Capital Markets Day 2016
Wirecard AG
4 May 2016
Agenda

(All presentations followed by Q&A)

1. 10.00 – 10.30 2020 Vision – Markus Braun, CEO

2. 10.30 – 11.15 Strategic product innovations
   Christian von Hammel-Bonten, EVP Global Product Strategy

3. 11.15 – 12.00 Driving financial inclusion (Indian market strategy) – Ramu Ramasamy, Managing Director

   12.00 – 12.45 Lunch

4. 12.45 – 13.30 Wirecard in Asia Pacific – Fook Sun Ng, Managing Director

5. 13.30 – 14.00 Q&A and closing
   Markus Braun, CEO
1. 2020 Vision
Markus Braun - CEO
2020 Vision

Wirecard today

- 45.2 EUR bn processed transaction volume worldwide
- Outstanding track record with continuing growth and strong fundamentals
- ~ 22,000 merchants
- Innovation leader with leading internet and mobile payment technology
- Global M&A strategy adding to organic success
- Unique value chain with fully integrated and licensed banking operations
2020 Vision

Global mega trends driving Wirecard´s growth

1. Substitution of POS transactions by mobile and internet transactions
2. Transition from cash transactions to electronic card transactions
3. Transition from non-real-time transactions to real-time transactions
4. Internet technology as convergence driver between all sales channels – POS, mobile and internet – omnichannel
2020 Vision

Wirecard’s strategy

Driving convergence between online, mobile and POS front-ends using innovative internet technology

Constant extension of value chain and innovative internet-driven value added services

Globalisation
Omnichannel commerce needs new technology. In simplest terms, this new paradigm is best described as a **unified commerce platform** which requires the following:

**Data driven commerce**
- Real-time, data driven retail is the new imperative
- Next generation POS systems must integrate all data-sources across sales channels and back-office systems to deliver a holistic, on-demand insight into retailers' KPI's

**Personalisation**
- To enable a truly personalized experience POS systems need to maintain a unified customer profile by facilitating online & offline customer data collection
- Two-way communication with consumers’ via web, mobile and social media channels is a must

**Empowering shop associate**
- Shoppers may prefer researching products online but brick-and-mortar stores remain the first choice when making purchases
- Retailers need to adapt a mobile-first approach at the POS – from empowering associates with relevant information to bringing checkout process to the store aisle.

**New payment schemes**
- POS infrastructure can not remain static for long times. It has to follow constant shifts in payments and security landscape. Consumers increasingly vote with their digital wallets, and merchants that cannot adapt will be left behind

**New fulfilment strategies**
- POS must be able to support fulfillment and returns in a non-linear buying process, yet many systems fail to meet these needs from both consumer and merchant perspective
Vision 2020: POS to e-POS transformation

- For omnichannel POS to e-POS transformation is fundamental
- Payment will be the data carrier
- Centralised omnichannel data capturing
- Comprehensive real time data warehouse using internet technology over all sales channels

One unified IP platform provides omnichannel infrastructure

| Payment | Value added services (loyalty and couponing/financial services) | Realtime data reconciliation |

- Omnichannel - Enabling a seamless sales approach/shopping experience & data centric value added services for all channels:
  - Online – Mobile – POS

- Unique and distinctive customer approach
- Personalised customer approach
2020 Vision

Extension of value chain: Developed markets (Europe)

Market position

Extension of value chain

Status quo

Strong positioning in e-commerce
- Coverage of full payment value chain
- Value added services banking/ risk management driven

Transforming cash into electronic payments
- Beginning convergence
- Enabling omni channel commerce

Vision 2020

Driving convergence & omni channel commerce
- Data and financial service centric business model
- Value added services data driven
  such as personalised loyalty & couponing to enable merchants for personalised marketing approaches
  and personalised financial services such as risk management data driven: e.g. individual micro credit offerings
- Enabling merchants to address consumers seamlessly over all sales channels

+20% value added

Legend:
- Payment processing & risk management
- Acquiring & Issuing (Own licence)
- Acquiring & Issuing (BIN sponsorship)
- Data centric value added services
**2020 Vision**

**Extension of value chain: Emerging markets**

**Market position**

- Strong positioning IP based POS commerce
  - Processing based business model
  - Partially non-tx related business
  - Acquiring & issuing services mainly through third party relationships

