



WHAT'S HOT IN PAYMENTS

OCTOBER 8th 2015

JOCHEN SIEGERT, COO

AGENDA

- **ABOUT TRAXPAY**
- B2C PAYMENT
- B2B PAYMENT
- SUMMARY

TRAXPAY OVERVIEW AND FAST FACTS

Origins

- Founded 2009 in Cologne by Markus Rupprecht
- Operations in Europe (Frankfurt) and US (Mountain View)
- Venture: Commerzb. main incubator, Earlybird, Castik, Software AG

Innovation

- B2B Dynamic Payments platform – SaaS/Cloud
- Real-time payments + rich data + workflow integration
- Gateway to multiple extended financial services

Security

- Regulated, bank-level security for payments and data
- 100% buyer/supplier protection for transactions
- Complete transparency – predictability, reduced risk

Key Values

- Faster, safer, smarter financial transactions built for B2B
- Unifies B2B trade, banking, and data into single UX
- Enables new class of powerful strategic financial tools
- Transforms how B2B connects, interacts, and transacts

AWARD-WINNING B2B DYNAMIC PAYMENTS PLATFORM

2015



"Hottest B2B FinTech Company
Transforming the Future of Commerce"



Corporate LiveWire Awards
"Best Innovation in B2B Payments"

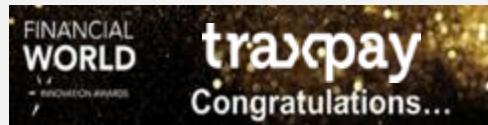


B2B Payments Platform of the Year
Traxpay B2B Dynamic Payments

2014



PYMNTS.com
Best B2B Payments Solution



Financial World
"Best Use of Data"



Aite Top
Vendors
Driving
Payments
Innovation

2013



Best B2B
Payments
Initiative



Best Payment
Technology
Platform



Best B2B
Payments
Innovation

INDUSTRY TITANS LINK WITH TRAXPAY

traxpay

TRAXPAY CLOSES \$15 MILLION SERIES B ROUND TO TRANSFORM B2B PAYMENTS AND FINANCIAL TRANSACTIONS

Leaders in Banking, FinTech, and Big Data Unite to Revolutionize the Future of Global B2B Commerce

Frankfurt, Germany / Mountain View, California, September 23, 2014 – [Traxpay](#), the leader in B2B Dynamic Payments, today announced that it has closed \$15 Million in series B funding. This oversubscribed round was led by Commerzbank (XETRA: CBK), main incubator, and Software AG (XETRA: SOW). Early investors, Earlybird Venture Capital and former senior APAX partner, Michael Phillips of Castik Capital Partners, also participated in the round. As part of this transaction, Holger Werner, EVP and Head of Corporate Banking for Commerzbank and Frederic Hanika, SVP of M&A and Corporate Ventures for Software AG have joined Traxpay's Board of Directors. In addition to the capital raise, Traxpay also announced it is joining forces with MasterCard (NYSE: MA) to enable a scalable, global solution connecting buyers and suppliers. The funding and collaboration of these industry leaders with Traxpay will accelerate the delivery of technology and solutions that will shape the next big wave of B2B commerce innovation – the convergence of banking, enterprise data, and global trade.

Traxpay's B2B Dynamic Payments platform is being tapped by numerous Fortune 500 companies to drive the next wave of innovation in the \$377 trillion* B2B commerce market – representing the single biggest market segment in the world. Traxpay, with its robust cloud-based runtime and development environment,

- All recognize that B2B requires different approach than tradition
- Accelerates next wave of B2B innovation for supply chains
- Connects banking, enterprise data, and B2B trade
- Multi-platform, any bank to bank, global reach
- Transforms how supply chains connect, collaborate, transact
- Opportunity to gain 1st mover advantage as default solution



