

# **PAYYAP**

The Payments App™ (for Merchants)

# Opportunity:

- PROBLEM: Displeasure with PayPal™ (and the larger card processing banks) has been driving business owners (a.k.a., “merchants”) to investigate alternative payment solutions - since forever;
- OPPORTUNITY: Ballooning demand for super convenient payment solutions is driving business owners to investigate “mobile & app-based merchant services” options;
- SOLUTION: PAYYAP is the only “**pure app**”, real-time merchant service:
  - merchant-driven
  - bank card-based (e.g., AMEX/MC/VISA, etc)
  - *real-time payment capture*
  - no hardware “swipers” to always carry around, plugin (or lose)
  - *built-in PCI/DSS-compliance*
  - voice-biometrically enhanced to mitigate chargebacks

# PAYYAQ Business Proposition:



• **Merchant driven App**

**Proven demand for simple solutions**

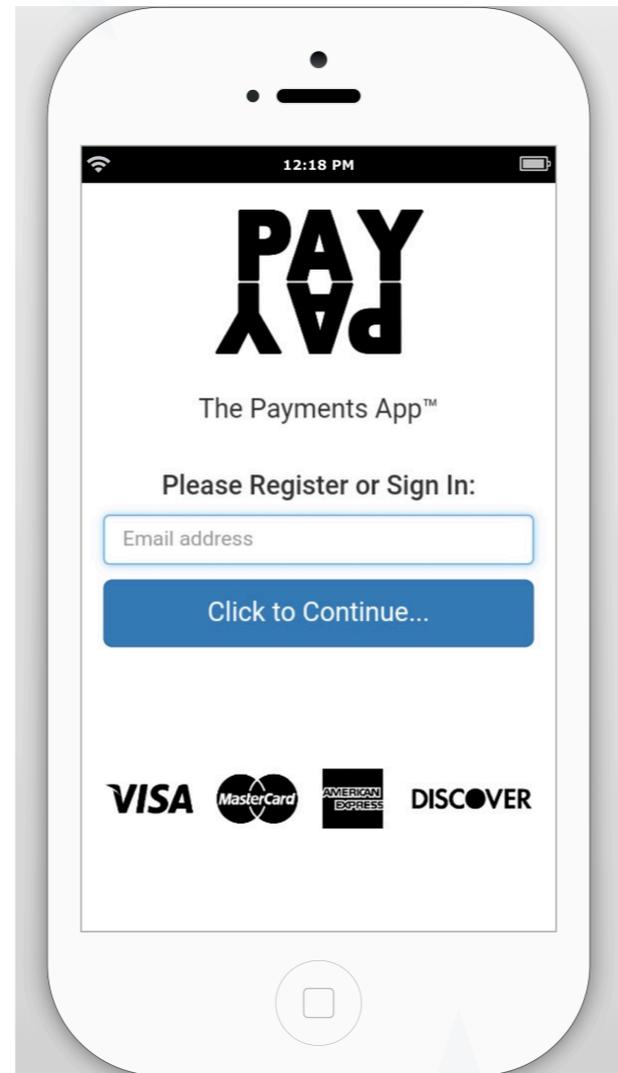
**High future valuation and ROI even with later stage investment**



**Logical business model**



**Global market opportunity: real-time payments for "mobile merchants"**



**Customer friendly**

A supremely convenient, mobile merchant "app" - globally viable.

