Fuel payments & in-vehicle commerce

European case study – Mastercard and Ryd Pay

May 5, 2021
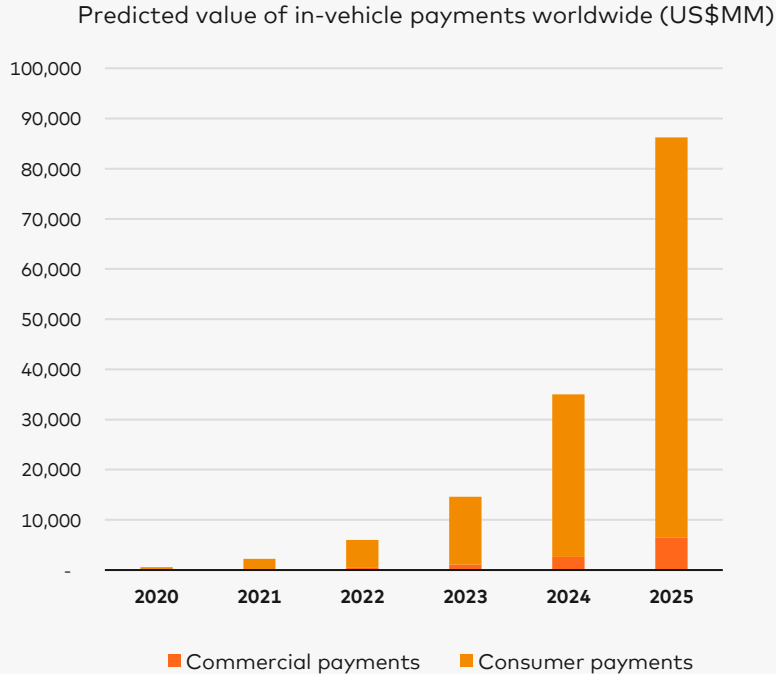
To be addressed today

Will Judge

Mastercard Enterprise Partnerships

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1. In-vehicle commerce - some basic beliefs

2. Mastercard & Ryd Pay in Europe

3. Conclusions & some questions

Mastercard anticipates the need for embedded digital payments from the vehicle

Predicted value of in-vehicle payments worldwide (US$MM)

Legend: ■ Commercial payments ■ Consumer payments

Source: Juniper Research "In-Vehicle Payments 2020-25" published October 2020

Manufacturers

❑ Safe, unified, integrated digital experience

❑ Instant OTA fulfilment of enhancements

Third-party providers & traffic authorities

❑ Order-ahead integration

❑ Background payments

❑ M2M future requirements

❑ Two-way flows of value

Bringing a portfolio of capabilities to the development of in-vehicle digital commerce

Core payments

- ❑ Card tokenization
- ❑ Card transaction processing
- ❑ Loyalty & rewards solutions
- ❑ Account-to-account transfer processing
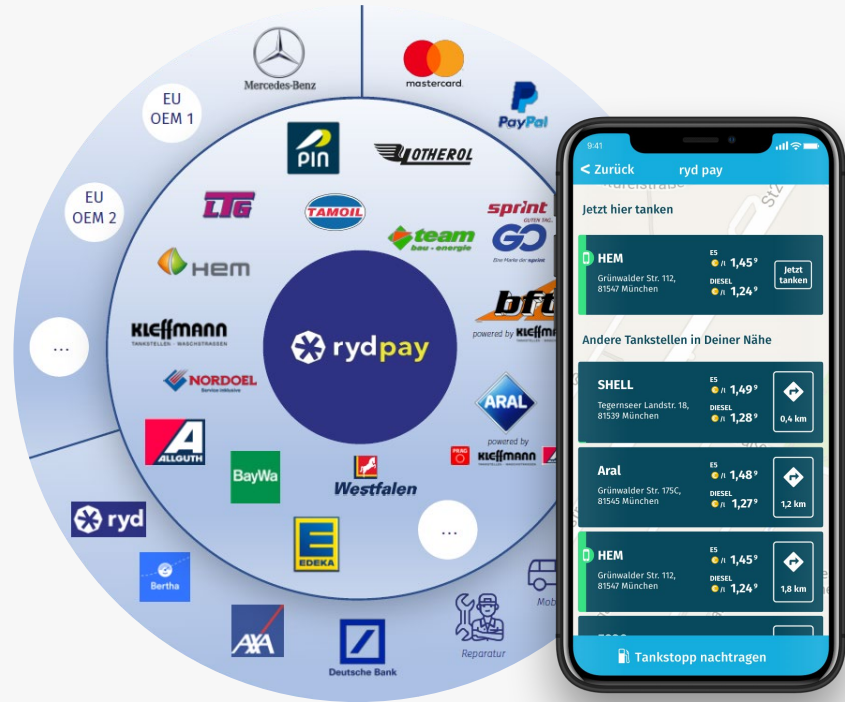- ❑ Open Banking