Bringing e-commerce solutions to the growing market

- Cross selling of entire Wirecard backend solutions
- Providing access for international merchants

**Vision 2020**

- Equal positioning in POS commerce vs. online commerce
  - Driving growth of e- and m-commerce
  - Increasing share of inhouse acquiring/issuing
  - Coverage of full payment value chain

**Extension of value chain**

Status quo

- Payment processing & risk management
- Acquiring & Issuing (Own licence)
- Acquiring & Issuing (BIN sponsorship)
- Data centric value added services

Vision 2020

+20% value added
2020 Vision
Extending the global IP platform – illustrative examples

One IP platform:
• Global Wirecard backend solutions
• Scaling transactions
• Integrating IP based solutions

© 2016 Wirecard AG
2020 Vision

Global payment provider

Status quo

- Leading position in Europe
- Dominant position in Southeast Asia
- Global provision of payment technology
- Global airline & travel licences
- Adding relevant global markets
- Adressing needs of local and global merchants

Vision 2020

Adressing all relevant global markets with:

- Global payment technology
- Global licensing framework
- Global risk management
- Global provision value added services and big data
- Hubs in all relevant geographies
Global payment provider 2020

- One global technology platform
- One global licensing framework
- Global sales and service hubs

Providing merchants with:

- Access to global/regional customer base
- Reduction of risk/increase of conversion
- Simplification of processes
- Global omni channel strategy
- Real time big data
2020 Vision

2020 financial vision

Increasing transaction volume adds scalability

- > EUR 160 bn Transaction volume
- > EUR 2.1 bn Revenues
- 30-35% EBITDA margin
- >65% FCF conversion of EBITDA
2020 Vision – Q&A
2. Strategic product innovations - Christian von Hammel-Bonten, EVP Global Product Strategy
Omnichannel is the strategic driver

- Data driven commerce
- New payment schemes
- Personalisation
- New fulfilment strategies

Strategic product innovations
Strategic product innovations

IP-technologies are driving the transition from POS to e-POS

- Web tracking
- Couponing
- Product information
- Recommendation marketing
- Personalisation
- SEO
- Big data
- AdWords
- Self-check out
- Product reviews

• Connected.POS – The cloud for retailers
• Mobile payments development platform
• Card-linked offers
• Multi-functional mPOS

Strategic Initiatives
Strategic product innovations

connected.POS – The cloud for retailers

REAL-TIME PLATFORM FOR DATA ANALYSIS AND VALUE ADDED SERVICES FOR THE FUTURE POS

1. Connector hardware
2. Data processing platform
3. Commerce platform
4. Merchant app store

Data driven commerce
Personalisation
New payment schemes
Strategic product innovations

connected.POS – The cloud for retailers

- Smart receipts
- Customer loyalty
- Merchant analytics
- Tax refund
- Alternative payments

Data driven commerce

Personalisation

New payment schemes
Strategic product innovations

connected.POS – The cloud for retailers

CONNECTED.POS IS ENABLING A SEAMLESS ALIPAY ACCEPTANCE FOR POS MERCHANTS.

New payment schemes
Strategic product innovations

Card-linked offers platform

• Wirecard’s innovative card-linked offers platform offers a fully integrated mobile loyalty experience.

• Multi-channel capabilities that combine traditional POS, e-commerce and mobile POS into one loyalty solution.

• Single tap loyalty fully integrated in the payment process.
Strategic product innovations

Mobile payment is the key ingredient for omnichannel success

MOBILE PAYMENT DEVELOPMENT PLATFORM

“RetailerPay”

Remote payments (e-commerce & in-app)

POS payments

Card payments

Alternative payments (pay later, financing, ..)

Loyalty, couponing, push marketing, ...

