



Billon Overview and Partnership Opportunity Proposal

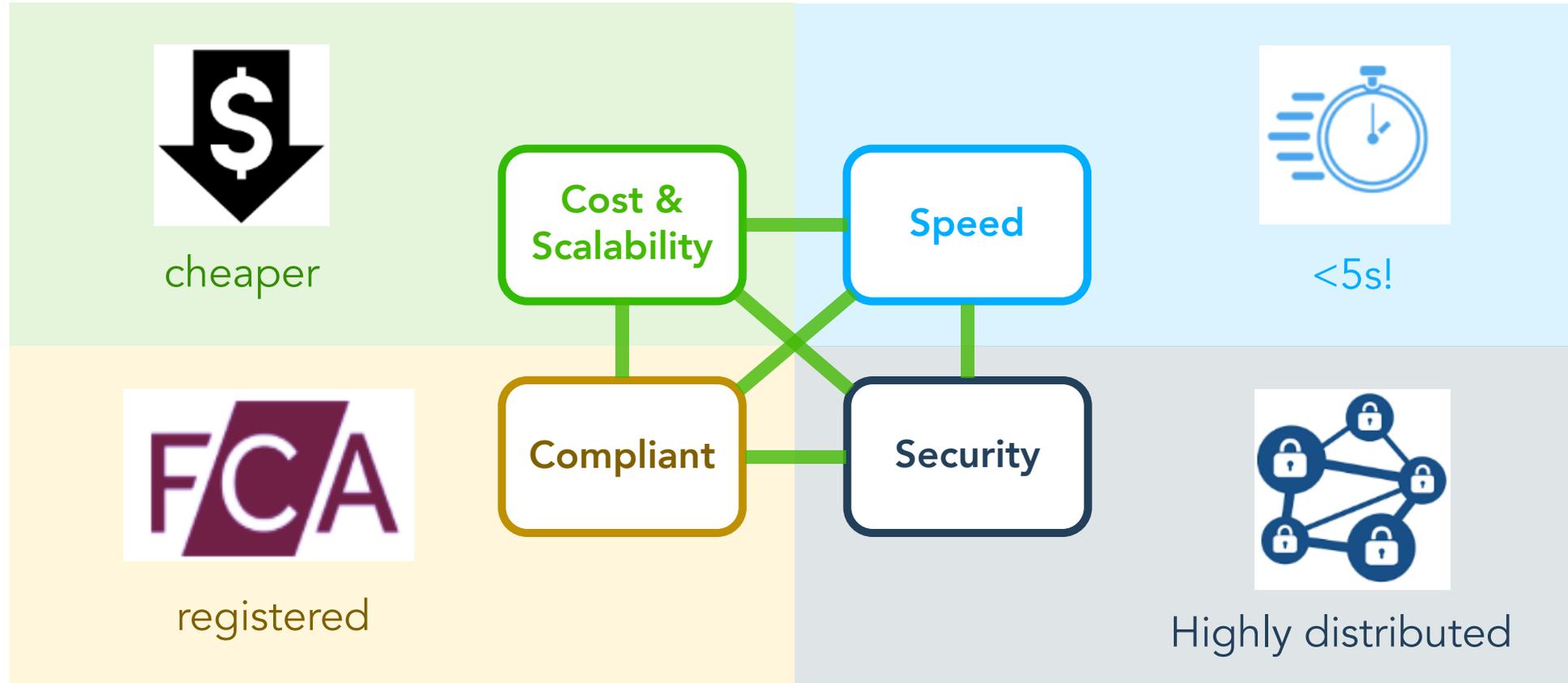
Jacek Figuła

JUNE 2017
BILLON GROUP

Executive Summary

- **You may be looking for new business opportunities and revenues with low associated costs and fast entry**
- **Billon has developed its own – private – blockchain solution to code money and transactions**
- **Billon's system has been live** in Poland since 2015 and in the UK since early 2017 - we replace cumbersome pre-paid cards with a digital cash based our 2nd generation blockchain solution
- **Instant, digital pay outs is a compelling solution for all FMCGs** and for other companies such as e-commerce shops, content distributors, mobile operators, temporary worker platforms and market researchers
- **The blockchain platform can be licensed and used for endless other applications**, like identity or documentation management
- **We propose to jointly build a product** to serve corporate clients :
 - Introduce e-money or peer to peer transactions
 - Disruptive documentation repository and management on blockchain or Identity management solution
- **This may be a tangible starting point for using distributed ledger**

But Why Use DLT vs Other Solutions? DLT is...



Billon: A Disruptive Fintech...

