



IT PAYS TO KNOW.

VIRTUES OF ENETT VANs FOR AIRLINES.

eNett International is committed to working with our travel agency customers, airlines, and other stakeholders to provide payment solutions that benefit all participants in the travel value chain. This summary provides an overview of eNett's latest research report, "Virtues of eNett VANs for Airlines", which explores the benefits that airlines can gain from accepting eNett Virtual Account Numbers (VANs). These benefits include:



Unlimited risk-free distribution



Lower total cost of distribution for airlines and agents



Near-zero chargebacks and zero* fraud



Faster cash flow



Greater reach and more sales



Easy to process; seamless integration with all leading GDS platforms



Stronger travel agency partnerships

RISK-FREE DISTRIBUTION AND NO AGENCY CREDIT LIMITS.

Agencies may operate two different models.

Travel agencies may use the merchant or agency business model, or a mix of both. For airline ticket sales, a travel agent using the agency model will collect credit card details from the end traveller and pass those card details through the GDS and BSP to the airline. In a merchant model, travel agencies collect funds from the end traveller, via the end traveller's preferred form of payment, and make a separate payment to airlines, usually via BSP.

Travel agencies in a merchant model are still acting as an agent of the airline, but are the merchant of record for the purchase from the end traveller.

Travel agencies generally prefer merchant model.

Merchant model is preferred by travel agencies for distribution of air tickets because it allows for collection of payment from the end traveller in any form, lowers fraud risk across the value chain with the use of sophisticated fraud reduction mechanisms to protect travel agencies and airlines, and delivers a better experience to the end traveller.

eNett VANs deliver guaranteed payment.

Some payment methods expose airlines to risks of travel agency default, which necessitates the use of credit limit definitions, monitoring, and enforcement.

These mechanisms are imperfect, as defaults still impact airlines and cause friction between airlines and travel agencies. Gaps in timing mean some exposure will remain even with proposed changes to limit risks.

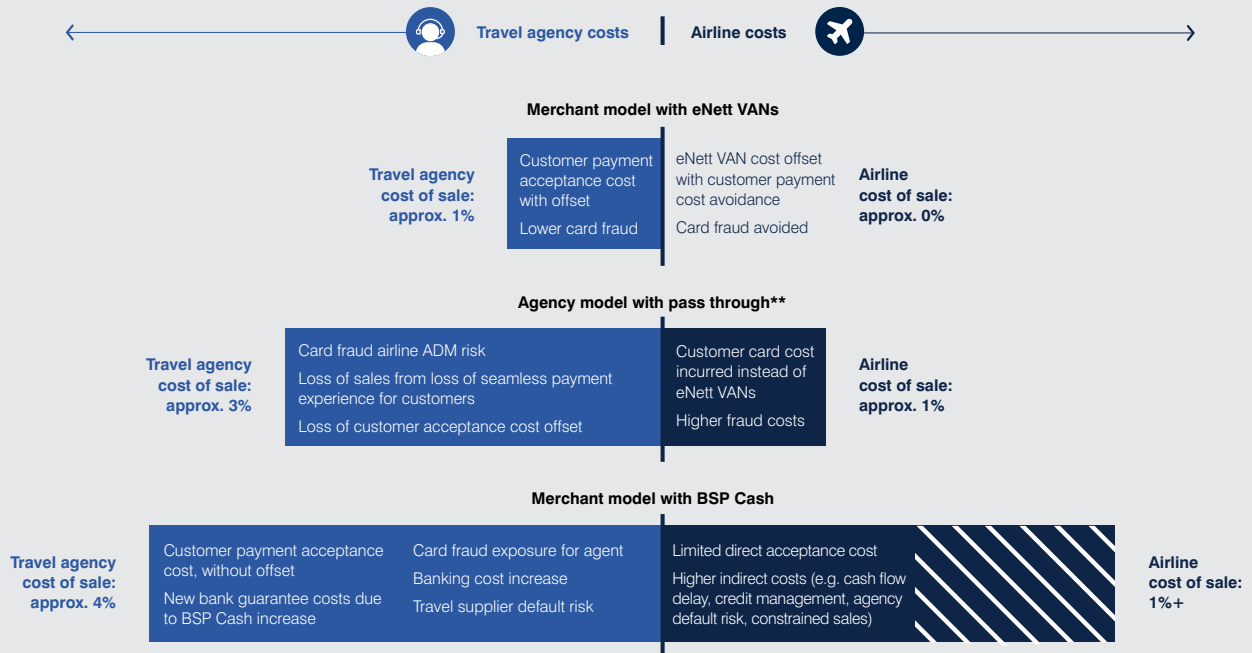
eNett VANs are a risk-free payment method for the travel value chain and guarantee payment to airlines regardless of market, banking, travel agent, payment provider risk or any other event that normally impacts payment being received by the airline.