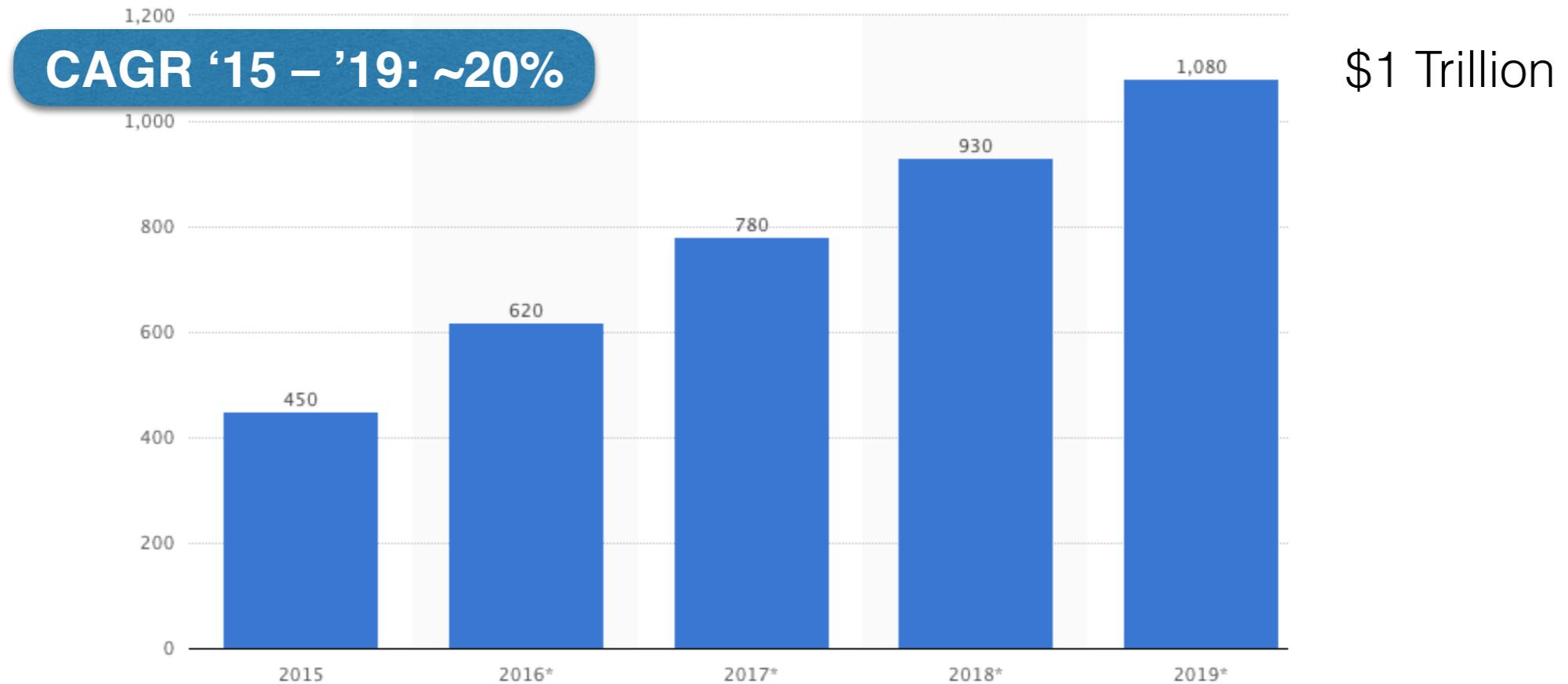
HOW IT WORKS  
DEMO VIDEO:

**PAYYA**

The Payments App™

# The Broader Market

*Worldwide mobile payments is a massive, rapidly growing but underpenetrated industry.*



Dollar amount of global mobile payment market. (billions)\*

## OPPORTUNITY:

- Card swipers and dongles are **expensive** if not a hassle to “**always carry**”.
- Small business owners seek **convenient** card payment services in the booming age of “mobility”.

## MARKET CHANGES:

- Rapidly growing demand for mobile payments - **globally**.
- WeChat Pay, NFC, BitCoin adoption, but “merchant account” services (**AMEX, MasterCard, VISA, etc**) still prevail in daily life.