Founded
2012

MVP
Launched
mid-2016

FCA
registration in
June 2017

Corporate Payouts



PHILIP MORRIS



research.thinkforward

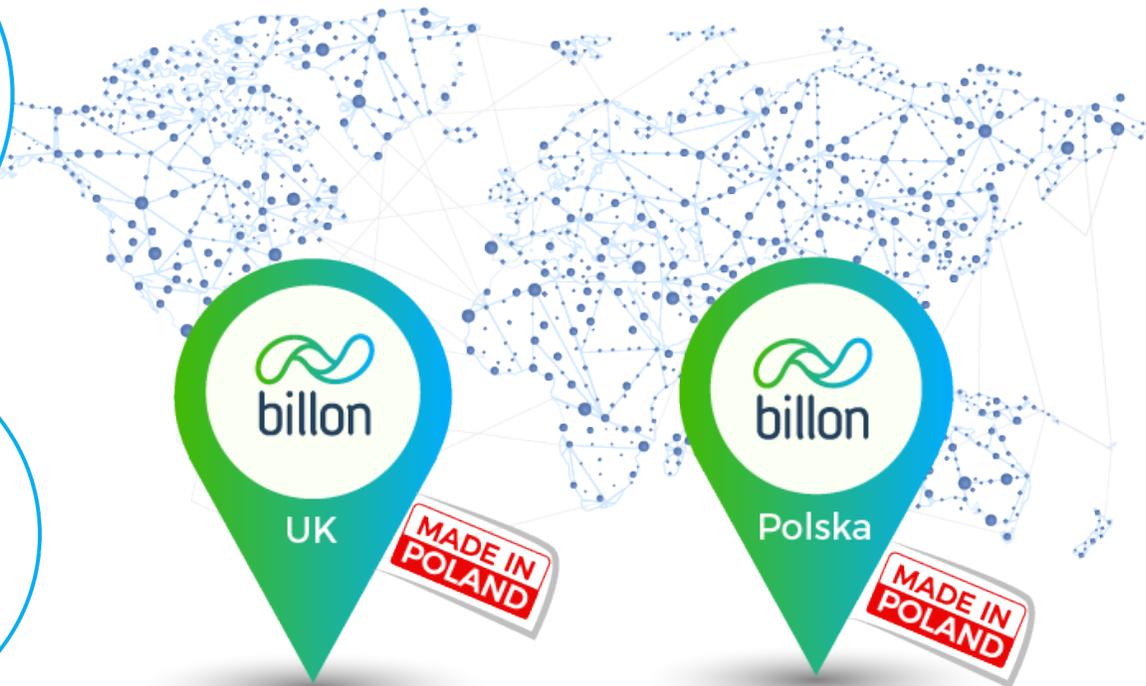
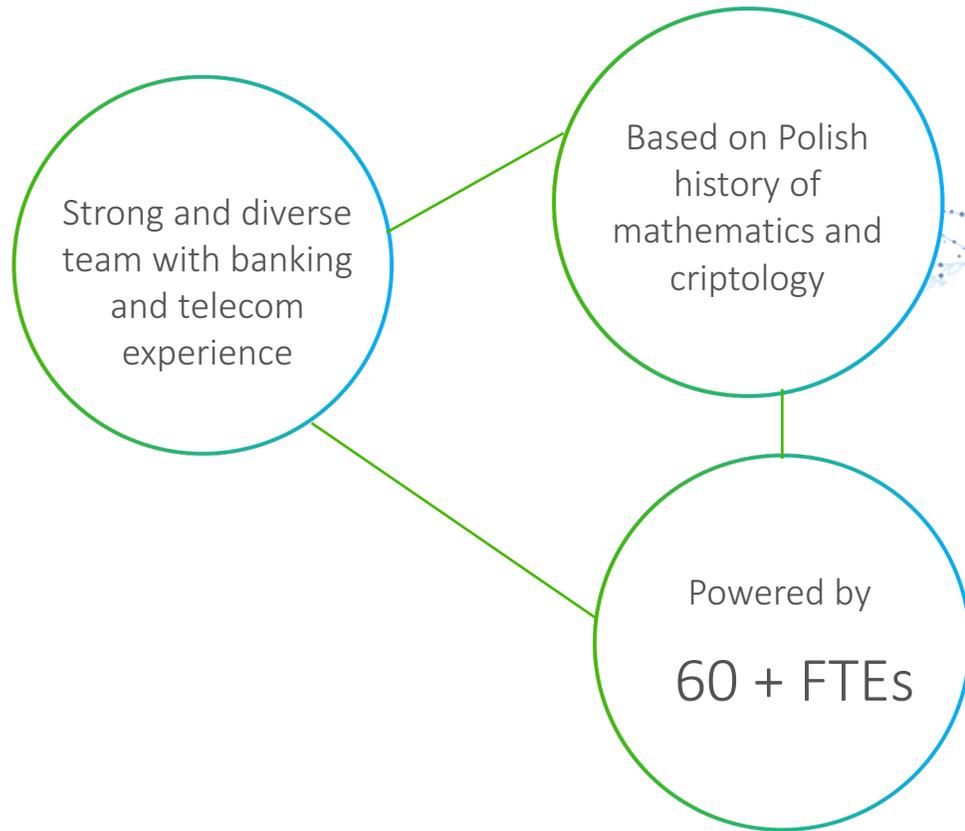
eCommerce



