



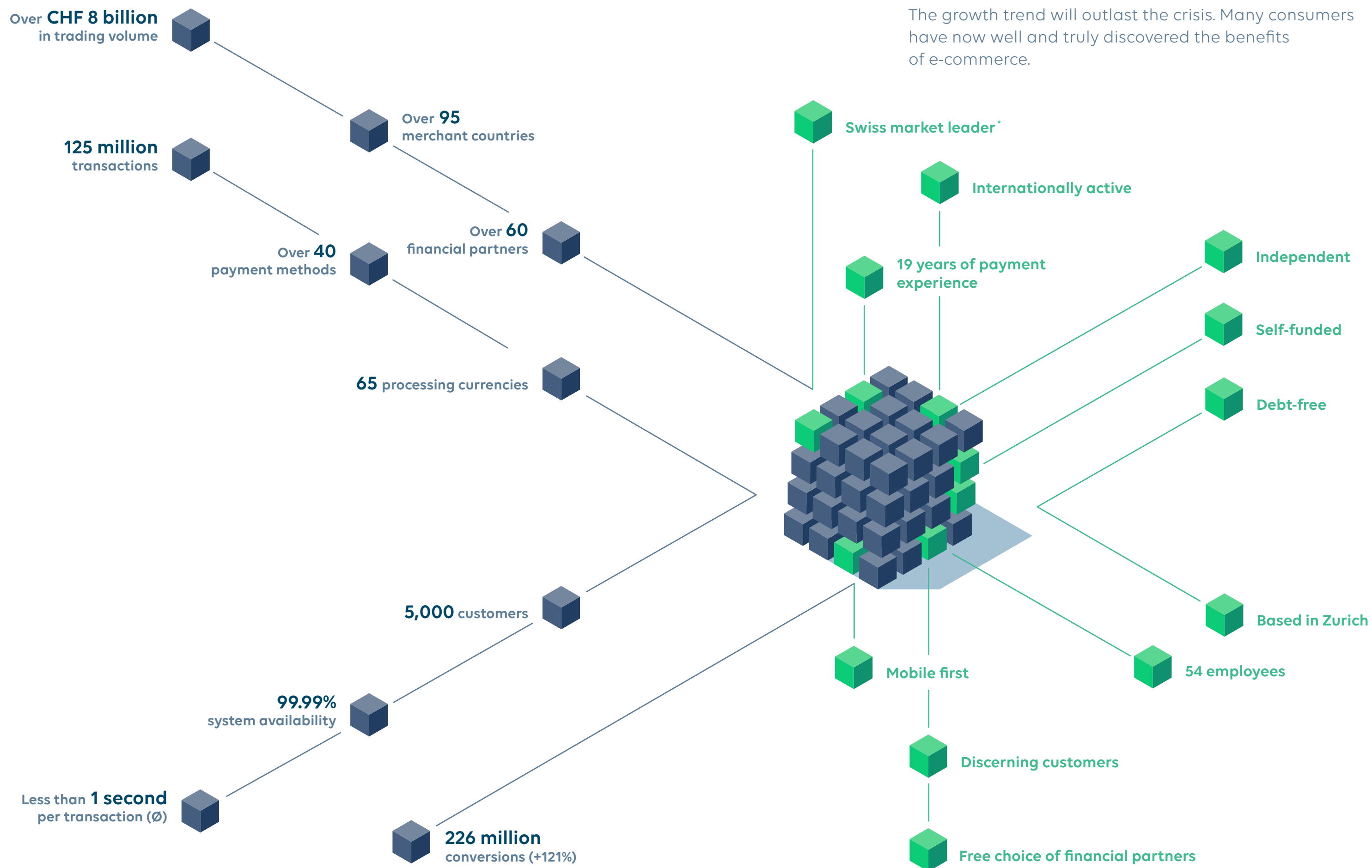
Annual Report 2020

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2020 at a glance

The growth trend will outlast the crisis. Many consumers have now well and truly discovered the benefits of e-commerce.



* according to number of transactions



Selection from the Datatrans customer list



Foreword and review

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Foreword by the Board of Directors

«Being able to hand over a completely healthy company is a wonderful feeling.»

Hanspeter Maurer

Switzerland announced its first COVID-19 case in February 2020. A few weeks later, the whole of Europe found itself in state of emergency. We were saddened to see how some of our customers from the event, travel and transport industries were hit hard by the crisis, and we looked for solutions together.

The picture was completely different in the retail, food and delivery sectors. There, the pandemic significantly accelerated the development of trade towards online channels, which also led to a significant increase in our transaction volume. Despite all the ups and downs, we are certain that the growth trend will outlast the crisis. Many consumers have now well and truly discovered the benefits of e-commerce. Accordingly, more and more companies are planning greater investments in e-commerce.

All in all, we managed to overcome the crisis year well and increase both sales and earnings again. We are very optimistic for 2021, because the service sectors shaken by the crisis will benefit from overcompensation as soon as life returns to some degree of normality.

Datatrans Board of Directors

Hanspeter Maurer

Chair of the Board of Directors

Bettina Reimers

Board Member

Urs Kisling

Board Member



Since the company was founded almost 20 years ago, we have been self-funded, debt-free and have closed every financial year with a positive result – including the crisis year 2020. In addition to our economic stability, we can also rely on the great support of our more than 50 employees in times like these.

As early as the beginning of March 2020, all teams were working remotely and were in close contact with each other. Daily talks, workshops and stand-up meetings ran smoothly with Slack, Zoom and other platforms. Thanks to our Datatrans Academy and virtual gatherings, interpersonal conversations were not neglected in times of isolation. Our customers and partners were also able to rely on our usual availability, fast decision-making processes and high flexibility in a year marked by uncertainty.

«SBB has found a flexible and reliable partner in Datatrans who offers state-of-the-art PSP solutions and recognises and implements the needs of SBB.»

Fabian Schmid
Head of Payment
Swiss Federal Railways SBB



SBB CFF FFS

Thanks to the strong cohesion and workforce behind us, we were able to withdraw from operating business and make room for a new generation as planned on 1 October 2020, after almost 20 years. 36-year-old Thomas Willenborg succeeded Hanspeter Maurer as the new CEO and took over the Datatrans Management with Daniel Ellersiek (COO) and Oliver Heister (CTO). Over the past two years, all three have prepared for their new role as members of the Extended Management and were significantly involved in important decisions.

In the future, we would like to give the younger generation even more creative freedom. As members of the Board of Directors, we are available to advise them and focus primarily on strategic tasks. Importantly for our customers: our values remain unchanged. They can have confidence in that.

Thanks to the good business performance over the years, we will continue to be able to finance our expansion without external funding. The entire share capital is in the possession of the Board of Directors and individual employees. The balance of profitability, liquidity and independence as well as healthy organic growth are among the company's core goals.

We are convinced that Datatrans has created the strategic, financial and organisational conditions over recent years to remain competitive in the dynamic future market of e-payments. We will also continue this growth course consistently beyond Switzerland.

April 2021
Board of Directors, Datatrans Ltd

The Datatrans offices at
Kreuzbühlstrasse 26 in Zurich.



Annual review by the Management

«The Datatrans values are also what connects all three of us: mutual trust, unconditional honesty and a great passion for what we do.»

Thomas Willenborg

It is scarcely possible to review the exceptional year 2020 without addressing the consequences of the COVID-19 pandemic. Despite persisting effects on the global economy, Datatrans has proved extremely resilient. What's more: looking back, the financial year has even turned out to be extremely promising for us.

Excluding the event, travel and transport industries affected by severe losses, we saw considerable growth in all areas. This was achieved on the one hand by the rapid shift to online trade, the growing demand for digital goods and services, as well as exciting new customers such as Österreichische Lotterien GmbH.

In the crisis year 2020, we handled over 125 million e-commerce transactions even with the sectors affected by the pandemic, almost reaching the previous year's level of 126 million transactions. This shows the resilience of the payment business and emphasises the excellent diversification of our base of merchants.

Our PCI Proxy business division has totally defied the pandemic. With 226 million conversions, our «Data Security-as-a-Service» solution – developed for technology companies – even achieved growth of 121 per cent compared to the previous year. This development is also due to the sharp increase in demand for digital processes, such as security and compliance solutions.

