



# Instant Cash Acceptance Network

Building **Real** Infrastructure  
For Acceptance **Solid** Payments



# Problem

The mobile and e-commerce services are growing quickly and extensively, but the existing infrastructure can not cope with increasing money flow from the payers to the service providers. The modern mobile money and e-wallet solutions, which are springing up like mushrooms, only complicate the situation, because they mainly offer how to spend funds, but not how to collect them and top-up user accounts.

- Over 90% of consumers are willing to pay for services in cash;
- Customers prefer to pay without queuing at points close proximity or near the daily itinerary;
- Many prefer to pay after hours, but receive the service immediately;
- The banks and other fin. structures require big commissions (\$1 for a payment of \$10);
- The service providers are spending up to 20% of their income for distribution services;
- The service providers would like to introduce even more sophisticated new services, but the lack of infrastructure hinders it.

**ICAN solves the problem creating a powerful payment infrastructure with the help of reliable, low-cost automated devices for continuous receiving payments across the country**



# Solution

## For Clients



- Convenient and intuitive user interface of the payment kiosks allows payment transactions directly without intermediaries;
- The operations are carried out instantly;
- The principle of "single window" (payment supermarket) allows the customer to pay for other services too at the same time;
- As a result of inserting cash funds the payment kiosks give a check as proof of the payment;
- The payment kiosks and other devices also provide the ability to check online transactions;
- The customer can place a call to the call center entering his/her mobile phone number in a special section of the menu.





# Solution

## For Service Providers



- It allow to save distribution costs up to 3 times;
- Release from non-core functions (logistics, accounting, control and monitoring of distribution items);
- Zero financial risk when making payments through iCAN system, as it is used deposit clearance method at all levels;
- A high level of security and fraud protection;
- Launching new services for sales or bonus campaign quickly and without significant costs.



# Solution

**For agents  
(owners of the  
trade points)**



- The new autonomous form of business, which provides a stable income without a large financial and time expenses;
- East to install: it requires only 1m2 and 220V power outlet nearby;
- Fast payback on average 7-8 months;
- Attracting new customers due to the payers (30% on average), if it is an extra business;
- Solid income from advertising;
- New workplaces



# Solution

## For Banks



- Tens of thousands of new customers due to the agents who will hand over the collected funds;
- Turnover of multi-million funds between accounts of participants of the payment system on a monthly basis;
- Opportunity to provide new type services to the bank customers: acceptance of payments through ATMs and Internet banking.

## Others

- Services from transport companies;
- Collection services for large networks;
- Maintenance and repair services for large networks.



# Business model

## Infrastructure

### Partners

Service Providers

### Key Resources

Payment Acceptance

Network

Software Interface

### Key Activities

Managing Platform

Continuously adding new or  
modifying old services

## Offering

Online payments

## Customer

### Customer Segment

All customers of mobile  
services, Internet, Cable TV,  
Utilities

Global top-up hubs

### Distribution Channel

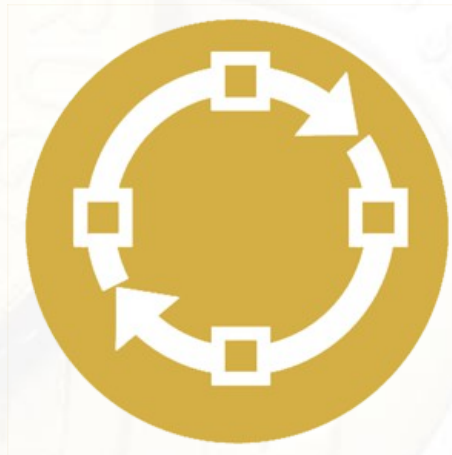
Points to receive payments  
via automated kiosks, POS,  
PC terminals, tablets and  
mobile phones, XML  
protocol



# Business model

## Cost Structure

Equipment Purchasing  
Processing  
Support and Maintenance



## Revenue Streams

Commission for processing  
Equipment reselling  
Advertising





# Payment Channels

## Self-Service Kiosk



Self-Service Kiosk is the most popular type of payment device. This device can be placed on the street or inside a mall/shop/ etc. Kiosk provides customers with a 24/7 easy and user friendly service along with payment confidentiality and personal privacy information.

## Mobile POS



POS terminal with iCAN solution is a compact fully functional device which quickly processes payments. It meets all current safety and security specifications. The terminal is light weight and at the same time uses powerful batteries to make it the ideal choice for portable solution.

