

MYCELIUM

PAYMENT SYSTEM
BASED ON DISTRIBUTED LEDGERS

Part 1. What is Mycelium

Part 2. Adoption Model

Part 3. Financials



1

VERY LOW COSTS

2

ULTRAMODERN

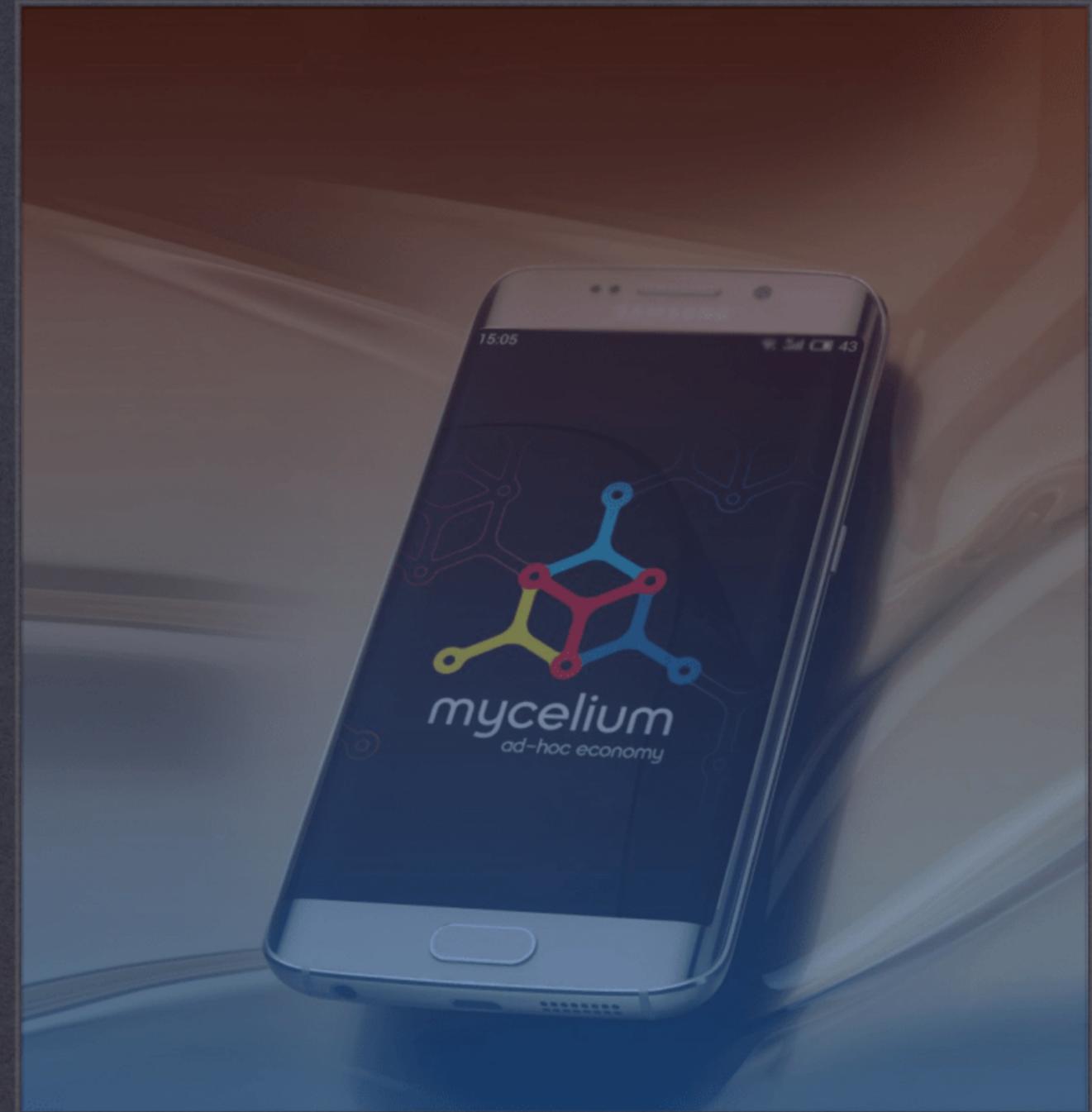
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RAPID DEPLOYMENT & SIMPLE MAINTENANCE