ARIBA®

An SAP Company

Global Procurement

COMMERZBANK



Global Banking



MasterCard

Global FinTech



Global Data

AGENDA

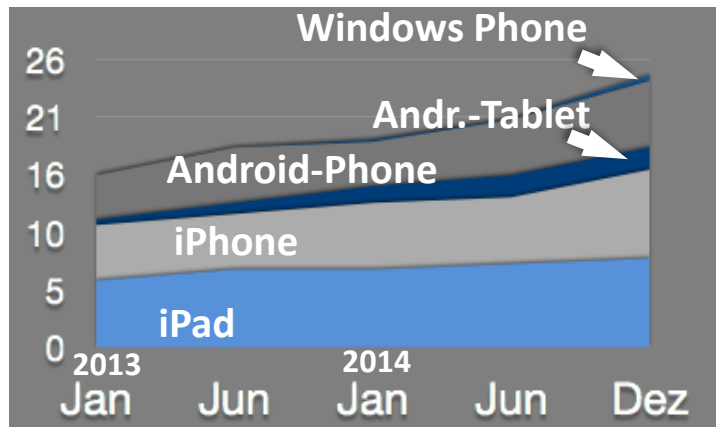
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CHANGE AT B2C COMMERCE AND PAYMENT IN GERMANY

WHERE PEOPLE SHOP

	All	<30	<18
Offline	52 %	23 %	9 %
selectively	31 %	52 %	65 %
online	11 %	20 %	26 %

25% VIA MOBILE DEVICES

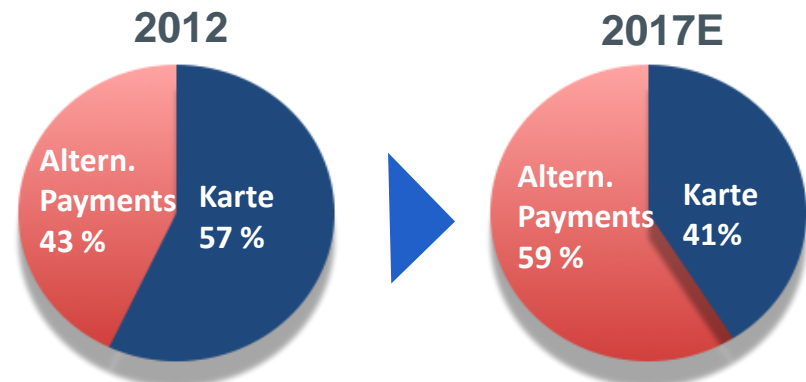


Source (all): EHI 2011-2014, ECC Handel 2013, Inst. Allensbach 2012, Worldpay 2014, Adyen 2015

