



HQ Boston, MA

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## The future of global money transfers

AirPocket (patent pending technology) is a disruptive, SMS-enabled, international payments platform and mobile money transfer product.

AirPocket allows anyone to convert physical cash to digital money, which can then be redeemed abroad for the local currency. It can also be used to pay bills, top up phone credit and purchase goods and services.

AirPocket allows any individual or brick and mortar location to become an AirAgent and earn money by helping others transfer value.

AirPocket is developed by publicly listed DigitalX (ASX:DCC) pioneers using blockchain based software applications.

# DIGITALX - STOCK MATRIX

## Shares on Issue (no.)

178.1m

## Market Cap @ 23 May 2016

AU\$29.39m

## Volume – 30 Day Average (No.)

513,412

## 52-Week Range

11¢ - 25¢

## % of Shares Held by Top 20 Shareholders

69.9%

## % of Shares Held by Management

42.8%



# FINANCIAL INFORMATION

## Market Data

Financial year	30 <sup>th</sup> June
Industry	Blockchain/Financial Services
Market Cap	A\$29.4M
Price/Earning (ttm)	N/A
Price/Book (mrq)	5.1x
Price/Sales (ttm)	0.6x
Top 20 Holder%	69.90%
Shares Outstanding	178.1M
Equity Float	53.6M
Avg. Volume (3 mo.)	293,617

## Income Statement Snapshot

Revenue (TTM)	\$38.7M
Net Loss (TTM)	(\$5.4M)

## Balance Sheet Snapshot

Cash (MRQ)	\$3.0M
Debt (MRQ)	\$0.0M

**As of May 27, 2016**



**Alex Karis**

Chief Executive Officer

Mr. Karis is telecommunications and marketing entrepreneur with experience growing sales and marketing services in the United States.

After continually achieving performance at the top 1% of revenue growth, Mr. Karis founded the marketing firm, Karis Marketing Group ("KMG") where he remains Executive Chairman. Today, KMG provides marketing services for the top two largest telecommunication companies in the US as well as the major political parties and was named one of INC. 5000 fastest growing companies in 2014.

Mr. Karis holds a bachelors degree from the University of Massachusetts at Amherst.



**William Brindise**

Chief Trading Officer

Mr. Brindise has over 15 years experience in trading energy, metal and grain options and futures. He started his career on the NYMEX working for ZAR trading and after few years started his own trading and brokerage company, BAK. After 4 successful years he moved off the floor when NYMEX trading became digital and joined hedge fund SHK Management.

Mr. Brindise will continue to oversee proprietary trading and hedging strategies for AirPocket with a focus on risk management. He holds a bachelors degree in Business and Finance from the Boston University.



**Leigh Travers**

Vice President of Business Development and Investor Relations

Leigh Travers has enjoyed a decade of building relationships in financial and technology markets through his experience at Fintech and Investment Advisory companies. He is a current Director of the ADCCA, the representative body for digital commerce businesses in Australia. He holds a Bachelor of Commerce and Communications from the University of Western Australia.

Mr. Travers worked for seven years at Wealth Management firm Euroz Securities as an Investment Advisor. His clients included HNW, Institutions and Listed Companies as he provided trading advice, company buybacks and sell downs, and capital raising services.

Mr. Travers has an extensive trading history in financial markets and was one of Euroz Securities Designated Trading Representatives (DTR) as well as one of the largest Bitcoin traders in Australia while managing DigitalX's trading operations during the Southern Hemisphere time zone.

As the VP of Business Development and Investor Relations for DigitalX, Mr. Travers has recently moved to Boston to fast track the distribution of AirPocket.

***"Management and board bring significant experience in marketing, mobile messaging, payments, telecom and remittance sectors, as well as an extensive network throughout the world."***



**Fabricio Rodriguez**  
Chief Operating Officer

Fabricio Rodriguez holds a Bachelor of Science degree in Mechanical Engineering from MIT. After graduation, he started one of the first full service web development firms and worked with many Fortune 500 companies and start-ups. As CTO of Online Environs, Inc., (OEI) Fabricio was responsible for leading the technology team to build websites and applications for such companies as EMC, Compaq Computer, The New England Patriots, Intel, Nickelodeon, and Paper Exchange.