Datatrans Management

Thomas Willenborg
CEO

Oliver Heister
CTO

Daniel Ellersiek
COO



Despite the pandemic, the payment environment was in constant motion. Once again, our teams have proven that they are at the absolute top of their class. At the beginning of 2020, we were one of the first payment service providers in the world to be certified according to the new standards of the card schemes. As a result, we were also able to guarantee our merchants smooth payment processing with the highest level of security when introducing the new security standard 3-D Secure 2 as well as strong customer authentication under PSD2.

«We have come to know Datatrans as an innovative, customer-oriented and trusting partner who supports us proactively in times of change, with a great deal of expertise and experience.»

Holger Neuhaus
Accounting Team Leader
Services / Fraud Prevention
Eurowings GmbH



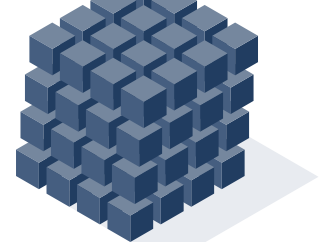
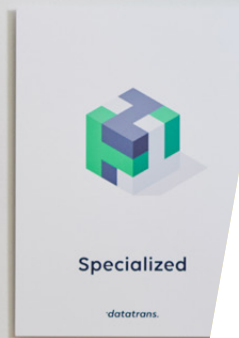
We also supported our merchants with new features such as «Payment Link» or with the acceptance of cryptocurrencies. Thanks to our tireless service mindset, we were able to make it easier for many customers to enter online business and be present at the right time with the right solution. A fantastic example of this is our partnership with the SOS Children's Villages. With calls for donations with Bitcoin and other cryptocurrencies, the charity was able to break new ground to support disadvantaged young people even in difficult times.

In summary, we can look back on a year that demanded a lot from the world besides the health and economic effects, but also offered many opportunities. Although developments in 2021 are still uncertain, for us it is already clear: as thought leaders in the areas of payment and security, we emerged stronger from the crisis year and have gained many valuable insights.

To top off the year, we took over the Datatrans Management on 1 October. We are sticking to the values that have shaped the company for 20 years and thereby building on a unique foundation.

We would like to thank our customers for their great trust, our partners for their flawless cooperation and our employees for their incredible enthusiasm and commitment.

April 2021
Management, Datatrans Ltd



Datatrans Ltd

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Our role

Anyone who wants to be successful in online trade needs to offer their customers all the relevant payment methods and ensure smooth payment processes. There are many solutions for this. But not every payment service provider (PSP) achieves the best results for discerning customers in the long term.

We are the payment experts for online merchants who want to exploit their sales potential to the fullest.

Datatrans AG handles the secure processing and storage of payment data for merchants – in e-commerce, in the call centre and at the mobile point of sale – but focuses solely on technical transaction processing. The company is not involved in the cash flow. Thanks to this neutrality towards partners and financial service providers, the Swiss market leader offers merchants a decisive advantage. They are free to choose their financial partners and means of payment – in the way that best suits their business.

Focus on individual sales success

Datatrans has accumulated valuable experience and excellent payment expertise by supporting and advising over 5,000 international online merchants. Instead of relying on standard products, the PSP meets the complex requirements of its customers with individual solutions.

The Datatrans Payment Gateway gives merchants access to over 60 financial partners worldwide and thus the opportunity to systematically optimise their payment processes. Merchants can put together the best possible mix of payment methods with a single interface and easily change their financial partners or add new ones. Online merchants also simply change their acquirers for the acceptance of card payments in order to benefit from better offers or reduce the risks of technical failure.

Moreover, Datatrans relieves merchants in the area of risk management and the certification of the strict security requirements of credit card companies. With the Datatrans Payment Gateway and tailor-made solutions, Datatrans customers can optimise revenue and conversion as well as minimise costs and risks.

Less complexity, more security

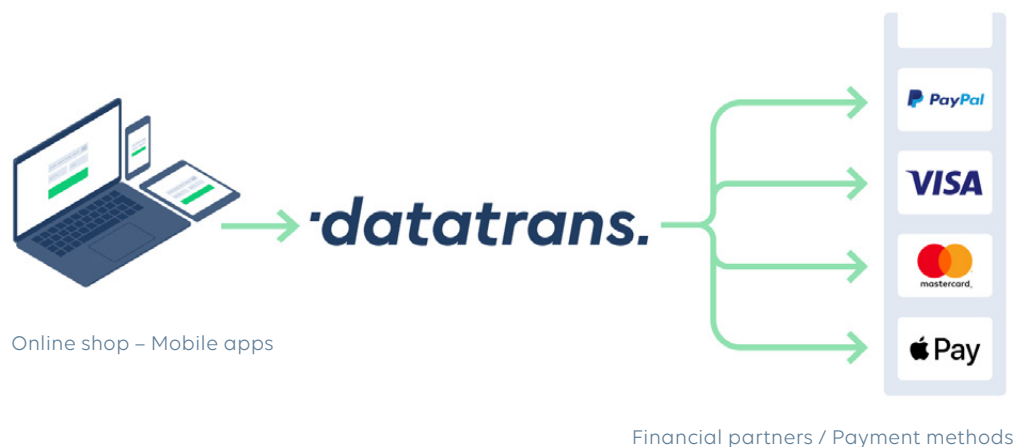
Making decisions quickly in a dynamic environment, responding flexibly to market trends and implementing customer requests promptly are further advantages in which Datatrans distinguishes itself as a long-standing market leader.

Its customers benefit twice: with just one payment gateway, they outsource the increasing complexity of payment processing and the growing requirements for security and availability to Swiss payment experts, enabling them to concentrate entirely on their business.

State-of-the-art solutions and security

Datatrans acts as an interface function between online merchants and payment method providers. Customers benefit from integrated payment processing solutions for fast and secure payment processing online:

- APIs for connecting online shops.
- Payment libraries for payment processing in native apps.
- Payment pages based on the mobile-first approach.
- Tokenisation solutions for recurring transactions or to simplify payment processes (fast checkout) including network tokenisation solutions from Mastercard and Visa.
- PCI Proxy tokenisation solution for simplifying PCI compliance.
- 3-D Secure 2 certified payment solutions to meet all PSD2 requirements.



PCI DSS Level 1 certification



Payment service providers are subject to the strictest certification for processing credit card transactions, namely: PCI DSS Level 1 (Payment Card Industry Data Security Standard). Datatrans fully complies with PCI guidelines and has been certified according to PCI Level 1 since 2006. In mid-2020, the Swiss PSP once again passed the annual PCI DSS on-site review and received the highest possible certification.

Top rating by Dun & Bradstreet: Risk Indicator 1



In December 2020, Datatrans once again received the top rating «Risk Indicator 1» (minimum risk of business failure). The Dun & Bradstreet Rating Certificate is the quality label in the business world and stands for reliability and stability. At the same time, it confirms the ability to meet economic obligations towards customers and suppliers. Only two per cent of Swiss companies meet the strict criteria of the certificate.