Associated services

- ❑ Device authentication
- ❑ Identity validation
- ❑ Product design & optimization
- ❑ Cybersecurity assessments
- ❑ Digital receipts

Operating a global digital payments ecosystem of 2.8bn cardholders and >20,000 institutions
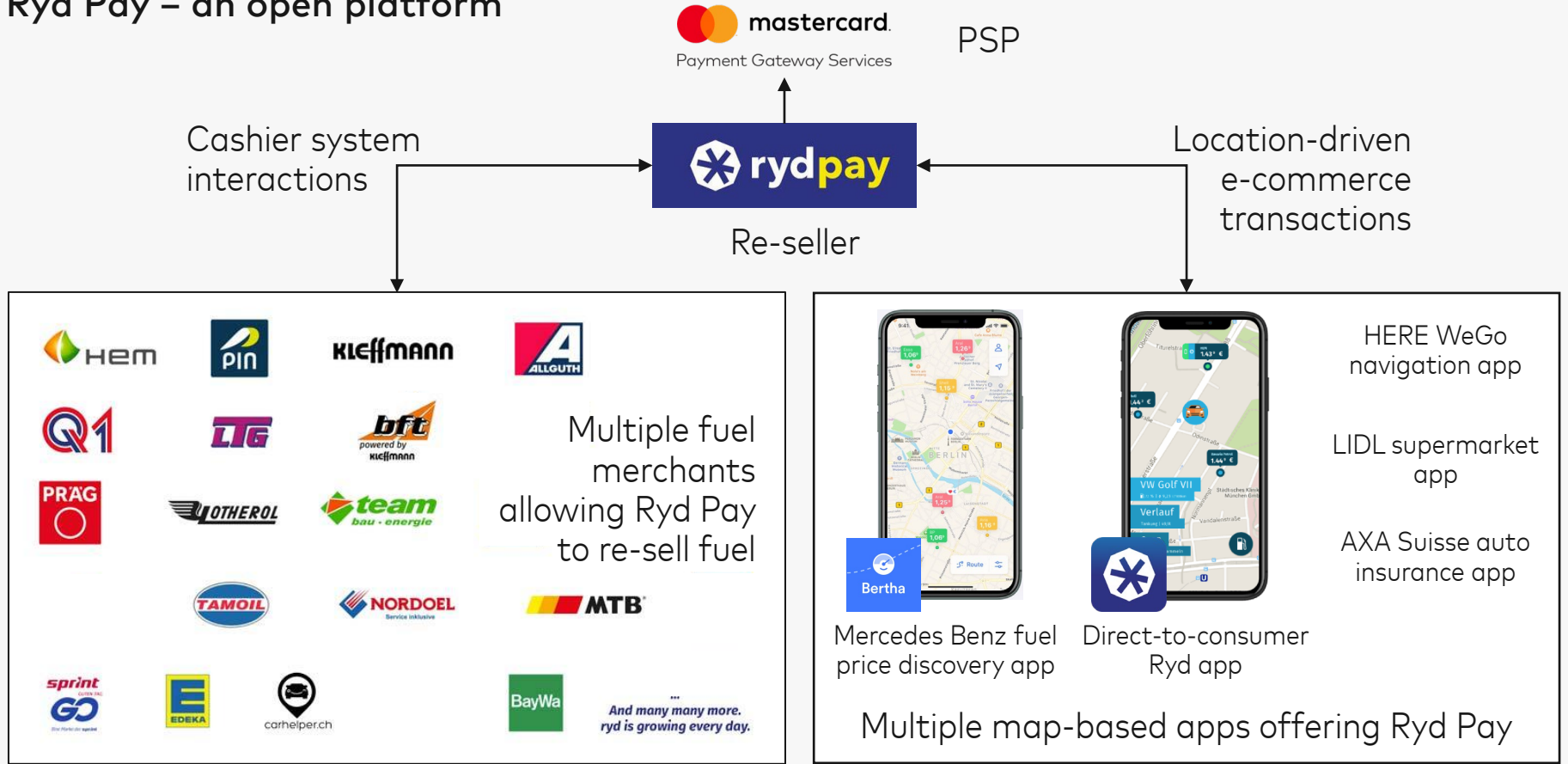
Exploratory investment – ThinxNet GmbH in Munich – January 2020