HOW PEOPLE PAY ONLINE

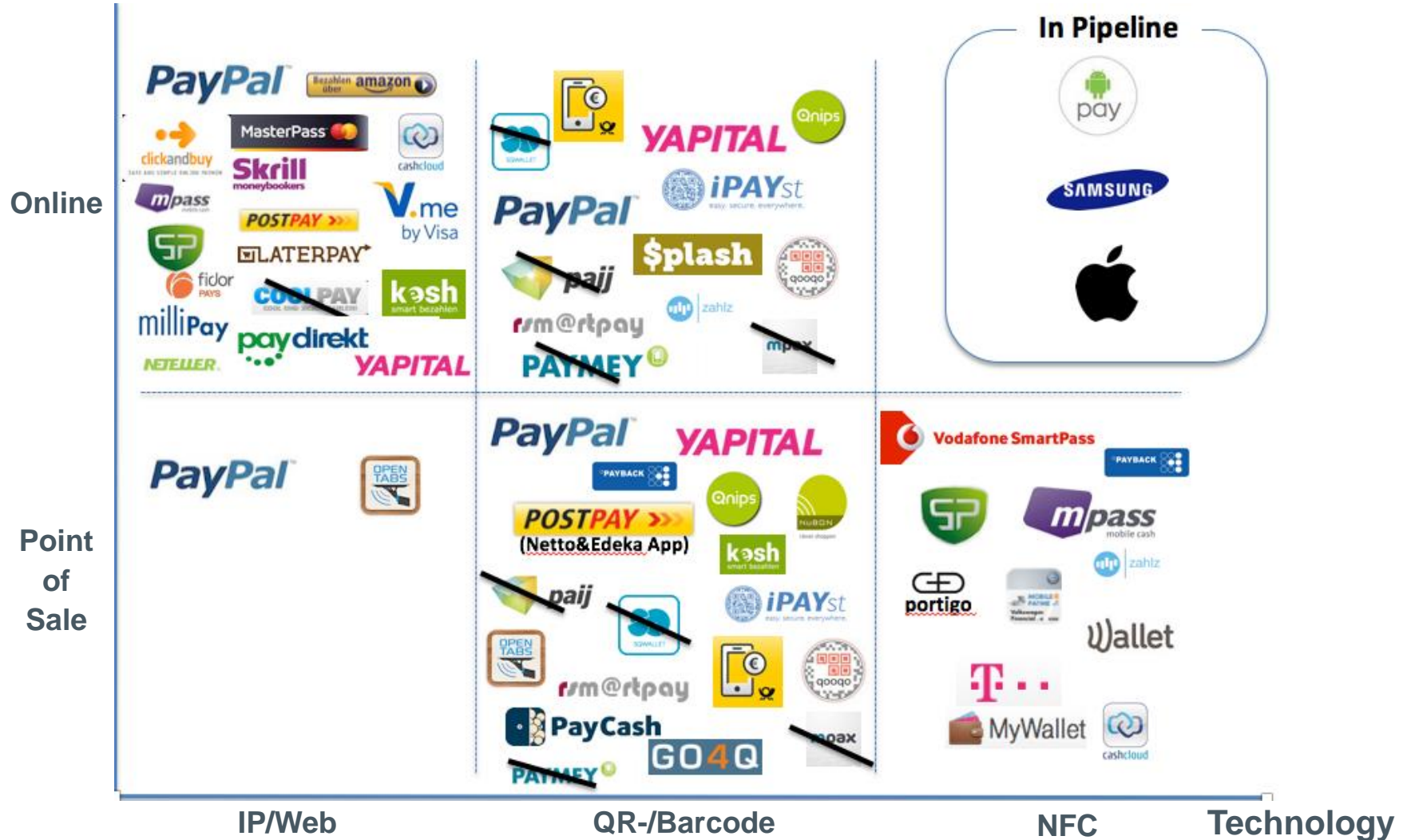
	2011	2012	2013	2014	Delta
Invoice	25 %	25,4 %	25,5 %	28 %	+3%
PayPal	13,5 %	16,1 %	19,9 %	20,2 %	+6,7%
Dom.Debit	15,6 %	18,8 %	19,3 %	21,8 %	+6,2%
Cred.Card	16,9 %	17,9 %	14,8 %	10,8 %	-6,1 %
others	29%	21,8 %	20,5 %	19 %	-10 %