Bank / Other Partners



Billon sets technological fundamentals behind money



Since 2016

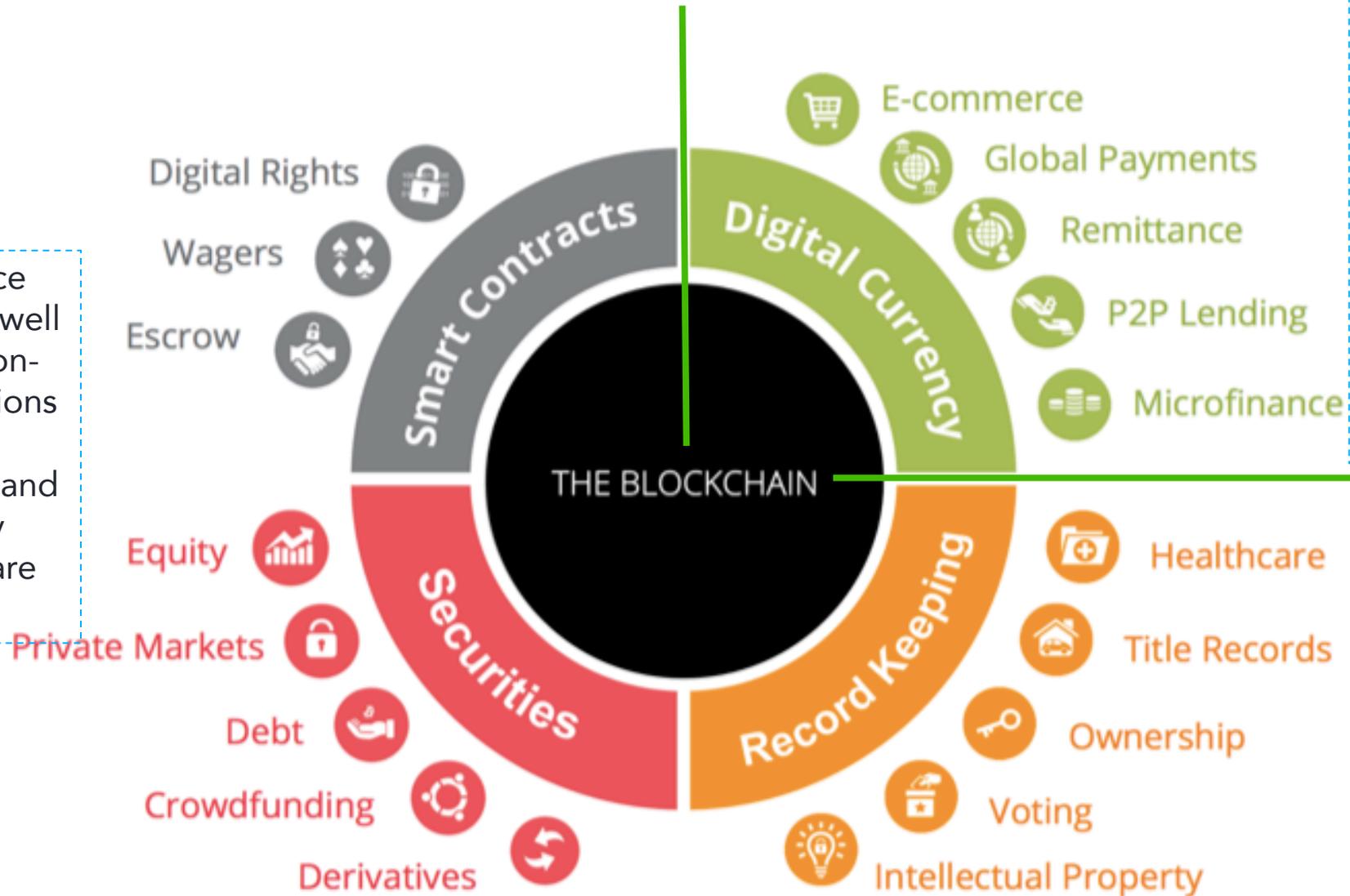
Since 2012

They trust us:



Winner 2015
Citi Mobile
Challenge

DLT Applications: Cash & Non-Cash



Open-source blockchain is well suited for non-cash transactions where performance and regulatory challenges are lower

Note: Regulations apply, so open source 'blockchain' is often treated as cryptocurrency, and requires 1:1 matching and liquidity

Billon structured its tech to solve compliance concerns. Billon encrypts everyday currency held by users

The e-Money concept

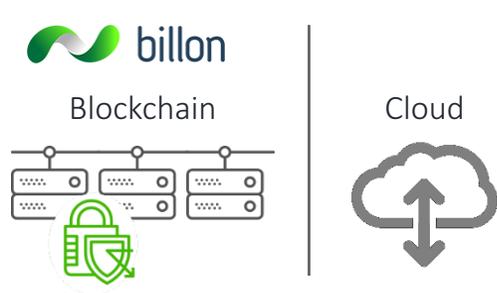
We believe banking should be a gate to The Digital World of entertainment and way of life

- ❑ Convert Between Traditional Cash Into Secure Electronic Money



Billon digitizes government-issued money which can be used for payments or can be converted back into traditional cash – live in the UK and Poland

- ❑ Billon's Solution Is Already Approved By Regulators
We Are Encrypting Your Money on a Digital Ledger, Saved in the Cloud



Proprietary Features

- Digitization of Real Money
- **All** Data is Encrypted
- Bank Supported and Regulatory Compliant
- Transparent, Immutable and Tamperproof
- Massively Scalable Low Cost
- Transactions **Settle** within seconds

Billon is **first to market with a live financial blockchain platform** deployed in the UK (FCA Approval) and Poland (KNF Approval)