Beacon technology (for check-in, indoor navigation, personalisation, …)

Data driven commerce

Personalisation

New payment schemes
Strategic product innovations

boon.by Wirecard: The first fully digitized mobile payment solution with Apple Pay
Strategic product innovations

Albert – multi-functional payment tablet: the key ingredient for omnichannel success

- Innovative mPOS tablet
- Supports Chip and PIN, Swipe and Sign and NFC contactless payments
- Features bluetooth low energy (BLE) technology, 3G and Wi-Fi
- Integrated apps for loyalty, shop assistance, and more
Strategic product innovations

An omniscient customer experience increases the overall customer value

Path to increase the customer value

Customer value (€)

Offline
Cash payment

Offline Online
e-payment

x-channel
Loyalty payment
Strategic product innovations – Q&A
3. Driving financial inclusion – (Indian market strategy) – Ramu Ramasamy, Managing Director
Driving financial inclusion

- **1.2b**: Second largest population in the world – and growing
- **4th**: Largest economy globally after the US, the EU and China
- **#1**: Global remittance market with strong domestic growth
- **300b**: USD in e-commerce by 2030, growing from USD 20bn in 2014
- **70%**: Of Indian e-commerce spent is related to travel services
- **75%**: Of all e-commerce in India is paid for in cash
Driving financial inclusion

2005
Ramu and Palani establish the roots of the Great Indian Retail Group

#1
Domestic non-bank money remittance operator on IMPS

250k
People transact with our payment instruments daily

>900
Employees in 12 offices across all of India

>10k
E-commerce shops accept our payment instruments

$1.5bn
In payments processed in last 12 months
Driving financial inclusion

- National Payments Excellence Awards 2015
- National Payments Excellence Awards 2014
- FIPS Awards - Financial Inclusion 2014

Award-winning performance
Driving financial inclusion

INTERNET TECHNOLOGY

innovative and robust payment and services platform built on low-cost and scalable Internet technology

RETAIL-ASSISTED SERVICE DELIVERY

partnership with tens of thousands of small retailers to bring financial services within the convenient reach of millions of consumers
Driving financial inclusion
Driving financial inclusion

- Solving the “last-mile problem” for e-commerce in India
- Turning micro-entrepreneurs into virtual bank branches
- Services include remittance, cash-topup and online payments

We turn cash...

...into electronic money

- The SmartShop enables retail-assisted e-commerce
- ICASH is our semi-closed loop online payment platform
- Pay with cash or ICASHCARD at more than 10,000 retailers
Driving financial inclusion

150k
Contracted retail agents across all of India

MAP SHOWS AGENT DISTRIBUTION BY REGION IN Q4/2015
Driving financial inclusion

Domestic remittance

Consumer visits agent and hands over cash

ICASH prepaid platform processes domestic remittance transaction via IMPS

Recipient receives funds either on bank account or in cash at other agent
Retail-assisted e-commerce

Consumer visits agent and hands over cash

Agent opens SmartShop to order product or service requested by consumer

Agent provides ticket (travel, phone top-up) or purchase confirmation (retail) to consumer
Driving financial inclusion

Prepaid wallet top-up

Consumer visits agent and hands over cash

Agent electronically reloads ICASHCARD

Consumer uses ICASHCARD later for on- or offline purchases
Driving financial inclusion

Experience the SmartShop
Driving financial inclusion

- Enable unbanked population to benefit from e-commerce
- Pervasive network of retail touchpoints
- Electronic instrument to store and remit funds
- Cash-to-electronic collection platform
- Last-mile communication platform ("APP-STORE")
- Establish licensed financial institution
- Electronic wallet and remittance platform
Driving financial inclusion

Revenue model

- REVENUES ACCOUNTED FOR BY HERMES / GIT | PERCENTAGES / FIXED AMOUNTS VARY SIGNIFICANTLY BY AGENT, PARTNER, PRODUCT

ORDER FEE

AGENT

SERVICE FEE

HERMES

COMMISSION

PARTNER

COMMISSION

ORDER FEE

NET RETENTION IN % OF ORDER VALUE

-0.5

2.0

1.0

-2.5
Driving financial inclusion

<table>
<thead>
<tr>
<th></th>
<th>ACTUALS</th>
<th>FORECAST</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY 13/14</td>
<td>FY 14/15</td>
</tr>
<tr>
<td><strong>Revenue</strong> [in INR mn]</td>
<td>1,109.2</td>
<td>2,677.6</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>137.9</td>
<td>241.4</td>
</tr>
<tr>
<td><strong>Revenue</strong> [in EUR mn]</td>
<td>15.8</td>
<td>38.3</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>2.0</td>
<td>3.4</td>
</tr>
</tbody>
</table>

* Management reporting

**64%**
Increase in transaction count in Q1/16 to Q1/15

**3x**
Increase in registered new ICASH senders in Q1/16 to Q1/15

**69%**
Increase in gross margin in Q1/16 to Q1/15
Driving financial inclusion

Key Success Drivers

- Scalable multi-channel service delivery platform
- Highest agent activity ratio in the industry
- Highest operational efficiency
- Profitable product- and services-mix
- Efficient working capital deployment
- Highly efficient and competitively priced supply chain
- Outstanding agent risk management
Driving financial inclusion

What’s next?