GLOBAL: ALT. PAYMENTS VS CARD



INFLATION OF WALLET PAYMENT METHODS IN GERMANY

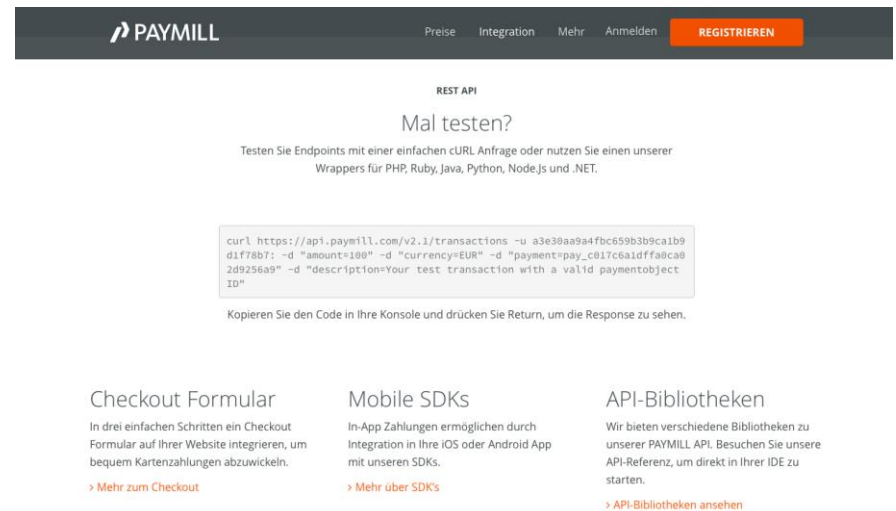
Sales Channel



SUCCESS OF FINTECHS: CRAPPY BANK/CARD PAYMENT UX



SUCCEES OF FINTECHS: UNDERSERVED LONGTAIL



SUCCESS OF FINTECHS: UNDERSERVED CUST. DEMAND



Überweisungsauftrag / Zahlschein

Benutzen Sie bitte diesen Vordruck für die Überweisung des Betrages von Ihrem Konto oder zur Barauszahlung. Den Vordruck bitte nicht beschädigen, knicken, beilegen oder beschneiden.

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Empfänger: Name, Vorname / Firma (max. 27 Stellen)

Konto-Nr. des Empfängers Bankleitzahl

bei (Kreditinstitut)

EUR Betrag

Kunden-Referenznummer - nach Verwendungszweck, ggf. Name und Anschrift des Auftraggebers - (nur für Empfänger)

nach Verwendungszweck (insgesamt max. 2 Zeilen à 27 Stellen)

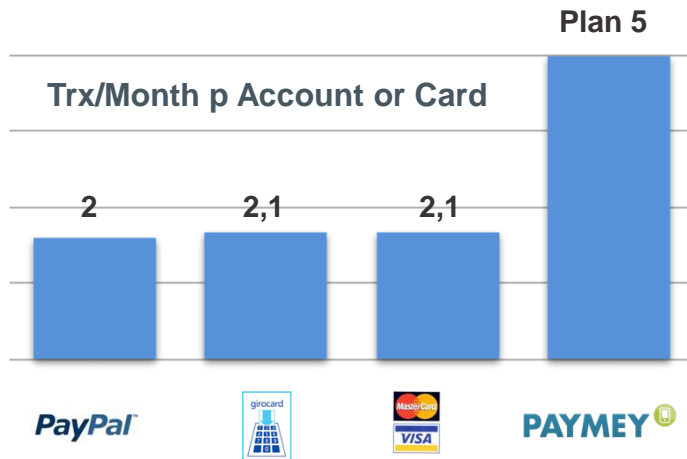
Kontoinhaber/ Einzahler: Name (max. 27 Stellen, keine Straßen- oder Postfachangaben)