Working with The New England Patriots for over five years, Fabricio lead the development of many firsts within the NFL, including the first website, the first e-commerce store, first streaming video and live chats with players. OEI was sold to a Chicago based conglomerate in 2000. After OEI, Mr. Rodriguez consulted for a few years, and starting in 2006 worked in the premium mobile space. In just a few short years, he grew his accounts to multi-million dollar enterprises. As of 2012, Mr. Rodriguez worked with Karis Marketing Group (KMG) developing home grown premium mobile campaigns.



**Neel Krishnan**  
Vice President of Technology

Mr. Krishnan previously worked as a researcher on capital markets and financial intermediation at the Federal Reserve Bank of New York, as a developer of trading algorithms and platforms at equity and commodities trading funds, and as a freelance software developer. In addition to his published work with Federal Reserve economists on various issues in banking and capital markets, Neel's academic background ranges across the broader social sciences, including anthropology and political science, and this background informs his work on product development.

As VP of Technology Mr. Krishnan's role includes product development, financial and economic analysis functions. He also serves as the lead architect of the AirPocket platform and as lead developer of the DigitalX Direct liquidity platform.

Mr. Krishnan holds a BA in Economics and Anthropology from Columbia University and a Masters in political science from MIT.



**Toby Hicks**  
Executive Director

Toby Hicks holds a Bachelor of Business (Management) and Bachelor of Laws from the University of Notre Dame Australia, which included study at the University of Notre Dame (South Bend, IN). He is also a Chartered Secretary.

Mr. Hicks is now a Partner of corporate law firm, Steinepreis Paganin with 14 years' experience acting in the areas of governance, equity capital raisings, mergers and acquisitions and corporate compliance. He acts for a number of ASX listed companies, including technology companies. In addition, Mr. Hicks is a Governor of the University of Notre Dame Australia and is a member of the University's Finance, Audit and Risk Committee and Law School Advisory Board.

# BLOCKCHAIN TECHNOLOGY: PLATFORM BACKBONE

- ▶ Growth of digital currencies
- ▶ A modern, distributed, cloud platform
- ▶ Migration from traditional banking to mobile money
- ▶ Public focus on improved security





## OUR PRODUCTS

### DigitalX Direct



- ▶ A B2B platform providing real time liquidity
- ▶ Dynamically managed in response to supply, demand and volatility
- ▶ Adaptable to all digital currencies
- ▶ Platform growth through new features and expansion of API
- ▶ Growing market opportunity

## OUR PRODUCTS CONTINUED

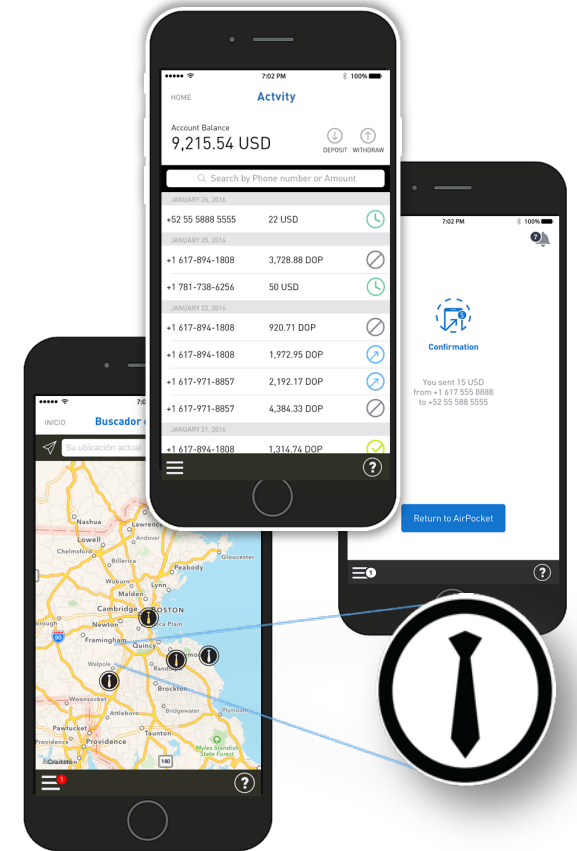


### **AirPocket**

- ▶ A secure bill pay and instant money transfer application
- ▶ Advantages over established money transfer services
- ▶ Large target market
- ▶ Utilizes blockchain technology
- ▶ Low infrastructure costs