SELF-SUFFICIENT

UNLIKE «APPLE/ANDROID/SAMSUNG/
ETC. PAY»

DOES NOT USE LARGE CARD
NETWORKS' «DIGITAL ENABLEMENT
PROGRAMS» AND POS NETWORKS





SELF-SUFFICIENT

UNLIKE VISA/MC, USES VERY COMPACT PROPRIETARY INFRASTRUCTURE

MYCELIUM VS CONVENTIONAL

Mycelium vs Conventional

Transactions by distributed ledgers

Expensive in-house proprietary transaction engine

Merchants' setup costs \$10 (ten)

Merchants' infrastructure costs are high

Both cards and mobile app in-store

Single channel focus leads to dangerous weaknesses at a second channel

Online is equal to in-store

Conventional systems either offer online payments through a number of patches or have no physical offline channels

True peer-to-peer payments

Peer-to-peer options are illusory, executed through a central server

Micro payments enabled

*** n/a ***

Consumer fully controls her wallets

Mobile wallet or card are the keys to accounts kept beyond consumers' reach

Mycelium vs Conventional

Transaction Engine

Distributed

Centralized

Costs next to zero

Expensive

Outsourced

In-house

Self-sufficient

Requires intermediaries

No single points of failure

Can be hacked; can break

Requires zero maintenance

Has to be constantly taken care of

Mycelium vs Conventional

Merchants' Setup

Light and Easy

Standard

Direct access to all tools

Requires intermediaries such as POS networks

One piece of proprietary hardware

Complicated and expensive setup

Ordinary Internet access is ok

Requires special network access

Fully wireless

Needs wires and stationary power

Modern UI over own tablet/phone

Previous generation displays and UI technology

All Channels

- * Both physical channels (card and smartphone) are equally powerful
- * Online and in-store payments work in exactly the same manner, with no compromise to security and other important aspect

VISA app?

404

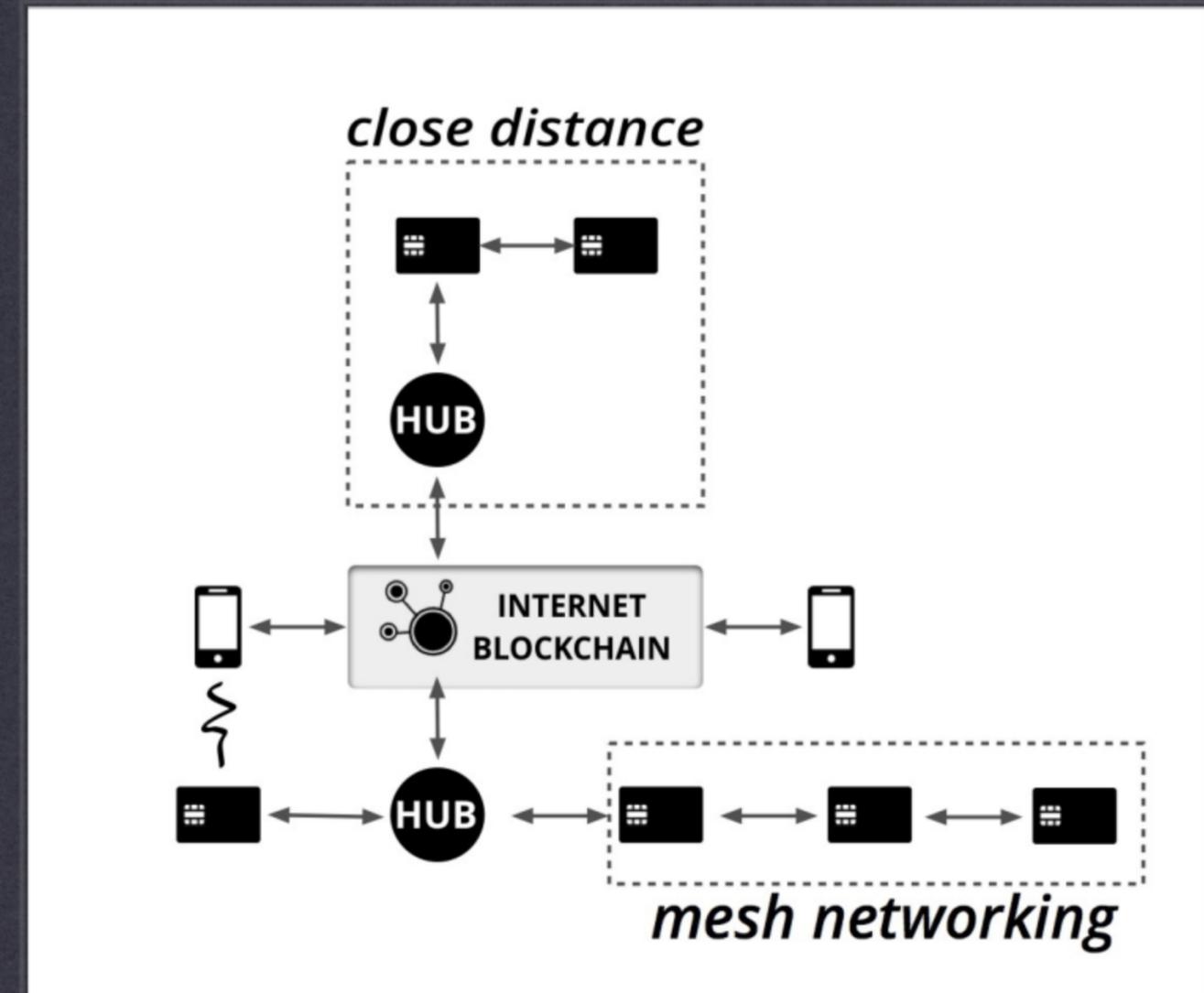
PayPal card?