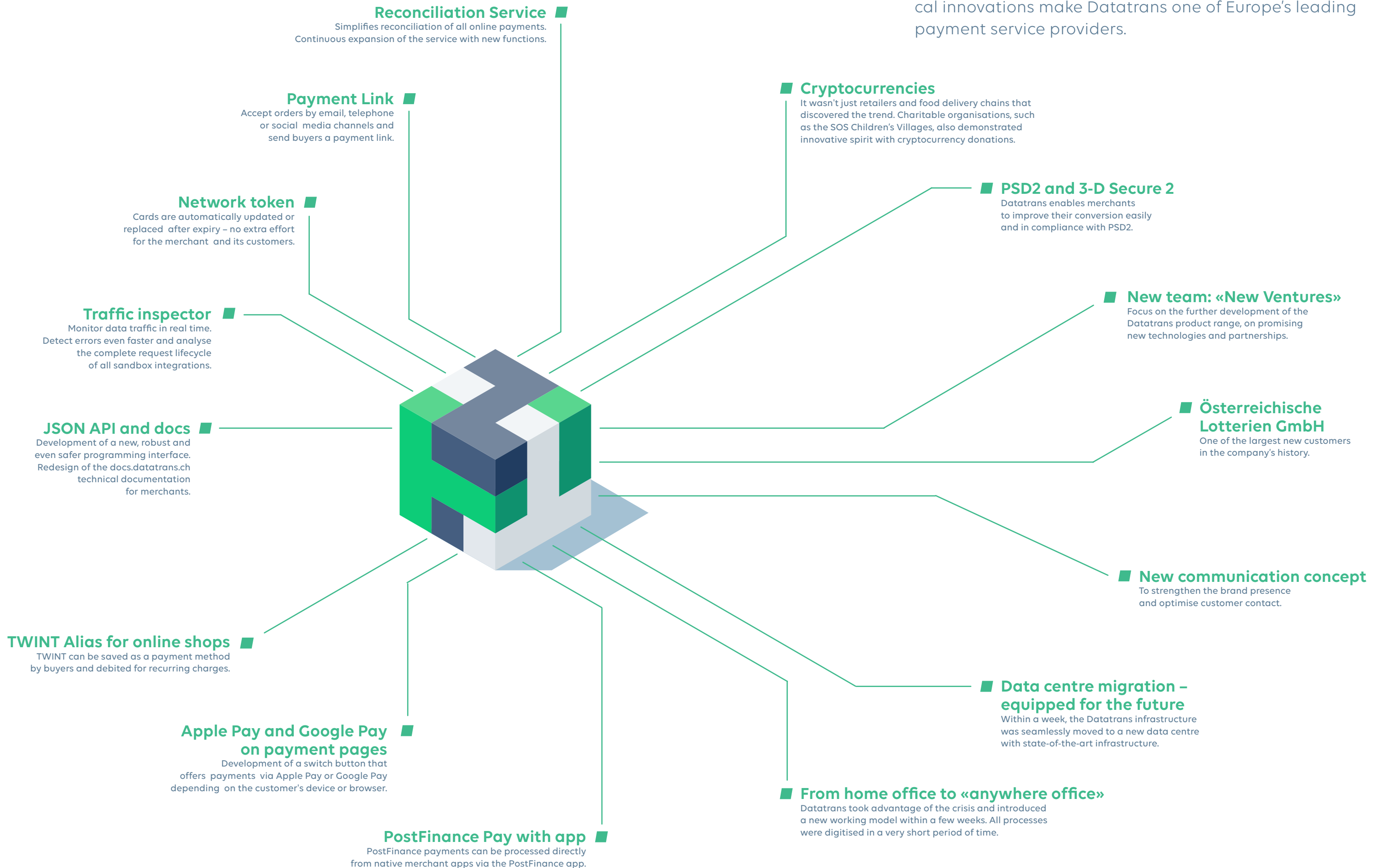


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Highlights in 2020

New customers, individual payment solutions and technical innovations make Datatrans one of Europe's leading payment service providers.



Airlines & Travel

2020 was an extremely challenging year for merchants in the airline and travel sector. While flights, cruises and hotels were booked at the previous year's level in January and February, demand plummeted from March onwards.



Niko Aust
Senior E-Payments Consultant
Airlines & Travel

«Our merchants from the airline and travel sector have always understood how to retain their customers with new concepts and innovative solutions. This customer-oriented focus provides a solid starting point for the further development of their business models in the coming years.»



Many of our customers saw a sharp decline in bookings throughout the year. Fortunately, many perceived the crisis as an opportunity and developed solutions that now offer travellers maximum security and flexibility. Innovative voucher concepts, short-term cancellation options and local travel offers with a payment mix adapted to the respective business case have proved successful despite the difficult situation. Not only does the current situation have to be taken into account, but the solutions also need to be adaptable and future-proof.

PSD2 had a marked effect on the industry

Despite a tense situation, we were able to implement successful projects with our customers in the financial year. The industry has been occupied with the topic of PSD2, in particular. Datatrans was able to optimally prepare its merchants with short communication channels and expert knowledge, ensuring a smooth transition. Many merchants also benefited from the new Datatrans Reconciliation Service. This facilitates payment reconciliation, identifies possible discrepancies and simplifies accounting processes.

New customers acquired and existing partnerships strengthened

In March 2020, we helped the United Kingdom's local airline «Eastern Airways» to create a smooth online presence within a few weeks, made possible in particular by long-standing partnerships on the part of Datatrans. We also acquired an attractive new customer with the renowned German air broker Involatus. One of the highlights in the Airlines & Travel team was TUI Deutschland's commitment. The payment solutions developed with TUI are easily integrated into their existing processes and offer travellers even more flexibility, security and convenience in the payment process.

Spontaneous trips or trips planned well in advance?

2021 will also be a challenging year for the travel industry. Whether the focus remains on short-term, local travel or whether there will be increased demand for early booking discounts again will become clear in the next twelve months. One thing is certain: we will support our merchants with great flexibility to ensure smooth payment solutions and processes even at short notice.

Service providers

Start-ups and service providers are breaking new and innovative ground with the increased demand for e-commerce solutions and the digitalisation boost caused by the COVID-19 pandemic.



Marino Schönenberger
Head of Sales

«Solution providers count on Datatrans because their customers' requirements for modern and mobile payment solutions are constantly growing and they trust a partner who responds to these market developments in an innovative manner.»

Service providers that develop new online shops, platforms and apps are an important customer segment for Datatrans. Due to the pandemic, demand for e-commerce solutions has increased further, which has had a very positive effect on the order situation of service providers. Solutions for the food delivery, Internet of Things (IoT) and retail sectors were particularly in demand.

Digitalisation boost provided innovative solutions beyond traditional sales channels

Many service providers were indeed forced to digitalise as a result of the pandemic and were looking for new sales channels to place their products and services at the POS, without direct customer contact. Likewise, there was a great number of start-ups that offered many industries an alternative to traditional sales channels with innovative solutions.

Datatrans connects different providers via a simple interface

Service providers that focused on a large number of customers faced more challenges in 2020 than ever before. Since their customers usually already work with different payment providers, it must be possible to integrate them all on their platforms. As an independent payment gateway, Datatrans offers them a decisive advantage here: by standardising many providers via an interface, the topic of payments is quickly solved. Service providers can focus on their core business and create added value for their customers.

Events

Customers from the event segment, such as ticketing platforms or event software providers, are currently most affected by the COVID-19 pandemic.



Christoph Ryser
Senior Consultant E-Payments

«There are two ways to master the complexity of payment processing for different payment methods: grapple with the topic extensively or outsource it via a uniform payment interface. We are happy to support our customers here.»

Sporting, cultural and entertainment events were banned for almost an entire year, resulting in a complete shutdown of the industry. This was also reflected in the result: the number of processed transactions fell by around 60 per cent in 2020. It is our hope and wish that the situation will soon return to normal, the measures will be relaxed and the industry will benefit again from an upturn in the coming financial years.

Media and ICT

Datatrans customers from the media and ICT sector achieved growth of 40 per cent in 2020. This segment is clearly emerging as one of the winners of the crisis.

Swisscom, Sunrise and Salt: the three largest telecommunications providers in Switzerland have counted on reliable and innovative solutions from Datatrans for years. Good cooperation was further strengthened and expanded in the financial year, which was also reflected in an increase in processed transactions.

Datatrans also acquired the three major Swiss media houses Tamedia, Ringier and NZZ as customers in recent years and supported them in their developments with many years of expertise and solutions such as recurring payments in the area of e-payments.

Mobility

While customers in public transport, parking, electro-mobility and car sharing achieved transaction growth of over 50 per cent in the previous year, the mobility industry suffered losses of around 12 per cent in 2020.

Taking into account the extensive COVID-19 measures which severely restricted the mobility of the population for several months, the decline of 12 per cent is astonishingly low. There are several reasons for this. On the one hand, consumers often had no other option but to pay digitally using their smartphone or via website. On the other hand, purchases at counters, cash registers, vending machines or terminals have been sustainably replaced by easy-to-integrate digital solutions with a seamless payment process.

Datatrans was also able to expand its cooperation with some existing customers: for example, in its expansion abroad or with «pay-per-use» solutions in the parking sector. In addition, new customers from the mobility sector joined the Swiss payment provider in 2020.

Österreichische Lotterien GmbH

Advances in digitalisation and technological progress are significantly increasing the availability of lottery games, offering them in a networked form. Datatrans supports Österreichische Lotterien GmbH with smooth e-payment processes.

«From one day to the next, Datatrans treated us as equal partners. We can only say thank you for your trust and commitment!»

Robert Koós-Wagner
Head of Operations win2day
Österreichische Lotterien GmbH



The lottery sector experienced an upturn in times of lockdown. In the past, avid players would go in person with their lottery ticket to a receiving office of a state lottery company, now they use the option of playing on online platforms. This is a development that also benefited Datatrans.