Key disruption that e-Money enables

1. Loyalty programs
*cash, **value** based, loyalty gift (cash) redemption triggers contract extensions*
2. Motivation and instant rewards
***digital engagement** with sales, in-direct sales, field force, remote teams*
3. Marketing, Multi level marketing, referrals
*sales competitions, end to end digital sales, automated, **no agreement or data handling needed***
4. Behavior stimulating
*change your habits and get **immediate** reward, safe driving, gamification, power consumption*
5. E-commerce and e-gaming
***spontaneous**, instant, one click, anonymous, **impulsive**, immediate delivery, predefined delivery*
6. Invoices Payment, utilities settlement
*all digital, easy, customers' **full control**, top up pre-paid*
7. Light, internet, micro payment account
*deferred KYC, ideal for kids (13-18), **entirely digital journey**, incl. onboarding*

Billon can help explore the DLT

Collaboration Model

You

Roles

- Owns end users & products
- Gets exclusive license rights to given geo
- Designs user journeys and support
- Plays regulatory role:
 - Sets KYC/AML parameters
 - E-money license

Billon

- Builds products to your specs
- Licenses tech as SaaS solution
- Develops bespoke solutions when needed
- Maintains infrastructure interconnectivity (e.g., ATMs, eMerchants, stores/POS)



How Do We Start? Go Live in up to 6 months

1 Scoping (2 weeks)

Workshop: 1 week

- Demo experience
- Confirm use case
- Strategy & Concept Refinement
- Choose pilot client from portfolio
- Review:
 - High-level user journeys
 - Flow of funds
- Roles & responsibilities
- Discuss compliance considerations
- Economics & pricing concepts (draft)
- Discuss workplan considerations

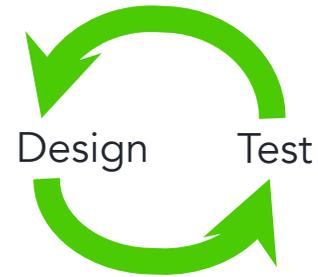
Formal write-up a week or so later:

- High level concept
- Workplan & Proposal



2 1st Client Prototype & Pilot

Desired Customer Journeys



- Choose client for early pilots
- Deploy pilot on Billon's tech license to accelerate learning

3a Product Development Project

Add logo, and tailor journey to optimal product/market fit

- Product definitions
- Operational support
- Compliance & processes
- Sales & Pricing

3b Technical implementation

Experienced Team



Andrzej Horoszczak
Founder, CEO
(Technologist)

- CEO of Online Publisher
- Sold company to start Billon
- Wall street programmer
- McKinsey, Wharton MBA



David Putts
Chairman,
MD Partnerships
(Banker)

- 3-time bank CEO/MD
- HSBC, Intelligo, Equa Bank, Barclays
- McKinsey, Duke MBA
- YPO Poland



Robert Kaluza
COO & Finance

- Orange
- McKinsey



Jacek Figula
CCO

- Cisco
- UPC



Jeff Grady
Non-Exec Director

- CEO, Triga
- Former VC exec
- Serial Angel investor



Tadeusz Kuropatwinski
MD Digital
Payments

- Naspers
- X-trade brokers



Andrzej Klesyk
Non-Exec
Director

- Ex-CEO PZU
- Co-CEO Inteligo



Michał Pakuła
Head of
Implementation

- T-Mobile
- McKinsey



Thank you

Contacts:

Andrzej Horoszczak, CEO

Email: andrzej.horoszczak@billongroup.com

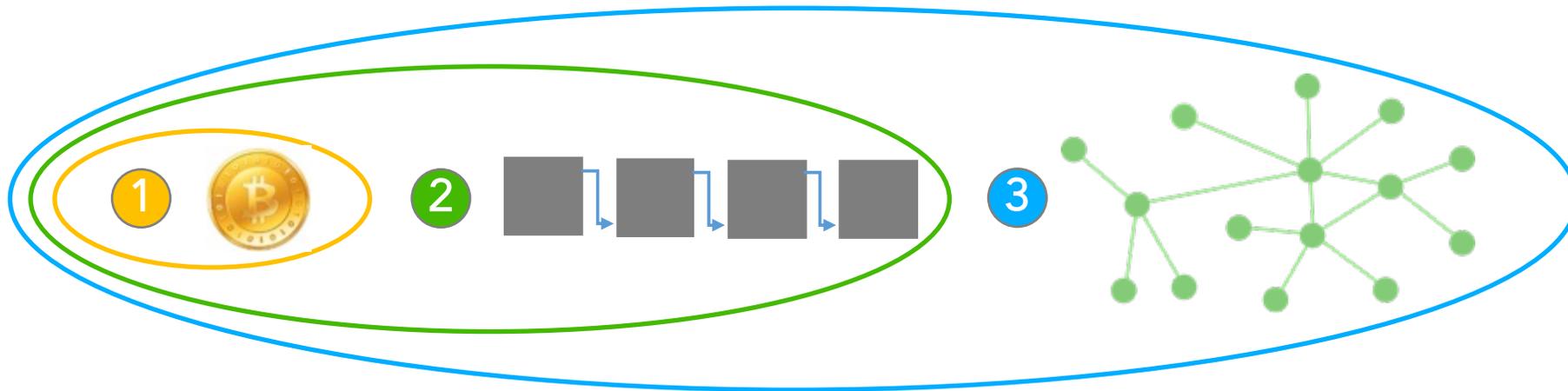
Jacek Figuła, Chief Commercial Officer

Email: jacek.figula@billongroup.com

Appendix: Tech Overview

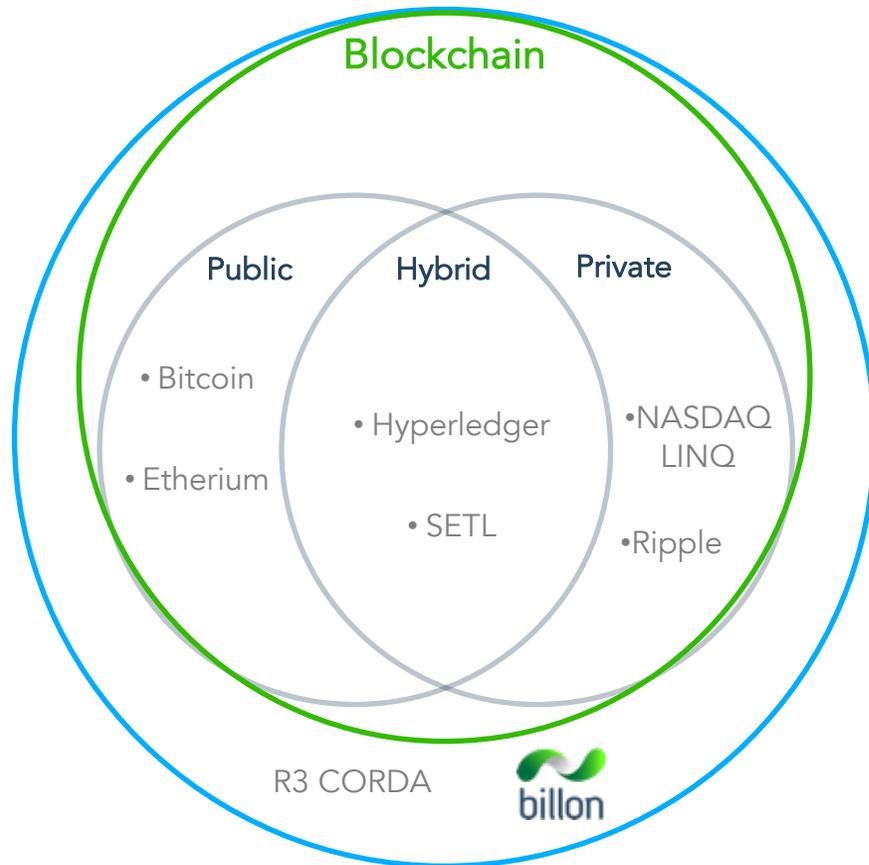
Official Definitions

- 1 Bitcoin:** *World's first cryptocurrency – built on Blockchain, a type of distributed ledger technology*
- 2 Blockchain ("BC"):** *A type of distributed ledger consisting of blocks of data. Each block is chained to another in chronological order using a cryptographic hash creating an immutable record that can be shared and accessed by anyone with permission*
- 3 Distributed Ledger Technology ("DLT"):** *A type of data structure spread across multiple sites, countries or institutions. DL data is not necessarily stored as blocks and many different proof mechanisms are possible.*



Many Different Technologies

The landscape is fragmented. Billon stands out as ready-to-use, optimised for regulators and fast payment / settlement



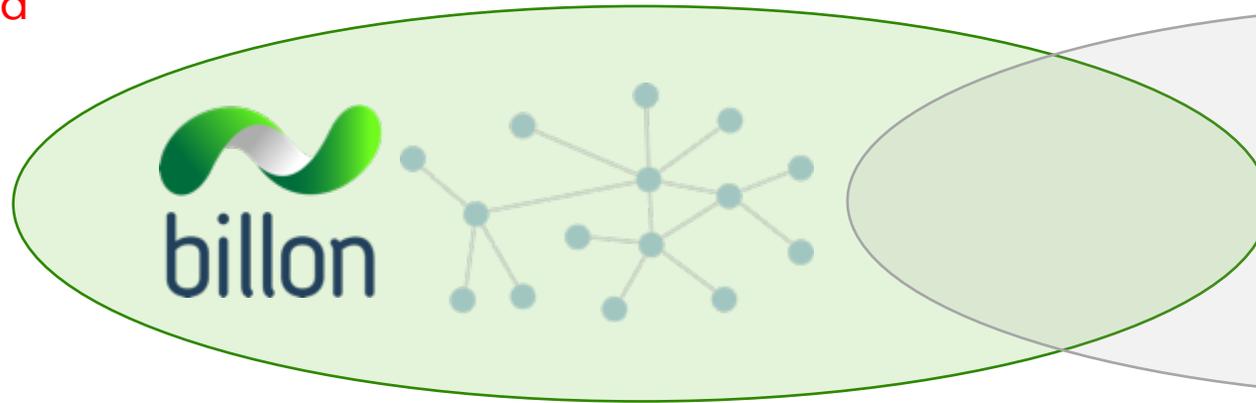
Distributed Ledger Universe

Blockchain	Optimal Use Cases
Bitcoin	Store of value, no trust environments
Ethereum	Smart contracts
Hyperledger	Capital markets, ownership transfer e.g. property deeds. Speed not essential
SETL	Inter-bank & consumer – merchant payments (but not micro-payments)
NASDAQ LINQ	Ownership transfer, focused on private equity securities
R3 CORDA	Focus on 'financial agreements'
Ripple	Inter-bank transfers
Billon	Incentive pay outs; loyalty programs; micropayments