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TRUE PEER-TO-PEER

THE SYSTEM IS ACTUALLY BASED ON P2P ARCHITECTURE.

BANKS CAN BE BYPASSED IN THE FUTURE WHEN LEGAL FRAMEWORK ALLOWS.



Mycelium vs Conventional

Control by Consumer

Full

Situational

Funds actually kept on card or wallet

Funds are kept centrally; mobile app and card serve as conditional access keys

Modern coding: public + private keys

Many types of access keys: PINs, passwords, i-bank keyword, CCV, etc.

Codes can be changed by customer

Most access codes can only be changed by the issuer

Cards can be backup by cardholders

Takes a trip to a bank or snail mail order

Transaction history is at user's side

Takes Internet access and number of keys to access transaction history

SUMMARY OF BENEFITS

Payments are a form of transportation service

- * Cost: Mycelium offers a definitive advantage
- * Speed: Mycelium uses peer-to-peer channels, thus removing interbank dependency — the slowest component of the traditional payments process. In distributed ledger technology, there is no need to trade-off between speed, flexibility, and efficiency
- * Security: distributed ledgers offer unprecedented security
- * Comfort and connectivity: contextualized commerce

Contextualized Commerce

- * Invisible payments: a platform level approach helps payments fade into the background.
- * Deriving value from purchase journey: shifting focus away from the payment mechanism to the surrounding e-commerce experience.
- * Resolving pre- and post-payment needs: this is where the real benefits of Mycelium payments will be unlocked. Removing consumer pain points both before and after payments occur will create the value needed to spur widespread adoption.

INVESTMENT OPPORTUNITY

CURRENT STATE OF THE PROJECT

OVER 100,000 OF ACTIVE USERS

CUSTOMERS' FUNDS:
OVER \$100 MILLION (BITCOIN NOMINATED),
OVER \$4 MILLION (FIAT NOMINATED)