## PAYYAP Positioning:

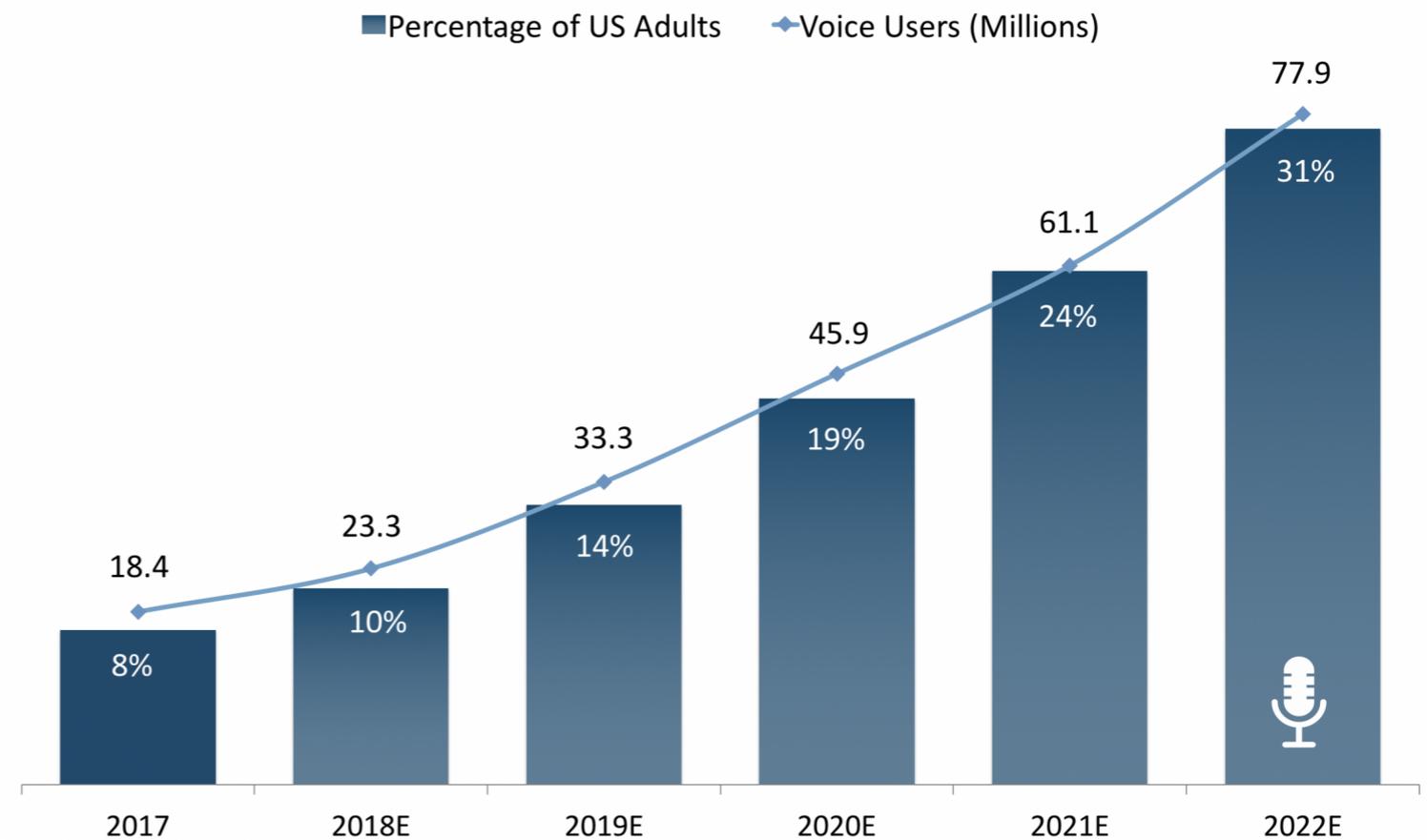
- **First mover** advantage.
- **Scalable** across multiple platforms and languages.
- **High convenience:** addresses primary driver of target merchant

# Emerging Market Niche

## “Voice Payments”

Where voice-driven payment services have been an exclusive tool of the very large and technically sophisticated, PAYYAP is among the first to deliver **“voice driven payment services”** benefiting the **average merchant.**