- ☐ Ryd Pay – a digital platform for app-based fuel payments

- ☐ Multi-merchant & multi-channel

- ☐ Existing innovation relationship with premium German automotive OEM

- ☐ 900 participating locations in Germany

- ☐ Entering seven new markets

- ☐ Minority investment

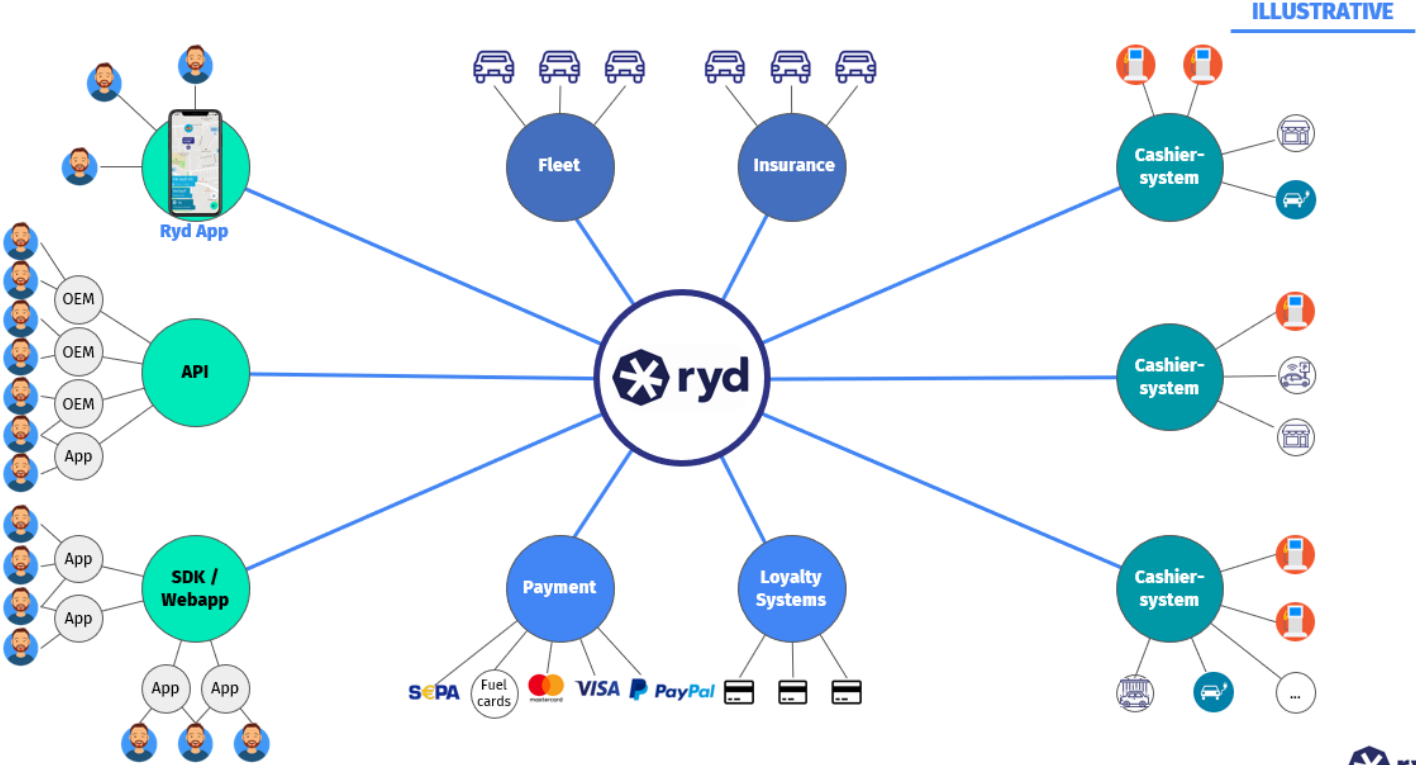- ☐ Transaction processing (PSP) solution at European scale

Ryd Pay – an open platform

mastercard
Payment Gateway Services

PSP

Cashier system interactions

rydpay

Re-seller

Location-driven e-commerce transactions

HEM PIN KLEFFMANN ALLGUTH

Q1 LTG bft powered by KLEFFMANN

PRÄG OTHEROL team bau · energie

TAMOIL NORDOEL Service inklusive MTB

sprint GO Eine Marke der aprité EDEKA carhelper.ch BayWa ... And many many more. ryd is growing every day.