Konto-Nr. des Kontoinhabers

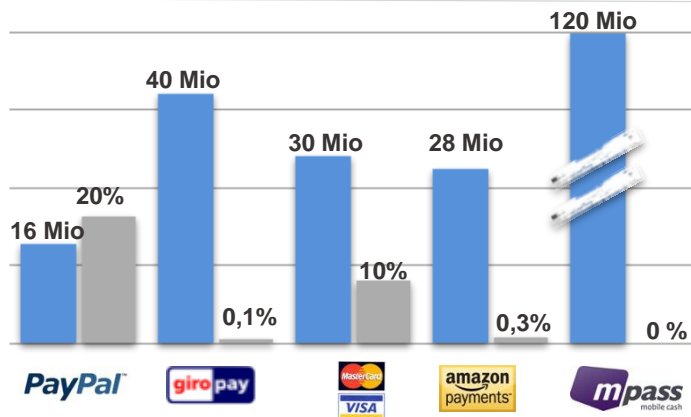
Datum Unterschrift

YET SOME KEY BASICS TEND TO BE IGNORED

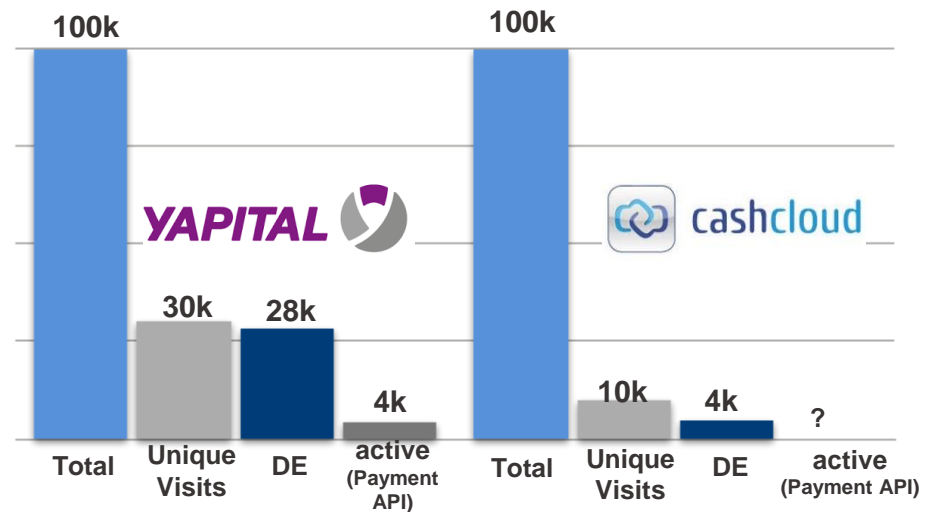
REALITY \neq EXCEL



REACH \neq MARKET SHARE



USER \neq ACTIVE USER

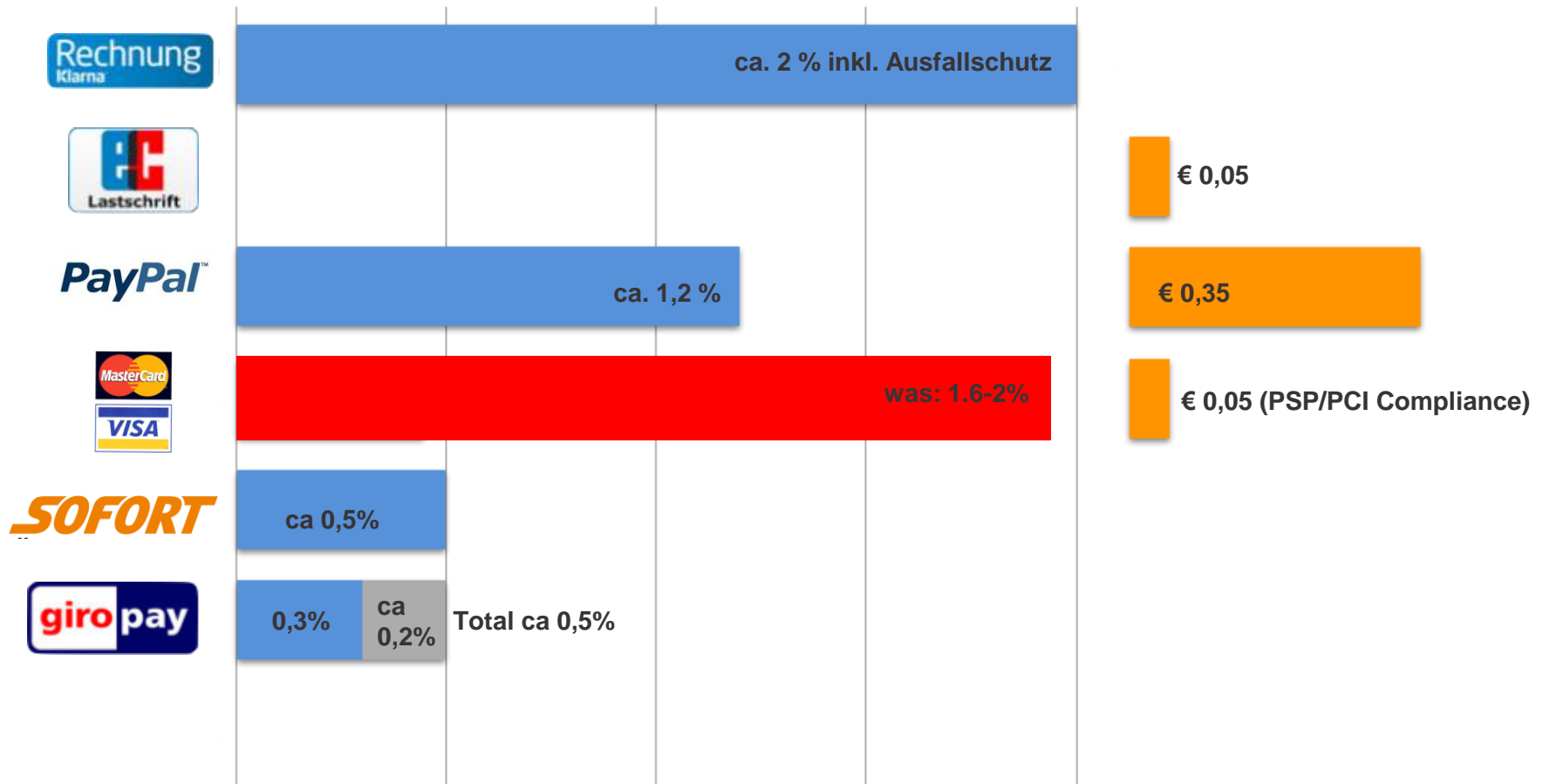