## ATM



Payment module for ATM is a special software solution for integration with the Bank ATM Networks to accept payments from the bank clients directly from the ATM.

## Cash Register



The Cash Registers powered with Payment integration module may accept personal payments from the customers in the retail chains or small family-run stores

## e-Wallet



iCAN e-Wallet is a comprehensive mobile solution with simple and intuitive interface for end-users. The users may perform any real-time payment operation from their smart-phones, touch-pads or personal computers with the help of iCAN e-Wallet application. The service is available without temporal and spatial limitations.

## XML Based API



iCAN provides powerful tools to integrate business systems of the partners with the payment processing system. Integration is Internet XML and is completely platform independent.



# Underlying magic

- **A single payment platform** for all possible services in the country;
- **Significant cheapness of the cost** of making payments;
- **Continuous and non-stop nature** of service provision;
- **Quickly adding** new services, rapid changing of payment details at the request of service providers;
- **Readiness to scale quickly** across the country;
- **Distribution of payment devices** on the franchise model.
- **mutually beneficial and safe system** of settlement between all participants in the business;
- **trained and experienced team** with deep knowledge of local specifics;



# Marketing & Sales

Partnership agreement with global top-up hubs (Tranglo, TransferTo)

Launching own network of 30 machines as a showcase of existing business

Preparation of full and complete package of documents for the advertising and sale of customer equipment. The package includes a booklet with all of the main advantages of agent model, an exemplary business plan, contract service iCAN system, detailed Manuals

Offer significant discounts for the purchase of the first batch of equipment as well as high rewards for sales managers



Tranglo



TransferTo

# Competition

As of March 2016, there is no any company, which accepts payments via self-service kiosks (technology similar to iCAN) in the target market.

Since 2010 **Kufiya Financial Technology PLC** provides electronic payment services in the market. In 2013 the company launched e-service system **Lehulu**.

Currently two systems of mobile money are actively developing:

- **helloCash** Netherlands-based BelCash
- **M-Birr** - operator MOSS ICT

The following microfinance organizations are actively involved in this sector:

**ACSI** (Amhara Credit and Savings Institution),

**ADCSI** (Addis Credit and Savings Institution S.C),

**DECSI** (Dedebit Credit and Savings Institution S.C),

**OCSSCO** (Oromia Credit and Savings),

**OMO** (OMO Microfinance S.C)





# Management Team

Many years of experience in technology development, management and maintenance of the payment business

## **Artak Hovsepian** *CEO*

Developed solutions for processing and client devices for Top 5 payment systems in Russia, since 2012 CEO of Sadad Payment System (Morocco). Also expert on North Africa and the Middle East.

## **Mesrop Ghulijanyan**

*Processing engineer*

Architect of heavily server projects, highly qualified specialist in information security