- ICASH (CORPORATE CARD SOLUTIONS)
- BIN (SPONSORSHIP)
- PSP (PAYMENT PLATFORM)
- ICASH (PPI LICENSE)
- APPSTORE (SMARTSHOP)
- 150k AGENTS
- MTSS (INTERNATIONAL REMITTANCE LICENSE)
- LOANS (NBFC, BANK)
- BANK (FULL LICENSE)
- BBPOU (BILL PRESENTMENT LICENSE)
- BOON (MOBILE WALLET)
- WIRECARD (FULL LICENSE)

© 2016 Wirecard AG
3. Driving financial inclusion (Indian market strategy) – Q&A
4. Wirecard in Asia Pacific – Fook Sun Ng, Managing Director
Diversified customer base in Asia Pacific

Providing technology solutions for regional banking partners:
- Merchant acquiring
- Cash management
- Internet/mobile banking
Wirecard in Asia Pacific

Portfolio overview

**Payment service provider**
- 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

**Acquirer and issuer**
- ISO/MSP agreements with leading acquirers worldwide
- Merchant recruiting & merchant management

**Acquiring and issuing processor**
- State-of-the-art issuing processing platform
- Acquiring processing platform with particular focus on card-not-present
- ATM driving, terminal management, network operations,...

**Payment technology & outsourcing service provider**
- Multi-channel white label payment gateway & switching solutions
- Transaction & internet banking and cash management software solutions
- Mobile payment, couponing, loyalty and advertising platform
- Mobile wallet software solutions
- Point-of-sale software & infrastructure solutions, mobile acceptance solutions incl. hard-/software
- Card management (acquiring & Issuing) software solutions
- Payment network & device testing software solutions (FINSimTM/EMV/ATM/ISO/POS/Stress)

© 2016 Wirecard AG
Wirecard in Asia Pacific

Management team

Frank Böttger
Jeffry Ho
James Wong
Chan Chun Fee
Freddy Chong
Eric Tan
Susanto Chandra
Andreas Kazamias

Ng Fook Sun
Rudy Khowara
Monica Pranata
Widhayati Darmawan

© 2016 Wirecard AG
Wirecard in Asia Pacific
Key markets & innovative market solution highlights
Singapore (1/2)

Connected & cosmopolitan
• Population: 5.5 mn, 1.4 million foreigners, high standards of living
• Mobile penetration: 153% (~3.3 connected devices each – smartphones most used device)
• Households with computers: 86% (65% has 2 or more computers)
• Internet users: 88% (72% adults; average internet usage 5 hours/day)
• Social network penetration: 88% (more than double global average of 26%)

Pro business hub environment
• No. 1 country “Ease of Doing Business“ Doing Business 2015, World Bank
• World’s No. 4 and Asia’s No.1 for best intellectual property protection
  Global Competitiveness Report 2015/ 2016, the World Economic Forum
• Multi-national corporations: > 7,000 (60% with regional responsibilities)
• International companies: >37,000

Strong economic performance
• No. 1 city with the best investment potential (BERI Report 2015-I)
• 3rd most competitive city in the world
  Global Competitiveness Report 2015 – 2016 by World Economic Forum
• Top 3 in the world for foreign trade and investment (Globalisation Index 2012)
• 2014 GDP: USD bn 308
• Credit card penetration: 3.3 cards per person (Asias °1 in credit card penetration)

Payment innovations environment
• Debit-/credit-/prepaid cards issued: 4mn/7mn/12mn
• POS terminals: ~ 100K
• 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 ….”
Wirecard in Asia Pacific

Key markets & innovative market solution highlights

Singapore (2/2)