# AIRPOCKET PRODUCT OFFERING

- ▶ App-to-provider mobile bill pay
  - ▶ Top up relatives' phone credit across borders
  - ▶ Pay relatives' bills across borders
  - ▶ Buy goods and services for relatives' across borders
- ▶ Send cash across borders (remittance)
- ▶ App-to-app money transfers (P2P)
- ▶ Local currency cash withdrawals for travelers, available 24/7
- ▶ Use as a mobile point of sale (POS) payment system for merchants



# AIRPOCKET ROLLOUT



# MARKET OPPORTUNITY

- ▶ The average cost of sending \$200 to Latin American countries was in excess of 6.14% in Q1 2015\*
- ▶ 54% of foreign-born Hispanics send money from the U.S to their home countries\*\*
- ▶ Migrants mostly send cash (e.g. 90% of Dominican Republic is cash pickup)

## Total Remittances by Selected LatAm Countries 2013 estimates\*\*\*



\*World Bank Q1 report

\*\*<http://www.ifad.org/remittances/maps/latin.htm>

\*\*\*<http://www.pewhispanic.org/2013/11/15/remittances-to-latin-america-recover-but-not-to-mexico>

# PARTNERSHIPS

## Telefonica

- ▶ Partnership with one of the world's largest telecom groups
- ▶ Two revenue streams:
  - ▶ Loading account
  - ▶ 11% commission from Telefonica on the amount sent
- ▶ Customer receives more value through Telefonica digital promotions

## Payment Providers, Telecommunication Companies and Existing MTOs

- ▶ Key partnerships being finalized throughout Latin America
- ▶ Subscribers will use AirPocket to pay bills and transfer funds between US and Mexico



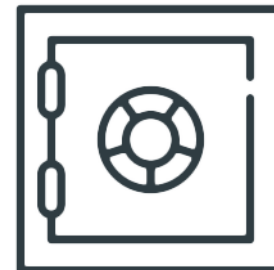
# DISTRIBUTION STRATEGY & PARTNERS

- ▶ Existing MTO's
- ▶ Bill Pay Market
- ▶ Telecom Sector
- ▶ Financial Institutions