## **Armen Ghochikyan**

*Engineer of the customer equipment*

Certified specialist of the equipment used in payment terminals

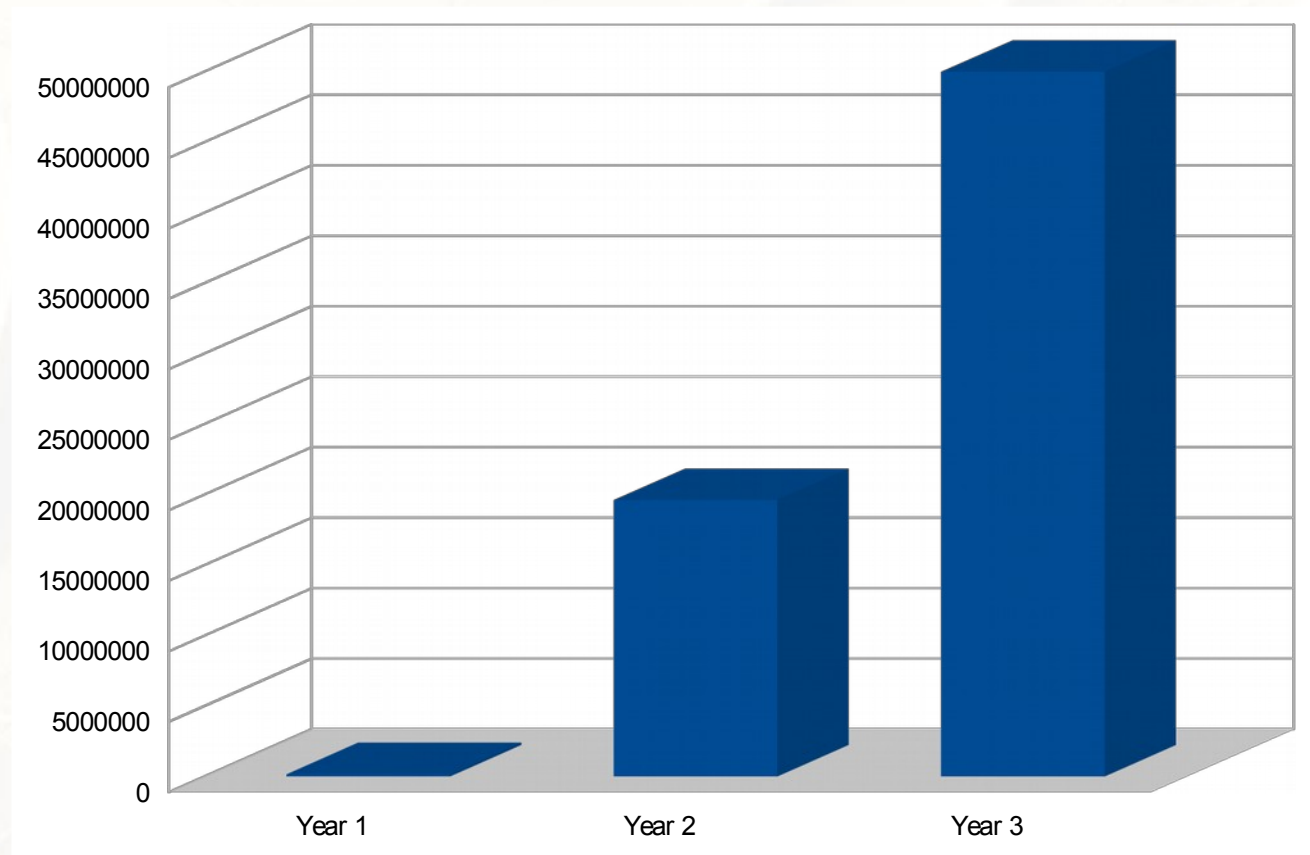
## **Vazgen Shakhoyan**

*Business Development*

A graduate of the University of Amsterdam. Market research, successful promotion of products and services



# Financial projections & key metrics



# Financial projections and key metrics

Revenue	Q1	Q2	Q3	Q4	Year 1	Year 2	Year 3
TOTAL: kiosk fee revenue:	5880	60960	186720	407640	661200	14688000	44064000
TOTAL: revenue resulted from kiosk res	10295	185310	288260	339735	823600	5219565	6177000
TOTAL: Fee revenue POS-TERMINALS	12960	89160	241800	512880	856800	9216000	18432000
TOTAL: revenue resulted from POS res	7200	17280	23760	30240	78480	208800	288000
TOTAL: revenue resulting from ad spa	0	2670	5400	6000	14070	18000	51000
TOTAL: Foreign agents fee revenue:	29817	40784	55949	71971	198521	462672	555206
<b>TOTAL REVENUE:</b>	<b>66152</b>	<b>396164</b>	<b>801889</b>	<b>1368466</b>	<b>2632671</b>	<b>29813037</b>	<b>69567206</b>

## Costs

Equipment purchased	172880	327760	190880	172880	864400	4595600	5460000
Agency Fee or Rent paid	13980	102330	279165	589500	984975	1250355	3263033
Processing & maintaince	5702	32151	86811	182331	306996	381520	998310
Salaries	39140	46980	48740	44740	179600	109500	142700
Other	37285	23425	27617	30617	118944	142744	193744
<b>TOTAL COSTS:</b>	<b>271787</b>	<b>532646</b>	<b>633213</b>	<b>1020068</b>	<b>2457715</b>	<b>6479719</b>	<b>10057787</b>

Net income before tax:	-205635	-136483	168676	348398	174956	23333318	59509420
NET INCOME after tax:	-205635	-136483	141688	292654	146963	19599987	49987913
<b>TOTAL CUMULATIVE INCOME:</b>	<b>-205635</b>	<b>-342118</b>	<b>5205</b>	<b>434342</b>	<b>439617</b>	<b>19746950</b>	<b>69587900</b>



# Current Status

- The system is successfully operating since 2011
- There is a well-established team of experienced staff
- There is a partnership with the world's top-up hubs (Transfer-To, Trangolo)

