

# Proxama PLC

## AGM statement

Proxama plc (AIM:PROX) (the "Company"), a leading enabler of mobile proximity marketing, loyalty and secure mobile contactless payments, will hold its Annual General Meeting today at the offices of Bird & Bird LLP, 15 Fetter Lane, London EC4A 1JP at 11.00 a.m. At the meeting, David Bailey, Non-Executive Chairman of Proxama, will make the following statement:

"The Company has made significant progress in the year to date. As a reminder, Proxama enables mobile proximity commerce, for media owners and brands, retailers and finance services companies.

**Proxama's proximity payments** market has developed rapidly. UK Cards Association statistics from December 2013 stated there were 38.1 million contactless cards in circulation and a total of 293,000 contactless retail terminals in the UK alone (Source: Payments Cards & Mobile). In addition, VISA reported 94 million UK contactless payments made in 2013, up from 25 million in 2012. This market expansion means the key infrastructure is ready for the transition from contactless card payments to contactless mobile payments. Proxama is very well placed and has been investing heavily in its NFC proximity payments platform (and most recently HCE - Host Card Emulation) ensuring compatibility with all market developments and requirements.

If, as increasingly expected, Apple includes NFC into its next major hardware release, we expect the pace of change and migration to mobile payments and loyalty to increase significantly.

Proxama's CardGateway®, our NFC payment enablement product, is attracting wider interest from banks, card issuers, payment processors and schemes looking to pilot services. Proxama is working closely with the card schemes to be first to market with scheme-approved product to take advantage of what we see as the huge growth potential for mobile contactless payment applications. Proxama has a growing pipeline of sales opportunities with major banking groups across Europe and South America and we fully expect to have the first service running with live payment cards in Q3 2014.

We are continuing to develop strategic partnerships and recently announced our relationship with Pre Pay Solutions the leading pre-paid payment platform company that is owned by MasterCard® and Edenred. Combined with our existing partnership with Cryptomathic, this allows Proxama to address a multi-country opportunity for CardGateway®.

**Proxama's mobile proximity marketing** opportunities have also developed. Proxama's TapPoint® platform has been updating to include Bluetooth capabilities and support for the latest Bluetooth Low Energy (BLE) devices such as Apple iBeacon.

This market is still in its early stages but has significant growth potential. Proxama's focus is to connect physical and mobile assets in retail stores, shopping centres and in outdoor media, to enable brands and retailers to increase sales and loyalty by engaging with consumers on mobile. Proxama's TapPoint® platform now supports all mainstream proximity technologies such as NFC, Bluetooth, QR codes, GPS and Wi-Fi. Proxama has a strong pipeline of sales opportunities with major brands across various sectors including retail, media, gaming and transport.

Recent proximity marketing initiatives include enabling First Group's buses in the City of Aberdeen, to allow consumers to engage with marketing by tapping their phone on seat backs. Meanwhile, our strategic partnership with Posterscope has allowed us to execute proximity marketing campaigns

across multiple media estates, for instance with a UK wide campaign for a well-known bookmaking chain. Proxama recently announced a campaign with Ubisoft across selected GAME retail stores in the UK for the launch of their new game Watch Dogs™. Proxama will be exhibiting and presenting at the Marketing Week Live event in London on 25th June.

A key element of Proxama's ecosystem strategy is to join mobile marketing with loyalty and payments; the ability to receive a voucher or loyalty points on mobile and to redeem that loyalty, with payment, at the point of sale. Our partnership with The Logic Group has resulted in the deployment of our first combined mobile proximity loyalty app for a major retail chain. Our partnership with Weve continues to develop although their focus is shifting toward enabling contactless payments rather than the initial aggregated loyalty proposition. Proxama expects to see many more retailer initiatives as the first version of our TapPoint® for Retail product is launched at the end of June. This product platform allows rapid deployment of proximity-enabled retail loyalty apps with minimal customisation. The first version of this product will soon be in use within a number of cultural venues throughout Liverpool.

Proxama has been selected to deliver "Connected High street" mobile digitisation projects to two major conurbations, offering a "digital experience" to residents and visitors. These services are planned to provide tourist information, retail marketing offers and local loyalty services to the city centres and the retail businesses within them. We believe there is an opportunity, having established a "Connected High street" mobile marketing template for conurbations, to roll the capability out to other towns and cities across the UK and beyond.

While first half revenues will still be modest, we expect a significant increase in second half revenue, and anticipate a strong performance in 2015 as pilots turn into full scale roll-outs.

We were delighted to announce recently the appointment of Shaun Gregory as a Non-Executive Director, who brings a wealth of experience of digital marketing to the Board from his background at Telefonica, as a former Chairman of WEVE and as the new CEO of Exterior Media, the leading Outdoor Media business

We have also recently appointed Pascal Caillon as General Manager of Proxama USA, leading the development of business opportunities in North America. Pascal was previously Head of Business Development for CorFire, one of our key competitors in the mobile wallet space.

As a result of our growing network of partnerships and extensions to our technical capabilities, we believe we are well positioned to seize the many opportunities we have identified with leading media owners,retailers, banks and wallet providers all over the world and with cash balances of £5.9m at the end of May, we look to the future with great optimism."

The Board looks forward to providing further updates as we progress through the year.

ENDS

For further Information:

<b>Proxama PLC</b> Neil Garner, Chief Executive Miles Quitman, Chief Commercial Officer Coen van Breda, Chief Financial Officer	020 7959 2298
<b>Peel Hunt LLP</b> (Nominated Adviser and Broker) Richard Kauffer Daniel Harris	020 7418 8900
<b>Cadogan PR</b> Alex Walters	0207 499 5002 07771713608

#### About Proxama

Proxama enables mobile proximity commerce by combining loyalty, brand marketing and mobile contactless payments. By connecting the physical and digital worlds, consumers can pay for goods and services, participate in and benefit from loyalty programmes and access information through their mobile phones.

<http://www.proxama.com>