Source: Paypal Inc 2015 , DK 2013 , Paymey GmbH (Seedmatch.de) 2014, Pluscard 2012, GfK 2014, Statista 2015, Similarweb Aug 15, Yapital 2015, Cashcloud 2015

COMPLIANCE EATS B2C PAYMENT FEES (=REVENUES)

VARIABLE FEE (in %)

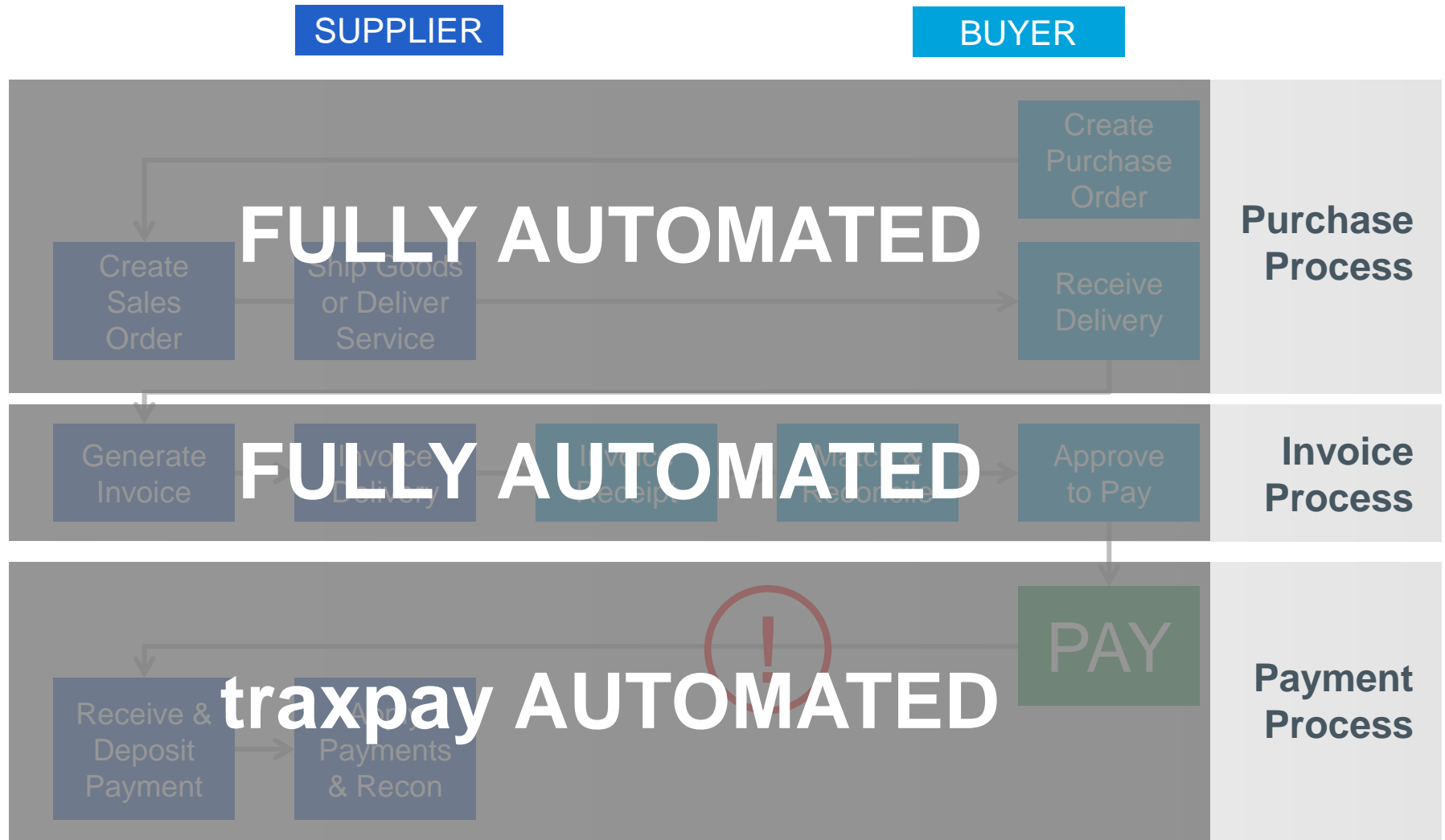
FIX FEE (in €)



