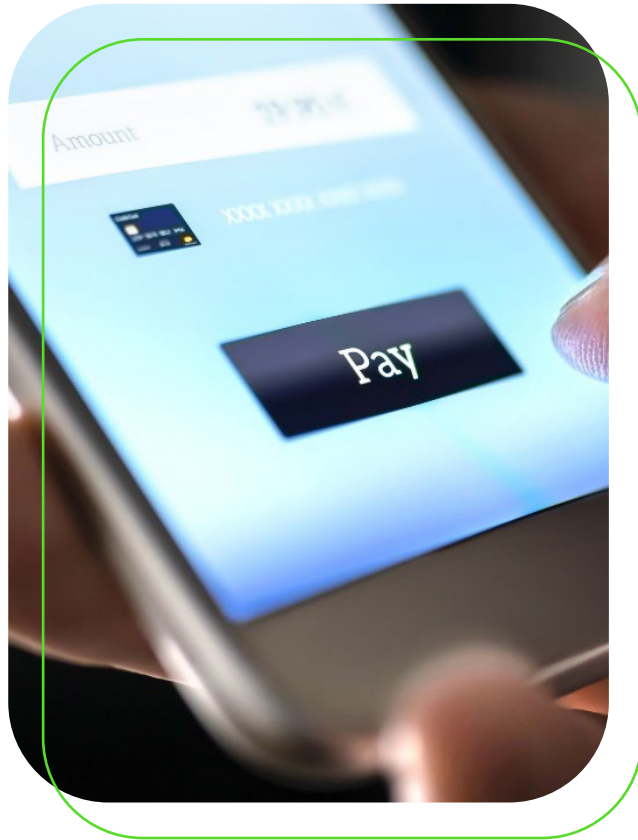


Payment: A Critical Component of Airlines' Distribution Strategy

ACH Conference

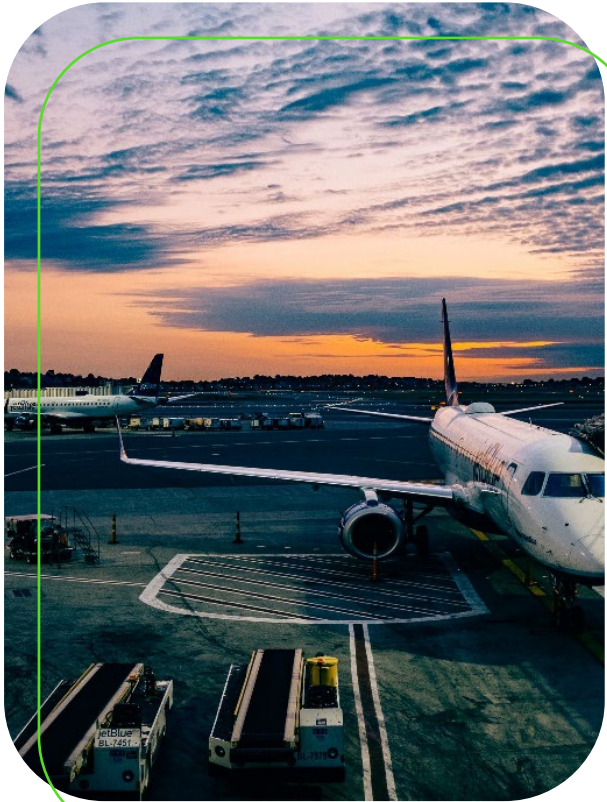


Payment: A Critical Component of Airlines' Distribution Strategy



- Payment is the endpoint of the inventory distribution process. That's why it's essential to get it right.
- How a sound payment strategy impacts airline distribution:
 - Enables airlines to sell more effectively in all channels
 - Supports airlines' expansion into new global markets by supporting new payment methods and facilitating cross-border payments
 - Optimizes acceptance rates
 - Minimizes transaction costs
- Enables airlines to react more nimbly to industry changes and passenger/consumer preferences