One of the highlights of the financial year was the acquisition of Österreichische Lotterien GmbH as the largest new customer to date in the history of Datatrans. From the very first contact, Datatrans shared a great mutual understanding with the lottery provider, which was reflected in efficient and uncomplicated cooperation.

«We are still impressed by how quickly and effectively Österreichische Lotterien GmbH has integrated our payment service,» says Datatrans Senior Consultant Christoph Ryser. «Customers with the highest demands on quality, performance and availability greatly motivate us in our daily work.» Datatrans is doing everything in its power to live up to the trust of the new major customer and to support it as a competent partner in the area of e-payments.

Retail

The future is present: agile and hybrid business models as well as consumption and solidarity go hand in hand in retail. The industry was therefore well prepared even in times of the pandemic. However, the scale and duration of the COVID-19 crisis has posed additional challenges for the entire retail sector.



Béatrice Gloor
Head of Relationship
Management & Senior
Consultant E-Payments

«Availability, security and flexibility: these are not only our demands for new business models, but also for cooperation with customers and partners. After all, the challenges of the future can only be solved in partnership. Datatrans has always stood for these values.»

Successful retailers have done their homework in recent years: New technologies such as seamless payments have been put into context with social trends like individualisation, always taking into account customer needs, of course. The result are innovative future store concepts, such as 24/7 or fast delivery, that make payment a triviality for customers.

The COVID-19 crisis as a booster for new business models

In financial year 2020, the cycle from conception and planning to development and introduction was shortened significantly. Anyone who wanted to continue serving their customers in times of crisis had to tap into new business areas practically overnight. The demand for scalability and speed resulting from various lockdown scenarios, for example, acted as an additional booster for hybrid business models.

Industry becomes creative with increased e-commerce consumption

Retailers had to overcome previous limits in the financial year. Shortages of staff, inventories and delivery options were taken as a challenge for new creative solutions, which strengthened the cooperation between competitors and met the growing sustainability needs of consumers. And that's not all: in addition to increased e-commerce consumption, the need for fresh, local services has elevated.

What was considered the «future store» in 2019 is part of everyday consumer life in 2020:

Self-checkout, autonomous stores, healthy food in the office and at home:

- *emil-froehlich.ch*
- *farmy.ch*
- *felfel.ch*
- *snaex.ch*

Delivery services at lightning speed:

- *avecnow.ch*
- *heymigrolino.ch*
- *voicube.ch*



Greater solidarity – NGOs take advantage of the trend

Solidarity and the willingness to support people in the crisis were also boosted by the COVID-19 crisis. Many new web and mobile formats blazed the trail in e-commerce. Both small local merchants (*welqome.qoqa.ch*) and established NGOs (*sos-kinderdorf.ch*) focused on innovative donation campaigns, for example by accepting cryptocurrencies.

Hybrid business models: Short-term trend or the new normal?

On the whole, the financial year was an intense and exciting year for the retail sector. Trends and innovations will follow on from these developments seamlessly in 2021. Whether this is just a phase or a transition to the new normal remains to be seen. One thing is certain: the pandemic has changed consumer payment and consumption behaviour in the long term. The need for hybrid, flexible business models continues and we look forward to promoting their further development with our strong retail partners.

«The challenges of the future can only be solved in partnership.»

Datatrans impresses successful retail customers with empathy, passion and a high degree of customer focus.

MIGROS

«When working with Datatrans, I see that customer focus is not merely an internal buzzword for them, but is also lived as a culture. Together with the high willingness to accept and implement our requirements, I really appreciate this.»

Dario Polla, Head of EFT/POS Payment Transactions, Migros Cooperative

coop

«Collaborating with Datatrans is fun! Datatrans not only works very professionally and competently, but also proactively, (re)acts quickly and responds flexibly to our concerns.»

Christoph Baumgartner, Head of EFT, Coop

QoQa^{ch}

«As a long-standing partner, our relationship with Datatrans is based on strong interpersonal relations, trust and continuous improvement. We particularly appreciate the open dialogue, technical responsiveness and innovation focus.»

Damien Claude, Finance & Accounting, QoQa

PCI Proxy



2020 turned the consumption and shopping behaviour of consumers upside down practically overnight. The Datatrans PCI Proxy Team was able to benefit from this: with over 225 million tokenised datasets, the volume increased by 121 per cent compared to the previous year. At the same time, sales increased by around 35 per cent.



Sascha Huwyler
Head of PCI Proxy

«The PCI Proxy team can look back on a year of strong growth in 2020, which also brought with it some challenges despite a positive result. We would like to address these challenges in 2021 as well. By opening up further customer segments, we will improve our diversification and prevent dependencies in individual sectors.»

The positive development, even in times of crisis, was influenced by the onboarding of new customers as well as above-average growth of existing customers in the food delivery and retail sectors. PCI Proxy, on the other hand, recorded a sales decline of around 60 per cent with customers from the airline and travel sectors.

Also at the forefront of the new European security standard with its own 3-D Secure solution

The new authentication standard 3-D Secure 2 has been having a marked effect since mid-2020. From January 2021, stricter security rules apply to online payments. Accordingly, many companies adjusted their payment processes for PSD2 compliance during the financial year. Datatrans was able to benefit from this development with its own «3-D Secure Authentication Only» solution. The greatest demand for strong security came from travel providers and international merchants.

New token format provides greater visibility and control

Another product highlight in the area of PCI Proxy was the introduction of a new token format which, in addition to increased security, provides access to various token management functions. This means merchants retain full control over their customers' payment information as well as the entire token lifecycle. Moreover, the visualisation of transaction settlements and the «Traffic Inspector» function have been expanded.

More at

www.pci-proxy.com

New Ventures

The Datatrans division «New Ventures» was launched in October 2020. The team focuses on the further development of the Datatrans product range as well as promising new technologies and partnerships.



Suhas Ratanje
Head of New Ventures

«With our customer-oriented thinking, combined with new technologies and concepts, we find the right solution for even complex challenges in online payment transactions.»

Many trends in the payment world have accelerated over the course of the year: the consolidation of acquirers, open banking and payments using digital currencies. The «New Ventures» team identifies the diverse needs of their customers and helps them optimise their payment stack and reduce risks.

New features and new partnerships

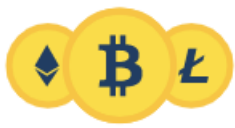
Within the first three months, the PCI Proxy product was already expanded with the «Authentication Only» solution as well as the «Traffic Inspector» function, and the technical documentation for merchants was redesigned. The team also acquired a new partnership for the Datatrans marketplace solution.

Product optimisation and team expansion

In 2021, the team will further optimise the Datatrans product range. A new transaction management tool, an orchestration platform and an update of the previous marketplace solution are planned. In March 2021, a data analyst will be added to the team in order to broaden the functional scope even further.

Cryptocurrencies: Payment trend or the new standard in e-commerce?

Cryptocurrencies have been an integral part of the Datatrans range of payment methods since 2019. In the year of the pandemic and changing consumption habits, it was not only retailers and food delivery chains that discovered the trend for themselves. Charitable organisations, such as the SOS Children's Villages, also demonstrated innovative spirit with cryptocurrency donations and were able to inspire new, younger generations for a good cause.



Datatrans and the Danish financial service provider Coinify offer merchants virtual currencies as a secure, legally compliant and regulated payment solution. As part of a «Virtual Currency Evolution», the first e-commerce transaction with Sygnum Bank's own stablecoin was launched as a pilot in August.

Datatrans payment specialist Béatrice Gloor and Coinify's Head of Payment, Morten Bebe, discuss cryptocurrencies and why there are virtually no hurdles for merchants to use them.

What advantages can merchants hope for when they integrate cryptocurrencies as a payment method in their online shop?

Béatrice Gloor: Merchants do not take any risks when integrating Bitcoin and other cryptocurrencies. Coinify guarantees payouts in the nominal value of the payment amount. What's more, no prior knowledge is required. All payments are initiated in virtual currency and settled in the local currency of the merchant. Coinify handles everything in between.

Morten Bebe: The biggest opportunity we currently see with merchants is that they can tap into a new, attractive customer base with the additional payment method. Globally accessible currencies, which are easy to integrate and perfectly meet business requirements, stand for simplicity and innovative spirit. This attracts many users.



Morten Bebe
Head of Payment
Coinify ApS

«We are very satisfied with the partnership with Datatrans. Thanks to them, we are able to provide our innovative payment solution to even more merchants.»