MYCELIUM CARDS ARE PRODUCTION READY

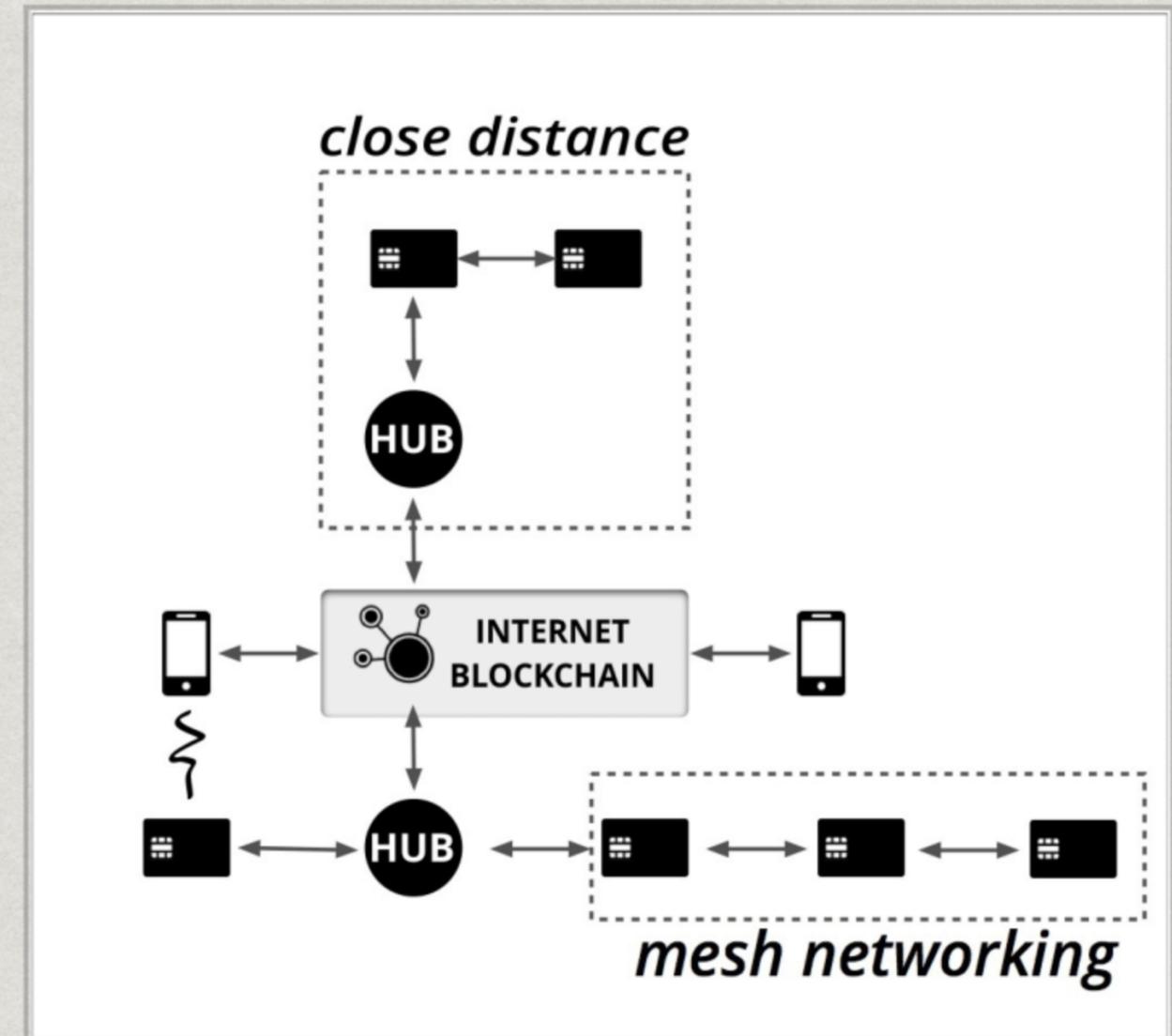


Reasons to Invest

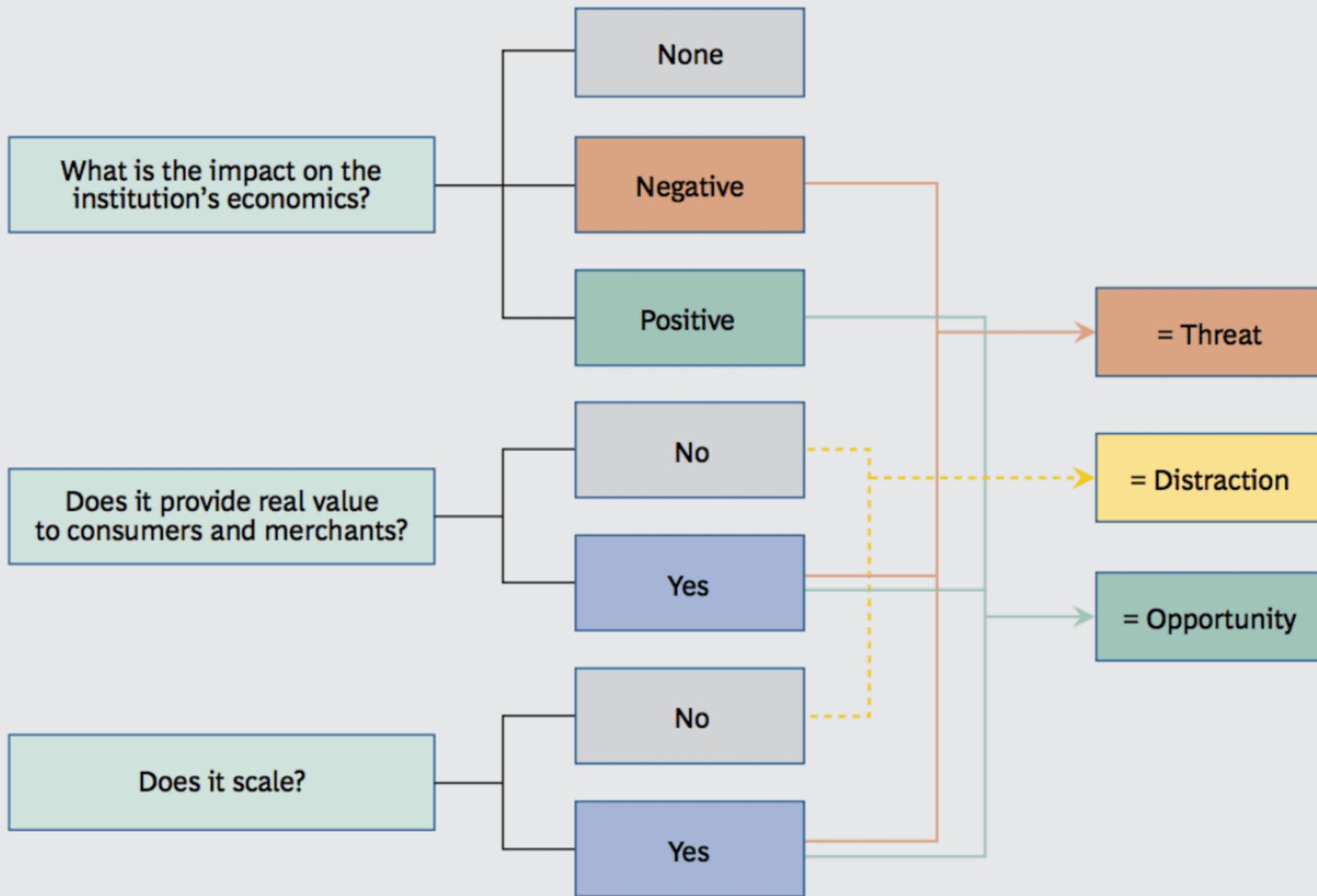
- * 1. The blockchain technology is altering the incumbent payments industry landscape.
- * 2. Mycelium is one of the most recognized brands in the field of blockchain based payments.

Few Amazing Facts About Mycelium

- * Merchants can add lists of goods with tags and photos right into the merchant's console. Consumers can interact with merchants by scanning QR codes: works great for restaurants and merchants who are ready for the trending «buy online pick up in store» concept.
- * A card can pay another card at a distance of up to 300 feet; no infrastructure needed at all, cards use the proprietary wireless protocol.
- * Cardholders can change their PIN code using the card keypad, no connection needed.
- * Any merchant can act as an ATM or a cash accepting top up machine and earn fees.
- * Mycelium does not need a server infrastructure to perform transactions; moreover, its merchants need no POS providers. Mycelium hub costs only 10 dollars and can be used with an ordinary web-router.



Investment Choices Involve Three Key Questions



Source: BCG analysis.



HIGH PROBABILITY OF IGNITION

DUE TO STRONG FUNDAMENTALS OF THE PROJECTS

mycelium.com

2016

**End of Part 1. Other parts:
Part 2. Adoption Model
Part 3. Financials**