Having the Wrong – or No – Payment Strategy Is a Disadvantage



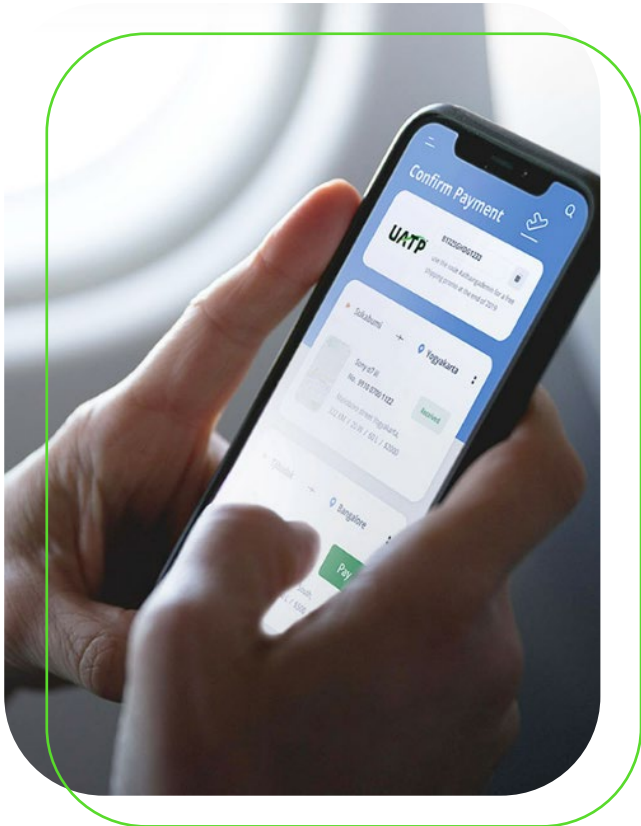
- Lack of flexibility limits vendors, partners and processes, adding risk of increased costs
- Operational constraints and limited visibility
- Less control over transaction fees and overall payment costs
- Inability to expand distribution to new channels and geographies
- Inability to meet customer preferences for payment – including alternative forms of payment (AFPs) - and seamless digital experiences (this is increasingly critical for global merchants like airlines)

Building a Strong Payment Strategy

What are the key characteristics of an effective payment strategy?

- Flexibility
- Reliability, stability and efficiency
- Broad reach and coverage
- Streamlined reconciliations
- Ability to quickly and cost-effectively connect with a wide variety of payment methods
- Deep understanding of the global payment marketplace
- Innovative market leadership

Finding a payments partner that exhibits these characteristics can be a competitive advantage for airlines



