

Designing and Developing Technologies that Facilitate Secure and Reliable Transactions through Mobile Devices, AnywhereCommerce is serving the Top Ten Merchant Acquirers in the United States and is Validated by their Tier 1 Clients

Business Services Payment Solutions

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Mitchell Cobrin
CEO

BIO:

Mitchell is a co-founder of AnywhereCommerce and serves as the CEO of the company. He has nearly 20 years of sales, marketing and high growth experiences with the last decade focusing on the electronic and secure payment processing industry. Since the late 90's, his entrepreneurial drive has seen him start up, incubate, grow, sell and consult for a variety of tech companies.

About AnywhereCommerce:

AnywhereCommerce is a global payments technology engineering and solutions provider with a stable of IP including the defacto audio-jack patents. AnywhereCommerce offers

a proprietary suite of hardware, software and gateway solutions for secure online and mobile; card-present credit card, PIN debit, Chip and PIN- EMV and NFC transactions. The universal "aCommerce" platform designed for iOS, Android, Blackberry and Windows Mobile, provides white label and customized application services for, retail line-busting as well as traditional field services. Our PCI and EMVCo approved devices and bank grade secure end-to-end ecosystem provides greater security, reliability, convenience and return on investment for consumers, merchants, networks, issuers and acquirers.

Interview conducted by: Lynn Fosse, Senior Editor CEOCFO Magazine

CEOCFO: Mr. Cobrin, would you tell us about AnywhereCommerce?

Mr. Cobrin: AnywhereCommerce is a global payments engineering firm with expertise in the mobile commerce sector. We design and develop technologies that facilitate secure and reliable transactions through mobile devices.

CEOCFO: Who is your customer base?

Mr. Cobrin: We specialize in dealing with the merchant acquiring community. As you know, we recently announced a relationship with Heartland. We are the exclusive provider to Bank of America Merchant Services, and we work with First Data all its channels. Right now, we serve the top ten merchant acquirers in the United States. We also serve customers who

want white-labeled solution, such as Office Depot. In fact, we just recently launched an entire white label solution for Office Depot that leverages our hardware, software and gateway technology for their branded merchant services technology.

CEOCFO: What sets you apart from the competition?

Mr. Cobrin: We consider ourselves one of the best technology providers in the industry. We understand where the industry is heading, and it goes much deeper than existing magnetic stripe technology. We are already EMV level one and level two certified, Chip & Pin for mobile, and PCI 3.x which is very cutting-edge. It is not the standard in the United States yet, but many of our international markets have a big demand for it. We invested heavily on Chip & Pin as well as Chip & Signature, with the expectation that businesses would need these solutions about now. Besides our expertise in payments, AnywhereCommerce is recognized for its compelling patents surrounding audio jack based transactions. That said, we are not sitting on our patents. Instead, we are actively engaged in producing quality solutions for the market.

CEOCFO: How do you accomplish line busting?

Mr. Cobrin: The genesis of line busting as a market can probably be credited to the likes of Apple, when they reengineered their retail floor space and armed sales associates with an iTouch and magstripe sled. Line busting is valuable floor-space rationalization. Looking at the restaurant market—removing a traditional cash register-

POS might free up space for an additional table. With line busting in the aisles, you are taking the check-out counter to the customer. Our role in that type of situation is to attach a payment apparatus to whatever the host tablet or computing apparatus is. We have recently deployed line busting solutions with Verizon Wireless retail outlets

CEO CFO: How do you ensure that someone can swipe their card once and not have to constantly keep trying to get the machine to work?

Mr. Cobrin: That is where our technical expertise comes in. There are many things that make up the quality of a swipe. Our read rate is approximately 95%. In the AnywhereCommerce appliance, there is a message that indicates whether the swipe was successful or not.

CEO CFO: How do you reach potential customers?

Mr. Cobrin: You study the markets and see where there are voids. We obviously have excellent relationships with traditional merchant acquirers, and we are lucky to have an excellent board of advisors that helps us navigate what is otherwise a very complicated industry. On a global basis right now, many of our sales opportunities are inbound companies that find us, especially in the Chip & PIN market, where we are considered cutting-edge and ahead of the pack. We will be delivering our first Chip and PIN shipment at the end of the quarter. That puts us ahead of most other players, who are just now thinking about this technology. We already have received a lot of inbound interest.

CEO CFO: You mentioned that you early on made a bet on what was going to happen. How did you know?

Mr. Cobrin: You are never sure. It is a combination of instinct and a having great people around you to bounce ideas around. I speak with my board of advisors and they are really cream of the crop in the payments industry. They are always accessible to me, and tell me the truth whether I want to hear it or not. I read probably a thousand articles a week from global newspapers and news releases. We acutely watch the industry. We have bet wrong in the past so it is never fool proof, but this was something that was very compelling to me. There have been other technologies where we bet heavily and then the market did not materialize as we might have otherwise expected. I think that comes with experience. We are listening, watching and keeping an open mind.

“When Tier 1 clients in the industry validate what you do—and how you do it—that goes a long way.”- Mitchell Cobrin

CEO CFO: What is the revenue model for AnywhereCommerce?

Mr. Cobrin: Our most profitable scenario is for providing a bundled solution, where we subsidize a portion of the hardware and then charge recurring transaction fees. There are also many opportunities for licensing our software. In those scenarios, we have software-only models. The pricing on those is a bit different because that is our only revenue stream from that given opportunity.

CEO CFO: Do you do much reseller and partnering?

Mr. Cobrin: We have many channel partners and we refer business to them and they refer business to us. We will co-bundle when appropriate, so that is also a great way to receive credibility. When others in the indus-

try validate what you do—and how you do it—that goes a long way. We have excellent relationships with providers where we use some of their solutions, and they use some of ours. It is a win/win scenario.

CEO CFO: What are you working on now?

Mr. Cobrin: We have a brand new chip and signature solution, which is next-generation in our opinion. We are obviously watching the rules and regulations for payment networks and where they are heading with transaction provisioning in the US. We have placed the bet on Chip & Signature and Chip and PIN. We have all the requisite certifications on those products. We expect that it will be shipping in Q-2 of this year. There has been a good reaction from our customers both domestic and abroad. In the big scheme of things, we are focused on international markets. We have had a great deal

of demand in emerging markets and international markets in Latin America and the APAC region in particular, which is a key focal point for us. We are adding distributors in those regions on a regular basis.

CEO CFO: Why should the business and investment community pay attention to AnywhereCommerce?

Mr. Cobrin: We are disruptive and cutting-edge. We have very valuable patent in intellectual property and we are well entrenched with the marquis accounts in the industry. We are at a high inflection cycle from a revenue perspective. All of our vital signs are showing excellent trajectory. We are in a market where others have barriers to entry, and that is why we think we are as relevant as we are.