**FORECAST: US Voice Payments Adoption**



Source: BI Intelligence survey (n=950), March to April 2017, analyst estimates

# The Product... *A highly convenient “merchant services” **app**, for small and mobile **businesses**:*

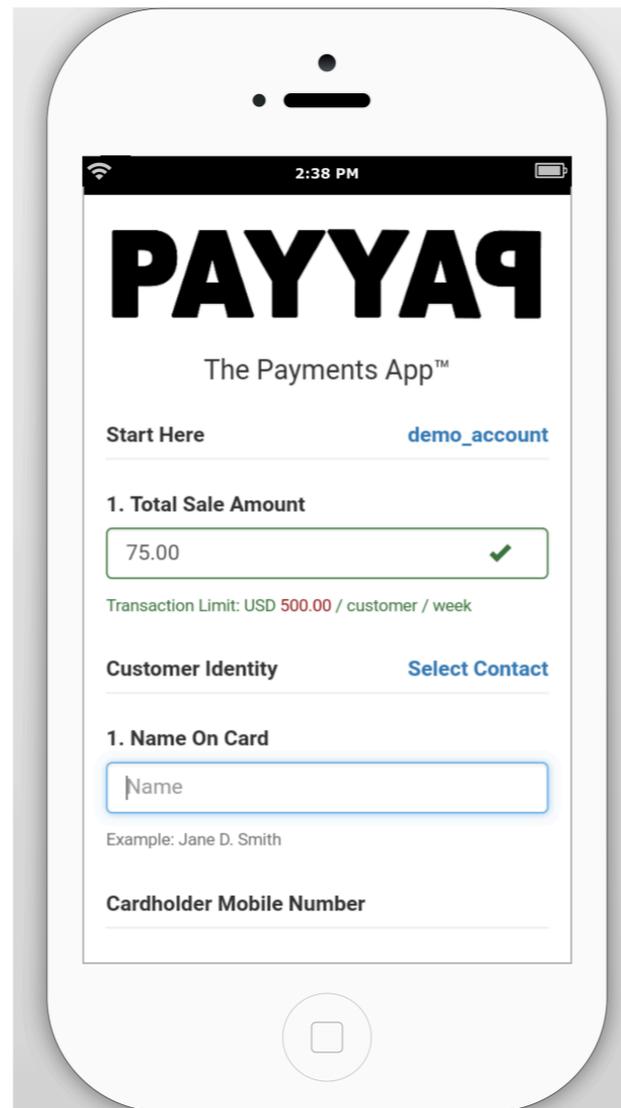
## **Business Desires:**

- To accept realtime bank card payments (credit and/ or debit).
- Convenient collection

## **Cardholder Desires:**

- To use convenient bank cards (AMEX, MC, VISA, Maestro, JCB, etc.)
- Trusted payments

