

Press release

neon continues to challenge the Swiss banking market: no more card fees and FX surcharges abroad

neon is accelerating its expansion in the Swiss market by renouncing all fees and FX surcharges for card payments abroad. With this, neon asserts its position as most affordable Swiss account solution. neon demonstrates that it understands its customers: according to our December 2019 survey, more and more users reject unjustified fees for card usage abroad, and they show it by leaving traditional providers.

Zurich, 20. Januar 2020. Zurich-based fintech start-up neon will no longer charge any fees or FX surcharges for payments with the neon card abroad starting 20 January 2020. Regardless of location and currency, payments abroad will as of now be converted using the Mastercard reference exchange rate.¹ Customers can shop globally and online without any fees or currency surcharges. For withdrawals abroad, the fee will be reduced to 1.5% of the amount. Domestic withdrawals remain free twice a month, as do withdrawals with neon partner Sonect. With this, neon asserts its position as Switzerland's most affordable account and card provider for national and, as of today, also international usage, being equal to or even better than foreign providers such as Revolut or N26.

neon users benefit massively: they no longer need to combine several providers and shuffle money back and forth in order to optimize their card costs. Julius Kirscheneder, neon CMO, says: "Our users tell us in person but also through their behavior that they're no longer ready to pay base fees or charges abroad. As a company that listens to its customers, we cannot and will not ignore this trend. We by the way also don't give in to the impulse of lessening other services instead – all other prices remain the same, user data will continue to be stored in Switzerland and the Swiss Deposit Insurance scheme will continue to protect our customers' assets, thanks to the ongoing cooperation with Hypothekarbank Lenzburg."

New neon model with clear goal: "No. 1 for mobile accounts in Switzerland"

FX surcharges, usage fees abroad, admin charges and other commissions may have once been justifiable, but with automation banks incur very little costs for these services nowadays. Accordingly, such charges often serve to covertly maximize profit. Thanks to its lean cost structure, neon does not have to rely on such practices, also because stronger growth and usage rates will compensate for the missing fee revenues. Jörg Sandrock, neon CEO, states: "Last year, we dropped all international fees as a summer vacation goodie for six weeks. Usage immediately increased strongly. We expect that effect again now.»

neon demonstrates its ambition in the Swiss market with this price move. The logic is clear for Jörg Sandrock: "We want to become the no. 1 for Swiss mobile account users. As elsewhere, we believe that in Switzerland the provider with the best conditions will prevail. The growth of foreign providers in Switzerland has shown that only radically better solutions

¹ Mastercard reference rate: banks usually exchange foreign currencies for Mastercard transactions at this rate (www.mastercard.us/en-us/consumers/get-support/convert-currency.html).

attract customers' interest. Now, in terms of account and card fees in Switzerland, there's no way around neon any longer."

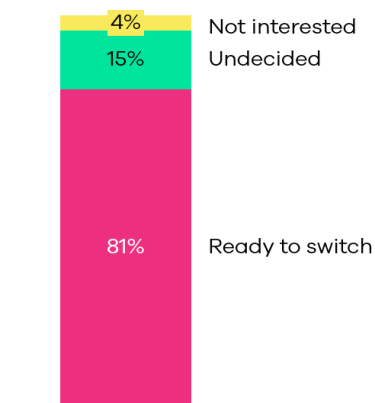
For further details please consult our website www.neon-free.ch or contact co-founder Julius Kirscheneder: +41 (0) 76 200 00 15, julius.kirscheneder@neon-free.ch.

Appendix 1: chart from neon customer survey 2019

Customer survey

No surcharges abroad

Readiness to switch to new card without fees abroad or FX surcharges



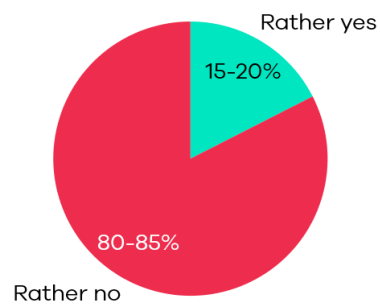
Responses: 833

Appendix 1: chart from neon customer survey 2019

Customer survey

Base fee for better pricing abroad

Readiness to pay a base fee of 5-10 CHF/month for better pricing abroad



Responses: 932, range depending on base fee level