Payment Trends

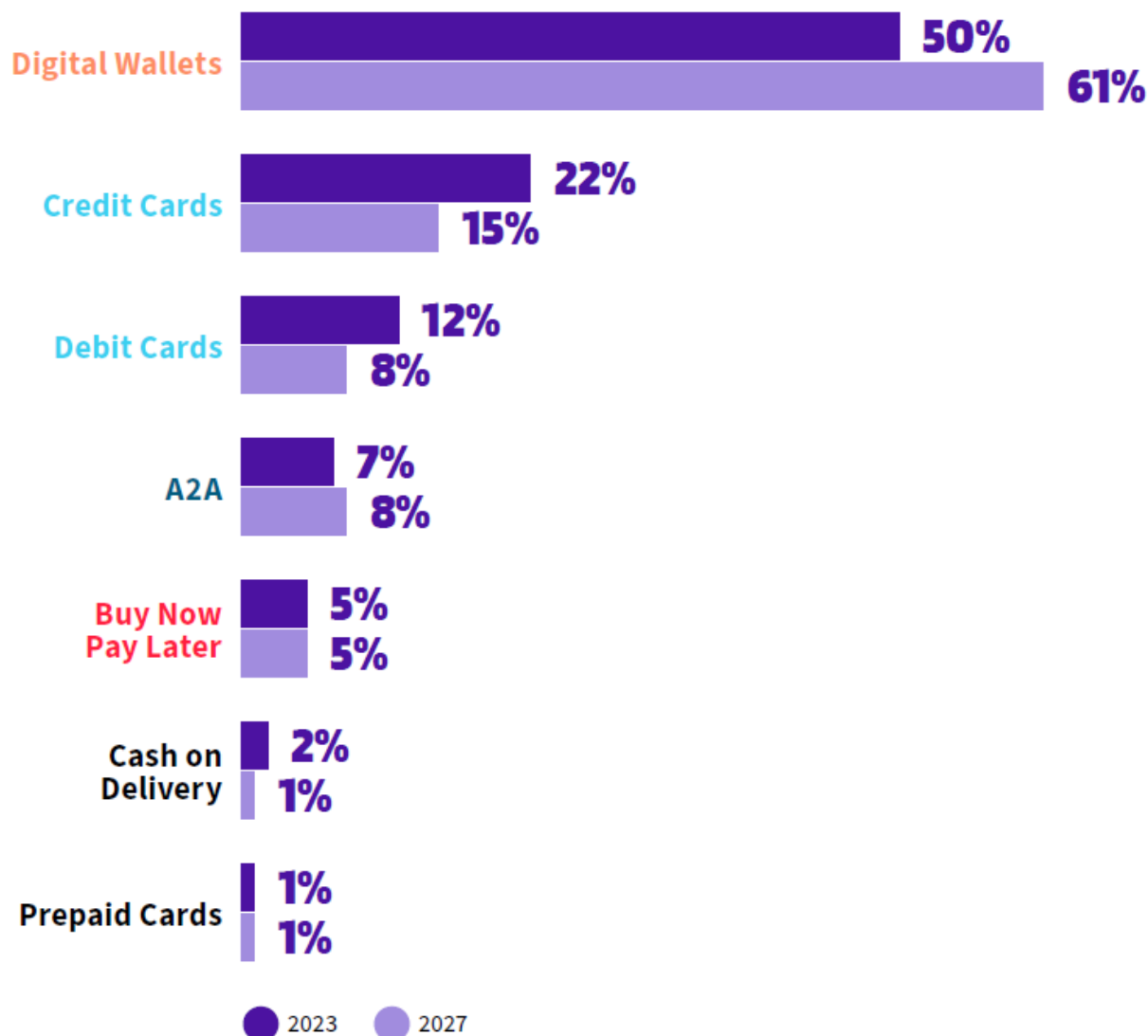
Card Transactions Still Lead in Travel

- ARC reported that over 90% of all flight tickets purchased in the US between January and November 2023 were made with a credit or debit card.
- Cards can support high transaction values
- Value of chargeback protection
- Itinerary-level data (UATP offers full Level III Data)

However, many types of Alternative Forms of Payment (AFPs) have become a staple in payments and should not be ignored by airlines.

GLOBAL E-COM PAYMENT METHODS