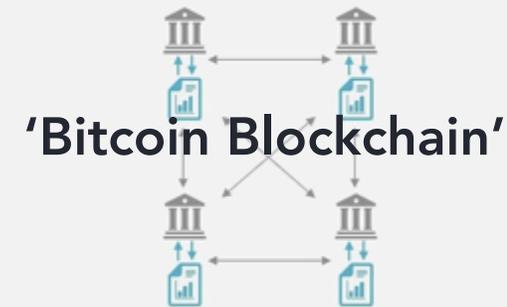
Billon's DLT Differs from Open-Source

Billon's proprietary solution leverages certain blockchain principles but was built to solve regulatory issues and provide mobile, end-user solutions

Regulated
currency



Cryptocurrency



Different than blockchain:

- ✓ No mining or exchanges
- ✓ Faster: 2 party verification
- ✓ Complies with EU directives and AML/ KYC needs

Same for both:

- ✓ Clearing agents eliminated
- ✓ Write-only; impossible to "edit" or to interrupt

Challenges:

- ✗ Additional cost: Mining and exchanges
- ✗ Regulatory challenges
- ✗ Performance challenges (Linear scaling)

Types of Blockchain

- There are many types of Blockchain with each being optimised for different use cases
- Public 'Trustless' Blockchains are appropriate when parties do not trust each other – perfect for Bitcoin. Private systems are more efficient between trusting parties
- **Billon is a hybrid solution optimised to fit regulatory requirements and to transfer real Government money, for use in micropayments where speed and cost is key**

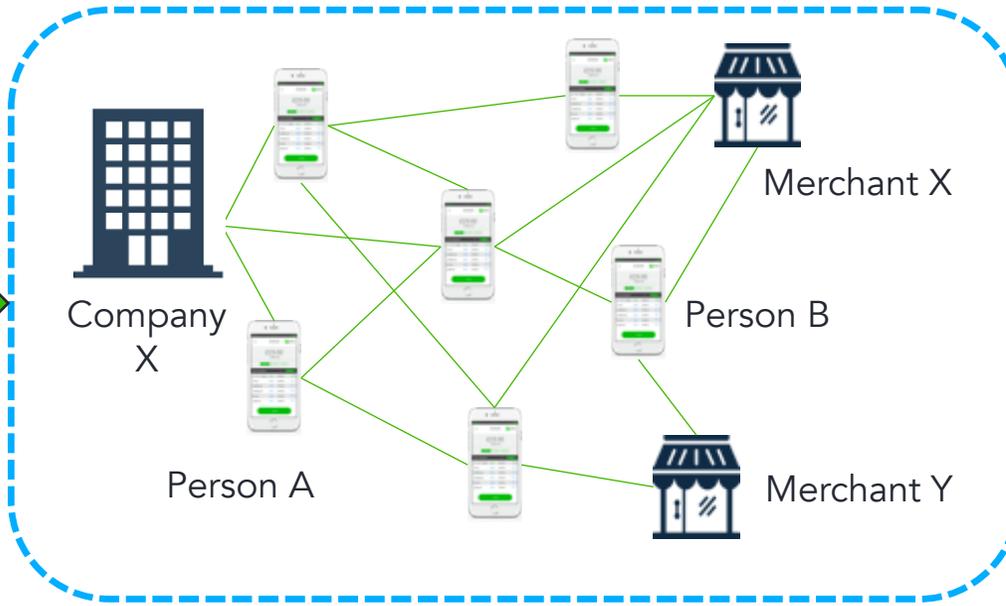
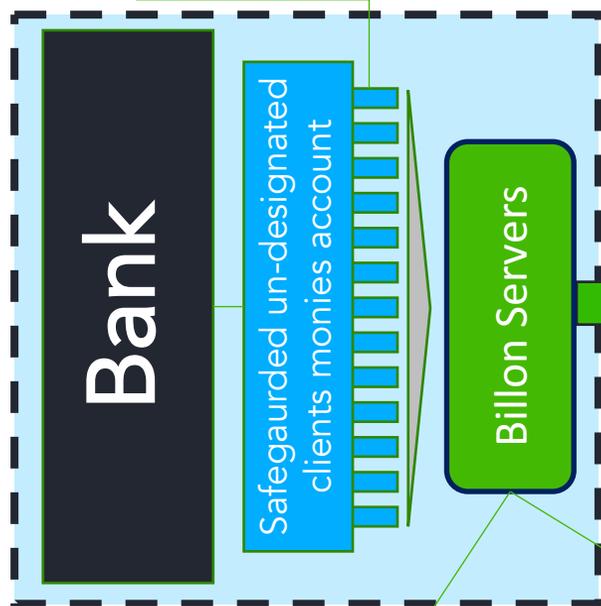
	Public	 billon	Private	Database
How Many Validators	Everyone	Few	One	One
Censorship Resistant	Yes	Yes	No	No
Distributed Consensus	Yes	No	No	No
Single Point of Failure	No	No	Yes	Yes
Public	Yes	No	Maybe	No
Data Storage	Huge	Minimal	Some	Yes
Built-in Asset	Yes	No	Maybe	No

How Billon Works with Banks

Distributed Ledger Ecosystem:

1. Companies
2. Merchants
3. Users

Virtual sub accounts



Bank Firewall

APIs to Blockchain solutions:

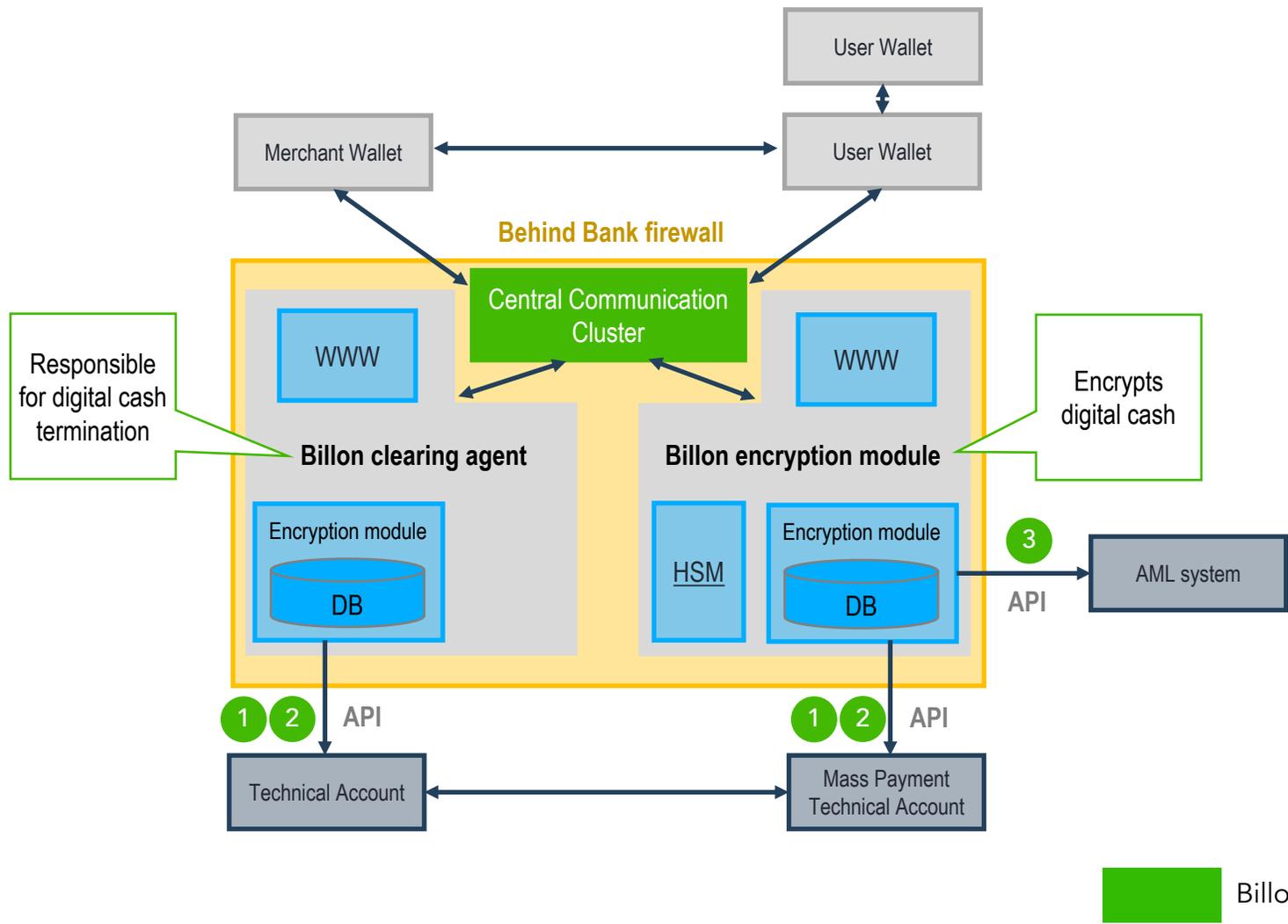
- Ripple (proven)
- Hyperledger (proven)
- Others as needed



Integrations



Easy Interconnection: 3 APIs



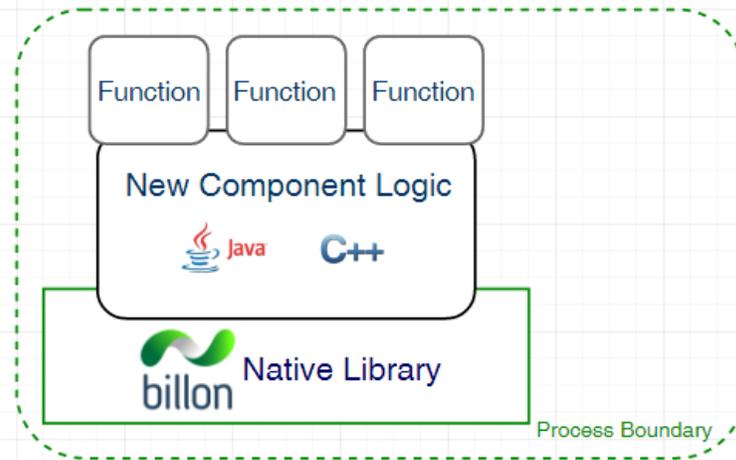
1 Incoming payments

2 Outgoing payments (funds redeemed from a wallet to be sent via ACH, SWIFT/BIC, or to another account)

3 Compliance, e.g., User Validation (used one-time during KYC process and can also be triggered by AML procedures)

Deployment Options (1/2)