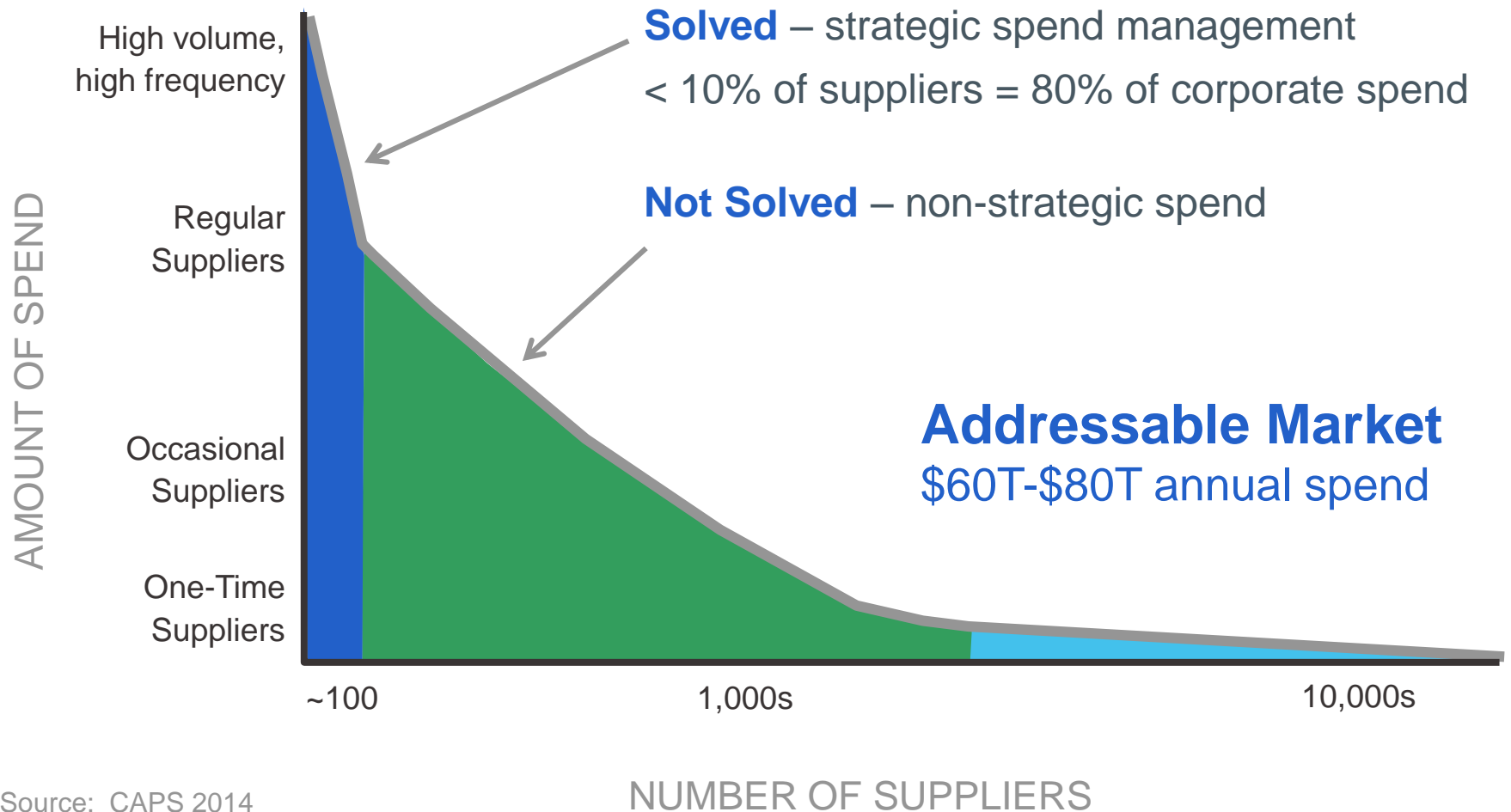
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END-TO-END PROCUREMENT PROCESS IS NOT AUTOMATED