Sign-up page:
partner.coinify.com/datatrans

Sounds promising. How can I get started as a merchant with virtual currencies?

Béatrice Gloor: If you already have a payment processing contract with Datatrans, all you need to do is register as a merchant with Coinify. This is a simple KYB registration process, as is common for other acquirers. Once this process is completed and approved, there are no more hurdles to overcome and you can now accept cryptocurrencies.

Morten Bebe: A merchant doesn't even have to worry about exchange rate fluctuations. The shopping basket remains in the normal fiat currency, just like its disbursement by Coinify. Simply put: CHF in – CHF out.

How will the payment industry continue to develop in this area?

Béatrice Gloor: Even though 2020 was not everyone's favourite year, it was certainly a good one for cryptocurrencies. Cryptocurrencies have experienced an enormous influx from many institutional investors as well as from major players such as the payment giant PayPal or Visa. Their increased commitment gave a further boost to cryptocurrencies. Today, quite a number of people are proud owners of bitcoins and other virtual currencies. We expect demand to continue to rise.

Morten Bebe: Consumers are increasingly finding it easier to convert their fiat currency into cryptocurrencies, as providers like Coinify offer this service in addition to their payment platform. We are very satisfied with the partnership with Datatrans. Thanks to them, we are able to provide our innovative payment solution to even more merchants.

Béatrice Gloor: The impact of economic development on virtual currencies remains to be seen. One thing is certain: Datatrans is and remains at the front line.

Datatrans Payment Link: Settlement made easy without an online shop

Customers who had to close their shops due to COVID-19 measures or who had not previously set up online sales were able to continue their business despite the crisis. With Datatrans Payment Link, they accepted orders by email, telephone or via their social media channels, sent their buyers a payment link and settled invoices quickly and securely.



Datatrans Payment Link allows buyers to select their preferred payment method from over 40 payment methods, including wallet solutions, cryptocurrencies and direct debit, and pay with just a few clicks. The payment link is generated quickly and can be sent by email, SMS, WhatsApp or QR code.

Since the merchants themselves do not come into contact with credit card data, Datatrans Payment Link is fully compliant with PCI DSS.

Another advantage: the service is included for Datatrans customers.

More on











www.datatrans.ch/en/features/checkout-solutions/payment-link

Datatrans Reconciliation Service: Making accounting easy

The more transactions, the higher the error rate.
Not with Datatrans: the Reconciliation Service compares online orders with the credit notices of the acquirers and shows discrepancies transparently.

Due to the high demand, Datatrans is constantly expanding its service with new functions. From chargebacks and missing payments to discrepancies in disbursements: everything is intuitively prepared in the Datatrans back office tool.

The service now supports over 20 financial partners and payment methods.

	Financial partners	Payment methods
	Airplus	UATP
	American Express International	American Express
	Concardis	Mastercard, Visa, China UnionPay, JCB, Diners Club, Discover, Apple Pay, Google Pay
	Payone	Mastercard, Visa, Apple Pay, Google Pay
	PayPal	PayPal
	paysafecard	paysafecard
	PostFinance	PostFinance Card, PostFinance E-Finance
	SIX Payment Services	Mastercard, Visa, Maestro, China UnionPay, Diners Club, Discover, Apple Pay, Google Pay, TWINT
	Swisscard AECS	American Express
	TWINT	TWINT

More on

www.datatrans.ch/en/features/reconciliation

Network token: Fewer risks, more opportunities

The network tokenisation of the Mastercard and VISA card schemes has become the technical basis for many wallet solutions, such as Apple Pay and Google Pay. The advantage is that card payments can be conveniently made via smartphone – without having to enter card details.



Simon Schweri
Senior Product Manager

«In 2021, we would like to continue to gain valuable experience with selected merchants in connection with network tokenisation and expand the solution further within the Datatrans Payment Engine.»

Even though network tokenisation is highly complex in the background, the process itself is simple: the number of a credit card is replaced by another value, known as a token. This can be equipped with various attributes, including time-limited validity or usability only for a specific purpose.

Alternating token for maximum security

The network token is linked to the respective mobile device and wallet for payments initiated for cardholders. When the same card is saved to another device or wallet, a new network token is generated. Moreover, it is not possible to infer the original card number based on a token, thereby providing the merchant maximum protection from cyber attacks.

Improved approval rate compared to PAN-based transactions

If the physical card needs to be renewed or replaced because the card has expired or has been lost or stolen, the token will update automatically. In the event a card is lost, the issuer can decide together with the cardholder whether the token stored should continue to be valid or not. The advantage for merchants is that the increased security of network tokens is rewarded by issuers with higher approval rates compared to PAN-based transactions.

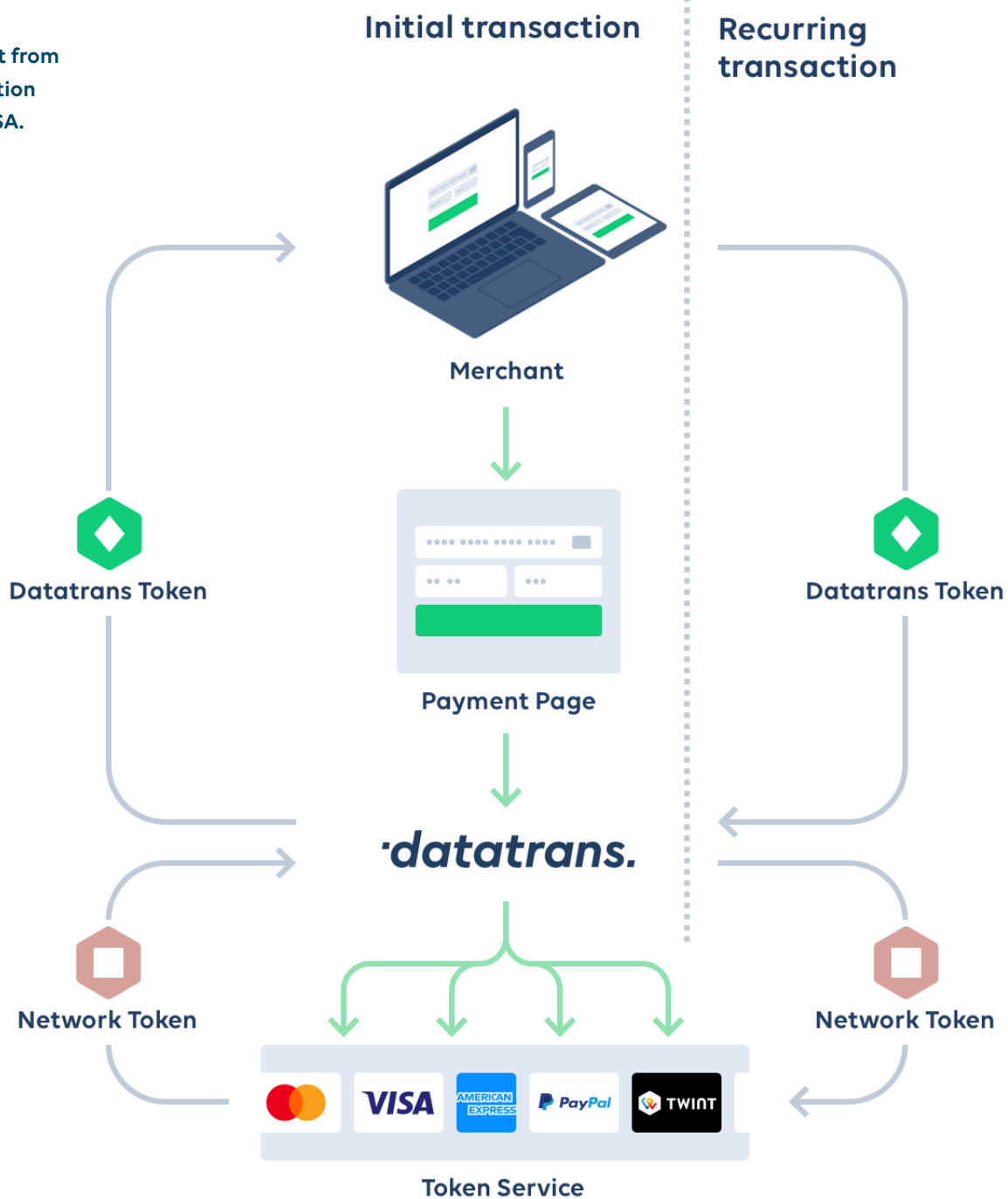
Merchants will benefit from all the advantages in the future – completely automatically

In order to pass on these benefits to e-commerce merchants, Datatrans integrated the network tokenisation of Mastercard and VISA in financial year 2020. For merchants, nothing will change. They will continue to use the Datatrans token. Based on this, the payment provider uses the corresponding network token whenever possible instead of carrying out the PAN-based transaction.

