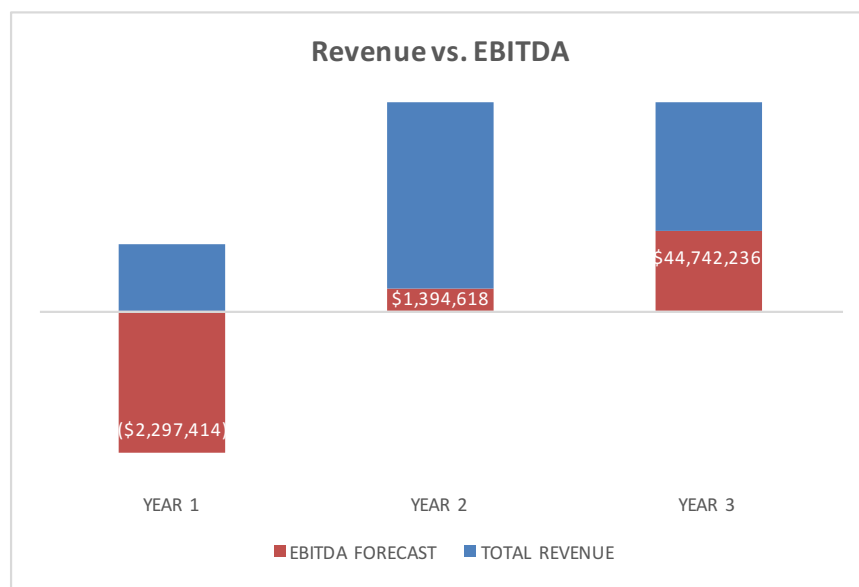
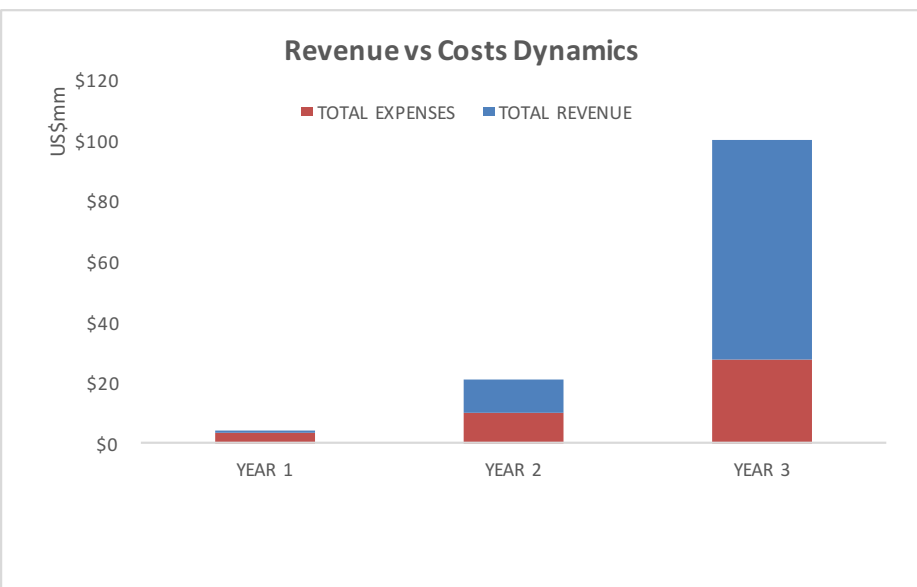


HIGHLY DIVERSIFIED UNIT ECONOMICS

- ✓ **0.75%** ACH transaction fees
- ✓ Card transaction fee revenue share
- ✓ Up to **12%** revenue on gift cards sold
- ✓ **6.5%** restaurant preorder fees
- ✓ **1%-2%** on alternative lending (Q4 of 2018)
- ✓ POS license revenues (\$2,000 down-payment plus \$25-50 monthly license payments)
- ✓ Alternative lending - distribution fees (Q4, 2018)
- ✓ Prepaid accounts - transaction and recharge fees (Q3-Q4, 2018)

UP TO c.\$40
PROJECTED ANNUAL
ARPU (BASE-CASE)

KEY FINANCIAL PROJECTIONS (COMMENCING WITH CLOSING OF A \$5M ROUND)



INVESTMENT PROCESS UPDATE

- Qalize has successfully completed business due diligence with the Midwest Chapter Keiretsu Forum. The team has proceeded with negotiating a framework term sheet with a view to completing a round in Q4 2018
- Negotiating terms for a \$1m investment proposal received from a group of private US investors
- Investment letter for US\$1m received from an ultra high net worth individual, subject to a professional investor joining / leading the round
- Interim funding agreed with a private Western European investor following interest from Sodexo and the Principality of Monaco
- **US\$5m equity round (\$10-15mm pre-money valuation) (as currently envisaged with Keiretsu, subject to successful completion of due diligence)**
 - Aggressive roll-out, marketing, execution on partnerships and integrations
 - Triple developer team to ensure speed and quality control
 - Compact US-based project management team

Item	US\$m*
Payroll (including developers) (12-18 months)	2.15
Marketing & public relations	1.8
Capital equipment, hardware & software	0.2
Operations	0.3
Bridge repayments	0.5
Total	4.95

* Assumes a \$5m round