



## Executive Summary

Paymagnet is a blockchain-powered payment company. Its proprietary NFC-based mobile solution is backed by employees and companies with years of valuable experience in software engineering for banks, gaming and payments. Signed partnerships with UATP, mentioned by The Nilson Report 2017, Top 20 Fintech worldwide by BBVA, and signed partner of Wirecard Bank AG, Germany.

Paymagnet has developed a compliant, secure mobile app that instantly provides a payment ecosystem to customers and merchants. Small merchants, events, tourist zones, casinos, malls, airlines use a PayTag to receive payments via the app on their customer's phone. Their system bridges the world of online payments and connects local physical merchants without the usual legacy payment infrastructure requirement.

Paymagnet does what the blockchain evangelizes: it cuts out the old payment hardware, the inefficient middleware, and the slow and costly intermediaries. It is not a prepaid card scheme, nor another copy of TenX, it is a true innovation, building its own easy to scale acceptance network without 3<sup>rd</sup> party dependencies so they cannot be stopped. Their blockchain-based payment solution enables merchants to accept Bitcoin, Ethereum, other cryptocurrencies and fiat that settles in either Euros or US dollars. The solution uses the transaction ID issued on the blockchain as payment authorization.



## The Business Model

“We are at the forefront of change, enabling a lightweight, scalable, cost effective rollout, with a product that doesn’t require hardware terminals.”

This separates Paymagnet from the competitors, like izettle, or Square (US) which still try to sell clumsy adapters and hardware products to merchants.

The business is a payment processing business, where the classical transaction based revenue model can be compared to PayPal, Alipay or Adyen. The market for mobile-PoS is expanding and will change the landscape of regular and small merchants across the EU, Asia and later the USA.

Although SME acquisition is a solid multi-million business case on its own, Paymagnet has two more exciting options to scale the business on top, in niches: For the travel sector Paymagnet has identified and developed a market strategy with UATP, to enable airlines to accept mobile payments, in-flight, or at the airport enabling a new mobile driven customer engagement, upselling at the gate, incentives with airport shops, loyalty schemes. For casinos, they start a revolution at land-based casinos, enabling online-gamers and wallet users, to purchase credits on slot machines, and table games.

The headquarter is based in the EU and deploys IT engineers in the CEE region. This is a stable and controlled environment to scale the company. The plan to grow the company out of Europe is aligned to the target markets. We see a lot of movement and adoption in these markets especially in the UK, CEE, Poland, Hungary, Czech. In addition to those major markets we see opportunities in Asia, or emerging countries.

Paymagnet intends to sign with major partners that provides for new growth opportunities. The partnership approach can be best compared to our existing signed partnerships with UATP: They provide us with a single reconciliation interface and reduce the integration efforts to over 200 already connected airlines, while providing sales support and unique industry events to partners side by side with PayPal and Alipay.

Competitor analysis:

	Works without terminals /adapters	Works in stores, cabs, casinos	Supports Crypto currencies ETH/BTC	Rollout costs below 0.50 USD/merchant
Square	✗	✓	✗	✗
ApplePay	✗	✓	✗	✗
PayPal	✓	✗	✓	✓
iZettle	✗	✓	✗	✗
MasterPass	✗	✓	✗	✗
Paymagnet	✓	✓	✓	✓

## Disruptive Payment Technology

- The company distributes their own type of NFC Tags “PayTags” to the merchants.
- A PayTag contains a unique-ID, which identifies the location and the merchant who owns a tag.
- Eliminates the need for all middleware (PoS, terminal manufacturers, maintenance).
- Smaller merchants can simply transform a smartphone into their very own acceptance device.
- Customers simply shop in any PayTag equipped store, with a comfortable tap&go experience.
- Funds are withdrawn directly from your payment method of choice credit via fiat or directly via crypto.

The security features on the Paymagnet app on the smartphones are extensive:

- No sensitive information is stored in the users’ smartphones nor in PayTags.
- They scan EVM compliant cards like Visa, Mastercard, and ChinaUnionPay directly via the contactless chip.
- The transaction is initiated on a secure channel and no card details will ever be inside the app, nor on the phone.
- When a physical card must be presented to the phone’s NFC-sensor at the time of the purchase – the card-details are not amendable – it stops payment fraud.
- Devices are registered and identified via PhoneNr and a one-time code received, Users are protected via PIN or Fingerprint-login options.
- System runs on a fully PCI DSS certified cloud environment.
- Merchants are in full control, and can specify certain tags for specific locations, and de-activate and reactivate tags online.
- No batteries or outlet required which means they will work uninterrupted at any location making them ideal for temporary locations or shops in emerging economies.
- The built-in reporting allows merchants to get insight into all tags, transactions and mappings down to each individual seat, table, store or layer of mapped information.
- Meta-Information helps to extend a multi-tiered anti-fraud system, by providing additional data like how often a card has been used with this smartphone already, what area are the tags located in, used in the last 3 month, and so on.



Pay Anywhere.  
Accept Anywhere.  
No Pos hardware required.

## **PAYMAGNET TECHNOLOGIES**

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