* Rate of fraud related chargebacks by number of transactions with eNett VANs Q1 2017-Q2 2018 when paying airlines. Exact rate in that time was 0.000003% or 1 in 30M transactions. The number of eNett VANs payments to airlines during the specified time period was not 30M. Total non-supplier default related chargebacks in the same period was 0.0013% or 1 in 80K transactions - most due to duplicate processing.

LOWER TOTAL COST OF DISTRIBUTION FOR AIRLINES AND AGENTS.

Payment discussions often focus solely on cost of acceptance, but this is a false economy. Total cost of making, receiving, and processing payments is lower with eNett VANs, an efficiency that benefits all parties.

COST COMPARISON OF PAYMENT METHODS BETWEEN TRAVEL AGENTS AND AIRLINES



** Refers to pass through of a customer card.

NEAR-ZERO CHARGEBACKS AND ZERO* FRAUD.

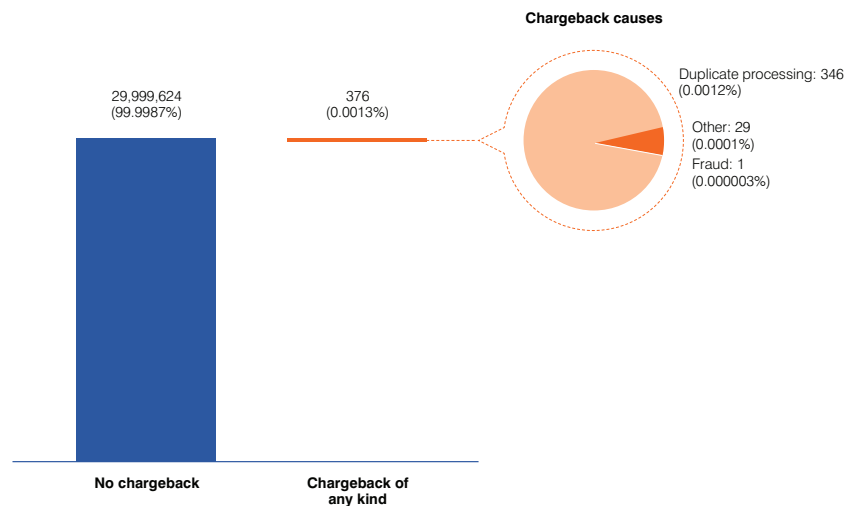
eNett VANs typically achieve zero* fraud and near-zero chargebacks toward airlines.

In comparison, direct sales by airlines are reported to suffer a fraud rate of 1.2% with 3.8% of bookings cancelled or rejected due to fraud suspicion.

Reducing chargebacks and fraud also reduces chargeback related ADMs, which are expected to be "equivalent to over USD140M of revenue leakage in 3 years' time" according to IATA.

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EXAMPLE BREAKDOWN PER 30,000,000 ENETT VANs PAYMENTS*



Download the full report at www.enett.com/insights

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