More on

www.datatrans.ch/en/features/tokenisation/#network-tokenisation

From 2021, Datatrans merchants will benefit from the network tokenisation of Mastercard and VISA.



PSD2 and 3-D Secure 2

On 31 December 2020, the transition period for enforcing strong customer authentication (SCA) in accordance with PSD2 came to an end. The regulation is being gradually implemented in the European Economic Area (EEA) from 1 January 2021 and will be mandatory for online card payments in all member states from June 2021.



Authenticating with two factors increases security for customers, but paying becomes a little less convenient. The good news is, thanks to legally regulated exceptions, online merchants can make frictionless payments without SCA and thereby reduce the risk of abandoned purchases.

Datatrans enables merchants to improve their conversion easily and in compliance with PSD2.

Here, Datatrans offers three solutions that meet the EMVCo authentication standard 3-D Secure 2:

1. Automatic identification of merchant-initiated transactions – e.g. for the collection of subscription fees or varying electricity bills.
2. Automatic requests for acquirer exceptions from issuers – for transactions with low risk of fraud or low value.
3. Dynamic application of 3-D Secure 2 – for smooth payment processes with cards from issuers outside the European Economic Area as well as for automatic responses to «soft declines» (authorisation rejection which may be successful by executing the payment again with 3-D Secure 2).

Successful start to PSD2 SCA for Datatrans customers

Datatrans has already activated the latest version of the new authentication standard for existing merchants. This means that customers already use protocol version 2.2 for Mastercard and Visa transactions, for example, and benefit from a smooth payment process and better fraud prevention.

«PSD2's entry into force was largely trouble-free in the first few weeks. We are following developments very closely and dealing with any system-related problems for our merchants,» explains Senior Product Manager Simon Schweri.



Transactions on the rise, issuers still cautious

Transactions that could be completed without SCA thanks to issuer exceptions increased in the financial year – even if some issuers are still reticent. Datatrans expects the number of frictionless transaction processes to increase sharply in the future, at least no later than when the card issuers improve their risk analysis processes as a result of the improved data situation thanks to 3-D Secure 2.

A smooth transition to PSD2 despite challenges

Other challenges include soft declines by issuers within and outside the European Economic Area, which do not comply with PSD2 requirements. Datatrans experts are constantly working on optimising payment processes in order to bring even these transactions to a successful conclusion. «Overall, we are very satisfied. We were able to ensure that the transition to PSD2 went as smoothly as possible for our customers and that their payment processes were not negatively affected,» summarises Simon Schweri.

More on

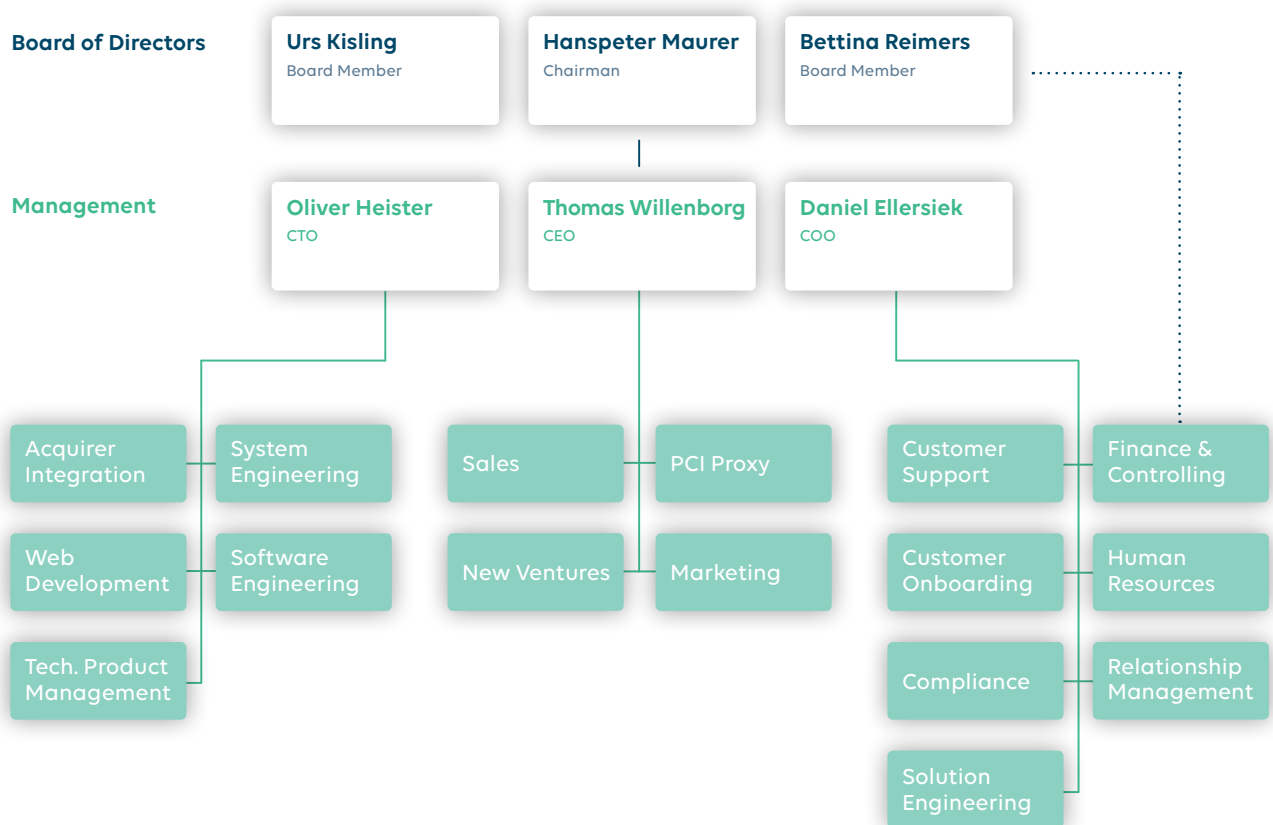
www.datatrans.ch/en/features/3-d-secure-and-psd2

Organisational development: Business handover after 20 successful years

The Datatrans Management withdrew from operations after almost 20 years and made room for a new generation.

As of 1 October 2020, 36-year-old Thomas Willenborg became new CEO and took over the Datatrans Management together with Daniel Ellersiek (COO) and Oliver Heister (CTO). All three are long-standing employees of the company and have helped shape the success of recent years.

Organisational development



Overview of the most important changes

- Professional establishment of the New Ventures division.
- More personnel in the PCI Proxy division.
- Relationship Management shifted to Operations to consolidate Key Account Management and Customer Support.
- Expansion of the organisation through a new, dedicated HR management.
- Expansion of communication through new content management.
- Introduction of the «Anywhere Office» model.

«Anywhere – Any Day»

While many companies have struggled to set up home office arrangements, Datatrans has perceived the crisis as an opportunity. Instead of waiting for better times, the company acted quickly, discarded obsolete structures and placed trust in employees with the «Anywhere Office» model – to great success!



Cornelia Koeninger
HR Manager

«Datatrans perceived the crisis as an opportunity and introduced a new working model within a few weeks.»

The lockdown at the beginning of March 2020 also came unexpectedly for Datatrans. Nevertheless, the payment experts did not hesitate for long and withdrew to their remote workplaces well equipped. The situation was not unfamiliar for the digital experts. A number of employees had been working regularly from home for some time. Datatrans successfully mastered the transition thanks to the excellent use of its System Engineering team.

The «Anywhere Office» policy will continue even after the pandemic

All processes were digitised in a very short period of time, meaning the daily operations of the company were very quickly no longer dependent on a static office. «We decided early on to set up the «Anywhere Office» policy», explains HR Manager Cornelia Koeninger. «With the new working model, which will remain in use even after the pandemic, all employees have the opportunity to choose where they wish to work to perform their tasks most efficiently – whether in the office, at home or somewhere else – depending on the situation.»