Static Library Solution



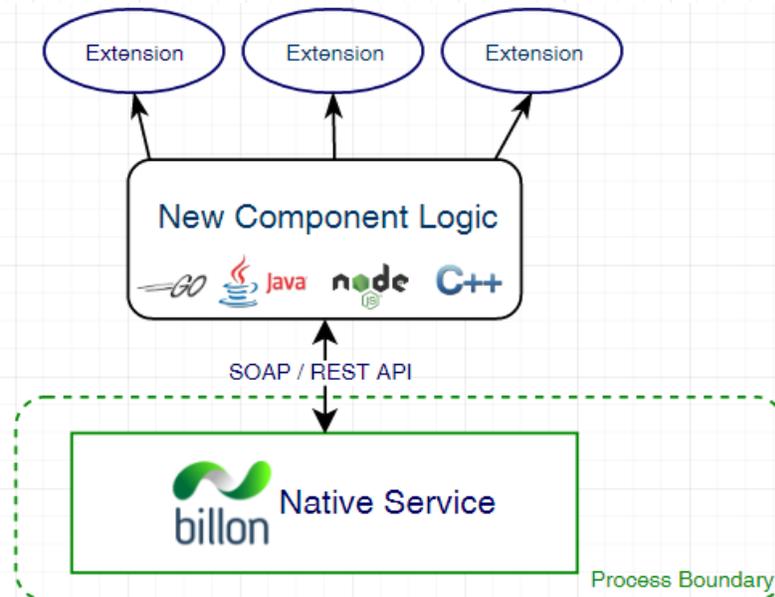
Description:

- Statically link new logic into same executable as Billon code base
- Self-hosted solution

Implications:

- No process boundary - exceptions from new Functions may propagate
- Increased code complexity
- More difficult to add new modules

Native Service Solution



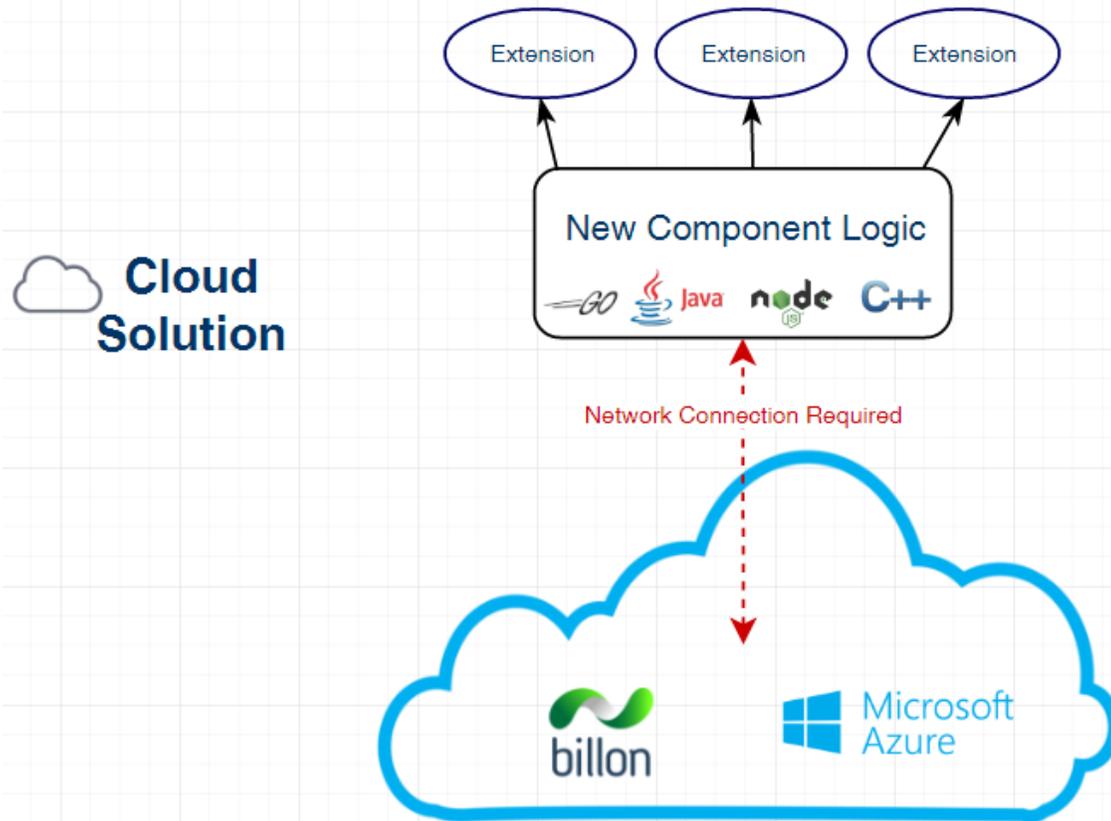
Description:

- Invoke Billon service via API
- Self-hosted solution

Implications:

- Out of process calls - exceptions in Extensions do not propagate
- Universal language support
- Easy to add new modules

Deployment Options (2/2)



Description:

- Billon engine runs entirely in cloud

Implications:

- **Critical: Network connection required to process payments**
- Universal language support
- Easy to add new modules