## The Technology:



1. Business owner keys-in the charge amount...

2. Business owner keys-in the cardholder's phone #...

3. Cardholder receives and automated “IVR” payment phone call...

4. Cardholder completes voice authorized payment

**Transaction:** *Business owner-initiated, voice biometrically authorized payments*

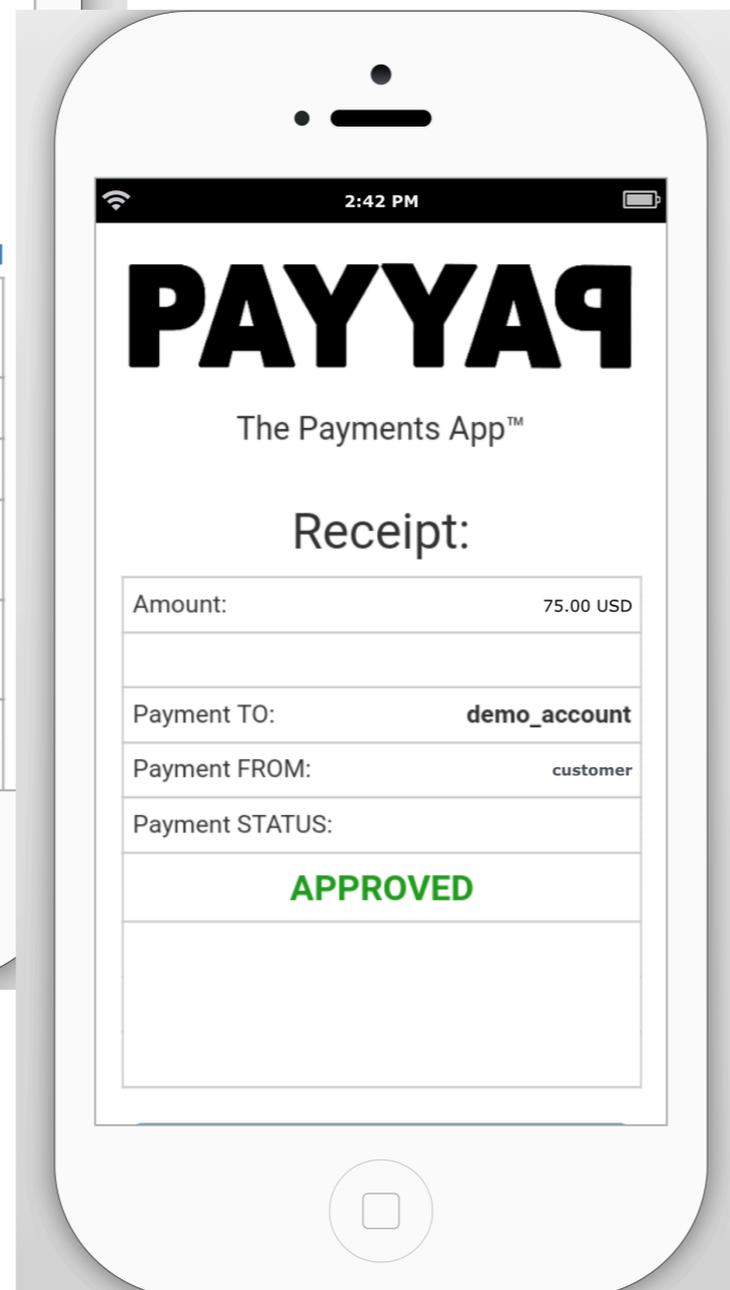
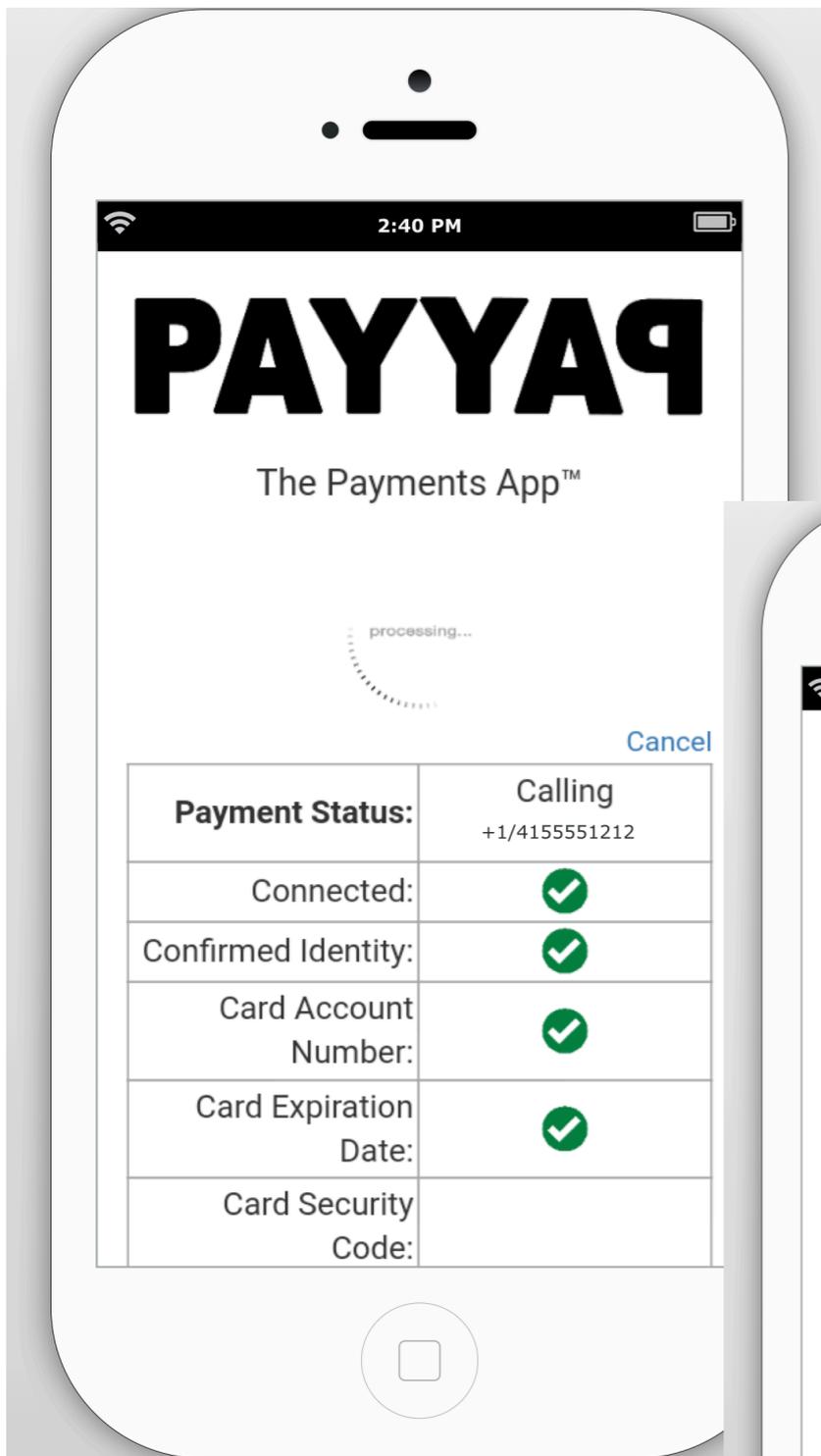
**Information Processing:** *Cardholder conveniently speaks (or quietly keys-in) card account details*