## FUTURE OPPORTUNITY

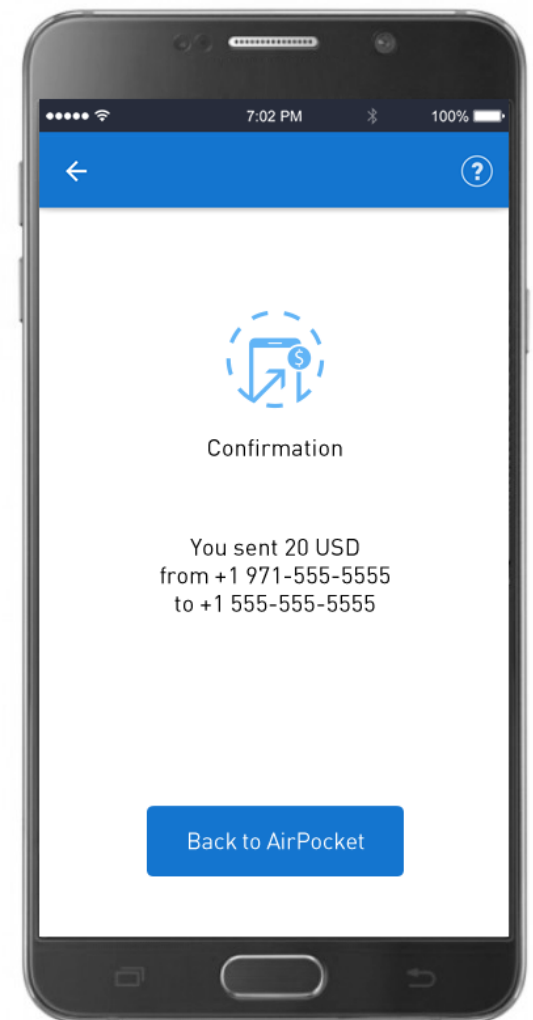
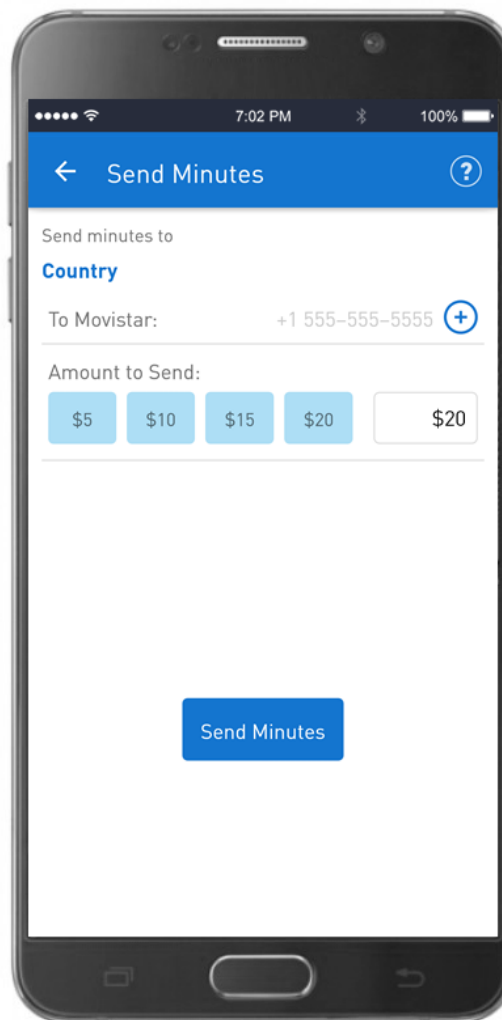
- ▶ The AirPocket platform and AirAgent infrastructure will be used to activate marketplace lending services and an invoicing and payment system
- ▶ The AirPocket platform will serve as the backbone for on-Blockchain application services for its growing network of users
- ▶ Blockchain-ready markets include identity verification, personal banking, auditing, secure data transmission, information hashing and settlement/clearing





# HOW IT WORKS

- ▶ Send phone credits to mobile phones in three easy steps: 1) Choose country 2) Enter phone number and amount to send, and 3) Pay with a credit card.



## UNIQUE FEATURES

- ▶ Blockchain Technology
- ▶ Compliance
- ▶ Interactive SMS
- ▶ Transaction Monitoring System
- ▶ Mobile AirAgents



# SUMMARY

- ▶ Strong Management Team
- ▶ Technology Tested and Validated
- ▶ Partnerships
- ▶ Growth