Multiple fuel merchants allowing Ryd Pay to re-sell fuel

Bertha

Mercedes Benz fuel price discovery app

Direct-to-consumer Ryd app

HERE WeGo navigation app

LIDL supermarket app

AXA Suisse auto insurance app

Multiple map-based apps offering Ryd Pay

How the Ryd Pay team think about it – a multi-party platform business

Handling complexity is our daily business

ILLUSTRATIVE

Ryd App · OEM · API · SDK / Webapp · Fleet · Insurance · Payment · Loyalty Systems · Cashier-system · ryd

Launch of Mercedes Benz Fuel & Pay – March 2021

In-vehicle payment through MBUX interface

- ❑ Triggered by navigation system geo-fence

- ❑ Prompts driver to pick pump & fuel

- ❑ Normal Ryd Pay platform transactions with payment in background

- ❑ Mercedes Pay integration to handle access to driver profile and payment credentials

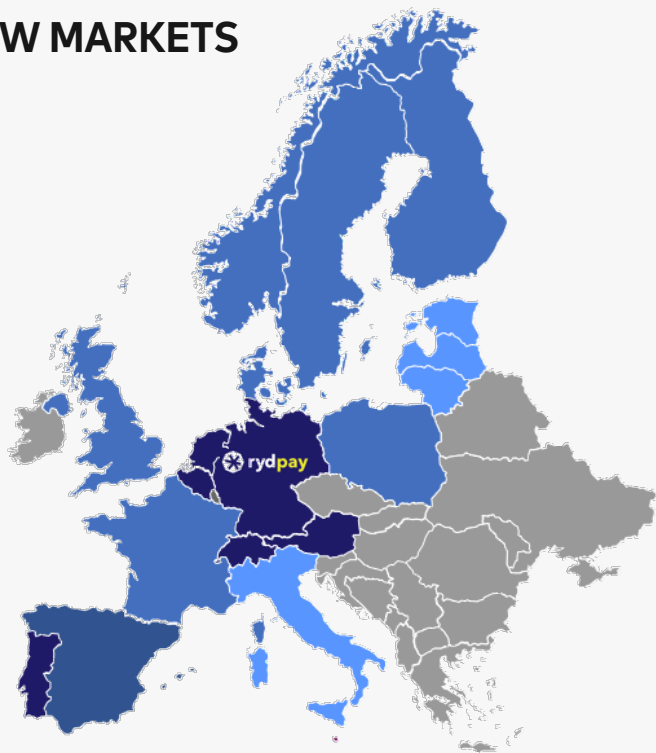**In-app payment through Mercedes me apps**

- ❑ Replicates functionality in Ryd & Bertha apps using the Mercedes Pay integration

Released OTA to 400,000 Mercedes Benz cars

Ryd Pay ambition 2022-2023 – an open platform for European car commerce

NEW MARKETS

NEW PARTNERS

- ❑ New fuel merchants in current markets
- ❑ More digital partners for in-app integrations
- ❑ More OEM partners for in-vehicle integrations

> **Manufacturers** – feel free to contact me if you would like to look into integrating Ryd Pay to your European digital platform

NEW SECTORS

- ❑ Tolling
- ❑ Parking
- ❑ QSR
- ❑ Valet
- ❑ Charging

Conclusions & some questions

1. Open platform – has been successful in attracting multiple competitors

   - Will it succeed in attracting one or more of the larger players?

2. Specialized platform – delivers complex integrations that OEMs haven't prioritized

   - Is this a replicable model in other relevant sub-sectors – do we need specialized platform aggregators in tolling and parking as well?

3. "Not an app store, a map store" – geo-location drives the experience

   - Should we move away from the 'app store' layout in organizing information about merchants?

4. Built upon connected car data – no proximity interaction with merchant

   - Do we need proximity interfaces any more? What value can they add compared with geo-fencing?