**Data Conversion:** *Payment authorizations are routed to partnered processing banks (TYSYS)*

**Transmission:** *Business owners see AMEX/MC/VISA, etc. transaction updates in realtime.*

**Security:** *Business owners never learns cardholder account details*

# Uniquely Real-Time Merchant Payments



- Business owners monitor cardholder payment authorizations in realtime
- Built-in PCI/DSS-compliance
- (no photos necessary)
- No hardware “swipers” necessary
- PAYYAP is always with you, and ready to help you capture payments in real time — a true “merchant services *App*.”
- Globally viable and always competitively priced

# “Merchant” Acquisition

## Typical “Merchant” Profile

- Occupation: Small Business Owner
- Age: 18 - 75
- Objective: “Looking for an ‘App’ to collect realtime AMEX/MC/VISA payments.”
- One-Time Merchant Acquisition Cost (est.): < 50.00 USD
- **Monthly Earning per Merchant Acquisition** (est.): ~8.00 USD

### Selling Points

- PAYYAP is super easy to register
- Worldwide, PAYYAP is the only “pure app” bank card payment processing service (no hardware swipers to “always carry” & lose)
- Voice biometrically recorded prevents chargebacks

### Advertising

- 85% :: Google AdWords
- 10% :: Social media
- 2% :: Press releases
- 3% :: Tech journals

### Live Market Trials:

- Results of USD 2750.00 invested in Google Ad Words:
- +2000 unique PAYYAP downloads
- +300 applications initiated
- +100 applications completed (full AML/ KYC: name, photo ID, SS#, proof of business & banking documents, etc.)

**Acquiring New Applicants Daily**

# Defendable Model KPIs

Market trial KPI's are as follows:

- Cost per PAYYAP download (known): **\$2.00**
- One-time acquisition cost per live merchant (est): **\$55.00**
- **Monthly revenue** per live merchant (est): **\$8.75**

All KPIs have been reasonably estimated from live market trials

# Why Invest Now

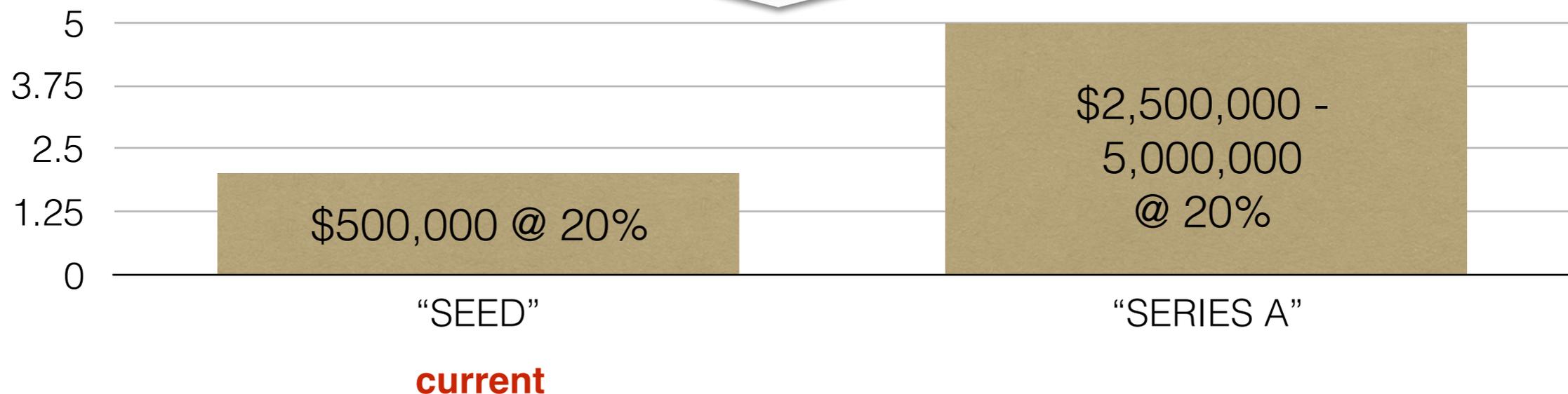
*Immediate investment will generate outsized returns due to growth prospect*

