Consumers Pay With Their Finger

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         September 20, 2005
Consumers Pay With Their Finger

Today’s topics

• How biometric payments work

• Biometric acceptance by consumers

• Biometric payments case studies
How does it work?
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Enrolling customers is quick and easy

Present ID and blank check from account to be debited

Both index fingers are then scanned

A unique number is chosen (usually a phone number)
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Paying with Biometrics

Customer approves the purchase amount

Their unique number is then entered

Their index finger is scanned to authorize the payment

The transaction is approved and funds are electronically transferred within 2-3 days from the customer’s account to the merchant
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How does it differ from RFID?

» Biometrics takes the convenience of contact-less cards one step further
  • Convenience
    ◦ No card to remember
    ◦ Loyalty programs can be incorporated
    ◦ Age verification can be incorporated
  • Fast
    ◦ BioPay number and put your finger down
  • MORE Secure
    ◦ no signature required for any size dollar amount
    ◦ no data printed or left behind
    ◦ no data visible to the clerk
    ◦ no card to lose / no consumer risk
Consumer Acceptance
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Our Biometric Solutions

# enrolled consumers 2 million
# transactions processed 17 million
$ transactions processed $6.9 billion

Some well-known clients

BI-LO Foods Raleys
Bruno's Supermarkets Lowes Foods
Marsh Supermarkets Malones Food Stores
Maggie Moo's Jersey Mike's Subs
BioPay Enrollment

Total Enrolled by Month

Pre Sept. 2002
Sep-02
Oct-02
Dec-02
Jan-03
Feb-03
Mar-03
Apr-03
May-03
Jun-03
Jul-03
Aug-03
Sep-03
Oct-03
Nov-03
Dec-03
Jan-04
Feb-04
Mar-04
Apr-04
May-04
Jun-04
Jul-04
Aug-04
Sep-04
Oct-04
Nov-04
Dec-04
Jan-05
Feb-05
Mar-05
Apr-05
May-05
Jun-05

- 100,000
- 200,000
- 300,000
- 400,000
- 500,000
- 600,000
- 700,000
- 800,000
- 900,000
- 1,000,000
- 1,100,000
- 1,200,000
- 1,300,000
- 1,400,000
- 1,500,000
- 1,600,000
- 1,700,000
- 1,800,000
- 1,900,000
- 2,000,000
- 2,100,000
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Biometrically Initiated Transactions

BioPay Paycheck Secure - All Time Cashed
Through 8/23/2005

BioPay, LLC
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Demographic acceptance

Enrolled Consumers by Age Group

- 65+
- 45-64
- 25-44
- 16-24

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Enrolled Consumers</th>
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<tbody>
<tr>
<td>65+</td>
<td>10%</td>
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<tr>
<td>45-64</td>
<td>50%</td>
</tr>
<tr>
<td>25-44</td>
<td>30%</td>
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<tr>
<td>16-24</td>
<td>10%</td>
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Demographic acceptance

Enrollees by Sex

- Male, 45%
- Female, 48%
- Unknown, 7%
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Demographic acceptance

Enrolled Consumers in 45 States Across America
Top 5 Enrollee States

- CA: 29%
- UT: 28%
- VA: 24%
- NC: 17%
- MO: 2%
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Demographic acceptance

» Play video
Combo’s Convenience Experience
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Customer enrollment in BioPay

Enrollment in less than 2 minutes!

Customers only need to:

• Present a government issued ID
• Choose BioPay number
• Touch each index finger two times

Customers also choose to connect:

• Various payment options
• Merchant specific loyalty programs
• Other merchant-specific information
• Multiple users on one account if authorized by account holder
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Why Combo’s selected biometrics?

» Check replacement program
» Cutting edge technology
» Cost savings
» Ease of use
» Improved check out time
» Set-up for future opportunities associated with biometrics
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Implementation

» Initial install in two locations as check replacement system
» Took less than 2 hours
» Install can now be conducted over the phone

Results

» Doubled the amount of check transactions in both stores by using BioPay (v. Telecheck)
» No fraudulent checks since we started with BioPay
» Major media attention driving more traffic to the stores
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Combo’s Return on Investment

» Cost savings
  • $7000 a year (over 2 locations)
  • No bad checks
    ◦ Reduced time and hassle tracking down bad check writers

» Significant time saver
  • Line moves more quickly without customer writing paper checks
  • Easy to train staff

» Over $40,000 value in media coverage
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Biometric Payments:
A “Win-Win” for consumer and merchant

The consumer wins…

• Fast transactions
• Shopping convenience
• Rewards, incentives
• Privacy, identity protection

The merchant wins…

• Significant cost reduction
• Secure transactions
• Simple for clerks to use
• Increased customer loyalty
• Increase inside sales because customers are not paying at the pump with a credit card.
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BioPay Product
BioPay community launch
Case study: Charlotte, North Carolina

» 10 Lowes Foods locations ‘anchor’ the launch
» 50+ other local businesses implemented around anchors
» Each business make a special offer to encourage enrollment and/or usage
» BioPay provides and distributes an offer booklet to highlight participating businesses
» Greater adoption, usage and impact for all participating locations
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BioPay community launch
Case study: Charlotte, North Carolina

Coffee Shops
- Quick-serve restaurants
- Gas stations
- Hair/nail salons
- Pet stores
- Houseware stores
- Apparel shops
- ...Many more
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BioPay In Stores: Transactions

Lowes Foods (NC)

Sample In-Lane Format
Recap

• Recent consumer survey results
• Pioneer Challenges
  ◦ Chicken and Egg Syndrome, the importance of community and consumer utility
  ◦ Last Wallet Item – the Driver’s License
  ◦ Age Verification Example

• Thank You
• Any Questions?
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