

Proxama PLC

("Proxama" or the "Company")

Proxama Announces New \$1m Contract and Trading Update

London, 17 December 2015: [Proxama PLC](#) (AIM: PROX): the international mobile commerce Company specialising in proximity marketing and a provider of end-to-end payment solutions for card issuers and processors, is pleased to announce that a leading U.S. financial services technology company, who is an existing client, has signed a new contract to facilitate the roll out of EMV processing services to the clients' own customer base of financial institutions.

With EMV migration from magnetic stripe credit/debit cards to the more secure chip and PIN cards now fully underway in the US, the client has agreed to an upfront payment of close to \$1 million to have total access to Proxama's EMV processing services. In addition, the client has requested that Proxama continues to provide support and maintenance services and the ability to use other Proxama products such as PIN Manager and Payment Application Manager.

The client has deployed Proxama's EMV Transaction Manager to provide the card and transaction authentication that ensures the security of all EMV transactions, which will lead to the reduction and avoidance of card fraud as has been seen in other markets that have moved to the EMV standard. EMV Transaction Manager is a core component of Proxama's Digital Enablement Platform™ that forms an end-to-end solution for NFC mobile payments using cloud-based and other 'Pay' channels.

Both digital payments and proximity marketing divisions have had a stronger second half in 2015, resulting in the Group achieving income in excess of £3 million for the full year. Income in the second half has increased twofold against H1 and contracted income for 2016 has increased to £2.2 million creating improved forward visibility.

Mike Woods, CEO of Proxama's Digital Payments Division commented: "We are proud to be able to reinforce our existing partnership with a world-leading financial services technology company on more favourable terms for both parties. The new contract increases our immediate cash flow and with the additional range of products involved this is now expected to generate higher revenues for Proxama over the next 3 - 4 years."

John Kennedy, CEO of the Proxama Group added: "The measures we have taken to reduce costs and the new marketing initiatives are beginning to take effect, securing good growth in the second half and giving the Group better revenue visibility for 2016 and beyond. Our pipeline of opportunities remains promising and accordingly we are confident that the Group is very well positioned to deliver further growth."

The Company looks forward to making a more detailed trading statement in January 2016.

Enquiries:

Proxama PLC 020 3668 2888
John Kennedy, Chief Executive

Peel Hunt LLP 020 7418 8900
(Nominated Adviser and Broker)
Richard Kauffer
Euan Brown

Novella 020 3151 7008
Tim Robertson
Ben Heath

About Proxama

- ☞ Proxama is an international mobile commerce Company specialising in proximity marketing via mobile and providing end-to-end solutions for card issuers to migrate customers from magnetic stripe credit and debit cards to contactless mobile payments.
- ☞ The technology to support mobile payments is now in place. 90% of the world's smartphones have technology to make mobile payments and in 2015 30 million contactless mobile payments are expected to be made compared to 3 million in 2014.
- ☞ Proxama has been at the forefront of this market for the last 10 years. Today, Proxama's solutions are used by banks, financial institutions, loyalty companies, media owners, stadium owners, retailers and brands. Current clients include: Fiserv, Nets, Navy Federal Credit Union, Exterion Media, Harrods, Ubisoft, Gala and Argos.
- ☞ The proximity marketing division focuses on connecting consumers to brands and retailers via Bluetooth Low Energy (BLE) beacon technology. Proxama establishes and owns beacon networks in high footfall locations such as City Centres, stadia, shopping malls and retail outlets, which are then able to communicate to consumers via messages to mobiles when the consumer is in close proximity to a beacon. The technology platform at the heart of this division is TapPoint®
- ☞ The payments division manages end-to-end credit and debit cards solutions on behalf of financial institutions in the United States, Europe and the Middle East and specialises in enabling the migration of cards from magnetic stripe cards, to chip and pin cards and from contactless chip cards to mobile devices. The technology behind this division is Proxama's Digital Enablement Platform.

In December 2014, Proxama acquired Aconite Technology Limited:

- ☞ Aconite has been delivering advanced payment solutions to card issuers, processors and service providers for more than ten years
- ☞ Aconite established itself as a highly respected source of chip card management expertise in payments and other sectors, such as transport and ticketing, and as a specialist in the field of migrating credit cards from magnetic strip to contactless

- Aconite's software portfolio now forms the core of Proxama's Digital Enablement Platform that delivers end-to-end support for EMV deployment to cards, contactless and mobile payments.