- MasterCard Moneysend
- Stored value card top-up and payments
- Self Service Payment Kiosk
- Taxi payments
- Multi-lane Retail payments
Wirecard in Asia Pacific
Key markets & innovative market solution highlights
Indonesia (1/2)

Archipelago

- GDP: USD bn 878
- Mobile subscribers: ~285 mn
- Banked (of population): 24%
- Credit, Debit & Prepaid cards: 16m | 99m | 36m
- No of ATM: ~100,000
- No of POS: ~800,000
- No of islands: 18,307

Population

- Emerging country, growing middle-class workforce (rapidly urbanizing)
- Government & banks initiatives towards cashless society
- Opportunities in ecommerce, mobile payment & security
- Globally 4th largest population: 256 mn people

Strong economic performance

- Continued growth in POS, mobile & internet banking
- Opportunities in ecommerce, mobile payment & security
- 16th largest economy
- Internet users: 42 mn
Wirecard in Asia Pacific

Key markets & innovative market solution highlights

Indonesia (2/2)
Wirecard in Asia Pacific

Key markets & innovative market solution highlights

Vietnam (1/2)

Population

- Population: 94.3 mn
- GDP growth: 6.5%
- Cards issued: 72.1 mn
  (Domestic & International)
- Revenues from Domestic card payments (2014): USD mn 36 mn
- No of ATMs: 16,500 units
- No of EDCs: 220,000 units

Mobile phone & smartphone subscribers

- Mobile phones: 128.3 mn
- Smartphones: > 22 mn
- 8th highest mobile subscribers

Online populations

- Online population: 40 mn (5th in SEA)
- Online population aged 15 to 24: 40%
- 3G subscribers: 29 mn
- Active social media accounts: 28 mn

Payment innovations environment

- 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
Wirecard in Asia Pacific
Key markets & innovative market solution highlights
Vietnam (2/2)
Wirecard in Asia Pacific

Key markets & innovative market solution highlights

Malaysia (1/2)

Population

- Population: **31 mn**
- Internet Users: ~5.5%
- GDP growth: **6.0% (2014)**
- Mobile penetration: ~140% (47% Malaysians own >1 mobile)
- ATMs and POS: **16,500 | 260,000**

Card penetration

- Cards per individual: **4.9** (country with highest card penetration)
- Payment cards: ~116 mil (2015)
- Credit and Debit card: ~8.5 mil | 43 mn

Strong economic performance

- 3rd largest economy in SEA
- Newly industrialised market economy, relatively open
- Total assets of 10 largest banks: ~ **$2,393 billion**
- 3G subscription: >10 mn

Payment innovations environment

- Increasing transaction values at POS terminals & ATMS
- Rising consumer preference for cashless transactions
- Opportunities for contactless technology
Wirecard in Asia Pacific

Key markets & innovative market solution highlights

Malaysia (2/2)
Wirecard in Asia Pacific – Q&A
5. Q&A – Markus Braun, CEO
Disclaimer

This presentation contains explicit and implicit forward-looking statements concerning Wirecard AG, its affiliated companies and their business. These statements are subject to various known and unknown risks, uncertainties and other factors due to which the actual events, financial conditions, performances and achievements of Wirecard AG may differ substantially from those expressed in such explicit or implicit statements. Wirecard AG makes these statements at the time of the publication of the presentation and is under no obligation to update the forward-looking statements in this presentation including on receipt of new information or on occurrence of future events or for other reasons. However, Wirecard AG, may change in its own free discretion any forward-looking statements should relevant factors change. The Vision 2020 is not a guidance by the board of Wirecard based on specific 4 year business planning; underlying are rather general growth rate assumptions.

The forward-looking statements from third parties’ surveys, in particular without being limited to research reports and analysts’ statements, may prove to be incorrect. Reference to such third parties’ surveys is provided for information only and does not imply any agreement with or consent to the content of such surveys or the information, opinions or conclusions contained therein. Wirecard AG accepts no liability for the selection, completeness or correctness of third parties’ studies.

Wirecard AG mostly publishes its figures in thousands of euro (kEUR). The use of rounding means that it is possible that some figures do not add up exactly to form the totals stated, and that the figures and percentages do not exactly reflect the absolute values on which they are based.

This presentation is no offer for the sale and no invitation for offers of purchase or for subscription to of shares of Wirecard AG but is provided for information only.