# COMPANY CONTACTS

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# APPENDICES

# USE OF BLOCKCHAIN TECHNOLOGY

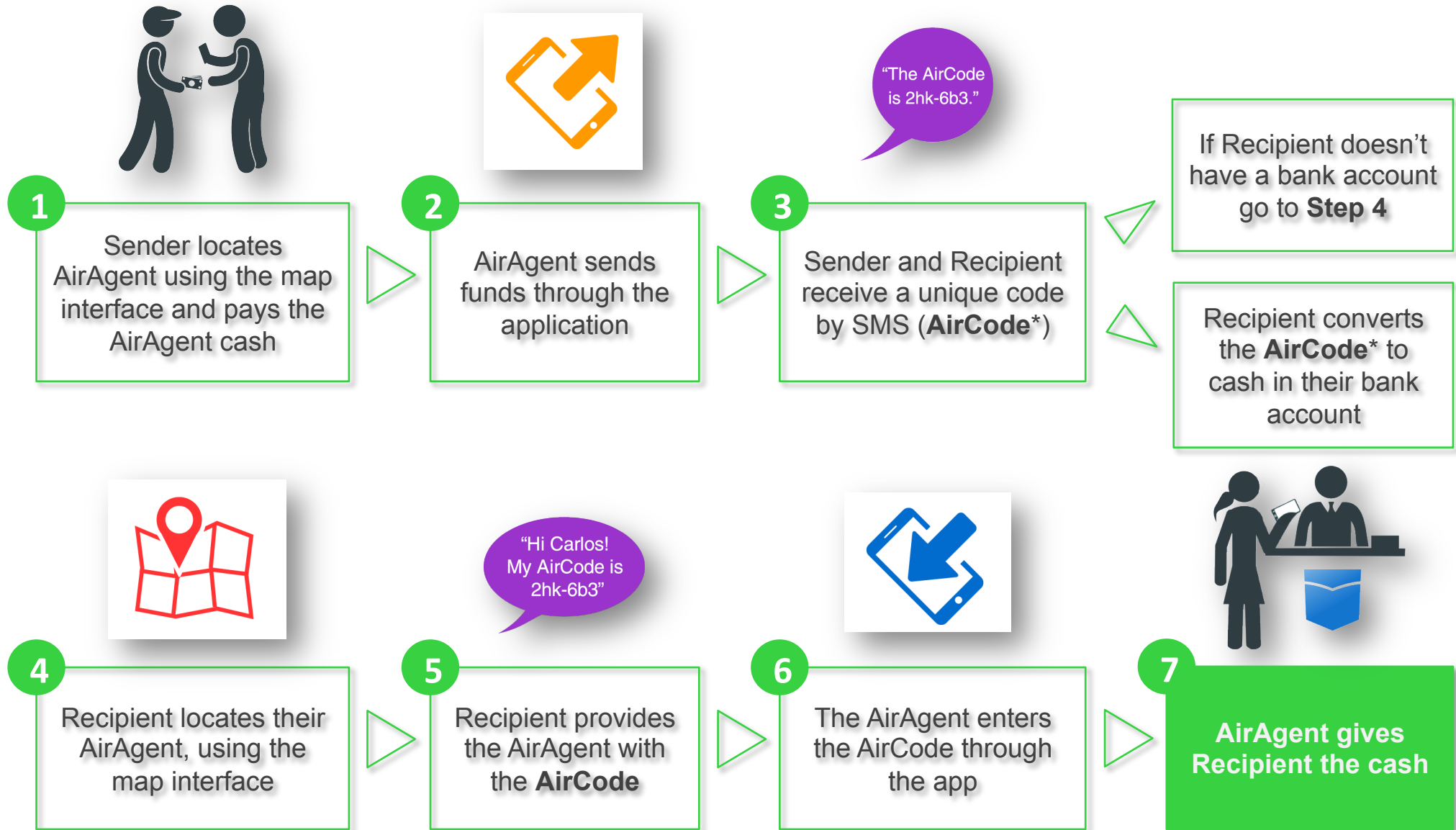
- ▶ AirPocket's key use of blockchain technology lies in its decentralized nature as an independent but indisputable, public ledger of all transactions
- ▶ Users on the platform have immediate, incontestable, independent proof of all their transactions which they can unlock and verify via public/private key encryption principles
- ▶ These records on the blockchain serve as a system of credit monitoring and can be used to build a financial identity for the young and under-banked, for those who seek lending, and for informal cash businesses in the developing world
- ▶ Transaction records are fully traceable and verifiable by authorized parties (e.g. Law enforcement and regulators). The promotion of this technology has a dual benefit in discouraging bad actors from using AirPocket
- ▶ Know-Your-Customer (KYC) information can be stored on the blockchain to allow for indisputable verifications of user identities and links to transactions at any given time

