Market Entry China

Acquisition of a controlling stake of 80% in Beijing-based AllScore Payment Services; Call Option to acquire remaining 20% stake after two years.

Unique license portfolio for a foreign investor in China, including a cross-border license.

Strong growth potential by supporting Chinese and international merchants in their business inside and outside of China and offering cost-efficient fund-repatriation.

125 payment experts led by a seasoned, fully committed and well connected management team.

Maximum consideration of up to EUR 109.3 million:
- Capital Increase in AllScore of EUR 10.4 million.
- Closing cash payments of up to EUR 62.0 million.
- Earn-out payment of up to EUR 16.7 million (subject to EBITDA targets in FY 2020).
- Call option amount of up to EUR 20.2 million (subject to post-closing EBITDA targets).

After an integration phase in FY 2020, Wirecard projects to generate EBITDA contributions of more than EUR 35 million in 2021 and more EUR 50 million in 2022.
1. **Internet Payment** *(eCommerce Acquiring)*
   - **License**: Internet Payment Acquiring license, granted by the PBOC.
   - **Service**: Acquiring of eCommerce payment transactions in retail, logistics, luxury goods and social media:
     - AllScore allows merchants / their customers to access the China Union Pay Gateway (CUP), enabling them to pay with CUP-issued payment products (debit / credit cards).
     - AllScore has developed a QR code system which is readable by consumer’s Alipay / WeChat App, enabling merchants to accept Alipay / WeChat Pay payments.

2. **Cross-Border Payment**
   - **License**: Cross-Border Payment license, granted by the PBOC.
   - **Service**: The license enables AllScore to settle cross-border FX payment transactions.
   - **Merchant industries**: Merchants importing clothing, buildings materials and cosmetics.

3. **Prepaid Card Issuing**
   - **License**: Issuing License, granted by the PBOC.
   - **Service**: AllScore currently offers closed-loop prepaid cards to merchants in the retail/consumer goods industry.
Business Development

Wirecard’s Business Development Initiatives

1. Local Acquiring & Repatriation
   - Local Acquiring to Wirecard’s international merchant base, which gains access to Chinese consumers.
   - Acceptance of widely-used digital mobile payments.
   - Repatriation of acquired funds to home country of merchant.

2. International Acquiring & Repatriation
   - International Acquiring for AllScore’s local merchant base and Chinese merchants recently and prospectively signed by Wirecard.
   - Repatriation of acquired funds to China.

3. Issuing Solutions
   - Wirecard’s live prepaid merchant base in China will be serviced more cost-efficiently, helped by AllScore’s Issuing license.
   - Develop business and travel Dual-Brand Prepaid Card with local and international schemes.

EBITDA FY 2022: > EUR 50 million
Market Overview

829 million Chinese Internet Users, more than US and India combined

- As of March 2019, China has around 829 million internet users – equaling 2.5 x the population of the USA.

  Out of these 829 million:

  ... 71% used online payments or eCommerce services (588 million).

  ... 98% are mobile internet users.

- Studies are suggesting the number of mobile payment customers is reaching close to 1 billion by 2023, up from 600 million in 2018.

- In 2018, China recorded 150 million inbound visitors, each of them a potential customer for FX prepaid card products.


- Unionpay’s dominance in China helped it earn a 36% market share globally in bank card payments, compared to 32% for Visa and 20% for Mastercard.

- Chinese Government aims to curb market power of payment giants and UnionPay-competitor Alibaba and Tencent.


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Market Entry China

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