## Need for Investment

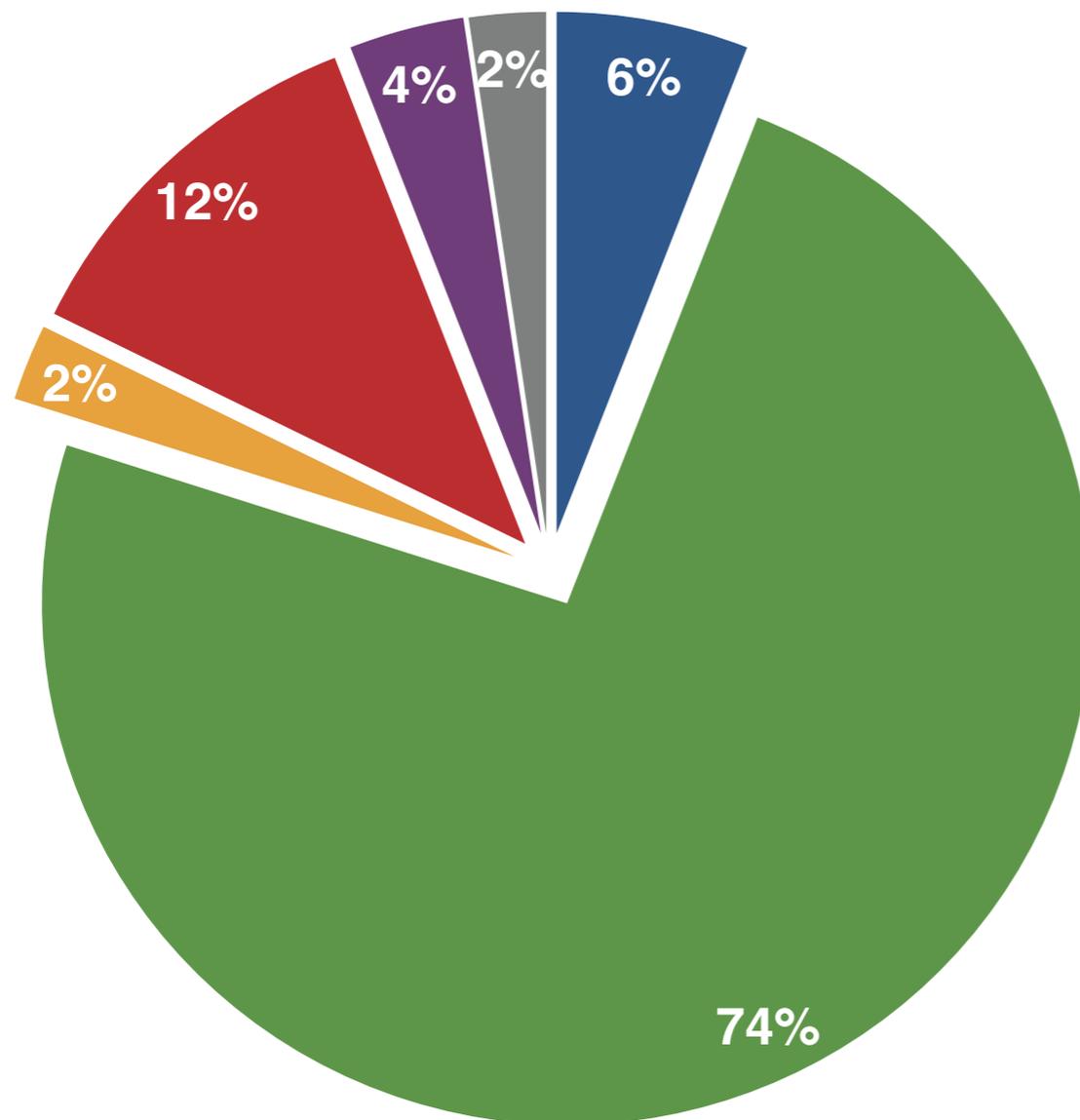
- Resources are needed to maximize first mover advantage
- Expected spend-focus in advertising / customer acquisition

