

Secure your customers. Secure your business.
Target market: B2C businesses (bridgehead: finance)

PHONEID

HOGART Group
ul. Kolejowa 5/7
01-217 Warsaw, Poland
e-mail: contact@phoneid.co
URL: <http://phoneid.co>

Funding Sought:

\$ 450 K

Equity Proposal:

15%

Use of Proceeds:

Launch operations in Poland (to break even)

Revenue Forecast:

2016: \$ 107 K
2017: \$ 1 655 K
2018: \$ 5 075 K

Reach Profitability:

Unleveraged free cash flow: Q2 2017

Competitive Advantage:

- Patent-pending solution,
- Minimal cost of ecosystem with max utilization of existing infrastructure,
- Simple user interface available for all the mobile phones,
- Automatic user identification (not only authorization),
- Multichannel (one authentication method for: web, app, call center, physical points),
- Fully meets the highest requirements of assurance (new EU eIDAS directive),
- Experienced team

Innovation:

PHONEID unique, patented approach implements phone based authentication service with a minimal investment, multichannel access, and extreme security, simplicity and user convenience.

People:

Henryk Kułakowski

<http://pl.linkedin.com/in/hkulakowski>

Inventor, experienced with start-ups and relationships with banks and MNOs, expert in telecommunication market, 20+ years of experience in value-added services in telecommunications and internet sector

Krzysztof Szczypiorski

<https://pl.linkedin.com/in/szczypiorski>

Professor, Institute of Telecommunication, Warsaw University of Technology, Head, Cybersecurity Division, Warsaw University

Elevator Pitch: In 2015 40% internet accounts were hacked. The average internet user has **over 90 accounts but only 3 passwords**. This is a major security problem for users and businesses alike. European Union tries to solve this problem by eIDAS directive. If you are a bank, from 1st of July you should offer your customers two factors out of three authentication methods – something you know, something you have, or your biometric characteristic. PHONEID is a patent pending multichannel authentication method, which provides the highest level of assurance and mass accessibility. Unlike current login methods, it offers automatic customer identification, two or three factors authentication, and is available for all mobile phones. You can use PHONEID to authenticate your customer on web pages, in mobile apps, call centers or at physical contact points. With minimum investments, based on small monthly fee per active users.

Market: Our target markets are B2C businesses with internet customer service channels (e.g. banking, telco, media, energy providers and governments). In Poland the market value is about \$ 70M. Our bridgehead is finance sector in Poland with value \$ 18M. We can deliver them the best added value: the highest level of security, accessibility, and ease of use.

The second market is the EU, and third is emerging/developing markets like Africa and LATAM totaling 15BN in total.

Problem: On average each internet user has 92 accounts. As result of this fact people frequently forgot their passwords, which is costly for businesses and generates up to 30% of total Customer Service costs. To help themselves, people are using very simple passwords like 1234 what opens a big security issue. Hacking happens on 2 of 5 accounts, what is a huge cost for the company and for the user. European Union tries to solve this problem by eIDAS directive. If you are a bank, from 1st of July you should offer your customers a two factor authentication method – something you know, something you have, or your biometric characteristic.

Solution: PHONEID is a simple and secure method of user authentication based on his phone number. As MVNO company, based on GSM network security, we identify user by his mobile number (1st factor authentication) and his PIN or biometry (2nd factor). PHONEID can be available for any mobile phone user, no data plan required, but can be also implemented as a smartphone app and support biometry, QR code and NFC.

Sales plan: PHONEID will be offered in 3 models: as SaaS (basic model, based on \$0,05 monthly fee per active user), license for big partners and IT integrators (based on monthly license per implementation), and in oAuth model for SME and government (traffic revenues from MNOs). We will sell our product directly to end clients and through partners (companies with established relationships with our potential customers). We will start to offer PHONEID in Poland and next, in Joint Venture model, on other EU markets.

Financial: We are looking for \$ 450k (40% operations, 30% sale and new market development, 30% R&D). We offer Round A serie, 15% of the company.