Press Release

Infineon's SECORA™ Connect can make anything a wallet; new technologies will make contactless payment easier in the future

Munich, Germany – 27 February, 2023 – Making payments at the beach or while playing sports will become increasingly convenient in the future, as more and more everyday objects such as watches, rings, key fobs and even items of clothing gain the ability to conduct payment transactions. As the market leader for security semiconductors, Infineon Technologies AG (FSE: IFX / OTCQX: IFNNY) is now driving this development forward with its SECORA™ Connect portfolio. New, robust chips whose smallest versions are less than half the size of ladybugs open up unprecedented possibilities for manufacturers to turn even small everyday objects into contactless means of payment.

Now, at Mobile World Congress 2023, Infineon is presenting an innovative payment solution from Pagopace. The Cologne-based startup is showcasing a collection of rings that can serve as contactless means of payment – entirely without a battery supply. The rings are made of wood and ceramic, among other materials, and are virtually indistinguishable from common jewelry. Infineon's SECORA Connect S solution will make these rings even more user-friendly in the future, for example in terms of contactless payment performance as well as compatibility with enablement services from several tokenization providers.

In addition, Infineon is presenting SECORA Connect X, a solution that will enable particularly space-saving future designs for battery-powered devices. The SECORA Connect X devices are connected to a single tiny antenna that has a small footprint, increasing design flexibility while reducing the size of the device. This leaves more space for other components. Infineon is supporting several smart ring manufacturers with this special design to integrate payment and wireless charging functions into ultra-small devices.

"More and more everyday objects are becoming means of payment. Our solutions lay the foundation for this. We make digital payment easier, more convenient and

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more secured," says Thomas Rosteck, Division President Connected Secure Systems at Infineon. "Infineon's SECORA Connect product line is expanding the possibilities for integrating payment solutions into everyday objects of almost any size. There are virtually no limits to the imagination when it comes to where and in what materials our payment chips can be used."

SECORA Connect X can also be used for security solutions such as two-factor authentication via FIDO. SECORA Connect S miniaturizes the payment and security function to just 2 millimeters by 2 millimeters, and 0.6 millimeters thick based on field-powered NFC enabling payments without need for battery in the device.

SECORA Connect not only supports NFC payments, such as Pagopace's rings, in the future it will also facilitate digital commerce in numerous other connected devices, making it significantly more secured. For example, connected cars with secured and biometrically supported payment methods will be among the key applications of the future. In the future for example it will be possible to pay charging and refueling fees, tolls and car washes – all directly using the vehicle.

At the same time, new developments in contactless payment with chip cards are emerging: New chip solutions allow cards to be made from metal, recycled plastic, wood and even biodegradable products. Customers are also increasingly being given the option of using their fingerprint to identify themselves on the card.

In principle, more and more means of payment can be used on a contactless basis. The global share of what are called dual-interface solutions was an estimated 72 percent in 2021 and will increase to 91 percent within the next three years (source: *ABI Research: ABI Payment and Banking Cards Secure IC Technologies, Feb 2023).

Not only hygienic reasons speak in favor of contactless payment: The technology also means speed advantages, as the Deutsche Bundesbank determined in a recent study. According to this study, contactless payment by card without authentication is one of the fastest ways to settle a bill. Barclaycard puts the speed advantage of contactless payment compared to payment by chip and PIN at seven seconds. The advantage over cash payment is as much as 15 seconds.

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Infineon is the market leader in the field of security semiconductors. Approximately more than 1.6 billion card-based payment solutions out of 3.5 billion delivered to the market worldwide in 2021 use Infineon's technology. With a 47 percent market share, according to ABI Research, Infineon's chips not only enable payment by card and wearables, but also simplify billing for EV charging and make IoT and smart home applications secured.

Infineon will showcase its SECORA portfolio at Mobile World Congress in Barcelona, which will take place from 27 February to 2 March, 2023. You'll find Infineon at the exhibition center in Hall 5.

About Infineon

Infineon Technologies AG is a global semiconductor leader in power systems and IoT. Infineon drives decarbonization and digitalization with its products and solutions. The company has around 56,200 employees worldwide and generated revenue of about €14.2 billion in the 2022 fiscal year (ending 30 September). Infineon is listed on the Frankfurt Stock Exchange (ticker symbol: IFX) and in the USA on the OTCQX International over-the-counter market (ticker symbol: IFNNY).

Further information is available at www.infineon.com
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