Transaction value % 2023-2027



Digital wallets retain global supremacy in e-commerce, reaching 50% of global transaction value in 2023. Wallets are the fastest growing e-commerce payment method with a projected 15% CAGR through 2027.

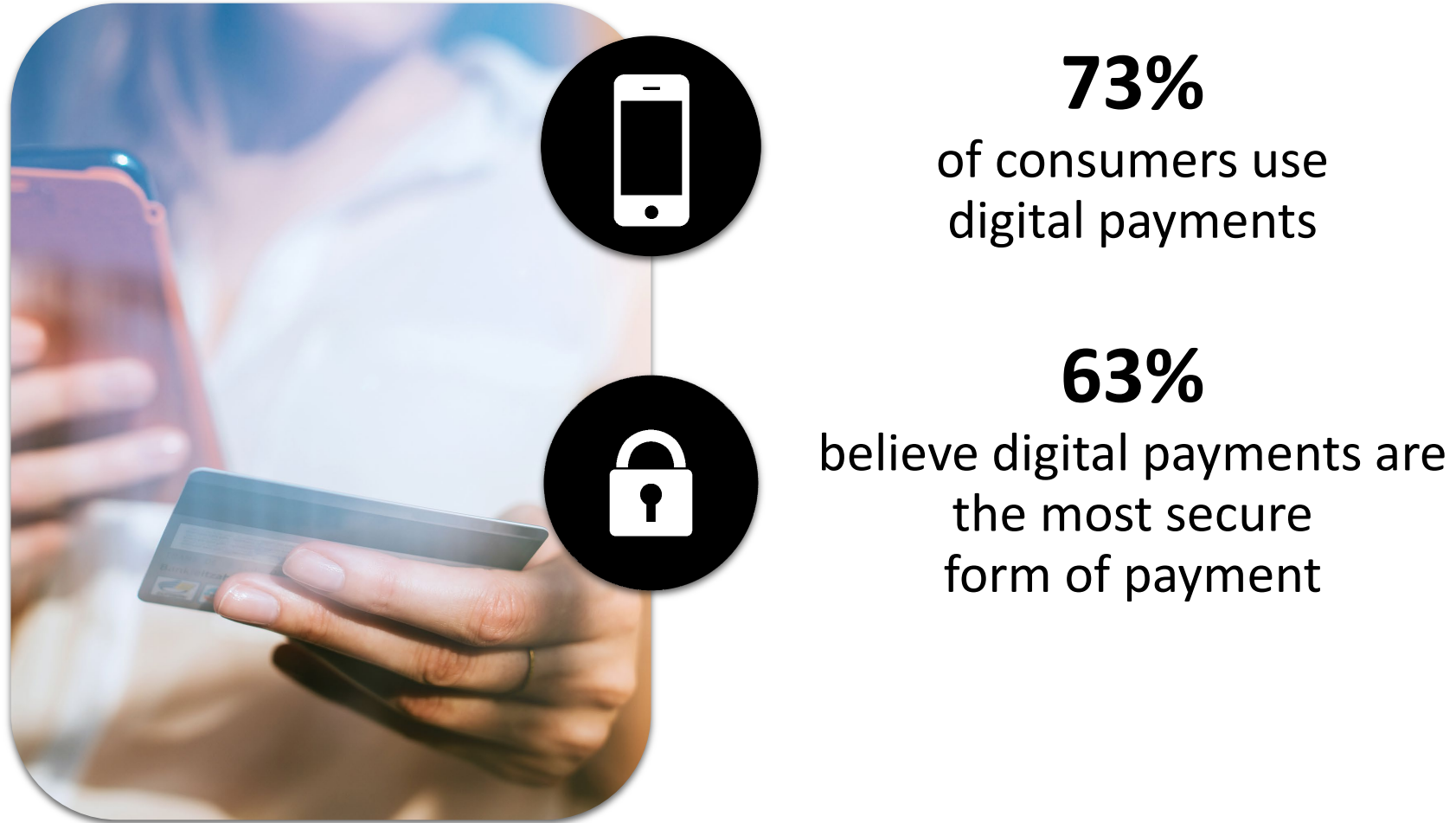
Credit and debit cards share of e-commerce transaction value as a direct payment method **are projected to decline slightly** through the forecast period to 2027. However, much of this “decline” is card spend shifting to use within digital wallets.