# AUTOMATED PROCESSING & TRANSACTION FILTERING

- ▶ AirPocket automates every aspect of the money transfer business
- ▶ Customer onboarding, transfer processing, Anti-Money Laundering (AML) filtering and currency hedging are all automated to provide the most efficient system
- ▶ A sophisticated suite of statistical filters will immediately flag any suspicious transactions and automatically file reports
- ▶ These proprietary AML & Counter Terrorism Financing (CTF) filters have been developed to prevent all current methods of illegal money transfer and are designed to adapt to changing transaction patterns over time
- ▶ AirPocket has been designed with a compliance front in mind, to deliver high-volume, low-value transfers to underbanked receivers, while deterring and preventing illicit activity



# AGENT WORKFLOW



\*AirCodes are funds that are registered, verified and stored on the Blockchain





# COMPLIANCE AND SECURITY

- ▶ Registered with FinCen (Financial Crimes Enforcement Network, Department of the U.S Treasury)
- ▶ Adheres to a Platinum standard for Know-Your-Customer (KYC) and Anti-Money Laundering (AML) standards
- ▶ Next-generation Automated Transaction Filtering
- ▶ Security testing completed with exceptional results using third party provider, Security Innovation



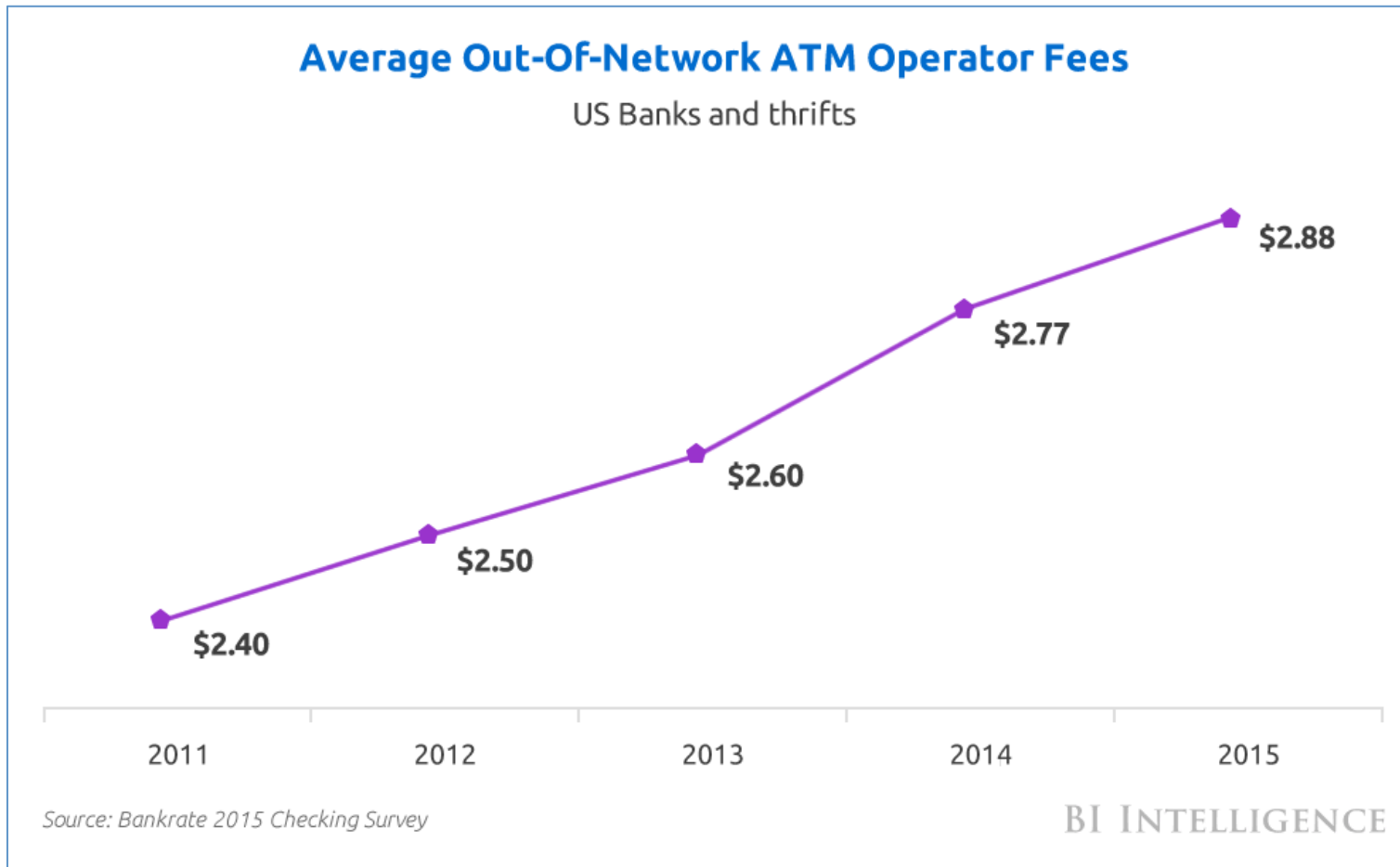
## RESULTS OF BETA TRIAL

- ▶ Beta trial successfully conducted through the USA to Dominican Republic corridor
- ▶ Beta user engagement and feedback statistics yielded excellent results and highlighted the unique business opportunity that AirPocket provides – the concept of an AirAgent
- ▶ 80% of users found the application to be user-friendly and 90% confirmed the product offered highly competitive fees



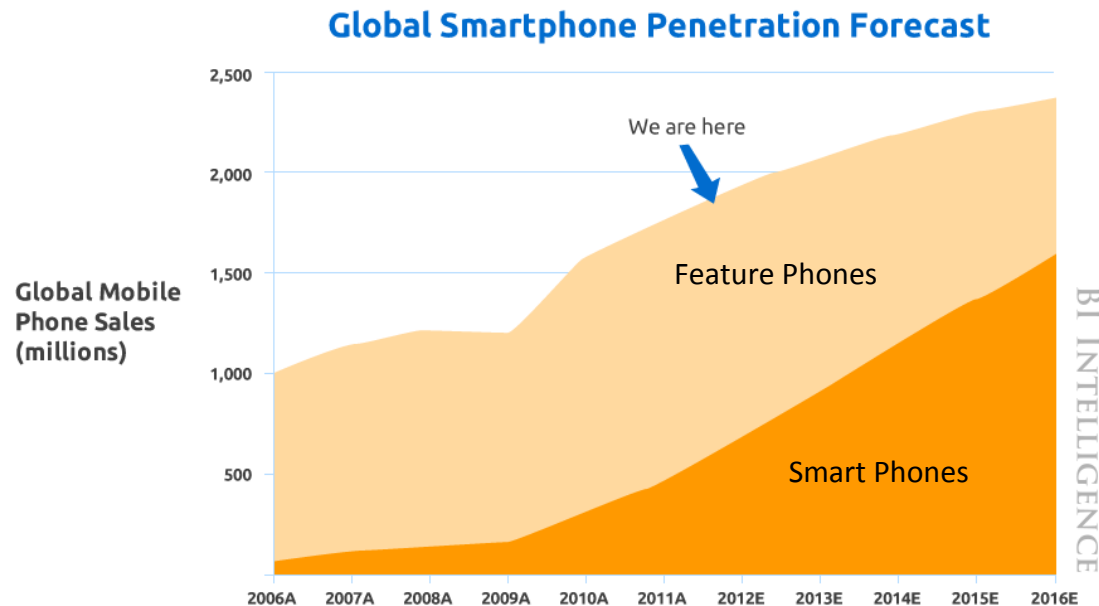
## FEES FOR RECEIVING CASH

- ▶ Market analysis shows AirAgents as a highly competitive mobile teller/ mobile ATM option



# SMARTPHONE MARKET PENETRATION

- ▶ There are nearly two billion smartphones globally and this is expected to reach 2.5 billion by 2018
- ▶ Smartphone market penetration is currently 37% globally
- ▶ AirPocket works on any phone while AirAgents use a smartphone and their cash float to service the network and generate commissions
- ▶ AirPocket is the sole provider combining peer-to-peer cash payments with the security of Blockchain technology and SMS-based payments



Smartphone penetration in Mexico is above average totaling 40% while the U.S totals 57%

[Source: Business Insider](#)

