

Proxama Plc

("Proxama" or the "Company")

Pre-Close Trading Statement

Proxama PLC (AIM: PROX), the international mobile proximity commerce company is pleased to announce the following trading update ahead of its final results for the year ended 31 December 2014 which are expected to be announced during May 2015.

Income for the full year will be approximately £0.8m (2013: £0.8m) with an EBITDA loss of £5.6m (2013: £3.1m) which is better than management expectations. Cash balances at 31 December 2014 stood at £5.5m.

The Market

The mobile contactless payment market has developed significantly during 2014 with consumers now making 'contactless' payments an everyday event. The announcement of the inclusion of NFC in Apple iPhone 6 and the launch of Apple Pay in the USA has made mobile contactless payments using NFC inevitable, creating the compelling reason for Card Issuers to update and deploy their existing mobile banking apps.

Proximity marketing has also made a significant leap forwards with Bluetooth Beacons now supported by most new smartphones, supplemented by further growth in the numbers of NFC phones with increasing consumer awareness of how to 'tap' to engage. Proxama has successfully developed proximity services with many major brands, retailers and media owners including Exterior Media, Harrods, William Hill, Ubisoft, Gala, Purple Seven and Argos.

Proxama has long held the view that consumer adoption and significant revenue growth would occur towards the end of 2015. The last quarter of 2014 saw many customers and partners gearing up towards roll-out planning activities during 2015. Proxama can now leverage its strong position as a leader in mobile contactless payment enablement whilst also continuing to build out our proximity marketing network, starting in the UK.

Payments Division

A new Payments Division: The Company announced the completion of the acquisition of Aconite Technology Ltd in December 2014. Aconite brings a set of proven card issuer solutions with a strong customer presence in the USA, Europe and MEA. In addition, the combination of Aconite and Proxama technology provides a complete end-to-end solution for card issuers to migrate from magnetic stripe cards to chip cards, and from contactless chip cards to mobile devices. Aconite is expected to accelerate the financial performance of the payments business considerably both as a result of material cost synergies of no less than £1.5m which

can be achieved from putting the two companies together but also from clients having a much broader level of services and products available.

The company invested in increasing its sales capability and marketing presence in the USA ensuring that it is well positioned to increase opportunities and to develop more business associated with the migration of magnetic stripe cards to "Chip and Pin" and subsequently to mobile. The payment schemes, Visa and MasterCard, are driving EMV migration with a deadline of October 2015 for 'liability shift', the point at which those parties that do not support EMV are responsible for relevant card fraud. This creates a great opportunity for the Company to grow in the USA.

Proximity Marketing Division

Our proximity marketing activities also moved ahead in the period as we continued to strengthen our relationships with media owners in the UK and develop our technology further, particularly with regards to connecting consumers to Brands and Retailers through Bluetooth Beacon technology. This allows retailers and brands to market directly to consumers via their mobile phone, in a sophisticated and targeted manner, in and out of store.

We have a number of distribution deals live and in the pipeline, which will continue to extend the reach of our Mobile Marketing Network. After a number of successful campaigns we feel confident of being able to scale this opportunity throughout 2015.

Similarly, in the City of Norwich where in November we launched our own branded beacon based application (app) "Loka", which through engaging via targeted beacon messaging, brought consumers to the high street shops and local businesses.

Strengthening the Management Team and Board

In January we announced the appointment of Mr Kennedy as Chief Financial Officer and Mr Woods, the founder of Aconite, also joined the Board. John has considerable experience in optimising the financial performance of companies and driving integration synergies, and Mike is an experienced business leader who will now provide the leadership across the combined payment business, and drive the growth across the USA and EMEA.

Business Strategy and 2015 Priorities and Beyond

As a result of the acquisition and the appointments of John and Mike, the enlarged Company has reviewed its current operations to take into consideration the new operational capabilities, new people and the larger client base.

Accordingly the senior management team has very clearly defined objectives for the coming year to ensure both Divisions achieve scale, increased revenues and become cash positive.

In the Payments Division we expect to grow revenues significantly as we ramp up marketing activities, launch new products and increase our sales force on the East and West Coasts of the USA and Canada where we see a very large opportunity for us to grow. In addition, we will also seek to develop into at least 2 new additional

geographic markets. The integration achieves material cost savings enabling the division to achieve profitability by the end of the year (before Group overheads).

In our Proximity Marketing Division we will continue to seek new partners with whom to jointly develop this business and add to the network of beacons that we have already established in the UK. To do this we will continue to partner with location and media owners, such as shopping centres, sports stadia and retailers as well as advertising agencies and brands directly to join this mobile advertising network. This demonstrates clearly targeted sector-based strategy.

As a result, the Division has set a number of KPIs for 2015, where we expect our beacon network to substantially grow to around 10,000, add over 20 new brand owners, further media and marketing partnerships similar to that of Exterior Media, and develop further into a number of additional UK Cities. We expect the Marketing Division to achieve profitability by the end of the year (before Group overheads).

The Group looks forward to reporting on progress as the year develops.

Ends

Enquiries:

Proxama PLC Neil Garner, Chief Executive John Kennedy, Finance Director	020 7959 2298
Peel Hunt LLP (Nominated Adviser and Broker) Richard Kauffer Edward Fox	020 7418 8900
Cadogan PR Alex Walters	0207 499 5002 07771713608

About Proxama

Proxama is an international platform provider of mobile proximity commerce solutions; mobile NFC contactless payments and mobile proximity marketing. Our solutions are used by banks, financial institutions, loyalty companies, media owners, stadium owners, retailers and brands.

Our two technology platforms, TapPoint® and CardGateway®, sit at the heart of our business. TapPoint® delivers proximity marketing and loyalty solutions for retailers, media owners, stadium owners and brands by utilising technologies such as NFC, Bluetooth LE (beacons), geo-fencing and QR codes. CardGateway® is our mobile contactless (NFC) payment platform that enables banks and card companies to transition their card portfolio onto mobile, for mobile contactless payments.

In December 2014, Proxama acquired Aconite Technology Limited an established card issuance and transaction processing software business with a proven track record in EMV payments over a period of 12 years. Aconite has customer relationships with international financial card issuers and processors, where its software is integrated into the core operational processes for issuing and managing millions of cards.