## High Potential for growth

- Potential for growth will allow new investors to see an outsized return
- Customer adoption will scale up exponentially
- The key to success: locking in a loyal customer base early



# Use of Funds



## Immediate Hires Include:

- Sr. Network Architect
- Sr. Voice Developer
- Sr. App Developer
- Sr. WWW Developer
- Dir. Customer Support

# USD 500k “Seed” Model

months	1	2	3	4	5	6	7	%
traunched investments	USD 50,000	USD 100,000	USD 100,000	USD 100,000	USD 150,000	-	-	-
staff	-USD31,000	-USD43,000	-USD43,000	-USD43,000	-USD43,000	-USD43,000	-USD43,000	41%
office	-USD4,500	-USD4,500	-USD4,500	-USD4,500	-USD4,500	-USD4,500	-USD4,500	4%
services	-USD4,000	-USD4,000	-USD4,000	-USD4,000	-USD4,000	-USD4,000	-USD4,000	4%
advertising	-USD5,000	-USD20,000	-USD60,000	-USD60,000	-USD60,000	-USD60,000	-USD60,000	46%
misc.	-USD4500	-USD4500	-USD4500	-USD4500	-USD4500	-USD4500	-USD4500	4%
expense sub-total	-USD49000	-USD76000	-USD116000	-USD116000	-USD116000	-USD116000	-USD116000	
projected revenue	\$422	\$5,469	\$21,055	\$41,973	\$65,557	\$90,474	\$116,057	
growth rate	0%	1,196%	285%	99%	56%	38%	28%	
cash balance	1,422	30,891	35,945	61,918	156,975	131,448	131,505	
milestones			“proof” of model			“profitable”		

- ✓ Profitable in month 7 with revenue of USD 116,057
- ✓ Growing +20% monthly (compounding)
- ✓ Prepared for “Series A” and ballooning international growth

# Concerns and Responses

NFC, BitCoin and other forms of P2P will overtake credit card use

Credit cards too engrained in daily life to become outdated in the near future

Large companies will leverage ability to provide at lower prices

PAYYAP has the first mover advantage — targeting business owners who are dissatisfied with the “large companies”

Consumer concerns over service security on a newly introduced platform

PAYYAP operates is a Level 2 Certified PCI/DSS-compliant payment service, for AMEX, MasterCard, VISA, etc.

PAYYAP will face execution risks

The model is quantifiably known, and PAYYAP founders have successful experience monetizing startups

No defining industry standard

Flexibility of the industry promotes innovation; and a standard will soon be reached

# 36 Month Scenarios

## PESSIMISTIC:

- 100,000 live merchants (worldwide)
- generating USD ~1mm monthly net profit
- on USD ~4mm monthly gross profit
- (having captured 0.04% of global mobile merchant billings)

USD ~50 mm EV

## OFFICIAL:

- 800,000 live merchants (worldwide)
- generating USD ~6.5mm monthly net profit
- on USD ~7.5mm monthly gross profit
- (having captured 0.4% of global mobile merchant billings)
- growing 10% per month (compounding)

USD ~400 mm EV

## OPTIMISTIC (w/ some assistance from Citi®, perhaps):

- 2mm live merchants (worldwide)
- generating USD ~20mm monthly net profit
- on USD ~30mm monthly gross profit
- (processing ~1.0% of global mobile merchant billings)

USD +1 b EV

# PAYYAP

The Payments App™ (for Merchants)

 Fintech for Integrity Challenge Finalist (International Open)

Now available worldwide at your favorite app store:



LIVE DEMO ACCOUNT CREDENTIALS:

- USER: [demo@payyap.network](mailto:demo@payyap.network)