Newfound flexibility creates space for professional exchange

Since Datatrans has always invested in team spirit and workforce cohesion, the transition went smoothly. Not only the teams, but also the company as a whole quickly benefited from the new flexibility. At the same time, Datatrans is responding to the desire of all employees to exchange professional as well as informal information on digital and analogue platforms and thus be more connected than ever as a company with strong shared values.

Marketing

Datatrans developed a new communication concept in the financial year to strengthen its brand presence and optimise customer contact. The goal: to support the corporate strategy of the next few years in the best possible way on various channels.



Scan with your smartphone and subscribe to the digital NEWS.

The focus of communication included the development of new processes, uniform corporate wording and a revised approach to target group contact for developers and business decision-makers. Moreover, new topics and functions have been added to the Datatrans website. In summer 2020, the company launched digital onboarding for new customers, making it even easier for them to get started with payments.

Latest payment expertise in a nutshell

By successfully implementing a new social media strategy and through the targeted placement of customer-relevant information, Datatrans was able to expand its LinkedIn community by around 85 per cent and achieve higher interaction rates. The consistent implementation of a new content marketing strategy was equally well received. The claim «Latest payment expertise in a nutshell» won over readers and acquired around 20 per cent more newsletter subscribers to the company.

Technical documentation for developers makes it easier to get started with payments

To make the Payment Gateway even more accessible to customers, Datatrans revised its technical documentation for developers. In autumn 2020, the documentation was given a new look and optimised in terms of content and structure. Merchants and developers can now better understand how easy it is to integrate the gateway and payment processes with Datatrans.

Over 5,000 customers

Thanks to close and trusting cooperation with existing customers and key merchants, Datatrans was able to expand its market leadership position in the financial year. In addition, well-known new customers were acquired from Switzerland and abroad.

Selected new customers



In the 2020 financial year, the Datatrans services were supplemented by the following new payment methods and partners, among others:

New payment methods/partners



All payment methods and financial service providers are available at:
<https://www.datatrans.ch/en/features/payment-methods>

Datatrans publishes the 12th (E-)Commerce Report Switzerland



Prof Ralf Wölflé
Head of Competence Focus
E-Business at FHNW

**«In e-commerce,
the competition takes
place at many levels.
The potential for innovation
continues to be great.
This can be seen with
seamless payment
solutions, for example,
where Swiss providers
are at the forefront.»**

The comprehensive report,
including the focus topic,
is available to download
free of charge:
[www.e-commerce-report.ch/
orders](http://www.e-commerce-report.ch/orders)



For the twelfth time, Datatrans commissioned the (E-)Commerce Report Switzerland from the University of Applied Sciences Northwestern Switzerland FHNW. The report is a wide-ranging series of studies that documents annual market developments from the perspective of the leading Swiss online providers. The aim is to highlight new trends in e-commerce and to create an information basis for current innovations relating to payments.

Prof Wölflé and Prof Dr Leimstoll from FHNW also prepared a comprehensive and differentiated study in 2020. The current report focused on how Swiss providers can assert themselves in the networked world of services.

Find out more at: www.e-commerce-report.ch

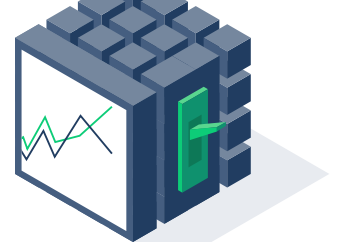
Further sponsorship commitments:



digital-commerce-award.ch

Advanced Payment Solutions





Finance

8 billion trading volume

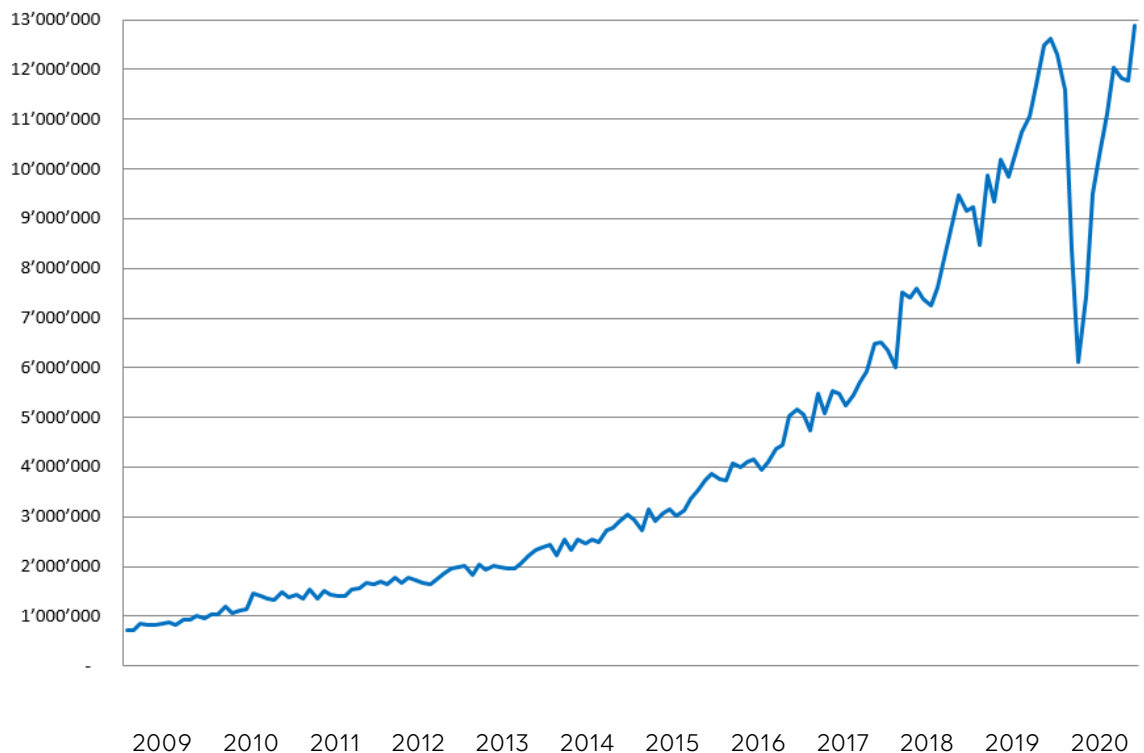
- 125 million transactions with a trading volume of over CHF 8 billion 39
- Datatrans PCI Proxy achieved conversion growth of 121 per cent 40
- Payment methods and currencies 41

125 million transactions with a trading volume of over CHF 8 billion

Despite the pandemic, the volume of all e-commerce transactions processed was maintained.

In the financial year 2020, Datatrans processed over 125 million e-commerce transactions worldwide via virtual terminals. The Swiss market leader thus achieved roughly the same volume as in the previous year 2019, in spite of the pandemic.

Monthly transaction development 2009 – 2020



In 2020, the Datatrans payment platform processed an e-commerce trading volume of more than CHF 8 billion. Of this amount, around 6.3 billion were processed in Swiss francs, 1.4 billion in euros and 0.5 billion in other currencies (mainly US dollars and British pounds).

Due to the 29 per cent drop in revenue per transaction (especially abroad), trading volume fell by almost a third despite consistent transactions.

The availability of the Datatrans systems was again 99.99 per cent in 2020.