\$300T SPEND DISTRIBUTION IN THE SUPPLY CHAIN



Source: CAPS 2014

“We signed an agreement with Traxpay to extend AribaPay globally, so that companies can complete B2B payments with simplicity, reliability, and security.”



Alex Atzberger
President, Ariba

TRAXPAY B2B DYNAMIC PAYMENTS PLATFORM

World-class partners

COMMERZBANK 



MasterCard

accenture

ABK-EFiS
FINANCIAL SOLUTIONS

IBM

Standards compliance

SEPA



ACH
Automated Clearing House

BaFin

ebics

DEUTSCHE
BUNDESBANK

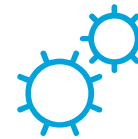
Traxpay B2B Dynamic Financial Transactions Platform



Core Banking
Facilities



Rich Data
Attachments



Workflow
Integration

- Dynamic payments and apps connecting banking, data, and corporate workflows
- Safe and secure – integrated bank-grade transactions with full visibility and control
- 24/7/365, data-driven, rules-based, configurable, smart payments settlement
- Integrated development and run-time environment for flexibility and extensibility

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FINTECHS vs BANKS: A FRAGILE COOPETITION

BANKS

- Regulation
- Global Payment Network
- Highly Scaled Processing Systems



COOPETITION

- **Who owns Frontend ?**
- **Who owns Customer ?**



FINTECHS

- Technology & Data Driven
- “Customer Focused”
- Speed
- APIs to Banks, Corporates etc.

New Intermediary vs Additional Business for Bank

Founding & Start: Fintech heavily depends on Bank
After proven model & scaling: Bank depends more on Fintech

Fintechs are “outsourced” Product & Innovation Lab for Bank

FINTECHS NEED BANKS AND VICE VERSA

- More Opportunity than Risk for Banks to partner with FINTECHS
 - Fintechs explore (and prove?) new market opportunities
 - Fintechs heavily depend on bank regulation and compliance barrier is high
 - Fintechs enable additional business for banks (e.g. long tail)
- Yet relationship of Bank with FINTECHS is very fragile
 - Shift of power from bank to fintech with scaling business of fintech
 - Benchmark: Since early 2000s MNOs also lost customer frontend to technology providers (e.g. SMS, MMS, Video Calls, soon Voice Calls?)
 - Are banks happy to be “bit-pusher” when fintech business scales?
 - Acquisition of startup at too early stage will kill startup vs. scaled startup too expensive to acquire (see valuation PayPal, Square, Stripe etc)
- Copy Catting is also an option for banks, not only startups! But not 16yrs later with product that does not even match market leader's solution (see Paydirekt)



travpay

TRANSFORMING B2B TRANSACTIONS AND PAYMENTS