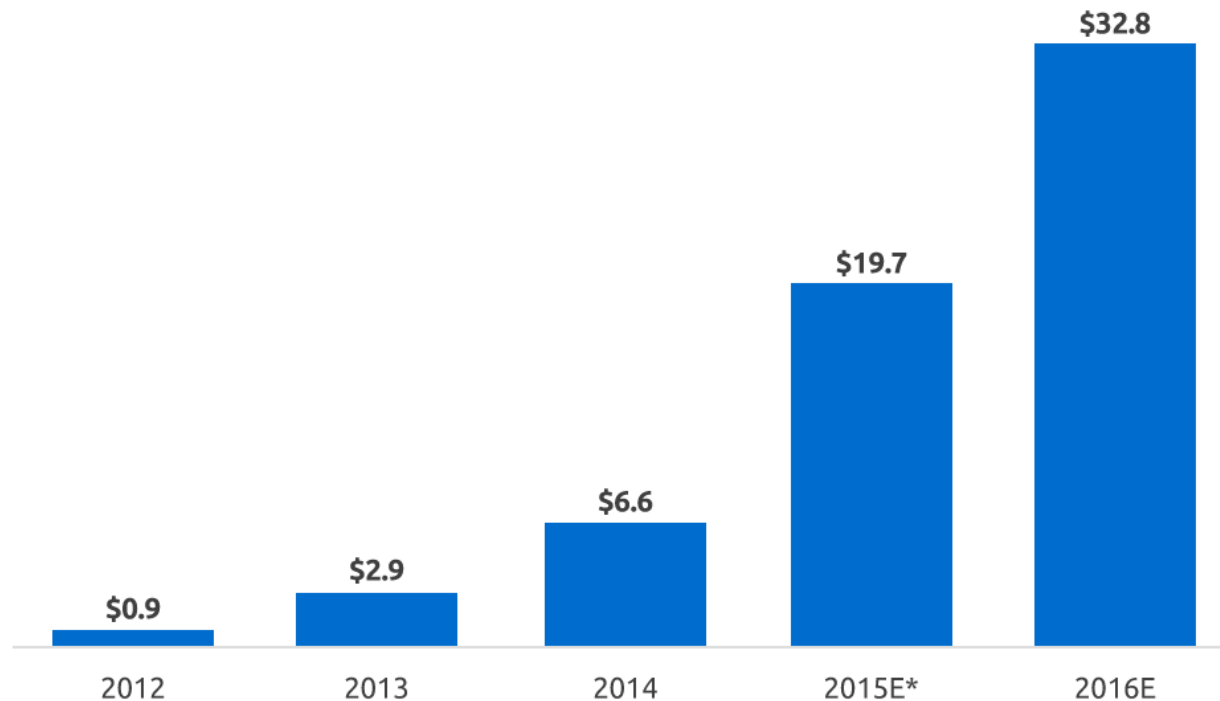
[Source: On Device Research – Global Smartphone Penetration 2014](#)

## P2P LENDING OPPORTUNITY

- ▶ AirPocket sees the P2P lending market as an attractive addition to its money transfer business and is engaged in early stage discussions with partners

### Total Value Of Loan Originations On US P2P Lending Platforms

\$Billions



BI Intelligence Estimate  
Source: GrowthPraxis

BI INTELLIGENCE

# THE TECHNOLOGY



## Blockchain

A global, secure, distributed ledger system



- ▶ **Encryption** - Transactions are permanently and securely recorded on the Blockchain
- ▶ **Secure** – AirCodes offer decryption keys for AirPocket transaction messages, giving users a secure and permanent claim to their funds
- ▶ **Permanent** - Once messages are integrated, they cannot be amended
- ▶ **Extendable** - AirPocket messages can also contain notes, so the platform can be easily extended into a digital asset registration system (i.e. "smart contracts"), providing further alternative uses for the technology beyond money transfer
- ▶ **Open Protocol, a threat to closed current systems** - Blockchain is distributed across the globe and supported by independent miners who receive compensation for maintaining the system. By connecting to this global network, as well as local banking partners, AirPocket acts as a money-sending service



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