Account-to-account (A2A) payments continue to flourish in select markets such as Brazil, India and Poland, compensating for slower growth in large card-dominated markets such as the UK and USA. Global A2A transaction values are forecast to rise at 14% CAGR through 2027, gaining 1% global share during that time.

Buy Now Pay Later (BNPL) global transaction values grew 18% in 2022-23 to reach 5% share of global e-com spend, or over \$316 billion. We project growth in the forecast period to 2027 of 9% CAGR, equal to that of global e-com growth as a whole and therefore retaining 5% global share through 2027.

Cryptocurrencies (0.2%, ~\$11 billion), **post-pay** (0.3%, ~\$20 billion) and **pre-pay** (0.3%, ~\$17.5 billion) each registered less than 0.5% of global e-commerce transaction value in 2023.

Continued Rise of Digital Payments



Survey conducted by Onbe, 2023

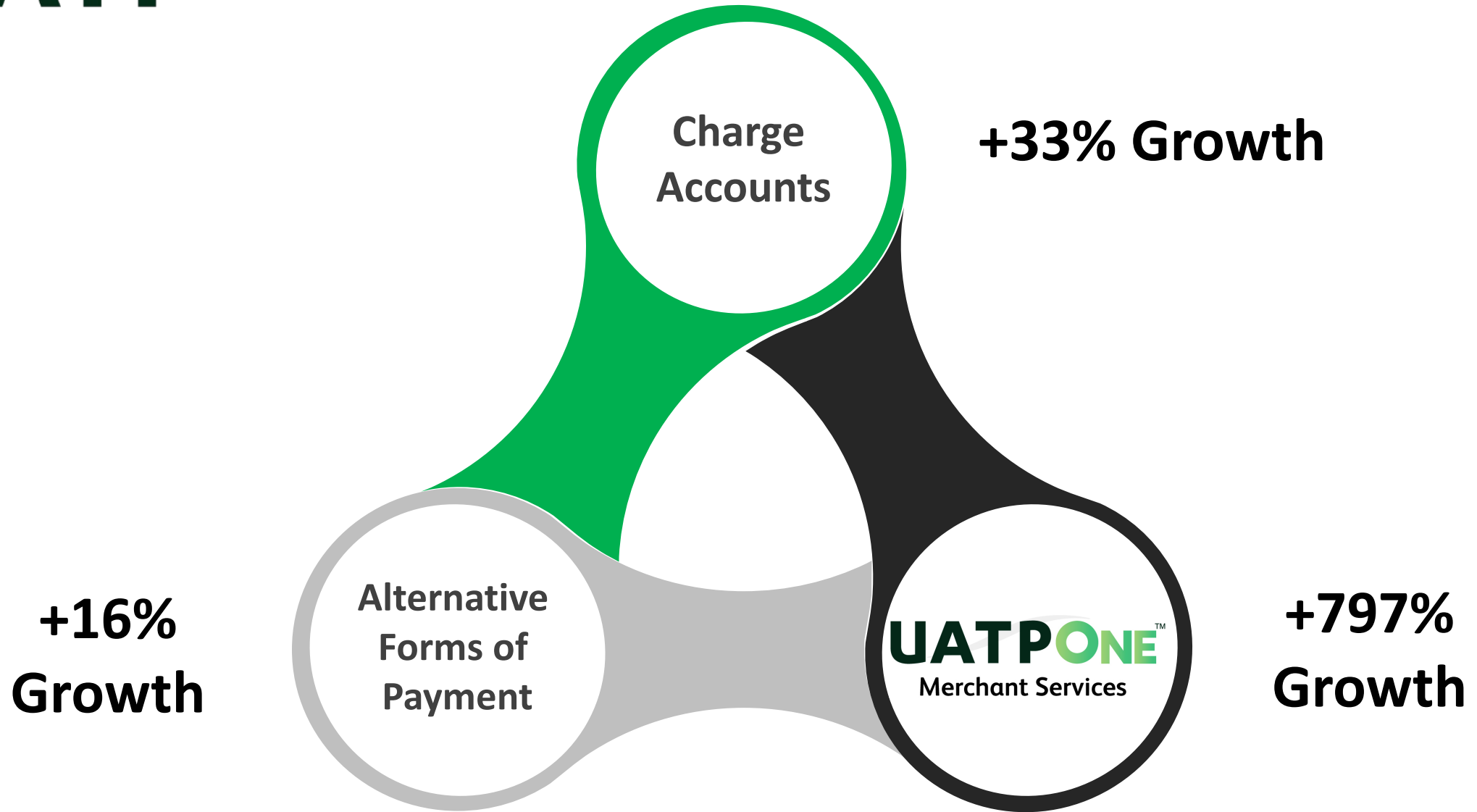
UATP – The World's Trusted Payment Platform

A purpose-built payments ecosystem

UATP has a proven track record of success in a complex industry and legacy systems.

- We built and maintain the backbone of the largest and most secure closed loop payments network.
- Our network rails were built to maximize benefits to merchants and businesses and lower the cost of accepting payments.





Charge Accounts/Cards

- Streamlining integration, implementation and processing to find cost-efficiencies across your payments operations.
- Robust payment network and infrastructure helping you proactively manage unforeseen payments disruptions.

- Airline industry spends over **\$20 billion** a year on payment costs
- This amounts to around 3% of airlines' total revenue, and approximately 78% of the industry's net profit.*

*McKinsey Report - Airline Retailing

UATP Issuers



The background of the slide is an abstract, flowing, organic shape in shades of light green and yellow, resembling a stylized flower or a piece of fabric. It has a soft, 3D effect with highlights and shadows.

Alternative Forms of Payment (AFP Processing)

Processing AFPs since 2007

Accepting AFPs:

- Opens new markets and drives growth.
- Reduces costs for merchants, vendors, agents, aggregators and more.
- Drives buyer preference because you are easier to do business with.
- Supports digital/online/mobile payments that are easier to track reconcile and manage.

- AFP volume reached \$19T globally in 2022, with processing fees approaching \$250B.¹
- Ernst & Young found that 70% of merchants recognized that failing to accept AFPs could impact sales.¹
- IATA found that airlines lost 25% of potential sales during the customer journey because of payment issues.²

¹ Ernst & Young: Alternative payment methods – a proven payments imperative

² IATA: Speed and Convenience Top Priority for Passengers

Alternative Forms of Payment (AFPs)