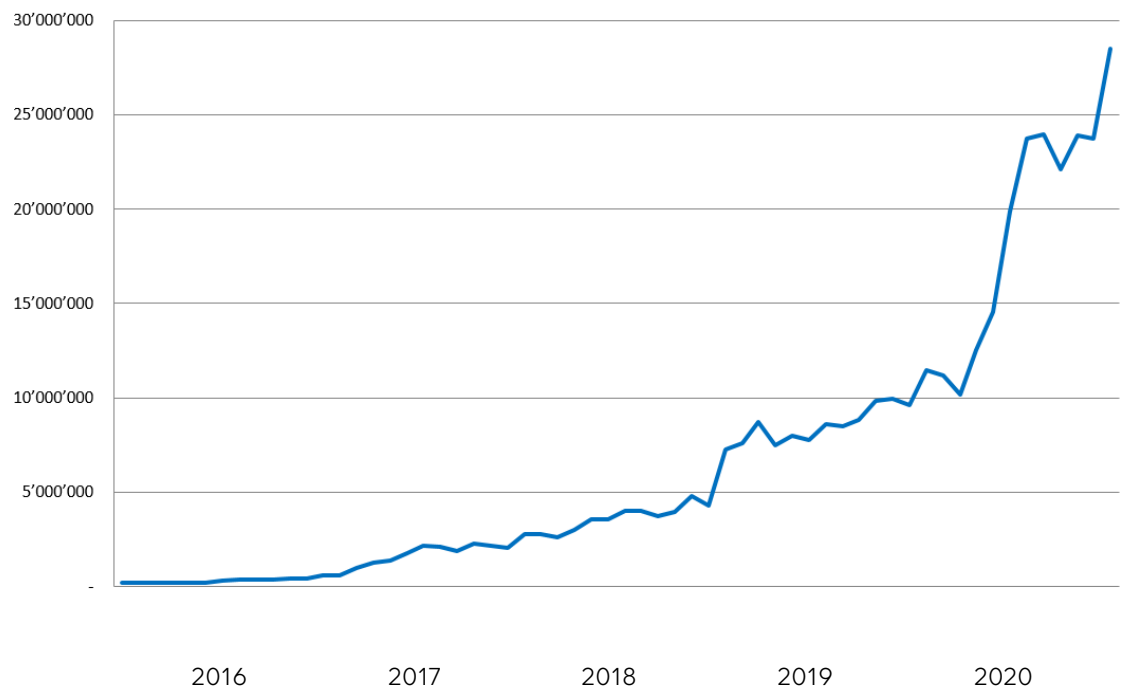
Datatrans PCI Proxy achieved conversion growth of 121 per cent

With 226 million conversions, the PCI Proxy division continued to develop strongly in 2020.



Growth was 121 per cent compared to the previous year. The positive result was achieved thanks to major new customers and the pleasing business developments of existing customers. As a result of the positive development, the range of services in the PCI Proxy Team will be expanded in 2021 and adapted to new industries and business models.

Monthly PCI Proxy conversion development 2016 – 2020

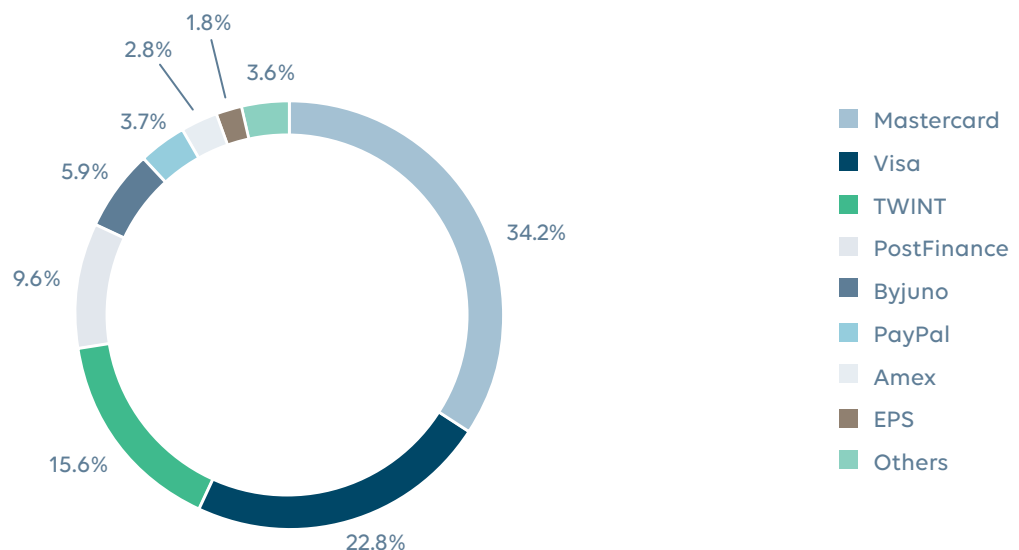


Payment methods and currencies

With a total transaction share of 57 per cent, Mastercard with 34.2 per cent and Visa with 22.8 per cent are still the most popular payment methods in Switzerland.

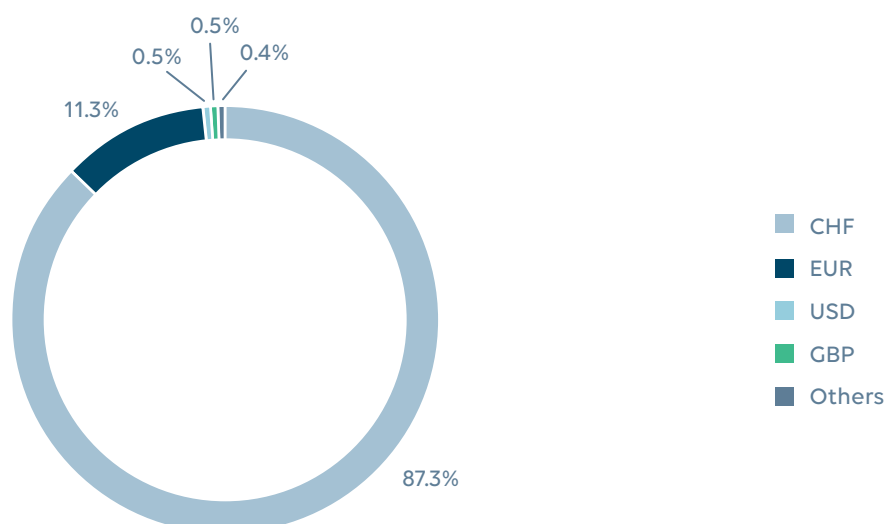
TWINT is also important in Switzerland with 15.6 per cent (growth of 144.4 per cent compared to the previous year), as are PostFinance with 9.6 per cent, Byjuno with 5.9 per cent, PayPal with 3.7 per cent, American Express with 2.8 per cent and EPS with 1.8 per cent transaction share. 96.4 per cent of all transactions were processed using these eight payment methods in 2020.

Payment methods (share of transactions in 2020)



Currencies (share of transactions in 2020)

87.3 per cent of transactions were made in CHF, a further 11.3 per cent in EUR and around 1.4 per cent in other currencies.





Outlook

Outlook

«Datatrans is always open to our concerns and is ready to find the best possible solution together. Above all, we value the efficiency and speed of their service. We have found a partner in Datatrans who best meets our requirements for internationality and security of payment processing.»

Stefano Celada
Financial Manager
MSC Cruises SA



Providing an accurate outlook for 2021 is not easy during this time. Nevertheless, we would like to share some forecasts with you based on facts and experience.

Although the pandemic will continue for some time to come, optimism is returning with regard to the vaccinations that have started. Together with well thought-out protection concepts, this can help the halted industries get back on track. Demand for digital goods and services remains unbroken. The pandemic has proven to be a strong driver for digitalisation. Merchants that can adapt flexibly to new circumstances have the opportunity to achieve good growth in 2021.

Withstanding the crisis with flexibility

Datatrans has always distinguished itself from competitors with a high degree of flexibility. This is an advantage that will give us a head start, especially in the future. 2020 has clearly shown that the possibilities in online payments have not yet been exhausted. Quite the contrary, it is impressive to see how resiliently our business model defies this crisis.

Personalised services get the most out of business

We were already able to show rapid growth before the pandemic. We used 2020 as an opportunity to adapt our teams and internal structures to constantly changing circumstances. With our investments and initiatives in the area of new ventures and business intelligence, we want to expand our services even further. The goal is to offer our merchants personalised payment services that automatically adapt to their needs to get the best out of their business today, tomorrow and in the future.

Freedom as a competitive advantage

Merchants have a strong partner in Datatrans, while retaining their complete freedom. They can switch to the most profitable payment methods and financial partners at any time, systematically optimising their payment processes and fully exploiting their sales potential. Freedom is precious, especially in times of restraint and restriction, and makes it easier for our merchants to optimally adapt to changes.

PCI Proxy continues to grow and take new industries by storm

We also expect strong growth for our «Data Security-as-a-Service» solution, PCI Proxy, in the coming year. In addition to expanding our product, we want to tap into new economic sectors that have already proven to be extremely attractive in recent months. To this end, we have expanded the PCI Proxy Teams in recent months and look forward to further staff additions in the coming year.

Developments call for optimism

With well-established teams and 54 employees, we are now in a stable position and confidently look forward to what may come. One thing is certain: as in the past 20 years, we will adapt flexibly to the circumstances around us and be a reliable partner for our merchants, supporting them with the right solutions at the right time. They can count on this even in uncertain times.



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