Benefits for airlines



DIGITAL
TRANSFORMATION



COMPETITIVE
ADVANTAGE



GLOBAL REACH



REDUCED CART
ABANDONMENT



ENHANCED CUSTOMER
EXPERIENCE



FRAUD PREVENTION
AND SECURITY



FLEXIBLE REFUND AND
COMPENSATION OPTIONS

UATP Coverage is Global

Processing AFPs for Airlines since 2007



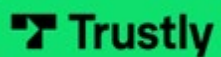
UATP Processing Partners

Online
Bank Transfer

Offline
Bank Transfer

E-Wallet

Prepaid

 Trustly

 safety pay

 PayPal

 SVS

 givex



 Alipay

Installment

Mobile

Crypto

Aggregator

 uplift

 Apple Pay

 bitpay

 EBANX

 PayU

 FlyNow
PayLater

 Criptan

 CITCON

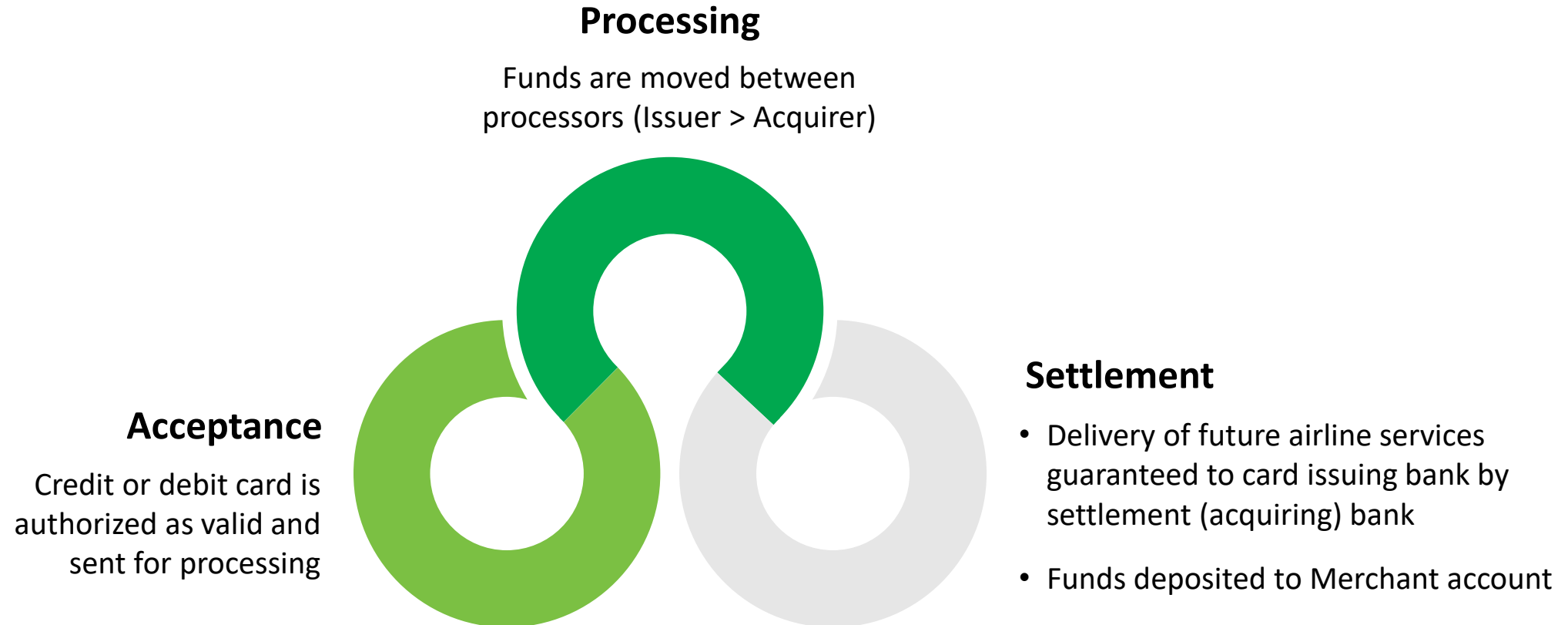
 CELL
POINT
DIGITAL

 Blocksky



UATP One Merchant Services

reduces cost, complexity and risk



UATP One™

- Flexibility in transaction routing and settlement leads to cost reduction and higher acceptance rates
- A full-service PSP offering monitoring and fraud protection tools to provide visibility into a merchant's payment processes.
- UATP One provides an indirect credit card processing solution that connects airlines to all 150+ BSPs with no technical integration required.

Thank you

uatp.com

